

USMC I&L CONTRACTING ADVISORY 18-40: US Marine Corps Contract Services Guidance for Fiscal Year (FY) 2019

12 July 2018

APPLICABILITY: USMC Contract Services Guidance for FY19 has been issued via MARADMIN 377/18.

IMPACT: All USMC I&L Contracting Offices

ACTION REQUIRED FOR CONTRACTING PERSONNEL: No specific action required. All MCFCS contracting personnel are requested to review the attached MARADMIN 377/18, which updates Services Requirements Review Board (SRRB) policy and provides SRRB guidance for FY19.

IMPLEMENTATION: Immediately.

REGULATIONS AFFECTED: None.

SOURCE: MARADMIN 377/18, attached and located at <https://www.marines.mil/News/Messages/Messages-Display/Article/1567773/us-marine-corps-contract-services-guidance-for-fiscal-year-fy-2019>.

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U.S. MARINE CORPS CONTRACT SERVICES GUIDANCE FOR FISCAL YEAR (FY) 2019

Date Signed: 7/5/2018 MARADMIN Number: 377/18

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SUBJ/U.S. MARINE CORPS CONTRACT SERVICES GUIDANCE FOR FISCAL YEAR (FY) 2019//

REF/A/DOC/DOD INSTRUCTION 5000.74/05JAN2016

NARR/REF A ESTABLISHES POLICY, ASSIGNS RESPONSIBILITY, AND PROVIDES DIRECTION FOR DOD COMPONENTS' ACQUISITION OF CONTRACT SERVICES AND IMPLEMENTS A MANAGEMENT STRUCTURE FOR THE ACQUISITION OF CONTRACT SERVICES.//

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GENTEXT/Remarks/1. Purpose. This MARADMIN updates Service Requirements Review Board (SRRB) policy and provides SRRB guidance for FY 19.

2. Background.

2.A. The SRRB process provides commanders with a mechanism for identifying, planning, prioritizing, and validating contract services requirements. Additionally, the SRRB process allows the Marine Corps to conduct service-level analysis to identify potential contract services efficiencies.

2.B. Command leadership shall be responsible for the review, adjudication, and prioritization of service requirements. Requirement reviews should include, but not be limited by, the following considerations.

2.B.1. Mission Need. Explanation of the mission need for the requirement and the outcomes to be achieved from acquiring services.

2.B.2. Workforce Analysis. How the requirement will be, is being, and/or was previously satisfied, including why it cannot be fulfilled with military or civilian personnel. Coordination with the component Manpower and Personnel officials should be done in accordance with DODD 1100.4, "Guidance for Manpower Management." The analysis should also take into consideration guidance outlined in DOD Instruction 1100.22, "Policy and Procedures for Determining Workforce Mix" and DOD Instruction 7041.04, "Estimating and Comparing the Full Costs of Civilian and Active Duty Military Manpower and Contract Support."

2.B.3. Strategic Alignment. How the requirement for services supports the broader organizational mission.

2.B.4. Relationship to Other Requirements. How the requirement for services impacts other requirements of the component (positively or negatively). For information technology (IT) services, ensure requirements are consistent with enterprise IT strategies.

2.B.5. Prioritization. A determination as to whether the requirement for services is a lower priority requirement that can be reduced or eliminated with savings transferred to higher priority objectives.

2.B.6. Market Research. The nature and extent of market research conducted, including any applicable benefit analysis performed for bundling or consolidation.

2.C. Ref A establishes policy, assigns responsibilities, and provides direction for the acquisition of contracted services. ASN (RD&A) will issue a memorandum entitled "Contractual Services Guidance for Fiscal Year 2019" to provide amplifying guidance to ref A.

3. Services Defined.

3.A. Service contracts are defined in the Federal Acquisition Regulation (FAR) Subpart 37.101 as a "Contract that directly engages the time and effort of a contractor whose primary purpose is to perform an identifiable task rather than to furnish an end item of supply." All services requirements and service contracts over the simplified acquisition threshold (SAT) (including contract options) require SRRBs with the following exceptions:

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

3.A.2. Construction as defined in FAR Subpart 2.101.

3.A.3 Utilities Services (including heat, light, power, water, gas, electricity, sewage and other utility services).

3.A.4. Commercial Subscription Services (database and information systems, periodicals, publications and educational course subscriptions).

3.A.5. Off-the-shelf commercial software/licensing agreements and updates available as a commercial supply.

3.A.6. Foreign military sales funded services contracts.

3.A.7. National Defense Sealift Funds executed on a direct and reimbursable basis.

3.A.8 Leases of real property. See SECNAVINST 11011.47C.

4. SRRB Requirements

4.A. The SRRB is a requirement validation process; SRRB approval does not constitute a promise to fund or a promise to award a contract. Final decisions related to contract execution, such as contract type, small business participation, and/or the extent of competition are reserved for contracting officers.

4.B. Each Headquarters Marine Corps (HQMC) Agency and Marine Corps Command is required to conduct an SRRB for any contract services requirement that exceeds the SAT. For purposes of determining when an SRRB is required, the value of the requirement is defined as the total price or total estimated cost of the contract or task order, including the value of the base period with all optional tasks and all optional periods. In addition, the SRRB shall review and revalidate services requirements prior to exercising contract options where the total value of the requirement exceeds the SAT.

4.B.1. For example, if a contract consists of a base period plus four option periods, the total value of the contract prior to contract award is the value of the base period plus the value of all four option periods. If that total value is greater than the SAT, an SRRB is required. The following year, the total value of the contract for SRRB purposes would be the sum of the total value of all remaining options.

4.C. The requiring activity is responsible for submitting service requirements to the SRRB regardless of the source of funding.

4.D. Marine Corps activities receiving funds from another Marine Corps Command will rely on the originating command's SRRB validation; an additional SRRB review is not required.

4.E. The SRRB should include representatives from the Comptroller Office and applicable Contracting Office. IT related contract services requirements should also include the Command Information Officer. The SRRB validation authority may specify additional SRRB members and/or the level of participation deemed appropriate (E.G., Total Workforce Management Expert, Counsel/Local Area Counsel Offices, etc.).

4.F. The SRRB validation authority shall be the first General Officer (GO) or Senior Executive Service (SES) member in the chain of command, or the commander when there is no GO or SES assigned to the command.

4.F.1 The SRRB validation authority for requirements below \$1 million shall not be delegated to the O-6/GS-15 level without express consent from the Executive Contract Services Board (ECSB). Requirements above \$1 million cannot be delegated below the authority specified in 4.F.

5. SRRB Internal Controls.

5.A. All SRRBS shall be documented in writing and signed by the SRRB validation authority. Documentation shall include meeting minutes, action items, key recommendations, and findings, as appropriate. These shall be distributed as directed by senior leadership.

5.B. HQMC agencies and Marine Corps Commands must identify, document, and implement appropriate internal control processes to ensure that funding documents for contract service requirements are not submitted to contracting officers without SRRB validation.

5.B.1. All funding documents shall include the following statement: "This service contract requirement has been approved by the (insert your organization here) SRRB on DD MM YYYY. The (insert your organization here) SRRB was chaired by "Ms. Jane Smith" (must be GO or SES level unless excepted by ECSB). The unique identifier is M#####-M#####-##-####." For the SRRB identifier, the format will be Major Command Recipient Identifier - Work Center Identifier - 19 - #### (E.G. M00027-M40085-19-123). The unique identifier will be provided upon upload of the requirement to the new online portal, described in 6.A.

6. SRRB Results Submissions.

6.A. SRRB results will be submitted semi-annually via an online portal to improve data integrity and security. Submissions shall be made no later than 15 Aug 2018 and 01 Feb 2019. The 15 Aug 2018 submission shall include the SRRB results for acquisitions of contract services planned for execution within FY 19. The 01 Feb 2019 submission shall validate previously approved requirements, remove any foregone requirements that are no longer necessary, and add any new requirements. Unanticipated contract services requirements not included in either formal submission must still be approved by an SRRB before funding release and uploaded to the online portal.

6.A.1. Formalized reporting times aid in contracting office work planning.

6.B. Documentation for submission shall consist of a summary letter submitted to Programs and Resources signed by the SRRB approving authority and an upload of the SRRB data to the online portal. This summary will be made available to the applicable Contracting Offices.

6.C. An SRRB template, as well as instructions to access the online portal, shall be distributed to comptrollers via an official Department of Navy Tasker.

6.D. Submit semi-annual cover letters to Budget Execution Branch, Programs and Resources at preexecution@usmc.mil.

6.E. The following HQMC Agencies and Marine Corps Commands shall consolidate SRRB submission results for subordinate commands/organizations and designate a contract services point of contact:

Director, Marine Corps Staff

Deputy Commandant for Plans, Policy, and Operations

Deputy Commandant for Combat Development and Integration

Deputy Commandant for Manpower and Reserve Affairs
Deputy Commandant for Installations and Logistics
Deputy Commandant for Aviation
Deputy Commandant for Programs and Resources
Deputy Commandant for Information
Commander, Marine Forces Pacific
Commander, Marine Forces Command
Commander, Marine Forces Reserve
Commander, Marine Forces North
Commander, Marine Forces Central
Commander, Marine Special Operations Command
Commander, Marine Forces Cyber Command
Commander, Marine Forces Europe/Africa
Commander, Marine Forces South
Commander, Marine Corps Installation Command (MCICOM)
Commander, Marine Corps Recruiting Command
Commanding General, Marine Corps Logistics Command
Commanding General, Training and Education Command
Commanding General, Marine Corps Systems Command
Program Executive Officer Land Systems

7. USMC ECSB

7.A. The purpose of the ECSB is to: 1) provide service-level oversight and processes development for the effective management, planning, and execution of services acquisition within the Marine Corps, 2) develop processes to ensure SRRB requirements are reviewed, validated, and approved, 3) identify opportunities for service-level sourcing to reduce contract duplication and increase overall acquisition efficiencies, and 4) provide service-level contract services leadership to improve planning, execution, and collaboration to achieve greater efficiency and reduce costs.

7.B. The ECSB is comprised of the Assistant Deputy Commandant (ADC), Program and Resources; ADC, Installation and Logistics; and the Executive Director, Marine Corps Systems Command. Budget and Execution Directorate, Programs and Resources will serve as the ECSB Secretariat and the Marine Corps contact for contract services to the Department of the Navy and other higher headquarters.

7.C. The ECSB will meet as required.

8. Release authorized by Lieutenant General Gary L. Thomas, Deputy Commandant, Programs and Resources.//