

DATA ITEM DESCRIPTION

TITLE: The 50/50 Requirements Report

NUMBER: DI-MGMT-81749

APPROVAL DATE: 20070912

AMSC NUMBER: F9002

LIMITATION: N/A

DTIC APPLICABLE: N/A

GIDEP APPLICABLE: N/A

PREPARING ACTIVITY: 10 (ASC/YFPC)

APPLICABLE FORMS: N/A

USE/RELATIONSHIP: The 50/50 Requirements Report Data Item Description (DID) will be used to obtain the essential information required by Title 10 United States Code Section 2466, also known as the 50/50 law, as amended by the National Defense Authorization Acts of FY98.

- a. The National Defense Authorization Act of FY98 limits the Air Force to not more than 50 percent of the funds managed by the Air Force be used to contract non-Federal Government personnel for depot maintenance. The National Defense Authorization Act for FY02 creates an exemption for non-Federal Government personnel performing depot maintenance at a Center of Industrial and Technical Excellence if the personnel are provided by private industry pursuant to a public-private partnership, as outlined in Title 10 USC Section 2474. Consequently, the law requires the depot maintenance organic/contract/partnership ratio be reported to Congress. As the Product Support Integrator (PSI), the contractor supports the government in compiling this data to comply with the law.
- b. This DID contains the format and content preparation instructions for the data product generated by the specific task requirement delineated in the contract.

REQUIREMENTS:

1. Reference Documents. The applicable issue of the document cited herein, including their approval dates and dates of any applicable amendments, notices, and revisions, shall be as cited in the contract.
2. Format. Contractor format is acceptable.
3. Content. The 50/50 Reporting Requirements DID shall include any cost for Contractor Logistics Support (CLS)/ Interim Contractor Support (ICS). CLS is designed to be a long-term support concept, often for commercial or commercial-derivation systems having at least a portion of their logistics support provided by a contracted activity. Typically, CLS programs are funded using appropriation 3400 but the use of other appropriations is possible for similar type contracts. Any extended or negotiated warranty costs funded or budgeted under appropriation 3400 will also be reported in the depot maintenance portion of CLS. Identify warranty workload using appropriation 3400 by labeling the program as a warranty program.

ICS is designed to be an interim support arrangement as a part of the acquisition strategy for new systems. Only ICS that occurs after Initial Operational Capability (IOC) is reportable for compliance with 50/50. The depot level maintenance portion accomplished in support of operational systems shall be counted as a part of contract depot maintenance. The portion of ICS that occurs prior to IOC shall not be counted as depot maintenance, since it is associated with product development and the initial production effort that typically takes place concurrent with final system development. Any extended or negotiated warranty which incurs a cost will also be reported in the depot maintenance portion of ICS. Identify warranty workload by labeling the program as a warranty program.

3.1. The 50/50 Requirements DID shall include the cost of the following CLS/ICS tasks:

3.1.1. Analytical Condition Inspection (ACI): A systematic disassembly and inspection of a representative sample of aircraft to find hidden defects, deteriorating conditions, corrosion, fatigue, overstress and other deficiencies in an aircraft structure or systems. ACIs are normally over and above those inspections specified in a technical order or PDM work specification.

3.1.2. C-Check: Commercial version of a depot level airworthiness or analytical condition inspection.

3.1.3. Contract Depot Field Teams: Under CLS, ICS or other similar contracts, contract personnel dispatched from vendor to field location. When task is complete, team returns to vendor home location.

3.1.4. Decommissioning/ Demilitarization: Activities involving the preparation of an item for disposal or salvage. Usually involve destruction, recovery or removal of militarily sensitive or precious/hazardous materials or components.

3.1.5. Depot Materiel: Includes all material and government furnished material, both consumable and recoverable items. Depot material should be included in the unit repair rates or as a factor of production.

3.1.6. Extended/Negotiated Warranty Costs: Warranty terms and costs beyond standard product warranty, where there is no cost to the government. Warranty costs that actually result in a cost to the government in addition to the acquisition cost for the commodity.

3.1.7. Flying Hours: This relates to a more specific type of CLS/ICS type contract where the government pays a flying hour rate to a contractor that covers the support cost for an entire program, "Power by the hour".

3.1.8. Functional Check Flights: Need to also capture on contract side since included in organic Depot Maintenance Activity Group (DMAG).

3.1.9. Logistics/Program Support: Management activity of depot level maintenance (factors of production). Tasks included would be program management, scheduling, planning, etc. in direct support of depot-level maintenance only. Depot-level maintenance is the materiel maintenance or repair requiring the overhaul, upgrading or rebuilding of end items (including weapon systems), subsystems, parts, assemblies or subassemblies and the testing and reclamation of equipment as necessary regardless of the source of funds for or the location of the maintenance or repair. This term includes all aspects of software maintenance classified by the DoD as depot level maintenance and repair, and ICS, or CLS or similar contracts to the extent that such support is for the performance of services described above. Depot maintenance also includes depot field teams, maintenance (shop floor) engineering, technical support, manufacture of parts, certain modifications (or related actions), testing and reclamation as performed at an organic or contract depot or by depot or contract field teams. Depot maintenance serves to support lower levels of maintenance by providing technical assistance and maintenance capability beyond their responsibilities or capability. Depot maintenance provides end items and stocks of serviceable material and equipment by using more extensive facilities, equipment, technical data or expertise than is available in lower levels of maintenance activities. Finally, any additional warranty costs, over and above an available standard commercial warranty, are included. This also includes extended warranties or negotiated warranties where depot maintenance costs can be identified separately.

3.1.10. Maintenance (Shop Floor) Engineering: Engineering activities in direct support, and usually co-located with, depot maintenance functions.

3.1.11. Over & Above: Unprogrammed depot workload not previously identified in an original contract or work order.

3.1.12. Partnership: Workload formally designated by a Center as being partnership workload, performed either by a contractor on a designated Center for Industrial and Technical Excellence (CITE) or by organic personnel under a Workshare Agreement (WSA) or Direct Sales Agreement (DSA). Under a WSA, the Air Force program office passes funding directly to the depot partner performing the workload. Under a DSA, the Air Force program office passes funding directly to a vendor who, in turn, partners with a depot and provides funds to perform the workload. Partnership exists when two or more public and private sector parties enter into a documented agreement for the production of goods and services. Each agrees to furnish a part of the capital and labor for a business enterprise and each share in some fixed proportion of profit/losses and risk. It includes materiel costs, overhead, and indirect costs, as required reportable factors of production in addition to the direct labor costs. For 50/50 reporting purposes, partnerships are implemented in two ways depending on the personnel performing the work. When the work is performed by government personnel, the partnership can either be a DSA or a WSA. Depot-level maintenance workload performed by contractor personnel, located on a CITE, under a public-private partnership also has to be reported, as required by 10 USC 2474. Partnership has to be included in one of the other contract workload categories. Also, organic partnership will be Air Force workload only.

3.1.13. Programmed Depot Maintenance (PDM): Depot level inspections and maintenance scheduled on a cyclic basis.

3.1.14. Repair/Overhaul - Recoverable Items/Special Repair Activity: Direct labor repair activities performing depot level maintenance.

3.1.15. Service Support Agreement Costs: Same as extended warranty - this is a flat rate paid by the government over a long period of time, beyond the scope of a mean-time between failure periods.

3.1.16. Depot-Level Software Maintenance: Efforts to change a software product after operational acceptance to correct faults (corrective maintenance), improve performance or other attributes (perfective maintenance), or to adapt the weapon system to a changed environment within the bounds of existing top levels system specification (adaptive maintenance). The software maintenance process includes problem/change identification and classification, analysis, design, implementation, regression/system testing, acceptance testing, and delivery. Definition adapted from DoDD 4151.18, Maintenance of Military Material, and IEEE STD 610.12-1990. Depot-level software maintenance is software maintenance performed on military material (e.g., weapon system and their components, space control systems and their components, automated test equipment and test program sets, and systems integration laboratories). Depot level software maintenance does not include maintenance of business data systems (Information Systems Activity Group) since that is already included in General and Administrative (G&A) costs. Software maintenance includes activities necessary to 1) correct errors in the software; 2) add incremental capability improvements (or delete unneeded features) through software changes; and 3) adapt software to retain compatibility with hardware or other systems with which the software interfaces. For purposes of this reporting requirement, only depot-level software maintenance will be reported. Depot-level software maintenance will be reported regardless of location or funding source.

3.1.17. Speedline: A streamlined process used to perform specific depot maintenance services or modifications.

3.1.18. Storage: Tasks associated with maintaining assets in storage.

3.1.19. Subcontracted/Routed workload costs: Tasks originally planned and funded as part of organic depot maintenance that are routed to a contractor due to backlog or need to utilize a proprietary process. Recent reported examples have been material plating subprocesses and aircraft paint.

3.2. The 50/50 Requirements Report shall provide actual obligations for the prior fiscal year for the following categories:

3.2.1. Total Program and a breakout for depot maintenance tasks for CLS or similar workloads.

3.2.2. Total Program and a breakout for depot maintenance tasks for ICS or similar contracts.

3.2.3. Partnered Workload. Partnered Workload shall be broken down into Workshare Agreement, Direct Sales Agreement, and Section 2474 Exclusion. Contract type and location for every system shown shall be included in the report.

3.2.4. Government-Owned and Contractor Operated (GOCO) Contract Workload.

3.2.5. Depot Level Software Maintenance.

3.3. The 50/50 Requirements Report shall contain estimated budget out-year forecast for the following categories for the next five fiscal years. This data will be used by the government in determining their 50/50 submittal for outyear forecasts. All out-year forecasts should be in terms of then-year dollars.

3.3.1. CLS. The report shall provide for Total Program and Depot Only. 3.3.2.

ICS. The report shall provide for Total Program and Depot Only.

3.3.3. Partnered Workload, based upon flying hour projections and data provided by the government program office. Partnered Workload shall be broken down into Workshare Agreement, Direct Sales Agreement, and Section 2474 Exclusion. Contract type and location for every system shown shall be included in the report.

3.3.4. GOCO Workload.

3.3.5. Depot Level Software Maintenance.

3.3.6. The 50/50 Requirements Report shall contain data for use in establishing forecasting methodologies and all data necessary to support audit.

3.4. The 50/50 Requirements Report shall **EXCLUDE** any costs for the following CLS/ICS tasks:

3.4.1. Advisory & Assistance Services (A&AS)/Engineering Support/Services: Tasks associated with general technical and engineering support services such as technical analysis, database development and maintenance, cost analysis, document preparation, special studies, etc.

3.4.2. Contract Operated & Maintained Base Supply (COMBS): Base supply, materiel turn-in, and distribution functions performed by a contractor, usually as part of a contractor logistics support contract.

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3.4.3. Field Service Teams: Field representatives located permanently on-site performing organizational or intermediate-level and Contractor-Operated and Maintained Base Supply (COMBS) operations.

3.4.4. Mod Kit/Kit Procurement: Purchase of modification kits (not including installs).

3.4.5. Software Development: The creation of new software code or programs to meet customer operations or support requirements.

3.4.6. Spares Procurement: This is related to item management type functions - not to be counted unless in support of depot maintenance activities.

3.4.7. Sustaining Engineering: Engineering tasks associated with all aspects of product support. Includes tasks related to reliability and maintainability analysis, product design, tech data development and changes, etc.

3.4.8. Tech Data Maintenance: Contractors maintaining government tech orders or contractors maintaining commercial tech data (commercial maintenance manuals).

4. End of DI-MGMT-81749