MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DEPUTY CHIEF MANAGEMENT OFFICER
COMMANDANT OF THE COAST GUARD
COMMANDERS OF THE COMBATANT COMMANDS
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
DIRECTORS OF DEFENSE AGENCIES
DIRECTOR OF COST ASSESSMENT AND PROGRAM EVALUATION
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
CHIEF INFORMATION OFFICER OF THE DEPARTMENT OF DEFENSE
ASSISTANT SECRETARY OF DEFENSE FOR LEGISLATIVE AFFAIRS
ASSISTANT TO THE SECRETARY OF DEFENSE FOR PUBLIC AFFAIRS
DIRECTORS OF DEFENSE AGENCIES
DIRECTORS OF DOD FIELD ACTIVITIES

SUBJECT: Bridge Action Reduction Measures and Reporting Requirement

Reference: (a) GAO-16-15, “SOLE SOURCE CONTRACTING: Defining and Tracking Bridge Contracts Would Help Agencies Manage Their Use”

The timely re-competition and renegotiation of our continuing DoD product and services requirements represents a critical opportunity for securing the best deals in support of our warfighters. The use of bridge actions to extend products or services under a non-competitive arrangement forces the Department to pay current contract prices under extended arrangements. This is a serious impediment to achieving best value through competition and contracting officers should seek better prices under new competitively awarded contracts.

In FY 2015, there were over 1,100 bridge actions with obligations exceeding $13.7 Billion. This represents a lost opportunity for savings that could have been realized from new competitively awarded contracts and redirected for other mission priorities. While circumstances such as bid protests will always have the potential to arise and are outside of the acquisition team’s control, many of the FY15 bridge actions were the result of inadequate planning as highlighted in reference (a).

The Department must strive to reduce bridge actions; therefore, we are directing each Military Department and DoD Component to develop a plan to reduce them and to report results...
annually in accordance with the attached instructions. We are confident your concerted efforts will lead to the reduction in non-competitive bridge actions. The point of contact for this action is Mr. Kenneth Brennan at kenneth.m.brennan6.civ@mail.mil or 571-372-8215.

GIBSON JOHN H
Deputy Chief Management Officer

Ellen M. Lord
Under Secretary of Defense
for Acquisition, Technology, and Logistics

Attachments:
1. Bridge Action Background
2. Bridge Action Reduction Plan Timeline
3. DoD Annual Bridge Action Reporting Instructions and Sample
Attachment 1

Bridge Action Background

A definition for “bridge action” (interchangeably referred to as “bridge contract”) does not exist in the Federal Acquisition Regulation (FAR) or Defense Federal Acquisition Regulation Supplement (DFARS). A bridge action describes a non-competitive action requiring a justification to include, but not limited to, a formal justification and approval (FAR Part 6 or 13.5), limited sources justification (FAR Part 8.4), and exception to fair opportunity (FAR Part 16.5), to retain the current or similar product or service as a result of delay in the negotiation and award of a follow-on contract. Bridge actions are executed through the following methods:

- A modification to an existing contract to extend the period of performance, increase the cost ceiling/value, or both.

- The award of a new, interim sole source contract, either to the same contractor or to a new contractor, to cover the time frame between the end date of the existing contract and award of a follow-on contract.

Extensions of services executed in accordance with FAR clause 52.217-8, Option to Extend Services, should not be considered a bridge action unless or until the total six (6) month extension period allowed by the clause is exceeded.

Each Military Department (MILDEP) and DoD Component shall submit a baseline of the number of bridge actions and costs executed in FY17 by 28 February 2018. Components shall derive the total bridge action cost for the fiscal year by summing the contract cost ceiling/value impact of each bridge action as follows:

- **Bridge actions by contract modification** - any remaining contract cost ceiling/value to be used during the extended period (i.e., the cost that the component otherwise would not have incurred under the existing contract cost ceiling were it not for the bridge action), plus any increase to the contract ceiling/value.

- **Bridge actions by new contract** - the total amount of the new contract ceiling/value (to include any amount of priced options).

Crossing Fiscal Years. If a component executes a bridge action in FY17 for which the period of performance crosses into FY18, both FY17 and FY18 amounts impacting cost ceiling / value should be reported in FY17.

Each MILDEP and DoD Component shall submit a written plan for reducing its bridge action execution in FY18 and beyond by 28 February 2018. Each MILDEP and DoD Component shall decide on the makeup and format of the plan to appropriately represent the best way to reduce bridge actions for its component. The plan should represent a methodical approach for achieving immediate and sustained results. Results will be tracked annually.

Starting in November 2018, each MILDEP and DoD Component shall submit an annual report due no later than November 30 every year on its bridge contract execution for the previous fiscal year. A timeline for the required milestones and corresponding due dates and the reporting instructions with a sample spreadsheet are attached.
## Attachment 2

### Bridge Action Reduction Plan Timeline

<table>
<thead>
<tr>
<th>Task</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop baseline of Bridge Actions executed in FY17</td>
<td>28 February 2018</td>
</tr>
<tr>
<td>(Submit to <a href="mailto:osd.pentagon.ousd-atl.mbx.services-acquisition@mail.mil">osd.pentagon.ousd-atl.mbx.services-acquisition@mail.mil</a>)</td>
<td></td>
</tr>
<tr>
<td>Develop plan for Bridge Action reduction in FY18 and beyond</td>
<td>28 February 2018</td>
</tr>
<tr>
<td>(Submit to <a href="mailto:osd.pentagon.ousd-atl.mbx.services-acquisition@mail.mil">osd.pentagon.ousd-atl.mbx.services-acquisition@mail.mil</a>)</td>
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</tr>
<tr>
<td>Submit first annual Bridge Action Report</td>
<td>30 November 2018</td>
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<tr>
<td>(Use the attached spreadsheet template / instructions)</td>
<td></td>
</tr>
<tr>
<td>Submit subsequent annual Bridge Action Reports</td>
<td>30 November / Annually</td>
</tr>
<tr>
<td>(Use the attached spreadsheet template / instructions)</td>
<td></td>
</tr>
</tbody>
</table>
## Column Descriptions

### # Bridge Actions
Represents the total number of bridge actions (either by modification or new sole source contract) executed across the entire component for the previous FY. This should include any action for which the purpose was to extend the products being delivered or services being provided under an existing contract due to a delay in the award of a competitive follow-on contract for the same, or essentially the same, products or services. Extensions exercised in accordance with FAR clause 52.217-8, Option to Extend Services, do not apply until/unless they exceed the 6-month extension limit authorized by the clause.

### Total Cost
Represents the grand total cost (not total obligations) for all executed bridge actions. For bridge actions executed by contract modification, total cost shall be inclusive of any remaining contract ceiling/value to be used during the extended period (i.e., the cost that the component otherwise would not have incurred under the existing contract were it not for the bridge action) as well as any increase to the contract ceiling/value. For bridge actions executed with a new sole source contract, total cost shall represent the contract ceiling/value of the new contract.

### % Delta (# Bridge Actions)
Documents the percentage change in the number of bridge actions executed in the FY currently being reported from the number of bridge actions executed in the immediately precedent reported FY.

### $ Delta (Total Cost)
Documents the change in the total cost of bridge actions executed in the FY currently being reported relative to the total cost of the bridge actions executed in the immediately precedent reported FY.

### # Recurring Bridge Actions
Represents the number of actions within the # Bridge Actions total that constitute successive bridge actions (i.e., more than one bridge action executed in a row prior to re-competition/re-negotiation of the requirement). For example, if a contract had been bridged in FY2017 and then bridged again in FY2018, the action in FY2018 would be reported within the # Bridge Actions total and the # Recurring Bridge Actions total on the FY2018 report. Alternately, if a contract was bridged twice in FY2018 but not previously, both bridge actions would be reported in the # Bridge Actions total, but only the second bridge action would be reported in the # Recurring Bridge Actions total on the FY2018 report.

### % Recurring Bridge Actions
Documents the percentage of the total number of bridge actions that constitute recurring bridge actions.

## Instructions

1. This spreadsheet is intended to serve as a running report of each component's bridge action execution. Reporting shall occur each November and reflect the bridge action execution data for the previous FY.

2. For the first reporting period, which will document bridge actions executed in FY2018, enter the Component Name in cell B5. For the first reporting period, the baseline data (# of actions and total $) from FY2017 must be entered in cells C8 and D8, respectively.

3. For each reporting period, enter the # of bridge actions, total $, and # of recurring bridge actions for the applicable year into the corresponding cells in columns C, D, and G.

4. Each component must send the completed spreadsheet by e-mail to osd.pentagon.ousd-atl.mbx.services-acquisition@mail.mil no later than November 30 of each year.
<table>
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<tr>
<th>FY</th>
<th># Bridge Actions</th>
<th>Total Cost</th>
<th>% Delta (# Bridge Actions)</th>
<th>$ Delta (Total Cost)</th>
<th># Recurring Bridge Actions</th>
<th>% Recurring Bridge Actions</th>
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</thead>
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<tr>
<td>2017</td>
<td>100</td>
<td>$50,000,000.00</td>
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