



ACQUISITION
TECHNOLOGY
AND LOGISTICS

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

APR 22 2005

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
(ATTN: ACQUISITION EXECUTIVES)
COMMANDER, USSOCOM (ATTN: ACQUISITION
EXECUTIVE)
COMMANDER, USTRANSCOM (ATTN: ACQUISITION
EXECUTIVE)
GENERAL COUNSEL OF THE DEPARTMENT OF
DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT
OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS, DEFENSE AGENCIES
DIRECTORS, DOD FIELD ACTIVITIES

SUBJECT: Acquisition of Services Policy Review

Sections 801 and 803 of the National Defense Authorization Act for Fiscal Year 2002 established a series of requirements intended to regulate the acquisition of services in the Department of Defense. Those requirements were satisfied and institutionalized by an Acquisition of Services policy letter issued by the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)) on May 31, 2002.

Nearly three years have passed since the policy was issued. Given our steadily increasing investment in this category of acquisition, the USD(AT&L) has directed me to conduct a formal acquisition of services policy review. The review will assess compliance with Department policy while soliciting your views on ways to improve that policy. The review will be conducted in two phases:

- Phase 1 is a data call. Agencies will submit a copy of their acquisition of services policy and a chart illustrating the agency oversight function. The chart should depict the agency decision authority, any delegated authorities and associated dollar thresholds, and the key decision points in the agency's acquisition of services oversight process. In addition, the data required to be collected by the May 31, 2002, USD(AT&L) policy letter will be submitted for the top twenty acquisitions initiated since the policy was promulgated. Attachment 1 of this letter



is an image of the spreadsheet to be used to collect and submit this information. An electronic version of the spreadsheet is available at <http://www.acq.osd.mil/dpap/paic/ServicesPolicy.htm>. The Phase 1 information will be submitted by June 1, 2005.

- Phase 2 will require a briefing to include the items listed in attachment 2. The briefing will be required for each military service and Washington Headquarters Services. Other agencies will be selected to brief based on a review of the information submitted in Phase 1.

As a result of the review, I will provide an implementation summary to the USD(AT&L) with recommendations for policy improvements and adjustments to current delegation authority consistent with the management practice reported during the review.

Please provide the name of your Point of Contact to Mr. Skip Hawthorne, [skip.hawthorne@osd.mil or (703) 692-9556], by April 30, 2005. He will respond to your questions and assist with necessary scheduling. Phase 1 information will be submitted electronically to bob.miglin.ctr@osd.mil.

I look forward to your support for and active participation in this important review. Together, we can thoughtfully consider our policy and ensure effective management of these important acquisitions.



Deidre A. Lee
Director, Defense Procurement
and Acquisition Policy

Attachments:
As stated

Attachment 1

DATA COLLECTION SPREADSHEET FOR 2005 ACQUISITION OF SERVICES REVIEW

AGENCY INFORMATION	
Submitting Agency	
Agency Code	
FPC Meeting Number	
FPC Final Answer	
Agency Comments	Type your comments here. If you "paste" in text from another source, you must paste it into the "fx" line in the Excel menu/toolbar area.

GENERAL INSTRUCTIONS FOR COMPLETING THIS DATA COLLECTION SPREADSHEET

1. This spreadsheet contains 20 tabbed worksheets, each labeled "#1" through "#20." Use a separate tab for each of the top 20 acquisitions that you are reporting.
2. This spreadsheet uses three types of response mechanisms:
 - a. Some data entry cells require a short text entry; just type in your response.
 - b. Some cells will provide you a choice of sample answers in a "drop-down" list. Click the cell, then the arrow head that appears on the right. When you click the arrow head, the drop-down list will appear. If necessary, you may scroll up and down through the list. Click the entry that you desire as your response, then click "Enter." If your desired entry does not appear in the list, select "Other" and explain in the "Comments" block.
 - c. Some cells require longer text entries. You may directly type in the needed text. If you want to paste text from an existing document, select the desired text in the source document and use the copy function. Return to the spreadsheet you are completing, and select the cell for the response. Paste the text from the source document into the "fx" data entry zone in the Excel toolbar/menu area at the top of the Excel application.
 - d. If you prefer to submit an electronic copy of the source document mentioned in 2.c., you may attach the file to your agency response, along with this completed spreadsheet. In that case, enter the exact file name for the attached source document into the cell requesting the data.
3. If you have any questions about the operation of this spreadsheet, or need technical assistance, contact Mr. Bob Miglin at (703) 695-2400 or bob.miglin.ctr@osd.mil.

EXPLANATIONS OF REQUIRED DATA ELEMENTS

Identifier: Identify the contract number and task order or provide other unique ID of the acquisition.

Date: Specify the date of the contract and task order or other arrangement.

POC for this Action: Identify a point of contact to discuss this acquisition.

Description of Services

Purchased: Provide a brief summary.

Total Amount of Purchase (\$K): Indicate the total dollar amount of the purchase, including all option years.

Performance Period: Self-explanatory.

Solicitation Procedure: Select from the drop-down list. If "Other," discuss in "Comments," below.

Authority for Other than Full & Open Competition: Select from the drop-down list. Some entries are specific to Government-wide Acquisition Contract (GWAC) or Multiple Award Contract (MAC) contract vehicles. If "Other," discuss in "Comments," below.

Type of Action: Select from the drop-down list. If "Other," discuss in "Comments," below.

of Offers Received: Self-explanatory.

Contract Agency: Identify the agency issuing the contract. Select from the drop-down list. If "Other," discuss in "Comments," below.

Ordering Activity: Identify the agency placing the order against the contract. Select from the drop-down list. If "Other," discuss in "Comments," below.

Selected Vendor: Select from the drop-down list. If "Other," discuss in "Comments," below.

Describe how the contract and task order or other arrangement was performance-based.

Self-explanatory.

Post Award Administration:

Administration: Identify the administering agency and the COR.

Payment Schedule: Describe the timeliness of payments. If other than "On Time," explain.

Government Satisfaction with Contract Performance:

Identify the degree of satisfaction with the vendor. If not "Fully Satisfied," discuss how the dissatisfaction was resolved.

Suggestions for Improvement:

Use this block to submit lessons learned, identify opportunities to improve, and propose policy changes.

Comments:

Provide additional comments about this acquisition.
Include required explanations of above data elements.

Summary of the Acquisition Strategy:

Provide a summary of the program structure and principal elements of the acquisition strategy.

Acquisition Program Baseline:

Enter the list of cost, schedule, and performance parameters from the program APB. Adjust the "height" of the row if any entry exceeds the size of the cell.

DATA COLLECTION WORKSHEET FOR 2005 ACQUISITION OF SERVICES REVIEW

REQUIRED INFORMATION FOR THE TOP 20 ACQUISITIONS BY DOLLAR AMOUNT

Identifier:

(e.g., Contract and Task #, other ID)

Date:

POC for this Action:

POC Telephone Number:

POC Email Address:

Description of Services Purchased:

Total Amount of Purchase (\$K):

Performance Period:

- Solicitation Procedure:** Full and Open Competition
(Choose One) Other than Full & Open Competition
Set-Aside
Government-wide Acquisition Contract (GWAC)
Multiple Award Contract (MAC)
Multiple Award Schedule
Other Procedure--Describe in "Comments," below

of Offers Received:

- Authority for Other than Full & Open Competition:** Unique Source
(Choose One) Follow-On Contract
GWAC Follow-on to Competition (Sec. 803 Compliant)
GWAC Follow on to Competition (Other-- Describe in "Comments")
MAC Follow-on to Competition (Sec. 803 Compliant)
MAC Follow on to Competition (Other-- Describe in "Comments")
Unsolicited Research Proposal
Patent or Data Rights
Utilities
Standardization
Only One Source – Other
Urgency

Particular Sources
International Agreement
Authorized by Statute
Authorized Resale
National Security
Public Interest
Satisfy a Minimum Guarantee
Other Authority--Describe in "Comments," below

Type of Action: Fixed-Price Redetermination
(Choose One) Firm-Fixed-Price
Fixed-Price Economic Price Adjustment
Fixed-Price Incentive
Fixed-Price-Award-Fee
Cost-Plus-Award-Fee
Cost Contract
Cost-Sharing
Cost-Plus-Fixed-Fee
Cost-Plus-Incentive-Fee
Time-and-Materials
Labor-Hour
Hybrid--Describe in "Comments," below
Other Type--Describe in "Comments," below

Contract Agency: Department of Defense
(Choose One) General Services Administration
Department of Interior
Department of Homeland Security
Department of Agriculture
Department of Health and Human Services
National Aeronautics and Space Administration
Other--Describe in "Comments," below.

Ordering Agency: Department of Defense
(Choose One) General Services Administration
Department of Interior
Department of Homeland Security
Department of Agriculture
Department of Health and Human Services
National Aeronautics and Space Administration
Other--Describe in "Comments," below.

Selected Vendor is a Small Business
(Choose One) Small Business Owned and Controlled by Socially and
Economically Disadvantaged Individuals
Small Business Owned and Controlled by Women
Other Business Concern--Describe in "Comments," below.

Describe how the contract and task order or other arrangement was performance-based.

Post Award Administration:

Payment Schedule:

Government Satisfaction with Contract Performance:

Suggestions for Improvement:

Type your response. If you "paste" in text from another source, you must paste it into the "fx" line in the Excel menu/toolbar area, above.

Comments:

Type your response.

Summary of the Acquisition Strategy:

Type your response. If you "paste" in text from another source, you must paste it into the "fx" line in the Excel menu/toolbar area, above.

Acquisition Program Baseline

Parameter

As Of Date

Threshold

Objective

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Cont'd, as necessary

- **This data should be submitted for the top twenty service acquisitions, by dollar amount, initiated after May 31, 2002.**
 - **An electronic version of the spreadsheet is available at <http://www.acq.osd.mil/dpap/paic/ServicesPolicy.htm>.**
 - **If you have any questions about the operation of this spreadsheet, or need technical assistance, contact Mr. Bob Miglin at (703) 695-2400 or bob.miglin.ctr@osd.mil.**

Attachment 2

Director, DPAP, Acquisition of Services Review Briefing Items

- Summarize Service/Agency Acquisition of Services Implementation Policy
- Describe Accountable Executive Responsibilities and Organization
- Detail Top 10 Acquisitions of Services based on Contract Value
- Describe Current Status of the Top 10 Acquisitions
- Discuss Management Practices that have been Implemented to Improve the Acquisition of Services and Reduce Expenditures
- Discuss Lessons Learned and Identify Opportunities to Improve
- Propose Policy Changes