

DI-MGMT-81749A

## DATA ITEM DESCRIPTION

**Title:** 10 USC 2466 (50/50) Requirements Report

**Number:** DI-MGMT-81749A

**Approval Date:** 20120730

**AMSC Number:** F9272

**Limitation:**

**DTIC Applicable:**

**GIDEP Applicable:**

**Preparing Activity:** 10 (HQ AFMC/A4DC)

**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 Act of Fiscal Year 1998 (FY98).

1. 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 for non-Federal Government personnel to perform depot-level maintenance. The National Defense Authorization Act for FY02 created an exemption for non-Federal Government personnel performing depot-level maintenance at a Center of Industrial and Technical Excellence (CITE) 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-level maintenance organic/contract/partnership dollar information be reported to Congress. As the Product Support Integrator (PSI), the contractor supports the government in compiling this data to comply with the law.

2. 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 documents cited herein, including their approval dates and dates of any applicable amendments, notices, and revisions, shall be cited in the contract.

2. Format. Contractor format is acceptable.

3. Content. The 50/50 Reporting Requirements DID shall include all costs required under the contract, regardless of the type of funds used by the government or who is performing the task. This requirement shall also include work funded under the contract but performed by government personnel, as in the case of direct sales agreements under public-private partnerships. Specific reporting requirements are as follows:

#### 3.1 Basis reporting guidelines:

3.1.1 Factors of production. The Department of Defense, in its published guidance related to 50/50 data collection, requires all depot-level maintenance workload figures to include, in addition to direct labor, all other factors of production in support of that workload. These

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factors include direct materials, overhead, and other indirect costs that apply in direct support of or associated with the direct labor.

3.1.2 Dollars obligated in the previous fiscal year. This figure shall represent the dollars provided from the government to the contractor during the previous fiscal year (October through September) for all tasks required on the contract. In the case of partnership workloads, in which a portion of these dollars is passed to a government organization to have work performed by government personnel, the amount to be reported is to be the dollars provided from the contractor to the government during the previous fiscal year, including all factors of production in support of that government workload. This figure would typically be available from government accounting and financial data sources. It is the contractor's responsibility to break out the dollars reported as being obligated into the various tasks on the contract.

3.1.3 Projected obligations. This figure shall represent a forecast, based on known task requirements and the government funded position for those requirements, of anticipated obligations, by fiscal year, for the five year period beyond the previous fiscal year. Dollars will be in terms of then-year dollars, with inflation factors applied.

3.2 Major workload categories. Based on the types of funds provided from the government to the contractor, all dollars reported shall be broken out into the following major workload categories:

3.2.1 Contract Logistics Support (CLS). Typically funded with AF Appropriation 3400 (Operations and Maintenance (O&M))/ Element of Expense Identification Code (EEIC) 578, it can also include AF Appropriation 3600 (Research, Test, Development & Evaluation (RDT&E)). It can also include other EEICs such as 554 (Critical Space Operations) and 592 (Miscellaneous Contract Services). CLS is designed to be a long-term sustainment concept, often for commercial or commercial-derivative systems having at least a portion of their logistics support provided by a contract source. Any extended or negotiated warranty costs funded with the same dollars will also be reported in this workload category. Costs associated with warranty in this category shall be identified as warranty costs.

3.2.2 Interim Contractor Support (ICS). Typically, this workload is funded with AF Appropriations 3010 (Investment – Aircraft), 3020 (Investment – Missiles), or 3080 (Investment – Other). Tasks in this category involve maintenance and repair of material and not the installation of modifications, which are funded with the same type of dollars. Any extended or negotiated warranty costs funded with the same dollars will also be reported in this workload category. Costs associated with warranty in this category shall be identified as warranty costs.

3.2.3 Other Contract Depot Maintenance (CDM). Typically, this workload is funded with Appropriation 3400 (O&M)/EEIC 560XX. The EEICs used in this category are known as Depot Purchased Equipment Maintenance (DPEM). This workload can also be funded within various appropriations in the Air Force Working Capital Fund (WCF) associated with Material Systems Division (MSD) or Consolidated Support Activity Group (CSAG) – Supply, dollars that are typically used for exchangeable component repair.

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3.2.4 Modification Installation (Not in IDECS II): Modification installations are normally funded using Appropriation 3010, 3020, or 3080/Budget Program (BP) code 11, 21, or 81, respectively. When funded in this manner, Air Force analysts are able to identify the dollars associated with modification installations, a depot-level maintenance task, using automated data systems, typically IDECS II. The purpose of this category is to capture those modification installations or any non-ICS maintenance using other Budget Program codes such as BP10 or BP19.

3.2.5 Partnership. This workload is a subset of the CLS, ICS, or CDM workload categories. It is broken out based on whether the work is performed by government or contractor personnel and how the dollars flow between the two organizations.

#### 3.2.5.1 Organic partnership

3.2.5.1.1 Workshare Agreement (WSA). Under a WSA, the Air Force program office passes funding directly to the partner performing the workload. In this case, the Air Force program office has complete visibility over the dollars provided to the government organization or depot performing the work. However, the contractor would be responsible for reporting any dollars associated with direct support of any WSA workload, such as contractor-furnished material.

3.2.5.1.2 Direct Sales Agreement (DSA). Under a DSA, the Air Force program office passes funding directly to a contractor, who, in turn, partners with a depot or other government organization, and provides funds to that organization to perform work, in the form of a work order. In this case, it is the contractor's responsibility to identify all dollars provided or planned to be provided to the government organization, to include all factors of production in direct support of that organic workload (contractor-furnished materials, overhead, and other indirect costs).

3.2.5.2 Contract Partnership (CITE exemption). Under 10 USC 2474, any depot-level maintenance workload performed by contractor personnel, located on a CITE, under a public-private partnership has to be reported. In the Services' 50/50 report, this workload must be reported separately but can be subtracted from the Service's contract totals. As with the other workload categories, dollars reported under this workload category will include all factors of production.

3.3 Task breakdown. Within each workload category identified above in section 3.2, all costs will be allocated to the following depot-level maintenance or non-depot-level maintenance task categories.

3.3.1 Depot-level maintenance. The tasks in this section are completely or at least partially considered depot-level maintenance and, if reported, should include all factors of production. Factors of production costs associated with these tasks can be included in the costs for the individual task or can be identified separately, such as depot material.

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3.3.1.1 Programmed Depot Maintenance (PDM): Depot-level inspections and maintenance scheduled on a cyclic basis. The term is typically associated with weapon system or major end item scheduled workload in a DoD depot but can apply to similar work in a contractor facility.

3.3.1.2 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 specifications.

3.3.1.3 C-Check: Commercial version of a depot-level airworthiness and analytical condition inspection.

3.3.1.4 Repair/Overhaul – Recoverable Items/Special Repair Activity (SRA): Repair and/or inspection of major end items or exchangeable components.

3.3.1.5 Software maintenance: Costs associated with any change to a software product after operational acceptance. These costs will include any activities to correct faults (corrective maintenance), improve performance or other attributes (perfective maintenance), or to adapt the weapon system or equipment to a changed environment within the bounds of existing top-level system specifications (adaptive maintenance). Definition adapted from DoDD 4151.18, Maintenance of Military Material, and IEEE STD 610.12-1990.

3.3.1.6 Speedline: A streamlined process used to perform specific depot-level maintenance services or modifications. Any depot-level maintenance in which the normal process is streamlined or accelerated through a reduced amount of steps or sub-processes.

3.3.1.7 Storage: Tasks associated with maintaining assets in storage.

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

3.3.1.9 Contract Field Teams: Contractor personnel dispatched from a vendor facility to a field location. When the task is complete, the personnel return to the vendor's home location. Similar to a depot field team. Not the same as field service representatives, which are permanently assigned to the field location.

3.3.1.10 Flying hours: This relates to a contract support concept in which the government pays a flying hour rate that covers the support costs for an entire program. Also known as "Power by the hour". In this case, the contractor shall break out the flying hour costs associated with tasks that are considered depot-level maintenance.

3.3.1.11 Over and above: Unprogrammed depot-level maintenance workload not previously identified in an original contract or work order.

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3.3.1.12 Maintenance (Shop Floor) engineering: Engineering activities in direct support of and usually co-located with depot-level maintenance functions.

3.3.1.13 Extended/Negotiated warranty costs: Warranty terms and costs beyond the standard product warranty, which usually is provided without cost. Warranty costs that actually result in a cost to the government in addition to the acquisition cost for the end item or commodity.

3.3.1.14 Service Support Agreement: Same as extended warranty – this is a flat rate paid by the customer, the government, over a set period of time, beyond the scope of the actual mean time between failure period.

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

3.3.1.16 Depot Material: A factor of production that may be included in one of the tasks listed above or broken out separately. Includes all government and contractor-furnished material, both consumable and recoverable items.

3.3.1.17 Logistics/Program Support: Management activity in direct support of depot-level maintenance. Often an overhead task and considered a factor of production. Can be included in one of the tasks listed above or broken out separately.

3.3.2 Non-depot-level maintenance tasks. The tasks in this section are not considered depot-level maintenance. However, they will also be reported along with the costs associated with them. While these costs will not factor into the calculations used for reporting depot-level maintenance and in measuring 10 USC 2466 compliance, details in these task categories are necessary for audit purposes and to ensure 10 USC 2466 reporting accuracy. Non-depot-level tasks are listed in, but not limited to, the tasks below:

3.3.2.1 Advisory and 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.

3.3.2.2 Contractor Operated & Maintained Base Supply Operations (COMBS): Base supply, material handling and turn-in, and distribution functions performed by a contractor. A supply chain management task.

3.3.2.3 Field Service Teams: Field representatives located permanently on-site at field locations performing organizational or intermediate-level maintenance, supply chain management tasks, training, or advisory services.

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3.3.2.4 Modification Kit Procurement: Purchase of modification kits (not including installation of kits)

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

3.3.2.6 Spares procurement: Initial provisioning or replenishment of components not used in the performance of depot maintenance. An example would be the replacement of condemned line replaceable units for a weapon system.

3.3.2.7 Sustaining engineering: Engineering tasks associated with all aspects of product support. Includes tasks related to reliability and maintainability analysis, product design, technical data development and changes, configuration management, etc.

3.3.2.8 Tech Data Maintenance: Activities associated with maintaining government technical orders or commercial tech data (commercial maintenance manuals).

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