DEPARTMENT OF THE ARMY
HEADQUARTERS UNITED STATES ARMY TRAINING AND DOCTRINE COMMAND
102 MCNAIR DRIVE
FORT MONROE VIRGINIA 23651-1047

REPLY TO
ATTENTION OF

ATRM-M

24 FEB 2003

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Contracted Advisory and Assistance Services (CAAS)

1. References:

a. Department of Defense Directive 4205.2, Acquiring and Managing Contracted Advisory and Assistance Services (CAAS).

b. AR 5-14, 15 Jan 93, subject: Management of Contracted Advisory and Assistance Services.

2. TRADOC, like all DoD activities, is required to comply with the provisions governing CAAS. CAASs are those services acquired by contract from nongovernmental sources to support or improve agency policy development, decision making, management and administration, program and project management and administration, or to improve the effectiveness of management processes or procedures or the operations of weapon systems, equipment, or components. The mandatory requirements governing CAAS are codified in the United States Code and the Federal Acquisition Regulation, but a recent review of contractors working at the headquarters revealed that we have not been in compliance with these controls for several years even though a large portion of contracts in TRADOC are CAAS.

3. As a result, HQ TRADOC is issuing guidance that provides the basic steps we need to take now to correct immediate problems. These include:

a. The Deputy Commanding General/Chief of Staff is the designated CAAS Director for TRADOC and will approve all CAAS requirements. The Deputy Chief of Staff for Resource Management, HQ TRADOC, is designated as the CAAS Coordinator. The CAAS coordinator will process all CAAS requests, and provide a coordinated recommendation to the CAAS Director.

b. All TRADOC activities are directed to immediately comply with the approval and evaluation process required by reference 1b for all new CAAS and the next renewal or extension

period for all existing CAAS. A formal directive is being prepared, and will be published. In the interim, all TRADOC elements will use the procedures and formats contained in AR 5-14 and the interim guidance at enclosure. Requests for approval of CAAS will be sent to the CAAS coordinator, Management Directorate, ODCSRM, HQ TRADOC, for processing.

c. As required in reference 1b, all CAASs will be evaluated. Copies of each evaluation will be provided to the CAAS coordinator for maintenance in the comprehensive file maintained for each CAAS.

d. TRADOC schools and activities are directed to report the numbers of contractors employed, and the type of work they are doing as part of the Monthly Status Report.

e. TRADOC activities will work with the cognizant Contracting Officer to ensure that a Contracting Officer's Representative (COR) is appointed for all CAAS contracts and that the COR has the appropriate training.

f. TRADOC activities will require contractors to identify themselves in accordance with applicable regulations, and include this requirement in the Statement of Work. See paragraph 9 of enclosure for a sample identification requirement.

g. As part of our management controls, the Internal Review and Audit Compliance Office is directed to conduct selective reviews of contracts across TRADOC to ensure that TRADOC is in compliance with CAAS approval procedures and personal services restrictions.

4. Personal Services Contracts, unless specifically permitted by legislation, are prohibited. Personal Service Contracts are those contracts that, by their express terms or as administered, make contract personnel appear to be government employees. Your legal counsel and contracting officer is available to assist in determination of personal services. It is absolutely essential that TRADOC avoid the evolution of service contracts to personal services because of how they are administered.

5. The Northern Region Contracting Center, United States Army Contracting Agency, has agreed to screen all proposed TRADOC contracts submitted to them, and if they appear to be CAAS, ensure the request has the necessary TRADOC CAAS approvals. If they do not, the package will be referred to the CAAS coordinator, and action will be taken to have the requestor prepare and process required approvals through the Management Directorate, ODCSRM, HQ TRADOC.

6. The requirements to comply with CAAS approval and evaluation requirements are effective upon receipt of this memorandum.

7. Point of contact is Mr. Edmond Waible, 757-788-4477 or DSN 680-4477, waiblee@monroe.army.mil.

8. TRADOC--Where Tomorrow's Victories Begin!

Encl

LARRY R. JORDAN
Lieutenant General, U.S. Army
Deputy Commanding General/
Chief of Staff

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Initial Guidance on Contracted Advisory and Assistance Services (CAAS) in TRADOC

1. DODD 4205.2 and AR 5-14 establish detailed procedures for approval and evaluation of CAAS. These services are those services acquired by contract, by The Army, from non-governmental sources *to support or improve agency policy development, decision making, management and administration, program and project management and administration, or to improve the effectiveness of management processes or procedures* or the operations of weapon systems, equipment of components. (Includes CAAS efforts procured by The Army through the use of another Government agency's contract).

2. Responsibilities:

a. Head of Agency/Command: Per AR 5-14, the head of each agency or command has ultimate responsibility for the proper management of CAAS. This includes:

(1) Ensuring policies of regulation are followed.

(2) Planning, programming, and budgeting for needed CAAS.

(3) Managing the planning and conduct for CAAS services by appointing a General Officer (GO) or Senior Executive Service (SES) civilian as the agency or command CAAS director. The CAAS director for TRADOC is the Deputy Commanding General/Chief of Staff.

(4) Evaluating the usefulness and applying the results and conclusions of CAAS.

(5) Maintaining the historical file of each procurement action, to include the approved request.

b. The requiring activity will:

(1) Have the primary responsibility for ensuring the identification and reporting of CAAS, and fulfilling the requirements of Chapter 4 of AR 5-14. (Definitions are contained in Appendix B and CAAS exemptions are described in Appendix C of AR 5-14. Summaries of CAAS definitions and exceptions are listed below).

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(2) Ensure the requirements identified as CAAS are provided to the organization or functional area responsible for developing the CAAS budget request.

(3) Maintain a file including, at a minimum, a copy of the approved procurement request and appropriate supporting documentation, listing, or summary of contract items delivered and documentation of Government acceptance.

3. CAAS Definitions (more detailed definitions contained in AR 5-14): These services include:

a. Category A - Studies, Analyses, and Evaluations (SAE): *SAEs are organized, analytic assessments to understand and/or evaluate complex issues, to improve policy development, decision making, management, or administration. SAEs result in formal, structured documents containing or leading to conclusions and/or recommendations for use by decision makers.*

b. Category B - Management Support Services (MSS): *"Contracts for management support services provide engineering or technical support, assistance, advice, or training for the efficient and effective management and operation of Army organizations, activities, or systems. They are normally closely related to the basic responsibilities and mission of the using organization. This category includes efforts that support or contribute to improved organization or program management, logistics management, project monitoring and reporting, data collection, budgeting, accounting, auditing, and administrative and/or technical support for conferences and training programs."*

4. CAAS Exemptions: Of 18 exemptions listed in AR 5-14, the following may be most relevant to TRADOC.

a. C-1 - Activities that are reviewed and acquired IAW OMB Cir A-76.

b. C-4 - Routine maintenance of systems, equipment and software; routine admin services, printing services, and direct advertising (media) services.

c. C-8 - Automatic Data Processing and/or telecommunications functions and related services controlled IAW Federal Information Resources Management Regulation and reported in Schedule 80 - Information Technology Budget of the Command Budget Estimates.

d. C-10 - Services supporting the policy development, management, and administration of the Foreign Military Sales program that are not paid for with funds appropriated by the United States Congress.

e. C-14 - Services procured with funds from the Defense Environmental Restoration Account.

f. C-16 - The General Defense Intelligence Program.

g. C-17 - Tactical Intelligence and Related Activities.

5. Uses of CAAS:

a. It is appropriate to use CAAS -

(1) When suitable in-house capability is unavailable or cannot be obtained in time to meet the needs, or is not cost-effective.

(2) When requirement is anticipated to be a short-term, temporary period of time.

(3) When the work to be done is specific enough that a contract can be written describing the services required in clear and unambiguous terms.

(4) To assist decision makers in meeting their responsibilities and help managers at all organizational levels to achieve maximum effectiveness and efficiency of operations.

(5) When proper to the mission of an agency or command, and when economically or otherwise advisable.

b. Examples:

(1) Professional, technical, scientific, or management opinion or support that is not available within The Army.

(2) Obtaining improved program or project management of DoD systems or programs through advice, assistance, or training to include program monitoring, resource management, planning, programming, milestone, and schedule tracking.

6. CAAS Limitations:

a. CAAS will not be used to perform inherently governmental functions. A description of inherently governmental functions can be found in the Federal Acquisition Regulation, OFPP Memo 92-1, and Appendix B of DA PAM 5-20.

b. CAAS will not be used to bypass or undermine personnel ceilings, pay limitations, or competitive employment procedures.

c. The Army must retain technical capability to prescribe, monitor, and evaluate the work of the contractor.

d. Contracts will not be awarded on a preferential basis to former government employees.

e. Each proposed contract action will be evaluated to determine if services required meet the CAAS definition.

f. CAAS acquired through full and open competition to the greatest extent possible.

g. Contracts for CAAS may not continue longer than 5-years without review by CAAS director.

7. CAAS Life-cycle Process:

a. Initiation: The requiring activity will identify the requirement as CAAS; establish the need for the effort; define the problem and scope in clear and unambiguous terms; determine a manageable number of objectives; identify the use and users of the anticipated project; estimate the benefits, costs, and risks associated with conducting the effort; refrain from proceeding if the benefits do not justify the costs and risks.

b. Validation: To justify the need for the effort, the requiring activity will:

(1) Conduct literature search, determine valid requirement for the effort exists, refine objectives, and prevent duplication.

(2) Determine if effort should be conducted in-house or by contract.

(3) Determine if effort is appropriate (IAW paragraph 3-2, AR 5-14).

(4) Determine availability of Army employees (military or civilian) with required expertise.

(5) Compare cost and benefits for in-house versus contract performance.

(6) Determine the ability of personnel process to obtain additional in-house support.

(7) Determine availability of needed funds (Schedule 10 of Program Objective Memorandum/Budget Estimate Submission).

(8) Prepare Statement of Work (SOW) and coordinate with Contracting Officer.

(9) Obtain appropriate management approval of the requirement for CAAS prior to formal submission to contracting officer for action. This entails preparation of a Management Decision Document (MDD), used to:

(a) Document the need for services as related to current priorities, tasks, and objectives.

(b) Attest that services do not unnecessarily duplicate prior or ongoing efforts.

(c) Certify the requirement is not inherently governmental-in-nature, that in-house resources are not available or cannot be used due to higher priority work, and that the need to use contractor-unique capabilities or employees is fully justified.

(d) Include certified justification if other than full and open competition is desired.

c. Approval of the Management Decision Document:

(1) The approval authority is delegated to MACOM commanders. The approval authority may be redelegated to levels deemed appropriate based on proposed acquisition method and/or the type or dollar value of required services. For the near term, this authority will not be redelegated.

(2) The approval authority is one level above the requiring activity during the first three quarters of the fiscal year; two levels above the requiring activity during the fourth quarter of the fiscal year.

(3) If the proposed contract is for more than $50K, approval cannot be delegated below GO/SES level.

(4) The requiring activity updates the organization's operating plan to reflect changes in the status resulting for the approval and forwarding of the requirement to the contracting officer.

(5) The requiring activity provides the approved procurement requirements package to the contracting officer - includes approved MDD, SOW, independent cost estimate, justification for other than full and open competition, identification of security requirements, and certification of fund availability by the organization, including the appropriate CAAS EOR.

(6) The requiring activity develops evaluation criteria and convenes an evaluation board for a service proposed for competitive negotiation.

d. Development and Conduct:

(1) The requiring activity will assist the contracting officer in ensuring each effort is properly managed and progressing satisfactorily (may include progress review meetings at specified milestones).

(2) The requiring activity may review and endorse contract vouchers prior to submittal to disbursing officer to ensure payments correspond to progress.

(3) The CAAS coordinator will maintain a comprehensive file on the contract, including all documents originating from the requiring activity.

(4) The requiring activity will ensure that any requirement proposed as a modification to the existing contract is necessary, within the scope of the contract, coordinated with the contracting officer, and approved by the proper management official before formal submission to the contracting officer.

e. Application and Evaluation: This phase occurs during and after completion of the contract. The requiring activity will evaluate the results and determine the extent objectives were achieved; ensure proper follow-up actions are taken and implement the conclusions and recommendations; and evaluate Army management and contractor performance. A written evaluation of administration and conduct of the effort must be prepared within 30 days and forwarded to the contracting officer for inclusion in the official file and maintained in the requiring activity's contract file.

f. Documentation and Reporting: AR 5-14 lists actions required to document and report the CAAS efforts that appear to relate primarily to studies and analyses.

8. Personal Services: Unless specifically authorized by Congress, personal services contracts are prohibited:

a. IAW Federal Acquisition Regulation (FAR), Section 37.000, Subpart 37.1 - Service Contracts, 37.104, Personal Services Contracts.

b. A personal services contract is characterized by the employer-employee relationship it creates between the Government and the contractor's personnel. The Government is normally required to obtain its employees by direct hire under competitive appointment or other procedures required by civil service laws. Obtaining personal services by contract, rather than by direct hire, circumvents those laws unless Congress has specifically authorized acquisition of the

services by contract. Agencies shall not award personal services contracts unless specifically authorized by statute to do so.

c. An employer-employee relationship under a service contract occurs when, as a result of the contract terms or the manner of its administration during performance, contractor personnel are subject to relatively continuous supervision and control of a Government officer or employee.

d. The FAR provides the following descriptive elements of personal services as a guide in assessing whether or not a proposed contract is personal in nature:

(1) Performance onsite.

(2) Principal tools and equipment furnished by the government.

(3) Services are applied directly to the integral effort of agencies or an organizational subpart in furtherance of assigned function or mission.

(4) Comparable services, meeting comparable needs, are performed in the same or similar agencies using civil service personnel.

(5) The need for the type of service provided can reasonably be expected to last beyond one year.

(6) The inherent nature of the service, or the manner in which it is provided, reasonably requires directly or indirectly, government direction or supervision of contractor employees in order to adequately protect the Government's interest; retain control of the function involved; or retain full personal responsibility for the function supported in a duly authorized Federal officer or employee.

9. Identification of Contract Employees: Contractor employees will be identified as required in the FAR and applicable regulations. A sample SOW requirement follows:

"1. The offeror shall provide each employee an identification (ID) badge on the contract start date or on employment start date. The ID badge shall be made of a nonmetallic material. The badge shall be easily readable and include employee name, company name, functional areas of assignment, security clearance, if applicable, and color photograph. The contracting officer or his/her designee shall approve the ID badge template before contract start date."

"2. Contractor personnel shall wear the ID badge at all times when performing work under the contract to include attending government meetings and conferences, unless otherwise specified in the contract. Each offeror employee shall wear the ID badge in a conspicuous place on the front of the exterior clothing and above the waist except when safety or health reasons prohibit such placement."

"3. Contractor personnel shall identify themselves as offeror employees when answering government telephones."

"4. When offeror personnel send E-mail messages to government personnel while performing this contract, the offeror's E-mail address shall include the company name together with the person's name."

"5. When it is necessary for contractor personnel to have an E-mail account on a government computer, the government shall ensure the E-mail address alias or directory entry indicates their contractor status, e.g., "Smith, Bob (Contractor)." Additionally, in E-mail systems that permit a free text auto-signature block, the government shall ensure contractors provide their full company name in their signature block. When requesting E-mail accounts for contractors, TRADOC contracting officer's representatives will inform information management officers or DOIMs that the recipients are contractors."

10. Initial Procedures--Effective Immediately:

a. All TRADOC activities will review all new, proposed, or existing contracts for identification of CAAS.

b. For all new CAAS, for any add-ons to existing CAAS, and for renewal or extensions of all existing CAAS, the requiring activity will prepare and submit the documentation described in Chapter 4, AR 5-14 to Management Directorate (ATRM-M), Office of the Deputy Chief of Staff for Resource Management, HQ TRADOC, Fort Monroe, Virginia 23651, prior to formally submitting the requirement to the Contracting Officer.