

**Sustainment, Restoration and
Modernization (SRM) Template
User Guide**

Sustainment, Restoration and Modernization (SRM) User Guide Contents

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1. Sustainment, Restoration and Modernization (SRM) Template User Guide

1.1 Introduction

1.1.1 Purpose

The Facility Support Contract/Base Operations Support (FSC/BOS) Template provides a common framework for Navy-wide performance-based contracts. NAVFAC and DoD policy is to obtain FSC services in a “performance-based” manner. This User Guide describes how to apply the Template to Sustainment, Restoration and Modernization (SRM) services. The Template is to be used for fixed-price negotiated procurements using source selection procedures. Users are encouraged to tailor the application of this template to the unique circumstances of their individual acquisitions. There are a number of things to keep in mind during the tailoring process:

1. Read the General Information User Guide in addition to this User Guide.
2. Pay particular attention to the annotation <<Note to Spec Writer>>.
3. Delete, add, or modify as required, but avoid adding unnecessary “how to” requirements and management prescriptions.
4. When tailoring, be careful not to create conflicts or ambiguities.
5. Be sure ALL the individual elements of the acquisition are consistent and designed for the best overall outcome.

1.1.2 Scope of Sustainment, Restoration and Modernization (SRM)

The SRM Template includes all labor, management, supervision, tools, materials, supplies, equipment, and transportation required to perform SRM. Included are services such as service calls and recurring services (including preventive maintenance, integrated maintenance program, and inspection, testing, and certification). Maintenance of family housing equipment and systems and service calls is also included in SRM. The following services are not considered SRM and are not included in this Template:

- Maintenance of utility plants is included in the applicable Template for the type of utility system.
- Maintenance of irrigation systems is included in the Template for Grounds Maintenance.
- Restoration and modernization that consists of major rehabilitation and capital improvements that is accomplished through other Navy programs.

1.1.3 Annex Alignment to Installation Management Accounting Project

Figure 1 below shows how the SRM sub-function aligns with the Navy’s Installation Management Accounting Project (IMAP) Core Business Model (CBM) and Cost Account Code (CAC). For additional information on IMAP, see the General Information User Guide.

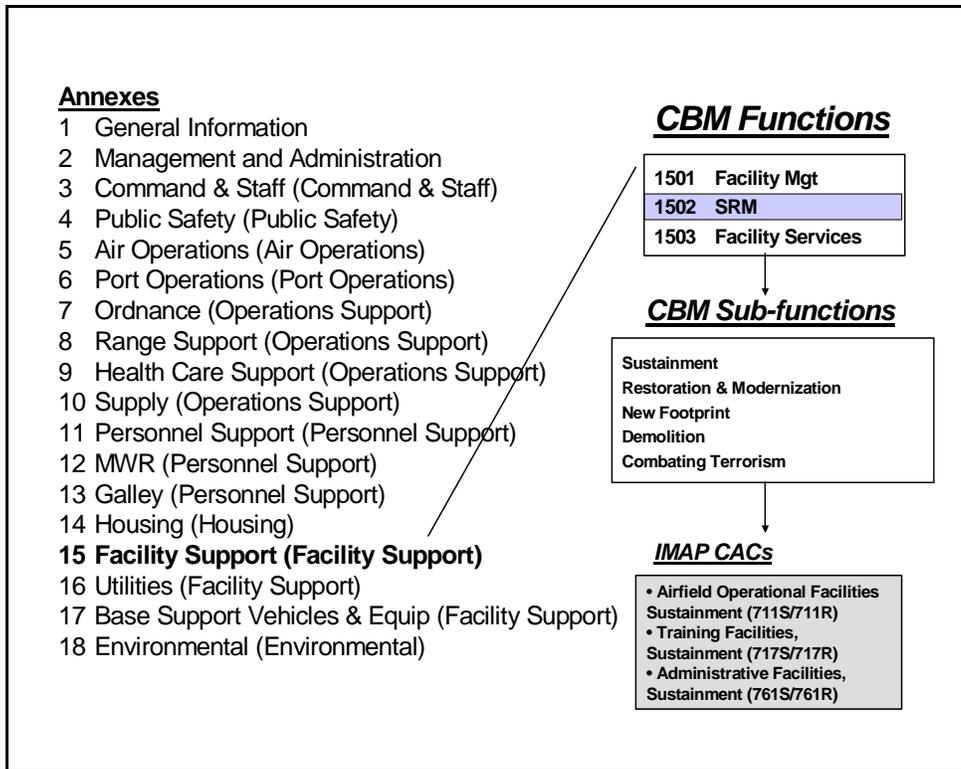


Figure 1. Annex Alignment to IMAP

1.1.4 CAC Definition

Table 1 below shows the IMAP 2004 SRM CAC definition. Since CACs change periodically, refer to the IMAP website for the latest. The SRM Template may accommodate different cost models such as the Installation Process Model (IPM) used by the Marine Corps.

Title	CAC	Definition
Airfield Operational Facilities Sustainment	711S	Sustainment of airfield runways, landing and takeoff pads, taxiways, parking, maintenance, access and operational aprons, seaplane ramps, aircraft wash rack pavements, aircraft compass calibration pads, and other miscellaneous aircraft pavements. Includes pavement markings and excludes cleaning and snow removal operations (CAC 9240). Includes buildings housing air terminal operational activities and airfield control tower, aircraft fire and crash operations, line operations buildings, crew facilities, hardened aircraft shelters and equipment for air traffic control. Includes lighting systems for airfield pavements provided primarily for air operations. Excludes security, street and perimeter lighting and other general illumination. Includes towers and structures in which, or from which, tactical and organizational type operations are performed or simulated for practice and also antennas and structures which provide navigation and traffic aids to aircraft. Also includes operational aircraft fuel and dispensing facilities. (DoD/Navy Category Codes 111 thru 113, 116, 121, 133, 134, 136, 141 except 141-42, 141-60 and 141-65, and 149 except 149-45) (Navy Investment Category 01).

Table 1. IMAP CAC for SRM

1.1.5 Standard Numbering for SRM

Figure 2 below shows the standard numbering convention for Sustainment, Restoration and Modernization (SRM). Annex 15, Facility Support includes three first-tier sub-annexes:

Facility Management (1501)

Sustainment, Restoration and Modernization (1502)

Facility Services (1503)

First-tier sub-annex 1503, Facility Services contains six second-tier sub-annexes: Second-tier sub-annex 1502000 will always represent Sustainment, Restoration and Modernization (SRM) in NAVFAC contracts and is referred to as Specification 1502000. Users are not authorized to edit the numbering convention.

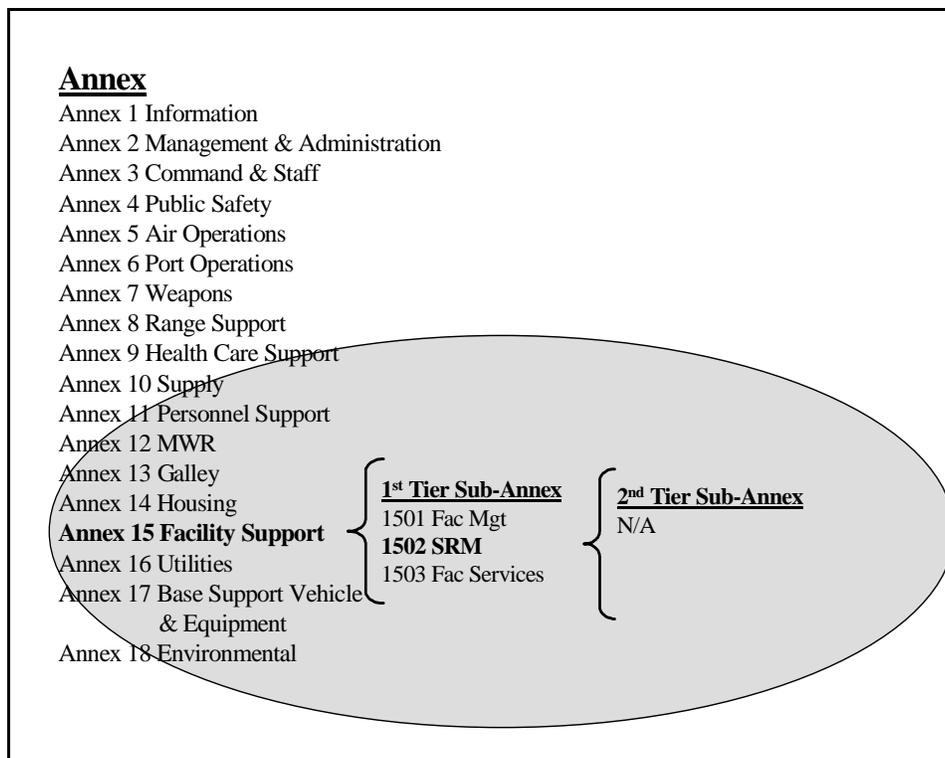


Figure 2. Standard Numbering Convention Example

The numbering convention for specification number xxyyzz0 is:

- The first 2 digits xx represent the annex number (varies from 01 to 18)
- The next 2 digits yy represent the first tier sub-annex number
- The next 2 digits zz represent the second tier sub-annex number (00 when N/A)
- The last digit is reserved for future use

1.2 SRM Template Elements

The Sustainment, Restoration and Modernization (SRM) Template includes specifications and supporting documentation that *supplement* all other required contract regulations, policy and procedures as shown in Table 2 below.

Section	Title	Description
C	Performance Work Statement	Section C contains technical specifications expressing expectations of the work to be performed stated as performance objectives, related information and measurable standards. Annexes 1 and 2 will be included in every solicitation. See General Information User Guide.
J	List of Documents, Exhibits, and Other Attachments	Section J contains sample attachments (e.g., historical data, inventory, and ELINs).
L	Instructions, Conditions, and Notices to Offerors or Respondents	Section L contains sample technical proposal questions specific to SRM.
-	Functional Assessment Plan (FAP)	The SRM FAP provides suggested methods of assessment and sample sizes for accomplishing tiered performance assessment. For additional guidance see the General Information User Guide.

Table 2. SRM Template Elements

1.3 Using the SRM Template

The Template is intended to be tailored to meet client requirements for SRM services. Users should read and understand the entire User Guide before starting the tailoring process. Users must consider all relevant guidelines to ensure that all appropriate topics are addressed.

Throughout the Template you will find the annotation <<Note to Spec Writer>>. Text within these symbols provides additional information and/or advises the user to insert appropriate information such as installation name, days of operation, and the opening and closing times.

1.3.1 Defining Client Expectations

Pre-Planning Meetings and Analyses. The first step in the tailoring process is to determine the client's expectations in terms of specific performance objectives and standards. An initial review of inventory and existing conditions will provide a better understanding of client expectations. Care must be taken to ensure that the client realizes the tradeoff between contract cost and "service level" expectations. In general, it will cost more to get service levels that satisfy higher expectations. Concurrent with understanding client expectations, it is essential to conduct market surveys. This statutory requirement is intended to compare the client's desired outcomes against the technical, management and pricing alternatives available in the marketplace for satisfying the Government's requirements.

The next step is to determine whether the client's requirements are currently contracted, if they are a new requirement, or if they are a result of an outsourcing effort (e.g., OMB Circular A-76). Comparisons should be made with any existing acquisition strategy, in order to optimize requirements for the greatest overall good of all clients and geographic areas. Pre-planning meetings shall be held as necessary to develop a full understanding of all expectations.

The Chief of Naval Operations (CNO) Integrated Process Team (IPT) has developed standard service levels for several functional areas. Service levels will be used for resource programming and budgeting and may require the fund recipients to use the funded service levels in their solicitation. For further guidance see Section 1.3.3, *Service Levels*.

If a Client is not required to use service levels, the appropriate changes must be made to Sections C and J.

Comparison of Template WBS with Client Expectations. The next step is to evaluate site-specific requirements in conjunction with the existing SRM Work Breakdown Structure (WBS) for Section C. The WBS is the basis for communication throughout the acquisition process. A WBS defines an acquisition in product terms, and relates them in a tree diagram that displays the relationships of the products and services to each other and to the overarching performance outcomes.

Once the client’s expectations are fully understood and the WBS has been tailored, the performance objectives and performance standards for firm fixed-price work may be reviewed and tailored to align with clients’ expectations.

Figure 3 below is the WBS for the SRM firm fixed-price work:

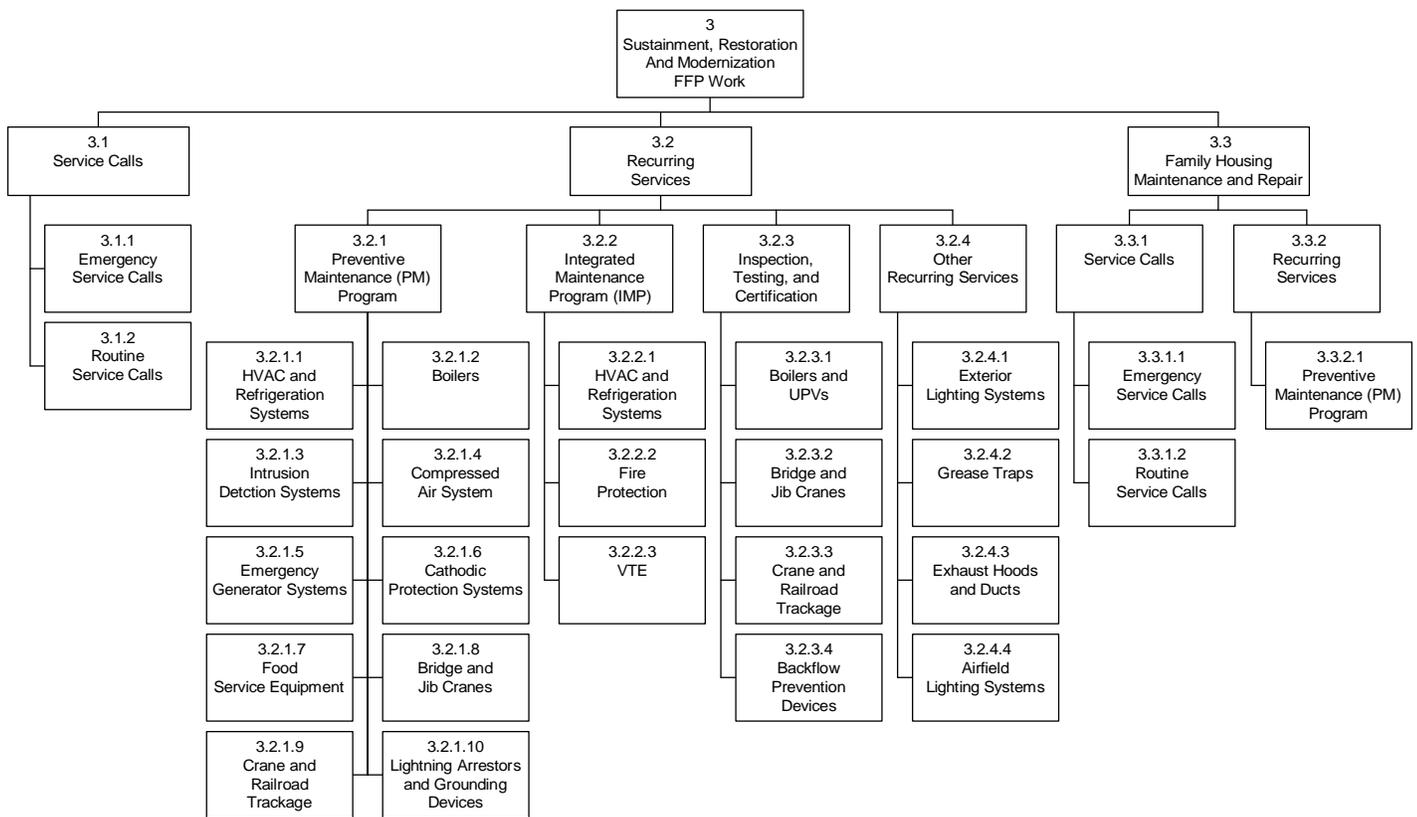


Figure 3. SRM WBS

Client requirements that are not included in the WBS should be added and those that do not apply should be removed. The 4-digit WBS items identified under the PM program (3.2.1) and IMP (3.2.2) may need to be rearranged in order to accommodate the desired maintenance approach for the applicable equipment and system type. Ordinarily a maintenance program for an individual equipment and system type would be developed/implemented using a PM or IMP approach, but very seldom under both. The WBS in Figure 3 and section C of the Template contains HVAC and refrigeration systems under both PM and IMP. This was done to demonstrate an example of the tailoring necessary to the performance objective and standards when rearranging a 4-digit WBS item from PM to IMP or vice-versa. For example, assume client requirements have been identified and there is a need to alter the WBS to address the following unique requirements:

- An Integrated Maintenance Program is selected for HVAC and refrigeration systems
- Family Housing services is performed by separate contract.

It has been determined that there is no requirement for crane and railroad trackage maintenance. The revised WBS would look like Figure 4 below.

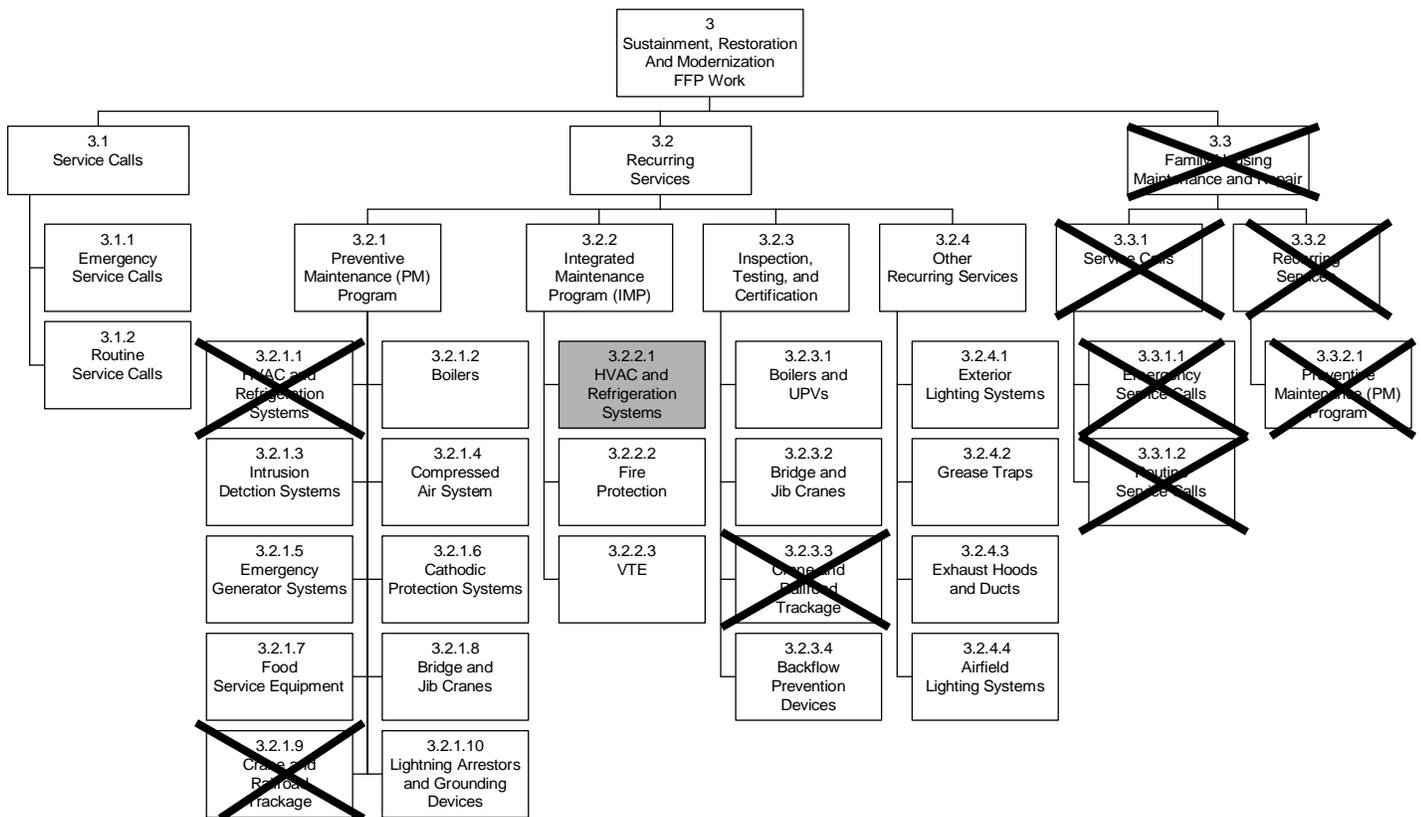


Figure 4. WBS Tailoring Example

The HVAC and refrigeration system requirement has been deleted from PM program and is placed entirely under IMP. Since Family Housing maintenance is performed by separate contract, spec item

3.3 and the subordinate 3-digit and 4-digit spec items are removed from the tailored WBS. Similarly, crane and railroad trackage is removed from the tailored WBS.

1.3.2 Tabular Format

Section C is arranged in a tabular format that facilitates methodical arrangement of requirements, clear definition of expectations, and alignment of objectives with related information and measurable standards. The tabular format shown in Table 3 below provides a small extract of the Sustainment, Restoration and Modernization (SRM) specification and includes five columns of required information: Spec Item, Title, Performance Objective, Related Information, and Performance Standard.

Spec Item	Title	Performance Objective	Related Information	Performance Standard
3.2	Recurring Services	The Contractor shall perform recurring services on buildings and structures, including installed equipment and systems, to ensure they are fully functional and operational.		Recurring services are completed in a timely manner per specified standards. Facilities and equipment are maintained in an operable condition and function properly in accordance with OEM specifications.
3.2.1	Preventive Maintenance (PM) Program	The Contractor shall develop and implement a PM program for building systems and equipment per manufacturer's recommended procedures and OEM standards to ensure proper operation, to minimize breakdowns, and to maximize useful life.	The Contractor shall submit a PM program to the KO to validate completeness. The equipment/systems that will be included in the PM program are addressed below. The Contractor shall perform any repairs up to <<Note to Spec Writer: Insert dollar amount, e.g., \$250>> per PM occurrence.	PM program is developed based on manufacturer's recommended procedures and OEM standards and is submitted within <<Note to Spec Writer: Insert local requirement, e.g., 30 days following award>>. PM is accomplished per the Contractor's incorporated program and work schedule.

Table 3. Tabular Format

Spec Items shown in Table 3 above provide examples of firm fixed-price requirements. However the tabular format for every Section C will actually address four distinct categories of work:

- **Spec Item 1** will always include general information unique to understanding the technical requirements of the spec. This item will not require pricing by the offeror.
- **Spec Item 2** will always include management and administrative requirements unique to the planning, execution, management and administration of the performance

requirements of the specification. The cost of this item will be included the offeror's total contract price. Some management conditions are necessary to ensure successful performance, e.g., Government regular working hours and environmental protection, while others are excessive, e.g., requiring ISO 9000 with no equivalent and 10 minute service call response time.

- **Spec Item 3** will always include firm fixed-priced performance requirements. For example, in Table 3 above, items 3.2 and 3.2.1 for SRM are shown.
- **Spec Item 4** will always include IDIQ work requirements.

The Performance Objective is an end state that someone wants to achieve. Objectives are often expressed in terms of specific accomplishments by an organization, levels of service provided to customers, or improvements in performance of some activity when measured against an established baseline. A Performance Objective for the Preventive Maintenance (PM) Program would be the following statement: *The Contractor shall develop and implement a PM program for building systems and equipment per manufacturer's recommended procedures and OEM standards to ensure proper operation, to minimize breakdowns, and to maximize useful life.*

Related Information consists of information for the Contractor that is specific to a performance objective. Most tailoring occurs in the Related Information column. An example of related information for the Preventive Maintenance (PM) Program would be the following statement: *The Contractor shall perform any repairs up to \$250 per PM occurrence.*

Once the performance objectives and standards have been tailored to reflect client expectations, related information may be added to further clarify requirements. Information contained in this column does not merit routine Government assessment or is too costly to individually assess for the level of risk that they present. Table 4 below identifies four types of related information:

Type of Related Information	Description
Informational Notes	Informational notes is information that is not intended to constitute a material representation by the Government. Information notes will always be the last entry in the Related Information column. An example would be <i>INFORMATIONAL NOTES: In previous contracts, weekly cleaning of grease traps has been required.</i>
Clarifying Information	Clarifying information describes client expectations in a more detailed manner than the performance objective and performance standard alone. An example of Clarifying Information would be <i>Routine service calls are usually performed during Government regular working hours.</i>
Constraining Information	Constraining information describes limitations to the work performed to meet the performance objective and performance standard. An example of Constraining Information would be <i>Food Service Equipment PM can only be performed outside of meal service hours.</i>
Requirement Information	Requirement information further describes client requirements associated with each performance objective. Such requirements do not individually rise to a level that merits routine Government assessment against a separate performance standard. An example of requirement information would be <i>The Contractor shall not vent or otherwise dispose of any Class I ozone-depleting refrigerant in a manner that will permit its release into the environment.</i>

Table 4. Related Information

Performance Standards are targeted levels or ranges of performance for each characteristic that the Government monitors. At least one performance standard must exist for each performance objective. Achievement of a performance standard will either demonstrate directly that the Contractor has met the performance objective, or will enable the Government to infer with a high degree of confidence that the Contractor has met the contract performance objective. A Performance Standard for the Preventive Maintenance (PM) Program would be the following statement: *PM program is developed based on manufacturer's recommended procedures and OEM standards.*

Performance objectives, related information, and performance standards clearly describe client expectations. The SRM WBS is arranged with more subjective performance objectives and standards at higher levels (e.g., 3.2) and more quantitative performance objectives and standards at lower levels (e.g., 3.2.1.1). This tiered approach allows Contractor performance evaluation at higher levels provided the Contractor can demonstrate adequate performance at that higher level. Only after the Contractor has failed to perform at the higher level would we normally need to evaluate Contractor performance at lower levels of the WBS. The WBS structure lends itself well to tiered performance assessment. For additional information on performance assessment refer to the General Information User Guide.

1.3.3 Service Levels

OPNAV N46 service levels have not been developed for SRM. However, if a client determines service levels are required, the following provisions will allow for upgrades or downgrades in service levels on an annual basis, at time of award and/or at the exercise of an option period. The option to change service level(s) requires a preliminary notice to the Contractor. It is very important to set a reasonable time period for this preliminary notice to allow the Contractor time to alter staffing and schedule work appropriately to be successful in meeting the new requirements. It is important to note that the shorter the notice, the riskier the start-up and the greater likelihood of higher prices.

The following service level provision (NFAS approval pending) should be used for changing service levels on an annual basis. Use Alternate I if change in service levels is contemplated at the time of contract award for the base period:

Option to Change Service Level, Alternate I. Upon initial contract award the Government reserves the right to award options to increase or decrease service levels for the base period.

Option to Change Service Level. The Government reserves the right to increase or decrease the service level for each client at the time it exercises its option to extend the contract at the prices indicated in the schedule. The Government will provide _____ [insert number of calendar days between 15 and 90] calendar days preliminary notice of its intent to change the service level. Notice of intent will be in writing but may be in the form of an e-mail attachment, facsimile letter, or official mail signed by a Contracting Officer.

1.3.4 Section J Attachments

Sample SRM attachments are provided in the Template. These sample attachments contain information to help Contractors determine the scope of work to be performed. SRM attachments

include historical data, inventories and temperature standards, and are labeled J-1502000-attachment number (two-digit number from 01 to 99).

Sample SRM ELINs for firm fixed-price and IDIQ work are provided in the Template and labeled J-0200000-07. The SRM firm fixed-price ELINs are structured to capture costs by IMAP CAC. The IDIQ ELIN structure includes the following columns: CAC, short description title, and full description of the work to be performed including completion times to facilitate the uploading of the IDIQ schedule into DoD EMALL. DoD EMALL is a web-based tool that allows clients to order pre-priced line items directly from the contractor using their Government purchase card.

The ELIN structure closely adheres to the guidance provided in NAVFAC Memorandum of 07 Mar 02, CONTRACT LINE ITEM RESTRUCTURING GUIDANCE.

1.3.5 Section L Questions

In a performance based contract, the Government identifies what it requires (i.e., performance objectives and performance standards) and offerors propose the “how to” methods for accomplishing these requirements. Section L contains a clause entitled CONTENT OF PROPOSALS in which offerors are required to explain their proposed performance methods and associated costs. To aid in evaluating and negotiating these proposals, it may be helpful to include in Section L specific questions for offerors to address.

Every effort should be made to minimize the number of questions. However, where information regarding the contractor’s method for performing the work poses an unacceptable risk to the Government, a specific question should be asked. Sample questions are shown in Table 5 below.

Spec Item	Questions for Sustainment, Restoration and Modernization (SRM), Specification 1502000
3	How will incoming work be received, assigned to an employee, scheduled, etc., without adversely impacting existing, uncompleted work?
3	What is your plan to ensure personnel have the necessary training and certification to accomplish the specialty work requirements specified in this Annex (e.g., fire protection, VTE, intrusion detection systems, cathodic protection systems)? How do you propose to ensure this training and certification is maintained current?
3	What automated system, if any, do you propose to implement to manage your PM program and IMP and to maintain SRM data and reports? How will this CMMS interface with Government owned software?
3.2.1	In summary, what is your proposed Preventive Maintenance (PM) program? Include an example of your PM program for a function (e.g., emergency generator systems) that is indicative of the detail that will be applied to your entire program.
3.2.2	In summary, what is your proposed Integrated Maintenance Program (IMP)? Include an example of your IMP for a function (e.g., VTE) that is indicative of the detail that will be applied to your entire program.
3.2.2.4	What frequency do you propose for inspection to ensure continuous, trouble-free airfield lighting systems?
3.3	What is your approach to effectively coordinate with housing residents in order to accomplish work within specified time limits and per work schedules?

Table 5. Section L Questions for SRM

2. Conclusion

The use of the SRM Template will facilitate performance-based contracting, use of standard service levels, IMAP accounting, and tiered performance assessment. For Template documents, training and additional assistance using the Template, contact the local Engineering Field Division (EFD).

3. Web References

Table 6 below provides helpful web references.

Title	URL	Description
OPNAVINST 4860.7	http://neds.nebt.daps.mil	Guidance on implementing CA program requirements
OMB Circular A-76 Supplemental Handbook	http://emissary.acq.osd.mil/inst/share.nsf	Guidance on implementing CA program requirements
IMAP website	https://ucso2.hq.navy.mil/IMAP/	Contains the latest IMAP Core Business Model
NAVFAC Acquisition	http://acq.navfac.navy.mil	NAVFAC Acquisition home page
Seven Steps to Performance Based Services Acquisition	http://oamweb.osc.doc.gov/pbsc/	Guidance for performance-based acquisition: Team Approach, Etc.
DoD PBSA Desk Guide	http://www.acq.osd.mil/ar/doc/pbsaguide010201.pdf	Department of Defense Performance-Based Services Acquisition Desk Guide.
OFPP Best Practices Guide	http://www.arnet.gov/library/OFPP/bestpractices/PPBSC/bestPPBSC.html	Office of Federal Procurement Policy best practices guide to implementing performance-based services contracting.
HHS KnowNet	http://knownet.hhs.gov/aboutKnowNet.htm	The Health and Human Services information repository of performance support.
USDA performance based service contracting	http://www.usda.gov/procurement/textonly/toolkit/pbsc.htm	United States Department of Agriculture performance based contracting toolkit
NAVFAC Facility Support Contracts	http://www.navfac.navy.mil/pw/fsc	FSC Product Line Plan initiatives and documentation.

Table 6. Web References