JUL 1 4 2017

ACQUISITION,
TECHNOLOGY,
AND LOGISTICS

MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS
COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION
COMMAND (ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(ACQUISITION AND PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING)
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACITIVITES

SUBJECT: Department of Defense Handbook for the Training and Development of the Services
Acquisition Workforce

Section 803 of the National Defense Authorization Act for Fiscal Year 2017, Public Law
114-328, requires the Secretary of Defense to issue guidance to address the training and
development of the Department of Defense (DoD) workforce engaged in the procurement of
services, including personnel not designated as members of the defense acquisition workforce.
Accordingly, I am pleased to announce the issuance of the DoD Handbook for the Training and
Development of the Services Acquisition Workforce.

The Department relies heavily on the acquisition of services to support the defense
mission. In Fiscal Year 2016, fifty-three percent, or $148.7 billion of the Department's total
contract spend was attributed to the acquisition of services. A wide range of experience and
skills are necessary to successfully plan, develop, acquire, and execute a requirement for services
through its lifecycle. This involves non-acquisition personnel as well as workforce members
assigned to a defense acquisition career field.

The Handbook provides guidance and recommendations the total workforce may follow
to improve proficiency in procuring services. The Handbook may be viewed at:
http://www.acq.osd.mil/dpap/sa/Training-and-SA-FIPT/safipt.html. Any suggestions for
improvements to this document may be submitted to Mr. Scott Sweeney at
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Claire M. Grady
Director, Defense Procurement
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DoD Handbook for the

Training and

Development of the

Services Acquisition

Workforce

July 2017

FOREWORD

The Department of Defense (DoD) relies heavily on Services Acquisition (SA) to carry out aspects of the Department's mission. In Fiscal Year (FY) 2016, 50.3% of the Department's contract spend, or $148.7 billion, was spent on acquiring services. DoD SAs can range from aircraft maintenance to staff augmentation and many things in between. Buying services is significantly different than buying weapon systems. For example, the time, discipline, and sophistication needed for developing a requirement for mission-focused support services would be considerably less than that needed for developing a requirement for a major weapons system, but a failure in services performance could have a more immediate impact. In addition, contract actions for services tend to occur with much greater frequency.

A wide range of people and diverse skills are necessary to plan, develop, and execute an acquisition of services through its life cycle. The Defense Acquisition Workforce Improvement Act (DAWIA) establishes requirements for the effective management of the Acquisition Workforce (AWF) through standardized education, experience, and training. From a policy point of view, SA is a functional area and not a career field/path in accordance with 10 U.S.C. § 1721, Designation of Acquisition Positions.

Moreover, DoD relies on personnel outside of DAWIA career fields to help ensure successful, efficient SAs. While these personnel do not occupy AWF personnel billets (herein referred to as non-AWF), they have SA-related responsibilities, particularly as they relate to requirements development (including the identification, assessment, and mitigation of appropriate risks), contractor oversight, and financial management. Previous Congressional, DoD, and Government Accountability Office (GAO) reviews have identified the need to have DoD recommendations in training and experience especially for members of the non-AWF involved in SA management.

Military Departments and other DoD components may issue additional guidance and implementing instructions to meet the unique training and development needs of their agencies.

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1.0 Introduction

This Handbook establishes recommendations for the non-Acquisition Workforce (non-AWF) as well as a development path to SA proficiency for the AWF in any of the established DAWIA career fields.

The DoD guidelines improve the tradecraft of SA by:

1. Developing, on a long-term basis, a highly qualified diverse workforce capable of performing current and future DoD SA functions.
2. Meeting DoD needs for SA personnel and providing capable replacements for critical SA positions on a planned and systematic basis.
3. Increasing the proficiency of DoD personnel in their present positions and providing guidance and opportunities for broadening experiences and responsibilities commensurate with their abilities.
4. Leveraging current DoD training and educational resources to the maximum extent possible, while at the same time adopting commercial best practices in training and education related to contract services management.
5. Changing the emphasis from specific best practices to an increased emphasis on helping the SA workforce think critically and make better decisions as they confront the myriad of complex situations encountered in defense acquisition.

As additional resources and training infrastructure become available to support the DoD guidelines in the coming years, additional information about training and experience documentation will be provided.

2.0 Services Acquisition Management

The workforce in SA management has the following definitions:

- Functional Services Manager (FSM): The lead for developing, coordinating, and resourcing the requirement and overseeing it throughout the acquisition process.
  - o Supplemental Note: FSMs may be certified in an appropriate SA-related, AWF career field (e.g., Program Management, Life Cycle Logistics, Information Technology). Alternatively, FSMs may be non-AWF managers, who in the absence of a certified, SA-related, AWF manager, have the domain expertise for a given service requirement (e.g., a transportation unit commander, installation commander, medical treatment facility commander) in order to exercise SA management responsibilities.
- Multifunctional Team (MFT; herein referred to as "team"): The team that supports the FSM in the acquisition and management of an SA requirement.
  - o Supplemental Note: The team may consist of both AWF and non-AWF personnel. Although not inclusive, the following individuals should be team members: Contracting Officer, Customer/Requirements Owner, Contracting Officer's Representative (COR), Finance/Budget Officer, Procurement Analyst, Small Business Specialist, Legal Advisor, and other stakeholders.

The decision authority or designee, as outlined in DoD Instruction (DoDI) 5000.74, Table 1, will ensure that qualified FSMs as outlined in this Handbook oversee planning and execution of individual service requirements.

The requiring activity shall provide an FSM and appropriate numbers of trained and qualified CORs capable of determining whether or not service contract requirements are being performed in accordance with the contract. In some requiring activities, the FSM may be the direct supervisor of the COR; in other cases, the FSM and the COR may be the same person.

3.0 The Services Acquisition Team and Process

The SA process includes the full spectrum of a procurement to include pre-award (e.g., developing the requirement, soliciting offers, source selection) and post-award (e.g., contract administration, dispositioning equipment, final payment, close-out) activities. Brought together and led by the FSM, the team will understand the requirement, understand how the requirement relates to the mission, and be able to develop an executable strategy in support of the mission commensurate with assessed risk parameters.

Consideration should also be given to follow-on requirements (e.g., transitioning existing requirements to future ones, as appropriate). With complex and high-dollar-value contract services, elements of the team should remain functioning even after the award of the contract, helping to manage the performance of the contractor until completion.

The requiring activity is the organization charged with meeting a mission and delivering requirements. It has personnel who are responsible for developing command resource requirements, identifying sources of funding, estimating costs, acquiring funds, distributing and controlling funds, and tracking costs and obligations. A COR routinely interfaces among the FSM, the requiring activity (which is most likely the COR's organization), the contractor, and the Contracting Officer.

The DoD COR standard[1] stipulates the minimum competencies, experience, and training according to the nature and complexity of the requirement and contract performance risk. That standard provides structure and rigor to COR responsibilities and performance. The COR participates, as appropriate, in pre-award activities such as requirements definition, acquisition planning, and contract formation.

4.0 Qualification Pyramid

The Qualification Pyramid in Figure 1 provides a framework for those team members and FSMs who will work on SAs multiple times in their career and assume a greater amount of responsibility. It outlines a track for functional-area advancement specific to team members and FSMs from the point of entry through more senior leadership positions. More training and experience should be acquired as members progress from one level to the next.

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[1] DoDI 5000.72, "DoD Standard for Contracting Officers Representative (COR) Certification," March 26, 2015.

Figure 1. Qualification Pyramid
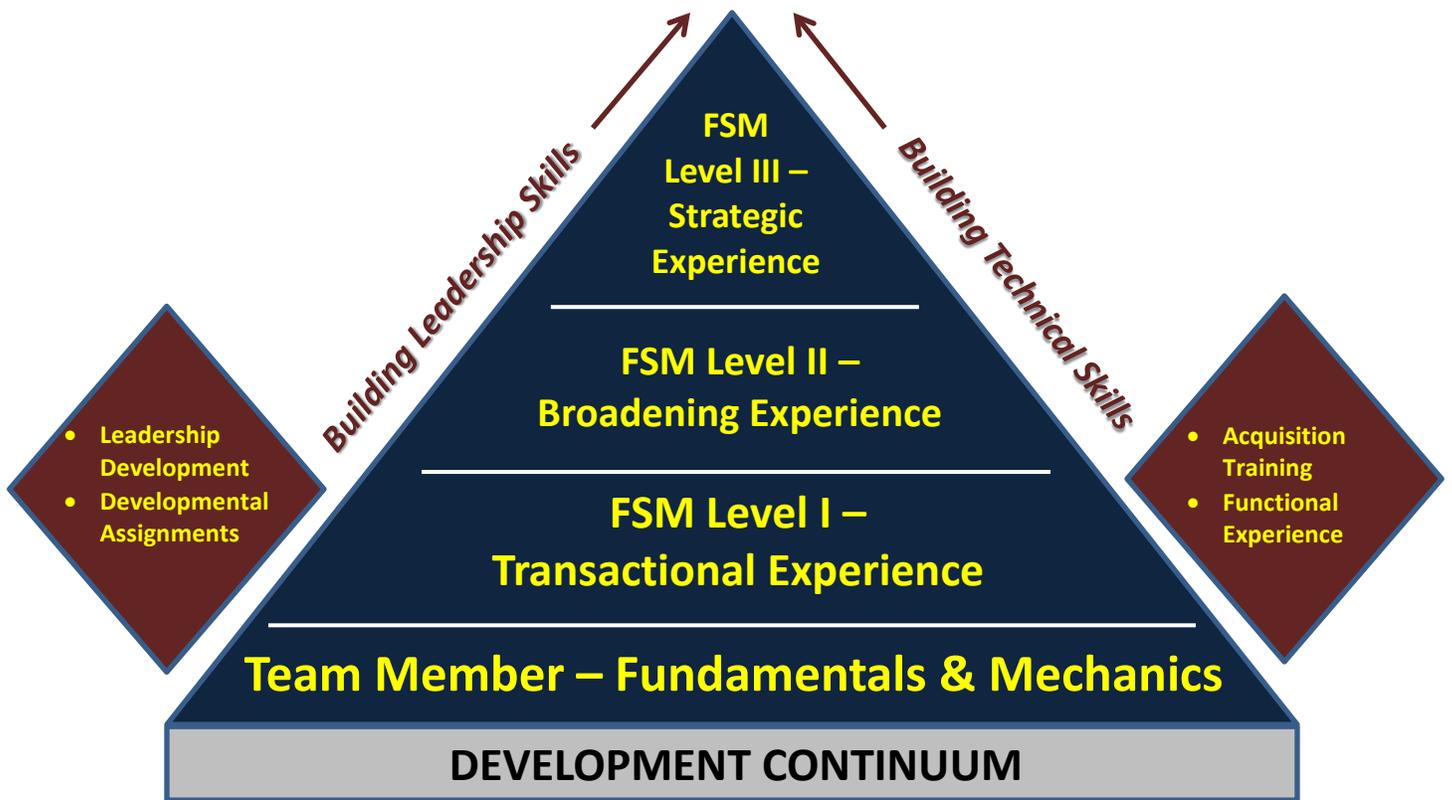
Effective DoD SA requires that FSMs and other team members maintain proficiency in areas related to the following topics and elements:

- SA Processes and Phases – Planning Steps, Performance Work Statement (PWS) Development, Quality Assurance Surveillance Plan (QASP) Development, and Source Selection Processes;
- SA Portfolio Management – Market Research and Industry Outreach, Category Management/Strategic Sourcing, Data Collection, and Metrics;
- SA Policies and Governance – Role of SA, DoDI 5000.74 Application, SA Procedures, Military Department and 4th Estate Agency Instructions, and Key Management Roles;
- Contract Management – Federal Acquisition Regulation (FAR)/Defense FAR Supplement (DFARS), Contract Planning, and Contract Execution;
- Financial Fundamentals – Budgeting and Contract Types, Cost Estimation, and Financial Manager's Role;
- Performance Management – Roles and Responsibilities, Surveillance Procedures, Inspection and Acceptance; and
- SA Management – Team Management, Traditional Techniques and Tools, Agile Techniques and Tools, Risk Management, and Business Process Analysis.

Ultimately, the tools, training, and processes applied are only as successful as team members' willingness and ability to apply critical thinking across the entire SA lifecycle—namely, the ability to challenge assumptions and question longstanding processes as appropriate.

Topics and elements are crosswalked into courses in the curriculum under consideration. (See Attachment 1, Curriculum Crosswalk.) A gap analysis determines what the workforce knows and what they need to know. Existing courses and training content may be used in the SA curriculum. Significant competency gaps have led to new course development in SA Management, with courses expected to be available in FY 2018. The assessment of gaps and training objectives will continue and may produce additional training material well into the future.

5.0 Commercial Business Models and Contracting

The Department has evaluated a number of commercial business models and contracting competencies that will be needed to enhance competitiveness, reduce costs, and rapidly adjust to changing requirements and technologies. In August 2015, DoD commissioned the Institute for Defense Analyses (IDA) to conduct a study, which was documented in the report "Commercial Best Practices in Contracting for Knowledge-Based and Equipment-Related Services." While the report's scope is limited to two portfolios, many of the best practices from commercial business models and contracting can be applied to all.

As new training and development opportunities are identified, there will be additional focus on commercial business models and contracting. For example, the new online training and classroom courses under development for FY 2018 will incorporate content on more flexible interaction with key vendors and on leveraging commercial economies of scale, data analytics, and vendor management.

FSM Level III courses will explore management opportunities to be adaptive and incorporate agile (customer-focused) management techniques in SAs in order to:

- Allow for more flexibility in requirements development and acquisition strategy;
- Encourage continuous incremental improvement;
- Provide the opportunity to encounter and address errors sooner in the SA management process;
- Increase organizational and team efficiency;
- Decrease unnecessary documentation and meetings; and
- Provide a value-based (versus cost-based) approach to SA management.

6.0 Services Acquisition Functional Area Recommendation

The DoD recommendation for the SA functional area is defined by matching training and experience to the general complexity and risk of requirements at three different levels.

Attachment 2 shows the DoD Recommendation for SA Functional Area by Level and minimum training and experience recommended for all team members and FSMs.

Decision Authorities will have discretion as to when training and experience documentation is required. It is highly encouraged that the recommended training be completed after forming the team (Step 1 in

the Seven-Step SA process) and before reviewing current strategy (Step 2 in the Seven-Step SA process) to the maximum extent possible.

Determining whether a recommendation is met is the responsibility of each military service and DoD agency to administer. Each service (Army, Navy/Marine Corps, and Air Force) as well as the other DoD Agencies (4th Estate) will have web based systems to facilitate whether individuals meets the recommendations. To learn more, visit your agency's site: Army Navy/Marine Corps Air Force 4th Estate

6.1 Team Member

In order to meet the DoD recommendation to be a SA Team Member, individuals should take the following training:

- CLC 011, Contracting for the Rest of Us (online, 2 hours);
- CLC 013, Services Acquisition (online, 3 hours);
- CLE 028, Market Research for Engineers and Technical Personnel (online, 2 hours);
- CLC 108[2], Strategic Sourcing Overview (online, 5 hours); and
- CLM 003, Overview of Acquisition Ethics (online, 2 hours).

No experience in financial, schedule, or performance responsibilities is needed to meet the DoD recommendation as a Team Member.

6.2 Functional Services Manager Level I

The FSM Level I is the management level for SAs that are the least complicated in terms of acquisition strategy risk and contract type and that generally have a total value greater than the Simplified Acquisition Threshold (SAT), but less than $100 million (Services Categories IV and V).

In order to meet the DoD recommendation to be an FSM Level I, individuals should complete all of the Team Member training listed in section 6.1, and the following additional training:

- CLC 106[3], Contracting Officer's Representative with a Mission Focus (online, 8 hours);
- ACQ 165, Defense Acquisition of Services (online, 8 hours);
- CLB 008, Program Execution (online, 3 hours); and
- CLM 00X[4], Independent Government Cost Estimates for Services Acquisition (online, 4 hours estimated).

At least one year of experience in financial, schedule, or performance responsibilities is needed to meet the DoD recommendation as an FSM Level I.

6.3 Functional Services Manager Level II

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[2] Under review for training content replacement, to include Category Management updates in FY 2019.
[3] COR 222, Contracting Officer's Representative Course (classroom, 32 hours), or CLC 222, Contracting Officer's Representative Online Training (online, 32 hours), may be substituted for CLC 106.
[4] Course content under development and is expected to be available by the third quarter of FY 2018. CLB 007, Cost Analysis (online, 4 hours), or CLM 016, Cost Estimating (online 8 hours), may be substituted for CLM 00X.

The FSM Level II is the management level for SAs that are somewhat complicated in terms of acquisition strategy risk and contract type and that generally have a total value of at least $100 million, but less than $1 billion (Services Categories II and III).

In order to meet the DoD recommendation to be an FSM Level II, individuals should complete all of the Team Member and FSM Level I training listed in sections 6.1 and 6.2, and the following additional training:

- ACQ 265, Mission-Focused Services Acquisition, (classroom, 23 hours);
- CON 121, Contract Planning (online, 12 hours); and
- ACQ 255[5], Services Acquisition Management Tools (online, 24 hours estimated).

At least two years of experience in financial, schedule, or performance responsibilities is needed to meet the DoD recommendation as an FSM Level II.

6.4 Functional Services Manager Level III

The FSM Level III is the management level for SAs that are the most complicated in terms of acquisition strategy risk and contract type and that generally have a total value of $1 billion or higher (Services Category I).

In order to meet the DoD recommendation to be an FSM Level III, individuals should complete all of the Team Member and FSM Levels I and II training listed in sections 6.1, 6.2, and 6.3, and the following additional training:

- CON 124, Contract Execution (online, 13 hours);
- CON 127, Contract Management (online, 10 hours); and
- ACQ 30X[6], Services Acquisition Management Office (classroom, 24 hours estimated).

At least four years of experience in financial, schedule, or performance responsibilities is needed to meet the DoD recommendation as an FSM Level III.

7.0 Experience

The DoD recommendation for SA experience is the following:

7.1 Experience Gained from a DoD-Designated Acquisition Workforce (AWF) Position

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[5] Course under development and is expected to be available in the second quarter of FY 2018. The Air Force Institute of Technology (AFIT) course FSM 101, Fundamentals of Project Management, may be substituted for ACQ 255.
[6] Concept for this course is in the very early planning stages and is expected to be available in FY 2019 at the earliest. The Air Force Institute of Technology (AFIT) course IPM 301, Intermediate Project Management Skills Course, or IPM 350, Industry Standard Project Management, may be substituted for ACQ 30X.

Time served within DoD when the position is designated as an AWF position may be credited if the SA work with cost, schedule, or performance responsibilities was a significant and substantial part of the position. In order to be considered, the applicant must describe the work performed and provide any additional information that will help the approving authority arrive at an appropriate decision. Creditable experience, if appropriate, in these positions is expected to constitute more than 50% of their duties.

7.2 Experience Gained from a DoD, Non-Designated Acquisition Workforce (Non-AWF) Position

Time served within DoD in a position not designated as an AWF position may be credited if the SA work with cost, schedule, or performance responsibilities (such as those of a COR or technical monitor) was a significant and substantial part of the position. In order to be considered, the applicant must describe the work performed and provide any additional information that will help the approving authority arrive at an appropriate decision. Creditable experience, if appropriate, in these positions is expected to constitute at least 10% and up to 50% of their duties.

7.3 Experience Gained from Other Government Agencies

Experience gained from service in another government agency may be credited if, upon assessment, the individual performed SA-related functions in cost, schedule, or performance. The approving agency and workforce member should retain documentation as to the nature of the work, the duration of the work, and the percentage of time spent doing the work, as in DoD non-AWF positions.

7.4 Experience Gained from Private Industry

Experience gained from service in industry may be credited if, upon assessment, the individual performed SA-related functions in cost, schedule, or performance. The approving agency and workforce member should retain documentation as to the nature of the work, the duration of the work, and the percentage of time spent doing the work, as in DoD non-AWF positions.

8.0 Equivalent Training Courses

The DoD recommendation accepts training and professional development opportunities and alternatives, not limited to existing DoD institutions, that focus on and provide relevant SA training and professional development in commercial business models and contracting. Those opportunities and alternatives will be evaluated by DAU on a case-by-case basis in accordance with the DAU Course Equivalency Program.[7]

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[7] http://icatalog.dau.mil/appg.aspx

ATTACHMENT 1

Services Acquisition Curriculum Crosswalk

	SA Processes & Phases	SA Portfolio Management	SA Policies & Governance	Contract Management	Financial Fundamentals	Performance Management	SA Management
CLB 008					★ (yellow)		
CLC 011				green			
CLC 013	green						
CLC 106						green	
CLC 108		green					
CLE 028	green						
CLM 003			green				
CLM 00X					green		
ACQ 165	green	green	★ (yellow)				
ACQ 255	green	☆ (purple)	green		green	☆ (purple)	green
ACQ 265	★ (yellow)		green				
CON 121				green	green		
CON 124	green			green	green		
CON 127				★ (yellow)		green	
ACQ 30X		green		green		green	☆ (purple)

	SA Processes & Phases	SA Portfolio Management	SA Policies & Governance	Contract Management	Financial Fundamentals	Performance Management	SA Management
Services Acquisition Topics and Elements	* Planning Phases * Performance Work Statement Development * Source Selection Processes	* Market Research & Industry Outreach * Category Management/ Strategic Sourcing * Data Collection & Metrics	* Role of SA * DoDI 5000.74 Application * SA Procedures	* FAR/DFARS * Contract Planning * Contract Execution	* Budgeting & Contract Types * Cost Estimation * Financial Manager's Role	* Roles & Responsibilities * Surveillance Procedures * Inspection & Acceptance	* Team Management * Traditional Techniques & Tools * Agile Techniques & Tools * Risk Management * Business Process Analysis

Legend	
★ (yellow)	Principal course that addresses the element
☆ (purple)	Future principal course that addresses the element
(green)	Course where the element is a major learning point

ATTACHMENT 2

DoD Recommendation for Services Acquisition Functional Area[8]

All Multifunctional Team (MFT) Members	Functional Service Managers (FSMs)		
	FSM Level I	**FSM Level II**	**FSM Level III**
CLC 011 Contracting for the Rest of Us — 2 hrs, online	**CLC 106** COR with a Mission Focus — 8 hrs, online	**ACQ 265** Mission-Focused Services Acquisition — 23 hrs, classroom	**CON 124** Contract Execution — 13 hrs, online
CLC 013 Services Acquisition — 3 hrs, online	**ACQ 165** Defense Acquisition of Services — 8 hrs, online	**CON 121** Contract Planning — 12 hrs, online	**CON 127** Contract Management — 10 hrs, online
CLE 028 Market Research for Eng & Tech Personnel — 2 hrs, online	**CLB 008** Program Execution — 3 hrs, online	**ACQ 255** Services Acquisition Management Tools — Est. 24 hrs, online (FY 2018)	**ACQ 30X** Services Acquisition Management Office — Est. 24 hrs, classroom (FY 2019)
CLC 108 Strategic Sourcing Overview — 5 hrs, online	**CLM 00X** IGCE for Services Acquisition — Est. 4 hrs, online (FY 2018)		
CLM 003 Overview of Acquisition Ethics — 2 hrs, online			
Experience*: Less Than 1 Year	Experience: 1 Year	Experience: 2 Years	Experience: 4 Years

* Experience with financial, schedule, or performance responsibilities

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[8] *Military Departments and other DoD components may issue additional guidance and implementing instructions to meet the unique training and development needs of their agencies.*

[9] *CLM00X, ACQ 255, and ACQ 30X are currently under development.*