



University of Maryland University College

Business Decisions for Contracting
Lesson 3
Services

Lesson 3: Services

Terminal Learning Objective

- Given a complex service requirement, identify the principles of performance-based acquisition (PBA) that apply.



Lesson 3: Services

Enabling Learning Objectives

- Define and differentiate personal and non-personal services
- Discuss the phases of the services acquisition process
- Define Performance-Based Service acquisition (PBSA)
- Identify the seven-step process for PBA



Lesson 3: Services

Topics Covered:

- Introduction
- Introduction to service contracting
- PBA for services
- The service acquisition process
- PBA process



Lesson 3 Key Terms

- **Performance-Based Acquisition (PBA)** – An acquisition for services rather than products; “personal” or “non-personal”.
- **Performance Work Statement (PWS)** –
 1. describes the services in terms of the required results
 2. states measurable performance standards for assessment of the work and
 3. uses incentives to encourage innovation and cost – effective approaches.



Lesson 3 Key Terms

- **Statement of Objectives (SOO)** – This statement of the government's requirements for the acquisition including the services, products and methods, is used to develop the PWS.
- **Quality Assurance Surveillance Plan (QASP)** – This document is used to monitor contractor performance to ensure that the contract's terms are being followed.



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Introduction

- FAR Part 37 governs Service Contracting
- “Service contract” refers to a contract that involves the time and effort of a contractor whose primary purpose is to perform an identifiable task rather than to furnish an end item of supply.



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Introduction to service contracting

- A service contract may be either a ***non-personal*** or ***personal contract***. It can also cover services performed by either ***professional*** or ***nonprofessional*** personnel whether on an ***individual*** or ***organizational*** basis.
- “***Non-personal services contract***” means a contract under which the personnel rendering the services are not subject, either by the contract’s terms or by the manner of its administration, to the supervision and control usually prevailing in relationships between the Government and its employees.



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Introduction to service contracting Continued

- A “**Personal services** contract” is characterized by the *employer-employee relationship* it creates between the Government and the contractor’s personnel. The Government is normally required to obtain its employees by methods such as: direct hire, competitive or non-competitive appointment, or other procedures required by the civil service laws.



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PBA for services

- Performance standards may be established by the Government, which identify the performance level required to meet the contract requirements.
- Offerors may propose performance standards in response to a Statement Of Objective (SOO), which must be evaluated by the agency to determine if the standards meet the Government's requirement or needs.
- The standards shall be measurable and structured to permit an assessment of the contractor's performance.
- Describe the work in terms of required results.
- Allow for performance incentives when appropriate



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PBA for services continued

Required documents:

- *Performance Work Statement (PWS)*- A statement of work related to performance-based acquisitions that clearly describes results in clear, specific, and concise terms that are objective and include measurable outcomes.
- *Statement of Objectives (SOO)*- Government-prepared document included in a solicitation that states general performance objectives and allows an offeror maximum flexibility to innovative approaches to a contract requirement.



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PBA for services continued

Required documents continued:

- *Quality Assurance Surveillance Plan (QASP)*- Government-developed surveillance process document utilized in Performance-Based Service Contracting (PBSC) to manage contractor performance assessment by ensuring that systematic quality assurance methods are used to validate that the contractor's quality control efforts are timely, effective, and are delivering the results specified in the contract or task order.



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The service acquisition process

Consists of 3 phases:

- **Planning Phase**
 - Step One: Form the Team
 - Step Two: Review Current Strategy
 - Step Three: Market Research
- **Development Phase**
 - Step Four: Requirements Definition
 - Step Five: Acquisition Strategy
- **Execution Phase**
 - Step Six: Execute Strategy
 - Step Seven: Performance Management



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PBA process

Consists of 7 steps:

1. Establish a team
2. Describe the problem that needs solving
3. Examine private-sector and public-sector solutions
4. Develop a PWS or SOO
5. Decide how to measure and manage performance
6. Select the right contractor
7. Manage performance



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Lesson Summary

- Service contracts are either *non-personal* or *personal* in nature
- PBA is concerned with a contractor's ability to meet performance requirements.
- SOO, PWS, and QASP are all documents used to communicate requirements, objectives, and measure contractor efforts objectively.
- The services acquisition process is a 3 phase process which requires an organization to be strategic in the development acquisition strategy.
- The PBA process is a 7 step process used to ensure collaborative, performance-oriented teamwork with a focus on program performance, improvement, and innovation.



Lesson 3: Services

Application Exercise #3

Activity Title	Application Exercise #3: Services
Activity Type	scenario
Format	Individual / group
Activity Time	10–15 minutes
Materials Needed	a pre-generated scenario that is relevant to service contracts
Activity Process	Read the scenario, then apply the PBA process for service contracts to your specific scenario and in the Conference Area , post your initial response.

