

## OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON WASHINGTON, DC 20301-3000

FEB 17 2012

MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS
COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION
COMMAND (ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(ACQUISITION AND PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING)
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Contingency Competition Goals and Competition Reviews of Certain Omnibus Contracts

In compliance with Section 844(a) of the Fiscal Year (FY) 2012 National Defense Authorization Act, we are establishing contingency competition goals for Operation Enduring Freedom (OEF). For FY 2012, the OEF competition goals and guidelines shall be the same as those identified in my attached December 16, 2011 memorandum entitled "Request for Fiscal Year (FY) 2011 Competition Report," subject to Component Competition Advocate assessment.

Upon my request at the end of 2012, progress against these FY 2012 goals shall be submitted to DPAP along with the report required by Federal Acquisition Regulation (FAR) 6.502(b). In anticipation of this forthcoming FY 2012 reporting requirement for OEF contingency contracting competition, Components shall measure and monitor such competition. For measurement of OEF competition, DPAP has traditionally relied on the "place of performance" field in the Federal Procurement Data System (FPDS), where the value is identified as Afghanistan. To help with reporting accuracy, DoD requested and was granted the addition of a new value of "OEF" to the FPDS "National Interest Action" field. Although OEF has been on-going for several years in Afghanistan, DPAP requested the start date of the code in FPDS be the beginning of this fiscal year. For Component measurement and monitoring of OEF competition, use of "OEF" in the National Interest Action field is mandatory from April 1, 2012 forward. For Fiscal Year 2012 actions prior to April 1, Components may choose to correct contract action reports to add the National Interest Action value of "OEF," but they are not required to do so; OEF competition for this timeframe can be measured by place of performance of Afghanistan.

Section 844(b) of the FY 2012 NDAA requires annual review of civil augmentation program contracts and other similar omnibus contracts in support of OEF. Components shall report the results of this review in their inputs to the FY 2012 Competition report.

As stated in my December 16, 2011 memorandum, promoting real competition is an important Departmental focus area. Emphasizing competition may not be appropriate for all contingency operations. But for a mature military operation such as OEF, competition in

contingency contracting is a key means of obtaining the best business deal. The competition levels for contracts in support OEF are noteworthy, thanks to those doing this front-line warfighter support.

My point of contact for contingency contracting is Barbara Trujillo who may be reached

at barbara.trujillo@osd.mil or 571-256-7010.

Director, Defense Procurement and Acquisition Policy

Attachment: As stated



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DEC 16 2011

MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS

COMMAND (ATTN: ACQUISITION EXECUTIVE)

COMMANDER, UNITED STATES TRANSPORTATION

COMMAND (ATTN: ACQUISITION EXECUTIVE)

DEPUTY ASSISTANT SECRETARY OF THE ARMY

(PROCUREMENT)

DEPUTY ASSISTANT SECRETARY OF THE NAVY

(ACQUISITION AND PROCUREMENT)

DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE

(CONTRACTING)

DIRECTORS OF THE DEFENSE AGENCIES

DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Request for Fiscal Year (FY) 2011 Competition Report

This memorandum requests the FY 2011 Component Competition Reports required under Federal Acquisition Regulation Subpart (FAR) 6.502(b) be submitted to DPAP by January 26, 2012. The competition report provides an opportunity to conduct meaningful analysis of competition achievements and highlight actions taken to promote overall and effective competition and provide examples that represent report findings. The report shall address the reporting requirements in FAR 6.502(b), and must include at least three years of trend data on overall competition and fair opportunity achievements.

The competition report shall be based on data from the Federal Procurement Data System (FPDS) standard competition report, which tracks overall competition as well as fair opportunity on orders under multiple award contracts and federal supply schedules. FY 2011 was the first year effective competition goals were set for the Components. Competition Advocates are to use the FPDS Ad Hoc report to capture achievements in effective competition. Instructions for running the Ad Hoc report can be found at the following website: http://www.acq.osd.mil/dpap/pdi/uid/docs/Filters for Only One Offer (Jan 18 2011).pdf

Promoting real competition remains a focus area under the USD(AT&L) Better Buying Power (BBP) Initiative. As part of the Component Competition Reports, Competition Advocates shall address the steps taken in FY 2011 to implement this BBP initiative as well as plans for improving in FY 2012. As noted in the fourth quarter FY 2011 Competition Advocates meeting, the Department did not achieve its overall or effective competition goals. Component Competition Advocates must strive to improve their competition achievements in FY 2012 and are encouraged to use monthly FPDS data analysis to identify opportunities for improving competitive achievements. Recently, I provided the attached FY 2011 FPDS Product and Service Code presentation to the Senior Procurement Executives and key staff as an example of the type of competitive analysis that can be performed to identify areas for improvement.

The FY 2012 component goals for overall and effective competition are also attached. The DoD overall competition goal is set at 60% based on the Department's Initial FY2012 Organizational Assessment Guidance. The Component's overall competition goals reflect a two percent improvement over their FY 2011 achieved rates, and the effective competition goals reflect a 10% improvement over their FY 2011 achieved rates. Component Competition Advocates shall provide my point of contact a preliminary assessment of these goals once they have discussed with their leadership and procurement activities, but not later than January 7, 2012. To the extent that the goals are not practicable because of anticipated program requirements or impediments, the Competition Advocates shall discuss these impediments in its preliminary assessment and FY 2011 Competition Report.

My point of contact for competition is Mr. Larry McLaury who may be reached at larry.mclaury@osd.mil or 703-697-6710.

Richard Ginman

Director, Defense Procurement
and Acquisition Policy

Attachments: As stated

TAB C - FY 2012 Overall & Effective Competition Goals.xlsx

	FY2011 OVERALL	FY2011 OVERALL	FY2012 OVERALL	FY2011 EFFECTIVE	FY2011 EFFECTIVE	FY2012 EFFECTIVE
DEPARTMENT/COMPONENT	GOAL	ACTUAL *	(2% GOAL)	GOAL	ACTUAL *	(10% GOAL) **
DEPT OF THE ARMY	65.4%	62.6%	63.9%	86.0%	80.0%	88.0%
DEPT OF THE NAVY	55.6%	48.3%	49.3%	85.1%	77.7%	85.5%
DEPT OF THE AIR FORCE	53.7%	42.2%	43.0%	77.5%	85.0%	93.5%
DEFENSE LOGISTICS AGENCY	80.4%	82.6%	84.3%	95.7%	88.7%	97.6%
BUSINESS TRANSFORMATION AGENCY (BTA)	74.0%	81.4%	***	81.3%	78.4%	***
DEFENSE ADVANCED RESEARCH PROJECTS AGENCY	88.7%	88.3%	90.1%	99.7%	100.0%	100.0%
DEFENSE COMMISSARY AGENCY (DECA)	19.0%	23.1%	23.6%	98.7%	99.0%	99.0%
DEFENSE CONTRACT MANAGEMENT AGENCY	88.5%	66.2%	71.9%	88.9%	71.9%	79.1%
DEFENSE FINANCE AND ACCOUNTING SERVICE	56.0%	46.8%	47.7%	68.4%	71.1%	78.2%
DEFENSE HUMAN RESOURCE ACTIVITY	70.8%	55.3%	56.4%	94.4%	84.6%	93.1%
DEFENSE INFORMATION SYSTEMS AGENCY	83.3%	82.8%	84.5%	86.0%	74.5%	82.0%
DEFENSE MEDIA ACTIVITY	87.8%	87.2%	88.9%	93.3%	96.1%	96.1%
DEFENSE MICROELECTRONICS ACTIVITY	84.8%	79.8%	81.4%	29.0%	5.9%	6.5%
DEFENSE SECURITY COOPERATION AGENCY	83.8%	81.3%	82.9%	77.4%	70.8%	77.9%
DEFENSE SECURITY SERVICE (DSS)	93.6%	97.6%	99.6%	93.6%	91.8%	91.8%
DEFENSE THREAT REDUCTION AGENCY	78.3%	84.2%	85.9%	69.1%	83.1%	91.4%
DEPT OF DEFENSE EDUCATION ACTIVITY	92.6%	91.5%	93.3%	91.4%	78.5%	86.4%
MISSILE DEFENSE AGENCY	55.2%	64.7%	55.2%	59.8%	54.6%	60.1%
TRICARE MANAGEMENT ACTIVITY (TMA)	92.4%	90.2%	92.0%	99.9%	100.0%	100.0%
U.S. SPECIAL OPERATIONS COMMAND (SOCOM)	61.0%	65.7%	67.0%	82.2%	100.0%	100.0%
U.S. TRANSPORTATION COMMAND (TRANSCOM)	98.0%	99.6%	99.0%	98.9%	95.3%	95.3%
UNIFORMED SERVICES U OF THE HEALTH SCIENCES (USUHS)	38.1%	40.3%	***	86.3%	87.0%	****
WASHINGTON HEADQUARTERS SERVICES	87.4%	81.0%	82.6%	95.9%	83.6%	92.0%
DEPARTMENT OVERALL GOAL	62.8%	58.5%	60.0%	86.3%	82.4%	90.6%

## Notes:

<sup>\*</sup> FY2011 actual achieved rates as of Nov 1, 2011.

\*\* FY2012 effective competition goals are based on 10% improvement over FY2011 achieved rates. Components that achieved an actual rate of 90% or higher are to maintain the FY 2011 actual rate.

<sup>\*\*\*</sup> BTA was disestablished in FY2011
\*\*\*\* USUHS will be reported under TMA for FY2012 Reporting purposes.