

AIR FORCE SENIOR LEADER MANAGEMENT OFFICE (FEB. 17, 2004)

GENERAL OFFICER ANNOUNCEMENTS (EXCERPT)

The following colonels have been nominated by the President to the Senate for appointment to the grade of brigadier general, United States Air Force:

- **Borkowski, Mark S.**, System Program Director, Space Based Infrared Systems, Space and Missile Systems Center, Air Force Space Command, El Segundo, Calif.
- **Carlisle, Herbert J.**, Chief, Program Integration Division, Deputy Chief of Staff, Plans and Programs, HQ United States Air Force, Pentagon, Washington, D.C.
- **Connor, Gary S.**, Director, Reconnaissance Systems Program Office, Aeronautical Systems Center, Air Force Materiel Command, Wright-Patterson AFB, Ohio.
- **McCasland, William N.**, Director, Space Vehicles, Air Force Research Lab, Air Force Materiel Command, Kirtland AFB, N.M.

- **Pawlikowski, Ellen M.**, System Program Director, Airborne Laser Program, Aeronautical Systems Center, Air Force Materiel Command, Kirtland AFB, N.M.

SENIOR EXECUTIVE SERVICE (SES) PROMOTION

Tina Ballard was promoted to the SES in an official Pentagon ceremony held on Jan. 12, 2004. The ceremony was officiated by Assistant Secretary of the Army (Acquisition, Logistics and Technology) Claude M. Bolton Jr. Her promotion is to the position of Deputy Assistant Secretary of the Army (Policy and Procurement).

Ballard directly supports the Army Acquisition Executive and the Assistant Secretary of the Army (Acquisition, Logistics and Technology), serving as the Army's principal acquisition and procurement policy authority for all Army acquisition programs.

POLICY & LEGISLATION

DFARS CHANGES (JAN. 13, 2004)

The Department of Defense (DoD) made the following changes to the Final Rules affecting Provisional Award Fee Payments (Defense Federal Acquisition Regulation Supplement [DFARS] Case 2001-D013).

Final Rules (Effective Jan. 13, 2004)

Provides policy and guidance for using provisional award fees under cost-plus-award-fee contracts. This tool, in appropriate circumstances, may be an effective incentive mechanism. Acquisition teams should carefully evaluate the need for this tool and the potential benefits as part of acquisition strategy planning processes. Proper use of provisional award fees is expected to improve contractor cash flow, foster a healthy contractual relationship between the government and the contractor, and further the benefits of the award fee incentive.

A training module on the use of provisional award fees is available on the Defense Acquisition University Web site at <<http://www.dau.mil>> under "Continuous Learning"/"Continuous Learning Modules"/"Self-Paced Modules"/"Provisional Award Fee Awareness Module."

These changes were published in the *Federal Register* on Nov. 14, 2003, and in DFARS Change Notice

20031114, with an effective date of Jan. 13, 2004 (affected subparts/sections: 216.4).

COMMERCIALLY AVAILABLE OFF-THE-SHELF (COTS) ITEMS—FAR PROPOSED RULE 2000-305 (JAN. 15, 2004)

The Defense Department, General Services Administration, and National Aeronautics and Space Administration issued a Jan. 15, 2004, *Federal Register* notice of a proposed rule on the Federal Acquisition Regulation (FAR) for commercially available off-the-shelf items. Section 4203 of the Clinger-Cohen Act of 1996 requires that the FAR list certain provisions of law that are inapplicable to contracts for acquisitions of commercially available off-the-shelf items. The Act excludes Section 15 of the Small Business Act and bid protest procedures from the list. The list of inapplicable statutes cannot include a provision of law that provides for criminal or civil penalties. View the proposed rule on the Director, Defense Procurement and Acquisition Policy Web site at <<http://www.acq.osd.mil/dpap/general/newsandevents.htm>> .

MAJOR REVISION TO AR 70-1, ARMY ACQUISITION POLICY (JAN. 30, 2004)

A major revision to Army Regulation (AR) 70-1, *Army Acquisition Policy*, has been published online and is now available for downloading from

the Army Publishing Directorate Web site <http://www.usapa.army.mil/usapa_officialsite.htm>. The revision supersedes AR 70-1, dated Dec, 15, 1997, and rescinds AR 70-35, dated June 17, 1988.

The revised AR 70-1, dated Jan. 30, 2004, implements Department of Defense Directive 5000.1, *The Defense Acquisition System*, and Department of Defense Instruction 5000.2, *Operation of the Defense Acquisition System*. It governs research, development, acquisition, and life-cycle management of Army materiel to satisfy approved Army requirements. It applies to major weapon and command, control, communications, and computers/information technology systems, nonmajor systems, highly sensitive classified acquisition programs, and clothing and individual equipment.

This regulation is first in the order of precedence for managing Army acquisition programs following statutory requirements, the Federal Acquisition Regulation, Defense Federal Acquisition Regulation Supplements, Department of Defense regulatory direction, and Army Federal Acquisition Regulation supplements. If there is any conflicting guidance pertaining to contracting, the Federal Acquisition Regulation and Defense and Army Federal Acquisition Regulation supplements will take precedence over this regulation and Department of Defense guidance.

USING THE ARMY'S E-LEARNING PROGRAM (JAN. 8, 2004)

Headquarters Department of the Army (HQDA) Letter 350-04-1, *Utilization of the Army's e-Learning Program*, was issued online effective Jan. 8, 2004 <http://www.usapa.army.mil/usapa_officialsite.htm>. The letter prescribes the policy on the utilization of the Army's e-Learning Program for basic and advanced information technology (IT) training. The intention is for all Army organizations and major commands to use the Army's e-Learning Program as the primary method for satisfying their workforce IT training requirements. The program will be centrally funded to ensure there is no cost to the organization or to the individual student. The Army e-Learning Program supports computer/Web-based courseware.

PACKAGING OF MATERIEL (FEB. 12, 2004)

Armey Regulation (AR) 700-15, *Packaging of Materiel*, which establishes joint policies for all Department of Defense (DoD) components in developing uniform requirements for packaging of materiel, was revised and posted online effective Jan. 12, 2004. To view a Summary of Changes, go to the Army Pub-

lishing Directorate Web site at <http://www.usapa.army.mil/usapa_officialsite.htm>.

FEDERAL ACQUISITION CIRCULAR 2001-20, FAR CASE 2003-022 (INTERIM RULE) SPECIAL EMERGENCY PROCUREMENT AUTHORITY

[Published in the Federal Register at 69 FR 8312, Feb. 23, 2004]

The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) have agreed on an interim rule amending the Federal Acquisition Regulation (FAR) to implement the special emergency procurement authorities of Section 1443 of the Services Acquisition Reform Act of 2003 (Title XIV of Public Law 108-136). The Councils will publish a final rule upon receipt and evaluation of comments received in response to this interim rule. (See p. 82 for a summary matrix of special emergency procurement authorities.)

Section 1443 increases the amount of the micro-purchase threshold and the simplified acquisition threshold for procurements of supplies or services by or for an executive agency that, as determined by the head of the agency, are to be used in support of a contingency operation or to facilitate the defense against or the recovery from nuclear, biological, chemical, or radiological attack. Also, the head of the contracting activity carrying out a procurement of supplies or services to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack may treat such supplies or services as a commercial item.

OASA(ALT) BULLETIN, FEBRUARY 2004 DEFENSE FEDERAL ACQUISITION REGULATION SYSTEM (DFARS) CLARIFICATION ON FOREIGN CONTRACTING

The Foreign Procurement Policy Committee is proposing a revision to DFARS Subpart 225.72, *Reporting Contract Performance Outside the United States*. The purpose is to clarify the requirement to report foreign performance, not only after contract award but also 30 days before award, as part of the contracting process. 10 U.S.C. 2410g, passed in 1992, requires contractors to report to DoD on any intention to perform a DoD contract outside the United States and Canada, when the contract could be performed in the United States or Canada. GAO auditors continue to criticize the DOD for failing to comply with this statutory requirement. This clarification will be available for public comment soon.

(Steve Linke/SAAL-PA/DSN 664-7006/steve.linke@saalt.army.mil)

**DEFENSE FAR SUPPLEMENT (DFARS)
CHANGE NOTICE 20040223**

The Department of Defense published the following final and proposed rules in the *Federal Register* on Feb. 23, 2004:

**Final Rule:
Memorandum of Understanding – Sweden (DFARS Case 2003-D089)**

Implements a determination of the Deputy Secretary of Defense that it is inconsistent with the public interest to apply the restrictions of the Buy American Act to the acquisition of defense equipment produced or manufactured in Sweden, based on a memorandum of understanding between the United States and Sweden. DFARS 225.872-1 is amended to add Sweden to the list of countries for which DoD has made such public interest determinations, and to remove Sweden from the list of countries for which exemption from the Buy American Act is permitted only on a purchase-by purchase basis.

The *Federal Register* notice for the final rule above and the following 14 proposed rules is available at < <http://www.acq.osd.mil/dpap/dfars/changes.htm> > .

**Proposed Rules
DFARS Transformation**

The following 14 proposed rules are a result of DFARS Transformation, which is a major DoD initiative to dramatically change the purpose and content of the DFARS. The transformed DFARS will contain only requirements of law, DoD-wide policies, delegations of FAR authorities, deviations from FAR requirements, and policies/procedures that have a significant effect on the public. The objective is to improve the efficiency and effectiveness of the acquisition process, while allowing the acquisition workforce the flexibility to innovate. Additional information on the DFARS transformation initiative is available at < <http://www.acq.osd.mil/dpap/dfars/transf.htm> > .

**Procedures, Guidance, and Information
(DFARS Case 2003-D090)**

Establishes the framework for a new DFARS companion resource, *Procedures, Guidance, and Information* (PGI), which will contain mandatory and non-mandatory internal DoD procedures, non-mandatory guidance, and supplemental information. Use of PGI will enable DoD to more rapidly convey internal administrative and procedural information to the acquisition workforce. PGI will not contain policy or procedures that significantly affect the public and, therefore, will not be published in

the Federal Register or the Code of Federal Regulations. PGI will be available on the World Wide Web and will be electronically linked to the DFARS. The DFARS and PGI text have been interlinked for the proposed rules in this notice.

Contractor Qualifications Relating to Contract Placement (DFARS Case 2003-D011)

Deletes obsolete text pertaining to Intermediate Range Nuclear Forces Treaty inspections; deletes unnecessary first article testing and approval requirements; and relocates procedures for requesting pre-award surveys and obtaining approval for product qualification requirements to PGI.

Improper Business Practices and Contractor Qualifications Relating to Debarment, Suspension, and Business Ethics (DFARS Case 2003-D012)

Consolidates text on reporting violations and suspected violations of certain requirements; updates a contract clause pertaining to prohibitions on persons convicted of fraud or other defense-contract-related felonies; and relocates internal review and referral procedures to PGI.

Publicizing Contract Actions (DFARS Case 2003-D016)

Deletes unnecessary text pertaining to cooperative agreement holders, paid advertisements, and synopsis requirements; and relocates a synopsis format to PGI.

Competition Requirements (DFARS Case 2003-D017)

Deletes text that is obsolete or duplicative of FAR policy; and relocates procedures for documenting reasons for use of other than full and open competition to PGI.

Laws Inapplicable to Commercial Subcontracts (DFARS Case 2003-D018)

Removes the Trade Agreements Act and the Buy American Act from the list of laws inapplicable to subcontracts for the acquisition of commercial items. Inclusion of these laws on the list is unnecessary, because the government does not apply the restrictions of the Trade Agreements Act or the Buy American Act at the subcontract level. The prime contractor is responsible for providing an end product that meets the requirements of the Acts.

Major Systems Acquisition (DFARS Case 2003-D030)

Deletes unnecessary definitions; updates references to the DoD 5000 series documents; clarifies earned value management system and cost/schedule status reporting requirements; and relocates internal review procedures to PGI.

Cost Principles and Procedures (DFARS Case 2003-D036)

Deletes obsolete and duplicative text pertaining to contract cost principles; and relocates procedural text on government responsibilities relating to contractor restructuring costs to PGI.

Insurance (DFARS Case 2003-D037)

Relocates procedural text on risk-pooling insurance arrangements and requests for waiver of overseas workers' compensation requirements to PGI.

Protection of Privacy and Freedom of Information (DFARS Case 2003-D038)

Deletes text pertaining to protection of individual privacy and the Freedom of Information Act. This subject is adequately addressed in other DoD publications, which are referenced in the DFARS.

Contractor Use of Government Supply Sources (DFARS Case 2003-D045)

Clarifies contractor requirements for payment of invoices from government supply sources; and relocates procedures for authorizing contractor use of government supply sources to PGI.

Removal of Obsolete Research and Development Contracting Procedures (DFARS Case 2003-D058)

Deletes a standard format previously used for research and development solicitations and contracts. The format has become obsolete due to advances in technology and use of the World Wide Web.

Research and Development Contracting (DFARS Case 2003-D067)

Deletes unnecessary text on solicitation and contract content; updates statutory references; updates a clause pertaining to contractor submission of scientific and technical reports; and relocates procedures for maintenance of scientific and technical reports to PGI.

Sealed Bidding (DFARS Case 2003-D076)

Deletes unnecessary text on structuring of contracts, providing copies of documents, and preparation of solicitations; and updates the list of officials authorized to permit correction of mistakes in bid.

DEPARTMENT OF DEFENSE NEWS RELEASE (MARCH 1, 2004)

DOD TO ESTABLISH PROGRAM TO ATTRACT HIGHLY QUALIFIED EXPERTS

The Department of Defense today unveiled a new policy to attract experts with state-of-the-art knowledge in fields of importance to the department's mission. This new policy provides DoD with the ability to attract and retain talented men and women with the expertise and corporate knowledge to fill critical positions. This is a stand-alone provision under the National Defense Authorization Act for fiscal 2004.

The new policy allows DoD to employ as many as 2,500 employees with a compensation package more competitive with the private sector than might otherwise be feasible. They can be employed for five years with the potential for an extension for an additional year.

This new tool requires special handling by defense managers. The policy states that it can only be used for "an individual possessing uncommon, special knowledges or skills in a particular occupational field beyond the usual range of expertise, who is regarded by others as an authority or practitioner of unusual competence and skill." This flexibility cannot be used to perform continuing DoD functions, to bypass or undermine personnel ceilings or pay limitations, to give former federal employees preferential treatment, to do work performed by regular employees, or to fill in during staff shortages.

"This policy represents good news that is long overdue," said Dr. William Winkerwerder, assistant secretary of defense for health affairs.

"DoD will now benefit from the experience, expertise, and wisdom of people who have practical experience in the private sector," he added, "that can help the department transform business processes."

POLICY & LEGISLATION

Federal Acquisition Circular (FAC) 2001-20 Quick Reference Tool Special Emergency Procurement Authorities—Summary Matrix

	Current	Temporary Emergency Procurement Authority	Homeland Security Act	Special Emergency Procurement Authority
Effective Date		12/28/2002—9/30/2003	1/24/2003—11/24/2003	February 23, 2004
Applicability		Funds Obligated by DoD	Solicitations Issued by Federal Agencies	Acquisitions of supplies or services that, as determined by the head of the agency, are to be used to support a contingency operation or to facilitate the defense against or the recovery from nuclear, biological, chemical, or radiological attack.*
Micro-purchase Threshold (Construction)	\$2,500 (\$2,000)	\$15,000 (\$2,000)	\$7,500 (\$2,000)	\$15,000 (\$2,000)
Simplified Acquisition Threshold	(\$100,000)	For “contingency” inside U.S. = \$250,000	For “contingency opns” inside U.S. = \$200,000	For procurements* in U.S. = \$250,000
Purchase Outside U.S. for Contingency or Peacekeeping/Humanitarian Opns	(\$200,000)	To support defense against terrorism or chemical/biological attack in “contingency” outside U.S. = \$500,000	To support defense against, recovery from terrorism or chem/bio/nuclear/radiological attack in “contingency opns” outside U.S. = \$300,000	Outside U.S. = \$500,000
Commercial Item Rules	Use Part 12 for Commercial Items	Treat buys for biotechnology & biotechnology services as Commercial Items	Treat buys to support defense against, recovery from terrorism or chem/bio/nuclear/radiological attack as Commercial Items.	–Applicable supplies & services* may be treated as commercial items. –Sole Source contracts over \$15M for such items are not exempted from CAS or cost/pricing data requirements.
	Use FAR 13.5 SAP for Commercial Items to \$5M	Not Applicable	Use FAR 13.5 SAP with UNLIMITED \$	Use FAR 13.5 SAP up to \$10M
Small Business Set-Aside (FAR 19.502)	\$2,500—\$100,000	\$15,000—\$100,000	\$7,500—\$100,000 For “contingency opns” inside U.S. = \$7,500-\$200,000	\$15,000—\$250,000
Very Small Business Pilot Program (FAR 19.903)	\$2,500—\$50,000	\$15,000—\$50,000	\$7,500—\$50,000	Not Applicable
Dollar Limit on Sole Source 8(a) (FAR 19.805)	\$5M with (NAICS) Mfg & \$3M all others	Not Applicable	Eliminated dollar limitations on Sole Source 8(a) acquisitions and HUBZone Sole Source for buys to support defense against, recovery from terrorism or chem/bio/nuclear/radiological attack.	Not Applicable
HUBZone	\$5M (NAICS) Mfg, \$3M other (NAICS)	Not Applicable		Not Applicable
Buy-American Act Clause (FAR 52.225-1)	Apply to solicitations & contracts over \$2,500	Apply to solicitations & contracts over \$15,000	Apply to solicitations & contracts over \$7,500	Apply to solicitations & contracts over \$15,000

*This summary matrix is intended as a quick reference tool. The FAR is the authoritative source for the use of these authorities.



THE DEPUTY SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

14 JAN 2004



MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
COMBATANT COMMANDERS
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
ADMINISTRATOR, COALITION PROVISIONAL AUTHORITY
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Assignment of Responsibility for Acquisition and Program Management Support
for the Coalition Provisional Authority (CPA)

Pursuant to Section 113 of Title 10, United States Code, the Secretary of the Army is hereby assigned the authority and responsibility for the provision of acquisition and program management support to the CPA (Iraq and Washington, DC) and any successor entity. The Secretary of Defense shall determine and prioritize the requirements to be supported pursuant to this assignment of responsibility, as necessary.

For purposes of this memorandum, acquisition support is intended to include the award, administration and oversight of all contracts, grants, and other acquisition actions in direct support of the CPA and any successor entity. Program management support comprises all aspects of project oversight, including planning, scheduling and execution, as may be required by the scope of work, directed timelines, and applicable financial management regulations.

All addressees shall provide support to the Secretary of the Army, as the Secretary of the Army considers necessary, to carry out this assignment of responsibility. Services and supplies provided to the CPA in furtherance of this memorandum shall be made available in accordance with DoD Instruction 4000.19 and applicable financial management regulations. My memoranda of May 21, 2003, designating the Secretary of the Army as Executive Agent for the Office of Reconstruction and Humanitarian Assistance, and June 16, 2003, providing for the exercise of that responsibility in support of the CPA, are modified accordingly.



ACQUISITION,
TECHNOLOGY AND
LOGISTICS

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

FEB 20, 2004



MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Policy for Systems Engineering in DoD

Application of rigorous systems engineering discipline is paramount to the Department's ability to meet the challenge of developing and maintaining needed warfighting capability. This is especially true as we strive to integrate increasingly complex systems in a family-of-systems, system-of-systems, net-centric warfare context. Systems engineering provides the integrating technical processes to define and balance system performance, cost, schedule, and risk. It must be embedded in program planning and performed across the entire acquisition life cycle.

Toward that end, I am establishing the following policy, effective immediately and to be included in the next revision of the DoD 5000 series acquisition documents:

Systems Engineering (SE). All programs responding to a capabilities or requirements document, regardless of acquisition category, shall apply a robust SE approach that balances total system performance and total ownership costs within the family-of-systems, system-of-systems context. Programs shall develop a Systems Engineering Plan (SEP) for Milestone Decision Authority (MDA) approval in conjunction with each Milestone review, and integrated with the Acquisition Strategy. This plan shall describe the program's overall technical approach, including processes, resources, metrics, and applicable performance incentives. It shall also detail the timing, conduct, and success criteria of technical reviews.

In support of the above policy, the Director, Defense Systems shall:

- a. Identify the requirement for a SEP in DoDI 5000.2, and provide specific content guidance tailorable by the MDA in the Defense Acquisition Guidebook.
- b. Assess the adequacy of current Department-level SE-related policies, processes, practices, guidance, tools, and education and training and recommend to me necessary changes.
- c. Establish a senior-level SE forum with participation from the Military Departments, and appropriate defense agencies, as a means to collaborate and leverage activities within the components and to provide a forum to institutionalize SE discipline across the Department. A goal of this forum will be extending the SE process to address family-of-systems, system-of-systems capability-based acquisition.
- d. For programs where I am the MDA, review each program's SEP as part of the preparation for Defense Acquisition Board Milestone Reviews (DAB) and other acquisition reviews, and provide me with a recommendation on the program's readiness to proceed during the DAB. Together with other members of the OSD staff, lead program support assessments to identify and help resolve issues to ensure program success.



To assist in these efforts, each Component Acquisition Executive and defense agency with acquisition responsibilities will, within 90 days, provide the Director, Defense Systems its approach and recommendations on how we can ensure that application of sound systems engineering discipline is an integral part of overall program planning, management, and execution within both DoD and defense industry. Further, I direct each Component Acquisition Executive and those defense agencies with acquisition responsibilities to provide, within 30 days, a flag officer or Senior Executive Service-level representative to participate in the Director, Defense Systems-led systems engineering forum. The first such forum will be held within 60 days.

I need your assistance to ensure we drive good systems engineering processes and practices back into the way we do business. We can accomplish this goal by establishing clear policies, reinvigorating our training, developing effective tools, and using and institutionalizing best practices, applying performance incentives, and making systems engineering an important consideration during source selections and throughout contract execution. Collectively these actions will reinvigorate our acquisition community—including our industry partners—thus assuring affordable, supportable, and above all, capable solutions for the warfighter.



Michael W. Wynne
Acting

DISTRIBUTION:

SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
ASSISTANT SECRETARY OF DEFENSE (NETWORKS
AND INFORMATION INTEGRATION/CHIEF INFORMATION OFFICER)
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
COMMANDER, SPECIAL OPERATIONS COMMAND
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTOR, PROGRAM ANALYSIS AND EVALUATION
DIRECTOR, DEFENSE ADVANCED RESEARCH PROJECTS AGENCY
DIRECTOR, DEFENSE CONTRACT MANAGEMENT AGENCY
DIRECTOR, DEFENSE INTELLIGENCE AGENCY
DIRECTOR, DEFENSE LOGISTICS AGENCY
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY
DIRECTOR, MISSILE DEFENSE AGENCY
DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY
DIRECTOR, NATIONAL SECURITY AGENCY
DIRECTOR, OPERATIONAL TEST AND EVALUATION



ACQUISITION,
TECHNOLOGY AND
LOGISTICS

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

FEB 21, 2004

**MEMORANDUM FOR MEMBERS OF THE DEFENSE LOGISTICS BOARD
OFFICE OF FORCE TRANSFORMATION**

SUBJECT: Logistics Transformation Roadmap

Focused Logistics is the Department's Joint Functional Concept for comprehensive, integrated logistics capabilities necessary to support future warfighting capabilities and Joint Operational Concepts. The Concept includes sufficient capacity in the deployment and sustainment pipeline, appropriate control over the pipeline from end to end, and a high degree of certainty to the supported joint force commander that forces, equipment, sustainment, and support will arrive where needed and on time. Additionally, this covers redeployment and reconstitution of units and material. Successful implementation of this broad concept requires a number of specific enabling strategies.

One of those strategies must be a coherent approach to implement a distributed and adaptive logistics capability. This strategy will be referred to as the Logistics Transformation Roadmap, in support of Focused Logistics.

The Deputy Under Secretary of Defense (Logistics and Materiel Readiness) will convene a Flag Officer/General Officer group of key stakeholders, including representatives from the requirements, logistics, materiel, and warfighter communities. The roadmap will provide a coherent way forward, including milestones and resources, that encompasses the Force-Centric Logistics Enterprise, ongoing Distribution Process Owner efforts, Sense and Respond Logistics, and Joint Theater Logistics Management. The product of this group will be a Transformation Roadmap for integrating logistics from point-of-effect to source of supply/services, across Services and Defense Agencies. A draft approach should be available in early June 2004.

I will review the draft approach in coordination with CJCS, Commander USJFCOM, Commander USTRANSCOM, and the Office of Force Transformation.

To assist with this critical undertaking, I ask for your active participation and support. My point of contact for this effort is Mr. Lou Kratz, ADUSD (Logistics Plans & Programs); available by phone at 703-614-6082 or via e-mail at Louis.Kratz@osd.mil.

Michael W. Wynne
Defense Logistics Executive
Acting





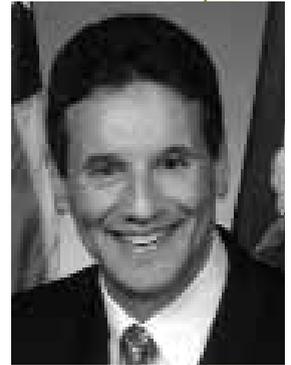
DEPARTMENT OF THE AIR FORCE
WASHINGTON, D.C. 20330-1060

FEB 24, 2004

OFFICE OF THE ASSISTANT SECRETARY

MEMORANDUM FOR SEE DISTRIBUTION

FROM: SAF/AQ
1060 AF Pentagon
Washington DC 20330-1060



SUBJECT: Interim Policy Memo on Expectation Management in Acquisition (Policy Memo 03A-006, 29 April 2003)

Last April I issued a memo outlining the need for expectation management in acquisition programs and directed a joint team develop a policy for documenting it in the Program Management Directive. In November HOI 63-1, **Headquarters Air Force Guidance for Preparing Program Management Directives (PMD)**, was released and provides the procedure for attaching the Expectation Management Agreement (EMA) to the PMD. This memo will provide guidance for preparing the EMA until AFI 63-101, **Operation of the Capabilities Based Acquisition System**, is revised.

Providing the operator the capabilities needed when they are required, at the most affordable cost, is the cornerstone to building credibility. Expectation management, through effective two-way communication, can provide real-time updates and supports building credibility between the acquirer and the operator. Once mutually agreed-to realistic expectations are set, changes that impact those expectations, no matter what their source, must be identified and communicated to leadership. These changes, with General Officer/Senior Executive Service (SES) civilian concurrence, will drive a new agreement on expectations. Program Managers are responsible for ensuring their programs have a process for continuously managing the program cost, schedule, and performance and addressing the expectations of the operator. The Program Manager will be responsible for documenting the process and communicating the EMA roles and responsibilities to everyone involved. This process will encompass, at a minimum, an annual review between the acquisition program office and operator to assess how well the program meets their expectations. The review should address (but is not limited to) the following:

- Status of program execution against the Acquisition Program Baseline (APB)
- Status of program execution against all requirements identified in the Capabilities Document
- Other programmatic expectations identified and agreed to as significant but not found in approved program documentation
- Status of cost expectations vs. existing program cost estimates
- Status of funding expectations for successful program execution
- Any mutually agreed-to changes in expectations relating to cost, schedule, and performance
- Any expectation concerns or areas of disagreement by the acquisition program office or the operator (if none, so state)



The output of the review will be an Expectation Management Agreement that documents those agreements relating to cost, schedule, performance, and funding that are not reflected in other program documentation such as the APB. The EMA does not supersede a validated requirements document or other required program documentation and does not replace the need or process for updating those documents. Any format may be used to document the agreements (e.g., meeting minutes, briefing slides, formal memo, etc.). However, General Officers or civilian equivalents representing the acquisition and operator community will sign this agreement. Signature authority may not be delegated below a General Officer or Senior Executive Service civilian. The Program Manager will work with their PEO and operator to determine who will co-sign the Expectation Management Agreements. USAF/XOR will be notified by the operator representative of any agreements that will result in, or have the potential to cause the program to result in below threshold performance on non key performance parameters. The most recent signed Expectation Management Agreement will be included as an attachment to the PMD, or appropriate appendix, at least annually and whenever there are significant changes.

If you have any further questions, please contact SAF/AQXA, Policy Branch at (703) 588-7100.



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

Editor's note: To view the distribution of this memorandum, go to the U.S. Air Force Acquisition Center of Excellence (ACE) Web site at <http://www.safaq.hq.af.mil/ACE/>.



ACQUISITION,
TECHNOLOGY AND
LOGISTICS

**OFFICE OF THE UNDER SECRETARY OF DEFENSE
3000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-3000**

January 23, 2004



DPAP/DAR

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

SUBJECT: Suspension of the Price Evaluation Adjustment for Small Disadvantaged Businesses

Effective 30 days after the date of this memorandum, all Department of Defense (DoD) contracting activities shall continue to suspend the use of the price evaluation adjustment for small disadvantaged businesses (SDBs) in DoD procurements, as prescribed in the Federal Acquisition Regulation (FAR) Subpart 19.11, and Defense Federal Acquisition Regulation Supplement (DFARS) Subpart 219.11.

Subsection 2323(e) of title 10, United States Code (U.S.C.), as amended by section 801 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 and section 816 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, requires DoD to suspend the regulation implementing the authority to enter into a contract for a price exceeding fair market cost if the Secretary determines at the beginning of the fiscal year that DoD achieved the 5 percent goal established by subsection 2323(a) in the most recent fiscal year for which data are available. Based on the most recent data for Fiscal Year 2003, the determination was made that DoD exceeded the 5 percent goal established in 10 U.S.C. 2323(a) for contract awards to SDBs. Accordingly, use of the price evaluation adjustment prescribed in FAR 19.11 and DFARS 219.11 is suspended for DoD.

This suspension applies to all solicitations issued from February 24, 2004, to February 23, 2005.

Deidre A. Lee
Director, Defense Procurement
and Acquisition Policy

cc:
DSMC, Ft. Belvoir





ACQUISITION,
TECHNOLOGY AND
LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE
3000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301 - 3000

February 17, 2004

DPAP/P

MEMORANDUM FOR DIRECTORS OF THE DEFENSE AGENCIES
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
DEPUTY DIRECTOR FOR LOGISTICS (DLA)
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTOR, ARMY CONTRACTING AGENCY

SUBJECT: Contracting with Employers of Persons with Disabilities

The purpose of this memorandum is to bring to your attention a recently enacted statutory provision that makes the Randolph-Sheppard Act (20 U.S.C. 107 *et seq.*) (RSA) inapplicable to certain existing contracts awarded in compliance with the Javits-Wagner-O'Day Act (41 U.S.C. 48) (JWOD Act).

The RSA requires that a priority be given to blind persons licensed by a State agency for the operation of vending facilities on Federal property. The JWOD Act requires Government agencies to purchase selected products and services from nonprofit agencies employing people who are blind or otherwise severely disabled.

Section 852 of the National Defense Authorization Act for Fiscal Year 2004 (Pub.L. No. 108-136) applies to any contract entered into before November 24, 2003, and in effect on that date, with a nonprofit agency for the blind or an agency for other severely handicapped in compliance with section 3 of the JWOD Act, for the operation of a military mess hall, troop dining facility, or any similar dining facility operated for the purpose of providing meals to members of the Armed Forces. As provided for in section 852, no such contract shall be subject to the RSA so long as the contract is in effect, including any period for which the contract is extended pursuant to an option provided in the contract.

If you have any questions regarding the Department's policies or procedures for doing business in accordance with the RSA and the JWOD Act, please contact Ms. Susan Schneider at (703) 614-4840.

Deidre A. Lee
Director, Defense Procurement
and Acquisition Policy



ACQUISITION,
TECHNOLOGY AND
LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE
3000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-3000

26 NOV 2003

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Elective Requirements to Obtain Certification in FY 04

This memorandum is to provide clarification regarding the elective requirements for three Acquisition, Technology and Logistics (AT&L) workforce career fields, specifically, Contracting, Industrial and/or Contract Property Management, and Purchasing. These new requirements were identified in a memorandum dated August 1, 2003, Subject: "Position Category Descriptions and Experience, Education and Training Requirements for Fiscal Year 2004," Release #04-01. However, since publication, it has become increasingly evident that supervisors are requesting more information pertaining to how electives are defined. Accordingly, it is imperative that addressees give this memorandum the widest possible dissemination within your component.

The Contracting, Industrial and/or Contract Property Management, and Purchasing career fields have an elective requirement for all three levels of certification. An explanation of an elective is as follows:

"As agreed to by the supervisor, the elective may be any training opportunity related to the employee's job, or necessary for career development, or for cross training. The elective may include no-cost distance learning or other training opportunity; assignment-specific courses funded by DAU/DACM; other training opportunity funded by the student's organization."

To simplify, the elective can be any training opportunity that meets the approval of the employee's supervisor. Neither the subject matter nor the length of the training opportunity are delineated in the description of the elective training event; this was an intentional notion designed to allow greater managerial flexibility and provide a wider range of possible (supervisory approved) elective training events for the employee.

As these elective events may be DAU courses, functionality protocols have been incorporated into the Acquisition Training Application System (ACQTAS), the registration system for civilian AT&L workforce members assigned to the DoD Agencies outside the Military Departments. DAU training events that are determined to be electives will be identified using the ACQTAS registration protocols. During the ACQTAS registration process, employees will have the opportunity to identify the course as a DAU course that is being taken as an elective training event, and supervisors and quota managers will be required to validate the event as an elective training event. We also plan to incorporate elective tracking for non-DAU training events in the ACQTAS for Continuous Learning (ACQTAS for CL) module that is currently being developed.

Should you have any questions regarding this memorandum or the elective training requirement, please contact Mr. Jay Boller at (703) 681-3442, or e-mail address jayboller@doddacm.com, or the undersigned at (703) 681-3443, ctaylor@doddacm.com.

Editor's note: To view the distribution list, go to the Director, Defense Procurement and Acquisition Policy Web site at <http://www.acq.osd.mil/dpap>.


Cynthia P. Taylor
Deputy Director, Acquisition
Career Management



**DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
ACQUISITION, LOGISTICS AND TECHNOLOGY
103 ARMY PENTAGON
WASHINGTON, D.C. 20310-0103**



SAAL-PA

21 JAN 2004

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Program Executive Officers' Collaboration during the Base Realignment and Closure (BRAC) Process

The Secretary of the Army and the Secretary of Defense have identified the BRAC process as an integral part of the department's strategy to transform the Department of Defense (Enclosures 1 and 2). It is extremely important that Program Executive Officers (PEOs) participate in this process.

There are four BRAC groups assessing the infrastructure, which is dependent on programs you manage. These four groups and your point of contact (POC) in each group are:

- a. Total Army Basing Study (TABS) Group in the Office of the Deputy Assistant Secretary of the Army (Installations Analysis). The POC for arsenals, depots, and plants is LTC Ronald Pulignani, (703) 588-0568. The POC for laboratories is Dr. Chien Huo, (703) 696-9773.
- b. Industrial Joint Cross Service Group. The POC is MG Wade H. McManus, Jr., Commander, U.S. Army Field Support Command and Army representative on this group, (309) 782-5111.
- c. Technical Joint Cross-Service Group (laboratory). The POC is Dr. Robert Rohde, SAAL-TR, (703) 601-1515.
- d. U.S. Army Materiel Command Stationing Office. The POC is Daryl Powell, USAMCSO, (703) 617-9186.

The Army BRAC 2005 Internal Control Plan (ICP) provides a consistent set of management controls designed to provide an "unbroken chain" of accountability for each sub-element of information and analysis used in the Army BRAC 2005 process. The network to engage Department of Army organizations is accomplished with "trusted agents." The trusted agents will only be granted access to information based on their needs. Mr. Joseph Pieper, SAAL-PA, (703) 604-7003, or e-mail: joseph.pieper@us.army.mil, is the BRAC "Trusted Agent" for the Assistant Secretary of the Army (Acquisition, Logistics and Technology). I want to expand the trusted agent network by including a POC from each PEO. Please submit a BRAC point of contact to Mr. Pieper within the next week. The trusted agent should be a Department of Army Civilian (DAC) at a grade of at least GS-13.

Mr. Pieper will organize a meeting later this month among representatives from the four BRAC groups identified above and your PEO trusted agents. This meeting will provide the necessary training that explains the BRAC process and how your trusted agents fit into that process.



I expect you to be a pro-active resource for these BRAC groups. Your expertise and input is essential to ensure:

- a. Issues and ideas are surfaced that should be pursued in the BRAC process.
- b. Military value attributes for your assigned materiel/system are appropriately assessed.
- c. Private sector capabilities are considered consistent with Army policy.
- d. Provide insight to your acquisition strategies as they affect depots, arsenals, ammunition plants, and laboratories.



JOSEPH L. YAKOVAC

Lieutenant General, GS

Military Deputy to the Assistant Secretary of the
Army (Acquisition, Logistics and Technology)

Enclosures

DISTRIBUTION:

PROGRAM EXECUTIVE OFFICERS:

Air and Missile Defense, ATTN: SFAE-AMD, P.O. Box 1500,
Huntsville, AL 35807-3801

Editor's note: To view the enclosures, visit the Department of the Army BRAC Web site at <http://www.defenselink.mil/brac/army.htm>.