



Policy and Legislation



ACQUISITION,
TECHNOLOGY AND
LOGISTICS

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-3010



MEMORANDUM FOR: SEE DISTRIBUTION

SEP 3 2004

SUBJECT: Update to Policy for Unique Identification (UID) of Tangible Items

Applying UID to existing items in inventory and operational use is based on the value proposition that UID provides a joint data capability that enables achievement of focused logistics and performance-based logistics strategies, strategic acquisition, and asset visibility to support combat operations. This policy update approves the use of the Electronic Serial Number (ESN) as a UID-equivalent, announces the approved Issuing Agency Codes to be used for the Commercial and Government Entity (CAGE) code and the Department of Defense Activity Address Code (DoDAAC), and addresses other specific UID implementation issues detailed in Attachment A. This policy update also forecasts the requirement to apply UID to existing items in inventory and operational use in Attachment B.

I understand there are physical and time/resource issues relating to the implementation of the UID policy to some tangible items. Therefore, I am encouraging an evolutionary approach that will allow resolution of these issues. To begin this evolutionary implementation, I request that the Component Acquisition Executives (CAEs) direct preparation of model program plans on a number of mission-critical warfighting and combat support systems for submission to the DoD UID Program Manager by November 2004. Development of these plans should take an evolutionary approach and assume use of trigger events to mark items in quantity. I also request that the CAEs direct all program and item managers to begin planning for the application of the UID to the Department's existing legacy items in inventory or in operational use.

All plans should target FY2007 as the point by which: (a) all existing serialized assets should be entered in the UID registry, and (b) UID marking capabilities have been established for all existing items and embedded assets such that marking can commence as applicable equipment is returned for maintenance. Program offices that have already initiated UID planning include the AH-64 Apache, UH-60 Blackhawk, CH-47 Chinook, C-17 Globemaster III, B-1B Lancer, V-22 Osprey, and the Program Executive Officer, Ammunition. I request that all program and item managers plan and establish a goal to complete UID marking of items and all embedded assets within existing items by December 31, 2010, using the planning guidelines included in Attachment B. It is recognized that programs will have different levels of completion by 2010 because fielded items will not be removed from service for the sole purpose of UID marking.

To support this objective, I also request that the Army, Navy, Air Force and Defense Logistics Agency CAEs develop and present to me by January 2005, plans to develop infrastructure, modify Automated Information Systems (AIS) and propose exempted systems that will be phased out of inventory prior to UID implementation. My expected outcomes for FY 2005 are as follows:

- Plans for programs will be developed and required resources identified.
- OSD UID budget guidance issued by April 2005.
- AIS and depot roadmaps for key data systems developed and necessary infrastructure identified, in coordination with the Joint Forces Command and the Transportation Command, as required. The Deputy Under Secretary of Defense (Logistics and Materiel Readiness) and the Director, Defense Procurement and Acquisition Policy will provide staff assistance to the CAEs in this effort.
- Army, Navy, Air Force and Defense Logistics Agency UID Acquisition Manager appointed.



Policy and Legislation

I have requested that the Director, Defense Contract Management Agency (DCMA) lead the development of facility-wide or corporate Single Process initiative strategies with DoD's top 30 suppliers of supplies and equipment, and collectively with aircraft engines and avionics sector suppliers. DCMA will use block changes to expedite UID implementation working with the Components. As part of this process, the DCMA Director will have the authority to grant near-term extensions on UID implementation if such extensions are consistent with the implementation schedules of the negotiated corporate/facility strategies. I have asked the Director, DCMA to lay out the specifics of this approach for discussion with the CAEs by November 2004. I have also asked DCMA to take the lead in developing a UID Quality Assurance Plan for implementation across DoD.

The DoD UID Program Management Office will accomplish the following:

- Develop guidance for trigger events (i.e., a change in an item's ownership, status, location, identity or program alignment).
- Develop guidance for the use of "virtual" UIDs for items in operational use and inventory (e.g., establishing UIDs in DoD information systems but deferring the physical item marking until a "trigger event" such as maintenance or overhaul occurs).
- Develop a refinement to the Department's unique identification registry concept of operations working with the Office of the Under Secretary for Personnel and Readiness, Office of the Assistant Secretary of Defense (Networks and Information Integration), Office of the Joint Chiefs of Staff (J-4 Logistics), and Office of the Joint Chiefs of Staff (J-8 Force Structure, Resources and Assessment).
- Develop a standard approach to capture legacy item UID data elements.
- Explore the feasibility of a paperless Government Furnished Property management approach working in partnership with the Defense Contract Management Agency and the AT&L Director, Property, Plant and Equipment.
- Finalize milestone criteria for program reviews working with the Director, Defense Systems.
- Engage the Joint Aeronautical Commanders Group and the Joint Ordnance Commanders Group to help refine the ultimate UID policy for legacy items currently in inventory and operational use.
- Continue to partner with the General Services Administration to develop a UID roadmap for federal-wide application.
- Ensure RFID and UID data and process integration.
- Work with the Assistant Deputy Under Secretary of Defense (Maintenance Policy, Programs and Resources) to integrate and implement UID requirements in depot-level maintenance functions involving the major repair, overhaul, or complete rebuilding of weapon systems, end items, parts, assemblies, and subassemblies; and manufacture of parts.
- Integrate with the Office of the Deputy Under Secretary of Defense (Installations and Environment) to develop a data policy that integrates the data structure for tangible assets with the data structure for real property assets.
- Write a Management Initiative Decision to integrate Department-wide unique identification efforts.
- Finalize the Government Furnished Property UID policy by October 2004 and legacy policy no later than December 2004.
- Provide templates for companies to use.
- Ensure that tangible property acquired using the Government Purchase Card is entered into the UID registry.

Current UID information and the latest version of the *DoD Guide to Uniquely Identifying Items* are available at <http://www.acq.osd.mil/uid>. Policy questions or comments may be addressed to Mr. Robert Leibrandt by telephone at (703) 695-1099 or by e-mail at robert.leibrandt@osd.mil.



Michael W. Wynne
Acting

Attachments
As Stated

Editor's note: View the distribution and attachments to this memorandum at http://www.acq.osd.mil/uid/2004_09_03%20policy%20update.pdf.



Policy and Legislation



ACQUISITION,
TECHNOLOGY AND
LOGISTICS

THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-3010

SEP 23 2004

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Defense Acquisition System Safety

On July 3, 2003, the Secretary of Defense established the Defense Oversight Council (DSOC) and tasked them with the goal of reducing DoD mishap and accident rates by 50% in two years. Subsequently, the Strategic Planning Guidance (SPG) was modified to institutionalize this goal. We can contribute substantially to meeting SPG guidance by following an informed and structured risk assessment and acceptance process, which manages and minimizes system safety risks throughout the acquisition process. Our intent is to design safety into our weapons systems, not add it afterwards as an operational consideration.

Therefore, in order to increase the emphasis on system safety within our acquisition process, I direct addressees to ensure that:

- a. Program Managers (PMs), regardless of the Acquisition Category of their programs, integrate system safety risk management into their overall systems engineering and risk management processes.
- b. PMs use the government and industry Standard Practice for System Safety, MIL-STD-882D, in all developmental and sustaining engineering activities.
- c. PMs ensure the DoDI 5000.2 requirement to integrate the Environmental, Safety, and Occupational Health (ESOH) risk management strategy into the systems engineering process is incorporated in the Systems Engineering Plan.
- d. PMs identify ESOH hazards, assess the risks, mitigate the risks to acceptable levels, and then report on the status of residual risk acceptance decisions at technical reviews and at the appropriate management levels in the Program Review process in accordance with MIL-STD-882D.

I need your help to implement these actions to integrate system safety risk management more effectively into our acquisition process. Active collaboration between system safety and acquisition communities as we execute our programs will help achieve the goals the Secretary of Defense has established. It will also save lives, preserve assets, and enhance our overall warfighting capability by increasing readiness through system safety improvements.

Michael W. Wynne
Acting



Editor's note: View the distribution to this memorandum at <http://akss.dau.mil/servlet/ActionController?screen=Policies&Organization=21&Career=10>.



Policy and Legislation



ACQUISITION,
TECHNOLOGY AND
LOGISTICS

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-3010

SEP 23 2004

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY
(ACQUISITION, LOGISTICS AND TECHNOLOGY)
ASSISTANT SECRETARY OF THE NAVY
(RESEARCH, DEVELOPMENT AND ACQUISITION)
ASSISTANT SECRETARY OF THE AIR FORCE
(ACQUISITION)
DIRECTOR, DEFENSE LOGISTICS AGENCY
PRESIDENT, DEFENSE ACQUISITION UNIVERSITY

SUBJECT: Product Support Boundaries

I applaud your recent and ongoing efforts to implement innovative product support strategies to improve readiness and reduce costs. Your efforts are demonstrating a measurable impact on equipment availability in Iraq, material availability across the DoD, and our product support cost structure.

Your efforts also identified areas where we needed to adjust policy and employ international standards to ensure individual weapon system support strategies fit within our overall support structure for the joint force and coalition operations. We addressed those areas through a series of policy memoranda and standards endorsements over the past two years. For easy reference, the Total Life Cycle Systems Management (TLCSM) Executive Council summarized those memoranda into a single reference document, "Product Support Boundaries," as attached.

I hope you and your program offices will find the attached helpful as we continue to transform our weapon system support structure. The "Product Support Boundaries" is available on the Defense Acquisition University Logistics Community of Practice website at <http://acc.dau.mil/log>. I also would welcome any feedback you have on this reference document. Please provide any comments or suggestions to Mr. Lou Kratz at Lou.Kratz@osd.mil.


Michael W. Wynne
Acting

Attachment
As stated

Editor's note: View the attachment to this memorandum at http://acc.dau.mil/simplify/ev.php?ID=54169_201&ID2=DO_PRINTPAGE.





Policy and Legislation



ACQUISITION,
TECHNOLOGY AND
LOGISTICS

THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-3010

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMEN, JOINT CROSS-SERVICE GROUPS

OCT 14 2004

SUBJECT: Policy Memorandum Two—BRAC 2005 Military Value Principles

The Department has determined that the most appropriate way to ensure that military value is the primary consideration in making closure and realignment recommendations is to determine military value through the exercise of military judgment built upon a quantitative analytical foundation. The quantitative analytical foundation is built by the Joint Cross-Service Groups and Military Departments applying the BRAC selection criteria to rank the facilities for which they have responsibility. The exercise of military judgment occurs through the application of principles. Limited in number and written broadly, the principles enumerate the essential elements of military judgment. The Military Departments and the Joint Cross-Service Groups shall use the attached principles when applying military judgment in their deliberative processes.

Michael W. Wynne
Acting USD (Acquisition, Technology & Logistics)
Chairman, Infrastructure Steering Group

Attachment:
As Stated

Editor's note: View the attachment to this memorandum
at <http://www.dod.gov/brac> >.





Policy and Legislation



ACQUISITION,
TECHNOLOGY AND
LOGISTICS

**OFFICE OF THE SECRETARY OF DEFENSE
1 000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301 - 1000**

OCT 29 2004

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Proper Use of Non-DoD Contracts

Each year billions of Department of Defense (DoD) dollars are spent using non-DoD contracts to procure supplies and services. In many cases this represents an effective way to accomplish acquisitions in support of DoD's mission. For this reason, the use of non-DoD contracts is encouraged when it is the best method of procurement to meet DoD requirements. However, recent DoD and General Services Administration Inspector General reports identified several issues associated with the Department's use of non-DoD contracts for the acquisition of certain supplies and services. Non-DoD contracts may not be used to circumvent conditions and limitations imposed on the use of funds, nor are they a substitute for poor acquisition planning.

Military Departments and Defense Agencies must establish procedures for reviewing and approving the use of non-DoD contract vehicles when procuring supplies and services on or after January 1, 2005, for amounts greater than the simplified acquisition threshold. This requirement applies to both direct (i.e., orders placed by DoD) and assisted acquisitions (i.e., contracts awarded or orders placed by non-DoD entities, including franchise funds, on behalf of DoD), using DoD funds. These procedures must include:

- evaluating whether using a non-DoD contract for such actions is in the best interest of the DoD. Factors to be considered include:
 - satisfying customer requirements;
 - schedule;
 - cost effectiveness (taking into account discounts and fees); and
 - contract administration (including oversight);
- determining that the tasks to be accomplished or supplies to be provided are within the scope of the contract to be used;
- reviewing funding to ensure it is used in accordance with appropriation limitations;
- providing unique terms, conditions and requirements to the assisting agency for incorporation into the order or contract as appropriate to comply with all applicable DoD-unique statutes, regulations, directives and other requirements (e.g., the requirement that all clothing procured with DoD funding be of domestic origin); and
- collecting data on the use of assisted acquisitions for analysis.

This new policy satisfies the requirements of Section 2330(b)(1)(C)(ii) of Title 10, United States Code as amended by Section 801 of the National Defense Authorization Act for Fiscal Year 2002. Section 801 requires advance approval to buy services via use of a "contract entered into or a task order issued, by an official of the United States outside of the DoD." Although Section 801 applies only to the procurement of services, we are applying this requirement to supplies in order to achieve consistency and discipline in the DoD acquisition process. The Defense Acquisition Regulation Council will issue coverage for the Defense Federal Acquisition Regulation Supplement that is consistent with the requirements of this memorandum.



Policy and Legislation

The use of multiple award contracts must be consistent with the requirements of Section 803 of the National Defense Authorization Act for Fiscal Year 2002 (Competition Requirements for Purchase of Services Pursuant to Multiple Award Contracts); Federal Acquisition Regulation (FAR) Part 8.002 (Priorities for Use of Government Supply Sources); FAR Part 17.5 (Interagency Acquisitions under the Economy Act); FAR Part 7 (Acquisition Planning); and DoD Instruction 4000.19 (Interservice and Intragovernmental Support).

While the Program Manager or requirements official has primary responsibility to ensure compliance with this policy, success will not be achieved without a team approach and specific support from the financial management and contracting communities. For example, the financial management community shall: (1) ensure the program manager or other appropriate individual has certified that the procedures established by the Military Department or Defense Agency have been followed and (2) ensure that funds are available and appropriate for the procurement action.

Please ensure widest dissemination of this memorandum and the procedures you establish. It is imperative that when non-DoD contracts are utilized to meet DoD requirements, they are utilized properly. The point of contact on this matter is Mr. Michael Canales. He can be reached at (703) 695-8571 or via e-mail at michael.canales@osd.mil.

Robert J. Henke
Principal Deputy Under Secretary
of Defense (Comptroller)

Michael W. Wynne
Acting Under Secretary of Defense
(Acquisition, Technology and Logistics)

Editor's note: To view the distribution to this memorandum, go to <http://www.acq.osd.mil/dpap/specificpolicy/index.htm>.



Policy and Legislation



UNDER SECRETARY OF THE AIR FORCE
WASHINGTON

MEMORANDUM FOR SEE DISTRIBUTION

SEP 20 2004

SUBJECT: Revitalizing the Software Aspects of Systems Engineering

REFERENCE: Air Force Software-Intensive Systems Strategic Improvement Program (AFSSIP) memo dated 13 Jan 2004

In multiple programs across our acquisition communities, we have recognized systems engineering challenges over the past few years, and have taken steps to improve the implementation and effectiveness of our systems engineering processes.

This policy memorandum is intended to improve the efficiency and effectiveness of our acquisition processes and software management. These processes are applied as an integral part of our systems engineering and capability acquisition processes. To support our overall agile acquisition objectives, we expect you to address, as a minimum, the following software focus areas throughout the life cycle of your acquisition programs beginning with pre-Milestone/Key Decision Point A activities:

1. **High Confidence Estimates:** Estimate the software development and integration effort (staff hours), cost, and schedule at high (80-90%) confidence.
2. **Realistic Program Baselines:** Ensure cost, schedule, and performance baselines are realistic and compatible. Ensure the baselines support the disciplined application of mature systems/software engineering processes, and ensure software-related expectations are managed in accordance with the overall program's expectation management agreement. The program budget must support the high confidence estimates for effort (staff hours), cost, and schedule.
3. **Risk Management:** Continuously identify and manage risks specific to computer systems and software as an integral part of the program risk management process. Ensure the risks, impact, and mitigation plans are appropriately addressed during program and portfolio reviews.
4. **Capable Developer:** Identify the software-related strengths, weaknesses, and risks; domain experience; process capability; development capacity; and past performance for all developer team members with significant software development responsibilities. Consider this information when establishing program baselines and awarding contracts, and throughout program execution.
5. **Developer Processes:** Ensure the entire developer team establishes, effectively manages, and commits to consistent application of effective software development processes across the program.
6. **Program Office Processes:** Ensure the program office establishes and employs effective acquisition processes for software, is adequately staffed, and consistently supports the developer team in the disciplined application of established development processes.
7. **Earned Value Management Applied to Software:** Continuously collect and analyze earned value management data at the software level to provide objective measures of software cost and schedule. The Earned Value Management System should support and be consistent with the software effort and schedule metrics.



Policy and Legislation

- 8. **Metrics:** Employ a core set of basic software metrics to manage the software development for all developer team members with significant software development/integration responsibilities. Guidance for the core metrics is provided in the enclosure. Programs are encouraged to implement additional metrics based on program needs.
- 9. **Life Cycle Support:** Address sustainment capability and capacity needs during the system design and development phase, and balance overall system acquisition and sustainment costs. Ensure you plan, develop, and maintain responsive life cycle software support capabilities and viable support options.
- 10. **Lessons Learned:** Support the transfer of lessons learned to future programs by providing feedback to center-level Acquisition Center of Excellence (ACE) and other affected organizations. Lessons learned information includes original estimates and delivered actuals for software size, effort, and schedule; program risks and mitigation approaches; and objective descriptions of factors such as added functional requirements, schedule perturbations, or other program events that contributed to successes and challenges.

These focus areas will be incorporated as appropriate in your Systems Engineering Plan, Integrated Program Summary, or acquisition plans. We also expect you to address these focus areas as applicable during Acquisition Strategy Panels and PEO portfolio reviews. PEOs may tailor the implementation of these focus areas as required and the appropriate Acquisition Executive will be notified of all tailoring.

Sample language and additional guidance will be available in November 2004 in an Air Force Software Guidebook. Our POCs are Mr. Ernesto Gonzalez, SAF/AQRE, 703-588-7846, Ernesto.Gonzalez@pentagon.af.mil, and Maj Mark Davis, SAF/USAL, 703-588-7385, Mark.Davis2@pentagon.af.mil.

MARVIN R. SAMBUR
Assistant Secretary of the Air Force (Acquisition)



PETER B. TEETS
Undersecretary of the Air Force



Attachment:
Guidance for Core Software Management Metrics

Editor's note: View the distribution and attachment to this memorandum at <http://www.safaq.hq.af.mil/ACE/>.



Policy and Legislation



ACQUISITION,
TECHNOLOGY AND
LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-3000

September 13, 2004



MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY
(POLICY AND PROCUREMENT), ASA(ALT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(ACQUISITION MANAGEMENT), ASN(RDA)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING), SAF/AQC
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTOR, ARMY CONTRACTING AGENCY
DEPUTY DIRECTOR FOR LOGISTICS OPERATIONS (DLA)
DIRECTORS, DEFENSE AGENCIES

SUBJECT: Requirements for Service Contracts

Contracts for services awarded on a cost-reimbursement or time and materials (T&M) basis usually require significant government vigilance during contract performance to ensure the government receives good value. This memorandum provides guidance on the assignment of contracting officer representatives, as well as the need for revisiting the contract type before reissuing such contracts. The need for this guidance was specified in a recent Department of Defense Inspector General review on "Contracts for Professional, Administrative, and Management Support Services" (DoDIG Report D-2004-015, October 30, 2003).

You should consider the need for increased vigilance and government oversight during the acquisition planning phase of contracts for services that are planned to be issued on a cost-reimbursement or T&M basis. To assist with contract oversight on such contracts, you should appoint contracting officer representatives (COR). Any such appointments must be done in writing in accordance with Defense Federal Acquisition Regulation Supplement (DFARS) 201.602-2. Some specific tasks for CORs on T&M contracts would be to verify the appropriateness of the categories of labor used, and the reasonableness of the number of hours worked and materials used.

When personnel prepare the requirements for a follow-on contract to an existing cost-reimbursement or T&M contract for services, they should work with the contracting officer to determine if any portion can be broken out and ordered on a fixed-price basis. The experience gained on the prior contract may serve as a basis to reasonably price similar future efforts on a fixed price basis. Finally, there is a statutory preference for the use of performance based specifications, which clearly define desired outcomes, as an additional step that facilitates using fixed-price contracts. Fixed-price contracts result in significant cost savings and efficiencies for the Department, including the need for less oversight.

If you have any questions on this matter, please contact Mr. William C. Timperley at william.timperley@osd.mil, telephone (703) 697-8336.

Deidre A. Lee
Director, Defense Procurement
and Acquisition Policy



Policy and Legislation

DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT CHANGE NOTICE 20040917 (SEPT. 17, 2004)

DoD published the following interim and final DFARS rules in the *Federal Register* on Sept. 17, 2004:

Interim Rules

Consolidation of Contract Requirements (DFARS Case 2003-D109)

Places restrictions on consolidating two or more separate requirements into a single solicitation and contract. Requires agencies to include the following in acquisition strategies that involve consolidation of requirements with a total value exceeding \$5,000,000: (1) the results of market research; (2) any alternatives that would involve a lesser degree of consolidation; and (3) a determination by the senior procurement executive that the consolidation is necessary and justified. This change implements Section 801 of the National Defense Authorization Act for Fiscal Year 2004, and is intended to ensure that decisions regarding consolidation of contract requirements are made with a view toward providing maximum practicable opportunity for small business concerns to participate in DoD procurements.

The *Federal Register* notice for this rule is available at <<http://www.acq.osd.mil/dpap/dfars/changes.htm>>.

Personal Services Contracts (DFARS Case 2003-D103)

Provides authority for DoD to enter into personal services contracts for health care at locations outside of medical treatment facilities (such as military entrance processing stations), and for services to be provided by individuals outside the United States that directly support the mission of a DoD intelligence or counter-intelligence organization or the special operations command. This change implements Sections 721 and 841 of the National Defense Authorization Act for Fiscal Year 2004 and enables the award of contracts for specialized services that would be impractical for DoD to obtain by other means.

The *Federal Register* notice for this rule is available at <<http://www.acq.osd.mil/dpap/dars/dars/fdregs/2003d103.txt>>.

Quality Control of Aviation Critical Safety Items and Related Services (DFARS Case 2003-D101)

Establishes requirements for quality control in the procurement of aviation critical safety items and the modification, repair, and overhaul of those items. Specifies

that the design control activity is responsible for qualifying and identifying aviation critical safety item suppliers and products. This change implements Section 802 of the National Defense Authorization Act for Fiscal Year 2004 and is intended to ensure flight safety.

The *Federal Register* notice for this rule is available at <<http://www.acq.osd.mil/dpap/dars/dars/fedregs/2003d101i.txt>>.

Final Rules

Acquisition Plans—Corrosion Prevention and Mitigation (DFARS Case 2004-D004)

Adds corrosion prevention and mitigation to the areas that agencies must address in acquisition plans. This change implements Section 1067 of the National Defense Authorization Act for Fiscal Year 2003, which requires DoD to prevent and mitigate corrosion during the design, acquisition, and maintenance of military equipment.

The *Federal Register* notice for this rule is available at <<http://www.acq.osd.mil/dpap/dars/dars/fedregs/2004d004f.txt>>.

Definition of Terrorist Country (DFARS Case 2003-D098)

Removes Iraq from the list of terrorist countries subject to a prohibition on DoD contract awards. This change is a result of the president's May 7, 2003, determination to suspend all sanctions against Iraq that apply to countries that have supported terrorism.

The *Federal Register* notice for this rule is available at <<http://www.acq.osd.mil/dpap/dars/dars/fedregs/2003d098f.txt>>.

Indian Incentive Program (DFARS Case 2002-D033)

Finalizes, with changes, the interim rule published on Oct. 1, 2003 (DFARS Change Notice 20031001), regarding the Indian Incentive Program. The program permits incentive payments to contractors, and subcontractors at any tier, that use Indian organizations as subcontractors. The interim rule expanded the program to include contracts for commercial items and to permit incentive payments for subcontracts awarded to Native Hawaiian small business concerns. The final rule revises the incentive clause prescription to require inclusion of the clause in all contracts and subcontracts exceeding \$500,000. The rule implements DoD Appropriations Act provisions, and is intended to provide maximum practicable opportunity for Indian organizations and Native



Policy and Legislation

Hawaiian small business concerns to perform under DoD contracts.

The *Federal Register* notice for this rule is available at <<http://www.acq.osd.mil/dpap/dars/dars/fedregs/2002d033f.txt>>.

Berry Amendment Changes (DFARS Case 2003-D099)

Finalizes, without change, an interim rule published on May 13, 2004 (DFARS Change Notice 20040513), to implement statutory provisions that permit exceptions to domestic source requirements in limited situations. The exceptions apply to the acquisition of (1) food, specialty metals, and hand or measuring tools needed to support contingency operations or to fulfill other urgent requirements; and (2) waste and byproducts of cotton or wool fiber for use in the production of propellants and explosives.

The *Federal Register* notice for this rule is available at <<http://www.acq.osd.mil/dpap/dars/dars/fedregs/2003d099f.txt>>.

DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT CHANGE NOTICE 20040930 (SEPT. 30, 2004)

DoD published the following changes and proposed changes to the DFARS on Sept. 30, 2004:

Final Rule

Extension of Partnership Agreement—8(a) Program (DFARS Case 2004-D015)

Extends, from Sept. 30, 2004, to Sept. 30, 2005, the expiration date of a partnership agreement between DoD and the Small Business Administration. The partnership agreement permits DoD contracting officers to award contracts to eligible 8(a) Program participants on behalf of the Small Business Administration. The *Federal Register* notice for this rule is available at <<http://www.acq.osd.mil/dpap/dars/dars/fedregs/2004-D015f.txt>>.

Proposed Rule

Patent Rights—Ownership by the Contractor (DFARS Case 2001-D015)

Proposes to add a DFARS clause on patent rights under contracts awarded to large business concerns for experimental, developmental, or research work. The proposed clause is substantially the same as the clause presently found at FAR 52.227-12, Patent Rights-Retention by the Contractor (Long Form). The clause at 52.227-12 was proposed for deletion from the FAR in a proposed

rule published in the *Federal Register* on May 28, 2003, since DoD is the only agency that uses the clause.

The *Federal Register* notice for this rule is available at <<http://www.acq.osd.mil/dpap/dars/dars/fedregs/2001-D015p.txt>>.

Technical Amendments

Updates the list of DoD contracting activities and the payment office for contracts with Canadian contractors.

The *Federal Register* notice for this rule is available at <<http://www.acq.osd.mil/dpap/dars/dars/fedregs/tech/amend20040930.txt>>.

NEW POLICY FOR MATERIEL RELEASE, FIELDING AND TRANSFER NOW AVAILABLE

The May 1, 1995 version of Army Regulation 700-142, *Materiel Release, Fielding and Transfer*, has been revised and is now available on the U.S. Army Publishing Directorate Web site <<http://www.usapa.army.mil>>. The publication date is July 26, 2004, with an effective date of Aug. 26, 2004. DA Pam 700-142, *Instructions for Materiel Release, Fielding and Transfer*, has also been revised and is published on the same Web site. The publication and effective date of the new DA Pam 700-142 is Aug. 2, 2004.

The major changes include removal of procedural instructions and publishing them in DA PAM 700-142; updates to both the applicability and exemptions paragraphs; updates to the responsibilities paragraphs; addition of a new release process to support urgent requirements; identification of program managers as total life-cycle system managers; establishment of the materiel release tracking system; and introduction of the total Army fielding system.

(Larry Hill/SAAL-LP/DSN 664-7450/larry.hill@saalt.army.mil)

DEPARTMENT OF DEFENSE NEWS RELEASE (OCT. 14, 2004)

DOD PUBLISHES DEFENSE ACQUISITION GUIDEBOOK

Acting Under Secretary of Defense for Acquisition, Technology and Logistics Michael Wynne today approved provisional release of the *Defense Acquisition Guidebook*.

The new guidebook is designed to serve as a companion to the revised acquisition policy documents, DoD Directive 5000.1 and DoD Instruction 5000.2, released in May 2003. Those documents established the policy

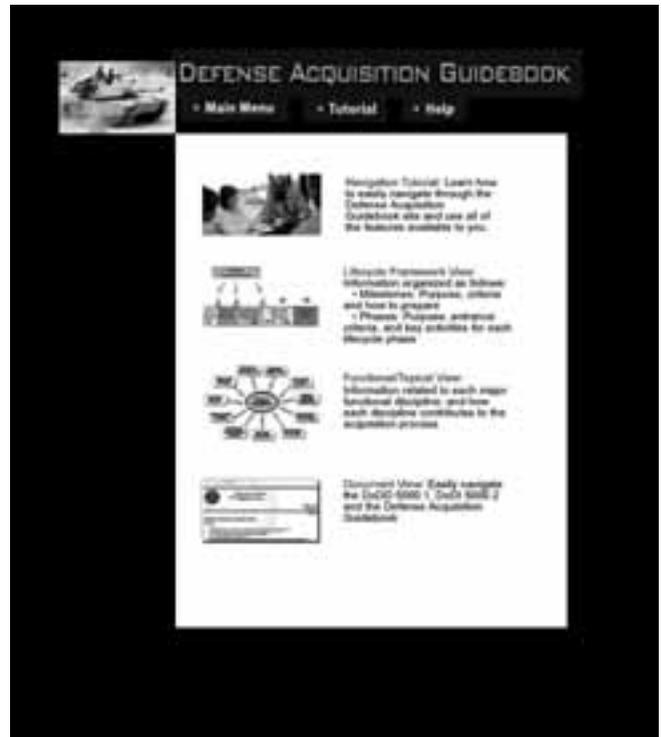


Policy and Legislation

framework for translating mission needs into stable, affordable, and well-managed programs.

Release of the guidebook fulfills the department's earlier commitment to design a transformed acquisition system and supporting policy that will foster efficiency, flexibility, creativity, and innovation. The guidebook is an interactive, Web-based capability designed to provide the acquisition workforce and their industry partners with an online instant reference to best business practice as well as to support policy, statute, and lessons learned. While the policy documents released last year explain what acquisition managers are required to do, the just-released guidebook complements those documents by proposing how.

Defense acquisition professionals will be able to use the reference to review discretionary best business practices and then tailor practices to the particular needs of their program. The electronic guide moves the acquisition workforce further along the path of e-business. Workforce members will also be able to employ the guidebook to access the Defense Acquisition University's AT&L Knowledge Sharing System (AKSS) and many of the university's other resources.

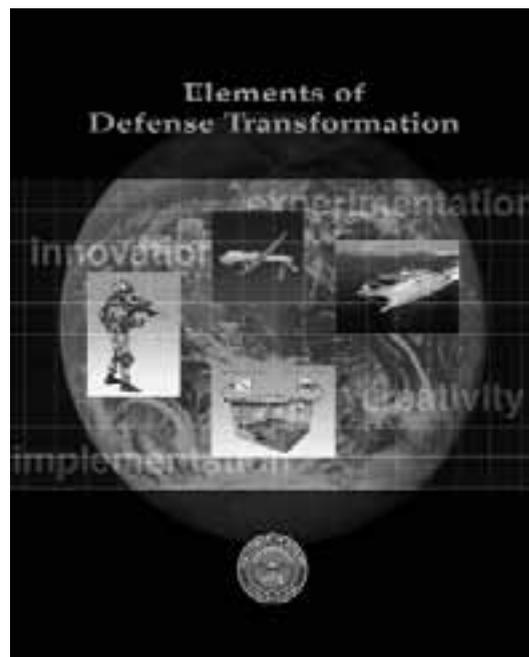


The *Defense Acquisition Guidebook* is now available on the Internet at <http://akss.dau.mil/DAG>.

OFFICE OF FORCE TRANSFORMATION PUBLISHES *ELEMENTS OF DEFENSE TRANSFORMATION* (OCT. 13, 2004)

Transformation is a key component of the U.S. defense strategy and will affect everyone in the Department of Defense as the department seeks creative, innovative solutions to the challenges faced at home and abroad.

Elements of Defense Transformation, published Oct. 13, 2004, by the Department of Defense Office of Force Transformation, provides an understanding of the key elements of defense transformation. The brochure seeks to answer some fundamental questions. What is defense transformation and what is its scope? Why is transformation so urgent? In general, how will defense transformation be accomplished? What is the Department's force transformation vision for the future, and what is needed to support this vision? What are the primary senior leadership roles and responsibilities for implementing the force transformation strategy? What are some of the key force transformation issues requiring additional investment in the years ahead? How can we measure the effectiveness of our force transformation process?



Download the brochure from the Office of Force Transformation Web site at <http://www.oft.osd.mil/library/library.cfm?libcol=6>.



Policy and Legislation

AMERICAN FORCES PRESS SERVICE
(OCT. 22, 2004)

DOD ISSUES 'GREEN' PROCUREMENT POLICY TO BENEFIT ENVIRONMENT

Sgt. 1st Class Doug Sample, USA

WASHINGTON—The Defense Department issued a new procurement policy this week urging employees and military to “buy green.”

The new “green procurement” policy requires the department’s civilian and military personnel to purchase products and services that benefit the environment, said Alex Beehler, DoD’s chief of environmental safety and occupational health, in an Oct. 21 interview with the Pentagon Channel and American Forces Press Service.

He noted that products such as recycled office supplies and lubricants, and biomass-produced goods such as energy, are among the types of purchases the policy requires.

Biomass uses agricultural and organic wastes to create renewable energy such as electricity and industrial process heat and steam, Beehler explained. According to Energy Department statistics, biomass was the leading source of renewable energy in the United States last year.

Beehler said the green procurement policy is the latest endeavor by DoD to forge its reputation as being a good environmental steward. That reputation, he added, stretches back some 30 years and includes myriad DoD recycling programs. In fact, the first recycling policy developed by DoD was under Defense Secretary Donald H. Rumsfeld’s first term in 1976. Like that policy, Beehler said, this new policy is “intrinsicly the right thing to do.

“It’s the right thing to do toward our environment, toward the mission, toward making the lives of our civilian and military employees and families much better by having a safer, better Earth.”

Beehler said there is no requirement under the policy to purchase green products that “cost more, are scarce, or have other limitations.”

However, he added that consideration should be given to those items that over the long term would produce more cost savings or improved efficiency. He said training will be provided to help those directly involved in the purchasing process to identify green procurement items.

The training will also help raise the awareness of procurers to buy green, he added, “so that it becomes incorporated into their daily operations to look at pursuing green procurement opportunities wherever they realistically exist.”

The department plans to develop a catalog that will show DoD procurement officers and employees where they can find and purchase green products, he said.

Beehler said that for now, DoD is focusing on implementing the new policy, not enforcing it. Plans call for an environmental management system that will monitor compliance through “environmental audits and environmental contracting to make sure that the policy is successfully implemented,” he added.

Beehler, who has worked in the environmental field for 20 years, said the new policy underlines DoD’s commitment to the environment. He pointed out that environmental programs in the past were committed to making sure things didn’t get worse and to reducing the waste and the pollution that had already occurred.

“In the beginning, that made perfectly good sense,” he said. “But as time has evolved and as our programs have matured, we really need to do a lot more.”

He said the time has come “to go beyond environmental compliance,” and that the focus now should be on “improving the environment rather than just protecting it.”

The new policy, he said, “will empower each individual to have a vital stake in improving the environment.”

FROM THE OFFICE OF INTERNATIONAL COOPERATION, OUSD(AT&L) CALL FOR FY06 COALITION WARFARE PROJECT PROPOSALS

OUSD(AT&L) International Cooperation is accepting proposals for the FY2006 Coalition Warfare (CW) Research, Development, Testing & Evaluation (RDT&E) Program. The CW initiative is a defense-wide effort to assist combatant commanders, Services, and DoD agencies in integrating coalition-enabling solutions into existing and planned U.S. programs. The program focuses not only on near-term interoperability-enhancing solutions, but also on early identification of coalition solutions to long-term interoperability issues. For more information including access to the Coalition Warfare Management Plan, please visit the Coalition Warfare Web site at <http://www.acq.osd.mil/ic/cwp.html>.