



OFFICE OF THE UNDER SECRETARY OF DEFENSE
3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

JUN 13 2006

ACQUISITION
TECHNOLOGY
AND LOGISTICS

In reply refer to
DAR Tracking Number 2006-E0002

MEMORANDUM FOR COMMANDER, UNITED STATES TRANSPORTATION
COMMAND

SUBJECT: Defense Transportation Coordination Initiative (DTCI) Request for
Deviation from DFARS 252.242-7002 and DFARS 252.242-7001

In accordance with the provisions of DFARS 201.402 and 201.403, I hereby grant the subject request for an individual deviation from the requirements of DFARS 252.242-7002, Earned Value Management System, and DFARS 252.242-7001, Notice of Earned Value Management System, for implementation of Earned Value Management (EVM) guidelines on Department of Defense (DoD) cost-type contracts with a dollar value of \$20 million or greater.

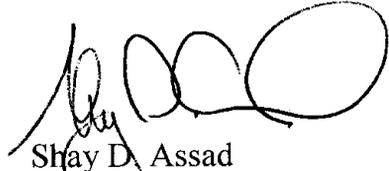
This individual deviation is granted based on the unique circumstances of this contract and is applied only to the contract awarded under this particular solicitation. As approved, there are no anticipated significant effects beyond the internal operating procedures of USTRANSCOM. The anticipated impact on the Government will be reduced administrative costs. This approval is subject to the following conditions:

- One time deviation from DFARS 201.403(1) as applied to the subject clauses requiring individual deviations to be approved in accordance with the department/agency plan prescribed by DFARS 201-304(4). This will apply to the lesser of six months from the date of this memorandum or until such time as the USTRANSCOM command plan and policy are approved.
- The deviation applies to contractor business segments that, at the time of award, do not already have an EVMS that complies with Government requirements. If the contractor business segment uses an EVMS to manage as part of its normal business operations, that business segment would be expected to use EVM for DTCI, as appropriate. However, the business segment would not be expected to conduct the extra effort of EVM reporting (Contract Performance Report and Integrated Master Schedule).



- Contract costs will be established on competitive commercial rates.
- Adequate DTCI systems and contract performance metrics requirements are in place to track, report and control overall contract schedule performance.

Any concerns may be referred to Craig Curtis at (703) 614-6719 or craig.curtis@osd.mil.

A handwritten signature in black ink, appearing to read 'Shay D. Assad', with a stylized flourish at the end.

Shay D. Assad
Director, Defense Procurement
and Acquisition Policy