



THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3010

ACQUISITION  
TECHNOLOGY  
AND LOGISTICS

SEP 16 2011

Lt Gen Lawrence P. Farrell, Jr., USAF (Ret.)  
President & CEO  
National Defense Industrial Association  
2111 Wilson Boulevard, Suite 400  
Arlington, VA 22201

  
Dear General Farrell:

Thank you for sharing the National Defense Industrial Association (NDIA) and Contract Services Association (CSA) thoughts about the possible consequences of our proposed initiative to limit source/origin inspection on contracts under \$250,000. I understand your concerns with impacts on the inspection, acceptance, and payment processes. However, the advantages of moving in this direction are significant. We are developing a proposed rule to publish in the Federal Register and will include your specific comments in the final assessment of the rule.

Source inspections on items below \$250,000 without technical requirements, defined salient product characteristics, and the ability to validate manufacturing processes are of negligible value. Inspection and acceptance for these items typically require only an evaluation of kind, count and condition which also occurs at destination. For the most part, this type of evaluation does not justify the resources needed to conduct a source inspection. I believe that the policy proposed for implementation will result in a more efficient system of appropriate inspections. I anticipate Wide Area Workflow (WAWF) will improve the processes both at source and destination and will mitigate, and eventually eliminate, your concerns about delayed payments and varying inspection and acceptance procedures.

The Defense Contract Management Agency (DCMA) can provide you with more details on our progress with WAWF and other automated processes that will improve the timeliness of the acceptance and payment process. The point of contact at DCMA is Robert Schmitt, who can be reached at (703) 428-1143 or at [Robert.schmitt@dcma.mil](mailto:Robert.schmitt@dcma.mil). I appreciate your suggestions and look forward to working together on these process improvements.

Sincerely,

  
Michael W. Wynne  
Acting





ACQUISITION  
TECHNOLOGY  
AND LOGISTICS

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3010

SEP 16 2010

Mr. Gary D. Engebretson  
President, Contract Services Association of America  
1000 Wilson Boulevard, Suite 1800  
Arlington, VA 22209

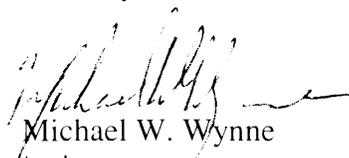
Dear Mr. Engebretson:

Thank you for sharing the National Defense Industrial Association (NDIA) and Contract Services Association (CSA) thoughts about the possible consequences of our proposed initiative to limit source/origin inspection on contracts under \$250,000. I understand your concerns with impacts on the inspection, acceptance, and payment processes. However, the advantages of moving in this direction are significant. We are developing a proposed rule to publish in the Federal Register and will include your specific comments in the final assessment of the rule.

Source inspections on items below \$250,000 without technical requirements, defined salient product characteristics, and the ability to validate manufacturing processes are of negligible value. Inspection and acceptance for these items typically require only an evaluation of kind, count and condition which also occurs at destination. For the most part, this type of evaluation does not justify the resources needed to conduct a source inspection. I believe that the policy proposed for implementation will result in a more efficient system of appropriate inspections. I anticipate Wide Area Workflow (WAWF) will improve the processes both at source and destination and will mitigate, and eventually eliminate, your concerns about delayed payments and varying inspection and acceptance procedures.

The Defense Contract Management Agency (DCMA) can provide you with more details on our progress with WAWF and other automated processes that will improve the timeliness of the acceptance and payment process. The point of contact at DCMA is Robert Schmitt, who can be reached at (703) 428-1143 or at [Robert.schmitt@dcma.mil](mailto:Robert.schmitt@dcma.mil). I appreciate your suggestions and look forward to working together on these process improvements.

Sincerely,

  
Michael W. Wynne  
Acting

