OFFICE OF THE UNDER SECRETARY OF DEFENSE
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ACQUISITION,
TECHNOLOGY
AND LOGISTICS

NOV -5 2012

MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION COMMAND (ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY (PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY (ACQUISITION AND PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE (CONTRACTING)
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Annual Review of the Acquisition of Services Policy and Oversight

Improvement in the tradecraft used to acquire services continues to be one of the highest priority focus areas for the Under Secretary of Defense (Acquisition, Technology & Logistics) (USD(AT&L)). Each year, in accordance with DoDI 5000.02, Enclosure 9, Paragraph 3.f., our office performs an overarching review to assess the Department's progress in this important area. This year, we will accomplish the review by asking each of you to provide a brief written response to each of the topics listed on the attached summary.

In addition, and consistent with a recent DoD IG finding and report recommendation (reference Project No. D2011-D00AT-0253.000), you are requested to conduct a review of knowledge-based service contracts valued at $10 million or more that have been awarded to a single contractor for which the period of performance exceeds three years (including options). The purpose of this review is to identify appropriate opportunities to conduct more frequent re-competition. If your organization had already conducted such a review in response to the memorandum signed by the USD(AT&L) on November 3, 2010, request you re-address to review contracts that have been awarded since the original assessment.

Please submit your response to Ms. Susan Hildner, Deputy Director, Contract Policy and International Contracting, susan.hildner@osd.mil by December 7, 2012.

Richard Ginman
Director, Defense Procurement
and Acquisition Policy

Attachment:
As stated

REVIEW TOPICS

1. Has the policy embodied in DFARS Case 2011-D013, "Only One Offer" resulted in a marked improvement in the degree or quality of effective competition for services in your organization? If so, how? If not, what impediments (if any) exist?

   Reference:
   http://www.acq.osd.mil/dpap/dars/dfars/changenotice/2012/20120629/fr_2011-D013.pdf

2. To what extent has your organization used the Automated Roadmap Requirements Tool (ARRT) to develop performance work statements?

   Reference: DFARS Subpart 237.102-77 and http://sam.dau.mil/

3. To what extent has your organization used the services of the Defense Acquisition University staff to conduct Service Acquisition Workshops (SAWs) for facilitated support in refining and better articulating requirements for services? What plans (if any) does your organization have to use a "train the trainer" concept to develop your own organic capacity to facilitate SAWs?

   Reference: http://icatalog.dau.mil/onlinecatalog/courses.aspx?crs_id=1631

4. This year, a market research working group comprised of members from DPAP, DAU, the Military Departments and other Defense Components collaborated to publish a Market Research Report Guide for Services (see DFARS PGI 210.070). The next step is to determine the most appropriate means of storing and disseminating market research data collected using the template that the Guide provides. To what extent are the requiring and other officials in your organization aware that this product exists? What feedback does your organization have regarding improvement of market research for service acquisitions?

   Reference: http://www.acq.osd.mil/dpap/dars/pgi/pgi_htm/PGI237_1.htm

5. Your organization responded to the Deputy Secretary's March 4, 2012 request to provide initial implementation plans to address Section 863 of the National Defense Authorization Act for FY 2011 regarding Requirements for the Acquisition of Services. Please describe the progress your organization has made in executing these plans.

   Reference: http://www.acq.osd.mil/dpap/policy/policyvault/OSD001863-12AM1.pdf

6. This past year, DPAP formed the Acquisition of Services Functional Product Team (FIPT) for the purpose of developing training solutions and to address the needs of those who are responsible for managing service acquisitions, including those who are not members of the Defense Acquisition Workforce. What recommendations does your organization have to utilize this FIPT?

   Reference: http://www.acq.osd.mil/dpap/cpic/cp/acquisition_of_services_policy.html

7. This past year, DPAP published the COR Handbook. To what extent are the requiring and other officials in your organization aware that this product exists?

   Reference: http://www.acq.osd.mil/dpap/cpic/cp/docs/USA001390-12_DoD_COR_Handbook_Signed.pdf

8. Has your organization accounted for all assigned contracting officer representatives (CORs) in the COR Tool (CORT) as required by USD(AT&L) memorandum, dated March 21, 2011? Please describe the progress your organization has made to comply with this requirement and please describe any issues you are encountering.

   Reference: DFARS PGI 201.602-2(iii) and http://www.acq.osd.mil/dpap/dars/pgi/docs/Signed_CORT_Policy_Memo.pdf

9. Provide the results the review of knowledge-based service contracts valued at $10 million or more that have been awarded to a single contractor for which the period of performance exceeds three years (including options). Provide a brief plan as to how the review identified appropriate opportunities to conduct more frequent re-competition.

10. Do you have any recommendations for additional policy or support that OSD should provide to improve the Department's efforts to improve the acquisition of services?