



OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

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ACQUISITION,
TECHNOLOGY
AND LOGISTICS

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

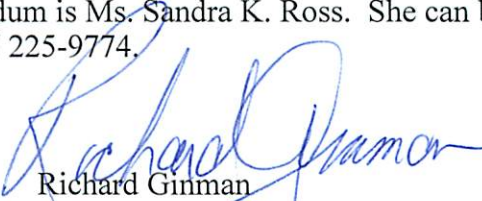
SUBJECT: Notification of Compelling Reason Determination

Reference U.S. Government Accountability Office (GAO) Report 12-932, "Suspension and Debarment: DoD has Active Referral Processes, but Additional Action Needed to Promote Transparency."

The GAO found the four Department of Defense Components examined, (Army, Navy, Air Force and the Defense Logistics Agency) have active processes for referring identified cases of contractor misconduct for appropriate action, including suspension and debarment. The Federal Acquisition Regulation prohibits all executive agencies from doing business with suspended or debarred contractors unless a compelling reason determination has been made and documented.

The GAO had one recommendation in the report that the Secretary direct the Under Secretary of Defense for Acquisition, Technology, and Logistics to ensure that each DoD Component is aware of and complies with the requirement to notify the General Services Administration (GSA) of any determination that a compelling reason exists to continue to do business with a contractor that has been suspended or debarred. The specific requirement to report to GSA's Office of Acquisition Policy can be found at DFARS 209.405 and is implemented through appropriate agency guidance.

My point of contact for this memorandum is Ms. Sandra K. Ross. She can be reached at Sandra.Ross@osd.mil, 703-695-9774 or DSN 225-9774.


Richard Ginman
Director, Defense Procurement
and Acquisition Policy

cc:

Commander, U.S. Army Legal Services Agency
The General Counsel of the Department of the Navy
Deputy General Counsel (Contractor Responsibility)
Director, Defense Advanced Research Projects Agency
The General Counsel, Defense Information Systems Agency
The Senior Procurement Executive, Defense Intelligence Agency
The Special Assistant for Contracting Integrity, Defense Logistics Agency
The General Counsel, National Geospatial Intelligence Agency
The Director, Defense Threat Reduction Agency
The Senior Acquisition Executive, National Security Agency
The General Counsel, Missile Defense Agency