



DEPUTY SECRETARY OF DEFENSE
1010 DEFENSE PENTAGON
WASHINGTON, DC 20301-1010

OCT 21 2008

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Interagency Acquisition Policy Implementation Assessment

Section 813 of the John Warner National Defense Authorization Act (NDAA) for FY 2007 (Pub. L 109-364) directed DoD to establish a "Panel on Contracting Integrity." This panel is a Department-wide cross section of senior leaders with a mission to eliminate areas of vulnerabilities within the defense contracting system where fraud, waste, and abuse occur. The Panel identified two areas of vulnerability in Interagency acquisition – pre- and post-award oversight processes and the consideration of fees during the selection of interagency contracts.

Interagency acquisition requires the cooperation of customers, program managers, contracting officers, and financial managers to ensure we are making good business decisions. Specific requirements include: (a) verification that each organization's internal policies are compliant with current DoD policy listed in Attachment A; (b) incorporation of the areas addressed in Attachment B as special interest items for use in command inspections, procurement management reviews, and operational readiness inspections during FY 2009; and (c) a report of findings to the Director, Defense Procurement, Acquisition Policy, and Strategic Sourcing by October 31, 2009, and annually thereafter through October 31, 2012.

This data will be reviewed during the collaborative audits of Interagency acquisition with DoDIG during 2010, 2011, and 2012, as required by Section 801, NDAA for FY 2008.

A handwritten signature in black ink, appearing to read "Andrew England".

Attachments:
As stated



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ATTACHMENT A

DoD Interagency Acquisition Policy Implementation Assessment

DoD policy and guidance on use of Interagency Acquisition is accessible at http://www.acq.osd.mil/dpap/cpic/cp/interagency_acquisition.html. These policy documents include:

- Under Secretary of Defense (Comptroller) (USD(C)) and Under Secretary of Defense for Acquisition, Technology and Logistics (USD(AT&L)) policy memorandum of October 29, 2004, "Proper Use of Non-DoD Contracts," establishes a framework for making business decisions and requires Components to establish individual procedures to review and approve the use of non-DoD contract vehicles on or after January 1, 2005, for acquisitions greater than the simplified acquisition threshold.
- USD(AT&L)/DPAP memorandum of January 18, 2008, "Interagency Acquisition," clarifies and summarizes the germane USD(C) and USD(AT&L) policies in one document.
- Office of Federal Procurement Policy Guide, "Improving the Management and Use of Interagency Acquisitions," June 6, 2008, defines and standardizes roles and responsibilities in the Interagency Acquisition process. The Department participated in the development of the guide and endorses its use in Interagency Acquisitions.

ATTACHMENT B

DoD Interagency Acquisition Policy Implementation Assessment

Identified Action	Criteria	Review Plan Action
<p>1. Proper use of non-DoD contracts and non-DoD contracting organizations in Interagency Acquisitions</p>	<ul style="list-style-type: none"> • Office of Federal Procurement Policy Guide, "Improving the Management and Use of Interagency Acquisitions," dated June 6, 2008, defines and standardizes processes for Interagency Acquisition. • DPAP memo of January 18, 2008, amplifies and provides DoD-specific guidance regarding the proper use of non-DoD contracts and use of non-DoD contracting organizations. <p>FAR 6.3 and FAR 8.405-6 require program managers to:</p> <ul style="list-style-type: none"> • Perform due diligence and market research; • Provide the assisting agency with written justification for using other than full and open competition; • Ensure that statements of work/requirements clearly, precisely, and completely specify the supplies or service to be procured. 	<p>Review files regarding Interagency Acquisitions and associated Military Interdepartmental Purchase Requests (MIPRs) to determine compliance with DoD policy in both direct and assisted acquisitions.</p> <p>Files should include:</p> <ul style="list-style-type: none"> • Documentation that the acquisition meets a bona fide need; • A written agreement between the requesting agency and the assisting agency that clearly defines roles and responsibilities; • A determination that an assisted Interagency Acquisition is in the best interest of the Department; • Sufficient documentation to ensure an adequate audit.

DoD Interagency Acquisition Policy Implementation Assessment, continued

Identified Action	Criteria	Review Plan Action
<p>2. Adequate assessment of fees charged when determining to use Interagency Acquisition.</p>	<ul style="list-style-type: none"> • USD(C)/USD(AT&L) memo of October 29, 2004, requires that fees must be considered when determining to use interagency acquisition procedures. • DPAP memo of January 18, 2008, provides guidance that fees paid should be commensurate with task and effort provided by the assisting agency. It requires a best interest determination. • OFPP Guide requires the assisting agency to enter the dollar value of fees paid in the “Fee Paid for Use of Independent Delivery Vehicle (IDV)” field of the Federal Procurement Data System – Next Generation (FPDS-NG) database. It is a required field on Delivery Orders for both DoD and civilian agencies, and it records the actual fee paid in order to use the IDV. 	<p>During contract execution reviews, procurement management reviews, command inspections, or operational readiness inspections, verify that files contain documentation justifying that these assisted acquisitions are in the best interest of the government and that the fees paid for assisted acquisition services are reasonable. Files should include:</p> <ul style="list-style-type: none"> • Non-Economy Act Acquisition Package Checklist; • A record, by fiscal year, of the total dollar value of fees associated with each Interagency Acquisition order; • Contact information (name, organization, email address, telephone) for location of data on use and cost of interagency fees.