



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

JUN 11 2014

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)
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(ACQUISITION AND PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING)
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Interagency Acquisitions

The decision to utilize the assisted services of any non-DoD Agency is ultimately a business decision. As part of that business decision and in accordance with Defense Federal Acquisition Regulation Supplement 217.7802, DoD policy, and good business practice, the Department must take into consideration the total fees it pays other agencies for their support.

In an audit of DoD direct and indirect transactions that were executed through the Department of the Interior (DoI), the DoD Inspectors General (DoDIG) expressed concern that Department leadership was unaware that, on occasion, DoI executes contract actions on our behalf utilizing other agencies' contract vehicles for which a fee is required. The issue raised by the DoDIG is that this approach runs the risk of paying excessive fees to meet mission needs. For example, when a DoD activity sends funds to an Acquisition Services Directorate or other commensurate organization for execution, it may be decided that the requirement can best be met by placing an order under another agency's vehicle that may charge a direct or indirect fee for use of the vehicle.

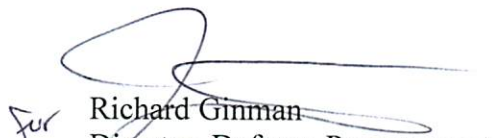
The National Aeronautical and Space Administration's (NASA) Solutions for Enterprise-Wide Procurement (SEWP), a multi-award Government-Wide Acquisition Contract vehicle, is an example of a contract vehicle that might be used by an assisting agency if the planned acquisition is focused on Information Technology solutions. In this circumstance, the Department pays a fee to DoI, or another agency, for their assisted acquisition support, and a fee to NASA for the use of the SEWP to meet the requirement.

We share the DoDIG's concern with regard to ensuring that the fees we are paying for assisted acquisition are reasonable and appropriate. We understand that in some instances, requirements sent to DOI, General Services Administration or other agencies providing assisted acquisition support may be broad enough or sufficiently complex that a portion of the

requirement can best be met by using a vehicle other than that of the assisting agency. Although these circumstances may be minimal in the overall total of annual procurement actions, contracting officers and requiring activities should be mindful of the total fees paid to assisting agencies for their services and the use of non-DoD contract vehicles to meet DoD requirements.

Effective immediately, ensure full awareness of the total costs of all fees associated with use of a non-DoD contracting vehicle by requiring the assisting agency to notify you if its acquisition approach envisions the use of another agency's contract vehicle. The decision to continue with the proposed acquisition given the total fees involved must be part of the documentation supporting the business decision to use the assistance of another agency.

Please contact Mr. Michael Canales, 703-695-8571 or Michael.J.Canales4.civ@mail.mil, if additional information is required.


Richard Ginman
Director, Defense Procurement
and Acquisition Policy