



**ACQUISITION
TECHNOLOGY
AND LOGISTICS**

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

AUG 21 2009

**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), ASA (ALT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(ACQUISITION AND LOGISTICS MANAGEMENT),
ASN (RDA)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING), SAF/AQC
DIRECTORS, DEFENSE AGENCIES
DIRECTORS, DOD FIELD ACTIVITIES**

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

The purpose of this memorandum is to inform you that we will be initiating the annual review of of the Department's policy for the acquisition of services as required by DoDI 5000.02, Enclosure 9, Paragraph 3.f. The focus of last year's review was to understand the processes and procedures that you had put in place to ensure effective management and oversight of service acquisitions. We sought to ensure that the basic tenets and best practices I expect to see in my reviews of service acquisitions over \$1 billion were being institutionalized at all levels throughout the Department. In response to your feedback during last year's review, I issued guidance on February 18, 2009, formally detailing the desired elements of the DoD architecture for service acquisitions.

The focus of this year's review will be to understand the measures and criteria you have put in place to ensure proper implementation of your policies and to understand more fully your engagement in the review process for service acquisitions that takes place at various levels within your organization. We will also be looking at the processes and procedures that you have put in place for identifying and conducting Peer Reviews, including post award/post execution reviews for service acquisitions at thresholds you have established below \$1 billion.

The Department has been working diligently to improve the acquisition of services, which continues to be identified as a high risk area by the General Accountability Office (GAO). We need to not only ensure that we have effective policies



in place, but that those policies are being implemented in a manner which ensures improvement. We will also be following up on your progress to ensure proper contract surveillance to include the appointment of Contracting Officer Representatives (CORs), use of quality assurance surveillance plans, the development and use of multi-functional support cadre, and other topics as identified in the Attachment. We will also want to discuss any issues that have surfaced as a result of the on-going work being conducted by the General Accountability Office (GAO) to follow up on their 2006 audit "DEFENSE ACQUISITIONS: Tailored Approach Needed to Improve Service Acquisition Outcomes." We anticipate receiving feedback from the GAO in the next few weeks.

I have asked Susan Hildner, Deputy Director, Contract Policy and International Contracting to lead these reviews. She will be joined by other members of my staff. You will be contacted shortly to schedule your review.



Shay D. Assad
Director, Defense Procurement
and Acquisition Policy

Attachment:
As stated

DISCUSSION TOPICS

- Please be prepared to provide the following:
 - Total Value of Service Acquisitions for FY 2008 and FY 2009 to date
 - # of acquisition strategies reviewed at each level and issues identified
 - # of internal Peer Reviews or Peer Review-like activities at each level in the organization
- Detailed information on CORs to include how you are ensuring that the appropriate number of trained CORs is assigned to oversee service contracts and the extent to which you are using Quality Assurance Surveillance Plans to provide monitoring and oversight
- Any metrics that have been collected to address service acquisition tenets as identified in the February 18, 2009 DPAP memorandum
- Use of a multi-functional support cadre
- Internal Peer Reviews
 - How many have been conducted
 - Are they phased reviews
 - How many are post execution reviews
 - Any trends identified and lessons learned
- Forecasts of upcoming strategies and related reviews both above and below the \$1 Billion threshold