



Acquisition Management System Change Request Form

Change Request Number: (To be completed by secretariat)	24-72	
Description of the Change:	Incorporate Safety Review Team (SRT) Working Group change recommendations for AMS Policy. Changes revise AMS Policy to incorporate consideration of useful segmentation for FAA investments. Changes are in response to SRT Report recommendation #4 related to F&E	
Select the type of Change Request: *Policy changes require FAE endorsement.	Policy	
Section(s) impacted by CR:	1.2.6: Lifecycle Management Decision Making 2.1.1: Key Elements of Lifecycle Management Policy 3.2.1.2.5 (New): Consideration of Acquisition Risk Management Approaches	
PART 1: ENDORSEMENTS		
Manager, Acquisition Policy Branch Endorsement: AAP-130, Lifecycle Acquisition Branch	☒ Approved ☐ Disapproved	Electronic Signature/Date: MICHELLE G BRUNE Digitally signed by MICHELLE G BRUNE Date: 2024.08.09 14:23:28 -04'00'
Acquisition System Advisory Group (ASAG) Chairperson Endorsement:	☒ Approved ☐ Disapproved	Electronic Signature/Date: MICHELLE G BRUNE Digitally signed by MICHELLE G BRUNE Date: 2024.08.09 14:24:03 -04'00'
Acquisition Policy and Oversight (AAP) Director Endorsement:	☒ Approved ☐ Disapproved	Electronic Signature/Date: JAKE LENO LEWIS Digitally signed by JAKE LENO LEWIS Date: 2024.09.05 12:03:16 -04'00'
FAA Acquisition Executive (FAE) Endorsement: *Only required for Policy Changes	☒ Approved ☐ Disapproved	Electronic Signature/Date: NATHAN S TASH Digitally signed by NATHAN S TASH Date: 2024.09.13 09:27:34 -04'00'

PART 2: GENERAL INFORMATION

Change Request (CR) Number: 24-72		Date Received: 8/7/24 (To be completed by secretariat)
CR Title: Updates to Policy per SRT recommendations		
Summary and Reason for Change:		The SRT Report of November 2023 made several recommendations to enhance safety and reliability of the NAS. The ACQ SRT Working Group addressed Facilities, Equipment & Technology Recommendation FET.4: Alter the FAA's budgetary process to authorize and fund technology renewal and replacement
Initiator Contact Information:	Name: Irene Langweil	Phone: 202-267-3338
	Organization Name: Life Cycle Acquisition Policy	Routing Code: AAP-130
ASAG Member Contact Information	Name: Michelle Brune	Phone: 202-267-7328
Development, Review, and Concurrence: AAP-1 SRT Working Group (AAP, AAQ, ABP, AFI, AJG, AJM, AJO, AJV, ANG)		Target Audience: All FAA Acquisition personnel
ASAG Briefing: ☒ YES ☐ NO (To be completed by secretariat) Date: 7/16/24		ASAG Responsibilities: Review and comment. Approved on 07/23/24.
AEB Briefing: ☒ YES ☐ NO (To be completed by secretariat) Date: 7/18/24		AEB Responsibilities: Review and comment. Approved on 08/01/24.

PART 3: FAST PUBLICATION INFORMATION

Impacted AMS Section: NOTE: Please choose only one. If additional sections are impacted, submit a separate CR form for each.	Policy	
Validation of other impacted FAST locations: ☒ I confirm I have validated all other portions of the website and will submit additional CR's for any other impacted sections as necessary.		
Section/Text Location: AMS Policy 1.2.6 AMS Policy 2.1.1	Links: https://fast.faa.gov/docs/acquisitionManagementPolicy/acquisitionManagementPolicy_1.pdf	
Redline Validation: NOTE: The redline version must be a comparison with the current published FAST version.	☒ I confirm I used the latest published version to create this change/redline. OR ☐ This is new content.	
Attachments: Redlined and final documents.	Other Files: N/A.	

1.2 Key Elements of Acquisition Management

- 1.2.1 Strategic Planning, Management, and Budgeting Revised 1/2014
 - 1.2.2 FAA Enterprise Architecture Revised 7/2022
 - 1.2.3 Service Management Revised 7/2013
 - 1.2.4 Portfolio Management Revised 4/2017
 - 1.2.4.1 Agency-Wide Portfolio Management Revised 4/2013
 - 1.2.4.1.1 Portfolio Management Governance Revised 4/2013
 - 1.2.4.1.2 Portfolio Management Criteria Revised 4/2013
 - 1.2.4.2 Operational Capability Portfolios Revised 4/2013
 - 1.2.5 Acquisition Categories Revised 7/2021
 - 1.2.6 Lifecycle Management Decision-Making Revised ~~7/2024~~9/2024
 - 1.2.7 Acquisition Quarterly Program Reviews Revised 4/2019
 - 1.2.8 TechStat Reviews Revised 4/2019
 - 1.2.9 Cost Accounting Revised 4/2013
 - 1.2.10 Workforce Development and Qualification Revised 4/2013
 - 1.2.11 Continuous Improvement Revised 7/2010
 - 1.2.12 On-line Policy and Guidance Revised 1/2012
 - 1.2.13 AMS Change Management Revised 10/2023
 - 1.2.14 Legal Coordination Revised 10/2023
 - 1.2.15 AMS Lifecycle Management Documentation Revised 7/2024
 - 1.2.16 OMB Budget Documentation Revised 1/2021
 - 1.2.17 National Acquisition Evaluation Program Added 7/2007
 - 1.2.18 Earned Value and Baseline Management Revised 4/2019
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1.2 Key Elements of Acquisition Management

1.2.1 Strategic Planning, Management, and Budgeting **Revised 1/2014**

The Government Performance and Results Act of 1993, requires Federal agencies to have measurable performance targets tied to agency goals and objectives. These targets serve as the basis for planning capital investments and measuring progress.

The FAA supports this requirement through a strategic management process that forecasts the future aviation environment and captures goals, objectives, and performance targets in its strategic plan, currently FAA strategic initiatives. FAA strategic planning links the long-range vision and goals for the agency directly to the service needs of customers and defines top-level performance measures and multi-year performance targets.

The NAS Concept of Operations specifies the operational capabilities that the National Airspace System will have over time. Together, the FAA strategic plan and NAS Concept of Operations set the primary context for the FAA Enterprise Architecture and all lower-level plans and budgets within the agency. FAA lines of business and staff offices align their planning to the goals and objectives in FAA strategic planning. Service organizations within the lines of business in turn align their business and operating plans to line-of-business planning. These relationships are illustrated in Figure 1.2.1-1 FAA Strategic Planning, Management, and Budgeting.

Figure 1.2.1-1 Strategic Planning, Management, and Budgeting



Service organizations develop integrated business plans and budgets across all appropriations to achieve full lifecycle support of service delivery. Planning is realistic within budgetary constraints. Success or failure in achieving performance goals influences future planning and budgeting decisions. Resources are dedicated to key activities such as service analysis, concept and requirements definition, and investment analysis.

The Administrator approves the FAA strategic plan; the NextGen Management Board approves the NAS Concept of Operations; the Joint Resources Council approves the FAA Enterprise Architecture.

The Chief Financial Officer formulates the budget across lines of business and staff offices; tracks actual performance against planned execution based on input from these organizations; records approved resource adjustments to FAA plans and budgets; and incrementally moves FAA planning and budgeting forward each year. The Chief Financial Officer also develops the Facilities and Equipment (F&E), Research, Engineering, and Development (RE&D), and Operations (OPS) budget requests.

Planning for the Airport Improvement Program is coordinated with planning for the RE&D, F&E, and OPS appropriations so that capital assets necessary to support new and expanded

airport operations are available when needed.

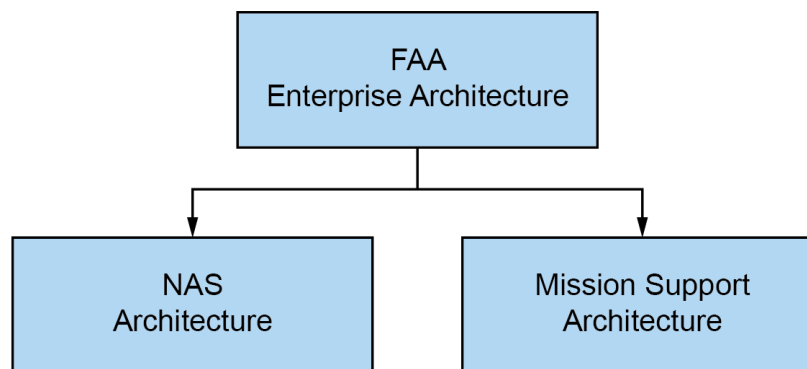
The FAA reports facility and equipment expenditures to Congress in the Capital Investment Plan; research, engineering, and development resource requirements in the National Aviation Research Plan; and operations funding requirements in the annual budget request to Congress.

1.2.2 FAA Enterprise Architecture **Revised 7/2022**

The FAA Enterprise Architecture (referred to as the enterprise architecture throughout AMS policy) defines the operational and technical framework for all capital assets of the FAA. It describes the agency's current and target architectures, as well as the transition strategy for moving from the current to the target architecture. The enterprise architecture is approved annually by the Joint Resources Council in support of FAA budget and strategic management processes.

The enterprise architecture has two components: the National Airspace System (NAS) architecture and the Mission Support architecture (See Figure 1.2.2-1 FAA Enterprise Architecture). The NAS architecture is comprised of the systems, people, and procedures necessary for command and control of the National Airspace System. It also includes mission-support systems that manage or design command and control components and air traffic procedures. The Mission Support architecture is comprised of the information technology operations and investments needed for agency business administration and planning. It includes all mission-support applications, systems, policies, and procedures not directly involved in air traffic control.

Figure 1.2.2-1 FAA Enterprise Architecture



The FAA Enterprise Architecture Board governs the enterprise architecture. The Chief Information Officer maintains it. The Enterprise Architecture Service Division administers the NAS architecture. The Office of Information & Technology, Solution Delivery Service, Enterprise Architecture & Portfolio Insight Division, Enterprise Architecture (EA) Branch administers the Mission Support architecture.

1.2.3 Service Management **Revised 7/2013**

Acquisition management policy is structured to apply FAA investment resources to the cost-effective delivery of safe and secure services to its customers. The delivery of these services is accomplished through service organizations, which are responsible and accountable for lifecycle management of service delivery.

A service organization is any organization that manages investment resources, regardless of appropriation, to deliver services. It may be a service unit, program office, or directorate, and may be engaged in air traffic services, safety, security, regulation, certification, operations, commercial space transportation, airport development, or administrative functions.

Service organizations bring together the stakeholders and specialists necessary to plan, obtain, manage, and sustain assigned services throughout their lifecycle. A service may be delivered directly to a customer, such as flight planning for general aviation, or to other service organizations that deliver end services to customers. Together, service organizations span the spectrum of FAA activity and responsibility.

Service organizations manage service delivery by means of integrated portfolios of capital investments and operational assets. These portfolios includes investment assets under acquisition; fielded equipment, legacy systems, infrastructure, and facilities; and all other types of resources.

Service organizations perform service analysis annually to determine what capabilities must be in place now and in the future to meet agency goals and the service needs of customers and to move planning forward each year. Results are captured in enterprise architecture roadmaps, which are the transition plans for moving the current “as is” architecture to the future “to be” state. These roadmaps are the foundation for line-of-business and staff office business plans, which in turn are the basis for service organization operating plans.

The operating plan of each service organization specifies how it will manage its operational assets and investment initiatives over time to sustain and improve service delivery. Each operating plan is maintained on a continuing basis and updated yearly to reflect progress against plan, Congressional or executive direction, emerging customer needs, and critical aviation incidents. Service organizations track performance, accomplishments, and resource expenditures relative to the operating plan, and take corrective action as necessary to achieve agreed upon goals and objectives. Service organizations work closely with each other to manage shared assets efficiently and effectively.

1.2.4 Portfolio Management Revised 4/2017

The FAA views and manages its investment and operational assets through multiple levels and groupings of portfolios to ensure they work together efficiently to achieve agency strategic, mission, and service goals. At the agency level, the entire FAA budget is a portfolio of planned expenditures organized to balance support of existing operational services with investment in new capability. Within this portfolio, the R&ED, F&E, and Operations appropriations are distinct portfolios that allocate research, investment, and operational funding to the most pressing service needs of the aviation community. Similarly, the enterprise architecture is a portfolio with

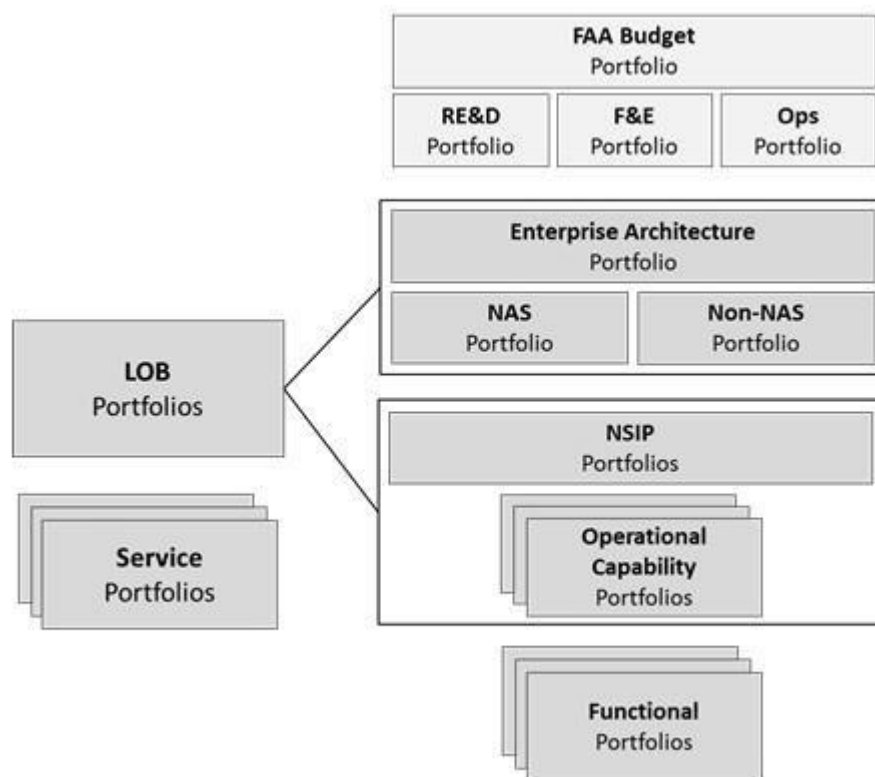
investments and assets that make up the National Airspace System (NAS) and administrative and mission support information technology (Mission Support). The enterprise architecture can be viewed as distinct portfolios segmented in different ways for specific purposes.

Operational capability portfolios are rational groupings of NAS investment programs proceeding through the AMS lifecycle management process that have critical interdependences which must be taken into account when making investment decisions for individual components of the portfolio.

The Joint Resources Council uses portfolio management in conjunction with strategic planning, the enterprise architecture, and outcome-based performance measures when making investment decisions and managing selected groupings of investments.

AMS policy does not create a universal definition for the term “portfolio management.” It establishes the definition and policy for several standard agency-wide portfolios (Section 1.2.4.1) and for operational capability portfolios (Section 1.2.4.2). This policy does not preclude other types of portfolios within the agency, nor does it provide policy or guidance for managing them. Figure 1.2.4-1 illustrates the levels and groupings of FAA portfolios.

Figure 1.2.4-1 Portfolio Management in FAA



1.2.4.1 Agency-Wide Portfolio Management **Revised 4/2013**

The FAA implements agency-wide portfolio management at multiple organizational levels and within a unified functional framework:

Corporate Portfolio Management - The FAA, through the Joint Resources Council and other means, manages the overall agency investment portfolio with the following:

Enterprise Architecture: The enterprise architecture portrays the "as is" and "to be" state of FAA operational assets along with roadmaps that lay out over time what investments will be made to achieve the end-state configuration. The enterprise architecture is developed and updated annually by analyzing the functions the FAA needs to provide based on identified gaps in needed services over time. This view of the corporate-level portfolio is presented to the Joint Resources Council each year for approval.

FAA Budget: The budget is developed using a strategic management process that ties it to the needs in the enterprise architecture and the goals in the FAA strategic plan to create a unified performance-based budget. The budget is reviewed each year considering several corporate-level portfolio measures including progress in meeting FAA strategic goals, budget allocations relative to strategic planning targets, and assessments of under-performing programs using earned value management. This information is presented to the Joint Resources Council annually when it reviews the agency budget submission.

Line-of-Business Portfolio Management - Each line of business and staff office oversees, coordinates, and integrates the service portfolios of its service organizations to achieve the greatest overall contribution to agency strategic goals and targets.

Service Portfolio Management - Service organizations (e.g., terminal services, en-route and oceanic services, regulatory services, certification services) manage integrated sets of investment and operational assets to optimize service delivery over time.

NAS Segment Implementation Portfolio Management - The NextGen organization oversees investment portfolios that cut across service organizations to provide fully integrated operational capabilities for the National Airspace System in such areas as precision-based navigation and improved runway operations. More than one service organization may be involved with implementation and in-service management of these investment packages.

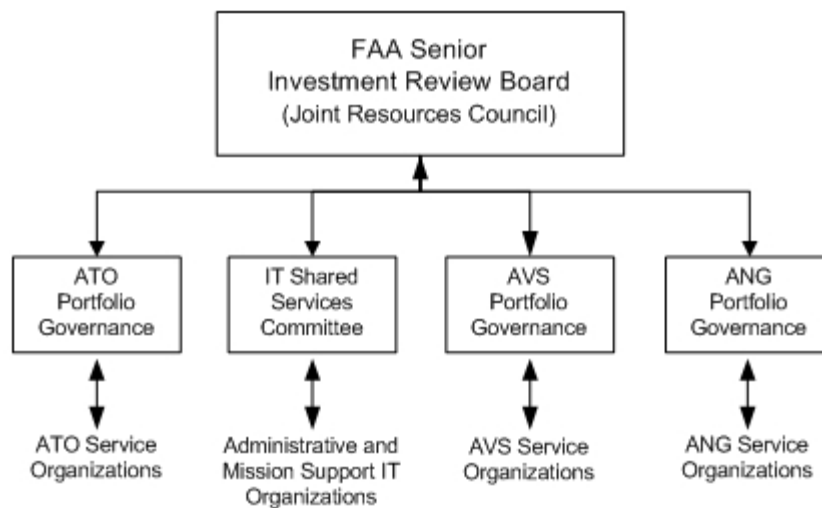
Functional Portfolio Management - The NextGen organization oversees investment packages that cut across service organizations to provide fully integrated functional capability for the National Airspace System in such areas as weather, surveillance, communications, automation, and navigation. More than one service organization may be involved with implementation and in-service management of these investment packages.

1.2.4.1.1 Portfolio Management Governance **Revised 4/2013**

Figure 1.2.4.1.1-1 portrays portfolio management governance within FAA.

Figure 1.2.4.1.1-1 FAA Portfolio Management Governance

(representative depiction)



The Joint Resources Council oversees the FAA investment portfolio as expressed in the enterprise architecture, FAA budget, and individual service portfolios. It evaluates the performance of all investment programs and operational assets within each service against quantified baseline measures. Planned initiatives for new investment are discussed along with proposals to remove, replace, or improve operational assets with declining performance that no longer satisfy service need or are nearing the end of their service life. The Joint Resources Council aligns and coordinates investment activity across the lines of business through annual review and approval of the enterprise architecture and agency budget submissions to Congress.

Line-of-Business portfolio governance aligns and coordinates investment activity across service organizations within a line of business or staff office. This governance ensures investment and operational resources support priority FAA strategic and performance goals; ensures there is no overlap, redundancy, or gap in service delivery; and reviews progress, tracks baseline variances, and monitors remedial planning and execution within service portfolios. Specifically, Air Traffic Organization (ATO) governance oversees, reviews, and coordinates service portfolios related to the National Airspace System and the provision of air traffic control services (e.g., terminal, en-route, and technical operations). NextGen (ANG) and Aviation Safety (AVS) governance oversee and recommend investment portfolios within their line of business.

The Information Technology Shared Services Committee reviews, oversees, and recommends administrative and mission support information technology investment portfolios.

Service organizations manage service delivery within their service area of responsibility. They evaluate service demand on a continuing basis and recommend changes to the service portfolio over time to optimize service delivery.

1.2.4.1.2 Portfolio Management Criteria **Revised 4/2013**

The FAA has standard criteria for selecting, controlling, and evaluating its investment portfolio. The Joint Resources Council uses the standard criteria when evaluating new investment opportunities for inclusion in a service portfolio, when evaluating the status of on-going

investment programs, and when evaluating the efficiency and effectiveness of operational assets.

The three categories of portfolio management criteria are listed below. Details for some elements of these criteria are defined elsewhere in AMS (e.g., earned value management policy is in Section 4.16 and the standard selection criteria are located in FAST).

Selection criteria: The Joint Resources Council applies the following standard quantitative and judgmental selection criteria to assess the relative contribution of investment options for inclusion in an investment portfolio: benefits; lifecycle cost; benefit to cost ratio; consistency with the enterprise architecture; impact on FAA strategic goals; and risk.

Control criteria: The FAA employs earned value management, risk management, and testing to determine how efficiently developmental, modernization, and enhancement investment programs are performing relative to plan during solution implementation. For investment programs that do not involve development, modernization, or enhancement, the FAA applies multiple control techniques such as independent review of program cost and schedule estimates; comparison of spend plans against budget authorization; comparison of actual cost and schedule results against planning estimates; and periodic program and data reviews against planning. These management controls identify and quantify variances to baseline cost, schedule, and performance measures as the basis for corrective action. Service organizations test and evaluate the products of investment programs against requirements in the program requirements document to determine whether they are satisfied.

Evaluation criteria: The FAA periodically measures the efficiency (technical quality) and effectiveness (business value) of operational assets to determine whether they should be upgraded, replaced, or removed from service. Service directorates evaluate in-service assets by means of post-implementation reviews and operational analyses. Post-implementation reviews determine whether performance, cost, schedule, and benefit goals are being attained. They provide the basis for corrective action, as well as lessons learned for improving agency investment management processes. Operational analysis determines trends in such factors as reliability, maintainability, supportability, obsolescence, and operating and maintenance costs. They are the basis for validating continued support for fielded assets or some other action such as upgrade, replacement, or removal from service.

1.2.4.2 Operational Capability Portfolios **Revised 4/2013**

The NextGen Management Board establishes operational capability portfolios to achieve priority NAS performance and operational goals subject to concurrence by the Joint Resources Council. When an individual investment increment of the portfolio comes before the Joint Resources Council for investment decisions, the portfolio manager is present so decisions are made within context of the entire portfolio and overall corporate framework.

An operational capability portfolio may contain materiel (e.g., hardware or software deliverables) and non-materiel (e.g., airspace redesign or procedures) components. Each investment increment must receive an acquisition category designation from the Acquisition Executive Board and is managed through the AMS lifecycle according to its designation.

An operational capability integration plan (OCIP) approved by the executives responsible for each investment increment of an operational capability portfolio defines the critical interdependencies between investment increments, how they will be managed, and their interaction with each other and the overall portfolio. The OCIP specifies how cost, schedule, or performance issues will be communicated to other portfolio investment increments and how they will be resolved corporately for the benefit of the portfolio. A standard template is used to develop the OCIP, which includes measures for tracking and evaluating the portfolio (e.g., portfolio costs and benefits).

1.2.5 Acquisition Categories **Revised 7/2021**

Acquisition categories ensure the appropriate level of oversight and documentation requirements are applied to each FAA investment initiative. Acquisition categories apply to all NAS investment initiatives, regardless of funding, as well as all other F&E-funded initiatives.

Investment initiatives are classified by acquisition category (new investment, software enhancement, technology refreshment portfolio, sustainment, variable quantity, facility initiative, support service contract, or research and concept maturity) and then categorized by acquisition level based on qualitative and quantitative criteria. Definitions for acquisition categories and levels are in the [AMS Table of Acquisition Categories](#), along with phase activity. A complete list of artifact requirements for the phases and decision points of the AMS lifecycle management process can be found on the JRC Checklist.

The sponsoring service organization recommends an acquisition category to the Acquisition Executive Board, which makes the categorization decision and notifies the Joint Resources Council for confirmation through the JRC Executive Secretariat. The acquisition category designation is made early in concept and requirements definition and then revalidated in preparation for the investment analysis readiness decision. A standard readiness process applies to all acquisition category levels for AMS decision points.

1.2.6 Lifecycle Management Decision-Making **Revised 7/20249/2024**

Table 1.2.6-1 specifies the decision authority for each AMS lifecycle management decision point. The Joint Resources Council is the FAA senior investment review board. It makes corporate-level resource decisions, including authorization and funding for investment programs, and approves changes to the enterprise architecture. The Joint Resources Council selects for approval and funding those investment opportunities having the highest potential for contributing to FAA strategic and performance goals, improving service delivery, increasing aviation safety, lowering operating costs, or otherwise providing value to the FAA and its customers. The Joint Resources Council may approve, disapprove, modify, or terminate an investment initiative at any AMS decision point.

The Joint Resources Council approves investment resources, regardless of appropriation, in useful and manageable segments (e.g., development, demonstration, production, deployment, and operations). [FAA defines a useful segment as follows:](#)

A useful segment is an economically and programmatically separate segment that provides direct

value to the agency, that would still apply even if separated from the overall program, or is used to reduce programmatic, acquisition, and/or technical risk around development and implementation of the asset(s) procured. A useful segment should be fully funded with regular appropriations or other funding streams; however, for some investments to the extent permitted by law, funding may be appropriated over multiple years.

A planning segment of a capital project is a type of useful segment that provides information which allows the agency to develop the design; assess the benefits, costs, and risks; and establish realistic baseline cost, schedule, and performance goals before proceeding to full acquisition of the useful asset (or canceling the acquisition). Typically, planning segments should be separate from asset procurement. This approach allows for modular contracts and more effective risk allocation between the agency and vendors.

Each segment is managed within cost, schedule, and performance targets in the acquisition program baseline or execution plan approved by the Joint Resources at the final investment decision. The portfolio manager attends all lifecycle management decision points involving each investment increment of an operational capability to disclose the impact on an end-state capability of not approving an investment increment.

The service team or program office must complete all phase activities and artifacts to qualify for a decision to proceed to the next lifecycle management phase, but can return to the Joint Resources Council at any time including the next decision point if the recommendation is to terminate the effort.

Service teams, program offices, and executing organizations may request or the JRC may direct additional updates or decision meetings. These include status updates, strategy update sessions, and direction-requested decision meetings.

Status updates are conducted when the JRC requires information to closely monitor or oversee an investment as it progresses through the AMS lifecycle. These updates may be driven by key planned events or may be conducted periodically.

Strategy update sessions are conducted to inform the JRC of changes to plans for an investment that cannot be captured in a typical AMS milestone decision. Strategy update sessions can be conducted when there is a proposed change of strategy to an investment program as it progresses through the AMS lifecycle management process or after a final investment decision. Examples include changes to approved alternatives or the acquisition strategy. Strategy update sessions may include minor requests for funding that are within the CIT-delegated funding authority. Strategy update sessions cannot be used for requests for JRC approval for decisions that would impact the cost, schedule, or performance baseline of an approved program.

The service team, program office, or executing organization must notify the JRC Secretariat as soon as the updated strategy is ready for consideration. The Secretariat will place the presentation on an upcoming JRC agenda. When there are impacts to an approved program baseline resulting from the strategy update session, the program office must plan and conduct any required JRC decision meetings, such as a direction-requested decision or baseline change decision, before the program can execute any related changes.

Direction-requested decision meetings are conducted when there is a need for the JRC to approve a decision for a program that has broad implications or time-sensitive needs. Direction-requested decisions may be used for requests to approve major changes in program scope or direction or to approve large funding requests separate from or prior to a final investment decision. Examples of direction-requested briefings include requests to spend funding to fix critical NAS equipment, to obtain early funding, or to support pressing priorities. A direction-requested decision is also used when a program needs to re-plan deliverables or interim milestones for an already approved acquisition program baseline or execution plan or to use management reserve for additional scope or new projects outside that of an already approved acquisition program baseline or execution plan.

The service team, program office, or executing organization must notify the JRC Secretariat as soon as the need is identified for a JRC decision. The Secretariat will place the presentation on an upcoming JRC meeting agenda. The JRC must approve the direction-requested decision before the program can execute the proposed approach. Templates for JRC status updates, strategy update sessions, and direction-requested decisions are available on the JRC Executive Secretariat portal.

Table 1.2.6-1 Lifecycle Management Decision-Making

Decision	Decision Body	Decision Chair
Concept and requirements definition readiness decision	FAA Enterprise Architecture Board	None
Investment analysis readiness decision	JRC	Acquisition Executive
Initial and final investment decisions (including new programs and extension of current capability)	JRC	Acquisition Executive
Status Update/Strategy Update Session/Direction Requested Decision	JRC	Acquisition Executive
Product demonstration 1	Note 2	Note 2
Production 1 and 2	Note 2	Note 2
In-service 2	Note 2	Note 2
Program baseline change	JRC	Acquisition Executive
F&E, RE&D, and OPS budget approvals	JRC	Acquisition Executive
FAA Enterprise Architecture changes	JRC	Acquisition Executive

1 Decision required for developmental products. See AMS section 2.6.1.

2 The Joint Resources Council designates the product demonstration, production and in-service decision authorities at the final investment decision. If the JRC retains any of these decisions, the chair is the Acquisition Executive.

3 If the Acquisition Executive is unable to attend the JRC meeting, ACQ-2, Director of Acquisitions & Business Services, will act as the JRC Chairperson/Decision Chair.

The JRC Executive Secretariat supports the Acquisition Executive and Joint Resources

Council in executing decision-making responsibilities. The Secretariat ensures service organizations have complied with AMS policy requirements before seeking JRC approval. The Secretariat also manages the JRC decision-making processes and acquisition quarterly program reviews on behalf of the Acquisition Executive.

Service organizations make and are accountable for all service-level management decisions except those explicitly assigned otherwise by this policy or the Joint Resources Council.

1.2.7 Acquisition Quarterly Program Reviews Revised 4/2019

The Joint Resources Council reviews investment programs at acquisition quarterly program reviews to oversee cost, schedule, and technical performance using a standard set of program and performance measures (see AMS 2.1.6). These standard program measures are organized into: financial, schedule, technical, resources, program manager assessment, and external interests. The status of OMB Information Technology Dashboard milestones is also reviewed along with significant program risks. The Directors of each service organization present and discuss performance for all baselined programs and those planning programs that report to the Office of Management and Budget. The reviews use SPIRE, earned-value management (or equivalent), and enterprise architecture data to assess technical, cost, and schedule issues that may impact the ability of programs to meet baseline values in their acquisition program baseline or execution plan. The portfolio manager is present at the reviews to discuss the impact on an operational capability of cost, schedule, or performance shortfalls among capability investment increments and to present for consideration potential baseline adjustments among increments, when applicable.

1.2.8 TechStat Reviews Revised 4/2019

The FAA uses TechStat reviews when appropriate to assess underperforming investment programs. A TechStat review is an in-depth examination of program performance data from the OMB Information Technology Dashboard and SPIRE, including associated earned value management data, program management and control data, and actions for achieving the JRC-approved program baseline or execution plan. The TechStat review results in a corrective action plan to improve program execution and performance within the approved program baseline or execution plan, or results in other actions if the program is unlikely to improve as baselined. The Joint Resources Council determines whether a TechStat review will be conducted, and uses acquisition quarterly program reviews and investment decision meetings to identify those programs that will be subject to a TechStat review.

1.2.9 Cost Accounting Revised 4/2013

The FAA uses a financial management system that integrates planning, budgeting, and accounting across service organizations and appropriations. Cost accounting provides the financial basis for determining whether the FAA is meeting its performance goals within baseline costs and for determining the actual cost of service delivery.

Cost categories include all activities necessary for full lifecycle management of service delivery, including research, service analysis, concept and requirements definition, investment analysis, solution implementation, operations and support, and decommissioning. The FAA standard lifecycle work breakdown structure, cost accounting system, and labor distribution report are aligned to use the same cost categories and activities.

1.2.10 Workforce Development and Qualification Revised 4/2013

The FAA manages its human capital as a critical investment to ensure the agency has the capabilities it needs to achieve business goals. The FAA Acquisition Workforce Council, comprised of executives with acquisition responsibilities from across FAA, sets acquisition workforce-related requirements and oversees implementation and annual update of FAA Acquisition Workforce Plan. The Director of Acquisition Policy and Oversight, who reports directly to the Chief Acquisition Officer, chairs the Acquisition Workforce Council and leads the acquisition career management function. AMS Section 5 contains policy related to the FAA acquisition career program and associated competency, training, and certification requirements for personnel in key acquisition positions.

1.2.11 Continuous Improvement Revised 7/2010

The FAA continually improves its policies and guidance to increase the safety, capacity, efficiency, and effectiveness of agency services. It does this through periodic comparison with the best practices of industry and other government organizations. The FAA integrates into its policy and guidance successful practices that save time, reduce cost, and improve customer satisfaction.

1.2.12 On-line Policy and Guidance Revised 1/2012

The FAA Acquisition System Toolset (FAST) is the official record of the Acquisition Management System. It is an information system available via the Internet at <http://fast.faa.gov>. FAST contains official lifecycle acquisition management policy and guidance, process flowcharts, contract clauses, document templates and instructions, checklists, practices, and other job-related aids for use by the workforce.

1.2.13 AMS Change Management Revised 10/2023

The Acquisition Executive Board reviews and authorizes development and implementation of acquisition management policy, guidance, processes, practices, procedures, and tools. The Acquisition Executive Board also directs and oversees the Acquisition System Advisory Group (ASAG).

The ASAG is a cross-organizational body that evaluates proposed changes to acquisition management policy and guidance to ensure:

- ☐ Changes contribute to FAA strategic goals;
- ☐ Policy is streamlined and effective;
- ☐ Best practices from industry and government are incorporated when beneficial;
- ☐ Information is consistent and compatible across functional disciplines;
- ☐ Quality is maintained and improved; and
- ☐ A consistent enterprise-wide view of policy.

The ASAG initiates changes or establishes working groups to develop new policy or guidance, as required. It also periodically reviews existing policy for effectiveness. Anyone may propose changes to acquisition management policy or guidance by submitting the change to their ASAG representative, who processes it in accordance with AMS change management procedures. Originators develop proposed changes in conjunction with primary users of the policy or guidance, or in the case of a complex change, with an ad hoc workgroup.

The Acquisition Executive approves significant changes to acquisition management policy. The Director, Acquisition Policy and Oversight approves guidance changes. Approved changes are incorporated into FAST quarterly. The acquisition policy change manager maintains FAST.

1.2.14 Legal Coordination Revised 10/2023

Service organizations coordinate with agency counsel on competitive acquisitions with an estimated total value greater than \$500,000 and on non-competitive acquisitions with an estimated total value greater than the micro-purchase threshold. In addition, certain matters, described in Procurement Guidance (T1.15), require legal coordination regardless of their dollar value. FAA counsel also advises service organizations regarding legal issues and represents service organizations in litigation and other legal matters. Service organizations document the acquisition file with agency counsel's opinion and recommendations.

At Headquarters, the Assistant Chief Counsel for Acquisition and Fiscal Law (AGC-500), and at Regions and Centers, the Region or Center Counsel, may make written exceptions to this coordination policy, adjust dollar minimums, or in appropriate cases, waive the coordination.

1.2.15 AMS Lifecycle Management Documentation Revised 7/2024

Table 1.2.15-1 summarizes the purpose, requirement, responsible organization, and approving official for required AMS lifecycle management planning and control documents. Appendix B contains detailed policy for investment program documents. Complete instructions and templates are in FAST.

Click here to [view the official storage location of investment-related program documentation](#).

Table 1.2.15-1 AMS Lifecycle Acquisition Management Policy Planning and Control Documents

Agency-Level Strategic Planning Documents

Document	Purpose	Requirement	Responsible Organization(s)	Approving Official or Body
FAA Strategic Plan (currently FAA strategic initiatives)	Defines long-range vision and goals for the FAA Establishes top-level performance measures and multi-year performance targets for the FAA	Reviewed and updated annually	Strategy, Budget, and Planning Committee	Administrator
NAS Concept of Operations (ConOps)	Defines target operational capabilities of the National Airspace System	Reviewed annually and updated as needed	Advanced Concepts & Technology Development Office	NextGen Management Board
NAS Operational Requirements Document (ORD)	Specifies FAA operational services consistent with the NAS ConOps	Updated annually or as necessary to remain consistent with the NAS ConOps	Advanced Concepts & Technology Development Office ATO Operational Concepts and Requirements Lines of business	NextGen Management Board Concept Steering Group endorses
NAS Requirements Document	Specifies NAS functional and performance requirements derived from the NAS ORD	Updated annually or as necessary to remain consistent with the NAS ConOps and ORD	NAS Systems Engineering Services Advanced Concepts & Technology Development Office NAS Lifecycle Integration Office ATO Operational Concepts and Requirements Lines of business	NextGen Management Board NAS Systems Engineering Services endorses

FAA Enterprise Architecture	Defines the FAA target architecture and the transition strategy to reach the target Establishes the basis for service organization planning Defines the strategic investment plan for the FAA	Reviewed annually and updated as needed	Chief Information Officer Assistant Administrator for NextGen	Joint Resources Council
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Portfolio-Level Documents

Document	Purpose	Requirement	Responsible Organization(s)	Approving Official or Body
Operational Capability Business Case (NAS)	Defines the rough costs and benefits of an operational capability	Required as the basis for establishing a new operational capability	Advanced Concepts and Technology Development Office ATO Program Management Office Investment Analysis & Planning Service organizations	NextGen Systems Engineering & Modeling
Operational Capability Integration Plan (NAS)	Defines the relationships, responsibilities, and agreements between all organizations contributing to the achievement of an operational capability	Preliminary plan required upon formation of a capture team Final plan required when all capability elements have entered concept and requirements	Portfolio manager Capture team	NextGen Management Board

		definition		
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Program-Level Documents

Document	Purpose	Requirement	Responsible Organization(s)	Approving Official or Body
Acquisition Program Baseline or Execution Plan	Establishes the performance, cost, and schedule baselines for an investment program segment	Required for the final investment decision	Investment analysis team headed by the service organization with the mission need	Chair of the Joint Resources Council Designated ACAT reviewers
Program Requirements Document	Defines the operational framework and performance requirements an investment program must achieve	Preliminary document at the investment analysis readiness decision Revised document at the initial investment decision Final document at the final investment decision	Implementing service organization Operating service organization	ATO: Vice Presidents of the executing service organization during solution implementation and the operating service organization Non-ATO: Second-level executive of the executing service organization during solution implementation
Business Case	Provides the analytical and quantitative basis for investment decisions	Initial business case at the initial investment decision Final business case at the final investment decision.	Investment analysis team, headed by the service organization with the mission need	ATO: Vice President of the implementing service organization Non-ATO: Director of the implementing service organization Designated ACAT reviewers

Implementation Strategy and Planning Document	Defines overall implementation strategy and planning for an investment program	ISPD is required for the final investment decision Reviewed and updated as needed	Implementing service organization Operating service organization	Chair of the Joint Resources Council ATO: Chief Operating Officer / Deputy Chief Operating Officer Non-ATO: Second-level executive of the organization executing during solution implementation Stakeholder organizations approve specific sections per the ISPD template Updated sections approved at the same level
Program Management Plan	Defines how the implementation strategy of the investment program will be executed during solution implementation	PMP required for the final investment decision Reviewed and updated as needed	Implementing service organization	Director, implementing service organization Updates approved at the same level
OMB Major IT Business Case	Budgetary document required by OMB for designated investment programs	Preliminary document at the initial investment decision Final document at the final investment decision	Investment analysis team Implementing service organization	ATO: Chief Operating Officer Non-ATO: Associate or Assistant Administrator of the line of business or staff office Acquisition

				Executive Chief Financial Officer Chief Information Officer Deputy Administrator concurs
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1.2.16 OMB Budget Documentation Revised 1/2021

The OMB Major IT Business Case is a budget request document updated yearly and sent to Office of Management and Budget during the annual budget cycle for designated capital investment programs. Service organizations prepare the OMB Major IT Business Case, which is independently reviewed and scored by the Office of Information & Technology, Enterprise Program Management Service, Budget, Program Control & CPIC Branch. The Chief Information Officer, Chief Financial Officer, and Acquisition Executive approve the OMB Major IT Business Case for designated information technology capital investments before submission to OMB. The Acquisition Executive and Chief Financial Officer approve OMB Major IT Business Cases for designated non-information technology capital investments.

1.2.17 National Acquisition Evaluation Program Added 7/2007

The National Acquisition Evaluation Program provides oversight of FAA acquisition management through the evaluation of contracts, programs, and acquisition management practices. The goal is to ensure consistent implementation of AMS policy and guidance by FAA offices and to identify innovative processes or opportunities for improvements. Recommendations based on findings are tracked to closure to promote continuous process improvement and procurement integrity.

1.2.18 Earned Value and Baseline Management Revised 4/2019

The Office of Management and Budget (OMB) directs all Government agencies to use an earned value management (EVM) system that complies with the industry EVMS Standard, American National Standard Institute, Electronic Industries Alliances-748, for capital investment programs involving development, modernization, or enhancement. Service organizations comply with this directive, which includes an integrated baseline review of cost and schedule projections within six months of contract award or baseline approval. The earned-value management focal point reports quarterly the earned-value status of major investment programs to the Joint Resources Council.

Service organizations manage investment programs during solution implementation within controlled acquisition program baselines or execution plans approved at the final investment

decision. They take action to correct negative variance from any cost, schedule, or performance baseline measure. Negative variances that exceed 10 percent must be reported quarterly to the Joint Resources Council, along with an explanation of the cause(s), impact on service delivery, and a recovery strategy. The Administrator must notify the Congress of any program cost or schedule variance exceeding 50 percent and must either terminate the activity or justify why it should be continued and provide a recovery plan. When the Joint Resources Council determines an investment program cannot recover from a degenerating negative baseline variance, it may elect to rebaseline the effort by adding resources or changing its scope or schedule, or it may decide to terminate the activity.

2.1 Overview Revised 4/2013

2.1.1 Key Elements of Lifecycle Management Policy Revised ~~1/2021~~9/2024

2.1.2 Evolutionary Product Development Revised 4/2013

2.1.3 Knowledge-Based Decision-Making Revised 4/2013

2.1.4 Investment Planning Revised 4/2019

2.1.4.1 FAA Scheduling Practices Revised 10/2014

2.1.4.2 Standard Program Milestones Revised 4/2019

2.1.4.3 Standard Lifecycle Work Breakdown Structure Revised 10/2014

2.1.5 Measurement and Analysis Revised 4/2019

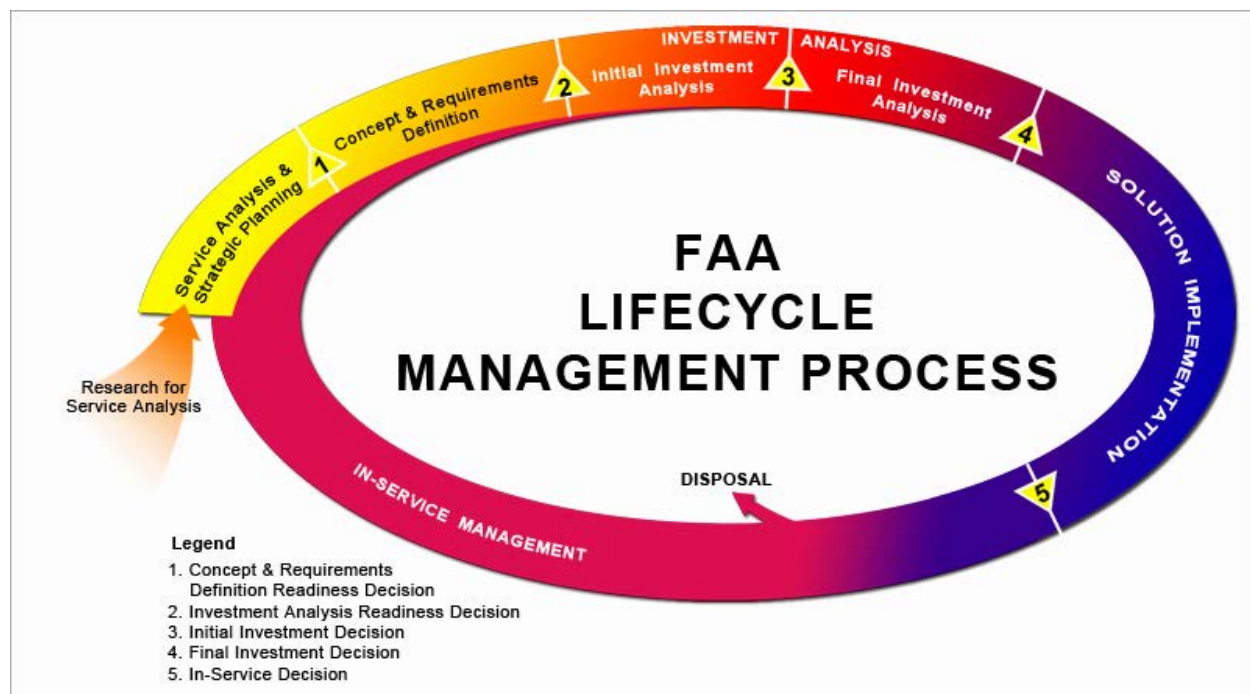
2.1.6 Verification and Validation Revised 10/2014

2.1 Overview Revised 4/2013

Lifecycle acquisition management is built around a logical sequence of phases and decision points (see Figure 2.1-1). The FAA uses these phases and decision points to determine and prioritize its needs, make sound investment decisions, implement solutions efficiently, and manage services and assets over their lifecycle. The overarching goal is continuous improvement in the delivery of safe, secure, and efficient services over time. Application is flexible and may be tailored by the Acquisition Executive or Joint Resources Council.

The lifecycle management process is the FAA's Capital Investment Planning and Control Process. Service analysis and investment analysis constitute the select process. Solution implementation is the control process. In-service management is the evaluation process.

Figure 2.1-1 The FAA Lifecycle Management Process



2.1.1 Key Elements of Lifecycle Management Policy Revised 1/20219/2024

FAA lifecycle management policy emphasizes the following:

- ☐ Service organizations are responsible and accountable for managing service delivery throughout the AMS lifecycle management process;
- ☐ Service organizations manage fully integrated portfolios of investment and operational assets to optimize service delivery over time;
- ☐ Portfolio managers coordinate implementation of all materiel and non-materiel investment increments necessary to obtain an operational capability;
- ☐ Service analysis is the foundation for long-range planning by service organizations and the FAA as a whole;

- ❑ Users, customers, and industry work together to define affordable and sufficient requirements so practical solutions can be developed;
- ❑ The Acquisition Executive Board assigns an acquisition category to all investment initiatives early in concept and requirements definition to ensure the appropriate level of oversight and artifact development;
- ❑ Investment decisions are based on the relative merit of different investment opportunities for satisfying priority service needs and FAA performance goals;
- ❑ Commercial and non-developmental solutions are preferred when they satisfy customer needs and make economic sense;
- ❑ Investment programs are conceived, managed, approved and funded in manageable phases-
~~or~~ and useful segments;
- ❑ Lifecycle supportability is designed into products and services to minimize both cost and risk;
- ❑ Investment programs are managed within approved cost, schedule, and performance baselines;
- ❑ In-service decisions are based on demonstration that operational requirements and readiness are satisfied;
- ❑ Evolutionary improvement of service delivery and the quick insertion of productive new technology is encouraged; and
- ❑ Operational performance, costs, and benefits are evaluated periodically throughout in-service management as a basis for improving cost-effective service delivery.

2.1.2 Evolutionary Product Development **Revised 4/2013**

The FAA employs evolutionary product development to limit the design challenge for any one product development cycle by deferring risky technology and immature requirements to later updates. The objective is to minimize risk and facilitate the achievement of cost, schedule, and performance goals. Product development and implementation are appropriate when risk is low, requirements are known and stable, and resources are available.

Evolutionary product development begins during research for service analysis when the FAA develops and evaluates new concepts and technology for possible application to the aviation service environment. Only the best new concepts validated to be technically, operationally, strategically, and financially mature and beneficial enter into the NAS Concept of Operations as candidates for investment and deployment.

During concept and requirements definition, service teams conduct a final assessment of the maturity of marketplace technology and customer requirements. Only low-risk, high-value investment increments proceed to investment analysis and solution implementation. Higher risk concepts are deferred, terminated, or designated for additional research or technology development.

2.1.3 Knowledge-Based Decision-Making **Revised 4/2013**

The FAA employs knowledge-based decision-making throughout the lifecycle management

process. Specific knowledge, as defined by decision criteria, must be achieved for entry into AMS decision points. These criteria are defined as entrance criteria in the AMS policy section for each decision point. Investment programs that develop systems or software must capture additional design and manufacturing knowledge about their products as prescribed in Section 2.6.1, and base decisions on whether to proceed further in the lifecycle management process on that knowledge.

2.1.4 Investment Planning **Revised 4/2019**

Investment planning occurs throughout the AMS lifecycle management process (see Table 2.1.4-1). During service analysis and strategic planning, the focus is on defining corporate service needs and shortfalls and deciding when to seek solutions within realistic budgetary constraints. Investment planning during the remainder of the AMS lifecycle management process supports the definition, acquisition, deployment, and lifecycle support of affordable solutions to approved service needs. Throughout this management process, FAA service organizations employ standard scheduling practices, standard program milestones, and the standard lifecycle work breakdown structure.

Table 2.1.4-1 Investment Planning During the AMS Lifecycle Management Process

Lifecycle Management Phase	Focus of Investment Planning
Service analysis and strategic planning	FAA service needs and service shortfalls
Concept and requirements definition	Program requirements and alternative solutions for approved service needs
Initial investment analysis	Business case analysis to determine the best overall solution
Final investment analysis	Final business case and implementation planning for the alternative selected for acquisition and deployment based on vendor proposals and operational support needs
Solution implementation	Program implementation consistent with the acquisition program baseline or execution plan approved at the final investment decision
In-service management	Sustainment of operational assets including product improvements and technology upgrades as defined in the business case

2.1.4.1 FAA Scheduling Practices **Revised 10/2014**

Service organizations and program offices employ FAA scheduling best practices when planning investment programs. This includes communicating up-to-date acquisition and site-specific waterfall deployment schedules to all key stakeholders by means of the corporate work plan. Guidance for FAA scheduling practices is located in FAST on the investment analysis page.

2.1.4.2 Standard Program Milestones Revised 4/2019

Service organizations and program offices employ standard program milestones when planning, executing, and reporting progress on agency investment programs, including entries in the OMB Major IT Business Case (designated programs only) and acquisition program baseline or execution plan. Standard milestones for system and facility investment programs are located in FAST on the decisions / reviews / standard milestones page.

2.1.4.3 Standard Lifecycle Work Breakdown Structure Revised 10/2014

Service organizations and program offices employ the FAA standard lifecycle work breakdown structure when estimating total lifecycle cost and constructing initial program plans and schedules for each alternative solution during initial investment analysis. They use it during final investment analysis to develop a program work breakdown structure and implementation planning for the alternative approved by the Joint Resources Council.

2.1.5 Measurement and Analysis Revised 4/2019

Measurement and analysis is a management and control process applied throughout the lifecycle of an investment program or operational asset to assess progress, forecast performance, determine status, and define corrective action. Measurement and analysis provides information and visibility toward accomplishing program goals and supporting management information needs.

Each line of business or staff office institutes measurement and analysis processes in accordance with AMS policy and guidance that:

- ☐ Collect, store, analyze, and report data on seventeen standard measures defined in [Standard Program Performance Measures](#);
- ☐ Collect, store, analyze, and report baseline performance data defined in the Acquisition Baseline Management Standard Operating Procedure for those programs with an approved acquisition program baseline or execution plan; and
- ☐ Provide early warning indicators of program issues before they become major problems.

Measurement and analysis information needs include, but are not limited to:

- ☐ Contract information that supports management and executive monitoring of vendor performance;
- ☐ Contract information that supports acquisition quality assurance;
- ☐ Program, operational, risk, and contract information that supports monitoring of lifecycle cost, schedule, performance baselines, as well as benefits and technical progress;
- ☐ Program information that supports achievement of FAA strategic goals and alignment with the enterprise architecture; and

- Operational and business case information that supports investment decision-making.

2.1.6 Verification and Validation **Revised 10/2014**

The FAA employs verification and validation throughout the acquisition management lifecycle in accordance with AMS verification and validation guidelines to support investment decisions and approvals. Validation ensures the right product is built (fulfills its intended use). Verification ensures a product is built right (according to specifications). Verification and validation are performed early and incrementally throughout the lifecycle management process on select work products, product components, and products. Products are intended for delivery to a customer or end user. Product components are lower-level configuration items of the product. Work products represent, define, or direct product development. The following are sample work products, work components, and products subject to verification and validation:

- Operational concept or procedures
 - Planning documents
 - Requirement and specification documents
 - Procurement and contractual documents
 - Models, prototypes, and simulations
 - Design documents
 - Products and product components
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3.2 Contracting

3.2.1 Procurement Planning

3.2.1.1 Applicability Revised 1/2023

3.2.1.2 Policy Revised 11/2009

3.2.1.2.1 Market Analysis Revised 9/2020

3.2.1.2.2 Procurement Plan Revised 4/2013

3.2.1.2.3 Consideration of Agency Wide Contracts Revised 9/2020

3.2.1.2.4 Independent Government Cost Estimate Revised 4/2023

3.2.1.2.5 Consideration of Acquisition Risk Management
Approaches Added 9/2024

3.2.1.3 Guidance and Principles Revised 11/2009

3.2.1.3.1 Development

3.2.1.3.2 Scope of Procurement Revised 9/2020

3.2.1.3.3 Budget Allocation Release

3.2.1.3.4 Quality Assurance Revised 9/2020

3.2.1.3.5 Labor Relations

3.2.1.3.6 Maintaining Competition Revised 4/2021

3.2.1.3.7 Single-Source Approval Revised 9/2020

3.2.1.3.8 Pre-Release of Documents Revised 9/2020

3.2.1.3.9 Reserved

3.2.1.3.10 Reserved

3.2.1.3.11 Public Announcements Revised 6/2006

3.2.1.3.11.1 General Revised 7/2023

3.2.1.3.11.2 Procurements Involving Products from Federal
Prison Industries Revised 4/2023

3.2.1.3.12 OMB Circular A-76, Performance of
Commercial Activities

3.2.1.4 Chief Financial Officer Requirements Revised 1/2011

3.2.1.4.1 Reporting of FAA Assets Revised 9/2020

3.2.1.4.2 Chief Financial Officer Approval Revised 4/2023

3.2.1.5 Disaster or Emergency Preparedness and Response Revised 7/2007

3.2.1.5.1 Local Area Set-Asides for Disaster or Emergency Added
7/2007

3.2.1.5.2 Continuity of Services-Mission Critical Contracts Added
7/2007

3.2.1.5.3 Health Related Emergency Janitorial Services Added 9/2020

3.2.1.6 Review by Chief Information Officer Revised 4/2023

3.2.2 Source Selection

3.2.2.1 Applicability Revised 9/2020

3.2.2.2 Policy Revised 7/2023

3.2.2.3 Complex Source Selection Revised 9/2020

3.2.2.3.1 Selection Phases

3.2.2.3.1.1 Planning

3.2.2.3.1.2 Screening

3.2.2.3.1.2.1 Screening Information Request Revised

7/2023

3.2.2.3.1.2.2 Communications with Offerors

3.2.2.3.1.2.3 Receipt/Evaluation of Submittals Revised

1/2023

3.2.2.3.1.2.4 Changes in Requirements

3.2.2.3.1.2.5 SSO Decision

3.2.2.3.1.3 Selection Revised 10/2012

3.2.2.3.1.4 Debriefing Revised 1/2023

3.2.2.3.1.5 Lessons Learned

3.2.2.3.2 Reserved

3.2.2.3.2.1 Reserved

3.2.2.3.2.2 Reserved

3.2.2.3.2.3 Reserved

3.2.2.3.2.4 Reserved

3.2.2.3.2.5 Reserved

3.2.2.3.2.6 Reserved

3.2.2.4 Single-Source Selection Revised 7/2023

3.2.2.4.1 Single-Source Procurement Process

3.2.2.4.1.1 Emergencies Revised 1/2020

3.2.2.4.1.2 Non-emergencies Revised 7/2023

3.2.2.4.1.3 Lessons Learned

3.2.2.5 Commercial and Simplified Purchase Method Revised 9/2020

3.2.2.5.1 Planning Revised 4/2023

3.2.2.5.2 Sourcing Determination Revised 9/2020

3.2.2.5.3 Screening

3.2.2.5.4 Selection Decision and Award Revised 9/2020

3.2.2.5.4.1 Documentation Revised 9/2020

3.2.2.5.5 Micro-Purchase Threshold Revised 9/2020

3.2.2.6 Unsolicited Proposals

3.2.2.6.1 Policy Added 10/2008

3.2.2.6.2 Receipt and Initial Review Revised 10/2008

3.2.2.6.3 Prohibitions Added 10/2008

3.2.2.7 Contractor Qualifications

3.2.2.7.1 Applicability

3.2.2.7.2 Contractor Responsibility

3.2.2.7.3 Contractor Team Arrangements

3.2.2.7.4 Suspension and Debarment

3.2.2.8 Describing FAA Needs

3.2.2.8.1 Applicability Revised 9/2020

3.2.2.8.2 Policy

3.2.2.9 Section 508 of the Rehabilitation Act Revised 4/2023

3.2.3 Pricing Methodology, Principles and Standards Revised 10/2011

3.2.3.1 Cost and Price Analysis Revised 9/2020

3.2.3.1.1 Applicability Added 9/2020

3.2.3.1.2 Policy Added 9/2020

3.2.3.2 Pre- and Post-Award Audits Revised 9/2020

3.2.3.2.1 Applicability Added 9/2020

3.2.3.2.2 Policy Added 9/2020

3.2.3.3 FAA Cost Principles Revised 9/2020

- 3.2.3.3.1 Applicability Added 9/2020
 - 3.2.3.3.2 Policy Added 9/2020
 - 3.2.3.4 Cost Accounting Standards Revised 9/2020
 - 3.2.3.4.1 Applicability Added 9/2020
 - 3.2.3.4.2 Policy Revised 4/2022
 - 3.2.4 Types of Contracts
 - 3.2.4.1 Applicability Revised 9/2020
 - 3.2.4.2 Policy
 - 3.2.4.3 Guidance and Principles Revised 10/2018
 - 3.2.5 Contractor Ethical Guidelines
 - 3.2.5.1 Applicability
 - 3.2.5.2 Policy
 - 3.2.6 Reserved Revised 10/2023
 - 3.2.6.1 Reserved Revised 10/2023
 - 3.2.6.2 Reserved Revised 10/2023
 - 3.2.7 Anti-Counterfeit Management Added 4/2014
 - 3.2.7.1 Applicability Revised 9/2020
 - 3.2.7.2 Suspected Counterfeit and Non-Conforming Parts Added 4/2014
-

3.2 Contracting

3.2.1 Procurement Planning

3.2.1.1 Applicability Revised 1/2023

Written procurement plans are required in Procurement Request (PR) Packages for all FAA procurements with a total estimated potential value (TEPV) of \$25,000 or more. The specific content of a procurement plan may vary depending on the complexity of the procurement. The procurement planning templates in AMS must be used. For procurements of services, supplies, construction and real property related services, Template A must be used for all simplified and commercial procurements. Template B must be used for all procurements other than simplified acquisitions. Template C must be used for all complex real property procurements.

3.2.1.2 Policy Revised 11/2009

Procurement planning is an indispensable component of the total acquisition process. Service organizations are expected to use procurement planning as an opportunity to evaluate/review the entire procurement process, so that sound judgments and decision-making will facilitate the success of the overall program. For procurements not covered by an implementation strategy and planning document, procurement planning should be appropriate and proportionate to the complexity and dollar value of the requirement.

3.2.1.2.1 Market Analysis Revised 9/2020

The purpose of market analysis is to initiate industry involvement, develop and refine the procurement strategy, identify potential sources that are able to meet FAA's requirements, obtain price information, determine whether commercial items exist, determine the level of competition, identify market practices, or obtain comments on requirements. The magnitude and degree of formality of the market analysis should be proportionate to the contemplated procurement. The market analysis may be as simple as a telephone call or as formal as a market survey, advertisement, or real property site visit to learn of industry or market capabilities. All market analyses, formal or informal, should be appropriately documented.

3.2.1.2.2 Procurement Plan Revised 4/2013

A plan for each contemplated procurement or class of procurements should address the significant considerations of the procurement action. A procurement plan may cover more than one contract. The procurement plan represents the service organization agreement for conducting the procurement. See paragraph 3.2.1.1 for documentation requirements.

3.2.1.2.3 Consideration of Agency Wide Contracts Revised 9/2020

Agency Wide Contracts must be used to the maximum extent possible for products, construction, or

services. The procurement plan must document which agency wide contracts were considered. If an applicable agency wide contract is available for utilization and is not utilized; the procurement plan must include the rationale for not utilizing the existing agency wide contract.

3.2.1.2.4 Independent Government Cost Estimate Revised 4/2023

An Independent Government Cost Estimate (IGCE) is required for any anticipated procurement action (to include modifications) whose total estimated value is equal to or exceeds the AMS risk threshold except for:

- (a) Modifications exercising priced options or providing incremental funding;
- (b) Delivery orders for priced services or supplies under an indefinite-delivery contract; or
- (c) Supplies or services with prices set by law or regulation.

The Contracting Officer (CO) may require an IGCE for procurement actions (to include modifications) anticipated to be less than the AMS risk threshold.

3.2.1.2.5 Consideration of Acquisition Risk Management Approaches Added 9/2024

Acquisition risk management approaches and contract structuring methods should be considered during the procurement planning phase. This includes methods such as modular contracting, useful segmentation, advisory multi-step acquisition, and competitive prototyping to manage risk, enhance competition, identify technology evolution, and increase the likelihood of achieving complex program objectives. For more information on acquisition risk management approaches, see the “Acquisition Risk Management Approaches Guide” and the “Contracting Guidance to Support Modular Development Guide,” located in FAST Procurement Guides and Handbooks.

3.2.1.3 Guidance and Principles Revised 11/2009

For procurements not covered in a program with an implementation strategy and planning document, the following elements should be considered in planning for procurements.

3.2.1.3.1 Development

Preference should be given to using commercial and previously developed items whenever possible. Development of a product, and its associated costs and risks, should be avoided unless necessary to meet FAA needs. If developmental items are required, the need should be documented in the procurement plan.

3.2.1.3.2 Scope of Procurement Revised 9/2020

The scope of a procurement in terms of complexity, period of performance, dollar value, risk, and

other factors should be considered in planning a procurement. As the scope of a procurement increases, the risk of unsuccessful management of the procurement also increases. Appropriate trade-offs should consider elements such as: managing a large complex procurement versus several smaller phased procurements; the systems integration role; total systems responsibility; timing of benefits; technological obsolescence; and other related factors.

3.2.1.3.3 Budget Allocation Release

Consideration should be given to releasing contract-related budget information to industry in situations where the procurement involves development or multiple-year funding and is likely to be conducted competitively. If the service organization decides to release the information, the decision should be identified in the procurement plan.

3.2.1.3.4 Quality Assurance Revised 9/2020

For complex systems or hardware acquisition, the service organization should coordinate with representatives of the Quality Assurance (QA) office as soon as procurement requirements are defined, to establish quality assurance requirements for the proposed procurement.

3.2.1.3.5 Labor Relations

When planning procurements, the service organization should comply with applicable FAA labor relations directives.

3.2.1.3.6 Maintaining Competition Revised 4/2021

Consideration should be given to methods of maintaining competition of any product, real property, construction, or service contract. Methods to be considered may include dual sourcing, obtaining re-procurement data and data rights, open system designs, and any other appropriate methods. For competitive and non-competitive major acquisitions, allow adequate time to conduct appropriate acquisition planning for follow on contracts and re-competition in the event exercise of an option is not determined to be the best value to the government.

3.2.1.3.7 Single-Source Approval Revised 9/2020

In accordance with AMS 3.2.2.4, below, the service organization determines whether the procurement should be conducted on a competitive or single source basis. The decision to contract with a single-source may be made as part of overall program planning. The rational basis must be documented and approved as part of program planning in the Implementation Strategy and Planning Document (ISPD), procurement plan, or as a separate single source justification document. Approval of the ISPD or procurement plan constitutes approval of a single-source procurement. Any rational basis for a single-source award must obtain a review for legal sufficiency per Section 3.2.2.4.

3.2.1.3.8 Pre-Release of Documents Revised 9/2020

Early release of program documents can be an important part of communication with industry. Releasing draft functional requirements, draft specifications, or a draft Screening Information Request (SIR) can be beneficial to industry, as well as the FAA. Early and more complete releases of the SIR and feedback from industry should be part of the procurement planning strategy.

3.2.1.3.9 Reserved

3.2.1.3.10 Reserved

3.2.1.3.11 Public Announcements Revised 6/2006

3.2.1.3.11.1 General Revised 7/2023

All procurements anticipated to exceed the AMS risk threshold must be publicly announced on the Internet or through other means. This policy concerning public announcements does not apply to:

- (a) Noncompetitive awards to Socially and Economically Disadvantaged Business (SEDB) (8(a)) firms,
- (b) Noncompetitive awards to Service-Disabled Veteran Owned Small Business (SDVOSB) firms,
- (c) Noncompetitive awards to Economically Disadvantaged Women-Owned Small Business (EDWOSB) firms,
- (d) Noncompetitive awards to Women-Owned Small Business (WOSB) firms,
- (e) Noncompetitive awards to Historically Underutilized Business Zone (HUBZone) small business firms;
- (f) Emergency single source actions,
- (g) Purchases from an established Qualified Vendor List (QVL) or Federal Supply Schedule (FSS),
- (h) Exercise of options,
- (i) Changes or modifications to existing contracts,
- (j) Delivery Orders,
- (k) Single Source Real Property Procurements with an approved SSJ or NAS Facility Exception (as described in T3.2.2.4), and
- (l) Agreements and Cooperative Agreements.

For actions not anticipated to exceed the AMS risk threshold, a public announcement is optional if it is not required by 3.2.1.3.11.2.

3.2.1.3.11.2 Procurements Involving Products from Federal Prison Industries Revised 4/2023

All procurements of products available from Federal Prison Industries (FPI) anticipated to exceed the micro-purchase threshold must be publicly announced on the Internet or through other means, including procurements where FPI products are determined not to be the best value

to FAA at the market survey stage. This requirement does not apply to a procurement that satisfies an exception in AMS Policy 3.8.4.2 (concerning procurement of FPI products).

3.2.1.3.12 OMB Circular A-76, Performance of Commercial Activities.

OMB Circular A-76 (Revised), "Performance of Commercial Activities," establishes Federal policy for the competition of commercial activities. Inherently governmental activities are to be performed with Government personnel, but activities identified as not inherently governmental in nature are to be subjected to competition to determine if such activities should continue to be performed by Government personnel. The FAA will follow the policies of the Circular to the extent that such policies are consistent with FAA's statutory authority.

3.2.1.4 Chief Financial Officer Requirements Revised 1/2011

3.2.1.4.1 Reporting of FAA Assets Revised 9/2020

The Chief Financial Officer Act of 1990 requires FAA to furnish annual financial statements reflecting the assets of the agency to the Office of Management and Budget. To generate information needed for accurate financial statements, service organizations must establish appropriate contract line item structure and billing mechanisms for contracts so the agency can accurately state the value of its assets, and assure related accounting classifications are included on financial documents.

3.2.1.4.2 Chief Financial Officer Approval Revised 4/2023

The Chief Financial Officer has approval authority over all proposed procurement actions of \$15 million or more.

3.2.1.5 Disaster or Emergency Preparedness and Response Revised 7/2007

3.2.1.5.1 Local Area Set-Asides for Disaster or Emergency Added 7/2007

The Contracting Officer may set-aside procurements for competition among only offerors residing or doing business primarily in a geographic area where the President has declared a major disaster or emergency.

3.2.1.5.2 Continuity of Services-Mission Critical Contracts Added 7/2007

FAA may designate mission critical contracts that require continued contractor performance during times of National Emergency or Incidents of National Significance, such as pandemic influenza. These contracts must include provisions and contractor plans detailing how essential services or supplies will still be adequately delivered.

3.2.1.5.3 Health Related Emergency Janitorial Services Added 9/2020

When a health-related emergency occurs and is declared by the United States Department of Health and Human Services Centers for Disease Control and Prevention (CDC) or other authorized Federal, state or local government official, the Contracting Officer is authorized to acquire additional and/or higher level cleaning supplies or services in FAA owned or leased facilities. For FAA facilities leased through the General Services Administration (GSA), the CO must coordinate with GSA's CO to acquire additional cleaning supplies or services as a result of a health related emergency.

3.2.1.6 Review by Chief Information Officer Revised 4/2023

The Chief Information Officer must review and approve proposed procurement actions for information technology and service resources that are estimated to exceed the AMS risk threshold. For additional information, see AMS Procurement Guidance T3.2.1A.3.

3.2.2 Source Selection

3.2.2.1 Applicability Revised 9/2020

Source selection policy and guidance apply to acquisitions for products, services, construction, and real property. The FAA utilizes various competitive procurement methods reflected in AMS procurement guidance for obtaining products, services, construction, and real property.

The first method is described under Complex Source Selection and is used for complex, large dollar, developmental, noncommercial items and services, or complex real property acquisitions. This method is typically used for investments approved by the Joint Resources Council and Real Property Council.

The second method is described under Commercial and Simplified Purchases and, is typically used for commercial items or real property related services that are less complex, smaller in dollar value, and shorter term.

3.2.2.2 Policy Revised 7/2023

The FAA procures products, services, construction, and real property from sources offering the best value to satisfy FAA's mission needs. Considering complexity, dollar value, and availability of products and services in the marketplace, the FAA has flexibility to use any procurement method deemed appropriate to satisfy FAA's mission.

The FAA provides reasonable access to competition for vendors interested in doing business with FAA. Competition among two or more sources is the preferred method of procurement. When competition is not feasible, procurements may be on a single source basis if there is a documented rationale for the decision; documentation for this decision is not required for procurements with a total estimated value equal to or less than the micro-purchase threshold.

Except for real property and purchase card acquisitions, or those acquisitions subject to AMS 3.8.4.2, acquisitions with a total estimated value exceeding the micro-purchase threshold but not exceeding the AMS risk threshold are reserved exclusively for competition among Socially and Economically Disadvantaged Business (SEDB (8(a))) vendors, Service-Disabled, Veteran-Owned Small Businesses (SDVOSBs), Economically Disadvantaged Women-Owned Small Business (EDWOSB) vendors, Women-Owned Small Business (WOSB) vendors, Historically Underutilized Business Zone (HUBZone) small business vendors, and/or Small Disadvantaged Businesses (SDBs) pursuant to AMS policy 3.6.1.3.4. If the CO determines that an SEDB/(8(a)) or SDVOSB set-aside is not in FAA's best interest due to quality, market prices, or delivery, then the decision must be documented.

Unless otherwise excepted in AMS Policy 3.2.1.3.11.1, a public announcement must be made for any procurement action with a total estimated potential value equal to or exceeding the AMS risk threshold. The CO must issue the public announcement informing industry of FAA's procurement strategy before, or concurrent with, releasing an initial SIR.

Each SIR must contain specific evaluation criteria that the FAA will use to evaluate offeror's submittals. When using complex source selection methods for products, services or construction, the FAA must include past performance as an evaluation factor. For real property acquisitions, past performance will be considered as part of vendor responsibility determination. If appropriate, the FAA may use the vendors' process capability of suppliers as an evaluation factor according to established criteria. Cost or price considerations must be an evaluation factor in all final selection decisions, except for certain multiple award contracts. The CO may choose not to include price cost or price as an evaluation factor for certain multiple award contracts in accordance with AMS T3.2.2.3.B10. Any Request for Offer (RFO) or Solicitation for Offer (SFO) must include a requirement for a formal cost or price proposal. The source evaluation team must document the findings of the evaluation. The Source Selection Official (SSO) must base all selection or screening decisions on evaluation criteria established in each SIR. The CO must conduct debriefings with all offerors that request them.

It is the FAA's policy to award to responsible contractors. To be determined responsible in a procurement for products, services or construction, a prospective contractor must meet the following criteria:

- (a) Has or can obtain adequate financial resources to perform a contract;
- (b) Has the ability to meet any required or proposed delivery schedules;
- (c) Has a satisfactory performance history;
- (d) Has a satisfactory record of integrity and proper business ethics;
- (e) Has appropriate accounting and operational controls that may include, but are not limited to: production control, property control systems, quality assurance programs, and appropriate safety programs; and
- (f) Is qualified and eligible to receive an award under applicable laws or regulations.

For real property contract awards, to be determined responsible, a prospective vendor or owner must meet the following criteria:

- (a) Has proper ownership of the property (deed, property/tax records, declaration of taking, etc.);
- (b) Has evidence of authority to enter into contract on behalf of vendor/property owner;

- (c) Has a satisfactory performance history, as applicable;
- (d) Has a satisfactory record of integrity and proper business ethics; and
- (e) If applicable, has affirmed that they can meet the set date for occupancy or completion of work (e.g., tenant improvements/alterations/code compliance).

The CO's signing of the contract constitutes a determination that the prospective contractor/vendor/or owner is responsible with respect to that contract. When an offer is rejected because the prospective contractor/vendor/or owner is non-responsible, the CO must document a determination of non-responsibility in the contract file. The CO has broad discretion in making this determination.

3.2.2.3 Complex Source Selection Revised 9/2020

This section establishes the FAA's policy for evaluating and selecting sources for the award of complex competitive contracts. This process consists of up to five (5) distinct phases, with the screening phase being the cornerstone. The five phases are:

- (a) Planning;
- (b) Screening;
- (c) Selection;
- (d) Debriefing (as requested); and
- (e) Lessons learned.

3.2.2.3.1 Selection Phases

3.2.2.3.1.1 Planning

Refer to the procurement planning section for further guidance.

3.2.2.3.1.2 Screening

Screening is the process by which the FAA will determine which offeror provides the best value to the FAA. The process is flexible and allows selection and award after one screening request. This process allows the FAA to make an award considering only price and the price-related factors included in the SIR. The number of distinct screening steps for a particular procurement will vary, based on the complexity of the procurement. Provided below is guidance associated with the screening phase.

3.2.2.3.1.2.1 Screening Information Request Revised 7/2023

The purpose of the SIR is to obtain information, which will ultimately allow the FAA to identify the offeror that provides the best value, make a selection decision, and award the contract to conclude the competitive process. A SIR is a request by the FAA for documentation, information, presentations, proposals, or binding offers. Three categories of SIRs (see below) may be used according to the procurement strategy adopted by the service organization. Depending on the

procurement strategy, the SIR may be released concurrently with the public announcement. The service organization will determine the type(s) of SIR(s) that are appropriate for each procurement.

For a given procurement, the FAA may make a selection decision after one SIR, or the FAA may have a series of SIRs (with a screening decision after each one) to arrive at the selection decision. This will depend on the types of products, services, construction, and real property to be acquired and the specific source selection approach chosen by the service organization. When it is desired to make a selection decision after one SIR, that SIR should be a request for offer (see below). In general when multiple SIRs are contemplated, the initial SIR should request general information, and future SIRs should request successively more specific information.

Initial SIRs need not state firm requirements, thus allowing the FAA to convey its needs to offerors in the form of desired features, or other appropriate means. However, firm requirements ultimately will be established in all contracts.

Each SIR should contain the following information:

- (a) Paper Reduction Act number OMB No. 2120-0595 on the cover page.
- (b) A statement identifying the purpose of the SIR (request for information, request for offer, establishment of a QVL and screening).
- (c) A definition of need,
- (d) A request for specific information (with specific page and time limitations, if applicable),
- (e) A closing date stating when submittals must be received in order to be considered or evaluated,
- (f) Evaluation criteria (and relative importance, if applicable),
- (g) A statement informing offerors how communications with them will be conducted during the screening, and
- (h) An evaluation/procurement schedule (including revisions, as required).

The evaluation/procurement schedule should be realistic and should alert the offerors to the fact that the FAA plans to adhere to its schedule and that offerors interested in award will be expected to adhere to this schedule.

There are three categories of SIRs: qualification information, screening information, and request for offers. Each category of SIR is discussed in detail below.

Qualification Information

Qualification information, used to qualify vendors and establish Qualified Vendor Lists (QVLs), should be requested only if it is intended that the resultant QVL will be used for multiple FAA procurements.

Qualification information screens for those vendors that meet the FAA's stated minimum capabilities/requirements to be qualified to provide a given product or service. All vendors that meet the FAA's qualification requirements will be listed on the appropriate QVL for the stated products or services.

Requested qualification information (including equipment/products) should be tailored to solicit the information that will allow the FAA to determine which of the vendors meet the FAA's minimum qualification requirements for the required products or services. For products, the information required to make such a determination might be equipment/products for FAA testing, vendor testing, testing data, product documentation, and production capability. For services, the information required to make such a determination might be a capabilities statement and performance experience. For software-intensive products or services, the information required to make such a determination might include descriptions about the offeror's software development and maintenance processes, in addition to other general information suggested above for products or services.

Once qualification information is requested, received, and evaluated in accordance with the evaluation plan, a QVL will be established for the given product/service. Once such a list is established, only qualified vendors may compete for the products or services. Where a product available from Federal Prison Industries (FPI) is to be acquired via a QVL, any such acquisition must include FPI and follow the procedures set forth at T 3.8.4.A.4 unless the acquisition satisfies an exception in AMS 3.8.4.2. Public announcement is not required once the QVL is established. This list can be updated at the FAA's discretion. Each list should be reviewed regularly to determine whether it should be updated.

Screening Information

Screening information allows the FAA to determine which offeror(s) are most likely to receive the award, and ultimately which offeror(s) will provide the FAA with the best value. The screening information requested in the SIR should focus on information that directly relates to the key discriminators for the procurement.

The following are examples of the types of information that may form the basis of a screening request:

- (a) Equipment/products for FAA testing,
- (b) Vendor testing,
- (c) Testing data,
- (d) Technical documentation (commercial, if available/practicable),
- (e) Capability statements,
- (f) Quality assurance information,
- (g) Performance experience,
- (h) Sample problems,
- (i) Draft/model contracts,
- (j) Technical proposals (including oral presentations, if appropriate/practicable),
- (k) Commercial pricing information,
- (l) Financial condition information,
- (m) Cost or price information,
- (n) Cost or price proposals; and
- (o) Land or Space requirements.

Request for Offer/Solicitation for Offer

A Request for Offer (RFO)/Solicitation for Offer (SFO) is a request for an offeror to formally commit to provide the products, services, construction or real property required by the acquisition under stated terms and conditions. The response to the RFO/SFO is a *binding offer*, which is intended to become a binding contract if/when it is signed by the CO. The RFO/SFO may take the form of a SIR, a proposed contract, or a purchase order.

3.2.2.3.1.2.2 Communications with Offerors

Communications with all potential offerors should take place throughout the source selection process. During the screening, selection, and debriefing phases of source selection, communications are coordinated with the CO. Communications may start in the planning phase and continue through contract award. All SIRs should clearly inform offerors how communications will be handled during the initial screening phase.

The purpose of communications is to ensure there are mutual understandings between the FAA and the offerors about all aspects of the procurement, including the offerors' submittals/proposals. Information disclosed as a result of oral or written communication with an offeror may be considered in the evaluation of an offeror's submittal(s).

To ensure that offerors fully understand the intent of the SIR (and the FAA's needs stated therein), the FAA may hold a pre-submittal conference and/or one-on-one meetings with individual offerors. One-on-one communications may continue throughout the process, as required, at the discretion of the service organization. Communications with one offeror do not necessitate communications with other offerors, since communications will be offeror-specific. Regardless of the varying level of communications with individual offerors, the CO should ensure that such communications do not afford any offeror an unfair competitive advantage. During these and future communications, as applicable, the FAA should encourage offerors to provide suggestions about all aspects of the procurement.

Communications may necessitate changes in the FAA's requirements or screening information request and such changes should be processed consistent with Section 3.2.2.3.1.2.4. Where communications do not result in any changes in the FAA's requirements, the FAA is not required to request or accept offeror revisions. The use of technical transfusion is always prohibited. Technical leveling and auctioning techniques are prohibited, except in the use of commercial competition techniques as described in Section 3.2.2.5.3.

3.2.2.3.1.2.3 Receipt/Evaluation of Submittals Revised 1/2023

Once offerors have submitted responses to a SIR, the service organization will evaluate the submittals in accordance with the evaluation criteria stated therein and the evaluation plan. To be considered for an award, an offeror must submit a response to the initial SIR, within the time specified in the SIR.

Evaluation Criteria

The evaluation criteria form the basis on which each offeror's submissions are to be evaluated.

Once the criteria have been established and disclosed to offerors, criteria should not be modified without first notifying offerors competing at that stage of the process and allowing such offerors to revise their submissions accordingly. Each SIR must contain the specific evaluation criteria to be used to evaluate offeror submittals for that specific SIR. Evaluation criteria should be tailored to the characteristics of a particular requirement and should be limited to only the key discriminators in the ultimate selection decision. The criteria should avoid, whenever possible, the inclusion of detailed sub-criteria (or sub-criteria in general). Further, efforts should be made to ensure that there are no overlapping criteria. Initial SIRs do not require cost or price proposals but should require submission of more generalized cost or price estimates. Cost or price considerations must be an evaluation factor in all selection decision(s), except for certain multiple award contracts (See 3.2.2.2). For software acquisitions the criteria should include, whenever appropriate, an evaluation of the maturity of the offeror's software acquisition, development and maintenance processes that are relevant to the procurement. Such evaluations should be performed using standardized instruments such as a Capability-Maturity-Model-based Evaluation.

Evaluation Plan

An evaluation plan must be prepared by the service organization and approved by the SSO for all procurements accomplished under this section. Evaluation plans should be concise and tailored to the specific needs of the procurement. The evaluation plan should include the name of the SSO and the names of the service organization members and evaluators, the evaluation criteria, the evaluation methods and processes, the schedule, and any other information related to the source selection. The evaluation plan should be completed and approved prior to the receipt of responses to any SIR requesting screening or qualification information.

Evaluation Method

The evaluation methodology should be set up to allow for maximum flexibility in selecting the offeror(s) providing the best value. To facilitate such flexibility, the following should be considered in setting up evaluations:

- (a) Relative importance between criteria is not required (when relative importance is used, the relative order of importance between criteria should be disclosed).
- (b) Each SIR may incorporate separate and/or distinct criteria that relate to the specific SIR discriminators.
- (c) The use of either adjectival or numerical ratings is acceptable.
- (d) Comparative evaluations between offerors' proposals/products are acceptable.
- (e) The service organization should be selective/inventive concerning the screening requirements for document submissions (e.g., oral presentations, sample tests, plant visits, site/space visits, etc.).
- (f) Communications with offerors during the evaluation may help clarify submittals, allow a fuller understanding of the offeror submittals, and provide a more comprehensive evaluation.
- (g) Testing of products is encouraged to the maximum extent practical ("try before you buy").
- (h) Award based on initial offers to other than the low cost or price offer is allowed.

Evaluation Process

The evaluation will be conducted by the service organization, in accordance with the stated evaluation criteria and evaluation plan. The service organization (including any additional required evaluators and/or advisors) should be limited in size and dedicated through the completion of the acquisition. The service organization is expected to apply sound judgment in determining appropriate variations and adaptations necessary for individual situations, provided that these do not constitute a departure from the basic concepts and intent of the evaluation plan and SIR(s).

Communications may be considered in the evaluation of an offeror's submittal(s). Verifiable information from outside sources may be considered in the evaluation and should be disclosed to the offeror during the communication process. Any such findings should be noted in the evaluation report.

Evaluation Report

The service organization must document the results of the evaluation, including recommendations, if applicable.

3.2.2.3.1.2.4 Changes in Requirements

If, after release of a SIR, it is determined that there has been a change in the FAA's requirement(s), all offerors competing at that stage should be advised of the change(s) and afforded an opportunity to update their submittals accordingly.

The SSO has authority to waive a requirement at any time after release of a SIR, without notifying other offerors where the SIR states that offeror specific waiver requests will be considered, and the waiver does not affect a significant requirement that changes the essential character or conditions of the procurement.

All determinations relating to changes in requirements, including waivers, will be documented in the evaluation report.

3.2.2.3.1.2.5 SSO Decision

Based on a review of the service organization's evaluation report, the SSO may either:

- (a) Make a selection decision (see the selection phase below);
- (b) Make a screening decision by screening those offerors determined to be most likely to receive award, thus continuing the screening phase;
- (c) Amend and re-open to initial offerors; or
- (d) Cancel the procurement.

To ensure the integrity of the FAA competitive source selection process, all SSO decisions should be based on the evaluation criteria established in the SIR and have a rational basis. All offerors who are eliminated from the competition based on any screening decision should be provided with the basis for their elimination within five (5) working days after the screening decision and

should be informed that they may request a debriefing after contract award. During the screening process, the SSO may decide to eliminate an offeror from further consideration without considering the cost or pricing information that was submitted in the response to the SIR. However, the final selection decision must consider the cost or price information that was submitted as part of the proposal.

If a screening decision, rather than a selection decision, is made, the service organization should issue another SIR (and repeat the screening process stated above) in order to make a selection decision (or another screening decision) among the remaining offerors. The screening process, starting at the issuance of the SIR, may be repeated until a selection decision is made or the procurement is canceled. In some circumstances it may be appropriate to down-select to one offeror for negotiation. However, if the FAA and the selected offeror cannot come to an agreement, the FAA may select another competing offeror for communications/award without issuance of further SIRs.

3.2.2.3.1.3 Selection Revised 10/2012

The selection decision must be based on the stated evaluation criteria including cost or price considerations to identify the best value.

The service organization must brief the SSO on their evaluation findings. The selection of the offeror who is expected to provide the best value solution is a matter committed to the discretion of the SSO. The SSO applies sound business judgment to the evaluation of the offeror's proposed solution against the stated evaluation criteria. In each case, the SSO should provide a rational basis for the screening or selection decision. The SSO should document the selection decision in the SSO decision memorandum (in cases where the CO and the Contracting Officer's Representative are the only service organization members, the evaluation report and the SSO decision memorandum may be one report). In making the selection decision, the SSO may accept or reject the service organization's recommendations provided there is a rational basis.

Based on the SSO's decision, the CO will transmit a proposed contract to the selected offeror. The selected offeror will return a properly executed contract. Upon the CO's signature, the proposed contract becomes a binding contract.

3.2.2.3.1.4 Debriefing Revised 1/2023

Once an award has been made, all offerors who participated in the competitive process will be notified of the award and given three working days from receipt of the award notification to request a debriefing. Debriefings are intended to provide meaningful feedback to offerors on their submission. The purpose of the debriefing is to improve the offeror's ability to successfully compete for future FAA business by discussing the strengths and weaknesses of the offeror's submissions. The debriefing should provide the offeror with the following information:

- (a) SSO's Selection Decision;
- (b) Offeror's evaluated standings relative to the successful offeror(s); and
- (c) Summary of the evaluation findings (excerpts from evaluation summary documentation)

relating to the specific offeror).

The CO may request detailed questions from offerors so the FAA can provide meaningful information during the debriefing. Debriefings should be conducted, as soon as practicable, with all offerors that request them.

3.2.2.3.1.5 Lessons Learned

A lessons learned memorandum is a valuable tool in which the service organization can relay its procurement experiences to other FAA acquisition personnel. Once an award has been made, the service organization should communicate its learning experiences. The communication should highlight those issues/processes that had significant impact on their procurement. Further, the service organization should discuss changes that could be made to ensure a more comprehensive evaluation and/or timelier award.

3.2.2.3.2 Reserved

3.2.2.3.2.1 Reserved

3.2.2.3.2.2 Reserved

3.2.2.3.2.3 Reserved

3.2.2.3.2.4 Reserved

3.2.2.3.2.5 Reserved

3.2.2.3.2.6 Reserved

3.2.2.4 Single-Source Selection Revised 7/2023

The FAA may contract with a single-source when in FAA's best interest and the rational basis for the decision is documented. This rational basis may be based on actions necessary and important to support FAA's mission, such as emergencies, standardization, and only source available to satisfy a requirement within the time required.

The following types of procurements are exempt from Section 3.2.2.4 requirements:

- (a) Procurements not anticipated to exceed the micro-purchase threshold (requirements must not be split to meet this exception);
- (b) Noncompetitive awards made to Socially and Economically Disadvantaged Businesses (SEDB) (8(a)), service-disabled veteran owned small businesses (SDVOSB), Economically Disadvantaged Women-Owned Small Businesses (EDWOSB), Women-Owned Small Businesses (WOSB) or Historically Underutilized Business Zone (HUBZone) small businesses - all of which are governed under AMS policy 3.6;
- (c) Procurements conducted either in accordance with the Javits-Wagner-O'Day Act (AbilityOne Program) or the Randolph-Sheppard Act per AMS 3.8.4.2; and

- (d) Procurements for a site-specific requirement for land or antenna/equipment space, where the location of NAS equipment is (1) necessary to the functionality of the NAS, and (2) of continued criticality to the NAS or mission of the FAA; or for operational facilities that house equipment and/or personnel that provide Air Traffic Control services to aircraft operating in the NAS. The head of the Technical Operations service organization, or designee, will provide an annual determination identifying equipment and facilities subject to this subsection (d) exemption.

The decision to contract with a single-source may be made as part of overall program planning. The rational basis must be documented and approved as a part of program planning in the Implementation Strategy and Planning Document (ISPD), a procurement plan, or as a separate document. If the rational basis is documented in the ISPD or procurement plan, the rational basis must be reviewed by Legal for sufficiency (except for emergencies). If a separate single-source justification document is used, the justification must be reviewed by Legal for sufficiency (except for emergencies), approved by the Service Organization Official, and concurred with by Contracts or, for purchase card transactions, the Purchase Cardholder.

Market analysis must be conducted to support each single-source decision, except for emergencies. The method and extent of the analysis depends on the requirement.

The service organization must provide the CO or the purchase cardholder with supporting documentation that justifies the proposed single source strategy decision. Examples of information that might be documented include results of market analysis, cost or price data, unique qualifications or performance capability, and past performance. Mere conclusions, without adequate objective supporting data, are insufficient.

After the decision to contract with a single source has been approved, a public announcement must be made for any action that exceeds the AMS risk threshold, unless otherwise excepted in AMS Policy 3.2.1.3.11.1. The purpose of the announcement is to inform industry about the basis for the decision to contract with the single source.

For supplies, services, construction, or real property, a basic contract may be modified to exercise an option, or to satisfy a follow-on procurement for more of the same products, services, or real property needs without seeking additional competition when, based on market analysis, there is a rational basis not to compete the requirement and the rational basis is documented and approved as discussed in this Section.

The Contracting Officer must justify and document in accordance with this Section any increase in ceiling price of a time-and-materials or labor-hour contract.

3.2.2.4.1 Single-Source Procurement Process

The single-source procurement process includes planning, communications, award, and lessons learned. The actions for an individual phase within the process may vary depending on the particular circumstances.

3.2.2.4.1.1 Emergencies Revised 1/2020

An emergency situation, including but not limited to a threat to loss of life or property, national security, restoration of an air traffic control facility or to repair critical facility systems to prevent loss of air traffic capability, may require immediate contracting with a single source. In these instances, once funds are committed, the CO may verbally authorize a contractor to proceed and may combine single source phases or complete activities after the fact. As a minimum and as soon as practical, the CO should:

- (a) Obtain funding certification;
- (b) Document the single source decision; and
- (c) Confirm authorization with written notification.

3.2.2.4.1.2 Non-emergencies Revised 7/2023

For single-source non-emergency procurements, planning may include:

- (a) Analyzing the market to determine potential sources;
- (b) Developing an independent FAA cost estimate for any anticipated procurement action (to include modifications) when the TEPV exceeds the AMS risk threshold, if not exempted by AMS 3.2.1.2.4;
- (c) Obtaining funding certification;
- (d) Obtaining approval of rationale for single source, except for follow-on or exercise of options; and
- (e) Issuing public announcement, when required.

3.2.2.4.1.3 Lessons Learned

Communicating lessons learned is encouraged.

3.2.2.5 Commercial and Simplified Purchase Method Revised 9/2020

The FAA may acquire commercial products, services, and real property related services from the competitive market place by using the simplified purchase method described herein and best commercial practices. Commercial and simplified purchases are used for commercial items or for products, services, or real property related services that have been sold at established catalog or market prices and are generally purchased on a fixed-price basis. However, procurement of products available for purchase from Federal Prison Industries is governed by AMS 3.8.4.2.

3.2.2.5.1 Planning Revised 4/2023

Procurement planning should be accomplished for all simplified and commercial purchases. The level of planning and announcement should be dictated by the nature and complexity of the requirement, commercial availability, dollar value, urgency of the requirement, and degree of previous procurement history.

The purpose of procurement planning is to:

- (a) Determine whether commercial items meet the FAA's needs;
- (b) Identify potential commercial sources; and
- (c) Publicly announce requirements exceeding the AMS risk threshold.

Market analysis should be simple and straightforward, and may include information based on personal knowledge of the market, historical purchase information, qualified vendors list, commercial catalogs or databases, trade journals, newspapers, other professional publications or local telephone directories.

Contracting mechanisms are at the discretion of the CO. Purchases may also be made using the following mechanisms:

- (a) Purchase card;
- (b) Purchase card checks;
- (c) Purchase order;
- (d) Contract;
- (e) Orally (only in emergency situations) with proper documents processed as soon as possible following the oral order; and
- (f) Other methods, including interagency agreements, when deemed appropriate and properly documented.

3.2.2.5.2 Sourcing Determination Revised 9/2020

The CO should solicit an appropriate number of vendors to ensure quality products, services, and real property related services are delivered in a timely manner at a fair and reasonable price. Requirements should be stated in commercial terms generally understood and accepted in the industry.

3.2.2.5.3 Screening

The CO should determine the appropriate screening approach and format for vendor's responses (e.g., electronic, written, oral, use of standard commercial or FAA forms). The CO may also conduct communications with individual offerors, as appropriate, to address offeror understanding of the requirement, performance capability, prices, and other terms and conditions. For commercially available products, the CO is encouraged to use "commercial competition techniques" such as continuing market research throughout the process by using vendor proposals as the source of prices and commercially available capabilities and sharing that information with other vendors.

3.2.2.5.4 Selection Decision and Award Revised 9/2020

The CO's selection decision must be based on the FAA's stated evaluation criteria. The selection

decision for commercial or simplified purchases should be based on the best value to the FAA including, but not limited to, factors such as price, functional specifications, delivery capability, warranty, and payment terms. This may be accomplished through establishing specific evaluation criteria with an accompanying evaluation plan as described under Complex, Source Selection, and making the selection based on the stated criterion. It may also be based on the most favorable solution available in the commercial market, as determined by the FAA, as described under Commercial and Simplified Purchase Method, or through a combination of methods depending on complexity, risk, dollar value, and urgency of the requirement.

3.2.2.5.4.1 Documentation Revised 9/2020

The method of selection and rationale for awards, and a determination that the price is fair and reasonable must be documented. The extent of the documentation depends on the complexity and dollar value of the procurement action.

3.2.2.5.5 Micro-Purchase Threshold Revised 9/2020

Simplified purchases with a Total Estimated Potential Value (TEPV) under the micro-purchase threshold must be performed using the purchase card. The micro-purchase threshold is \$10,000 for commercial supplies, construction, services, and real property related services.

3.2.2.6 Unsolicited Proposals

3.2.2.6.1 Policy Added 10/2008

The FAA may consider and accept unsolicited proposals when in the best interest of FAA. Unsolicited proposals are a valuable means for FAA to obtain innovative or unique methods or approaches to accomplishing its mission from sources outside FAA. Advertising material, commercial item offers, contributions, or technical correspondence are not considered to be unsolicited proposals. A valid unsolicited proposal must:

- (a) Be innovative and unique;
- (b) Be independently originated and developed by the offeror;
- (c) Be prepared without FAA supervision;
- (d) Include sufficient detail to permit a determination that the proposed work could benefit FAA's research and development, or other mission responsibilities; and
- (e) Not be an advance proposal for a known FAA requirement that can be acquired by competitive methods.

3.2.2.6.2 Receipt and Initial Review Revised 10/2008

Unsolicited proposals should be addressed to:

Federal Aviation Administration

Acquisition Policy and Oversight
Acquisition Policy Group (AAP-100)
Attn.: Unsolicited Proposal Coordinator
800 Independence Avenue SW, Room 439W
Washington, DC 20591

Once received, the FAA unsolicited proposal coordinator will review and determine if the document(s) meets the requirements of an unsolicited proposal.

3.2.2.6.3 Prohibitions Added 10/2008

FAA personnel should not use any data, concept, idea, or other part of an unsolicited proposal as the basis, or part of the basis, for a SIR or in communications with any other firm unless the offeror is notified of and agrees to the intended use. However, this prohibition does not preclude using any data, concept, or idea available to FAA from other sources without restrictions.

FAA personnel must not disclose restrictively marked information included in an unsolicited proposal. The disclosure of such information concerning trade secrets, processes, operations, style of work, apparatus, and other matters, except as authorized by law, may result in criminal penalties under 18 U.S.C. § 1905.

3.2.2.7 Contractor Qualifications

3.2.2.7.1 Applicability

This section applies to all contracts and to all proposed contracts with any prospective contractor that is located in the United States, its possessions, or Puerto Rico; or elsewhere, unless application would be inconsistent with the laws or customs where the contractor is located.

3.2.2.7.2 Contractor Responsibility

The CO must ensure that contracts are awarded only to responsible contractors (see Section 3.2.2.2). No award may be made unless the CO makes an affirmative determination of responsibility.

3.2.2.7.3 Contractor Team Arrangements

FAA will recognize the validity of contractor team arrangements, provided, the arrangements and company relationships are fully disclosed in an offer, or for arrangements entered into after submission of an offer, before the arrangement becomes effective.

3.2.2.7.4 Suspension and Debarment

FAA may suspend or debar contractors for cause. FAA will honor suspension, debarment, and ineligibility decisions of other agencies unless FAA has a compelling need to obtain the requirement from that contractor.

3.2.2.8 Describing FAA Needs

3.2.2.8.1 Applicability Revised 9/2020

The requirements herein apply to all FAA procurements and agreements.

3.2.2.8.2 Policy

The FAA will describe its needs clearly and generally in writing, absent special or emergency circumstances. Service organizations may describe needs as minimum requirements, goals, or in another form well suited to the contemplated procurement.

3.2.2.9 Section 508 of the Rehabilitation Act Revised 4/2023

The FAA must comply with Section 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794) in developing, procuring, maintaining or using information and communication technology. Section 508 of the Rehabilitation Act of 1973 applies to all new procurements after June 21, 2001.

3.2.3 Pricing Methodology, Principles and Standards Revised 10/2011

3.2.3.1 Cost and Price Analysis Revised 9/2020

3.2.3.1.1 Applicability Added 9/2020

This section applies to cost and price analysis for contracts, subcontracts, orders, and modifications for products, services, construction, and real property.

3.2.3.1.2 Policy Added 9/2020

The CO must make a determination that prices are fair and reasonable based on price analysis and, if necessary, cost analysis. Price analysis is the review of price without evaluating separate cost elements and profit/fee, and is required for all pricing actions. Cost analysis is the review of the individual cost elements and profit. Price analysis is the preferred method for evaluating competitive proposals. If the CO determines price competition is not adequate to support a determination of price reasonableness, the CO must require offerors to submit either certified cost or pricing data or information other than certified cost or pricing data. When the CO determines adequate price competition exists, certified cost or pricing data must not be requested. In situations with established catalog or market prices, prices set by law or regulation, or commercial items, price analysis is

sufficient and the CO must not request cost data.

3.2.3.2 Pre- and Post-Award Audits Revised 9/2020

3.2.3.2.1 Applicability Added 9/2020

This section applies to pre- and post-award audits for contracts, subcontracts, orders, and modifications for products, services, and construction.

3.2.3.2.2 Policy Added 9/2020

The CO must request pre-award and post-award audits on all cost reimbursement Contracts (for products or services) exceeding \$100 million. In addition, FAA will request pre-award and post-award audits on at least 15% of all cost reimbursement contracts not anticipated to exceed \$100 million. For other contract types, the CO may use any method of cost or price analysis to determine fair and reasonable prices.

Pre-award audits and post-award incurred cost audits are the preferred mechanism to assist the CO in ensuring valid indirect and direct costs are billed under cost reimbursement contracts. The CO is responsible for ensuring indirect and direct costs under a cost reimbursement contract are allowable. In situations where an incurred cost audit is not obtained, the CO will still ensure that only allowable costs are paid.

The sponsoring service organization will fund required pre- and post- award audits and must include an estimate of the cost of audits in the acquisition program baseline or execution plan; the implementation strategy and planning document will describe the approach, responsible organizations, and activities for obtaining audits.

3.2.3.3 FAA Cost Principles Revised 9/2020

3.2.3.3.1 Applicability Added 9/2020

This section applies to FAA Cost Principles for contracts, subcontracts, orders, and modifications for products, services, and construction.

3.2.3.3.2 Policy Added 9/2020

The FAA contract cost principles, as described in AMS Procurement Guidance, must be used to price contracts, subcontracts, orders, and modifications whenever cost analysis is performed. Cost principles must also be used for determining, negotiating, or allowing costs when required by a contract clause.

The CO must incorporate FAA cost principles in contracts with commercial organizations as the basis for:

- (a) Determining reimbursable costs under (a) cost-reimbursement contracts and cost-reimbursement subcontracts under these contracts performed by commercial organizations and (b) the cost-reimbursement portion of time-and-materials contracts except when material is priced on a basis other than at cost;
- (b) Negotiating indirect cost rates, when FAA has division or corporate contract administration responsibilities, quick close-out procedures are used, or indirect rate caps are negotiated in the contract;
- (c) Proposing, negotiating, or determining costs under terminated contracts;
- (d) Price revision of fixed-price incentive contracts;
- (e) Price re-determination of price re-determination contracts; and
- (f) Pricing changes and other contract modifications.

When another Government agency has division or corporate contract administration responsibilities, FAA may agree to cost principles of the administering agency to determine or negotiate indirect rates not covered by (a) or (b) above.

3.2.3.4 Cost Accounting Standards Revised 9/2020

3.2.3.4.1 Applicability Added 9/2020

This section applies to Cost Accounting Standards (CAS) for contracts, subcontracts, orders, and modifications for products, services, and construction.

3.2.3.4.2 Policy Revised 4/2022

All contractors and subcontractors must use Cost Accounting Standards (CAS) according to 48 CFR Part 99 for estimating, accumulating, and reporting costs in connection with pricing, administering, and settling disputes concerning all negotiated prime and subcontract procurements \$2,000,000 or more, except for contracts or subcontracts exempted by these regulations. The following categories of contracts and subcontracts are exempt from all CAS requirements:

- (a) Negotiated contracts and subcontracts less than \$2,000,000. For purposes of this paragraph, an order issued by one segment to another segment must be treated as a subcontract;
- (b) Contracts and subcontracts with small businesses;
- (c) Contracts and subcontracts with foreign governments or their agents or instrumentalities or (insofar as the requirements of CAS other than 9904.401 and 99.402 are concerned) any contract or subcontract awarded to a foreign concern;
- (d) Contracts and subcontracts in which the price is set by law or regulation;
- (e) Firm fixed-priced and fixed-price with economic price adjustment (provided that the price adjustment is not based on actual costs incurred) contracts and subcontracts, for acquisition of commercial items;
- (f) Time-and-materials (the fixed hourly rate portion) and labor-hour contracts and subcontracts;
- (g) Contracts or subcontracts of less than \$7.5 million, provided that, at the time of award, the

business unit of the contractor or subcontractor is not currently performing any CAS- covered contracts or subcontracts valued at \$7.5 million or greater;

- (h) Contracts and subcontracts to be executed and performed entirely outside the United States, its territories, and possessions; and
- (i) Firm fixed-price contracts or subcontracts awarded on the basis of adequate price competition without submission of certified cost or pricing data.

3.2.4 Types of Contracts

3.2.4.1 Applicability Revised 9/2020

This section is applicable to contracts for procurement of all products, services, construction and real property.

3.2.4.2 Policy

Contracts may be of any type or combination of types except for cost plus a percentage of cost contracts, which are prohibited. The use of fixed-price contracts is strongly encouraged whenever appropriate. Development contracts may be incrementally phased fixed-price contracts. All contracts, except those issued in emergency situations, must be in writing.

3.2.4.3 Guidance and Principles Revised 10/2018

The types of contracts that may be used for FAA procurements are addressed in AMS guidance. Types of contracts other than those specified in the guidance may be used when approval has been obtained from an official one level above the CO within the contracting organization.

Contracting officers should clearly identify the type of contract(s) at the front of each contract and in SIRs, when appropriate. Where multiple types of contracts are used in one contract, performance requirements, terms and conditions, and prices (or estimated cost and fee) for each type of contract should be clearly separated and partitioned.

The multi-year contract may be used for the acquisition of products and services in accordance with any applicable restrictions and appropriate appropriations acts.

3.2.5 Contractor Ethical Guidelines

3.2.5.1 Applicability

This policy is applicable to all contracts.

3.2.5.2 Policy

FAA business must be conducted in a manner above reproach and, except as authorized by statute or regulation, with complete impartiality and with preferential treatment for none.

3.2.6 Reserved Revised 10/2023

3.2.6.1 Reserved Revised 10/2023

3.2.6.2 Reserved Revised 10/2023

3.2.7 Anti-Counterfeit Management Added 4/2014

3.2.7.1 Applicability Revised 9/2020

Anti-Counterfeit policy and non-conforming parts requirements are applicable to (1) products and services contracts over \$50M; (2) construction contracts for NAS applications over \$2M; and (3) office equipment and/or supplies for NAS applications over \$2M.

3.2.7.2 Suspected Counterfeit and Non-Conforming Parts Added 4/2014

Anti-Counterfeit policy, guidance and procedures apply to securing the FAA equipment supply chain from counterfeit and non-conforming parts.

The CO must ensure that instruction to contractors result in the most efficient and economical way to mitigate the entry of suspected counterfeit and non-conforming parts in the FAA supply chain by:

- ☐ Not knowingly procuring suspected counterfeit and non-conforming parts.
 - ☐ Documenting all occurrences of suspected and confirmed counterfeit parts in the appropriate reporting system, including the Government-Industry Data Exchange Program (GIDEP).
 - ☐ Making information about counterfeiting accessible at all levels of the FAA supply chain as a method to prevent further counterfeiting.
 - ☐ Notifying the appropriate FAA investigative organization, or US Government intelligence authorities, and those who use the suspected and confirmed counterfeit parts, of incidents at the earliest opportunity
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Appendix C: Definitions **Revised 7/20249/2024**

This Appendix defines terms used in AMS. A term defined in this Appendix has the same meaning throughout AMS, unless –

- (1) An AMS Policy section, Guidance section, or clause, provides an alternative definition. If a section or clause provides an alternative definition, the alternative definition applies only to that respective section or clause of AMS as specified; or
- (2) The term as used clearly requires a different meaning.

If a term is defined in an AMS Policy section, Guidance section, or clause, but not defined in this Appendix, the definition is only applicable to the respective section or clause in AMS in which it is specifically defined.

Access is the ability to physically enter or pass through an FAA area or a facility; or having the physical ability or authority to obtain FAA sensitive information, materials, and resources. In relation to classified information, access is the ability, authority, or opportunity to obtain knowledge of such information or materials.

Acquisition Career Program within FAA requires personnel in specified engineering and management disciplines and specialty functions to apply for, acquire, and maintain certification at the appropriate level for the work they perform. Certification requirements align with federal acquisition certification programs.

Acquisition Category is the classification assigned to investment initiatives by the Acquisition Executive Board and endorsed by the Joint Resources Council. The FAA classifies investment initiatives by investment type (new investment, software enhancement, technology refreshment portfolio, variable quantity, facility initiative, sustainment, research and concept maturity, or support service contract) and then by acquisition level based on qualitative and quantitative criteria such as cost, risk, political sensitivity, safety, security and complexity.

Acquisition Category Determination Request is the form that a service organization or program office fills out on behalf of the sponsoring Director when seeking to obtain an acquisition category designation from the Acquisition Executive Board for an investment initiative.

(FAA) Acquisition Executive is the official that manages acquisition management policy within the FAA; chairs the Joint Resources Council; approves acquisition category designations and AMS tailoring requests; chairs acquisition quarterly program reviews; and approves OMB Major IT Business Cases for designated capital investments before submission to the Department of Transportation and Office of Management and Budget. In the event of an absence by the Acquisition Executive, ACQ-2, the Director of Acquisitions & Business Services, will perform Acquisition

Executive duties as Chair of the Joint Resources Council.

Acquisition Executive Board is the executive-level body that assists and supports the Acquisition Executive and Joint Resources Council in establishing, changing, communicating, and implementing acquisition management policy, practices, procedures, and tools. The Acquisition Executive Board also recommends to the Joint Resources Council the appropriate acquisition category for investment initiatives.

Acquisition Executive Board Secretariat is the official who coordinates AEB meeting dates, agendas, and logistics; reviews and manages the adjudication of ACAT determination requests; receives and distributes to AEB members proposed changes to acquisition management policy, process, practices, and procedures; facilitates review of proposed policy, guidance, practice, and procedure changes by FAA organizations to ensure timely adjudication; and maintains the official repository of AEB decision documentation, meeting minutes, and assigned action items.

Acquisition Management System establishes policy and guidance for all aspects of lifecycle acquisition management for the Federal Aviation Administration. It is a fully coordinated set of policies, processes, and computer-based management tools that guide the workforce through the lifecycle management process from the determination of service needs to the procurement and lifecycle support of products and services that satisfy those needs. It also defines all procurement policy and guidance for the agency.

Acquisition Planning is the process by which all acquisition-related management and engineering disciplines of an investment initiative are developed, coordinated, and integrated into a comprehensive plan for obtaining a capability that meets specified requirements within cost and schedule boundaries. Acquisition planning is normally associated with detailed program planning during final investment analysis, but is also important at other times of the lifecycle management process when products and services are required.

Acquisition Planning and Control Documents are an integrated set of planning and control documents required for JRC-approved investment initiatives. They consist of the program requirements document, business case, implementation strategy and planning document, program management plan, and acquisition program baseline or execution plan. These documents constitute an integrated set with clear progression and traceability from service need to requirements to implementation strategy to actions and work activities necessary to obtain a product that satisfies ratified service needs.

Acquisition Program Baseline establishes the performance an investment program must achieve, as well as the cost and schedule boundaries within which the program is authorized to proceed. It is a formal document approved by the Joint Resources Council at the final investment decision, and is the implementation contract between the FAA and the service organization acquiring an approved product or service.

Acquisition Quarterly Program Review is conducted by the Joint Resources Council to oversee the cost, schedule, and technical performance of ongoing investment programs using a standard set of

program and performance measures (AMS Section 2.1.5). The reviews use SPIRE, earned-value management (or equivalent), and enterprise architecture data to assess technical, cost, and schedule issues that may affect the ability of the program to meet its acquisition program baseline or execution plan values.

Acquisition Readiness Team is a cross-functional group formed in support of the Operations Governance Board to collaborate with customers and develop decision-ready investment packages for mission-support operations-funded investment initiatives. The team is comprised of subject-matter experts that assist with planning for more complex, higher risk initiatives through the Operations Support Pathway process.

Acquisition Strategy is the overall approach for acquiring a capability to meet agency requirements and perform within the boundaries set forth in the acquisition program baseline or execution plan. The strategy considers all aspects of an initiative such as acquisition approach, contracting, logistics, testing, systems engineering, safety and security, risk management, program management, impact on facilities and infrastructure, human factors, schedules, and cost. Results are documented in the implementation strategy and planning document during final investment analysis.

Acquisition Strategy Artifact is a key document produced for mission-support capital investments funded from the Operations appropriation. It documents the best-value approach for procuring a solution for an FAA mission-support operations-funded initiative.

Acquisition System Advisory Group is a cross-organizational body that serves as the technical arm of the Acquisition Executive Board. It evaluates proposed changes to the acquisition management system to ensure they improve and strengthen it and are consistent with agency direction.

Acquisition Workforce Council is the executive-level body that supports the Acquisition Executive in establishing, communicating, and implementing acquisition workforce plans and programs to ensure the FAA has the necessary acquisition talent today and in the future. It sets acquisition workforce certification requirements and oversees implementation and annual update of FAA Acquisition Workforce Plan.

Affiliate Business is a business that controls or has the power to control another business, or a third party that controls or has the power to control another business (contractual relationships must be considered).

Affordability is the relative capacity of the FAA to fund a specific investment initiative when evaluated against all other investment needs of the agency.

Agreement With a State Government, Local Government, and/or Public Authority is a written agreement between the FAA and a state or local government or public authority where the FAA agrees to receive from, or exchange supplies or services with, the other party.

Agreements With Private Parties are written documents executed by the parties, which call for the exchange of services, equipment, personnel, or facilities, or require the payment of funds to the FAA, or confirm mutual aid and assistance and outline the specific responsibilities of each party.

The term includes agreements under which the FAA provides services, equipment, personnel, or facilities and obtains reimbursement on a negotiated basis from the other party. The term excludes procurement contracts for real estate, supplies, and services.

Agreements With Public Entities Other Than Federal Agencies are written documents executed by the parties, which call for the exchange of services, equipment, personnel, or facilities, or require the payment of funds to the FAA, or confirm mutual aid and assistance and outline the specific responsibilities of each party. The term includes agreements under which the FAA provides services, equipment, personnel, or facilities and obtains reimbursement on a negotiated basis from the other party.

Alaska Native Corporation (ANC) means any Regional Corporation, Village Corporation, Urban Corporation, or Group Corporation organized under the laws of the State of Alaska in accordance with the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601, et seq.) and which is considered a minority and economically disadvantaged concern under the criteria at 43 U.S.C. 1626(e)(1). This definition also includes ANC direct and indirect subsidiary corporations, joint ventures, and partnerships that meet the requirements of 43 U.S.C. 1626(e)(2).

Alternative Dispute Resolution is any procedure or combination of procedures voluntarily used to resolve issues in controversy without the need to resort to litigation. These procedures may include, but are not limited to, assisted settlement negotiations, conciliation, facilitation, mediation, fact-finding, mini-trials, and arbitration. These procedures may involve the use of neutrals.

Alternatives Analysis is the second phase of the Operations Support Pathway. The line of business, along with input and review of the acquisition readiness team for Governance Path C initiatives, creates required planning artifacts. Alternatives analysis is also required during initial investment analysis for F&E-funded capital assets.

AMS Building Blocks are foundation elements of the FAA Acquisition Management System. They include the FAA acquisition career program, acquisition planning and control documents, the FAA standard work breakdown structure, policy and functional flowcharts, investment planning, measurement and analysis, portfolio management, quality assurance, service management, and verification and validation.

AMS Risk Threshold means the risk threshold amount throughout AMS for procurement related actions. The AMS risk threshold is \$250,000.

AMS Table of Acquisition Categories contains the criteria for assigning the appropriate acquisition category to each investment initiative, as well as implementation requirements and approval authority for each category.

AMS Tailoring Request Process is the means by which a service organization may request tailoring of the AMS lifecycle management process for an investment initiative. The service organization or program office must submit the tailoring request to the Acquisition Executive Board before the investment analysis readiness decision

Appraisal refers to a formal written statement that a qualified appraiser prepares independently and impartially, giving an opinion, as of a specified date, of the defined value of a described parcel of real property, supported by the presentation and analysis of relevant market information. An appraisal is used to determine the fair market rent, and value or just compensation for purchase of a specific property. For the purposes of FAA Real Property Acquisitions, all appraisals should conform to the Uniform Appraisal Standards for Federal Land Acquisitions (the "Yellow Book").

Approval is the agreement that an item is complete and suitable for its intended use.

Architect-Engineer Services are (1) professional services of an architectural or engineering nature, as defined by State law, if applicable, which are required to be performed or approved by a person licensed, registered, or certified to provide such services; (2) professional services of an architectural or engineering nature performed by contract that are associated with research, planning, development, design, construction, alteration, or repair of real property; and (3) such other professional services of an architectural or engineering nature, or incidental services, which members of the architectural and engineering professions (and individuals in their employ) may logically or justifiably perform, including studies, investigations, surveying and mapping, tests, evaluations, consultations, comprehensive planning, program management, conceptual designs, plans and specifications, value engineering, construction phase services, soils engineering, drawing reviews, preparation of operating and maintenance manuals, and other related services.

Architecture Review Board oversees the technical content of the mission-support component of the FAA Enterprise Architecture. It works with the lines of business to identify and resolve cross- domain issues and to time phase new operational improvements and sustainment actions intended to remedy service shortfalls and technical opportunities related to non-NAS mission-support service needs.

Auctioning Techniques is a method of screening vendors using commercial competition. Auctioning techniques include indicating to an offeror a cost or price that it must meet to obtain further consideration; advising an offeror of its price standing relative to another offeror; and otherwise furnishing information about the prices of other offerors prices. Use auctioning techniques only for commercially available products.

Baseline is any of the following: (1) an agreed-to-description of the attributes of a product or service at a point in time, which serves as a basis for defining change; (2) an approved and released document or a set of documents that provide a defined basis for managing change; (3) currently approved and released configuration documentation; or (4) a released set of files consisting of a software version and associated configuration documentation.

Baseline Variances are positive or negative deviations from baseline values. The FAA uses baseline variances to evaluate whether an investment program is proceeding as planned or whether it is deviating from plan thereby requiring management attention and action.

Best Value means the expected outcome of an acquisition that, in the FAA's estimation, provides the greatest overall benefit in response to the requirement. The tradeoff process and the lowest price

technically acceptable (LPTA) process are two methods to achieve best value.

Block Upgrades are planned improvements to operational assets stipulated at the final investment decision that involve the use of sustainment or investment resources to upgrade components of fielded products as needed.

Budget Impact Assessment is the process of assessing the budget impact of each alternative solution developed during investment analysis against all existing programs in the FAA financial baseline for the same years. The FAA uses standard criteria to determine the priority of the candidate investment in relation to all others. If the amount of funding available for the years in question is insufficient, offsets from lower priority programs are identified. A budget impact assessment is also performed when considering baseline changes for existing programs that involve an increase in the cost baseline and the need to reallocate resources.

Business Case summarizes the analytical and quantitative information developed during investment analysis in search of the best means for satisfying a service need. The business case is the primary information document supporting the initial investment decision.

Business Case Analysis focuses on those key factors that demonstrate the value and worth of a proposed investment initiative to the FAA and aviation community. Key factors include but are not limited to lifecycle cost, investment cost, benefits, benefits-to-cost ratio, risk, affordability, net present value, and payback period.

Business Case Decision is the second decision point of the Operations Support Pathway. It applies only to those initiatives assigned Governance Path C. The Operations Governance Board reviews the scaled business case and decides if the initiative should proceed to solution development.

Cancellation of a procurement is the termination of all requirements for the remaining years of a multi-year contract. Cancellation results when the contracting officer notifies the contractor of non-availability of funds for contract performance in any subsequent program year, or fails to notify the contractor that funds are available for performance of the succeeding program-year requirement.

Cancellation Ceiling is the maximum amount the FAA will pay the contractor which the contractor would have recovered as a part of the unit price, had the contract been completed. The amount actually paid to the contractor upon settlement for unrecovered costs (which can only be equal to or less than the ceiling) is the cancellation charge. This ceiling generally includes only nonrecurring costs.

Capability Shortfall is the difference between the projected demand for services and the ability of the FAA to meet that demand with current assets.

Capital Asset is property of any kind held by a business or organization. It includes all kinds of property, movable or immovable, tangible or intangible, fixed or circulating.

Capital Investment Team is the group that coordinates development of the FAA capital budget request each year and assesses the business justification, affordability, and priority of investment initiatives for the Joint Resources Council.

Capital Planning and Investment Control is the process used by FAA management to identify, select, control, and evaluate proposed capital investments. The CPIC process encompasses all stages of capital management including planning, budgeting, procurement, deployment, and assessment. Within the FAA, the acquisition management system is the CPIC process. Service analysis and investment analysis are the “select” portion of the CPIC process; solution implementation is the “control” phase; and in-service management is the “evaluate” phase.

Capitalization is the classification of costs as long-term investments rather than expenses of current operations.

Capture Team is the group that coordinates integrated decision-making across all investment increments necessary to obtain an operational capability for the National Airspace System. The team monitors implementation of each investment increment and may recommend changes in the distribution of financial assets among those increments to optimize delivery of the operational capability. Capture teams also participate in test activities to validate that an operational capability has achieved its projected benefits and to plan and execute remedial action when it has not.

Cardholder is the individual government employee within an organization who is a warranted contracting officer or to whom a written delegation of purchasing authority has been issued by the FAA Acquisition Executive (FAE) or designee granting the use of purchase and credit transactions made within the established billing period.

Certification Renewal is the requirement that all acquisition workforce members working in specified core disciplines (see AMS section 5.1) maintain certification in those disciplines by earning continuous learning points. Workforce members earn continuous learning points through training, seminars, conferences, special projects, education, and other developmental activities related to the discipline.

Certified Cost or Pricing Data refers to all facts that, at the time of price agreement for a prospective contract, the seller and buyer would reasonably expect to significantly affect price negotiations. The data requires certification, and is factual, not judgmental, and therefore verifiable. While the data do not indicate the accuracy of the prospective contractor's judgment about estimated future costs or projections, they do include the data utilized to form the basis for that judgment. Certified cost or pricing data is more than historical accounting data; it is all the facts that can be reasonably expected to contribute to the soundness of estimates of all future costs and to the validity of determinations of costs already incurred.

Change Management is that portion of the configuration control process whereby change to the performance, function, or physical attributes of an entity is managed and recorded to ensure the exact configuration of the entity is known.

Chief Counsel is the official who represents FAA personnel and organizations on legal, governmental, and business issues; promotes the legality and integrity of acquisition actions; represents the FAA in connection with procurement-related litigation, alternative dispute resolution, and other matters; and

serves as core member of the Joint Resources Council.

Chief Financial Officer is the official responsible for managing all aspects of FAA budget formulation, execution, and reporting. The Chief Financial Officer serves as a core member of the Joint Resources Council; jointly approves the acquisition program baseline or execution plan (as appropriate) with other Joint Resource Council members; and approves OMB Major IT Business Cases for designated capital investments before submission to the Department of Transportation and Office of Management and Budget.

Chief Information Officer is the official responsible for managing all aspects of information technology within the FAA. The Chief Information Officer serves as a core member of the Joint Resources Council; chairs the Information Technology Shared Services Committee; approves OMB Major IT Business Cases for designated capital investments before submission to the Department of Transportation and Office of Management and Budget; jointly approves the acquisition program baseline or execution plan for investment programs with other Joint Resources Council members; and oversees the FAA Enterprise Architecture.

Claim, as used herein, means a contract dispute.

Classified National Security Information or “classified information” is information that has been determined pursuant to Executive Order 13526 Classified National Security Information or any predecessor order to require protection against unauthorized disclosure and is marked to indicate its classified status when in documentary form.

Commercial Component means any component that is a commercial item. The term “component” means any item supplied to the Federal government as part of an end item or of another component. See Commercial Item.

Commercial Item can mean any of the following:

[Note: For purposes of this document, the term "commercial item" is interchangeable with the terms "commercially available," "commercially available software," "commercial component(s)," "commercial product(s)," and "Commercial Off-the-Shelf (COTS)"]

(1) Any item, other than real property, that is of a type customarily used by the general public or by nongovernmental entities for purposes other than governmental purposes and that has been sold, leased, licensed to the general public; or has been offered for sale, lease, or license to the general public.

(1) Any item that evolved from an item described in paragraph (1) through advances in technology or performance and that is not yet available in the commercial marketplace, but will be available in the commercial marketplace in time to satisfy the delivery requirements under a government solicitation.

(2) Any item that would satisfy a criterion expressed in paragraphs (1) and (2) of this definition, but for-(i) modifications of a type customarily available in the commercial marketplace; or (ii)

modifications of a type not customarily available in the commercial marketplace made to meet Federal government requirements.

(3) Any combination of items meeting the requirements of paragraphs (1), (2), (3), or (5) of this definition that are of a type customarily combined and sold in combination to the general public.

(4) Installation services, maintenance services, repair services, training services, and other services if such services are procured for support of an item referred to in paragraph (1), (2), (3), or (4) of this definition, and if the source of such services--(i) offers such services to the general public and the Federal government contemporaneously and under similar terms and conditions; and (ii) offers to use the same work force for providing the Federal government with such services as the source uses for providing such services to the general public.

(5) Services of a type offered and sold competitively in substantial quantities in the commercial marketplace based on established catalog or market prices for specific tasks performed under standards commercial terms and conditions. This does not include services sold based on hourly rates without an established catalog or market price for specific service performed.

(6) Any item, combination of items, or service referred to in paragraphs (1) through (6) above, notwithstanding the fact that the item, combination of items, or service is transferred between or among separate divisions, subsidiaries, or affiliates of a contract; or

(7) Any item, determined by the procuring agency to have been developed exclusively at private expense and sold in substantial quantities, on a competitive basis, to multiple state and local governments, or to multiple foreign governments.

Commercial-Off-the-Shelf is a product or service developed for sale, lease, or license to the public and is currently available at a fair market value. See Commercial Item.

Commercial Product is a product in regular production sold in substantial quantities to the public and/or industry at established catalog or market prices. See Commercial Item.

Commercially Available refers to products, commodities, equipment, material, or services available in existing commercial markets in which sources compete primarily on established catalog/market prices or for which specific costs/prices established within the industry have been determined to be fair and reasonable. See Commercial Item.

Commissioning within the FAA lifecycle management process occurs when a system, subsystem, equipment, or service is formally accepted and placed into operational service within the National Airspace System. For products to which the flying public has access, commissioning requires written confirmation to airmen and the aviation industry via a notice to airmen.

Commonality refers to the use of identical parts, components, subsystems, or systems to achieve economies in development and manufacture.

Communications, when referring to contracting, means any oral or written communication between the FAA and an offeror that involves information essential for understanding and evaluating an offeror's submittal(s), and/or determining the acceptability of an offeror's submittal(s).

Computer Resources Support consists of the facilities, hardware, system support software, software/hardware development and support tools (e.g., compilers, PROM burners), documentation, and personnel needed to operate and support embedded computer systems. These items represent the resources required for operational support engineering functions and do not include administrative computer resources.

Concept and Requirements Definition is that portion of the FAA lifecycle management process when the program office or service organization (1) translates priority operational needs in the enterprise architecture into preliminary requirements and a solution concept of operations for the capability needed to improve service delivery, (2) quantifies the service shortfall in sufficient detail to enable the definition of realistic preliminary requirements and the estimation of potential costs and benefits associated with resolving the shortfall, and (3) identifies the most promising alternative solutions able to satisfy the service need.

Concept and Requirements Definition Plan specifies how tasks required for concept and requirements definition will be competed; defines roles and responsibilities of participating organizations; defines outputs and exit criteria; establishes a schedule for completion; and specifies needed resources.

Concept and Requirements Definition Readiness Decision is the decision gateway between service analysis and entry into concept and requirements definition. It is when the FAA Enterprise Architecture Board verifies: (1) a priority service shortfall, operational improvement, or operational sustainment is in an enterprise architecture roadmap; and (2) planning and resources are in place for the conduct for concept and requirements definition.

Concept Development is the second stage in the concept maturity and technology development process. This activity develops and evaluates promising concepts to determine which should undergo further development. Activities include modeling, simulation, and detailed analysis.

Concept Evaluation is the third and final stage in the concept maturity and technology development process. It confirms that a concept has great promise toward meeting the service needs of the aviation community and establishes operational and technical feasibility. Concept evaluation can include concept integration, evolution, or scalability. Representative activities include prototyping and field demonstration.

Concept Exploration is the first stage in the concept maturity and technology development process. The objective is to describe promising concepts with sufficient definition to begin development of a concept of operations and to plan follow-on activities. Outputs are promising and feasible concepts that warrant further development.

Concept Maturity and Technology Development Process governs activities directed toward the production of useful aviation-related materials, devices, systems, and methods, as well as advance the maturity of new concepts. Typical activities include concept feasibility studies, technical analysis, prototype demonstrations, and operational assessments that identify, develop, and evaluate opportunities for improving the delivery of NAS services. These efforts reduce risk, define

requirements, demonstrate operational requirements, inform concept and requirements definition activities, and generate information required to support agency investment decisions and product lifecycle management.

Concept Steering Group consists of cross-organizational officials who coordinate activity to develop and validate new concepts and ideas during service analysis, as well as facilitate the review of new ideas and proposed changes to the NAS Concept of Operations.

Condemnation The legal process of taking privately owned land for public use through exercise of eminent domain. Under the 5th Amendment of the United States Constitution, just compensation must be provided for any land taken within the United States. See also Eminent Domain and Inverse Condemnation.

Configuration is (1) the performance, functional, and physical attributes of an existing or planned product or combination of products; or (2) one of a series of sequentially created variations of a product.

Configuration Audit is the examination of artifacts related to a product to verify it has achieved required functional and performance requirements and that product design is accurately documented. The audit includes the review of documents, records, procedures, processes, and physical elements of the product. Sometimes the configuration audit consists of separate functional and physical configuration audits.

Configuration Change Management is a systematic process that ensures changes to released configuration documentation are properly identified, documented, evaluated for impact, incorporated, verified, and approved by an appropriate authority.

Configuration Control Boards are the official FAA forums for establishing configuration management baselines and approving subsequent changes to those baselines. AMS policy requires the following configuration control boards: service organizations, service areas, mission-support information technology, line of business/staff offices, and solution providers.

Configuration Documentation is technical documentation that identifies and defines a product's performance, functional, and physical attributes.

Configuration Identification is the systematic process of assigning and applying unique configuration identifiers to a product, its components.

Configuration Item refers to the fundamental structural unit of a configuration management system. Examples of configuration items include individual requirements documents, software, hardware, models, and plans. Software and hardware configuration items typically satisfy a specific functional or performance requirement.

Configuration Management is a process for establishing and maintaining consistency of a product's performance, functional, and physical attributes with its requirements, design, and operational information throughout its life.

(FAA) Configuration Management Authority coordinates development and establishment of configuration management policy, processes, and guidance within FAA and facilitates execution of configuration management at all organizational levels within the agency.

Configuration Management Process is the means by which the configuration of a product or service is established and managed. It consists of configuration identification, baseline management, configuration change management, configuration status accounting, and configuration verification and validation.

Configuration Status Accounting is the configuration management activity that captures, stores, and accesses configuration information needed to manage products and product information effectively.

Configuration Verification is the action that verifies the product has achieved its required attributes (performance requirements and functional constraints) and its product design is documented accurately.

Continuous Improvement is an ongoing effort to improve products, services, or processes. These efforts can seek "incremental" improvement over time or "breakthrough" improvement all at once. Within the acquisition management system, continuous improvement refers to the modification of AMS policy and guidance to obtain its key objectives of lower cost, shorter time to obtain, and better performance of agency capital assets.

Continuous Learning Points are measures of knowledge gained by acquisition workforce members to maintain certification for employment in specified acquisition management disciplines (see AMS Section 5.1). Workforce members earn continuous learning points through training, seminars, conferences, special projects, education, and other developmental activities related to each specific discipline.

Contract is a legal instrument used to acquire products, services, utilities, or interests in land or space for the direct benefit or use by the FAA. As used herein, contract denotes the document (for example, contract, memorandum of agreement, purchase order, lease, easement, outgrant, or other legally binding agreement) used to implement an agreement between a customer (buyer) and a seller (supplier).

Contract Dispute means a written request seeking as a matter of right, the payment of money, the adjustment or interpretation of contract terms, or other relief arising under or relating to the contract. A claim arising under a contract, unlike a claim relating to that contract, is a claim that can be resolved under a contract clause that provides for the relief sought by the claimant. The term does not include a request for payment of an invoice, voucher, or similar routine payments expressly authorized under the terms of the contract, which the contracting officer has not rejected. The term includes a termination for convenience settlement proposal and request for equitable adjustment, but does not include cost proposals seeking definitization of a letter contract or other undefinitized contract action.

Contracting Officer is any individual appointed by the government with the authority to enter into, administer, renew, or terminate contracts, as well as make related determinations and findings. This

includes management and oversight of the source selection process associated with procurement actions.

Contractor is the party(ies) receiving a direct procurement contract from the FAA and who is responsible for performance of contract requirements. In terms of real property transactions, the contractor may also be called the Lessor, Permitter, Licensor, or Grantor depending on the type of Contract. See also “Vendor”.

Controversy or Concern during procurement is a material disagreement between the FAA and an offeror that could result in a protest.

Core Policy refers to the official policy governing the acquisition management system within the FAA. It consists of all sections and appendices of this document.

Corporate Portfolio Management is the process of making investment decisions within context of overall strategic planning and goals of the agency. Individual investment options must fit logically within this context and provide highest value to the agency and aviation community when compared against other investment options.

Conveyance- A term used to refer to any document that transfers title to, or an interest in, real property. The term is also used in describing the act of transferring.

Cost as used within procurement policy consists of contractor expenses for contract performance, either estimated or actual.

Cost Accounting is the method of accounting that collects, classifies, and records all costs incurred in performing an activity or accomplishing a purpose.

Cost or Pricing Data - See "Certified Cost or Pricing Data" and "Data Other than Certified Cost or Pricing Data".

CRD Readiness Decision is the event in the AMS lifecycle management process that evaluates an investment opportunity for entry into concept and requirements definition. The FAA Enterprise Architecture Board makes the decision upon verification that the investment opportunity is in response to a priority service need in an enterprise architecture roadmap and that all resources and planning necessary for the conduct of concept and requirements definition are in place.

Critical Operational Issue is a key operational effectiveness or suitability issue that the agency must examine during operational test to determine the ability of a product or service to perform its intended mission.

Critical Performance Requirements are those requirements of a solution that represent attributes or characteristics considered essential to meeting the service need the investment program is seeking to satisfy. They are part of the total program requirements that define the operational framework and performance baseline for the investment program. The agency records critical performance requirements and associated values in the program requirements document and acquisition program

baseline or execution plan.

Customer is an external user of FAA products or services, such as airlines and the flying public. See User.

Data is recorded information of any nature (including administrative, managerial, financial, and technical) regardless of medium or characteristics.

Data Item Description is a document that defines the data required from a contractor. It specifically defines the data content, format, and intended use.

Data Other than Certified Cost and Pricing Data refers to pricing data, cost data, and judgmental information necessary to determine a fair and reasonable price and/or to determine realism. Such data may include the identical types of data as certified cost or pricing data, but without the certification. The data may also include any information reasonably required to explain the estimating process, including, but not limited to: judgmental factors applied and mathematical or other methods used in the estimate and the nature and amount of contingencies included in a proposed price.

Data Standardization and Management applies standards to facilitate data sharing across systems, programs, government agencies, and industry. Data standardization improves the transportability of data, facilitates cost-effective development and re-engineering, and improves the quality, utility, and integrity of FAA information products and resources. The FAA data management program consists of data registration, data standardization, data certification, and lifecycle data management.

Declaration of Operational Readiness occurs when the approving official(s) determines that the solution to a service need has achieved all essential functional and performance requirements and is fully suitable for operational service.

Declaration of Taking is the document filed by the United States Attorney (Department of Justice) with a court of competent jurisdiction to obtain specified rights, title, or interest in property.

Decommissioning is the formal process within FAA for removing an operational asset from active status. Note that decommissioning and disposal are separate actions; e.g. facilities are decommissioned before disposition occurs. See also “disposal.”

Deed is a legal document conveying title to a property.

Demand, as used in the context of service analysis, is the current or projected need for FAA products, services, or capacity based on input from diverse sources such as the aviation community, enterprise architecture, long-range planners, operators and maintainers of the National Airspace System, and other FAA support systems.

Deploy the Solution includes all activities necessary to install a new capability and bring into operational use. For NAS products and services, this may include transportation and delivery of equipment, installation and checkout, contractor acceptance and inspection, integration with other operational assets, field familiarization, declaration of initial operational capability, joint acceptance

and inspection, dual operations, declaration of operational readiness, and removal and disposal of obsolete equipment. For operations-funded mission-support, non-developmental, commercially available, and solutions involving procedural or process changes, deployment activities may be much simpler. In all cases, deployment must include the activities necessary to achieve an operationally effective (meets user needs) and suitable (essential logistics support) solution.

Deployment is the transformation of a mechanical, electrical, or computer product from a packaged form to an operational state. It consists of all activities necessary to make a product or service available for use.

Deployment Phase is the fourth stage of the Operations Support Pathway. It is when the acquiring organization works with key stakeholders to implement the new service or capability and fulfill the requirements in the Functional and Performance Requirements document approved at the Investment Commitment Decision.

Deployment Planning is the process that prepares for and assesses whether a solution is suitable for deployment into its operational environment. Deployment planning is part of a continuous in-service review process that begins early in the lifecycle management process. All investment initiatives undergo some degree of deployment planning to ensure key aspects of fielding a new capability are planned and implemented, as well as to ensure the deployment does not create a critical deficiency in the operational environment.

Design to Cost is a concept that establishes cost elements as management goals to best balance lifecycle cost, acceptable performance, and schedule. Under this concept, cost is a design constraint during the design, development, and production phases, and a management discipline throughout the product lifecycle.

Development Testing determines whether a product or service has achieved its specified technical and performance requirements. Another objective is to verify the product or service is fully integrated and stable. The development contractor performs development testing witnessed by the FAA. Test activities can be conducted at the contractor's facility, the William J. Hughes Technical Center, or FAA field sites. The government may conduct development testing if the government develops the solution.

Developmental Assurance Program for Software is the combination of quality assurance with software development activity to ensure the product meets predetermined quality specifications and software development methodology, procedure, and process conform to agency standards.

DID Library is a database located on the FAA Acquisition System Toolset that contains standard, tailored data item descriptions organized within specific functional disciplines for use by service organizations and program offices when preparing screening information requests and FAA contracts.

Direct-work Maintenance Staffing refers to the direct person-hours required to operate, maintain, and support a product for the duration of its lifecycle.

Disapproval is the conclusion by the appropriate authority that an item submitted for approval is

either not complete or is not suitable or its intended use.

Discriminating Criteria/Key Discriminators, as used in procurement, are those factors expected to be especially important, significant, and critical in the ultimate source selection decision.

Disposal is the process of removing and disposing of systems, equipment, services, products, facilities, real property, and resources no longer needed for operational use. Within the FAA, disposal is the responsibility of the service organization or program office installing a new capability. Disposal includes restoration of sites, disposal of government property, recovery of precious metals, and cannibalization of useful assets.

Dispute as used herein, means a contract dispute or claim.

Dispute Resolution Officer is a licensed legal practitioner who is a member of the Office of Dispute Resolution, and who has authority to conduct proceedings, which, if agreed to by the parties and concurred in by the FAA Administrator, result in binding decisions on the parties.

(FAA) Disputes Resolution System is a process established within the FAA for resolving corporate protests of FAA screening information requests and contract awards, as well as contract disputes.

Dominant Business is a controlling or major influence in a market in which a number of businesses are engaged. Factors such as business volume; number of employees; financial resources; competitiveness; ownership or control of materials, processes, patents, and license agreements; facilities; sales territory; and nature of the business must be considered.

Dual Operations is the simultaneous operation of legacy and replacement assets at an operational site to ensure uninterrupted service during the transition from an existing capability to a new capability.

Earned Value Management is a management tool to provide timely, accurate, auditable, actionable, and reliable cost, schedule and technical performance information for an investment program to both internal management and external stakeholders. Additionally, it provides early warning measures of variances in program cost, schedule, and technical performance as the basis for corrective management action.

Earned Value Management Determination is the request a service organization or program office submits as the basis for a determination by the Joint Resources Council concerning the application of earned value management to developmental activity by either a contractor or government institution.

Earned Value Management Focal Point is the agency representative who coordinates earned value management activities within the FAA and with other government agencies, industry, and professional associations.

Earned Value Management System is the management process applied to developmental activity to monitor variances in program cost and schedule based on the comparison and reporting of worked performed with work planned.

Easement is a type of contract that grants the right to use the real property of another for a specific purpose. The easement is itself a real property interest, but legal title to the underlying land is retained by the original owner for all other purposes. Easements can be granted for a specific term or in perpetuity. The purposes and conditions upon which the agency may grant easements are limited by law.

Economically Disadvantaged Individuals means disadvantaged individuals whose ability to compete in the free enterprise system is impaired due to diminished opportunities to obtain capital and credit as compared to others in the same line of business who are not disadvantaged.

Economically Disadvantaged Women-Owned Small Business (EDWOSB) Concern means a small business concern that is at least 51 percent directly and unconditionally owned by, and the management and daily business operations of which are controlled by, one or more women who are citizens of the United States and who are economically disadvantaged in accordance with 13 CFR part 127. It automatically qualifies as a women-owned small business concern.

Eminent Domain- The inherent right of the Government to take private property for public use. See also “Condemnation” and “Inverse Condemnation”.

End Product is a system, service, facility, or operational change intended for delivery to a customer or end user.

Enterprise Architecture Products include the operational view family (business) and systems view family (engineering). Operational view family components represent a set of graphical and textual products that describe the changes in tasks and activities, operational elements, and information exchanges required to accomplish NAS service delivery or Air Traffic Organization (ATO) business processes. The business process and application views present this information in the Federal Enterprise Architecture Framework (FEAF) with the data architecture providing the terms used to describe information exchanges between processes. System-view family components represent a set of graphical and textual products that describe systems and interfaces that directly or indirectly support, communicate, or facilitate NAS service delivery or ATO business processes. In the FEAF, the application view describes interfaces between applications.

Enterprise Architecture Roadmaps are the transition plans for moving the current “as is” architecture to the future “to be” state. Within the FAA, there are enterprise architecture roadmaps for the National Airspace System and for Mission Support Information Technology business systems.

Environmental, Occupational Safety & Health, and Energy Considerations are the federal, state, and local regulations, and FAA orders, specifications, and standards pertaining to environmental and occupational safety and health requirements, and energy and water requirements with which FAA investment programs must comply.

Environmental Screening- refers to the act of conducting Environmental Due Diligence as described in FAA Order 1050.19C, or as amended.

Evolutionary Product Development is the process of limiting the design challenge for a product development cycle by deferring risky technology and immature requirements to later updates. The objective is to minimize risk and facilitate the achievement of cost, schedule, and performance goals, while simultaneously achieving the insertion of low-risk new technology.

Excess Property is real or personal property under the control of the agency, which is not required for the agency's needs, and the discharge of its responsibilities.

Execution Plan is the document that records cost, schedule, and performance parameters for investment programs that do not require an acquisition program baseline (i.e., facilities and variable quantity). The execution plan defines those program cost, schedule, and performance parameters that are to be reported and tracked monthly.

FAA Acquisition System Toolset is the official record of the acquisition management system. It is an information system available via the Internet at <http://fast.faa.gov>. FAST contains official acquisition management policy and guidance, process flowcharts, contract clauses, document templates and instructions, checklists, practices, and other job-related aids for use by the workforce.

FAA Enterprise Architecture defines the operational and technical framework for all capital assets of the agency. It is comprised of the NAS Enterprise Architecture and the Mission Support Enterprise Architecture. The NAS Enterprise Architecture is a repository of architectural views that describe the current (as-is), mid-term, and far-term (to-be) perspectives of the NAS architecture, as well as a strategic roadmap for transitioning from the "as is" to the "to be" architecture. The Mission Support Enterprise Architecture contains the information technology assets and investments needed by agency for business planning and administration. It includes all mission-support applications, systems, policies, and procedures not directly involved in air traffic control.

FAA Enterprise Architecture Board is the group that reviews, assesses, and submits for approval to the Joint Resources Council enterprise architecture products, policy, guidance, and processes. It ensures the FAA enterprise architecture reflects the current and target states of agency operations, standards, systems, and infrastructure.

FAA Enterprise Architecture Board Secretariat is the official who coordinates FEAB meeting dates and agenda and arranges logistics for the meetings. The Secretariat also analyzes FEAB processes and recommends opportunities for improvement; and maintains the official repository for FEAB decision documents, meeting minutes, and assigned action items.

FAA Lifecycle Management Process is the Capital Investment Planning and Control Process of the FAA. Service analysis and investment analysis constitute the select process. Solution implementation is the control process. In-service management is the evaluation process.

FAA Strategic Plan links the long-range vision and goals of the agency directly to the service needs of the aviation community. It also defines top-level performance measures and multi-year performance targets to satisfy those service needs.

Facility is a building, structure, or other aspect, including utility systems, pavements, and land.

Facilities & Equipment is the Congressional appropriation designated for purchase or construction of facilities, systems, hardware and software, services, and other assets necessary to fulfill the mission responsibilities of the agency.

Facility Initiative is an acquisition category associated with new construction, replacement, modernization, repair, remediation, lease, or disposal of manned and unmanned FAA facilities and infrastructure.

Facility Milestones are standard milestones the FAA uses when planning, funding, obtaining, and deploying facilities. They are located on the decisions/reviews/milestones page in the FAA Acquisition System Toolset.

F&E-Funded Capital Assets are those investment initiatives subject to the policies and practices defined in the FAA lifecycle management process. They include any investment initiative or program seeking resources from the facilities and equipment appropriation.

Fair Market Value (FMV) is the price an asset would sell for on the open market when the parties involved are aware of all the facts, are acting in their own interest, are free of any pressure to buy or sell, and have ample time to make the decision.

Fee is compensation paid to a consultant for professional services rendered or profit included in a cost plus fee type contract for work performed under the contract.

Field Familiarization is the process by which the operational workforce becomes fully competent to operate and maintain a newly deployed asset or service. Field familiarization occurs at every deployment site and is a condition for declaring full operational capability.

Final Investment Analysis is the phase of the FAA lifecycle management process during which an investment analysis team develops the implementation strategy for the solution selected by the Joint Resources Council for implementation, solicits offers to the industry for the solution and evaluates responses, and plans and baselines the investment program in preparation for the final investment decision.

Final Investment Analysis Plan is the document that defines work activities, resources, schedules, roles and responsibilities, and products required to complete final investment analysis. The plan also specifies exit criteria and a planning date for the final investment decision.

Final Investment Decision is the event at which the Joint Resources Council decides whether it will approve, fund, and baseline a proposed investment initiative.

Firm, as defined for architect-engineering services, is any individual, partnership, corporation, association, or other legal entity permitted by law to practice the professions of architecture or engineering.

Firm Term is the portion of a lease term that is not subject to termination rights and the FAA is contractually committed to rental payments.

Firmware is combination of a hardware device and computer instructions or computer data that reside as read-only software "burned into" the hardware device. Various types of firmware include devices whose software code is erasable or reprogrammable to some degree.

First-level Technical Support comprises maintenance of the National Airspace System infrastructure and includes certifying equipment for performing periodic maintenance, restoration, troubleshooting, and corrective activities.

Fixture is personal property that is so related to real property that a real property interest arises in it (e.g., installed furnace).

(AMS Policy) Flowcharts within the acquisition management system contain descriptions, approving officials, references, templates, and other aids for each activity within a phase of the lifecycle management process. Generic processes assist service organizations and program offices with product planning, development, procurement, production, testing, delivery, and implementation activities of the lifecycle management process. AMS policy flowcharts are found in AMS building blocks on FAST.

(Process) Flowcharts exist within the acquisition management system for representative types of investment program (systems and software, facilities, services) and functional disciplines (e.g., human factors, information systems security, configuration management, integrated logistics support). These flowcharts identify actions and activities the service organization or program office may need to execute to achieve projected capability, value, and benefits. Instructions, templates, best practices, good examples, and lessons-learned are attached to many flowchart activities to assist specialists as they plan and execute what make sense for their investment program.

Functional Analysis is the process that transforms an operational need or market opportunity into a product or service description that supports detailed design.

Functional Baseline is the approved documentation describing a product's functional, interoperability, and interface characteristics, as well as the verification required to demonstrate achievement of those characteristics.

Functional and Performance Requirements Artifact is a key document produced for mission-support operations-funded capital investments. It defines the high-level scope and essential characteristics of a mission-support initiative.

Functional Configuration Audit is the formal examination of the "as-tested" functional characteristics of a configuration item. The audit determines whether the item has achieved the requirements specified in its functional baseline documentation and identifies and records any discrepancies.

Functional Portfolio Management is the process that oversees investment packages that cut across service organizations to provide fully integrated functional capability for the National Airspace System. The FAA employs functional portfolio management in such areas as weather, surveillance, communications, automation, and navigation.

Functional Requirements define the functions of a product or service or of their components. Functional requirements drive the application architecture of a product or service, while non-functional requirements drive the technical architecture.

Governance Path is a risk-based classification assigned to a mission-support operations-funded capital investment by the Operations Governance Board. Governance Path A and B investments are lower risk and entail fewer planning requirements, while Governance Path C investments are higher-risk and entail more planning requirements.

Governance Path Readiness Decision is the first decision point of the Operations Support Pathway. The Operations Governance Board assigns a governance path to each initiative and assigns an acquisition readiness team (if applicable).

Government and Market Survey Artifact is a key document produced for mission-support operations-funded Capital initiatives. It provides a checklist of important activities for identifying alternatives and procurement options.

Ground Lease is a lease of land only, on which the tenant usually owns a building or is required to build as specified in the lease.

Hardware Products are material items and their components (e.g., mechanical, electrical, electronic, hydraulic, pneumatic). Hardware products do not include computer software or technical documentation.

Highest and Best Use is an appraisal concept that means “the highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future.”

Historically Black Colleges and Universities are institutions determined by the U.S. Secretary of Education to meet the requirements of 34 CFR § 608.2 and listed therein.

Holdover is created when the FAA continues to occupy leased premises beyond the lease term.

HUBZone means a historically underutilized business zone that is an area located within one or more qualified census tracts, qualified non-metropolitan counties, lands within the external boundaries of an Indian reservation, redesignated areas, qualified base closure areas, qualified disaster areas, or Governor-designated covered areas.

HUBZone small business concern is a small business concern that meets the requirements in 13 CFR 126.200 and is certified by the Small Business Administration (SBA) as eligible for federal contracting assistance under the HUBZone Program.

Human Factors is a multi-disciplinary effort to generate and apply human performance information to acquire safe, efficient, and effective operational systems.

Human Factors Engineering is the application of information on human physical and psychological characteristics to the design of devices and systems for human use.

Implementation Strategy and Planning Document conveys critical, relevant, and meaningful program planning information to the Joint Resources Council as a basis for investment decision-making. The ISPD integrates all aspects of planning for solution implementation and in-service management of a proposed investment program; e.g., acquisition planning, management and control, schedule, systems engineering, solution development and production, physical and functional integration, integrated logistics support, safety and health, security and privacy, test and evaluation, and deployment.

Independent Government Cost Estimate is an unbiased estimate of what a responsible contractor would propose to perform based solely on the contract specification and statement of work. It is developed by the Government independently of any potential vendors. It is a tool to assist in analyzing vendor proposals.

Independent Operational Assessment is an evaluation of new investments before deployment to verify their operational effectiveness, suitability, and safety by an independent operational assessment organization.

Independent Operational Assessment Readiness Declaration is a declaration in writing by the Vice President of the acquiring organization to the Vice President of the Office of Safety and Technical Training that the solution is ready to enter independent operational assessment. The declaration occurs after completion of all site test activities by the contractor and program management office.

Indian means any person who is a member of any Indian tribe, band, group, pueblo, or community which is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs in accordance with 25 U.S.C. § 1452(c) and any "Native" as defined in the Alaska Native Claims Settlement Act (43 U.S.C. § 1601).

Indian Organization means any governing body of any Indian tribe or entity established or recognized by the governing body of an Indian tribe for the purposes of 25 U.S.C., chapter 17.

Indian-Owned Economic Enterprise means any Indian-owned (as determined by the Secretary of the Interior) commercial, industrial, or business activity established or organized for the purpose of profit, provided that Indian ownership must constitute not less than 51 percent of the enterprise.

Indian Tribe means any Indian tribe, band, group, pueblo, or community, including native villages and native groups (including corporations organized by Kenai, Juneau, Sitka and Kodiak) as defined in the Alaska Native Claims Settlement Act, which is recognized by the Federal Government as eligible for services from BIA in accordance with 25 U.S.C. § 1452 (c).

Information Systems Security refers to the processes and methodologies involved with keeping information confidential, available, and assuring its integrity. It also refers to access controls that prevent unauthorized personnel from entering or accessing an information system.

Information Systems Security Assessment determines: (1) information security risk factors of an investment initiative, (2) information security requirements, (3) a rough cost estimate for achieving

information security, and (4) a rough estimate of annual operational benefits gained from implementing security requirements.

Information Systems Security Certification and Authorization certifies that an information system is certified and authorized for deployment. It is an entrance criterion for the in-service decision.

Information Technology is the application of computers to store, study, retrieve, transmit, and manipulate data or information, often in the context of a business or other enterprise.

Information Technology Shared Services Committee is an executive-level group that oversees the development and approval of the agency's mission-support information technology strategy. The committee directs, reviews, and oversees implementation of mission-support information technology projects, and evaluates the operational performance of the information technology shared services function.

Information Technology Research & Development Organization coordinates information technology mission-support investment activity across service organizations to ensure alignment with FAA strategic and performance goals, as well as to eliminate redundant activity, service gaps, and duplicate benefits.

Initial Investment Analysis is the phase within the FAA lifecycle management process during which the most advantageous solution to an approved service need is determined. It involves: (1) a market search to determine industry capability, (2) analysis of various alternative approaches for satisfying agency requirements including preparation of an initial business case, and (3) an affordability assessment to determine what the FAA can afford, all in preparation for the initial investment decision.

Initial Investment Analysis Plan is an artifact completed during the later stages of concept and requirements definition. The plan (1) defines the scope and assumptions of initial investment analysis, (2) describes alternatives and their associated rough lifecycle costs, (3) identifies the planned activities of initial investment analysis and describes how tasks will be accomplished, (4) defines outputs and exit criteria, (5) establishes a schedule for completion, (6) defines roles and responsibilities of participating organizations, and (7) estimates the resources needed to complete the work.

Initial Investment Decision is the event at which the Joint Resources Council decides whether to select a solution for implementation and authorize entry into final investment analysis or to reject or return a proposed investment for further analysis.

Initial Operational Capability occurs when site personnel declare a new capability ready for conditional or limited operational use. This occurs after successful installation and checkout, site acceptance testing, and field familiarization. Initial operational capability requires satisfaction of operational requirements, as well as full logistics support and training for technicians and air traffic specialists.

In-Service Decision is the event at which the decision authority decides whether to accept a product or service for operational use. It occurs during the solution implementation phase of the FAA lifecycle management process. This decision allows deployment activities to begin at each installation site.

In-Service Decision Authority is the official who decides whether to approve a new capability for operational use. The Joint Resources Council designates the in-service decision authority at the final investment decision and may retain authority for the decision.

In-Service Decision Briefing and Action Plan are key artifacts required for the in-service decision. The in-service briefing informs the decision authority concerning status and issues relevant to the in-service decision. The action plan specifies all actions the service organization or program office must complete as a condition of the in-service decision.

In-Service Decision Executive Secretariat is the official who manages the deployment planning process for the Joint Resources Council and administers all activities and artifacts associated with the in-service decision, including preparation of the in-service strategy, briefing, record of decision, and action plan.

In-Service Management Phase is that timeframe in the FAA lifecycle management process extending from the decision to approve a product or service for operational use and continuing until it is retired from service.

In-Service Management Planning records the actions and activities the service organization or program office must execute to support the operation and maintenance of deployed assets. It covers such activities as configuration management, preventive and corrective maintenance, training, infrastructure upkeep, and logistics support along with activities to support post implementation reviews and operational analyses.

In-Service Review Checklist is the document the service organization or program office uses to identify and resolve readiness issues before the in-service decision and to obtain concurrence from stakeholder organizations that readiness issues have been or will be resolved.

In-Service Record of Decision is the artifact prepared by the In-Service Executive Secretariat that specifies the decisions and conditions of the in-service decision. It includes as an attachment the plan that specifies all actions the service organization or program office must complete as a condition of the in-service decision.

Integrated Baseline Review is a joint assessment conducted by the program manager and contractor to establish a mutual understanding of the performance measurement baseline for the prime mission contract. This understanding provides the basis for agreement on a plan of action to evaluate the risks and management processes that operate during execution of the contract.

Integrated Logistics Support is the management discipline employed to plan, establish, and maintain a full lifecycle support system for FAA products and services. It applies to the sustainment and disposal of fielded products and services, as well as new investment programs. The objective is to sustain the required level of service to the end user at optimal lifecycle cost to the FAA.

Integrated Program Management Report is a contractually required report prepared by the contractor that contains performance information derived from the contractor's internal management system. The report provides the status of progress on the contract.

Interagency Agreement is a written agreement between the FAA and another Federal agency whereby the FAA agrees to receive from or exchange supplies or services with the other agency, and FAA funds are obligated.

Interested Party is one who:

- (1) Prior to the close of a solicitation, is an actual or prospective participant in the procurement, excluding prospective subcontractors; or
- (2) After the close of a solicitation, is an actual participant who would be next in line for award under the solicitations scheme if the protest is successful. An actual participant who is not in line for award under the solicitation scheme is ineligible to protest unless that party's complaint alleges specific improper actions or inactions by the agency that caused the party to be other than in line for award. Proposed subcontractors are not eligible to protest.

Where a contract has been awarded prior to the filing of a protest, the awardee may be considered an interested party for purposes of participating in the protest proceedings.

Interface Control Documentation is a drawing or other documentation that depicts physical, functional, and test interface characteristics between two or more related or co-functioning items.

Interface Requirements Document is the artifact that specifies the interface requirements to a product or system. It may describe the inputs and outputs of a single product or system or the interface between two products or systems.

Interfaces are the performance, functional, and physical attributes required to exist at a common boundary.

Interim Payment is a form of contract financing for cost-reimbursement contracts where the FAA pays a contractor periodically during the course of a contract for allowable costs it incurs in the performance of the contract. Interim payments issued during the course of a contract do not include the final payment issued after contract completion.

Intra-agency Agreement is a written agreement between the FAA and Office of the Secretary of Transportation or another Department of Transportation operating administration where the requesting organization agrees to provide or exchange supplies or services with the FAA, and FAA funds are obligated.

Inverse Condemnation is an action brought against the government by a property owner to obtain just compensation for a taking of property effected without a formal exercise of eminent domain. This generally occurs when the Government limits the use of private land, through continued occupancy or otherwise, to the extent that the value of the land is greatly reduced, or where the Government has allowed the public to make use of private land. See also Condemnation, Eminent Domain, and Holdover.

Investment Analysis Readiness Decision determines whether the solution ConOps, preliminary requirements, architecture products and amendments, and preliminary alternatives are sufficiently

mature to warrant entry into investment analysis. The Joint Resources Council makes the decision within context of all ongoing and planned investment activities to sustain and improve service delivery. It ensures proposals for new investment are consistent with overall corporate needs and planning.

Investment Analysis Team is a cross-functional team scaled to the size and complexity of a proposed analysis that is responsible for the conduct of investment analysis. Team membership is flexible depending on the needs of the analysis, but typically includes system engineers, technical experts, logistics specialists, specialty engineers, testers, operational subject-matter experts, and business case analysts. Security and regulatory specialists are team members when potential solutions involve facility, asset, personnel, or information security; hazardous materials; emergency operations; or when solutions affect aircraft, airspace, or the public.

Investment Commitment Decision is the final decision point in the Operations Support Pathway. The Operations Governance Board reviews the completed scaled business case and other required artifacts and either approves the initiative to proceed to deployment, recommends revision of planning documents, or recommends that the line of business cancel the initiative.

Investment Increment is a discrete investment activity or program that may provide individual benefits or combine with other investment increments to achieve the benefits of an operational capability.

Investment Initiative is an FAA-sponsored activity to determine the best overall solution to an approved service need or operational shortfall in an FAA Enterprise Architecture roadmap. The FAA Enterprise Architecture Board authorizes the investment initiative at the concept and requirements readiness decision when it approves entry into concept and requirements definition. The initiative becomes an investment program at the final investment decision if approved, funded, and baselined for implementation by the Joint Resources Council.

Investment Management Plan Artifact is a key document produced for mission-support operations-funded capital investments. It provides a timeline for key milestones and change management activities necessary for successful implementation of a mission-support operations-funded investment.

Investment Opportunity is an approach identified during service analysis and strategic planning as a means for improving service delivery or obviating a service shortfall. If approved for further analysis by the FAA Enterprise Architecture Board at the readiness for concept and requirements definition decision, the investment opportunity enters concept and requirements definition and becomes an investment initiative.

Investment Planning occurs throughout the AMS lifecycle management process. During service analysis and strategic planning, investment planning focuses is on prioritizes corporate service needs and shortfalls and deciding when to seek solutions within realistic budgetary constraints. Investment planning during the remainder of the AMS lifecycle management process supports the definition,

acquisition, deployment, and lifecycle support of affordable solutions to approved service needs.

Investment Planning and Analysis Office is the organization that leads the preparation of business cases for JRC investment decisions and assists service teams and program offices during service analysis, concept and requirements definition, and investment analysis concerning investment planning and scheduling.

Investment Program is a sponsored, fully funded effort initiated at the final investment decision of the FAA lifecycle management process by the Joint Resources Council in response to a priority agency need. Typically, an investment program is a separate budget line and may have multiple procurements and several projects, all managed within the single program.

Joint Resources Council is the senior investment review board for the FAA responsible for making corporate-level investment decisions based on specified knowledge (decision criteria) the service organization or program office must provide before entry into a decision point. The Joint Resources Council also oversees implementation of FAA investment programs.

JRC Executive Secretariat is the official that supports the FAA Acquisition Executive and manages the investment decision-making process for all F&E-funded investment initiatives.

Just Compensation is full and fair equivalent compensation for the loss sustained by a taking for public use.

Key Site is the location at which a new capital asset or service is first tested and evaluated for operational use. This typically entails demonstration that the new asset or service satisfies functional and performance requirements in the program requirements document, and is fully supported and operable by the FAA workforce.

Knowledge-Based Decision-Making involves the use of agreed upon decision criteria and knowledge to facilitate the most suitable outcome for specific decisions.

Legal Coordination with agency counsel is required on competitive acquisitions when the TEPV exceeds \$500,000 and on non-competitive acquisitions when the TEPV exceeds \$10,000. FAA counsel also advises service organizations and program offices regarding legal issues and represents them in litigation and other legal matters. **(Note: T3.2.2.5A6 “FAA Sponsored Conferences, Seminars, Ceremonies, and Workshops” requires legal review for any agreement exceeding \$100,000.)**

Lifecycle is the entire spectrum of activity for an FAA capital asset starting with the identification of service need and extending through design, development, production or construction, deployment, operational use, sustaining support, and retirement and disposal.

Lifecycle Acquisition Management Process is a series of knowledge-gathering management phases and decision points that comprise the lifecycle of FAA products and services. It consists of seven phases (research for service analysis, service analysis and strategic planning, concept and requirements definition, initial investment analysis, final investment analysis, solution implementation, and in-

service management) and five decision points (readiness for concept and requirements definition, readiness for investment analysis, initial investment decision, final investment decision, and in-service decision).

Lifecycle Cost is the total cost to the FAA of acquiring, operating, maintaining, supporting, and disposing of systems or services over their service life. Lifecycle cost includes total investment costs, development costs, and operational costs and involves all appropriations (i.e., Research, Engineering, and Development; Facilities and Equipment, and Operations).

Line of Business is a term used to characterize the major organizations of the FAA having roles and responsibilities in the FAA Acquisition Management System. The lines of business within FAA are: Air Traffic Organization; Aviation Safety; Airports; Commercial Space Transportation; and Security and Hazardous Materials Safety.

Line of Business Portfolio Management requires each line of business and staff office to oversee, coordinate, and integrate the service activity of offices within their organizations to achieve the highest possible overall contribution to agency strategic goals and targets.

Logistics Manager is the service team or program office member who plans, establishes, and maintains an integrated support package for the lifecycle of FAA products and services that are the responsibility of the team or office.

Maintenance Planning is the process conducted to determine and plan hardware and software maintenance concepts and packages for the lifecycle of a product or service.

Maintenance Support Facility consists of the permanent or semi-permanent real property assets required to support a product over its service life. Associated management activity includes studies to define types of facilities or facility improvements, locations, space needs, environmental requirements, real estate requirements, and equipment.

Market Research consists of collecting and analyzing information about vendor capabilities to satisfy FAA requirements.

Market Survey refers to any method used to survey industry to obtain information and comments, and to determine competition, capabilities, and estimate costs. For real property procurements, it refers to the process of gathering information about properties and visiting specific properties in the market to determine whether the property is suitable for FAA's needs and if the properties are competitively available. In the context of the lifecycle management process, market surveys are part of Concept and Requirements Definition, and Investment Analysis. During these lifecycle phases, market surveys provide information about the range of alternatives and market capabilities, risk, and cost of potential solutions to mission needs.

Measurement and Analysis is a management and control process applied throughout the lifecycle of an investment initiative or operational asset to assess progress, forecast performance, determine status, and define corrective action. Measurement and analysis provides information and visibility toward

accomplishing program goals and supporting management information needs.

Measures (or Metrics) are measurements taken over time to monitor, assess, and communicate vital information about the results of a program or activity. Measures are generally quantitative, but can be qualitative.

Memorandum of Agreement is a written document executed by the parties, which creates a legally binding commitment and may require the obligation of funds. However, when the FAA acquires services, equipment, personnel, or facilities from a contractor for the direct benefit or use of the FAA, the acquiring organization must use a procurement contract.

Memorandum of Understanding is a written document executed by the parties that establishes policies or procedures of mutual concern. It does not require either party to obligate funds and does not create a legally binding commitment.

Micro-Purchase Threshold (MPT) means the dollar amount at or below which the FAA may purchase supplies, services, or construction using micro-purchase procedures. The micro-purchase threshold is \$10,000.

Mike Monroney Aeronautical Center houses the FAA Logistics Center, FAA Academy, and Enterprise Services Center. The Logistics Center establishes and maintains supply support for NAS systems. The Academy provides learning solutions for the FAA and global community. The Enterprise Services Center provides an array of information technology services and financial management for a wide range of federal agencies.

Minority Educational Institutions are institutions verified by the U.S. Secretary of Education to meet the criteria set forth in 34 CFR § 637.4. Also includes Hispanic-serving institutions as defined by 20 U.S.C. § 1059c (b)(1).

Mission-Support Capital Investments are agency business-system initiatives and other non-NAS investment opportunities included in the Mission Support Enterprise Architecture, as well other investment opportunities not within any FAA architecture but deemed within scope of the Operations Governance Board.

Mission-Support OPS-Funded Process establishes policy and guidance for all aspects of acquisition management for the procurement of mission-support operations-funded investment initiatives.

Modular Contracting is a contracting technique that uses one or more contracts to acquire systems and services incrementally. Large acquisitions may be broken into smaller, more manageable segments or modules. Each module should support an economically and programmatically viable segment. Each module should enable the government to derive a useful benefit by the end of its period of performance. A module should include whatever design, development, prototyping, testing, and production necessary to obtain the identified functionality. However, a module may be a phase such as planning, or a part of a phase, such as development and selection of Prototypes. As technology advances and agency priorities change, the design of subsequent modules may incorporate these improvements.

The performance requirement of each module should be consistent with the performance requirements of the completed, overall system and should address interface requirements with other increments.

Multi-Year Contracts are contracts covering more than one year but not in excess of five years of requirements. Multi-year contracts cover total contract quantities and annual quantities for a particular level and type of funding, as displayed in a five-year development plan. Each program year is annually budgeted and funded. At the time of award, funds need only to have been appropriated for the first year. Multi-year contracts protect the contractor against loss resulting from cancellation by contract provisions, which allows reimbursement of costs included in the cancellation ceiling.

Multi-Year Funding refers to Congressional authorization and appropriation covering more than one fiscal year. It permits the Executive Branch more than one year to obligate the funds. The term does not apply to two-year or three-year funds that cover only one fiscal year requirement.

NAS Change Proposal is a proposed change to a configuration management baseline of a National Airspace System asset submitted to the appropriate configuration control board using the approved NCP form.

NAS Concept of Operations is a controlled document that describes and specifies the operational capabilities of National Airspace System over time.

NAS Configuration Control Board is the body that ensures traceability of all NAS configuration items to specific service teams and program offices. The Board also controls changes to NAS systems and associated documentation not assigned to a lower-level configuration control board or not identified for control by the Joint Resources Council.

NAS ConOps Change Development and Decomposition Process is the means by which (1) the agency modifies the NAS Concept of Operations to incorporate new service concepts, (2) the NextGen Management Board and Joint Resources Council approve new operational capabilities, and (3) new capabilities are decomposed into NAS operational requirements, functional and performance requirements, and investment increments.

NAS Operational Requirements Document records National Airspace System operational requirements decomposed from the narrative of operational improvements and operational sustainments in the NAS Concept of Operations.

NAS Requirements Document is the top-level source for programs to use when deriving their respective requirements for the National Airspace System. The document defines requirements without constraining technical design alternatives, while also identifying global design principles necessary to evolve the NAS. The document supports National Airspace System design, enterprise architecture engineering, and acquisition activities for new and upgraded systems, as well as routine changes to operational equipment.

NAS Segment Implementation Portfolio Management is the process that oversees investment portfolios that cut across service organizations to provide fully integrated operational capabilities for

the National Airspace System. Examples include precision-based navigation and improved runway operations. More than one service organization may be involved with implementation and in-service management of these investment packages.

NAS Systems Engineering Organization works with service organizations and program offices in the conduct of systems engineering activities throughout the AMS lifecycle management process. The organization also leads corporate-level service analysis for the National Airspace System, and manages the NAS Architecture.

NAS Technical Documentation is the set of documents that describe technical requirements of the National Airspace System.

National Airspace System is the airspace, navigation facilities, and airports of the United States along with their associated information, services, rules, regulations, policies, procedures, personnel and equipment. It includes components shared jointly with the military.

National Aviation Research Plan describes the FAA research, engineering, and development portfolio. This portfolio focuses RE&D investments on the operational needs of the agency and flying public and aligns with national priorities.

Native Hawaiian Organization means any community service organization serving Native Hawaiians in the State of Hawaii – (1) That is a not-for-profit organization chartered by the State of Hawaii; (2) That is controlled by Native Hawaiians; and (3) Whose business activities will principally benefit such Native Hawaiians as defined by 15 U.S.C. 637(a)(15) and 13 CFR 124.3.

Need Assessment is the first phase of the Operations Support Pathway. During this phase, the line of business submits an operations support pathway intake form to the Operations Governance Secretariat who uses it to conduct a risk assessment and make a Governance Path recommendation to the Operations Governance Board.

Neutral means an impartial third party, who serves as a mediator, fact finder, or arbitrator, or otherwise functions to assist parties resolve issues in controversy. A neutral person may be a permanent or temporary officer or employee of the federal government or any other individual who is acceptable to the parties. A neutral person must have no official, financial, or personal conflict of interest with respect to the issues in controversy, unless the neutral person fully discloses such interest in writing to all parties and all parties agree that the neutral person may serve.

New Investment is an acquisition category associated with the research, design, development, and implementation of a new FAA product, system, or service. A new investment typically introduces new capabilities or provides new or improved functionality.

NextGen Implementation Plan is an executive-level outline of activities to move the National Airspace System from its current state to the future of air traffic control. The FAA publishes the plan annually to reflect prior-year accomplishments and new commitments.

NextGen Lifecycle Integration Organization coordinates service analysis activity across service organizations to ensure alignment with FAA strategic and performance goals and to eliminate

redundant activity, duplicate benefits, service gaps, and service overlap. The organization leads planning and activities for concept and requirements definition, and develops, maintains, communicates, and supports enterprise-wide planning artifacts that describe the lifecycle of the National Airspace System.

NextGen Management Board is an executive-level group that oversees implementation of NextGen investment initiatives. The Board resolves policy issues necessary for successful implementation of NextGen capabilities, and approves updates to the NAS Concept of Operations and NAS Segment Implementation Plan.

NextGen Organization manages planning and execution of research activity within the FAA, as well as coordinate planning and development of the next generation air traffic control system.

No-Year Funding refers to Congressional funding that does not require obligation in any specific year or years.

Non-Developmental Item is an item previously developed for use by federal, state, local, or foreign government and for which no further development is required.

Non-Materiel is an acquisition category that encompasses engineering studies and analyses, development of procedures, airspace changes, standards for avionics development, process reengineering, or other types of intellectual property development. These activities are not stand-alone investment initiatives when they are an element of and included within the acquisition of a product, system, or service.

Non-Materiel Solution is a solution to an FAA capability shortfall identified during concept and requirements definition or investment analysis that is operationally acceptable to users, requires no development or production activity, and is obtainable within approved budgets and baselines. Non-materiel solutions typically involve regulatory change, process re-engineering, training, procedural change, or transfer of operational assets between sites.

Nonrecurring Costs are those production costs generally incurred on a one-time basis. They include the cost of such items as plant or equipment relocation, plant rearrangement, special tooling and special test equipment, pre-production engineering, initial spoilage and rework, and specialized workforce training.

Obtain the Solution is a term that includes all tasks and activities necessary to procure and deploy the key products or services of an investment program to achieve projected benefits within approved cost and schedule baselines. The term includes such activities as contract award, contract administration, program management, resource management, risk management, systems engineering, logistics support, test and evaluation, and site acquisition and adaptation. It may involve developing operational procedures and standards; obtaining physical, personnel, and information security; modifying the physical infrastructure; and coordinating collateral action by the aviation industry.

(FAA) Office of Dispute Resolution for Acquisition is an independent organization within the FAA reporting to the FAA Chief Counsel staffed with dispute resolution officers with the authority to

adjudicate contract disputes between government officials and commercial organizations or individuals.

On-Airport Memorandum of Agreement (MOA) refers to a MOA between the FAA and an Airport Sponsor that has accepted Airport Improvement Program (AIP) funding.

Operations Governance Board is the executive body that reviews, approves, oversees, and informs the Joint Resources Council and other agency executive boards and organizations concerning mission-support operations-funded capital investments.

Operations Governance Board Secretariat manages the mission-support operations-funded process in support of the Operations Governance Board. The Secretariat receives and reviews initial intake forms; conducts preliminary reviews to recommend a governance path to the OGB; coordinates meeting dates, agenda, and logistics; and maintains the official repository of OGB decision documents, records of decision, meeting minutes, and action items.

OMB Information Technology Dashboard is a database that provides detailed information on major information technology investment spending at federal agencies, including ratings from the Chief Information Officers that reflect the level of risk facing each agency's investments.

OMB Major Information Technology Business Case describes the justification, planning, and implementation of an individual capital asset within the information technology investment portfolio. The business case serves as a key artifact of the agency's enterprise architecture and capital planning investment control process.

Operation and Retirement is the fifth and final phase of the Operations Support Pathway. It starts after a product or service begins operational use and continues for as long as the product or service is in use. It ends when the operational asset is retired from use.

Operational Analysis is the process by which the FAA evaluates the ability of in-service assets to provide the services needed by users and customers. Operational analysis consists of gathering and analyzing reliability, maintainability, and availability data; managing supportability information to determine whether an operational asset can continue to provide the expected service for its intended life; monitoring cost data to ensure actual support costs are in line with planned costs; and managing asset viability against stakeholder needs.

Operational Assets are those assets used in the conduct of operations by the FAA. Examples include the systems, procedures, information, facilities, data, and infrastructure used to provide air traffic services, as well as all mission-support and business assets necessary to support the day-to-day operation of the agency.

Operational Baseline is the approved technical documentation that defines and represents installed operational hardware and software.

Operational Capability is a grouping of operational improvements and operational sustainments necessary to achieve specific service outcomes and benefits.

Operational Capability Business Case defines the rough costs and benefits of a proposed operational capability. It is the key decision document for establishing a new operational capability.

Operational Capability Portfolio is the array of investment increments which when deployed and integrated will achieve the performance and functionality specified for the operational capability. The NextGen Management Board establishes operational capability portfolios to achieve priority NAS performance and operational goals subject to concurrence by the Joint Resources Council.

Operational Capability Portfolio Manager is the individual responsible for successful implementation and deployment of an operational capability and the achievement of associated performance goals and benefits.

Operational Effectiveness measures how well a deployed solution satisfies its intended service need and performance requirements.

Operational Improvement is a change to FAA operational assets that improves one or more national airspace services.

Operational Readiness refers to the condition whereby local site personnel have demonstrated the ability to operate and maintain a newly fielded capability in the National Airspace System fully.

Operational Readiness Date is when site operational personnel are satisfied that a fielded solution can support full and sustained air traffic operations. The milestone occurs after joint acceptance and inspection when the approving site official signs the facility log designating the new solution as the primary means for air transportation operations. Legacy assets usually remain powered on in backup mode for approximately 30 days and then removed.

Operational Requirements are those statements that identify the essential capabilities, associated requirements, performance measures, and the process or series of actions needed to achieve new service capabilities or to address service deficiencies, evolving threats, emerging technologies, or cost improvements.

Operational Suitability is the degree to which a new product or service is ready for operational use with consideration given to the following factors: reliability, availability, compatibility, transportability, interoperability, usage rates, maintainability, safety, human factors, supportability, and logistics.

Operational Sustainment is a discrete activity to sustain the operational use of one or more current NAS services.

Operational Test determines whether a new or modified product or service is operationally effective and suitable for use in the National Airspace System and whether the existing infrastructure is ready to accept the product or service.

Operations and Maintenance Appropriation is one-year funding used primarily for operating and maintaining fielded assets in a state of readiness including the following: personnel salaries, training, repair of facilities and equipment, travel and transportation, procurement of services, supplies,

equipment, communications, recruiting, and depot maintenance.

Operations Governance Board is the oversight authority for mission-support operations-funded capital investments and the Operations Support Pathway process.

Operations Support Pathway is the process followed by mission-support operations-funded capital investments to document the investment rationale, produce the required artifacts, and achieve an Operations Governance Board investment decision.

Operations Support Pathway Intake Form is the initial document produced for mission-support operations-funded capital investments. It includes basic program information. The acquiring organization submits the form to the Investment Management Process Division (AAP-200) and OGB Secretariat at least 21 days before the commitment of funding to any contract, task order, or inter-agency agreement in support of the proposed project.

Option(s) is a unilateral contractual right through which the FAA may, within a specified time, choose to purchase additional quantities of supplies or services or extend the term of a contract.

Other Transaction, as referenced in Public Law 104-264, October 9, 1996, is a transaction that does not fall into the category of procurement contracts, grants, or cooperative agreements.

Outgrant refers to grant of interest or right to allow secondary use of FAA controlled land or space by either another Government Entity (“Outgrant Permit”) or third party (“Outgrant License”).

Owners within context of the Air Traffic Organization are the President, Congress, flying public and American taxpayer. For real property transactions, the term “Owners” refers to the actual owner of record for any real property.

Packaging, Handling, Storage, and Transportation are the resources, processes, procedures, design considerations, and methods to ensure all subsystems, equipment, and support items are preserved, packaged, handled, and transported properly. Included are environmental considerations and equipment preservation requirements for short and long-term storage and transportability.

Performance is a quantitative measure characterizing a physical or functional attribute relating to the execution of an operation or function. Performance attributes include quantity (how many or how much), quality (how well), coverage (how much area, how far), timeliness (how responsive, how frequent), and readiness (availability, mission/operational readiness). Performance is an attribute for all systems, people, products, and processes including those for development, production, verification, deployment, operations, support, training, and disposal. Supportability parameters, manufacturing process variability, and reliability are all performance measures.

Performance Measurement Baseline is a time-phased resource plan against which the service organization or program office measures the accomplishment of authorized work. The baseline includes a schedule of all required work, the budgeted cost for this work, and the performance parameters critical to meeting the service need the investment program is seeking to satisfy.

Permit is a grant of temporary use of a real property interest, similar to a license. A permit, as opposed to a license, is used between Federal Entities.

Personal Property is a class of property that can include any asset other than real property.

Personally Identifiable Information is information that an entity can use on its own or with other information to identify, contact, or locate a single person, or to identify an individual in context.

Personnel Security consists of the standards and procedures used to determine and document that the employment or retention in employment of an individual will promote the efficiency of the service and is clearly consistent with the interests of national security.

Physical Configuration Audit is the formal examination of the "as-built" configuration of a configuration item against its technical documentation to establish or verify the product baseline. The physical configuration audit is complete when the service team or program office corrects any discrepancies resulting from the audit.

Physical Security is the protection of personnel, hardware, software, networks, and data from physical actions and events that could cause serious loss or damage to an enterprise, agency, or institution. This includes protection from fire, flood, natural disasters, burglary, theft, vandalism, and terrorism.

Portfolio-Level Agreement defines the objectives, scope, schedule, deliverables, measures of success, and resources required for completion of a portfolio of projects.

Portfolio Management is the centralized management of one or more portfolios of investments that enable executive management to meet organizational goals and objectives through efficient decision-making on portfolios, programs, and operations

Portfolio Management Criteria are standard criteria used within the FAA for selecting, controlling, and evaluating investment portfolios (see AMS Section 1.2.4.1.2 Portfolio Management Criteria)

Portfolio Manager is the individual responsible for management and oversight of an investment portfolio designed to achieve specific operational capabilities.

Post Implementation Review is a review conducted at an early deployment site to ensure user needs are satisfied, identify any systemic problems that must be corrected, and determine whether cost, schedule, and benefit objectives are being achieved.

Post Implementation Review Quality Officer is the official responsible for working with service organizations and program offices when planning, conducting, and reporting the results of post-implementation reviews on designated operational assets.

Preplanned Product Improvement is a planned future improvement to a developmental asset that enhances the future application of the projected technology. It includes improvements to operational assets that go beyond the current performance envelope to achieve a needed operational capability.

Prescreening is the evaluation of case files for impacts on safety, air traffic services, other intangible

benefits, as well as cost/benefit implications, to determine whether the acquiring organization should implement a proposed change.

Price equals cost and any fee or profit involved in the procurement of a product or service.

Primary Engineer or Principal Consultant is the individual held responsible for the overall performance of a service, including what others accomplish under separate or special service contracts.

Procurement Strategy Meeting is a meeting of organizations having an inherent interest in a contemplated procurement. The purpose is to reach a consensus on the course of an acquisition and to obtain the necessary approvals to proceed.

Procurement Team is the contracting officer, legal counsel, program officials, and other supporting staff responsible for the successful completion of a specific procurement.

Product Baseline is approved documentation describing all the necessary functional and physical characteristics of a configuration item and the selected functional and physical characteristics designated for production acceptance testing. The product baseline of a configuration item may also include the actual equipment and software.

Program Decision-making within the acquisition management system requires the corporate-level decision-makers to establish and fund investment programs and service organizations or program offices to implement and manage them.

Product Demonstration Decision is the event that determines whether product design is stable and whether it satisfies all contract requirements.

Product Team or Service Team is a chartered group of professionals with the mission, resources, leadership, and cross-functional membership necessary to execute an assigned element of a service organization's mission.

Production Decision is the event that determines whether a supplier can produce a product that meets contract cost, schedule, and quality targets.

Program Management Plan defines how the service organization or program office will execute the implementation strategy approved by the Joint Resources Council at the final investment decision. The intent is to ensure the acquiring organization understands and plans the full scope of the implementation effort including agreements with key supporting organizations (e.g., logistics, test, information security, safety, systems engineering) that will provide resources or otherwise contribute to successful program implementation.

Program Requirements Document establishes the operational framework and top-level performance and functional requirements that must be satisfied by the solution to a service need. The document is first prepared in the concept and requirements definition phase of the AMS lifecycle management process and finalized before the final investment decision.

Program Work Breakdown Structure is a common framework containing uniform work activity definitions for use by the acquisition management workforce when planning program implementation activities and estimating associated costs. Work activity associated with each investment program must define, obtain, and support over the service life the air traffic control and other services specified in the program requirements document and needed by the aviation industry and flying public.

Protest is a written, timely objection submitted by a protester regarding an FAA screening information request or contract award.

Protester is a prospective offeror whose direct economic interest would be affected by the award or failure to award an FAA contract, or an actual offeror with a reasonable chance to receive award of an FAA contract.

Public Benefit Discount Conveyance is a method of disposal of Government real property by which state or local Government entities may obtain property at less than fair market value.

Quality Assurance is the systematic monitoring and evaluation of the various aspects of a product, service, or facility to ensure that program outputs satisfy quality requirements.

Rational Basis consists of documented facts that are: (1) objective and verifiable (not unreasonable, capricious, or arbitrary), (2) understandable to a reasonable person, and (3) supported by substantial evidence that results in a logical conclusion.

Real Estate Contracting Officer is a trained and warranted official who contracts for real property within the FAA.

Real Estate Management System is the data repository for all real property assets owned or leased by the FAA.

Real Property is defined as “land, and generally whatever is erected upon or affixed to land, e.g. building. Also rights issuing out of, annexed to, exercisable within or about the land.”

Realism refers to the determination that a proposed price is not so low that contract performance is put at risk from either a technical or cost perspective. Realism analysis determines whether proposed costs and/or prices are realistic for the work to be performed, reflect a clear understanding of the requirements, and are consistent with the various elements of the offeror’s technical proposal. Realism analysis may be performed as cost realism, reviewing each element of cost, or price realism where only the price is reviewed in terms of potential performance risk.

Real Property Council oversees the governance process to support appropriate oversight and transparency of FAA’s real property portfolio and real property acquisitions.

Reasonableness is a price or cost that is reasonable such that, in nature and amount, it does not exceed that which would be incurred by a prudent person in the conduct of competitive business.

Record Drawings are drawings submitted by a contractor, or subcontractor at any tier, to show the

construction of a particular structure or work as actually completed under the contract.

Recording is the act of entering or recording documents affecting or conveying interest in real estate in the recorder's office established in each county.

Recurring Costs are production costs that vary with the quantity of the output or product, such as labor and materials.

Release is the designation by the originating activity that an appropriate authority approved a document or software version that is now subject to configuration change management procedures.

Requirements specify the conditions or capabilities the agency needs or wants. They form the basis for a contract, standard, specification, or other formally imposed document.

Research and Development Appropriation are the funds provided by the Congress to support designated and approved research, engineering, and development work by the FAA.

Research, Engineering, and Development Advisory Committee coordinates with the lines of business to develop the FAA RE&D portfolio each year. It also reviews status of the non-NextGen-funded portion of the RE&D portfolio each year.

Research, Engineering, and Development Executive Board is the group that develops the RE&D portfolio each year using strategic planning in the National Aviation Research Plan as a guide. The National Aviation Research Plan links FAA research activities to broader strategic planning in the NAS ConOps, NextGen Implementation Plan, NAS Architecture, and Joint Planning Development Office.

Research, Engineering, and Development Portfolio is the group of projects developed each year by the RE&D Executive Board and reviewed by the RE&D Advisory Committee proposed for funding and execution. The portfolio consists of systematic studies to gain knowledge or understanding of concepts, products, or procedures that could potentially benefit the aviation community such as research related to materials and human factors.

Research, Engineering, and Development Process governs selection and execution of the RE&D portfolio. Research activities within the portfolio inform the NAS enterprise architecture and concept maturity and technology development activities, but do not lead directly to an investment initiative.

Reliability, Maintainability, and Availability are three attributes that collectively affect both the utility and the lifecycle cost of a product or system. Reliability is the probability of failure-free performance of an item over a specified timeframe. Maintainability is the ability to perform a successful repair action within a given time. Availability is the quality of being ready for use.

Research for Service Analysis contributes to early phases of the AMS lifecycle management process. It consists primarily of (1) research, engineering, and development activity to gain knowledge or understanding of concepts, products, or procedures that could potentially benefit the aviation community, and (2) concept maturity and technology development directed toward the production of

useful materials, devices, systems, and methods, as well as advance the maturity of new concepts.

Resources refer to a stock or supply of money, materials, staff, and other assets that a person or organization can use to function effectively.

Right of Entry is a form of license, typically granted to perform surveys and/or exploration work prior to acquisition or lease of land.

Right of Way is the right given by one landowner to another to pass over the land, construct a roadway or use as a pathway, without actually transferring ownership.

Risk Management Process consists of activities that identify, classify, mitigate, monitor, and manage potential risks to minimize the negative impact they may have on an organization or operation.

(FAA) Safety Management System is a mandatory risk management process that program offices use throughout the AMS lifecycle to assess, define, and manage safety risk in the National Airspace System.

Safety Risk Management is the assessment of safety risk to the National Airspace System, including documentation of changes and defining strategies for monitoring the safety risk associated with changes to or replacement of existing NAS systems.

Safety Risk Management Guidance for System Acquisitions contains detailed guidance on how to conduct required safety analyses for system acquisitions that potentially affect safety risk in the National Airspace System when fielded.

Scaled Business Case Artifact is a key document produced for mission-support operations-funded capital investments. The artifact summarizes the business case analysis completed during the Operations Support Pathway process and includes a lifecycle cost estimate. The Operations Governance Board makes an investment decision based, in large part, on the strength and completeness of the scaled business case.

Screening is the process of evaluating submittals from offerors to determine (1) which offerors/products are qualified to meet a specific type of supply, (2) which offerors are most likely to receive award, or (3) which offerors provide the best value to the FAA.

Screening Decision is the narrowing of the number of offerors participating in the source selection process to only those offerors most likely to receive an award.

Screening Information Request is any request made by the FAA for documentation, information, or offer for the purpose of determining which offeror provides the best value solution for a particular procurement.

Second-level Engineering Support provides engineering support of the National Airspace System infrastructure and includes defining solution performance standards, developing and publishing procedures, designing solution improvements, and providing support to first-level technical support

personnel.

Security Authorization is the process that assesses fielded products and services against mandatory security requirements as a basis for receiving a successful in-service decision.

Security Risk Management is the process whereby service organizations and program offices identify and reduce to acceptable levels all threats and vulnerabilities that could result in injury to personnel, loss or destruction of critical assets, or disruption of FAA information systems. Security risk management applies to all agency investments including mission-critical NAS operational systems and mission-support and administrative systems.

Seismic Safety Legislation mandates that Federal agencies follow national and local seismic building codes, whichever provides the greatest margin of safety, when constructing new buildings or modifying existing buildings.

Selection Decision is the determination to make an award by the source selection official to the offeror providing best value to the FAA.

Senior Investment Review Board is the group of top-level managers within the FAA that makes corporate-level resource decisions, including authorization and funding for investment programs and changes to the enterprise architecture. The board also oversees execution of agency investment programs and authorizes changes in scope and / or funding when cost, schedule, or performance baselines cannot be achieved. Within the FAA, the Joint Resources Council is the senior investment review board.

Sensitive Unclassified Information is a broad category of information that includes material covered by such designations as For Official Use Only, Law Enforcement Sensitive, Sensitive Homeland Security Information, Sensitive Security Information, and Critical Infrastructure Information.

Service Analysis is the activity in the FAA lifecycle management process that determines the capacity of agency assets to satisfy existing and emerging demands for services. Each FAA line of business conducts service analysis within their domain of responsibility.

Service Analysis and Strategic Planning is that portion of the FAA acquisition management process that determines what capabilities must be in place now and in the future to meet agency goals and the service needs of customers. Results are captured in the “as is” and “to be” states of the FAA enterprise architecture, as well as in the roadmaps for moving from the current to the future state.

Service Management within context of the acquisition management system is the application of agency resources (investment, research, and operations) to the cost-effective delivery of safe and secure services to its customers. The FAA accomplishes delivery and management of these services through service organizations, which are responsible and accountable for service delivery throughout the service life of agency products and services.

Service Organizations plan and manage resources, as assigned, to deliver services within their area of responsibility. Within the FAA, service organizations include any service unit or team, program

office, directorate, or other organizational entity engaged in the delivery and sustainment of air traffic services, safety, security, regulation, certification, operations, commercial space transportation, airport development, or administrative services and assets.

Service Shortfall is a verified inability of the FAA to provide the services needed by its customers and users. Lines of business use service performance data and analyses of current and projected customer service needs to identify service shortfalls within their domain of responsibility. Aviation research by NASA and other industry and government organizations may also identify emerging service shortfalls or technological opportunities for improving service delivery.

Service Team Leader is the individual who guides, coaches, facilitates, and serves as spokesperson for service team members in the conduct of activity to execute assigned responsibilities.

Service Team Logistics Manager is the individual who supports the service team or program office throughout the AMS lifecycle management process to achieve efficient and effective logistics support for products and services throughout their service life.

Service Team is chartered group of management and technical specialists responsible for planning, obtaining, and managing over their service life the products and services assigned by the Joint Resources Council or the line of business.

Shortfall Analysis by a service organization or program office establishes the foundation for understanding a service shortfall or new opportunity for improving service delivery, as well as the impact on the users and customers of FAA services. The shortfall analysis is the basis for approving a service need or operational capability for inclusion in the FAA enterprise architecture and its roadmaps.

Simplified Purchases are those products or services of any nature that are smaller in dollar value, less complex, shorter term, routine, or are commercially available and generally purchased on a fixed price basis.

Single-Source Contracting awards a contract, without competition, to a single supplier of products, services, or real property.

Site Acceptance Test confirms that an acquired solution meets all contract requirements and interfaces correctly with the environment in which it will operate.

Site Restoration is the process of returning a site to its original condition after the FAA no longer needs it for air traffic or other services.

Small Business, including its affiliates, is an independently owned and operated business that is not dominant in producing the products or performing the services the FAA is purchasing, and one that qualifies as a small business under the federal government's criteria and North American Industry System Classification Codes size standards.

Small Business Set-aside is the reservation of a procurement exclusively for participation by small

businesses.

Small business socioeconomic categories are small businesses that fall under the following categories: Socially and Economically Disadvantaged Business (SEDB) 8(a) Certified, Service-Disabled Veteran owned Small Business (SDVOSBs), Historically Underutilized Business Zone (HUBZone) small business, Small Disadvantaged Business (SDBs), Women-Owned Small Businesses (WOSBs), and/or Economically Disadvantaged Women-Owned Small Business (EDWOSB).

Small Disadvantaged Business is a small business concern that is at least 51 percent unconditionally and directly owned (as defined by 13 CFR 124.105) by one or more individuals who are both socially disadvantaged (as defined by 13 CFR 124.103) and economically disadvantaged (as defined by 13 CFR 124.104), Each individual claiming economic disadvantage has a net worth not exceeding \$850,000 after taking into account the applicable exclusions set forth in 13 CFR 124.104 (c) (2). The management and daily business operations of which are controlled (as defined at 13 CFR 124.106) by individuals who meet the socially and economically disadvantaged criteria as well as the net worth criteria of this definition.

Small Socially and Economically Disadvantaged Businesses that are 8(a) certified means small disadvantaged businesses expressly certified by the Small Business Administration (SBA) for participation in the SBA's 8(a) program.

Socially Disadvantaged Individuals are people subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their qualities as individuals.

Software Enhancement is an acquisition category that includes additions or modernizations to the software of systems previously fielded and operating within the FAA. A software enhancement typically introduces new capabilities or provide improved functionality to an existing asset and has minimal impact to hardware or the acquisition of hardware.

Solution, as used in the FAA Acquisition Management System, is a generic term meaning the assets or capability obtained (procured) and deployed to satisfy a priority service need or to remedy an operational shortfall in the FAA enterprise architecture. The solution may consist of systems and equipment, facilities, infrastructure, services, procedural and process changes, or any combination of these or other assets necessary to satisfy the service need or capability shortfall.

Solution ConOps is the artifact that defines how a solution will operate in its intended service environment. It defines the roles and responsibilities of key participants (e.g., controllers, maintenance technicians, pilots), explains operational issues that system engineers must understand when developing requirements, identifies procedural issues that may lead to operational change, and establishes a basis for identifying alternative solutions and estimating their likely costs and benefits.

Solution Development is the third phase of the Operations Support Pathway. The line of business and acquisition readiness team refine and update required artifacts, address any Operations Governance Board action items given at the Business Case Decision, and finalize their procurement strategy.

Solution Implementation is the phase of the AMS lifecycle management process that begins after the final investment decision when Joint Resources Council establishes an investment program and assigns responsibility to a service organization. Solution implementation ends when the new capability goes into operational service at the last deployment site.

Solution Planning specifies how the service organization or program office will obtain and deploy the products and services of an investment program during solution implementation and support them throughout their service life. AMS planning and control documents (i.e., implementation strategy and planning document, program management plan, and program work breakdown structure) specify solution planning.

Solution Provider is the organization (e.g., service organization, program office, or regional office implementing a construction program) responsible for an assigned investment program and for providing the products or services needed to satisfy agency requirements.

SOW Templates located on the FAA Acquisition System Toolset contain model statement of work paragraphs tailored for specific types of investment initiatives for use by the acquisition workforce when preparing screening information requests or contract statements of work.

Source Evaluation Team is the group of subject-matter experts responsible for all aspects of obtaining and evaluating vendor offers for agency contracting initiatives.

Source Selection Official is the authority responsible for source selection and contract award to the vendor offering best value to the government for a specific investment opportunity. This responsibility includes ensuring the competence of the source evaluation team and soundness of the source selection criteria, process, and evaluation plans.

Specification refers to a set of documented requirements that a product or service must satisfy. A requirement specification is a documented requirement or set of requirements to be satisfied by a given material, design, product, or service. A functional specification defines the functions a solution must provide. A design or product specification describes the features of either a designed solution or final produced solution.

SPIRE is the web-based management tool used to define and track the status of FAA investment programs. SPIRE is the acronym for Simplified Program Information and Evaluation.

Staff Office is a term used to characterize the major offices of the FAA having roles and responsibilities in the FAA Acquisition Management System. The staff offices within FAA are the: Office of Audit and Evaluation; Office of the Chief Counsel; Office of Civil Rights; Office of Communications; Office of Finance and Management; Office of Government and Industry Affairs; Office of Human Resource Management; Office of NextGen; and Office of Policy, International Affairs and Environment.

Standardization is the practice of acquiring parts, components, subsystems, or systems with common design or functional characteristics to obtain economies in ownership costs.

Stakeholder organizations as used within the acquisition management system refer to any user or customer organization within and outside the FAA having a vested interest in the products and services of an investment program. Examples include the operators and maintainers of deployed assets, system safety and information systems security specialists, human factors engineers, and training and logistics support organizations.

Standard Program Milestones are those milestones used by service organizations and program offices when planning, executing, and reporting progress on agency investment programs, including entries in the OMB Major IT Business Case (designated programs only) and acquisition program baseline or execution plan. The link to standard milestones for system and facility investment programs are located in FAST on the decisions, reviews, and standard milestones page.

Standard Program Performance Measures are those measures used by service organizations and program offices to assess progress, forecast performance, determine status, and define corrective action for agency investment programs. The status of these measures serves as early warning indicators of program issues before they develop into major problems. The following are the major categories of program performance measures: financial, schedule, technical, resources, program management assessment, and external interests.

Standard Selection Criteria for the initial investment decision are lifecycle costs, benefits, risk, benefit-to-cost ratio, consistency with the FAA enterprise architecture, and impact on FAA strategic goals.

Strategic Sourcing is the collaborative and structured process of critically analyzing an organization's spending and using this information to make business decisions about acquiring products and services more effectively and efficiently.

Statement of Work is a document that defines program-specific activities, deliverables, and timelines for a vendor providing services to the FAA.

Subject-Matter Expert is an authority in a particular area or topic.

Succeeding Lease is a new lease that immediately follows an expiring lease. See also "Superseding Lease".

Superseding Lease is a lease that replaces an existing lease, prior to the scheduled expiration of the existing lease term. See also "Succeeding Lease".

Supplemental Lease Agreement (SLA) is also known as a contract modification and is used for modifications to existing lease requirements.

Supply, as used in the context of service analysis, is the existing or projected ability to provide services to customers based on information from field organizations that operate and maintain the National Airspace System, the aviation community, and planned investments in the enterprise architecture.

Supply Chain Management is the oversight of materials, information, and finances as they move in a process from supplier to manufacturer to wholesaler to retailer to consumer. Supply chain

management involves coordinating and integrating these flows both within and among companies.

Supply Support consists of the management actions, procedures, and techniques used to determine requirements, acquire, catalog, track, receive, store, transfer, issue, and dispose of items of supply. This includes provisioning for initial support, maintaining asset viability, and replenishing spares.

Support Contracts Review Board is the group that evaluates all support services procurements valued at \$10 million or more.

Supportability is the degree to which product design and planned logistics resources meet product use requirements.

Support Equipment consists of all equipment (mobile or fixed) needed to support maintenance of a product or service. Support equipment includes associated multi-use end-items, handling and maintenance equipment, tools, metrology and calibration equipment, test equipment, and automatic test equipment. It also includes the procurement of integrated logistics support necessary to maintain the support equipment itself. Operational engineering support systems and facilities are also integral parts of the support equipment lifecycle.

Support Services Contract is an acquisition category that includes contracts associated with procuring technical, engineering, scientific, professional, management and administrative expertise, advice, analysis, studies, or reports. Support services contracts follow contracting guidance in FAST.

Survey for real property acquisitions refers to the formal examination and recording of an area and features of an area so as to construct a map, plan, or legal description.

Sustainment consists of those activities associated with keeping fielded products operational and maintained. Sustainment also applies to the planning, programming, and budgeting for support of fielded products, referred to as sustainment funding.

System Milestones are those milestones used by service organizations and program offices when planning, executing, and reporting progress on investment programs that are acquiring systems for air traffic control and other agency services. The link to standard milestones for systems are located in FAST on the decisions, reviews, and standard milestones page.

System Safety Assessment integrates the results of various analyses to verify the overall safety of a solution or system. The assessment determines whether the investment program has achieved qualitative development assurance levels for systems, equipment, hardware, and software, as well as quantitative safety requirements defined in the functional hazard assessment and preliminary system safety assessment.

System Safety Program consists of the activities applied during all phases of the AMS lifecycle management process to identify safety risks and devise and implement ways to eliminate or control risks to an acceptable level.

Systems Engineering Manual provides a framework for implementing systems engineering across

the FAA. The manual defines the preferred systems engineering processes to be followed throughout the AMS lifecycle management process; provides effective systems engineering methods and tools; identifies competency areas for the practice of systems engineering; defines system engineering best practices used to support program management activities; and acts as a reference for the development of training classes within the FAA.

Technical Data is recorded information regardless of form or character (such as manuals, drawings and operational test procedures) of a scientific or technical nature required to operate and sustain a product or service over its lifecycle. While computer programs and related software are not technical data, documentation of these programs and related software are technical data. Financial data or other information related to contract administration are not technical data.

Technical Leveling is the act of helping an offeror bring its proposal/offer up to the level of other proposals/offers through successive rounds of communication, such as pointing out weaknesses resulting from an offeror's lack of diligence, competence, or inventiveness in preparing their proposal.

Technical Opportunity exists when a product or capability not currently used in the National Airspace System has the potential to enable the FAA to perform its mission more safely, efficiently, or effectively.

Technology Refreshment is an acquisition category intended to keep fielded products, systems, and services maintained and operational. It does not result in new or improved functionality, and any new technology introduced is strictly incidental. Service-life extension and replacement-in-kind are types of technology refreshment.

Technical Review Board is the group that oversees the NAS Architecture in support of the FAA Enterprise Architecture Board. It works with service organizations and program offices to evaluate new operational improvements and sustainments and to time-phase priority opportunities within the NAS architecture roadmap.

Technical Transfusion is the disclosure by the FAA of technical information from one vendor submittal that results in the improvement of another submittal.

TechStat Reviews assess underperforming investment programs. The review is an in-depth examination of program performance data from the OMB Information Technology Dashboard, SPIRE, associated earned value management data, and program management and control data. The TechStat review results in a corrective action plan to improve program execution within the approved program baseline or execution plan or results in other actions if the program is unlikely to improve as baselined.

Tenant Improvement refers to alterations to the interior of the building to meet the functional demands of the tenant.

Termination for Convenience is a procedure that may apply to any FAA contract, including multi-year contracts. As contrasted with cancellation, termination can be effected at any time during the life

of a contract (cancellation is effected between fiscal years) and can be for the total quantity or a partial quantity (whereas cancellation must be for all subsequent fiscal year quantities).

Termination Liability is the maximum cost the FAA would incur if it terminates a contract. In the case of a multi-year contract terminated before completion of current fiscal year deliveries, termination liability would include an amount for both current-year termination charges and out-year cancellation charges.

Termination Liability Funding refers to obligating contract funds to cover contractor expenditures plus termination liability, but not the total cost of completed end items.

Test and Evaluation is an activity conducted to provide essential information in support of investment decision-making; assess technical and investment risk; verify the attainment of technical performance specifications and objectives; and verify and validate that deployed systems, solutions, and capabilities are operationally effective and suitable for their intended use.

Test and Evaluation Master Plan describes the strategy and the scope of the test program and is the primary test management document for investment programs. The TEMP describes planning and preparation activities for the test program, the testing to be accomplished, organizational responsibilities, and how program offices will report test results. It also documents the methodologies that will evaluate the effectiveness and suitability of systems, services, and operational capabilities against program and operational requirements. Testing described in the TEMP also supports investment and program decisions.

Title refers to legal ownership as evidenced by a deed or other instrument.

Total Estimated Potential Value (TEPV) is the sum of the initial award, unexercised options, the value of any Indefinite Delivery/Indefinite Quantity (IDIQ) Contract Line Items (CLINs), estimates for unpriced CLINs, such as preplanned product improvements, estimated value of partially priced items, and any other items the Contracting Officer deems relevant to establishing potential total contract value. The potential contract value should exclude anticipated change orders, pre-planned product improvements not established as contract line items, and any other anticipated actions not included in the written contract. Where duplicative or alternative options are established (i.e., if option 1 is exercised, option 2 will not be exercised), the Contracting Officer should include only the value which reflects the highest priced option. For incentive contracts, the maximum liability of the Government should be included in the potential contract value. For IDIQ contracts, the total contract value is the stated maximum amount the total of issued delivery orders cannot exceed. For real property transactions, TEPV equals the total cost of the contract including any options.

Training, Training Support, and Personnel Skills is activity that analyses, designs, develops, implements, and evaluates training artifacts necessary to operate and maintain the solution. This includes needs analyses, job and task analyses, individual and team training, resident and nonresident training, on-the-job training, job aids, and logistic support for training aids and training installations.

Transfer Agreement is an instrument used to transfer ownership of real property, or interest therein,

between the FAA and other entities, public or private, for direct or indirect consideration in order to secure an operational or financial benefit to the Government.

Unauthorized Commitment is an agreement entered into by a representative of the FAA who does not have the authority to obligate the FAA to spend appropriated funds.

Underutilized refers to an entire property or portion thereof, with or without improvements, that is used only at irregular intervals or intermittent periods by the accountable executive agency for current program purposes of that agency, or is used for current program purposes that can be satisfied by only a portion of the property. Underutilized real property is to be declared excess.

Unit is one of a quantity of items (products, parts, etc.)

Useful Segment is an economically and programmatically separate segment that provides direct value to the agency, that would still apply even if separated from the overall program, or is used to reduce programmatic, acquisition, and/or technical risk around development and implementation of the asset(s) procured. A useful segment should be fully funded with regular appropriations or other funding streams; however, for some investments to the extent permitted by law, funding may be appropriated over multiple years.

A planning segment of a capital project is a type of useful segment that provides information which allows the agency to develop the design; assess the benefits, costs, and risks; and establish realistic baseline cost, schedule, and performance goals before proceeding to full acquisition of the useful asset (or canceling the acquisition). Typically, planning segments should be separate from asset procurement. This approach allows for modular contracts and more effective risk allocation between the agency and vendors.

User within the acquisition management system is a term that refers to an internal user of a product or service such as air traffic controllers or maintenance technicians.

Validation is confirmation that the products and outputs of an investment program will fulfill their intended purpose when placed in their intended environment. Validation may address all aspects of a product or output in any of its intended environments such as operation, training, manufacturing, maintenance, or support services.

Variable Quantity is an acquisition category that includes insertions, modernizations, or additions to quantities of systems or subcomponents previously fielded and in operation within the FAA. The intent is to keep fielded products, systems, and services maintained and operational. This acquisition category does not result in new or improved functionality

Vendor is a person or company who provides services, products, or real property.

Verification is confirmation that selected work products meet their specified requirements. This includes verification of the final product (system, service, facility, or operational change) as well as

intermediate work products against all applicable requirements. Verification is inherently an incremental process. It begins with initial requirements, progresses through subsequent work products, and culminating in verification of the completed final product.

(FAA) Verification & Validation Guideline is the official guidance document whose intent is to ensure the service organization or program office builds the right product (validation) and the product is built right (verification - according to specifications). The guidelines specify the key work products of each phase of the lifecycle management process that the service organization or program office must verify and validate for each AMS decision point.

Very Small Business is a business whose size is no greater than 50 percent of the numerical size standard applicable to the North American Industry System Classification Codes assigned to a contracting opportunity.

William J Hughes Technical Center is an FAA facility where the full spectrum of air transportation systems are tested and evaluated. The Center develops scientific solutions to safety challenges confronting air traffic control, and evaluates integrated solutions for the modernization and sustainment of the National Airspace System.

Women-owned small business concern eligible under the women-owned small business program (in accordance with 13 CFR 127) is a small business concern that is at least 51 percent directly and unconditionally owned by, and the management and daily business operations of which are controlled by, one or more women who are citizens of the United States.

Women-Owned Small Business (WOSB) Program, in accordance with 13 CFR part 127, means a program that allows contracting officers to limit competition, including noncompetitive awards, to— (i) Economically disadvantaged women-owned small business (EDWOSB) concerns eligible under the WOSB Program for Federal contracts assigned a North American Industry Classification Systems (NAICS) code in an industry in which the Small Business Administration (SBA) has determined that WOSB concerns are underrepresented in Federal procurement; and (ii) WOSB concerns eligible under the WOSB Program for Federal contracts assigned a NAICS code in an industry in which SBA has determined that WOSB concerns are substantially underrepresented in Federal procurement.

Work Products in various forms represent, define, or direct the final output or product of an investment program, which may be a system, service, facility, or operational change. Work products can include concepts of operation, processes, plans, procedures, designs, descriptions, requirements, specifications, models, prototypes, contracts, invoices, and other documents.

Work Breakdown Structure is a hierarchical decomposition of the work a service organization or program office must perform to achieve an agency objective or operational capability. It includes work activities internal and external to the FAA. Each descending level of the work breakdown structure represents an increasing definition of the work.

(FAA Standard) Work Breakdown Structure is the official work breakdown structure of the Federal Aviation Administration. It is organized according to the phases of the AMS lifecycle

management process (service analysis through in-service management), and it includes all work activities that may need to be planned, costed, and completed as an investment opportunity traverses the lifecycle management process. Section 3 of the FAA Standard Work Breakdown Structure specifies the program WBS for investment programs.
