



DEFENSE CONTRACT MANAGEMENT AGENCY

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JAN 13 2019

MEMORANDUM FOR COMPONENT HEADS

SUBJECT: DCMA Policy-Type Memorandum 18-006, "Acquisition Review Board (ARB)"

References: DCMA Instruction 140, "Purchase Request Package," December 9, 2013,
as amended
DoD Directive 5000.01, "The Defense Acquisition System," May 12, 2003,
as amended
DoD Instruction 5000.02, "Operations of the Defense Acquisition System,"
January 7, 2015, as amended
DoD Instruction 5000.74, "Defense Acquisition of Services," January 5, 2016
as amended
DoD Instruction 5000.75, "Business Systems Requirements and Acquisition,"
February 2, 2017

Purpose. This DCMA Policy-Type Memorandum (DCMA-PTM) establishes policies, procedures, and responsibilities for managing the acquisition process within the DCMA. In addition, this DCMA-PTM:

- Establishes thresholds and interim procedures for the DCMA Acquisition Review Board (ARB) review, validation, and approval process.
- Cancels PTM 18-002, "Service Requirement Review Board (SRRB)," and incorporates the SRRB into the ARB process.
- Deletes DCMA Instruction 140, paragraphs 3.4. through 3.4.4., and replaces paragraphs 3.6 through 3.6.6. with the contents of this PTM.
- Requires incorporation into DCMA Manual (DCMA-MAN) 4301-03, "Contracting and Acquisitions" series

Applicability. This DCMA-PTM applies to all DCMA personnel involved in the acquisition of supplies or services for the agency.

Policy. It is DCMA policy that:

- The ARB will review, validate, and approve the acquisition of supplies or services to ensure the requirement represents a bonafide Agency need and complies with applicable procurement law, regulations, policies, and guidance in accordance with DoD Instructions 5000.02, 5000.74, and 5000.75.
- ARB approval is required for supply or service requirements with a total anticipated cost (base and option periods) greater than the Simplified

Acquisition Threshold (SAT) as defined in the Federal Acquisition Regulation (FAR).

- ARB approval is also required for the initial establishment of Blanket Purchase Agreements (BPAs), Basic Ordering Agreement (BOAs), Indefinite Delivery Indefinite Quantity (IDIQ), or any other type of contractual instrument or agreement.
- Requiring activities will not split requirements, or reduce the number of option years, to avoid ARB review and approval.

Responsibilities.

- DCMA Deputy Director. The DCMA Deputy Director will chair the ARB.
- Requiring Component. The requiring component is responsible for assembling requirement packages for ARB review. At a minimum, the requiring component should have the assigned Program Manager (PM) enlist the assistance of the Contracting Officer (CO) or Contract Specialist (CS) in preparing the package. Depending on the type of acquisition and the estimated dollar value, the requiring component is expected to form a multi-functional team consisting of the PM, CO, CS, and Contracting Officer's Representative (COR) to develop the package.
- ARB Coordinator. The ARB Coordinator will schedule and facilitate ARB meetings, capture discussions in board minutes, distribute minutes, and document approvals/disapprovals.
- ARB Members. The ARB Members are responsible for preparing the meetings by reviewing read-ahead documents, attending scheduled meetings (or designating an alternate), and performing their assigned responsibilities as follows:
 - Executive Director, Contracts (AQ), voting member
 - Executive Director, Financial and Business Operations (FB), voting member
 - Office of General Counsel (GC), voting member
 - Director, Procurement Division (AQP), advisory member
 - Director, Procurement Center (AQPW), advisory member
 - Director, Small Business Office (AQS), advisory member
 - Director/Commander of requiring component to substantiate actions before the ARB
 - PM, as applicable
 - CO and/or CS and COR, as applicable
 - Multi-functional team, if applicable, to provide insight on requirement

Procedures.

- Each action that is subject to an ARB, must first have a pre-ARB review. Requiring components should contact the ARB Coordinator to schedule a pre-ARB review, and will submit all required documents to the ARB In-Box in accordance with the procedures at TAB A.
- ARB meetings are held on the last Wednesday of every month. A pre-ARB meeting will be conducted one week prior to the ARB, on Thursday.
- The requestor will provide the packages to the ARB Coordinator 5 workdays prior to the scheduled pre-ARB date in order to provide Board members sufficient time to review all documentation.
- Packages must be complete; i.e., contain all the required information and documentation for the planned acquisition. TAB A provides a list of documents and information required by type of action anticipated. Incomplete packages received by the ARB Coordinator will be returned to the requestor for action, and no pre-ARB/ARB scheduling will occur.
- Packages received by the ARB Coordinator after the 5-workday cut-off period will not be reviewed at the pre-ARB, and subsequently not at the ARB. These requirement packages will be scheduled for the next monthly pre-ARB and ARB.
- The ARB Coordinator will document board discussions, decisions, and action items in meeting minutes, which will be distributed to meeting participants within 3 workdays of the meeting. Approvals will also be captured on the ARB clearance slide. Both the minutes and clearance documents are maintained in the ARB-SRRB Library on DCMA 360.
- Requiring activities are expected to plan acquisitions in sufficient time to execute the contract action. Consequently, requiring activities are highly encouraged to review the following ARB submission timeframe table and incorporate these timeframes into the acquisition planning process.

Requirement Type	ARB Submission will be No Later Than
New or Follow-on Actions	9 Months prior to Projected Start or Delivery Date
Solicitation	30 Days prior to Projected Solicitation Issue Date
Award	30 Days prior to Projected Start or Delivery Date
Contract Options	6 Months prior to Projected Start or Delivery Date
Additional Funds >10% of Previous ARB Approved Amount	60 Days prior to Projected Start or Delivery Date
Contract Extensions or Increase in Scope Modifications	90 Days prior to Expiration of the Current Contract Period of Performance or Delivery Date
Military Interdepartmental Purchase Requests (MIPRs)	6 Months prior to Projected Start or Delivery Date

Emergency Requirements. In the event a requirement cannot wait for the next scheduled ARB, the Executive Director/Commander of the requiring activity will submit a justification (TAB B) to the DCMA Deputy Director requesting approval for an out-of-cycle or emergency ARB meeting. When received, the justification, approval, and requirement package will be forwarded to the ARB Coordinator who will establish an out-of-cycle meeting.

Exceptions to an ARB Review. Although certain acquisitions are exempt from review by an ARB, this does not mean they may be entered into indiscriminately. The proper FAR, Defense Federal Acquisition Regulation Supplement (DFARS), DoD Instructions, and DCMA policies and guidance will be followed for the following exemptions:

- Government Purchase Card (GPC) transactions
- Agency Mission Travel
- Reimbursable Intragovernmental Purchase Requirements less than \$500,000
- Actions with a total cost (base and option periods) less than or equal to the SAT, which require Executive Directors or Commanders certification that the requirement represents a bona fide agency need and that the proper funds appropriation will be provided (TAB C)

Management Internal Controls (MIC). MICs are sound management practices and play an important role in achieving business and mission objectives throughout DCMA. The MIC purpose is to mitigate risks in mission-essential processes and provide oversight and accountability.

TASK	RISK	INTERNAL CONTROL
<u>Pre-ARB Review</u>	<ul style="list-style-type: none"> • Requirement not vetted through Executive Director or Commander • Request for contract extension without proper surveillance and reporting being conducted 	<ul style="list-style-type: none"> • Requirements without Executive Director or Commander signatory approval will be returned to requestor • Option or extensions without up-to-date COR Appointment, In Process Reviews, Contractor Performance Assessment Reporting System (CPARS) evaluation, and Contractor Manpower Reporting Activity (CMRA) reporting will be returned to requestor
<u>ARB Review and Approval</u>	<ul style="list-style-type: none"> • Requirement not defined appropriately • Incorrect appropriation selected • Improper contract type selected • Contract extended without surveillance or reporting being conducted • Regulations or policy not followed 	<ul style="list-style-type: none"> • Procurement Center Director will not accept packages without ARB approval for actions > SAT, or Executive Director/Commander validation for actions ≤ SAT
<u>Documenting ARB Proceedings</u>	<ul style="list-style-type: none"> • Discussions, issues, and action items not captured or acted upon 	<ul style="list-style-type: none"> • ARB Coordinator will track action items until closure • Final ARB approval will be withheld until issues and actions are complete
<u>Quarterly Reviews</u>	<ul style="list-style-type: none"> • ARB reviews not conducted • Proceedings not documented 	<ul style="list-style-type: none"> • Random sampling of solicitations, contracts, and modifications to determine if ARB approval received • Quarterly review/sampling of ARB minutes to ensure proceedings

		documented within 3 work days of meeting
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Labor Codes. Located on Resource Page

Resource Page. <https://360.dema.mil/sites/policy/AQ/SitePages/140r.aspx>

Releasability. Cleared for public release.

Effective. This DCMA-PTM is effective immediately and will remain in effect until incorporated into DCMA-MAN 4301-03 series.



David H. Lewis
VADM, USN
Director

Attachments:

TAB A: Acquisition Review Board (ARB) Submission Procedures

TAB B: Sample Request for Emergency ARB

TAB C: Sample Executive Director/Commander Exemption to ARB

TAB A. Acquisition Review Board (ARB) Submission Procedures

1. The ARB briefing will be submitted in electronic PowerPoint format. Other documentation should be paper-copy until an electronic process is finalized.
2. The Program Manager will assemble documents into an indexed ARB package (as shown below). The Program Manager will submit ARB packages to the ARB Coordinator no later than 5 workdays prior to a scheduled pre-ARB. The following documentation is required for:

a. New or Follow-on Requirements:

- TAB A: ARB Briefing
- TAB B: DCMA Requirements Oversight Council (DROC) documentation and approval
- TAB C: Performance Work Statement (PWS) and Quality Assurance Surveillance Plan (QASP)
- TAB D: COR nomination

b. Solicitations:

- TAB A: ARB briefing
- TAB B: New or Follow-on ARB Approval
- TAB C: Acquisition Strategy or Plan
- TAB D: Market Research and Source List
- TAB E: Justification for Limiting Sources, if applicable
- TAB F: Independent Government Cost Estimate (IGCE) or Price Estimate
- TAB G: PWS and QASP
- TAB H: Evaluation Criteria and Factors, or Source Selection Plan
- TAB I: Solicitation Document
- TAB J: Evidence of funds, certified by appropriate budget personnel

c. Awards:

- TAB A: ARB briefing
- TAB B: Source Selection Evaluation Board (SSEB) or Technical Board evaluations and consensus document
- TAB C: Pre-Negotiation Objectives and contractor responses
- TAB D: Meeting minutes or documented discussions between the Government and offerors
- TAB E: Source Selection Decision Document (SSDD) or Pricing Determination
- TAB F: Head of the Contracting Activity (HCA) waiver, if applicable
- TAB G: Draft Award Document
- TAB H: Draft Contract Action Report (CAR)
- TAB I: Draft Letters to Unsuccessful Offerors
- TAB J: Draft Congressional Notification
- TAB K: Evidence of funds, certified by appropriate budget personnel

d. Modifications (Contract Option, Extension, or Increase in Dollar Value Greater Than 10 percent of Previous ARB Approval, or Scope Increase):

- TAB A: ARB briefing
- TAB B: Prior ARB approvals
- TAB C: IGCE or Price Estimate
- TAB D: PWS and QASP
- TAB E: COR current training certificates and appointment letter
- TAB F: In Process Reviews (IPR) monthly reports, to include contractor surveillance documentation, metrics, and quality assurance surveillance plans
- TAB G: Option documentation indicating requirement is still valid and option required, if option
- TAB H: Option Market Research documentation, if option
- TAB I: Contract and Modifications
- TAB J: Contractor Performance Assessment Reporting System (CPARS)
- TAB K: Contractor Manpower Reporting Activity (CMRA)
- TAB L: Evidence of funds, certified by appropriate budget personnel

e. Military Interdepartmental Purchase Requests (MIPRs):

- TAB A: ARB briefing
- TAB B: Signed Memorandum of Agreement/Understanding (MOA/MOU) or Interagency Agreement
- TAB C: Determination and Findings
- TAB D: Justification and Approvals, if required
- TAB E: IGCE or Price Estimate, with cost breakout and other agency fees
- TAB F: Market Research
- TAB G: Evidence of funds, certified by appropriate budget personnel

f. Additional Funds Greater Than 10 percent of Prior ARB Approval:

- TAB A: Additional Funds ARB briefing
- TAB B: Previous ARB slides and approval
- TAB C: Evidence of funds, certified by appropriate budget personnel

TAB B. Sample Request for Emergency ARB

MEMORANDUM FOR DCMA DEPUTY DIRECTOR

SUBJECT: Request for Emergency Out-of-Cycle Acquisition Review Board (ARB)

[This paragraph details the requirement] The Contract Directorate (AQ) has a requirement for Pricing Support. The Program Manager is Clark Kent and the Contracting Officer's Representative (COR) assigned is Bruce Wayne. This is a new requirement that has not been previously contracted.

[This paragraph explains the reason deadlines were missed] The Pricing Support is required to supplement the CMOs ProPricer subscription for evaluation of contractor proposals. The need for this requirement was not previously known, nor was it included in the AQ Fiscal Year 2018 budget request, therefore, the Directorate was not able to submit the requirement for prior ARB approval.

[This paragraph explains why the requirement can't wait for the next scheduled ARB] The Pricing Support is critical to the mission of the Agency. Without the additional support, the CMOs will be unable to negotiate favorable outcomes on multiple critical contracts for the Defense Agencies. The requirement was presented to the DROC and obtained approval on June 28th, a day after the last scheduled ARB. Since the services are needed prior to a July 15th court appearance, the requirement cannot wait until the July 31st ARB to receive approval. Request an out-of-cycle ARB no later than July 11th to obtain approval and continue the action.

Diana Prince
Executive Director, Contracts

TAB C. Sample Executive Director/Commander Exemption to ARB

MEMORANDUM FOR DIRECTOR, PROCUREMENT DIVISION

SUBJECT: Requirement Review, Validation, and Acquisition Review Board (ARB) Exception

The Contract Directorate (AQ) has a requirement for ProPricer perpetual licenses and software maintenance. This requirement is currently under contract S5121A-15-F-0000. The 1st and final option period expires May 31, 2019. AQ would like the new period of performance to begin June 1, 2019 in order to prevent a break in service and the incurrence of penalty fees. The Program Manager is Harry Potter and the COR assigned is Nevil Longbottom.

The DCMA CMO cost and pricing offices evaluate contractor proposals with the ProPricer Tool. The software facilitates cost analysis and negotiation support via cost model. The platforms allow personnel to calculate, manage, and analyze pricing across proposals and helps streamline and improve the CMO processes. AQ purchases ProPricer Software based on the number of users in the CMOs. The requirement for this software maintenance has been reviewed and AQ validates that software maintenance is required for 160 licenses for the period of June 1, 2019 through May 31, 2020.

The ProPricer Software Maintenance requirement has been reviewed, verified, and validated as accurate. Since this is a follow-on to an existing contract, the requirement was also vetted through the Intake Process and received DROC approval on November 7, 2018.

The AQ FY19 budget allocates \$116,000 of Operations & Maintenance (O&M) funds for this requirement. The Independent Government Cost Estimate (IGCE) for the follow-on effort indicates \$115,900 is required for the base period; therefore, there is sufficient funds available for this effort.

I certify this requirement represents a bonafide need for DCMA; the Performance Work Statement (or Technical Specifications) have been reviewed and are valid; Market Research has been thoroughly conducted and one source has been located; an Analysis of Alternatives has been completed; and the correct appropriation will be provided. In the event that new requirements emerge, or the above requirement is modified prior to the execution of the procurement, this certification is no longer valid.

Hermione M. Granger-Weasley
Executive Director Contracts