



DEFENSE LOGISTICS AGENCY
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IN REPLY J-33
REFER TO

FEB 8 2001

MEMORANDUM FOR COMMANDERS, INVENTORY CONTROL POINTS
DIRECTOR, DEFENSE ENERGY SUPPORT CENTER
COMMANDER, DEFENSE REUTILIZATION AND MARKETING SERVICE
COMMANDER, TELEVISION-AUDIO SUPPORT ACTIVITY
DIRECTOR, DOCUMENT AUTOMATION AND PRODUCTION SERVICE
ADMINISTRATOR, DEFENSE NATIONAL STOCKPILE CENTER
DIRECTOR, DLA SUPPORT SERVICES

SUBJECT: Availability of New Acquisition Reform Policy

The purpose of this memorandum is to make you aware of several policy documents recently issued by the Under Secretary of Defense (Acquisition, Technology and Logistics) and his Principal Deputy Under Secretary, which may be of use to your acquisition team in implementing commercial business strategies. These documents are available at the Office of the Deputy Under Secretary of Defense for Acquisition Reform (ODUSD(AR)) website <http://acq.osd.mil/ar/> which can be accessed through the Procurement Links button on the J-3 Regulations Homepage <http://www.dla.mil/j-3/j-336/>.

On January 5, 2001, Dr. Jacques Gansler signed out a policy memorandum on **Commercial Acquisitions** designed to increase the use of Federal Acquisition Regulation (FAR) Part 12 within the Department (Attachment 1). The memo provides certain clarifications concerning use of Part 12, and establishes commercial acquisition goals, which will be tracked by the ODUSD(AR). An implementation plan to achieve these goals is due within 90 days. DLA will be forming a working group to develop this plan with representation from your contracting and technical communities, as appropriate. Additional information concerning this effort can be obtained from Ms. Anne Burleigh, J-336, DSN 427-1393.

On January 2, 2001, Dr. Gansler signed out a **Guidebook for Performance-Based Services Acquisition (PBSA)** (cover memo at Attachment 2) as an educational tool to promote awareness and use of PBSA principles by all stakeholders. Information regarding PBSA will be made available via the J-3 Regulations Homepage. On January 5, 2001, Mr. Dave Oliver issued a memorandum on **Acquisition of Services** (Attachment 3), stressing the requirement that 50 percent of all service acquisitions be performance based by 2005, and announcing the establishment of an Implementation Process Team (IPT) to develop a program review structure for service acquisitions similar to the milestone reviews for major systems acquisitions. The initial meeting of the IPT was held January 24, 2001. Our point of contact, Ms. Mary Massaro, J-336, DSN 427-1366, will keep you apprised of the IPT's progress.

Two memorandums were signed out by Mr. Oliver, which propose to expand the packaging initiatives currently underway and encourage the use of commercial packaging practices where practical. These are: **DoD Packaging Pilot Program Expansion and Revision to MIL-STD-2073 DoD Standard Practice for Military Packaging and New Fault Flexible Commercial Packaging Practices**, signed on December 29, 2000 (Attachments 4 and 5). These are for information only at this time and do not change any current packaging policies and procedures in use at the Defense Supply Centers. Any questions concerning these documents may be directed to Mr. Joe Maloney, J-333, DSN 427-3673.

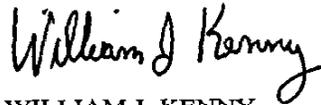


On January 5, 2001, Dr. Gansler signed out a memorandum on Incentive Strategies for Defense Acquisitions (Attachment 6), which provides general policy guidance and tools for incentivizing contractor performance. Detailed background information on this subject is available in the Science Applications International Corporation (SAIC) Final Report entitled "Constructing Successful Business Relationships—Innovations in Contractual Incentives," which is available on-line at <http://acqnet.sarda.army.mil>. Click on the "Library" icon and the Final Report title. Additionally, an incentive guidebook will be available shortly at the ODUSD(AR) website. Additional information on this material may be obtained from Mr. Greg Ellsworth, J-336, DSN 427-1369.

A memorandum on Reform of Intellectual Property Rights of Contractors was signed by Mr. Oliver on January 5, 2001 (Attachment 7). It directs several actions to improve the understanding and treatment of industry's intellectual property rights. Actions include the development of a layman's guide to make this complex field more understandable to the acquisition workforce. This should foster negotiation of intellectual property terms and conditions that will attract more commercial firms to Defense Acquisition.

The 5000 series documents on Defense Acquisition have also been revised and reissued. Information on these changes, status of documents, and a briefing on the DoD 5000 Rewrite effort can all be found under "What's Hot!" on the ODUSD(AR) website.

Please disseminate this information quickly to your acquisition and logistics personnel so that they can begin to make use of it in structuring our new business initiatives. My point of contact for this memo is Ms. Norma Bailey-Muller, J-336. Norma can be reached at DSN 427-1393 or by email to norma_bailey-muller@hq.dla.mil.



WILLIAM J. KENNY
Executive Director
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Attachments