



United States Department of the Interior

OFFICE OF THE ASSISTANT SECRETARY
POLICY, MANAGEMENT AND BUDGET
Washington, DC 20240



JUN 15 2007

Mr. Shay D. Assad
Director, Defense Procurement and Acquisition Policy
Office of the Under Secretary of Defense (Acquisition, Technology & Logistics)
3060 Defense Pentagon Room 3E1044
Washington, DC 20301-3060

Dear Mr. Assad,

The Department of the Interior (DOI) remains committed to ensuring Department of Defense (DOD) policy requirements are being met by our acquisition servicing organizations. This letter provides an update regarding our efforts and approach to fully addressing your issues with GovWorks.

As stated previously, we believe the changes in policy and procedure to comply with DOD policies were fully implemented at GovWorks after February 1, 2007. To verify that this is the case, we have requested that the DOI Office of the Inspector General (OIG) complete a review of transactions completed after February 1, 2007. I would like to meet with you in the near future to discuss this review.

On June 7, 2007, Douglas Bourgeois, NBC Director, forwarded a white paper to you describing both short and long-term options for ending the use of advanced payments for contracts. Until such time as DOD reaches a decision regarding what long-term option it chooses, we will utilize the manual, short-term option. This change will go into effect on Monday, June 18, 2007, for all DOD transactions processed by GovWorks. The associated cost increase will be reflected in our service fee. This change will end the use of advance payments for DOD contracts by GovWorks.

DOI is also currently working to fully implement your request that no Contracting Officer (CO) associated with the transactions in question work on DOD transactions. We have identified 10 COs associated with the 67 transactions in question. At this time, all of the COs have been reassigned. We would like to discuss the process by which these COs could be reinstated as eligible to work on DOD transactions in the future. Furthermore, starting on June 18, 2007, all DOD transactions will be reviewed and signed by either a branch chief or division head as an additional control measure.

Finally, the Herndon acquisition office has reviewed the current contract workload. There are approximately 150 actions valued at \$164.4M that have not yet been awarded, but are projected for award through the end of the fiscal year. We will transfer the CO responsibility for these actions to the Southwest Branch acquisition group to minimize

the impact to DOD programs. We are forwarding the list of actions and requested award dates for each action to the DOD point of contact, Mr. Mike Canales.

I look forward to continuing our collaborative work in this area to ensure DOI's acquisition servicing organizations provide DOD with the highest quality, and efficient services that meet DOD's policy requirements.

Sincerely,

A handwritten signature in black ink that reads "Nina Rose Hatfield". The signature is written in a cursive style with a large initial "N" and "H".

Nina Rose Hatfield
Deputy Assistant Secretary
Business Management & Wildland Fire

cc: Douglas J. Bourgeois
John Nyce