



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
ACQUISITION LOGISTICS AND TECHNOLOGY
103 ARMY PENTAGON
WASHINGTON DC 20310-0103

SAAL-ZV

DEC 20 2011

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Interim Guidance for Management and Oversight of Services Acquisitions

1. References:

a. Memorandum, Secretary of the Army, 28 September 2011, subject: Approval of Optimization of Army Services Acquisition Implementation Plan.

b. Memorandum, Assistant Secretary of the Army (Acquisition, Logistics and Technology), 4 November 2011, subject: Optimization of Army Services Acquisition Forecasts and Reports.

2. Reference a. is the Secretary of the Army approval of the enclosed Optimization of Army Services Acquisition Implementation Plan. Reference b. implements the reports contained in the plan. My office is revising Army Regulation 70-13, Management and Oversight of Services Acquisitions, and applicable sections of the Army Federal Acquisition Regulation Supplement (AFARS) to reflect the concepts depicted in this plan. In the interim and effective immediately, I ask for your assistance by complying with the management and governance concepts described in the plan. Interim services acquisition guidance is as follows:

a. Commanders and Principal Officials of Headquarters, Department of the Army are responsible for all lifecycle phases of their services programs and are accountable for acquiring services in the most efficient and effective manner possible to achieve projected costs savings.

b. Commands will establish an internal process within their organization for managing services to include assignment of a Command Services Executive (CSE) as a single focal point. As a minimum, Multi-Functional Integrated Process Team (MFIPT) approach will be used. Each MFIPT shall have members that are functional experts in their respective fields and trained for acquiring services.

c. Follow the services portfolio management governance structure in the implementation plan at enclosure 1 and coordinate with the applicable Portfolio Manager Indicated at enclosure 2. This coordination will start with requirements generation. The Portfolio Managers will contact your CSE to assist in further coordination and support.

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d. Services acquisition strategies greater than the simplified acquisition threshold, but less than \$250M, will continue to be reviewed and approved at the local agency level in accordance with AFARS 5137.590-4.

e. Beginning 1 January 2012 the following new guidance applies:

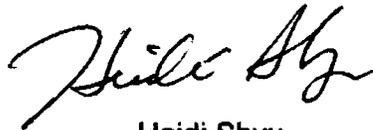
(1) Provide a copy of locally approved, Army-funded services acquisition strategies valued at \$10-250M to the Senior Services Manager and the applicable Portfolio Manager. Format and Instructions for submitting are provided at enclosure 3.

(2) Submit Army-funded new acquisition strategies for approval by the Senior Services Manager valued at \$250-500M as early in the requirements planning process as possible. Provide a copy to the applicable Portfolio Manager. This approval process does not apply to Army medical services funded by the Defense Health Program or services supporting deployed contingency commands. Format and instructions for submitting are provided at enclosure 3. No change with review and approval responsibility for those services valued at \$500M and above.

(3) Participate in applicable Annual Requirements Execution Reviews (ARERs) conducted by the Senior Services Manager to review the status of services acquisitions valued at \$10M and above. The ARERs will focus on cost, schedule, performance and the usage of effective and efficient services acquisitions concepts. The ARER participation guidance will be provided separately.

f. This interim guidance does not apply to services obtained for construction, research and development programs, or services acquisitions in support of Program Executive Office (PEO) managed programs subject to a milestone decision review. It does apply to any advisory and assistance services that support research and development procured by the Army. The Assistant Secretary of the Army (Civil Works) has the principal responsibility for overall policy direction and supervision of the Department of the Army functions relating to all aspects of the Civil Works Program (Headquarters, Department of the Army General Orders No. 3, 9 July 2002).

3. If you have specific question(s), please contact Mr. Michael Padden at (703) 545-4771, e-mail: michael.c.padden.civ@mail.mil, or Ms. Diane Murtha at (703) 545-4838, e-mail: diane.l.murtha.civ@mail.mil.



Heidi Shyu
Acting Assistant Secretary of the Army
(Acquisition, Logistics and Technology)

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