



**DEPARTMENT OF THE ARMY**  
**OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY**  
**ACQUISITION LOGISTICS AND TECHNOLOGY**  
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MEMORANDUM FOR U.S. ARMY AUDIT AGENCY, OFFICE OF THE DEPUTY AUDITOR GENERAL, ACQUISITION, LOGISTICS AND TECHNOLOGY AUDITS, 6000 6<sup>th</sup> STREET, BUILDING 1464, FORT BELVOIR, VA 22060-5609

SUBJECT: United States Army Audit Agency (USAAA) Draft Report: Army Acquisition Policy and Regulations (A-2014-ALA-0139)

1. This memorandum represents the Assistant Secretary of the Army (Acquisition, Logistics and Technology) (ASA(ALT)) position on the portions of the draft report on Army Acquisition Policy and Regulations, as they apply to ASA(ALT).
2. The Office of the Deputy Assistant Secretary of the Army (Acquisition Policy and Logistics) has reviewed the findings, conclusions and recommendations in the draft report. Concurrence with comments is included in the enclosure.
3. The point of contact is Dr. Eric Parrish (703) 617-0188, or e-mail: eric.l.parrish8.civ@mail.mil

Encl

Gabriel Camarillo  
Principal Deputy Assistant Secretary of the Army  
(Acquisition, Logistics and Technology)

Command Comments from the Assistant Secretary of the Army  
(Acquisition, Logistics and Technology) (ASA(ALT))

**Recommendation 1**

Issue policy directive that remove unnecessary Army-specific document content and staffing requirements from the DoD's established milestone approval process. Such as:

- Development and submission of the materiel fielding plan.
- Inclusion of the replaced system support plan, core depot assessment, system demilitarization plan, and materiel fielding plan as annexes to the life-cycle sustainment plan.

**Command Comments**

Concur. The Office of the Deputy Assistant Secretary of the Army (Acquisition Policy and Logistics) is currently staffing revisions to AR 70-1, and has begun updating DA PAM 70-3 to eliminate unnecessary content. However, some Army-unique content is required for processes not addressed in DoD guidance (e.g. fielding, type classification). The expected completion date for AR 70-1 is 30 January 2016; the expected completion date for DA PAM 70-3 is 30 December 2016.

A policy memorandum directive will be sent, by 30 March 2015, to the acquisition workforce to emphasize required milestone documentation versus program documentation that is not required by statute or policy.

**Recommendation 2**

Develop and maintain a central repository for Army acquisition policies and regulations that identify:

- Current policies and regulations used in the development of program documentation required for milestone approval.
- Organizations and points of contact within each DoD and Army proponent responsible for the guidance and approval of information requirements.

**Command Comments**

Concur. The Deputy for Acquisition and Systems Management appointed a central action officer who will develop and maintain a central repository of policies and regulations that impact acquisition programs, milestone documentation, and associated requirements. The expected date of initial implementation of the central repository is 1 October 2015.

### **Recommendation 3**

Establish a central action officer within the Office of the Assistant Secretary of the Army (Acquisition, Logistics and Technology) responsible to:

- Maintain and update the repository of current Army acquisition policies and regulations for developing milestone documentation.
- Function as a reference for questions and issues regarding the development, staffing, and approval of program documentation.

### **Command Comments**

Concur. The Deputy for Acquisition and Systems Management appointed a central action officer who will develop and maintain a central repository for Army acquisition policies and regulations. The expected start date is 1 February 2015. The key functions and responsibilities will support Program Managers, as a reference, for questions and issues regarding the development, staffing, and approval of program documentation.

### **Recommendation 4**

Develop a formal process for program executive officers and program managers to adjudicate additional requirements that occur during the document staffing process to Army leadership for resolution.

### **Command Comments**

Concur. The central action officer, described in command comments for recommendation two, will serve as the collaborator for adjudicating added requirements with document stakeholders in support of program executive officers and program managers. The Deputy for Acquisition and Systems Management will establish formal processes for this effort by 1 October 2015.

### **Recommendation 5**

Issue policy directive memorandum that requires formal submission of proposed changes or improvements to policy for Assistant Secretary of the Army (Acquisition, Logistics and Technology) approval before enforcement.

### **Command Comments**

Concur. A policy directive memorandum will be issued by 30 March 2015 that emphasizes the process for submitting policy proposals and/or improvements to acquisition policy, to prevent the informal addition of requirements or changes to existing statutory/regulatory requirements.

## **Recommendation 6**

Revise Army policies and regulations required for milestone approval and issue interim policy directive memoranda that:

- Reflect current DoD policies and regulations.
- Provide additional guidance to facilitate documentation development.

### **Command Comments**

Concur. Revisions to AR 70-1 are underway; DA PAM 70-3 is being reviewed for reissuance as an Army Acquisition Guidebook. These actions constitute the most streamlined and effective method to update the relevant guidance. The expected completion date for AR 70-1 is 30 January 2016; the expected completion date for DA PAM 70-3 is 30 December 2016.

## **Recommendation 7**

Submit a request to the Under Secretary of Defense (Acquisition, Technology and Logistics) to tailor the Indirect Fire Protection Capability program to allow an Army-validated capability development document to be used in lieu of a Joint Requirements Oversight Council-approved document for the development request for proposal release decision point.

### **Command Comments**

Concur. We agree with the intent of the recommendation. We recognize that the requirement to have an approved capability development document to support the development request for proposal decision point will negatively affect the cost and schedule of the Indirect Fire Protection Capability (IFPC) program. In October 2014, we took action to begin addressing the issue and submitted an information paper to the office of the USD (AT&L) to inform them of the potential delay and costs to the IFPC program caused by the new requirements in DoD Instruction 5000.02.

Additionally, we have recently completed a cost benefit analysis that determined the program would proceed on the basis of the approved Acquisition Strategy and continue using organic development through the Engineering and Manufacturing Development phase. We will submit a request to tailor the program by seeking relief from the development request for proposal decision point from the USD (AT&L).

This course of action meets the intent of the recommendation by removing the need to have a Joint Requirements Oversight Council-approved capability development document ready for submission by 30 April 2015. As a result, the program will be able to obligate estimated funding of about \$131.8 million on schedule and avoid incurring additional costs of about \$27.9 million.