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Acquisition

**INTEGRATED PRODUCT SUPPORT
PLANNING AND ASSESSMENT**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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This instruction implements AFD 20-5, *Logistics Product Support Planning and Management* and AFD 63-1, *Acquisition Systems*. The primary focus of the instruction is Air Force Product Support and Sustainment. The instruction also provides general related guidance and procedures for managing systems and product groups. For additional information on the acquisition process and terminology, consult AFD 63-1, *Acquisition Systems*, and the Department of Defense (DoD) and Air Force guidance listed in [Attachment 1](#).

SUMMARY OF REVISIONS

This is a revision of AFI 63-107, dated Aug 1994. Significant changes include the deletion of references to Integrated Weapon System Management (IWSM), removal of Weapon System Program Assessment Review guidance, and inserting guidance on development of Product Support Management Plans (PSMP).

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Chapter 1

PRODUCT SUPPORT PHILOSOPHY:

1.1. This Product Support philosophy integrates the process for development and ongoing review and maintenance of a product support strategy during the acquisition and sustainment phases of the weapon system life cycle. It is applicable to all Single Manager (SM) managed programs (note: the term Single Manager (SM) will be used to apply to any individual charged with managing an Air Force program office, including both weapon systems managers and product group managers (PGMs)). The compelling need to achieve a life-cycle focus on weapon system sustainment cost dictates a seamless, integrated, continuing process to assess and improve product support strategies.

1.2. This instruction reinforces and emphasizes Air Force policy to ensure proper responsibility is vested in the Single Manager for *both* acquisition and sustainment planning.

1.3. OSD, with Service concurrence, has defined product support as “the package of support functions necessary to maintain the readiness and operational capability of weapon systems, subsystems, end items, and support systems. It encompasses all critical functions related to weapon system readiness, including materiel management, distribution, technical data management, maintenance, training, cataloging, configuration management, engineering support, repair parts management, failure reporting and analyses, and reliability growth. The source of support may be organic or commercial, but its primary focus is to optimize customer support and achieve maximum weapon system availability at the lowest total ownership cost (TOC)” (Reference DoD report on Product Support July 1999 Section 912 (c) page 1-1).

1.4. The Product Support concept includes a requirement for the SMs to create and maintain a Life Cycle Product Support Strategy for their system/product. This strategy will be documented in a Product Support Management Plan. The development of this strategy should be the result of a rigorous assessment process. This process should be led by the Program Office and should include all appropriate stakeholders (e.g. warfighter, AFMC/LG, Financial Management, current/projected sources of support - see [Attachment 2](#) for a more complete list), to ensure that the resulting strategy addresses, at minimum:

1.4.1. Identifying existing or projected cost drivers and performance shortfalls.

1.4.2. Identifying potential product support concepts to halt or reduce cost increases and alleviate performance shortfalls.

1.4.3. A deliberate evaluation of proposed concepts and practices against legislative, regulatory, and other applicable decision criteria (see [Attachment 2](#), Product Support Management Plan) to arrive at best available strategies. This will include a Depot Maintenance Source of Repair Assignment Process (SORAP) recommendation ([Attachment 3](#)) and a Depot Maintenance Interservice (DMI) Source of Repair (SOR) determination (AFI 21-133(I)).

1.4.4. Documentation of a proposed Product Support Management Plan (see [Attachment 2](#)) shall be supported by a comprehensive Business Case Analysis (BCA), that validates best value and optimum support concepts for the weapon system/product. Review and approval of the proposed strategy shall be accomplished through the Air Force corporate process. (Reference [Figure A3.1](#).)

1.5. Product Support strategies will show a clear preference for inclusion of the following characteristics:

- 1.5.1. Performance-based support arrangements/contracts, based on high-level metrics.
- 1.5.2. Preference for a single prime support integrator (organic or contractor).
- 1.5.3. Long term business support relationships.
- 1.5.4. Preference for commercial standards when applicable to military requirements.
- 1.5.5. Partnering: Leveraging the best skills and capabilities for support, wherever they exist.
- 1.5.6. Service Level Agreements (SLAs): Clearly delineated agreements of support between customers and suppliers.
- 1.5.7. Emphasis on timely and appropriate technology refreshment through adoption of performance specifications, commercial standards, non-developmental items, and commercial-off-the-shelf items wherever feasible, in both the initial acquisition design phase and in all subsequent modification and reprourement actions.

1.6. A Product Support Management Plan (PSMP) is a collection of dynamic, living documents, in accordance with the DoD evolutionary acquisition policy and will place emphasis on a life-cycle sustainment focus. On a periodic basis, as specified later in this policy, the SM will ensure a continuing review, assessment, and update of product support arrangements to identify opportunities for further implementation of reengineered product support concepts.

1.7. For acquisition programs, the PSMP will be the basis for Section H, "Support Concept" in the Single Acquisition Management Plan (SAMP). For fielded systems, the PSMP will be a stand alone document.

1.8. A PSMP will, as necessary, reference or link to the Mission Area Planning (MAP) process and the Air Force Modernization Planning Process (AFMPP). Product Support strategies fulfill SM and Using MAJCOM requirements for a document that provides the vision ensuring resources are programmed, budgeted, and executed to provide effective and economical capability and logistics product support in meeting the Using MAJCOM's operational requirements. The Product Support Management Plan ties together and summarizes Major Command (MAJCOM) Modernization Plans, Mission Area Plans, Development Plans, Business Area Plans, and Reduction - Total Ownership Cost (RTOC) plans to ensure the system meets Using MAJCOM needs at best value cost. They also link to and, as necessary, reference other program management documentation such as the Acquisition Strategy, System Engineering Management Plan (SEMP), and the SM's Operational Safety, Suitability, and Effectiveness (OSS&E) implementation plan in a single document for each weapon system and product group.

1.9. Using MAJCOM requirements and priorities drive resource allocation decisions throughout the life cycle as threat projections change. Reliability, maintainability, readiness, capability, survivability, deployability, standardization, interoperability and sustainability should be considered on an iterative basis as needed to revise the Product Support strategy.

Chapter 2

RESPONSIBILITIES

2.1. SAF/AQ, in addition to those responsibilities outlined in AFPD 63-1, will:

- 2.1.1. Provide final approval authority for acquisition-related policy and plans.
- 2.1.2. Jointly review and coordinate with AF/IL on product support policy issues.
- 2.1.3. Function as a business advisor to the SM on system acquisition, management, and PSMP policy.
- 2.1.4. Review PSMPs for acquisition related components through the SM.
- 2.1.5. Support funding requirements for Program Objective Memorandum (POM), Budget Estimate Submission (BES), and Presidents Budget (PB) preparation for acquisition related requirements.
- 2.1.6. Coordinate PSMP policy and taskings with HQ USAF/IL and HQ AFMC/DR/LG to eliminate issuing conflicting guidance and overlapping efforts.

2.2. Program Executive Officers and Designated Acquisition Commanders (PEO/DAC):

- 2.2.1. Ensure individual program strategies and execution support Air Force acquisition and product support objectives within their portfolios.
- 2.2.2. Maintain responsibility for acquisition program performance for assigned systems or groups over which they have executive oversight. Reviews all assigned system or group PSMPs.
- 2.2.3. Ensure that validated Using MAJCOM needs drive the acquisition and modification planning process.
- 2.2.4. Ensure each SM links the system's or group's individual planning process to the related system, product, or PSMP processes.
- 2.2.5. Ensure that each SM documents the pertinent results of the planning process in PSMPs (see [Attachment 2](#)).
- 2.2.6. Ensure each system's planning process works effectively with the Planning, Programming and Budgeting System (PPBS) through each SM.
- 2.2.7. Ensure each system's planning process is tied to other PSMP processes as extracted from the Air Force Modernization Planning Process (AFMPP), AFMC Business Area Planning process, and the Air Force Mission Area Planning process.

2.3. HQ USAF/IL:

- 2.3.1. Establishes product support policy and product support formats.
- 2.3.2. Advocates logistics product support requirements documented in PSMPs during POM, BES, and PB preparation.
- 2.3.3. Coordinates policy and taskings with HQ AFMC/DR/LG and SAF/AQ to eliminate issuing conflicting guidance and overlapping efforts.
- 2.3.4. Jointly review and coordinate with SAF/AQ on product support policy issues.

2.4. HQ USAF/XO:

- 2.4.1. Provides SM with all requirement documents.
- 2.4.2. Reviews PSMPs as required or requested through assigned Program Element Monitor (PEM) and operations monitors.
- 2.4.3. Advocates requirements during POM, BES, and PB preparation.

2.5. HQ USAF/XOI:

- 2.5.1. Provides policy guidance to MAJCOMS on Intelligence support to Acquisition Associated Programs, activities or studies.
- 2.5.2. Approves intelligence portions of Command Control, Communications, Computers and Intelligence Support Plans (C4ISPs). Reviews PSMPs, for intelligence supportability issues. Ensures acquisition and requirements documents reflect intelligence issues as required for program sustainability.
- 2.5.3. Advocates funding requirements based on product support strategies extrapolated from or documented in PSMPs during POM, BES, and PB preparation.

2.6. HQ USAF/XP:

- 2.6.1. Reviews PSMPs as required or requested to ensure that they accurately reflect programmed force levels.
- 2.6.2. Provides projected force structure programming changes to using commands and AFMC.

2.7. SAF/IA:

- 2.7.1. Gives projected Security Cooperation requirements and related data to AFMC for analysis and planning.

2.8. Using Commands:

- 2.8.1. Designate an office of primary responsibility (OPR) for PSMP integration.
- 2.8.2. Implement Air Force product support policies jointly with HQ AFMC.
- 2.8.3. Develop and validate current and projected operational requirements to the SMs.
- 2.8.4. Validate program funding requirements documented in PSMPs.

2.9. HQ AFMC:

- 2.9.1. Designates an OPR for Program Management Policy and Procedures.
- 2.9.2. Establishes and maintains a System Program Office (SPO) to manage each assigned system or group.
- 2.9.3. Assigns a SM to each weapon system and product group.
- 2.9.4. Maintains an adequate work force of certified personnel.
- 2.9.5. Organizes, trains, equips, and provides a command infrastructure to support the organizations that manage systems and groups.

- 2.9.6. Facilitates technology insertion and transition through the AFMPP.
- 2.9.7. Assists the SM in the development and implementation of the iterative PSMP to ensure that all technology, acquisition, workload assignment, and sustainment decisions optimize the capabilities of the system or group.
- 2.9.8. Reviews and provides concurrence/non concurrence on SORAP recommendations. AFMC/LG executes the SORAP process as defined in [Attachment 3](#) and assists the SM in the development of the SORAP.
- 2.9.9. Approves, through agreement with the SM, the product support strategy defined in the PSMP. Ensures the strategy is consistent with Air Force, AFMC, and Depot objectives, policies, and strategies. Significant disagreements should be resolved through the Pre-ASP/ASP process. (Ref. [A2.7.10.](#))
- 2.9.10. After approval of the PSMP, provides guidance, oversight, and assistance to the SM in the implementation of the product support strategy.
- 2.9.11. AFMC/FM reviews and provides concurrence/non concurrence on the BCA.

2.10. SMs

- 2.10.1. Are responsible for program performance and overall health of the weapon system, product or material group.
- 2.10.2. Develop and implement an iterative PSMP to ensure that all technology, acquisition, workload assignment, and sustainment decisions optimize the capabilities of the system or group.
- 2.10.3. Ensure that validated Using MAJCOM requirements drive the planning process.
- 2.10.4. Establish PSMP IPT. See [Attachment 2](#) for recommended IPT membership.
- 2.10.5. Ensure that the individual system or product group PSMP process is linked to all other inter-related and intra-related PSMPs, e.g. the F-15 PSMP is linked to the F100 engine PSMP to ensure support strategies are deconflicted.
- 2.10.6. Ensure the planning process used to develop the PSMP works effectively with the PPBS.
- 2.10.7. Ensure the planning process is tied to acquisition processes, the AFMPP, Business Area planning process, and MAP process.
- 2.10.8. Ensure the PSMP is in accordance with Air Force, AFMC, and Depot policies, objectives and strategies.
- 2.10.9. Ensure the PSMP is coordinated with all stakeholders (e.g. Using Commands, Supply Chain Managers, Depot Maintenance Managers, Contractors, Other Services, etc.).

2.11. SAF/FM

- 2.11.1. SAF/FMB reviews R-TOC initiatives for possible budget implications and ensure that requirements are budgeted and funded within guidelines and constraints.

2.11.2. SAF/FMC reviews BCAs for CAT 1C and 1D programs prior to senior Air Force leadership.

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Attachment 1**GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION*****References***

DoD Directive 5000.1 *Defense Acquisition*

DoD Instruction 5000.2 *Defense Acquisition Management Policies and Procedures*

DoD 5000.2M *Defense Acquisition Management and Reports*

DoD 5105.38M *Security Assistance Management Manual*

AFPD 10-6 *Mission Needs and Operational Requirements*

AFPD 10-14 *Modernization Planning*

AFPD 20-2 *System Executive Management Report*

AFPD 20-5 *Logistics Product Support Planning and Management*

AFPD 62-4 *Maintenance of Commercial Derivative Aircraft*

AFPD 63-1 *Acquisition System*

AFPD 63-11 *Modification Management*

AFI 10-601 *Mission Needs and Operational Requirements Guidance and Procedures*

AFI 10-602 *Determining Logistics Support and Readiness Requirements*

AFI 10-1401 *Modernization Planning Documentation*

AFI 20-104 *System Executive Management Report*

AFI 21-102 *Depot Maintenance Management*

AFI 21-107 *Maintaining Commercial Derivative Aircraft*

AFI 63-111 *Contractor Support for Systems and Equipment*

AFI 63-501 *Air Force Acquisition Quality Program*

AFI 63-1101 *Modification Management*

AFI 63-1201 *Assurance of Operational Safety, Suitability, and Effectiveness*

Abbreviations and Acronyms

AFI—Air Force Instruction

AFMC—Air Force Materiel Command

AFMPP—Air Force Modernization Planning Process

AFPD—Air Force Policy Directive

BCA—Business Case Analysis

BES—Budget Estimate Submission

DAC—Designated Acquisition Commander
DoD—Department of Defense
FMS—Foreign Military Sales
IPT—Integrated Product Team
MAP—Mission Area Plan
MAJCOM—Major Command
MGM—Material Group Manager
MTBCF—Mean Time Between Critical Failure
MTBD—Mean Time Between Demand
MTBF—Mean Time Between Failure
MSMP—Materiel Support Master Plan
OPR—Office of Primary Responsibility
OSS&E—Operational Safety, Suitability, and Effectiveness
PB—President's Budget
PEO—Program Executive Officer
PEM—Program Element Monitor
PGM—Product Group Manager
POM—Program Objective Memorandum
PPBS—Planning Programming and Budgeting System
PSMP—Product Support Management Plan
SAMP—Single Acquisition Management Plan
SM—Single Manager
SORAP—Source of Repair Assignment Process
SPD—System Program Director
SPO—System Program Office
TNMCM—Total Non Mission Capable Maintenance
TNMCS—Total Non Mission Capable Supply
USAF—United States Air Force

TERMS

Acceleration—Maximum production required for certain designated mission-essential materiel undergoing depot level maintenance or modification. Maximize production and preparedness by:

Suspending routine peacetime aircraft inputs to depot maintenance facilities.

Extending the workday and workweek to a 24-hour-a-day, 7-day-a-week operation.

Realigning the workstations and redistributing the labor force as required.

Cannibalizing as necessary to complete the essential maintenance or modification requirements on the maximum amount of materiel.

Aircraft—All air vehicles in the AF inventory except missiles. Components for missiles surge as exchangeables.

Analytical Overhaul—The disassembly, inspection, engineering evaluation, repair, assembly and test of military materiel to refine requirements for spares and repair parts, maintenance technical criteria, tooling, test equipment and technical data, as well as to find any need for product improvement.

Automated Security Incident Measurement System—Provides intrusion detection capability to 108 Air Force Bases/installations. Additionally, the Air Force is funding Network Control Centers and Base Information Protection programs to allow bases to manage and protect computer networks from a central location.

Business Planning Process (BPP)—The process HQ AFMC and the ALCs use to develop depot support for each network, system, or item acquired by the Air Force. This is a structured process for determining repair sources for depot maintenance workloads, workload groups, and technology areas. Business planners assimilate that support into the command's overall depot support environment.

Command, Control, Communications, Computers and Intelligence Support Plan (C4ISP)—

Directed By DOD 5000.2-R, Paragraph 2.2.1 - The C4ISP will document a comprehensive evaluation of communications compatibility, interoperability, integration and intelligence support required during the development, acquisition and sustainment of Acquisition Programs.

Compression—Includes the same procedures as acceleration as well as:

Suspending routine peacetime work specifications.

Reassembling the air vehicle after accomplishing only the absolute minimum maintenance essential to the safety of flight, and only those modifications essential to the weapon's war mission configuration.

Compression Work Package—The minimum maintenance or modification requirement necessary to render an aircraft effective in its assigned war mission. Normally, ALCs use the compression mode only for production aircraft.

Contingency Airborne Reconnaissance System (CARS)—The primary Air Force ground station for exploiting U-2 collected information, continues to provide support to joint forces in Bosnia and Southwest Asia. Mobil Stretch (MOBSTR), the U-2 downlink, processing and long haul communication portion of CARS, has proven the concept of near-real time intelligence support to deployed forces from CONUS.

Contractor Logistics Support (CLS)—A preplanned contractor support method used to provide all or part of the ILS elements for a system, equipment, or item for long periods of time or until retirement.

Contract Maintenance—The maintenance of materiel performed under contract by commercial organizations (including prime contractors) on a one-time or continuing basis, without distinction as to the level of maintenance accomplished.

Core Capability—Skills and resources maintained within organic repair depots to meet contingency

requirements. **Core** comprises a minimum level of mission-essential capability either under the control of the individual Department of Defense (DoD) component or a consolidated capability under the control of a jointly determined DoD component where economic and/or strategic considerations warrant.

Core Logistics—The organic resources required to manage and operate the inventory management, depot maintenance, distribution, and data automation processes required to support the combat forces of the United States and its allies in military contingencies.

Critical Technology—A state-of-the-art workload or repair process which requires the establishment of a new repair capability or significant modification to an existing capability.

Depot Maintenance—Material maintenance or repair performed by contractor or organic depots requiring the overhaul or rebuilding of parts, assemblies, or subassemblies, and the testing and reclamation of equipment as necessary. The term includes all aspects of software maintenance as depot level maintenance and repair.

Depot Maintenance Activity—A plant designated by the Department of Defense to perform depot level maintenance on weapon systems, equipment, and components.

Depot Maintenance Business Planning (DMBP)—A structured process for determining which depot maintenance workloads, workload groupings, and technology areas should be accomplished at which repair sources. The process balances military necessity, economy, and effectiveness.

Depot Maintenance Capability—The aggregation of all resources required to perform depot maintenance. These resources include facilities, skilled personnel, tools, test equipment, drawings, technical publications, ongoing training, maintenance personnel, engineering support and spare parts.

DMI (Depot Maintenance Interservicing)—This is the next step (following SORAP completion) in accomplishing a complete depot maintenance source of repair assignment. This practice includes reviewing all new weapon systems and equipment, end items, and associated repairables among the services (Air Force, Army, Marines and Navy) before assignment of depot maintenance responsibility to determine if a DOD depot repair capability already exists. This also includes depot level repair of USAF materiel by other Services (AFLCR 800-30).

Depot Maintenance Workload—A specific depot repair requirement for a specific repairable item. Expressed in terms of aggregated item workloads to depict the magnitude of processes, activities, or end items. Units of measure include man-hours, work years, costs, and sales prices.

Exchangeables—Recoverable components which may be economically repaired and re-used multiple times (examples include avionics, airframe components, communications electronics, landing gear, etc.).

General War—Armed conflict between major powers employing the total resources of the belligerents and which jeopardizes the national survival of a major belligerent.

High-Surge Workload—Workload which requires additional workers to accomplish its wartime tasking level. Augmentation of this workload is accomplished through transfer of workers from no or low-surge workloads, new hires, or Air Force Reserve personnel. Depot activities use management and simulation systems to plan the actions to be taken after Mobilization Day (M Day), ensuring the availability of trained manpower resources. The percent of surge that qualifies workloads as high surge varies each year depending upon the peacetime overtime percentage, the number of personnel projected to be recalled in war from the depots to military duty, and the probable number of new hires. AFMC computes the percentage provided each year for business planning purposes. The percent of surge that differentiates

high-surge from medium-surge is normally close to an increase of 60 percent or greater of the peacetime level. AFMC activities preplan mobilization actions in detail, using standard management information and simulation systems to identify potential problems. Activities ensure sufficient facilities, equipment, and skills for flexibility and capability to respond to the changing peace to war mix of work.

Increased Tension—Period of military build-up short of armed conflict.

Information Superiority—The ability to collect, control, exploit, and defend information while denying an adversary the ability to do the same. The key to achieving and maintaining Information Superiority is a robust intelligence, surveillance and reconnaissance (ISR) capability that is transmitted to the Warfighter, and a thorough understanding of Information Operations (IO)—those actions taken to affect an adversary's information, and information systems while defending one's own. Information Warfare (IW), defensive and offensive, is an integral component of IR.

Interim Contract Support (ICS)—A preplanned, temporary contractor support method to provide all or part of the ILS elements for a system, equipment, or item for an initial period of operation. Period of implementation normally extends from first production article delivery to the Required Assets Availability (RAA) date. The RAA date begins a trial period of the operation and support capability before IOC.

Interservice Maintenance Support—Recurring or non-recurring maintenance, performed by the organic capability of one Military Service or element thereof in support of another Military Service or element thereof.

Joint Depot Maintenance Analysis Group (JDMAG)—A group staffed by employees of the four services, this organization supports the joint service initiatives, functions, and manages the DMI studies for the services. (JDMAG Depot Source Of Repair (DSOR) Pamphlet)

Joint Service Imagery Processing System—A worldwide deployed ground station designed to receive, process, exploit, and disseminate national-level imagery and imagery-derived products to the Warfighter in near real time.

Joint Stars—Provides excellent wide-area surveillance for theater CINCs, and has proven itself in two deployments supporting NATO requirements in Bosnia.

Joint Tactical Information Distribution System—Provides the exchange of data between all netted systems, including fighter, surveillance, and air/ground command and control platforms, and enables joint warfighters to share a common picture of the entire tactical battlefield.

Logistics Business Board (LBB)—HQ AFMC personnel responsible for depot maintenance business planning. Membership includes personnel from each ALC/FMP/XPX, plus HQ AFMC/LGP.

Major End Item—A final combination of assemblies, components, parts and materials that performs a major, complete operational function and needs no further augmentation to make ready for its intended use.

Major Weapon System—One of a limited number of systems or subsystems which, for reasons of military urgency, criticality, or resource requirements, is determined by the Department of Defense as being vital to the national interest.

Materiel—Items (including ships, tanks, self-propelled weapons, aircraft, etc., and related spares, repair parts, and support equipment, but excluding real property, installations, and utilities, except intercontinental ballistic missiles) necessary to equip, operate, maintain, and support military activities.

Medium-Surge Workload—Medium-surge workloads are in the range of 30 percent to approximately 60 percent greater than the peacetime level. Work is accomplished in wartime by the peacetime work force through leave curtailment, reduction of indirect labor, and overtime requirements. The expanded capability of the peacetime work force is largely required to accomplish these workloads in wartime; thus, medium-surge workloads do not serve as a significant source of wartime secondary skills.

Minimum Level—Minimum peacetime continental United States organic depot maintenance capability and capacity that is consistent with the most demanding wartime scenario as presented in the current Defense Guidance and articulated in the Air Force War and Mobilization Plan. This capacity provides peacetime base line capabilities (that is, facilities, equipment, and manpower) that can be expanded to accomplish wartime and high surge depot maintenance requirements.

Mission Essential Materiel—Materiel authorized and available to combat, combat support, combat service support, and combat readiness training forces to accomplish assigned missions. For the purpose of sizing organic industrial facilities, that Service-designated materiel authorized to combat, combat support, combat service support, and combat readiness and training forces and activities, including Reserve and National Guard activities.

Mobilization—Assembling and organizing national resources to support national objectives in time of war or other emergencies. The process by which the Armed Forces or part of them achieve a state of readiness for war or other national emergency. Includes activating all or part of the reserve components as well as assembling and organizing personnel, supplies, and materiel.

Modifications—An alternative to a produced material item applicable to aircraft, missiles, support equipment, trainers, etc. The alternative changes, as a minimum, affect the form, fit or function of the item

Network—A collection of highly integrated and utilized systems and sub-systems for such functions as command, control, and communication or tactical warning and assessment.

No or Low-Surge Workload—A workload that does not increase in wartime relative to peacetime levels or one that increases by a small percent. Low-surge workloads are no greater than a 30 percent increase of the peacetime level. Curtailing leave, reducing indirect labor requirements, and working overtime results in a significant excess wartime man-hour capability. Employees working no or low-surge workloads provide a source of skills that augment employees working on high-surge workloads.

Organic Depot Maintenance—That depot level maintenance performed by a Military Department under military control using government owned or controlled facilities, tools, test equipment, spares, repair parts, and military or civilian personnel. For purposes of this regulation, organic refers to only the Air Logistics Centers (ALCs) or their Operating Locations (OLs). Work to be done for the Army or Navy as well as any other customer, at an ALC or an ALC's OL is organic.

Peak Year—Within the five-year scope of the SORAP Cost Benefits Analysis, the year in which the highest number of reparable generations are projected to occur.

Physical Capacity—A quantitative measure of maintenance capability, usually expressed as the amount of direct labor workhours applied within a specific industrial shop or other entity, during a 40 hour week (one shift-5 days).

Preoperational Support (POS)—A contractor support method for supporting Test and Evaluation (T&E) efforts including Developing Test and Evaluation (DT&E) and Operational Test and Evaluation (OT&E). Provides all or part of the ILS elements required for the period of the T&E effort.

Product Support Management Plan (PSMP)—This document serves as the consolidated life cycle weapon system/product group sustainment plan. It integrates the vision, strategy, and specific product support concepts and arrangements that will ensure the reliability, maintainability, and readiness necessary to meet the needs of the Warfighter at best value. Although developed by the SM, it requires the early and consistent involvement of a wide range of stakeholders to ensure a broad Air Force perspective and facilitate coordination and approval of the final plan proposal. Using a structured process and consistent format outlined in [Attachment 2](#), the PSMP is the single, top-level document used to portray the detailed plans for life cycle sustainment, and as such serves as the primary object for corporate Air Force review, coordination, and approval of sustainment strategies.

Required Assets Availability (RAA)—A date agreed to by the implementing and supporting organizations and operating command where sufficient equipment, personnel, and ILS resources become available to the operational command to begin a trial period to assess equipment and support capability before Initial Operational Capability (IOC).

Secondary Skills—Additional maintenance-related capabilities possessed by organic personnel to accomplish other types of depot maintenance outside their normal peacetime duties, gained as a result of additional training or application of common depot repair technologies.

Single Manager—A manager responsible for integrating two formerly separate concerns (systems acquisition and sustainment) into a cohesive logistics support function. The scope of the single manager's responsibility begins in developing a weapon system to meet a specified need and continues through a complete life cycle of the weapon system until its retirement. During this period, a series of activities occur, many at the same time. The single manager establishes the partnership between acquisition and sustainment inherent in the Product Support concept.

Software—Software workload can be divided into four groups:

- a. Operational Software (Operational Flight Program (OFP) including Electronic Warfare (EW)). This software is used in weapon systems, both airborne and ground, to perform those functions previously designed and implemented in hardware. A typical operational software implementation involves the use of one or more computers and controllers, sensors, indicators, etc., that permit the computer to collect data related to the weapon system environment and drive the weapon system to respond to that environment.
- b. Test Software (Automatic Test Equipment/Test Program Set). This software is used to determine the serviceability of an item. It includes not only software associated with an end item being tested but also the software which is resident in the test equipment.
- c. Industrial Plant and Equipment (IPE). This software is used to automate depot operations equipment such as robotic, cleaning/plating, and other industrial processes (No SORAP required).
- d. Other Software. This type of software covers workload/functions that are not directly tied to a weapon system support/repair process (No SORAP required).

Software Maintenance—Those activities necessary to 1) correct errors in the software; 2) add incremental capability improvements (or delete unneeded features) through software changes; and 3) adapt software to retain compatibility with hardware or with other systems with which the software interfaces.

Software maintenance comprises software maintenance performed on military materiel (e.g. weapon systems and their components, space control systems and their components, automated test equipment and test package sets, and systems integration laboratories).

Source of Repair (SOR)—An industrial complex (organic, commercial contract, or interservice facility) with required technical capabilities to accomplish repair, overhaul modification, or restoration of specific types of military hardware or software.

Source of Repair Assignment Process (SORAP) —The Source of Repair Assignment Process (SORAP) is the primary method by which depot maintenance posturing decisions for both hardware and software are made. It applies to both new acquisition and fielded programs. It is designed to ensure compliance with all applicable factors, including public law, that merit consideration in achieving a best value depot maintenance source of repair. For new acquisitions, the SM should initiate the SORAP during the acquisition process. For fielded systems, a SORAP is required for all workload shifts, modifications, and workloads proposed to be accomplished in an overseas arena. There is no waiver from accomplishing the SORAP, and its progress or end result is a required discussion item at all Acquisition Strategy Panel (ASP) meetings. (Reference [Attachment 3](#)).

Space Based Infrared System (SBIRS)—Consolidates DoD's non-imaging infrared systems into a single overarching architecture to fulfill national security needs in the areas of missile warning and defense, technical intelligence, and battlespace characterization.

Surge—expanding an existing depot maintenance capability to meet increased requirements by adjusting shifts, adding personnel, adding equipment, and increasing spares and repair parts availability in order to increase the flow of repaired or manufactured material to the using/requiring activities, or for serviceable storage.

Theater Battle Management Core System (TBMCS)—and Air Force Mission Support System will provide primary support tools for theater commanders, creating seamless information flow to the Warfighter. These programs will fully support implementation of DoD's Global Command and Control System (GCCS), as part of the Defense Information Infrastructure-Common Operating Environment. It will also provide command and control and Air Tasking Order Generation through the Contingency Theater Automated Planning System, situational awareness and current intelligence data, using the Combat Intelligence System, and a common communication network for use at Air Force Wings, the Wing Command and Control System.

Unique Configuration—Materiel configured for a specific mission, that other like mission design series (MDS) cannot accomplish.

Workload Shift—Transfer of permanently postured depot maintenance workloads:

- Between organic and contract repair sources

- Between organic repair sources

- Between CONUS and overseas repair sources

Attachment 2

AIR FORCE PRODUCT SUPPORT MANAGEMENT PLAN

This guide implements and provides instruction for accomplishing a Product Support Management Plan

Product Support Management Plan:

Format and Development Methodology

Product Support Management Plan:

Format and Development Methodology

A2.1. Product Support Management Plan Description

A2.2. The Product Support Management Plan (PSMP) serves as the consolidated life cycle weapon system/product group sustainment plan. It integrates the vision, strategy, and specific product support concepts and arrangements that will ensure the reliability, maintainability, and readiness necessary to meet the needs of the warfighter at best value.

A2.3. The initial development of the PSMP, for acquisition programs, begins early in the acquisition phase and undergoes iterative refinement until a final proposed product support strategy is approved. For post-acquisition phase systems, it begins as an effort to assess and improve the system sustainment process from the existing cost, performance, and reliability, maintainability, and supportability (RM&S) baselines. From these baselines, a proposed revised product support strategy is developed and documented in a PSMP that is vetted through the corporate process for approval.

A2.4. Once approved, the ongoing maintenance of the PSMP is a continuing process throughout the life of the weapon system/major commodity program. Revisions in product support strategy (and corresponding revision to the PSMP) will occur biennially, at minimum, but should be addressed at major program events, including major modifications, failure to meet performance objectives, declining maintenance metrics, and increasing Operating and Support costs.

A2.5. As the single, consolidated, comprehensive document outlining the system or product group sustainment strategy, there will be a need for consistent broad access to the PSMP. To comply with this requirement, PSMPs should be accessible via the Internet, under the configuration control of the SM. Links to supporting documents should be included where applicable.

A2.6. While the SM is the primary author of the PSMP, vital participants in the development should include a wide range of potential stakeholders, either as direct participants in developing the Plan or as key coordination offices. The range of potential stakeholders is listed below:

A2.6.1. Warfighter (operating MAJCOMS)

A2.6.2. Defense Logistics Agency (DLA)

A2.6.3. HQ AETC

A2.6.4. HQ ANG/RES

- A2.6.5. Current Sources of Support (e.g. ALCs)
- A2.6.6. Supporting Commodity Managers
- A2.6.7. Supply Chain Managers
- A2.6.8. Depot Maintenance Managers
- A2.6.9. Legal Advisors
- A2.6.10. Manpower Advisors
- A2.6.11. Engineers
- A2.6.12. System Sustainment Managers
- A2.6.13. Sustainment Support Mangers
- A2.6.14. Contractors (existing or potential)
- A2.6.15. Other Services (where applicable)
- A2.6.16. Contracting Specialists
- A2.6.17. Software Managers
- A2.6.18. Testers
- A2.6.19. Logisticians
- A2.6.20. Acquisition Logistics Managers
- A2.6.21. Contracting Specialists
- A2.6.22. Software Managers
- A2.6.23. Financial Managers
- A2.6.24. Intelligence Advisors (As Required)
- A2.6.25. Others as necessary

A2.7. Plan Format and Development Methodology

A2.7.1. Plan Outline

A2.7.1.1. The plan shall consist of four sections, as follows:

- A2.7.1.1.1. System Description
- A2.7.1.1.2. Program Baselines
- A2.7.1.1.3. Product Support Strategy
- A2.7.1.1.4. Business Case Analysis

A2.7.1.2. This policy describes the entire process, including intermediate steps and sections, recommended to develop the final proposed product support strategy, but only the preceding four sections are required to be formally documented in the PSMP.

A2.7.2. System Description (required)

A2.7.2.1. The System Description section serves to provide overall information regarding the system or commodity group sufficient to acquaint the reader with the scope, mission, and unique aspects of the program/group. This section should address, at minimum, the following elements:

A2.7.2.1.1. System or Product Group description

A2.7.2.1.2. Force structure/inventory projections

A2.7.2.1.3. Primary mission/role/operational concept

A2.7.2.1.4. Support concept (either projected/proposed for acquisition phase programs, or existing for post-acquisition phase programs). Describe maintenance (including Depot maintenance) concept (e.g. 2-level, 3-level, source of repair), supply management strategy, and any other Integrated Logistics Support elements applicable to describe the overall support process.

A2.7.2.1.5. Unique technologies, especially as they affect supportability (e.g. stealth)

A2.7.2.1.6. Depot activation or existing Depot support arrangements

A2.7.2.1.7. System phase out/Migration Plan

A2.7.2.1.8. Foreign military sales

A2.7.3. Program Baselines (required)

A2.7.3.1. In order to develop a Product Support Strategy aimed at ensuring meaningful, best value sustainment over the life cycle, a program must understand where it is, in order to determine where it needs to go. This section should include, at minimum, the following elements:

A2.7.3.1.1. Performance Baseline: Quantified operational performance requirements to be delivered to the Operating MAJCOM. This will include mission capable rate, supportability, and system availability goals. For post-acquisition phase programs, a comparison of performance objective vs. actual is required. *AFI 63-1201, Assurance of Operational Safety, Suitability and Effectiveness (OSS&E)* in conjunction with the Operational requirements document is the reference for developing this baseline.

A2.7.3.1.2. Cost Baseline: Operational and Support (O&S) cost baselines will establish a baseline total ownership cost from which to track actual costs. For acquisition programs use those funding lines approved in the base year Program Objective Memorandum (POM). For post-acquisition programs use existing funding profiles in the base year POM. Include funding lines for RDT&E, appropriate procurement appropriations, and appropriate Operations and Maintenance (O&M) appropriations, including civilian personnel, depot level repairables (fly and non-fly), consumables, fuel, depot maintenance, sustaining engineering, software maintenance, contract services, and military personnel. Once established, the cost baseline will not change. It will be used to compare actual cost increases and/or decreases. The Product Support Strategy cost baseline can be obtained through the Air Force Total Ownership Cost (AFTOC) system.

A2.7.3.1.3. The format for reporting costs is shown in [Figure A2.1](#) below, which is the same weapon system cost baseline used by the Reduction in Total Ownership Cost (RTOC) plans.

A2.7.3.1.4. Reliability, Maintainability, and Supportability baseline: RM&S objectives such as MTBF/MTBD on high cost drivers should be established and documented. Other measures

such as TNMCS, TNMCM and MTBCF goals and objectives should be documented and assessed vs. actual as necessary, with analysis and conclusions regarding shortfalls.

Figure A2.1.

Weapon System	WEAPON SYSTEM BASELINE										AFTOC Data Sources Use			Weapon System
	Weapon System name, phone, email address										WSC:	OACs	Weapon System	
Program Office:	Data in ("THEN YEAR") Dollars (\$K):										ALL			
Program POC:	Q1 - 2000										ALL			
Financial Year:														
AS OF:														
	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08			
RDT&E														
Enter Program Specific R&D Line Items	3,543.299	2,854.468	3,000.474	2,900.151	2,338.961	1,604.895	1,433.919	1,419.656	-	-	-			
Enter Program Specific R&D Line Items	3,543.288	2,854.468	3,000.474	2,900.151	2,338.961	1,604.885	1,433.919	1,419.656	-	-	-			
PROCUREMENT														
WEAPON SYSTEM BP 10 or 20	5,269.932	7,024.706	6,550.322	2,614.313	10,025.245	10,969.910	10,047.370	10,274.012	-	-	-			
MODIFICATION BP 11 or 21	3,193.134	4,456.214	3,942.184	6,486.313	7,336.168	8,103.983	6,926.318	7,469.393	-	-	-			
COMMON SUPPORT EQUIPMENT BP 12	1,215.537	1,377.285	1,551.045	1,813.476	1,984.098	2,169.911	2,415.109	2,153.544	-	-	-			
POST PRODUCTION SUPPORT BP 13	142,042	124,610	155,354	177,898	165,038	152,786	180,242	168,884	-	-	-			
REPLENISHMENT SPARES BP 15 or 25	45,016	237,126	153,988	86,662	39,789	31,839	30,417	31,261	-	-	-			
INITIAL SPARES BP 15 or 25	56,787	-	-	-	-	-	-	-	-	-	-			
OTHER BPs 14, 17 & 19	271,303	475,914	289,553	352,059	347,894	406,727	340,493	317,388	-	-	-			
OPERATIONS AND MAINTENANCE	9,847.529	10,462,030	7,148,478	13,097,681	12,765,769	12,823,965	13,351,747	13,615,612	-	-	-			

TDY, LEASED SPACE, RENTALS, COMM, ETC.	1,862,033	1,475,531	869,030	1,806,141	1,656,687	1,665,908	1,794,220	1,844,533	-	-	-
MISC. OTHER EEICs											
BASELINE COST	18,669,760	20,341,204	16,699,273	18,612,146	25,129,976	25,418,760	24,833,036	25,310,280	-	-	-
MILITARY PERSONNEL											
ACTIVE DUTY	5,808,493	6,140,272	6,384,745	6,522,027	6,750,224	7,120,227	7,428,915	7,576,435	-	-	-
AIR FORCE RESERVE	4,754,339	4,947,751	5,063,467	5,211,051	5,389,523	5,742,148	6,004,208	6,155,069	-	-	-
AIR NATIONAL GUARD	305,154	308,766	329,609	360,506	376,728	364,203	380,965	392,834	-	-	-
	749,000	882,755	971,668	950,470	874,073	963,878	1,033,742	1,028,532	-	-	-
BASELINE COST w/ Mil Pers	24,468,263	26,491,476	23,064,018	25,134,173	31,680,299	32,536,968	32,261,962	32,686,715	-	-	-

A2.7.4. Product Support Strategy Development (optional)

A2.7.4.1. The purpose of this section is to develop a proposed product support strategy based on a comprehensive assessment of cost, performance, and RM&S data stated in the Program Baselines. The proposed strategy will identify the primary target areas for implementation of/transition to reengineered product support concepts and strategies, and will describe the proposed strategy in terms of specific planned initiatives and overall support concept, including milestones necessary to achieve those objectives.

A2.7.4.2. Supportability Assessment

A2.7.4.2.1. The Supportability Assessment section focuses on identifying, for acquisition programs, the envisioned high-risk sustainment areas, cost drivers, and RM&S objectives. For in-production/out-of-production systems, it identifies the existing high cost drivers, performance shortfalls, and RM&S problem areas. In either case, the intent is to identify those areas needing special attention in developing a viable, effective, best value Product Support Strategy. This section should include, at minimum, a systematic discussion of each product support element (e.g. Depot Maintenance, Organizational Maintenance, Wholesale, Retail Supply Management, Technical Data, etc.). Within each element, identify the following:

A2.7.4.2.1.1. High support cost drivers.

A2.7.4.2.1.2. Current and planned cost reduction initiatives.

A2.7.4.2.1.3. RM&S concerns.

A2.7.4.2.1.4. Performance shortfalls (as compared to performance objective targets).

A2.7.4.2.1.5. An analysis as to what extent the performance shortfall is linked to lack of supportability.

A2.7.4.2.1.6. A composite assessment of which support elements are marginal or unsatisfactory, per the above analyses.

A2.7.4.3. Proposed Product Support Strategy

A2.7.4.3.1. This section utilizes the results of the Supportability Assessment Section, which identified those supportability shortfalls, and proposes candidate Product Support strategies/concepts/processes to alleviate or eliminate the identified problems. More than one solution can be listed for each product support element. In addition, this section includes “targets of opportunity” sustainment functions which may not have cost, performance, or RM&S concerns but are nevertheless prime candidates for implementation of/transition to reengineered product support strategies. This section should include, at minimum, for each identified problem support area/target of opportunity:

A2.7.4.3.1.1. A description of the support issue/problem and its impact on support and/or performance of the system (or, a description of the “target of opportunity” support function and its impact on the support and/or performance of the system).

A2.7.4.3.1.2. The proposed product support concepts/processes to be considered to alleviate/eliminate the problems (or transition to new support concepts), with supporting rationale.

A2.7.4.4. Decision Criteria Assessment Section

A2.7.4.4.1. This section assesses each proposed product support concept/process identified in the previous section against the legislative, regulatory, and other decision criteria listed in the “Product Support Decision Matrix” (see [Figure A2.2.](#), pp. 24). The purpose of this assessment is to determine which product support strategies proposed earlier in this section are in fact viable considering such factors as legislative (e.g. Title 10), regulatory (e.g. A-76), policy (e.g. Depot Strategy). The output of this section is the optimum Product Support strategy for the Weapon System/Product.

A2.7.4.4.2. Boundary Conditions: Although the Product Support Strategy Decision Process is designed to provide the SM with the maximum flexibility in tailoring an optimum Product Support Management Plan, there are specific legislative, regulatory, and policy “boundary conditions” that must be addressed. The Product Support Decision Matrix is designed to ensure this is done. Each of the decision criteria factors listed must be evaluated to ensure conformance to existing legislation, regulatory guidance, and Air Force policy. A general list of these conditions, as an example, is included below:

A2.7.4.4.2.1. To preserve core competencies, Air Force policy generally precludes “Contractors on the Battlefield (COTB)” for systems or weapon system support functions that deploy to forward theater (Area of Responsibility, or AOR) locations. Accordingly, in-theater support functions, such as Organizational Maintenance and in-theater distribution, will be performed by Air Force personnel, not contractors, and are therefore not candidate functions for outsourcing in a product support arrangement.

A2.7.4.4.2.2. Consequently, Product Support arrangements must generally require Air Force operation of the retail supply function. Wholesale supply functions may be contractor operated. Therefore, where applicable, contractor operated wholesale supply functions and systems must provide a seamless, transparent interface to the Air Force retail supply system (currently Standard Base Supply System, or SBSS) so as to allow “blue suit” retail supply operation.

A2.7.4.4.2.3. Other boundary condition areas include Decapitalization of Working Capital Fund assets when initiating contractor wholesale supply operation, conformance to the Air Force approved Depot Strategy, compliance with 10 USC 2464 (“Core”), and 10 USC 2466 (“50/50”), and others as appropriate. It is the responsibility of the SM to obtain proper guidance relating to specific boundary conditions as they relate to his/her program, and ensure the Product Support strategy is in compliance.

A2.7.5. Final Product Support Strategy (required)

A2.7.5.1. This section formally documents the final proposed Product Support Strategy, in format and content suitable for Air Force corporate review and approval at the Acquisition Strategy Panel or appropriate level forum. Before the strategy can be finalized, any conflicts between the proposed weapon system/product optimum strategy and Air Force common commodity support processes must be resolved (e.g. F100 engines support multiple weapon systems. The optimum support plan for a weapon system using the F100 may sub-optimize F100 engine support for the Air Force. This must be resolved, with supporting rationale).

A2.7.6. Business Case Analysis (BCA) (required)

A2.7.6.1. This section documents adequate quantitative and qualitative evidence that the proposed product support strategy as documented in the PSMP is in fact the “best value” for the Air Force. In summary, this is the supporting foundation of facts, cost comparison, and conclusions needed to validate the proposed strategy. The format of the BCA is flexible, and may be tailored to suit the unique requirements of each program/product group. However, it must conform to acceptable standards for validating cost, including all appropriate costs in any cost comparison, and fully support any conclusions. Existing templates for BCAs are included at the Air Force RTOC web site (<http://www.safaqxt.rtoc.hq.af.mil/tools.cfm>).

A2.7.7. The following is a list of sample PSMP annexes and/or references:

- A2.7.7.1. Mission Needs Statement (MNS)
- A2.7.7.2. Operational Requirements Document (ORD)
- A2.7.7.3. Major Command (MAJCOM) Modernization Plans
- A2.7.7.4. Mission Area Plans
- A2.7.7.5. Development Plans
- A2.7.7.6. Business Area Plans
- A2.7.7.7. Source of Repair Assignment Process (SORAP) documentation
- A2.7.7.8. Weapon System Cost Reduction Plans
- A2.7.7.9. Program Management Directive(s) (PMD)
- A2.7.7.10. Acquisition Decision Memoranda (ADM)
- A2.7.7.11. Acquisition Program Baseline (APB)
- A2.7.7.12. Single Acquisition Management Plan (SAMP)
- A2.7.7.13. Analysis of Alternatives (AOA)
- A2.7.7.14. Test and Evaluation Master Plan (TEMP)
 - A2.7.7.14.1. Independent Cost Estimate (ICE)
- A2.7.7.15. Reliability and Maintainability (R&M) Master Plan
- A2.7.7.16. System Threat Assessment Report (STAR)
- A2.7.7.17. System Engineering Master Plan (SEMP)

A2.7.7.18. System Engineering Master Schedule (SEMS)

A2.7.7.19. Depot Maintenance Business Plan

A2.7.7.20. Supply Management Business Plan

A2.7.7.21. Product Support Business Plan

A2.7.7.22. Information Systems Business Plan

A2.7.7.23. Consolidated Technical Order Master Plan (CAFTOP)

A2.7.8. PSMP Format Tailoring: The SM will tailor the format and content of the PSMP as needed to meet the individual system or group long-range planning needs.

A2.7.9. PSMPs as Guidance: The SPD or PGM and other appropriate stakeholders will use PSMPs as guidance for implementing product support.

A2.7.10. PSMP Approval and Implementation: IAW Air Force allocation of responsibilities, the SM will ensure approval of all acquisition and sustainment strategies through the PEO/DAC chain and Headquarters AFMC, respectively.

A2.7.10.1. The PSMP current status should be discussed at each ASP. The PSMP must be reviewed by the ASP Chairperson or delegee (pursuant to AFFARS 5307.104-91) before the SM implements the plan.

A2.7.10.2. For programs not required to convene an ASP, the SM must accomplish the PSMP with HQ AFMC/LG assistance. In these cases, the SM, with concurrence from HQ AFMC/LG, may serve as the PSMP approval authority, unless otherwise directed by MAJCOM, FOA, or DRU supplementary guidance.

A2.7.10.3. Significant disagreement between the SM and HQ AFMC/LG should be elevated through the HQ AFMC chain.

Attachment 3

AIR FORCE SOURCE OF REPAIR ASSIGNMENT PROCESS (SORAP) GUIDE

This guide implements and provides instruction for accomplishing a Source of Repair recommendation.

SOURCE OF REPAIR ASSIGNMENT PROCESS (SORAP) GUIDE

A3.1. INTRODUCTION

A3.2. -- SOR Assignment Philosophy:

A3.2.1. The Source of Repair Assignment Process (SORAP) is the primary method by which depot maintenance posturing decisions for both hardware and software are made. It applies to both new acquisition and fielded programs. It is designed to ensure compliance with all applicable factors, including public law, that merit consideration in achieving a best value depot maintenance source of repair. The SM should initiate the SORAP for new acquisitions or modifications for systems that require Depot Level Repair as soon as feasible in the process. For fielded systems, a SORAP is required for all workload shifts, modifications, and workloads proposed to be accomplished in an overseas arena. There is no waiver from accomplishing the SORAP, and its progress or end result is a required discussion item at all Acquisition Strategy Panel (ASP) meetings.

A3.3. -- Goals and Objectives

A3.3.1. This guide provides information on how to prepare and coordinate a Source of Repair Assignment Process package, for depot level maintenance workloads. The SORAP recommendation should consider the corporate needs of the Air Force and be developed in a manner consistent with that shown in [Figure A3.1.](#) and [Figure A3.3.](#) It is designed to walk the Single Manager (SM) through the process including identifying the appropriate points of contact and appropriate sources of information required by the process. This guide will also define the roles and responsibilities of each of the players in the process. The completed SORAP package contains government commercial sensitive information. All documents must be protected and appropriately marked as "Source Selection Sensitive" or "For Official Use Only".

A3.3.2. It is essential that Air Force systems, equipment and software (e.g. Operational Flight Programs, Electronic Warfare threat tables, Automatic Test Equipment and Test Program Sets) requiring depot level support are provided to the warfighter at the best value to the Government. HQ USAF/IL is the Air Force office responsible for source of repair policy. The SM is responsible for developing and implementing strategy for individual weapon systems. HQ AFMC is responsible for tracking compliance with statutory requirements (i.e. 10 U.S.C. Sections 2464 and 2466) and assessing the impact of sustainment strategies on depot operations.

A3.3.3. Title 10 U.S.C. Section 2466 states that no more than 50 percent of the funds made available in a fiscal year to a military department for depot-level maintenance and repair may be used to contract for the performance by non-Federal Government personnel of such workload. Title 10 U.S.C. Section 2464 requires the Secretary of Defense to identify core logistics capabilities and the workload required to maintain those capabilities and to require the performance of those core logistics work-

loads at Government-owned, Government-operated facilities of DoD. Those core logistics capabilities must be identified not later than four years after achieving initial operational capability (IOC).

A3.3.4. The SM shall program funding for and identify a schedule leading to a depot support decision to the ASP at Milestone I. An example of a depot support schedule is provided at [Figure A3.2](#). The SM shall ensure that the sustainment options are considered and addressed at each milestone. These options may be (but are not limited to) organic support, contractor support, partnering, or a deferment of the decision until a later date. If the decision is deferred, the SM shall ensure access to the necessary data to support all viable options. Logistics support requirements are first initiated while establishing the maintenance support baseline using guidance provided in the Mission Need Statement (MNS) and the Operational Requirements Document (ORD). Development of the support planning process early in the life cycle will enable consideration of supportability requirements to be included in follow-on performance-based specifications and system design trade-off studies. A final source of repair recommendation to the ASP by the SM, with input and concurrence from HQ AFMC/LG, may be made at a different phase of a program, depending on the type of acquisition, its complexity, and maturity (reference AFFARS 5307).

A3.3.5. SORAP Approval. The SORAP decision or current status should be discussed at each ASP. The SORAP decision must be reviewed by the ASP Chairperson. If the program does not have an ASP scheduled at or near the time of the SORAP decision, the SM must notify the ASP Chairperson of the SORAP decision before implementation. Early decisions can be made for COTS/NDI, but the SM should propose a final recommendation to the ASP after data on repair requirements is mature enough to support an investment decision. For programs not required to convene an ASP, the SM must accomplish the SORAP with HQ AFMC/LG assistance. In these cases, the SM, with concurrence from HQ AFMC/LG, may serve as the SORAP approval authority, unless otherwise directed by MAJCOM, FOA, or DRU supplementary guidance.

A3.4. -- Responsibilities

A3.4.1. HQ USAF/IL is the Office Of Primary Responsibility (OPR) for AFI 63-107. HQ AFMC/LG is the (OPR) for implementation of the SORAP. SAF/AQ is the OPR for ensuring that the SORAP process is referenced in the Single Acquisition Management Plan (SAMP) guidance.

A3.4.1.1. Notes: 1) For Non-Developmental Items (NDI) and Commercial Off The Shelf (COTS) systems proceed to chapter 2, section I -- NDI and COTS. 2) Protect SORAP documents as “For Official Use Only”.

A3.4.2. Single Manager

A3.4.2.1. Identify the requirement and initiate the SORAP (reference [Figure A3.3](#)).

A3.4.2.2. Request candidate depot and an organizational Point of Contact (POC) from HQ AFMC/LGP not later than 90 days after the milestone *I decision*.

A3.4.2.3. Complete SORAP data elements described in Chapter 2 Data Collection and Processing, using the format identified in the SORAP template at appendix A.

A3.4.2.4. Request an organic maintenance cost estimate from candidate depot using rough parametric estimates.

A3.4.2.5. Request contract maintenance cost estimate using rough parametric estimates.

- A3.4.2.6. Prepare Cost Benefit Analysis (CBA) per the instructions in Appendix B.
- A3.4.2.7. Provide maintenance repair data to AFMC/LGP and the candidate depot sufficient for a 10 USC 2464 and 10 USC 2466 assessments to be completed.
- A3.4.2.8. Request a 10 USC 2464 and 10 USC 2466 assessments from AFMC/LGP.
- A3.4.2.9. Obtain coordination on SORAP package from candidate depot's Senior Business Planner or other Service Maintenance Interservice Support Officer, if applicable.
- A3.4.2.10. Forward fully coordinated SORAP package to HQ AFMC/LGP for HQ AFMC/LG or CC concurrence.
- A3.4.2.11. Prepare Source of Repair recommendation for ASP consideration that includes the results of the CBA, Core Assessment, 50/50 assessment (10 USC 2466), and HQ AFMC position (which may include potential impacts on the USAF Depot Strategy).
- A3.4.2.12. Brief to the CSAF and SECAF the ASP recommendation on source of repair for Acquisition Category IC and ID programs.
- A3.4.2.13. A Joint Depot Maintenance Source of Repair (SOR) Study must be accomplished as directed in the Depot Maintenance Interservice Regulation, AFI 21-133(I). The appropriate Joint Logistics Commanders (JLC) forms 27, 28 and 44 must be completed by the SM and provided to HQ AFMC/LGP.

A3.4.3. HQ AFMC

- A3.4.3.1. Identifies the candidate depot to the SM and to each ALC Business Board.
 - A3.4.3.2. Provides a Core assessment to the SM.
 - A3.4.3.3. Provides Title 10 USC 2466 certification to the SM.
 - A3.4.3.4. Provides policy and guidance in accomplishing the SORAP.
 - A3.4.3.5. Reviews SORAP packages for content and procedural disconnects.
 - A3.4.3.6. Staffs the completed SORAP package for concurrence/non concurrence and facilitates issue resolution. Those SORAP issues that cannot be resolved within AFMC, will be elevated by AFMC/CC through the Air Force corporate process.
 - A3.4.3.7. Provides appropriate representation for all ASPs.
 - A3.4.3.8. Notifies the SM of SORAP package concurrence and requests appropriate JLC forms for SOR assignments.
 - A3.4.3.9. Forwards completed JLC forms to the Joint Depot Maintenance Analysis Group (JDMAG).
 - A3.4.3.10. Provides appropriate notification of Depot Maintenance Interservice Study results.
- A3.4.4. Candidate Depot Business Planning Organization
- A3.4.4.1. Serves as ALC focal point for all SOR issues.
 - A3.4.4.2. Provides organic cost data to Single Manager.
 - A3.4.4.3. Assists SM in completing data elements in SORAP package format.

A3.4.4.4. Provides ALC coordination to SM on SOR package.

A3.4.5. Product Center and Air Logistics Center Directorate Offices

A3.4.5.1. Provides policy/process support to the SM on all SORAP packages and Depot Maintenance issues.

A3.4.5.2. Serves as Product Center representative for the AFMC Logistics Business Board.

A3.4.5.3. Acts as a liaison for the SM to HQ AFMC/LGP.

A3.4.6. Acquisition Strategy Panel

A3.4.6.1. For Acquisition Category 1C and 1D programs, obtains corporate coordination on SORAPrecommendations.

A3.4.6.2. For other than Acquisition Category 1C and 1D programs, provides approval of SM's SORAPrecommendation.

Figure A3.1.

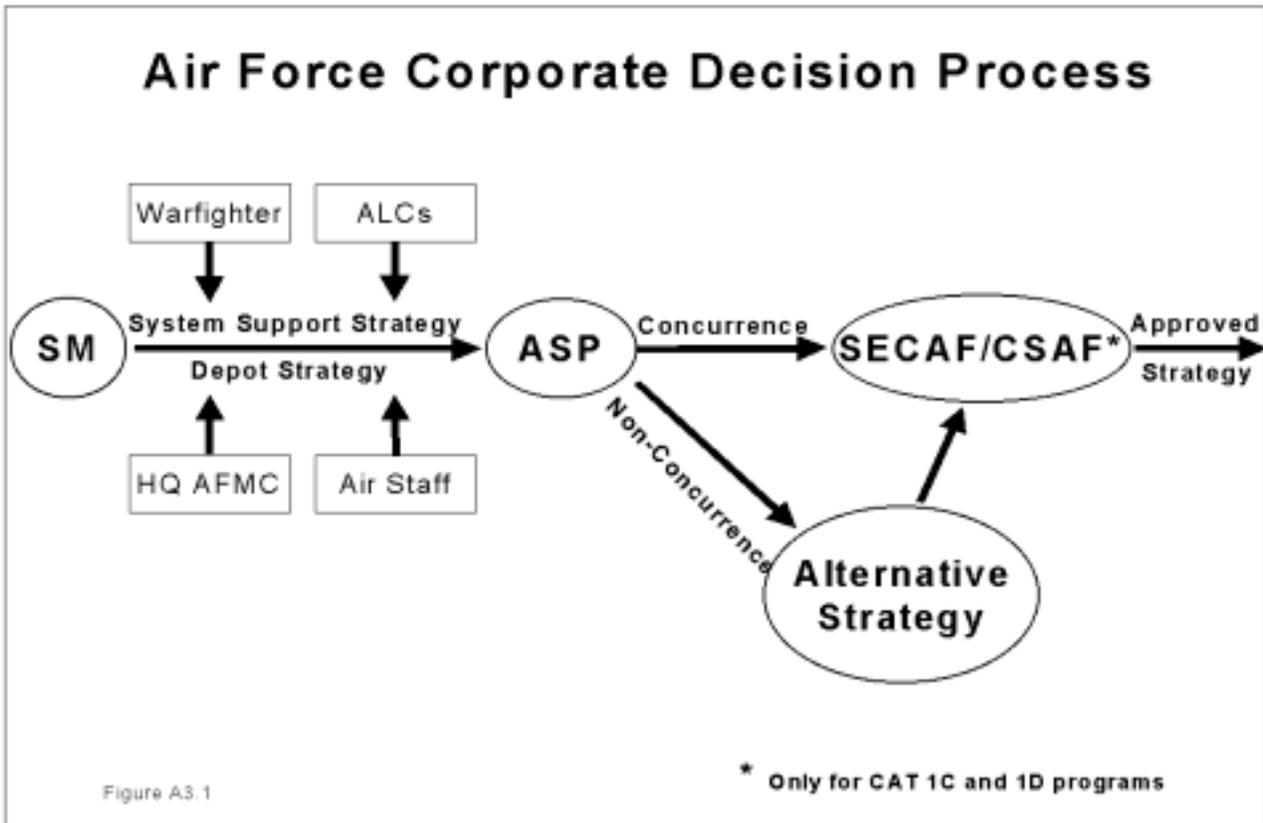
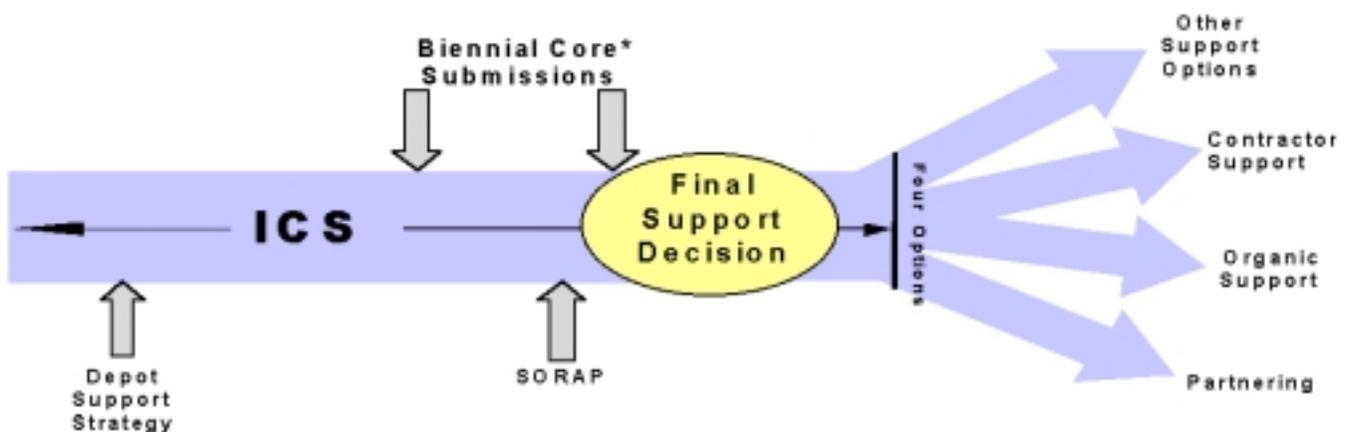


Figure A3.2.

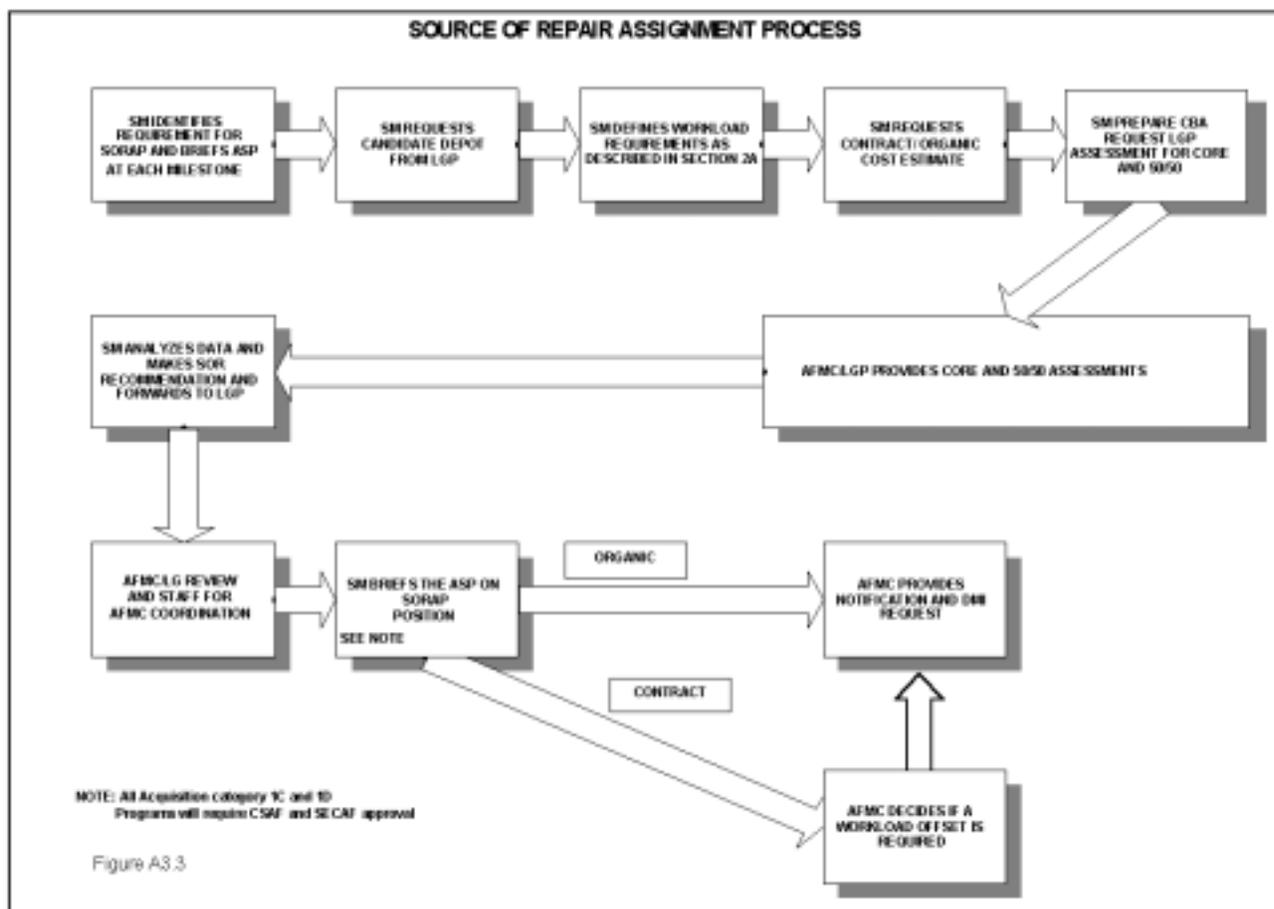
Notional Depot Support Timeline



*18 USC 2464 requires a core assessment four years after Initial Operating Capability

Figure A3.2

Figure A3.3.



A3.4.7. DATA COLLECTION AND PROCESSING

Workload Requirements

A3.4.7.1. Define the Workload Requirements. The following paragraphs should be reviewed with the SORAP package example at Appendix A. This section provides suggested sources to assist the SM with data collection. The SM shall describe the workload requirements within the SORAP package format. This step in the process is crucial to the success of the analysis. All of the data presented shall be for the peak (peacetime) depot workload year. While it is desirable that accurate data be included, in the absence of firm data, estimates using like systems shall be used in order to accomplish the SORAP in a timely manner. The SM must document the sources of the data.

A3.4.7.1.1. System Description (Block 1A): This is at the system/subsystem level. Ensure the description is sufficient to determine the candidate depot. This will require addressing the technological aspects of the item(s) to be repaired and the technological aspects of the process or processes needed to repair the item. Suggested Source: Program Management Directive (PMD).

A3.4.7.2. End Item Application (weapon system, aircraft, missile) (Block 1B): Identify the system or end

A3.4.7.3. item to which the subsystem is applicable. Suggested Source: PMD.

A3.4.7.4. Logistics Support Priority (LSP) (Block 1C): For software, the LSP is the same as the hardware LSP. Suggested Source: This can be derived through consultation with HQ AFMC/XP and the candidate ALC.

A3.4.7.5. Technology Assessment (Block 1D): Define the technologies included in the SORAP package, and assess the existing capabilities to support the technologies. Suggested Source: Contractor or Lab that developed the technology, engineers and candidate organic depot.

A3.4.7.6. Candidate Organic Depot (Block 1E): SM will forward a letter to HQ AFMC/LGP requesting candidate organic depot identification and a POC for the candidate depot. Letter must include the system/subsystem description and the end item application. HQ AFMC/LGP will determine appropriate candidate organic depot.

A3.4.7.7. Workload Description (Block 1F): Define the workload to be accomplished by the depot activity. What will be required of the depot to repair? Suggested Source: Original Equipment Manufacturer (OEM) usually documents the repair needed for a given system. This should include the LRU/SRU breakdown, and any other available data including design review data, repair manuals, Acceptance Test Procedures (ATP) and Depot Repairable Item List.

A3.4.7.8. Maintenance Concept (Block 1G): Define the maintenance concept. Suggested Source: Operational Requirements Document (ORD).

A3.4.7.9. Depot Facilities Requirements (Block 1H): Define the facilities needed to accommodate the workload requirements at the depot activity. Identify special facilities, e.g. clean rooms. Suggested Source: The OEM is a suggested source of information.

A3.4.7.10. Depot Support Equipment (SE) Requirements (Block 1I): Define support equipment required to accomplish the workload (identify common and peculiar SE to include procurement costs). Suggested Source: OEM and candidate organic depot; Single Acquisition Management Plan (SAMP). For software, Computer Resources Life-cycle Management Plan (CRLCMP).

A3.4.7.11. System Inventory (Block 1J): List the total system inventory. For example, Total Aircraft Inventory (TAI) and the Primary Aircraft Authorization (PAA). Suggested Source: PMD or the Operational Requirements Document (ORD).

A3.4.7.12. Mean Time Between Failure (MTBF) (Block 1K): For most systems this will be the standard unit of measure for defining when an item will fail and is usually associated directly with the weapon system flying hours. If system MTBF is not applicable, use a measure that is appropriate—be sure to provide detailed explanation as to what measurement was used and why. This is not applicable to software. Suggested Source: Candidate depot / Contractor (OEM)

A3.4.7.13. Annual Repair Generations (Block 1L): Define the number of assets that will generate starting with the first year of depot requirements out through the peak year (minimum of five years). Suggested Source: Mean Time Between Failure (MTBF) from the contractor along with peace/wartime usage hours. For software, the deficiency reports (DRs) history (if available) and planning block updates.

A3.4.7.14. Mean Time To Repair (MTTR) (Block 1M): Define how long will it take to fix the failed asset or system. Source: OEM/Candidate organic depot. For software, equate to a block cycle change.

A3.4.7.15. System/Subsystem Peacetime Inventory (Block 1N): Define the peacetime inventory. Suggested Source: K008 Flying Hour Program or equivalent. For software, see the Computer Program Identification Number (CPIN) system. The number of CPINs associated with the system should be considered along with their complexity.

A3.4.7.16. System/Subsystem Peacetime Usage (Block 1O): Define system usage in peacetime and the unit of measure (i.e. flying hours, cycle time, etc.). Suggested Source: Flying Hour Program (K008). For software, consider the DRs if available and block cycle changes.

A3.4.7.17. System/Subsystem Wartime Usage: (Block 1P) Define system usage in wartime and the unit of measure (i.e. flying hours, cycle time, etc.). Suggested Source: Operating MAJCOM. For software, see the Computer Resources Working Group (CRWG).

A3.4.7.18. Depot Hours Requirement (annual) (Block 1Q): Suggested Source: Candidate Organic Depot

A3.4.7.19. Peace = (peacetime usage / MTBF)*MTTR

War = (wartime usage / MTBF)*MTTR

For software, base on historical data from similar systems. Suggested Source: Candidate organic depot.

A3.4.7.19.1. Phase the workload starting with the first year of depot requirements through the peak year (minimum of five years). For software, if known, include schedule of block cycle changes. Indicate Projected annual hours/Direct Product Actual Hours (DPAHs).

EXAMPLE:	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03.....FY14</u>
	1000	1200	1500	1800	2300.....6700

A3.4.7.20. System Expected or Planned Life (Block 1R): Define the expected or planned operational lifecycle.

Core Assessment

A3.4.8. Core Assessment (Block 2A): DoDD 4151.18 requires that each service retain the minimum skills, facilities, and equipment necessary to maintain essential capability to meet support requirements of the Joint Chiefs of Staff prescribed war scenario(s). This capability is referred to as core and is mandated by Title 10 USC 2464. This step determines if the workload is a candidate to satisfy a core requirement. The SM must complete data elements listed above prior to requesting a core analysis from HQ AFMC/LGP. HQ AFMC/LGP will accomplish the core analysis. For joint service programs when the AF is not the lead service, a core assessment is still required. When the AF is the lead service, a core assessment is required from all services covered in the acquisition. The services will meet to discuss core requirements and determine the total DOD requirement. The lead service is responsible for ensuring all service's core needs are met in the final SOR decision.

Cost Assessment / Cost Benefit Analysis

A3.4.9. Cost Benefit Analysis (Block 2B): The CBA will compare the costs for organic and contractor-repair alternatives over the economic life of the system. Both nonrecurring and recurring costs are inputs to the CBA. The SM is responsible for collecting all cost data, determining estimating methodologies, performing and documenting the CBA. The SM is also responsible for providing all data elements to the organic depot to accomplish an organic cost estimate and identifying any deviations to the standard CBA template.

A3.4.9.1. An automated template in Microsoft Excel shall be used in performing the SORAP CBA. The template uses cost inputs, the economic life, and a discount rate to calculate the discounted repair cost for the organic and contract alternatives. Using the template ensures that each SORAP CBA is consistent and structured. It is the SM's responsibility, however, to provide complete, verifiable cost inputs for each alternative so that the completed analysis is as accurate as possible.

Recommendation

A3.4.10. The SM provides a contract, organic, or a combination of organic and contract, source of repair recommendation. The recommendation (Block 2C) must include the rationale for selection, including addressing cost, core, best value, etc. The SM shall address risks and risk mitigation plans associated with unusual situations, e.g. sole source, no other source, diminishing manufacturing sources, obsolete technology, etc.

Coordination with Candidate Depot

A3.4.11. The SM signs the SORAP package (Block 2D) and forwards it to the candidate depot BusinessPlanners (BP). The candidate depot concurs or non-concurs with the SORAP and provides written justification to the SM.

Coordination with HQ AFMC

A3.4.12. After BP coordination, the SM forwards the package to HQ AFMC/LGP for validation. HQAFMC/LGP staffs the SORAP for HQ AFMC concurrence. Non-validated SORAP packages will be elevated to the tier II or tier III Logistics Business Board for resolution.

ASP Approval Process

A3.4.13. The SM briefs the SOR recommendation to the ASP for approval. For Acquisition Category IC and ID programs the SM will brief the ASP coordinated SORAP recommendation to the CSAF and SECAF.

10 USC 2466 Assessment

A3.4.14. (Block 2C) Title 10 U.S.C. Section 2466 states that not more than 50 percent of the funds made available in a fiscal year to a military department for depot-level maintenance and repair may be used to contract for the performance by non-Federal government personnel of such workload.. HQ AFMC/LGP will assess each SORAP recommendation to determine if it will adversely impact the intent of this statute.

SORAP for Commercial Items

A3.4.15. For commercial item (including Non Developmental Items (NDI) and Commercial Off The Shelf (COTS)) the SM may not be required to perform all the steps outlined in [Figure A3.3](#). A commercial item is defined as: an item which has been sold or leased in substantial quantities to the gen-

eral public and is purchased without modification in the same form that it is sold in the commercial marketplace, or with minor modifications to meet Federal Government requirements. The SM shall provide a written statement, signed by the Procuring Contracting Officer and the local Judge Advocate office representative stating the item meets the commercial definition as stated above.

A3.4.15.1. For a commercial item, the SM may perform an abbreviated SORAP as follows:

A3.4.15.1.1. Define the workload IAW paragraph [A3.4.6](#).

A3.4.15.1.2. Request an organic candidate depot from AFMC/LGP (reference [Figure A3.3](#).)

A3.4.15.1.3. Request a 50/50 certification from AFMC/LGP.

A3.4.15.2. After completing the steps in 3.3.14.1, the SM provides a SORAP recommendation to AFMC/LG for concurrence/non concurrence. The SORAP recommendation is a mandatory discussion item at the ASP.

APPENDIX A

SOURCE OF REPAIR ASSIGNMENT PROCESS (SORAP)

New Start / Workload Shift / Modification (*circle one*)

PROGRAM EXAMPLE

A3.5. DESCRIPTION OF WORKLOAD REQUIREMENT (document the source of all data)

A3.5.1. All workload data should be in peak direct product actual hours (DPAH) where applicable

A3.5.2. The applicable fields are described below:

A. SYSTEM DESCRIPTION: Radar system including Phased Array antenna, signal processor, target data processor, power supply, and associated interfaces**B. END ITEM APPLICATION:** B-5**C. LOGISTICS SUPPORT PRIORITY:** (Suggestion: see the Program Management Directive (PMD) 2-7**D. TECHNOLOGY ASSESSMENT:** New composite interface cable material requires laser cutter**E. CANDIDATE ORGANIC DEPOT:** As assigned by HQ AFMC/LGP**F. WORKLOAD DESCRIPTION:** depot support to include end to end system check out, LRU/SRU testing and repair**G. MAINTENANCE CONCEPT:** 2 level maintenance (could be 3 level maintenance)**H. DEPOT FACILITIES REQUIREMENTS:** Special facilities include: 50,000 sq. ft. anechoic chamber**I. DEPOT SUPPORT EQUIPMENT REQUIREMENTS:** (Suggestion: for new acquisitions, pull from the Support Equipment Requirements Document (SERD).**1. Common:****Procurement Costs:****2. Peculiar:****Procurement Costs:****J. SYSTEM INVENTORY****Total Aircraft Inventory (TAI): 300****Primary Aircraft Authorization (PAA): 270****K. MEAN TIME BETWEEN FAILURE (MTBF): 300 HRS** (if MTBF in hours is not applicable, indicate appropriate measurement)**L. ANNUAL REPAIR GENERATIONS (first year through peak year):****PHASE OF REPGENS****THROUGH PEAK YEAR**

FY98 FY99 FY00 FY01 FY02.....FY12
 20 30 40 50 60..... 300

M. MEAN TIME TO REPAIR (MTTR): 5 HRS

N. SUBSYSTEM PEACETIME INVENTORY: 300 units

O. SUBSYSTEM PEACETIME USAGE: 90,000 HRS (if hours are not applicable, use appropriate measurement)

P. SUBSYSTEM WARTIME USAGE: 162,000 HRS (if hours are not applicable, use appropriate measurement)

Q. DEPOT HOURS REQUIREMENT (annual):

PEACE: (peacetime usage /MTBF) x MTTR: $(90,000/300) \times 5 = 1500$

WAR: (wartime usage /MTBF) x MTTR: $(162,000/300) \times 5 = 2700$

PHASE OF DEPOT (In DPAH) THROUGH PEAK YEAR

FY98 FY99 FY00 FY01 FY02.....FY12
 100 150 200 250 300.....1500

R. SYSTEM EXPECTED/PLANNED LIFE: Replacement expected by 2015

2. DECISION CRITERIA:

A. CORE ANALYSIS -- IS THIS WORKLOAD A CANDIDATE TO SATISFY A CORE CAPABILITY? YES, AIRBORNE AVIONICS

(Based on Core Analysis accomplished by HQ AFMC/LGP)

B. COST ASSESSMENT/COST BENEFIT ANALYSIS -- IS THE RECOMMENDED SOURCE OF REPAIR THE LOWEST COST ALTERNATIVE? YES

(Cost Benefit Analysis must be attached to SORAP Package)

C. RECOMMENDATION: ORGANIC SOR AT WR-ALC BECAUSE ...

(RATIONALE: Justification must be included.)

D. COORDINATION/APPROVAL

E. IS THIS A POTENTIAL 10 USC 2466 VIOLATION? *NO*

SIGNATURE

DATE

CANDIDATE DEPOT BDC _____

SINGLE MANAGER _____

HQ AFMC/LG _____

APPENDIX B

A3.6. SORAP Cost Benefit Analysis Template Instructions

A3.6.1. The SORAP Cost Benefit Analysis Template contains two spreadsheets within the template, which shall be used to structure organic and contract cost benefit analyses for source of repair decisions. The template takes nonrecurring and recurring cost inputs and applies discounting principles so that source of repair alternatives may be compared.

A3.6.2. Default formulas are entered in the template to assist with estimating some costs in the absence of program specific data. These formulas are based on historical data from a variety of programs and systems. **The quality and fidelity of an estimate will improve if program specific data is used in the template instead of the provided formulas.** The analyst developing the SORAP CBA should collect program specific costs, hours, and rates that apply to each of the nonrecurring and recurring cost elements in the template. The CBA should provide a sufficient level of detail to support the decision.

A3.6.3. The template may be tailored as required. If a cost element that needs to be estimated for a specific program is not in the template, that element should be added. The template is Microsoft Excel based and may be changed using Microsoft Excel commands.

A3.6.4. The template is in Microsoft Excel version 5.0 format. This file is located at <http://afmc.wpafb.af.mil/HQ-AFMC/LG/lgp/>. The filename for the template is *sorap.xls*. The template is a read-only file to protect the file formats and formulas. Before beginning a new SORAP CBA, the analyst should select *File, Save As* and type in a new file name. After saving as a new file name, input values for the cost/data elements described in the following sections may be entered.

A3.6.5. Organic/Contract Data Sheet

A3.6.5.1. The organic/contract data sheet is used to collect inputs and perform general calculations. The top of the sheet contains fields to input the following data: replacement LRU cost, organic mean time to repair, contract mean time to repair, end item quantity, system level MTBF, NRTS %, and operating hours per year per item.

A3.6.5.2. There are also fields to enter the organic sales rate and the contract repair rate. Both rates must be comparable and should include direct labor, direct material, production overhead (indirect labor, indirect material, and other indirect charges), and general and administrative (G&A) charges. Below each rate, there is a section to check off what is included in the rate to help the analyst generating the CBA to ensure that the depot and contract rates are comparable. A breakout of the organic and contract rates shall be provided with the SORAP package submittal. The rate breakout must show the direct labor, direct material, production overhead, and G&A components of each sales rate. Only the Single Manager and the command financial management office will review the breakout containing rate detail. The breakout must be labeled "competition sensitive" or with other appropriate markings.

A3.6.5.3. Using the inputs above, total operating hours, annual repair generations, organic repair cost, and contract repair costs are calculated by applying the formulas listed. All formulas used are documented in the reference column in the sheet. If the template user wants to break out the repair

cost or perform other calculations, the calculation section of the sheet may be tailored. There is space on the data sheet to list data sources, methodologies, and other documentation.

A3.6.6. Section A General Data

A3.6.6.1. Base Year - Enter the base year of the analysis. The most current OSD inflation indices should be used for any inflation adjustments to costs or rates. Inflation indices are available at www.saffm.hq.af.mil/SAFFM/FMC/inf198/inf198.html.

A3.6.6.2. Economic Life - Enter the economic life in years of the system. The economic life is the period of time that benefits will accrue. Guidelines set in the Operating and Support Cost Estimating Guide (OSD Cost Analysis Improvement Group, May 1992) recommend the following sustainment periods:

System Type	Years
Cargo or Bomber Aircraft	25
Fighter Aircraft	20
Helicopter Aircraft	20
Small Missiles (Aircraft)	15
Large Missiles (ICBM)	20
Electronic Equipment	10

A3.6.6.2.1. Discount Rate - Enter either the real (or constant dollar) rate. The discount rate represents the cost to the government of borrowing money. SAF/FMC publishes discount rates to be used in economic analyses. These published rates may be found at www.saffm.hq.af.mil/SAFFM/FMC/discnt.html. If base year (constant year) dollars are used in an analysis, the real rate should be used. If an analysis is done in current year dollars, the nominal rate should be used.

A3.6.6.2.2. Organic Sales Rate - This field is automatically calculated from the Organic/Contract Data Sheet. **ORGANIC LABOR RATES ARE COMPETITION SENSITIVE AND SHOULD NOT BE RELEASED TO A CONTRACTOR OR ANY GOVERNMENT EMPLOYEE OUTSIDE OF THE SINGLE MANAGER'S OFFICE OR THE COORDINATION CYCLE.**

A3.6.6.2.3. Contractor Repair Rate - This field is automatically calculated from the Organic/Contract Data Sheet. **CONTRACTOR LABOR RATES ARE COMPETITION SENSITIVE AND SHOULD NOT BE RELEASED TO ANOTHER CONTRACTOR OR ANY GOVERNMENT EMPLOYEE OUTSIDE OF THE SINGLE MANAGER'S OFFICE OR THE COORDINATION CYCLE.**

A3.6.6.2.4. Source Lines of Code (SLOC)- Enter the number of total source lines of code in the system planned for maintenance. This number is used in calculating software support.

A3.6.6.2.5. Annual Repair Generations – The projected number of annual repair generations is automatically calculated from the Organic/Contract Data Sheet.

A3.6.7. Section B Nonrecurring Costs

A3.6.7.1. Enter any nonrecurring costs in this section. Nonrecurring costs are defined as one-time costs or cost that occur infrequently. This section should typically contain support equipment

acquisition costs, initial training costs, nonrecurring tech data costs, etc. In the template, the support equipment line is a summary element that sums the LRU TPS, SRU TPS, and Other Support Equipment lines. TPS costs should include both hardware costs and software development costs.

A3.6.7.2. Nonrecurring costs for the organic and contract alternatives should be listed. Also list any sunk costs for the organic alternative. Since sunk costs are costs that have already been incurred, these costs are subtracted from the total nonrecurring costs in the discounting calculations.

A3.6.7.3. If no non-recurring costs are listed for the contract option the exclusion of these costs shall be fully explained. In addition, for comparability purposes, it is important that significant variances in major cost categories are explained.

A3.6.8. Section C Recurring Costs

A3.6.8.1. Entering any recurring costs in this section. Recurring costs are defined as costs incurred on a continuing annual basis to support the alternative. These costs may include the elements listed below. Costs that are captured in the sales rate should not be estimated in the template categories below.

A3.6.8.2. Facilities Maintenance - Enter any annual costs required to maintain the facility that is directly related to the system.

A3.6.8.3. Support Equipment Maintenance - Enter any annual costs to maintain support equipment. A default factor is in the template to estimate this element. The default formula for the annual cost is 5% times the procurement cost of support equipment in the nonrecurring section.

A3.6.8.4. Depot Repair – The depot repair cost is throughput from the Organic/Contractor Data Sheet.

A3.6.8.5. Software Support - The most important part of estimating software support costs is to apply a standard process. After applying any estimation method, the actual costs should be compared to the estimated costs and the estimation method adjusted to reflect actual costs. Ideally, multiple parametric software models (i.e. PRICE S, REVIC, COCOMO) should be used to calculate software support costs. The software system should be broken down to the lowest possible level of granularity in terms of both processes and products. The results of the multiple software models should be compared and inputs adjusted until output is similar. Use the results of all models to compose an overall estimate of support costs. If a parametric software model is not available, the historical productivity rates and historical reliability of estimates should be used as the basis for support costs. The final and least effective method for estimating support costs is the use of the default. The default formula multiplies the number of source lines of code in the system times 5% times 1.1 man-hours per SLOC times \$101 per man-hour. The \$101 rate is in BY98\$ and will need to be adjusted to the base year of the analysis using the OSD inflation factors referenced in Section A, Base Year field description.

A3.6.8.6. Tech Data Maintenance - Enter the annual cost to maintain tech data and manuals. The default formula in the template multiplies the average number of tech data pages updated annually times \$716 per page to estimate the annual tech data maintenance cost. The \$716 factor is in BY98\$ and will need to be adjusted to the base year of the analysis using the OSD inflation factors referenced in Section A, Base Year field description.

A3.6.8.7. Recurring Training – Enter recurring training costs. If program specific costs are unavailable, refer to AFI 65-503 for recurring training factors. AFI 65-503 may be found at www.saffm/hq/af/mil/SAFFM/FMC/afi65503.html. If relevant data cannot be obtained from the AFI 65-503 website, the default formula in the template to estimate annual recurring training cost is 5% per year of the nonrecurring training cost.

A3.6.9. Section D Methodology Descriptions

A3.6.9.1. Enter a brief description of the estimating methodology or source of input data next to the corresponding element. The methodologies are listed for elements with a default formula in the template. Overwrite any methodologies if the default formulas are replaced with program specific data.

A3.6.9.1.1. Other Documentation

A3.6.9.1.1.1. Any data entered into the template must have supporting documentation to show the source of the data, groundrules and assumptions, and methodologies used.

A3.6.10. Summary

A3.6.10.1. The SORAP template is a tool to assist the user in collecting the appropriate data, formatting the data, and performing the discounting functions required in a cost benefit analysis. For the best analysis, the user should enter program-specific cost data into the template whenever possible. The user should also tailor the template as required to meet the unique estimating requirements of a program.

A3.6.10.2. Any questions on the template or instructions should be directed to HQ AFMC/FMPC or HQ AFMC/LGP at Wright Patterson AFB.

Attachment 4

MIGRATION PLANNING

A4.1. Migration planning

A4.1.1. Migration planning is a deliberative process by which the weapons system single manager (or SPD) evaluates Aerospace Maintenance and Regeneration Center (AMARC) stored aircraft and articulates plans to optimize their use. The SPD will develop/revise a migration plan for each Mission Design Series (MDS) on an annual basis and document it in a formal Migration Plan at the end of each fiscal year. Migration planning is a dynamic process that must incorporate numerous factors that impact weapon system sustainment, contingency planning, FMS sales, etc. The Migration Plan itself is a *living document* that reflects the SPD's changing assessment of MDS/block changes, funding levels, and strategies to use storage aircraft to maximize support for the operational fleet. The annual review should include an evaluation of aircraft programmed for induction into AMARC and those in inviolate, spares support, and excess AMARC storage categories with the overall goal of placing aircraft into programmed reclamation at the earliest possible time in order to offset spare parts buy requirements. Aircraft can be placed into programmed reclamation at the time of induction in order to maximize harvesting of serviceable parts common to operational aircraft. Identification of the specific aircraft serial numbers is required in order to affect current aircraft storage code changes. Aircraft status code changes can occur at anytime a need dictates a change in status code reporting.

A4.1.2. Once the aircraft are assigned to a reclamation project, the engine community can request removal of engine parts or the entire engine. Therefore, it is imperative the SPDs include the propulsion community in the development of their Migration Plan and ensure that notification is issued. One of the most compelling reasons to do programmed reclamation is to have the necessary lead time to ensure parts will be tested, repaired, and available to meet the user's requirements. Another is to ensure valuable parts are retrieved for use before they become obsolete due to engineering changes and MDS phaseout.

A4.1.3. SPDs will submit migration plans through HQ AFMC/DR to HQ USAF/ILMY by 31 Oct of each year.

A4.2. Migration Plan Template

A4.2.1. The Migration Plan template has two sections.

A4.2.1.1. Factors Affecting Migration Plan. The objective of this section is to document known facts that will impact on future needs for and currency of AMARC aircraft. This section needs to include long term and short term sustainability factors and higher headquarters guidance impacting the SPD's ability to implement their plan. Examples of this type of information include anticipated engineering studies, parts commonality, block modifications, funding posture, previously removed parts from AMARC stored aircraft, dollar value of parts from inviolate storage aircraft, FMS offers, etc. The SPD should cite and attach copies of higher headquarters guidance that influenced the plan.

A4.2.1.2. The Migration Plan (spreadsheet). This section shows aircraft, by tail number (identification of specific aircraft serial numbers is required in order to effect current year aircraft storage codes) in each of the storage categories.

A4.2.1.3. The spreadsheet will include the ensuing fiscal year plus a projection for the following ten years.

A4.2.1.4. The spreadsheet also needs to show the deltas from the previous year's spreadsheet so that the anticipated changes are obvious. This section is not a formal request; it is just the long-term plan. In order to officially change the storage code, the SPD must submit a written status code change request through HQ USAF/XPPL) to move aircraft from one storage category to another. Effective migration planning ensures Air Force gets maximum utilization from the AMARC fleet by allowing the reclamation community to have the necessary lead time to ensure parts will be tested, repaired and available to meet the Operating MAJCOM's requirements.

A4.3. Storage Categories for Aircraft:

A4.3.1. XS - Inviolat Storage. This storage code reflects projected future flyable aircraft needs/contingencies, as determined by HQ USAF force programmers and ensures airframe and associated engine(s) are preserved. The SPD should periodically review and validate the integrity/condition/future flight potential of XS-stored aircraft. If there is no future flight potential, the SPD should recommend HQ USAF force programmers and HQ USAF/XPPL changes the storage category to permit better utilization of the aircraft. HQ USAF/ILMY is responsible for approving all requests for parts removal and replacement from inviolat storage aircraft.

A4.3.2. XT - SAP Hold Storage. This storage code ensures aircraft and associated engine(s) are preserved and held in anticipation of future Security Assistance Program (SAP) requirements for transfer to foreign governments either as foreign military sales (FMS) or as excess defense articles. The SPD reviews and validates future FMS or excess defense article potentials with SAF/IA. If there is no future SAP potential, the SPD should recommend to HQ USAF/XPPL changes to the XT-stored aircraft. While in XT storage SAF/IA is responsible for approving requests for parts removal and replacement on a case-by-case basis.

A4.3.3. XV – Potential reclamation candidate. Aircraft are temporarily placed in this category because the SPD may have some reservation about assigning a reclamation project code due to a low probability of programmed reclamation parts requirements. Note: When XV coded aircraft remain in this storage status category for any length of time and extensive priority parts removal are authorized, a default decision may have, in fact, been made and the aircraft should be inducted into programmed reclamation. SPD's must frequently reconsider their rationale for holding aircraft in XV status and should explain their assumptions in the top portion of the Migration Plan. The longer an aircraft remains in this storage category the less likelihood there is for parts utilization and serviceability.

A4.3.4. XX - Excess Aircraft. This is the status code that aircraft are placed in pending programmed reclamation. Unusual circumstances may necessitate temporarily XX storage code assignment until further disposition decisions are made. Aircraft assigned to this status are minimally preserved. During the annual Migration Plan review, the SPD validates the currency and validity of any XX code assignments. Optimally, XX-stored aircraft are subjected, one or more times, to programmed reclamation, the process of reclaiming required serviceable and economically repairable components identified by the inventory management specialist for wholesale supply stockage requirements. Programmed reclamation occurs when groups of aircraft are declared excess and are assigned to a specific reclamation project. A "save list" is developed from Inventory Control Point requirement computation data. The required parts are removed; inspected/repared and placed in depot wholesale

stocks in anticipation of future demands. HQ AFMC/LGI is the POC for reclamation. Policy is in AFD 23-5. Procedures are in AFMAN 23-110, Volume 6.

A4.3.5. RIT - Reclamation Insurance Type. Aircraft are assigned to this status code after completion of programmed reclamation. Reclamation Insurance Type aircraft are then utilized as a source for insurance type items or for future programmed reclamation or priority removal opportunities. The SPD reviews airframes to determine if they are still useful as reclamation/parts donors or should be released for secondary use or disposal processing. AMARC/FMW can furnish photos/information on items removed to aid in this review process or the SPD may want to conduct a physical review of the aircraft.

A4.3.6. Disposal - The decision to dispose of an aircraft or release for secondary uses (static display, target drones, test programs, etc) is made by the SPD. AMARC personnel may make recommendations but the final decision is made by the applicable SPD. The review should ensure that the aircraft are no longer suitable or required for parts support.

A4.3.7. AMARC D003A/B Aircraft and Missile Activity Status Report provides a detail listing (by Mission Design Series) of status codes assigned to AMARC aircraft.

A4.4. Interfaces

A4.4.1. These procedures interface with AFD 23-5, Reusing and Disposing of Materiel; AFD 23-1, Requirements and Stockage of Materiel; AFD 23-2, Supplies and Materiel Management; and AFMAN 23-110, Volume 6, Excess and Surplus Personal Property.

Attachment 5

PARTNERING

A5.1. Partnering Policy

A5.1.1. Purpose: To prescribe HQ USAF policy, procedure and responsibilities to undertake public-private partnering arrangements to accomplish weapon system product support. The intent of this policy is to leverage the best capabilities of sources of support in order to provide the most effective support to the warfighter at the best value. Effective partnering requires the integration of the goals and objectives of all partners. All partnering strategies must have a minimum of three sustainment partners, the System Program Office, the private sector partner, and the public (usually Depot) facilities. The organic ALC includes both the depot maintenance managers and the single managers involved in product support. Integration of each party's mission area objectives into a long term support strategy is the key to leveraging the core competencies and innovative concepts of both the public and private sectors to support the warfighter at the best value for the Air Force.

A5.1.2. In the context of weapon system product support, public-private partnering arrangements include (1) the use of public sector facilities and employees to perform work or produce goods for the private sector, (2) private sector use of public sector equipment and facilities to perform work for the public sector, and (3) work-sharing arrangements, using both public and private sector facilities and/or employees.

Figure A5.1.



Figure A5.1

Age of System (Phase in Life Cycle)
 Existing Support Infrastructure
 Organic & Commercial Capabilities
 Legislative and Regulatory Constraints

A5.1.3. This instruction applies only to weapon system product support and does not apply to partnering arrangements where the ultimate consumer of public goods and services is the private sector.

A5.2. Basis of Authority

A5.2.1. Execution of partnering strategies can be accomplished under the following statutory authorities.

A5.2.1.1. Title 10 U.S.C. Section 2563. Permits the sale to a person outside DoD of articles manufactured and services performed by a working capital funded industrial facility that are not available from any United States commercial source.

A5.2.1.1.1. The following conditions apply to these sales:

A5.2.1.1.1.1. The article or service is not available from a commercial source in the United States.

“Not available” means that the article or service is unavailable from a commercial source in the required quantity and quality or within the time required. This condition may be waived for reasons of national security, and Congress must be notified of the reasons of the waiver.

The purchaser must submit information to allow the approval authority to make a determination that the article or service is “not available.”

A5.2.1.1.1.2. The purchaser agrees to hold harmless and indemnify the United States, except in any case of willful misconduct or gross negligence, from any claim for damages or injury to any person or property arising out of the articles or services.

A5.2.1.1.1.3. The articles or services can be substantially manufactured or performed by the industrial facility concerned with only incidental subcontracting.

A5.2.1.1.1.4. It is in the public interest to manufacture the articles or perform the services.

A5.2.1.1.1.5. The sale of the articles or services will not interfere with the performance of DoD work or the military mission of the industrial facility concerned.

A5.2.1.2. Proceeds from sales of articles and services shall be credited to the funds, including working capital funds and operation and maintenance funds, incurring the costs of manufacture or performance.

A5.2.1.3. The Secretary of the Air Force has delegated the authority under section 2563 to the Commander, AFMC.

A5.2.2. Title 10 U.S.C. Section 2208(j). Permits a working capital funded industrial facility to manufacture or remanufacture articles and sell these articles, as well as manufacturing, remanufacturing and engineering services to persons outside DoD.

A5.2.2.1. The following conditions apply to these sales:

A5.2.2.1.1. The person purchasing the article or service is fulfilling a DoD contract or a subcontract under a DoD contract, and the solicitation for the contract or subcontract is open to competition between DoD activities and private firms; or

A5.2.2.1.2. The objectives set forth in 10 U.S.C. section 2474(b)(2) will be advanced by authorizing the facility to make the sale.

A5.2.2.2. The Secretary of Defense may waive these conditions in the case of a particular sale if the Secretary determines that the waiver is necessary for reasons of national security and notifies Congress regarding the reasons for the waiver. This authority has not been delegated to the Air Force.

A5.2.2.3. Proceeds from the sales shall be credited to the working capital fund incurring the cost of manufacture or performance.

A5.2.2.4. The Secretary of the Air Force has delegated the authority under section 2208(j) (except for the waiver authority that is retained by the Secretary of Defense) to the Commander, AFMC.

A5.2.3. Title 10 U.S.C. Section 2474. To achieve the objectives described below, this section authorizes a Center of Industrial and Technical Excellence (CITE) to enter into public-private cooperative arrangements (“public-private partnership”) to provide for any of the following:

A5.2.3.1. For employees of the CITE, private industry, or other entities outside DoD to perform (under contract, subcontract, or otherwise) work related to the core competencies of the CITE, including any depot-level maintenance and repair work that involves one or more core competencies of the CITE.

A5.2.3.2. For private industry or other entities outside DoD to use, for any period of time determined to be consistent with the needs of the DoD, any facility or equipment of the CITE that are not fully utilized for the Air Force's own production or maintenance requirements.

A5.2.3.3. The objectives for exercising the authority are as follows:

A5.2.3.3.1. To maximize the utilization of the capacity of a CITE.

A5.2.3.3.2. To reduce or eliminate the cost of ownership of a CITE by DoD in such areas of responsibility as operations and maintenance and environmental remediation.

A5.2.3.3.3. To reduce the cost of products of the DoD produced or maintained at a CITE.

A5.2.3.3.4. To leverage private sector investment in such efforts as plant and equipment re-capitalization for a CITE, and the promotion of the undertaking of commercial business ventures at a CITE.

A5.2.3.3.5. To foster cooperation between the armed forces and private industry.

A5.2.3.4. Amounts received by a CITE for work performed under a public-private partnership shall be credited to the appropriation or fund, including a working capital fund, that incurs the cost of performing the work.

A5.2.3.4.1. Consideration in the form of rental payments or in other forms may be accepted for a use of property accountable under a contract performed pursuant to this section.

A5.2.3.4.2. Revenues generated by the CITE shall be available for facility operations, maintenance, and environmental restoration at the CITE where the leased property is located.

A5.2.3.5. Equipment or facilities of a CITE may be made available for use by a private sector entity only if:

A5.2.3.5.1. The use of the equipment or facilities will not have a significant adverse effect on the readiness of the armed forces.

A5.2.3.5.2. The private sector entity agrees to reimburse the DoD for the direct and indirect costs (including any rental costs) that are attributable to the entity's use of the equipment or facilities.

A5.2.3.5.3. To hold harmless and indemnify the United States from any claim for damages or injury to any person or property arising out of the use of the equipment or facilities, except in a case of willful conduct or gross negligence.

A5.2.3.5.4. To hold harmless and indemnify the United States from any liability or claim for damage or injury out of a decision to suspend or terminate the use of equipment or facilities during a war or national emergency.

A5.2.3.6. The Secretary of the Air Force has designated as CITEs the depot maintenance activities at Oklahoma City Air Logistics Center, Ogden Air Logistics Center, and Warner Robins Air Logistics Center and has authorized them to enter into public-private partnerships to perform work related to their core competencies.

A5.2.4. In addition to partnerships authorized by the statutory reference mentioned above, partnering also includes a division of work by the SPO or SM between a contractor and a working capital industrial facility. Specific statutory authority is not required in this arrangement. The SPO or SM will typ-

ically have a contract with a contractor for product support. Work may also be accomplished by the working capital industrial facility at the recommendation or proposal from the SPO, the SM or the product support contractor.

A5.3. General Guidelines

A5.3.1. All partnering initiatives will comply with Title 10 U.S.C. Section 2464 and Section 2466, the approved Air Force maintenance strategy, and SORAP process.

A5.3.2. Partnership agreements will be developed to insure that the risk of unfunded liabilities to the working capital fund is at a minimum.

A5.4. Financial Guidance

A5.4.1. All proposals for partnering for direct sales shall be priced following full cost recovery principles outlined in DoD 7000.14-R, Vol. IIB. This regulation requires the use of stabilized prices or rates whether the ultimate consumer is within or outside the U.S. Government. While Vol. 11B shall take precedence, the general reimbursement guidance in DoD 7000.14-R, Vol. 11A, Chapter 1 is also applicable. According to this guidance, the prices charged for various categories of cost are not dependent upon who contracts for the items, but upon who benefits from the sale, i.e., the ultimate consumer.

A5.4.2. Cash advances must be received prior to the commencement of work regardless of partnering approach. Incremental payments are acceptable to the extent that cash is available to cover work anticipated to be performed during the period. All payments shall be credited to the appropriation or fund charged in performing the work.

A5.4.3. Final billings shall be based on stabilized prices or rates. For cost reimbursable type contracts, stabilized prices and/or actual hours coupled with stabilized rates shall be charged. Firm fixed-price type contracts may be used, but must consider associated risks and potential impacts to the overall financial health of the participating industrial facility. Gains associated with partnered workloads may contribute to a reduction in overall rates at the facility while losses may contribute to an increase in overall rates. At a minimum, gains and losses will drive yearly changes to partnering pricing as the facility strives to achieve a mandated accumulated operating result (profit) of zero. Due to these fluctuations, firm fixed-price contracts must contain an out-year repricing mechanism to reflect such rate changes.

A5.4.4. Costs and revenues associated with public-private partnerships must be separately identifiable in order to comply with reporting requirements. Each industrial facility shall have well documented accounting procedures for handling direct and indirect costs.

A5.4.5. The annual operating budget for the participating Command must include the costs of partnering.

A5.5. Responsibilities

A5.5.1. HQ USAF/IL

A5.5.1.1. Develop, promulgate, and amend AF partnering policy.

A5.5.1.2. Interface with OSD on all issues concerning AF partnering initiatives.

A5.5.2. HQ AFMC

A5.5.2.1. Provide detailed guidance to participating industrial facilities.

A5.5.2.2. Approve any partnering, and AFMC/CC may further delegate this approval authority to a level no lower than the commander of an air logistics center.

A5.5.2.3. Track and report on an annual basis details of any actual benefits resulting from partnering for that fiscal year.

A5.5.2.4. Ensure partnering arrangements are based on sound business decisions and comply with all statutory requirements, other regulatory guidance, Air Force approved depot maintenance strategy, and product support management plans.

A5.5.3. Single Manager

A5.5.3.1. The SM shall consider partnering strategies in the development of their product support concepts.

A5.5.3.2. SMs shall develop partnering strategies with users, depot maintenance managers, Supply Chain Managers (SCMs), other applicable SMs, and contractors.

Attachment 6

SERVICE LEVEL AGREEMENTS

A6.1. Service Level Agreements (SLAs) are bilateral agreements between the customer (Single Managers) and their suppliers (note - SLAs apply only to organically supported functions. They do not apply to support provided under CLS or TSPR arrangements with contractors). Their purpose is to establish a framework of expectations between both parties regarding service levels as measured in terms of quantity, quality, and timeliness. By providing a clear understanding of required service levels, they are a critical tool for improving support to the warfighter. The three key objectives of SLAs are to:

A6.1.1. Improve communications between customers and their suppliers.

A6.1.2. Provide weapon system level visibility into critical performance measures that impact readiness.

A6.1.3. Establish performance expectations that facilitate the forecasting of warfighter readiness.

A6.2. AFMC has established policy requiring SMs to establish SLAs with their Supply Chain Managers (SCMs). The SLAs must contain, at minimum, the scope of the agreement, ground rules, a description of business relations, and quantitative performance criteria for both parties.

A6.3. The implementation of SLAs generally involves the following steps:

A6.3.1. Identify the parties with which you will establish the SLAs.

A6.3.2. Define the scope of the agreement.

A6.3.3. Agree on responsibilities for both parties.

A6.3.4. Agree on metrics.

A6.3.5. Jointly develop the SLA and cosign.

A6.3.6. Collect data and make an assessment of performance vis-à-vis the metrics.

A6.3.7. Revise as necessary.

A6.4. For additional information, see the AFMC policy or contact AFMC/DRI.