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


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.

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Richard Ginman
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