



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

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

JUN 23 2009

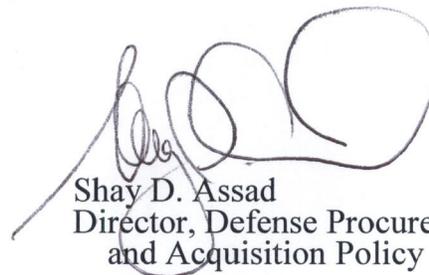
MEMORANDUM FOR DIRECTORS, DEFENSE AGENCIES
DIRECTORS, DOD FIELD ACTIVITIES

SUBJECT: GAO Report No. GAO-08-379, "Defense Acquisitions: Termination Costs Are Generally Not a Compelling Reason to Continue Programs or Contracts That Otherwise Warrant Ending," March 14, 2008

In the subject final report, the Government Accountability Office (GAO) recommended that DoD review, and as needed amend, guidance on terminations across the military services and DoD. The review was to ensure that termination guidance consistently identifies the conditions under which it is appropriate to end programs or contracts, and that current guidance provides the knowledge needed to use terminations as an investment portfolio tool.

When the GAO brought this to my attention, I requested the military departments and the Defense Contract Management Agency (DCMA) conduct a review of the current termination guidance within their organizations. That review is complete. In order to ensure that all guidance within the Department has been addressed, the Defense Agencies and DoD Field Activities will verify all termination guidance within their organizations adequately address conditions under which it is appropriate to end programs or contracts. Your report must be submitted to my office within sixty (60) days of the date of this memorandum.

My staff point of contact for this subject is Mr. Warren Arneson. He can be reached at 703-695-4258 or warren.arneson@osd.mil.



Shay D. Assad
Director, Defense Procurement
and Acquisition Policy

