

CLASSIFICATION: UNCLASSIFIED/  
ROUTINE  
R 092006Z DEC 25 MID120038461153U  
FM CNO WASHINGTON DC  
TO NAVADMIN  
INFO CNO WASHINGTON DC  
BT  
UNCLAS

SUBJ/UNITED STATES NAVY CONTRACT SERVICES GUIDANCE FOR FISCAL YEAR (FY)  
2026//

NAVADMIN 248/25

MSGID/GENADMIN/CNO WASHINGTON DC/N8/DEC//

REF/A/DOC/DOD/24JUN21//  
REF/B/DOC/DON/08APR22//  
REF/C/DOC/USD (A&S) /23JUN25//

NARR/REF A IS DEPARTMENT OF DEFENSE INSTRUCTION (DoDI) 5000.74.  
REF B IS SECRETARY OF THE NAVY INSTRUCTION (SECNAVINST) 5000.2G ENCLOSURE  
(8) .  
REF C IS THE UNDER SECRETARY OF DEFENSE FOR ACQUISITION AND SUSTAINMENT  
(USD (A&S)) MEMORANDUM, IMPLEMENTATION OF DEPARTMENT OF GOVERNMENT EFFICIENCY  
COST EFFICIENCY INITIATIVE.

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GENTEXT/REMARKS/

1. Purpose. This NAVADMIN updates Service Requirements Review Board (SRRB) policy (i.e., references (a) and (b) and provides SRRB guidance for FY 2026 and beyond, while ensuring alignment with the administration's major goals, policy priorities, and services acquisitions-related Executive Orders (EOs). The NAVADMIN also aligns with the Department of the Navy's (DON) FY 2025 implementation of the administration's major goals, policy priorities, and services acquisition-related EOs, which prioritizes the elimination of imprudent expenditures and the reduction of avoidable waste, all while ensuring mission effectiveness within a cost-efficient environment.
2. Background. The Department of the Navy executed over \$68.6 billion in contractual services obligations in FY 2025 and is on track to meet or exceed that amount in FY 2026. With nearly 24 percent of the DON's total obligation authority spent on contractual services, limited resources dictate the need to properly review, validate, and prioritize contractual services requirements. As such, the acquisition of services is a command responsibility, and DON Activity Commanders are responsible for the appropriate, efficient, and effective acquisition of services within their organizations.

a. The SRRB process shall be used to review, validate, and approve services requirements to accurately inform the budget and acquisition processes. In accordance with (IAW) reference (a), contract service requirements shall be vetted through an SRRB process as early in the services acquisition process as practical, but before the development of an acquisition strategy and before a procurement request package is transferred over to a contracting officer for execution.

b. Requirement reviews shall include, but not be limited by, the following considerations:

(1) Mission Need. Explanation of the mission need for the requirement and the outcomes to be achieved from acquiring services.

(2) Strategic Alignment. How the requirement for services supports the broader organizational mission.

(3) Issues and Risks. Both government and contractor issues and risks impacting the successful execution of fulfilling the requirement, as well as risks to the DON if the requirement is not validated and approved.

(4) Workforce Analysis. An analysis of the decision to insource or outsource, including any past decisions and why the requirement cannot be fulfilled with military or civilian personnel. The analysis shall take into consideration the Chief of Naval Operations Instruction (OPNAVINST) 1000.16L, Change 3 or succeeding document, "Navy Total Force Manpower Policies and Procedures."

(5) Relationship to Other Requirements. How the requirement for services impacts other requirements of the Department of War (DoW) Component (positively or negatively). For Information Technology (IT) services, ensure requirements are consistent with enterprise IT strategies.

(6) Prioritization. A determination as to whether the requirement for services is a lower-priority requirement that can be reduced or eliminated with savings transferred to higher-priority objectives or mission requirements.

(7) Contract Functions. A review and identification of contract and work functions that may be prohibited or require heightened management attention, including, but not limited to inherently governmental services, personal services, closely associated with inherently governmental functions and critical functions.

(8) Metrics. Performance management metrics shall be considered to the maximum extent practicable during the SRRB review and approval process.

(9) Product and Service Code (PSC) and Object Class Code (OCC). Correct PSCs and OCCs are required and reported at the contract line item number level. PSCs and OCCs are essential for spend and budget analysis, and as such, all personnel shall ensure the accuracy of PSCs and OCCs in both contracting and accounting systems.

c. As part of the SRRB process, requirements shall be routed to and obtain approved or "No Comment" feedback from the Department of Government Efficiency team assigned to DON prior to executing new contracts or task orders for Information Technology Consulting and Management Services (ITC&MS) (PSC Code "D") and Advisory and Assistance Services (A&AS) (PSC Code "R") IAW reference (c).

3. Services Defined. Service contracts are defined in the Federal Acquisition Regulation (FAR) Subpart 37.101 as a "contract that directly engages 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." All applicable DON-funded and unfunded services requirements with an estimated total cumulative value (i.e., base plus all options) of at least \$1 million (M) or greater for ITC&MS (PSC Code "D") and A&AS (PSC Code "R"); and \$2M or greater for all other types of services (unless a lower threshold set

at command level) require SRRBs, (including pre-priced contract options), with the following exceptions:

a. Services listed in Subpart 37.502 of the FAR and services obtained under contracts with a total cumulative value (i.e., base plus all options) of less than the command's threshold or less than \$1M for ITC&MS and A&AS requirements and less than \$2M for all other services requirements.

b. Services in direct support of a contingency, humanitarian, or peacekeeping operation as defined in FAR Subpart 2.101. This exemption shall apply to the response and initial deployment phase but shall terminate as soon as practical based on conditions on the ground and a determination by the decision authority.

c. Services that are required to respond to and recover from an emergency or disaster directly supporting an emergency declaration or a major disaster declaration by the President. This exemption shall apply to the response and initial recovery phase but shall terminate as soon as practical during the sustainment phase managing reconstruction and recovery efforts based on conditions on the ground and a determination by the decision authority.

d. Research and development services (PSC Category "A").

e. Services from DoW Federally Funded Research and Development Centers, which are acquired IAW the management structure described in FAR Subpart 35.017 and DoDI 5000.77; and from DoW University Affiliated Research Centers (UARCs), which are acquired IAW the management structure described in the DoW UARC Management Plan.

f. Construction services (PSC Category "Y") and Architecture and Engineering - Construction (PSC Category "C1").

g. Services that are managed and reviewed as part of defense acquisition programs under other Adaptive Acquisition Framework pathways (see <https://aaf.dau.edu/> for additional information on the pathways). Reference A and SRRB requirements may apply to services in the operations and support phase of these programs at the discretion of the Milestone Decision Authority.

h. Utilities services (PSC Category "S1").

i. Commercial subscription services including database and information systems, periodicals, publications, and educational course subscriptions.

j. As a point of clarification only, SRRBs are not required for services requirements funded 50 percent or more by Foreign Military Sales, Navy Marine Corps Intranet services, or Global Installation Contract services.

4. Equivalent SRRB Boards and Processes. There are equivalent boards and processes in place that also serve to review, validate, prioritize, and approve contractual services requirements. These boards and processes may be utilized as an SRRB so long as they yield the required results, capture required SRRB data and are chaired at the appropriate level as determined by the designated Flag Officer, General Officer, or Senior Executive Service Member (FO/GO/SES). The following are examples of existing SRRB equivalent boards or processes and are considered to satisfy the requirements of Reference B; therefore, are not required to undergo a separate SRRB:

a. Husbanding services requirements contracts executed based on the Naval Supply Systems Command (NAVSUP) approved port visit contracting processes. Port visit requirements shall be reviewed, validated, prioritized, and approved via the Fleets Port Visit Management Cost Avoidance process, coordinated by the Fleet Staffs, in conjunction with the Type Commanders, Numbered Fleet Commander staffs, NAVSUP Fleet Logistics Center contracting staff, and associated fleet comptroller personnel. Except as identified in this paragraph, all other provisions of this instruction apply to husbanding requirements.

b. Fleet/Shore Environmental programs that are reviewed via the Environmental Program Requirements Web process.

c. Services Requirements contracts for Ship Maintenance, Overhaul or Repair of vessels executed based on the mandated process in OPNAVINST 4700.7M to review, validate, prioritize, and approve ship maintenance requirements from the Fleets, as documented in the annual ship maintenance workload agreement, jointly signed by the Chief of Naval Operations, the Naval Sea Systems Command, and the Fleets. Only availabilities included in the ship maintenance workload agreement and validated through the Ship Maintenance Model nine step processes will be considered satisfying the SRRB requirements of this instruction. A SRRB services identification number will not be applied to ship maintenance, repair or overhaul availabilities. Additionally, unless an exemption in any other part of section 3 of this guidance applies, all applicable DON-funded and unfunded services requirements with an estimated total cumulative value (i.e., base plus all options) \$2M or greater in support of ship maintenance, repair and overhaul availabilities shall be boarded through SRRB.

d. Review boards that review and approve classified, cryptologic and intelligence programs or projects.

## 5. SRRB Requirements

a. The SRRB is a service contract requirement validation process. SRRB approval does not constitute a commitment to fund or to award a contract.

b. Commands are required to conduct SRRBs as a means of reviewing, validating, approving, and prioritizing all applicable DON-funded and unfunded services requirements with an estimated total cumulative value (i.e., base plus all options) at the respective SRRB threshold found in section 3 or greater. Commands may have a lower threshold than the respective SRRB threshold found in section 3 for SRRB review processes. This includes both base contracts and resulting task orders. However, execution of individual pre-priced options does not require additional SRRB approval but still needs to be reported to the SRRB and included in the FY 2026 SRRB Annual Report.

c. The requiring activity is responsible for submitting service contract requirements to the SRRB regardless of the source of DON funding.

d. Activities receiving funds from another command shall rely on the originating command's SRRB validation; an additional SRRB review is not required.

e. SRRBs shall be cross-functional with representation from the requiring, contracting, and financial management communities as they are available, and chaired by a FO/GO/SES. All applicable DON-funded and unfunded services requirements with an estimated total cumulative value (i.e., base plus all options) at the respective SRRB threshold found in section 3 or greater (or the Command threshold, whichever is lower) shall be approved via a SRRB chaired by a FO/GO/SES, or, for activities that do not have a FO/GO/SES member assigned, the first FO, GO, or SES member in the requiring activity's chain of command. Chairmanship of SRRBs for contractual services requirements below \$10M may be delegated in writing by the first FO, GO, or SES member in the requiring activity's chain of command to the O-6 or GS-15 level. Copies of written delegation documents shall be made available for review if requested by staff from the Office of the Deputy Assistant Secretary of the Navy for Procurement (DASN(P)), which is responsible for DON oversight of SRRB processes.

## 6. SRRB Internal Controls.

a. SRRB approvals shall be documented by the SRRB Chair and may include meeting minutes, action items, or recommendations. Such documents shall be

made available for review if requested by staff from DASN(P), which is responsible for DON oversight of SRRB processes. Additionally, this documentation may be requested in conjunction with Command Inspections.

b. All commands shall identify, document, and implement appropriate internal control processes via the SRRB services identification number to ensure that funding documents for contract service requirements are not submitted to contracting officers without SRRB validation.

c. Command Contractual Services Managers (CSMs) facilitate and help oversee the processes for Services Acquisition including SRRBs. CSMs act as an action officer on all matters related to contractual services within their organization. At the direction of the SRRB Chair, CSMs help develop and facilitate SRRB policies and procedures, document SRRB results, and conduct oversight to ensure compliance.

d. SRRB results shall be submitted annually by 31 October 2026 to DASN(P) Senior Services Manager IAW DASN(P)'s format. This calls for Echelon III and below to submit their results to Echelon II NLT 15 October 2026 to allow adequate time to meet the DASN(P) annual 31 October deadline.

e. IAW reference (a), the SRRB approval document must include a certification statement that each contractual services requirement validated through the SRRB process is in compliance with the standard guidelines found in the DoW Handbook of Contract Function Checklists for Services Acquisition (May 2018 or successor document), that all appropriate statutory risk mitigation efforts have been made, and that the purchase request does not include requirements formerly performed by DoW civilian employees.

f. It is understood that the SRRB approval document certification is based on the facts and analysis known at the time of SRRB review.

g. Rather than certifying each individual requirement, the SRRB approval document may make a single certification for all SRRB contractual actions which have been reviewed and approved during a single SRRB meeting or event. This may be done through various ways, such as a cover page to SRRB meeting notes, quad charts, or other SRRB approval documents.

7. Category Management. Commands shall employ management actions that align with Category Management principles IAW Office of Management and Budget, DoW, and DON Category Management policies. Category Management refers to the business practice of buying common goods and services as an enterprise to help the DON eliminate redundancies, increase efficiency, and deliver more value and savings from the government's acquisition programs. It requires participation during all phases of the acquisition process, and includes collection, sharing and analysis of data within and across commands, employing cross-departmental teams, and identification and distribution of best practices and lessons learned. The DON Category Management Program Office at NAVSUP, working under the direction of DASN(P), is available to assist with Command Category Management initiatives. They can be contacted via email at [usn.mechanicsburg.navsuphqmech.mbx.doncmpo-solutions@us.navy.mil](mailto:usn.mechanicsburg.navsuphqmech.mbx.doncmpo-solutions@us.navy.mil).

8. Released by VADM John B. Skillman, DCNO, N8.//

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