OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

MAR 1 3 2007

MEMORANDUM FOR DEPUTY DIRECTOR, CONTRACT MANAGEMENT DIRECTORATE, DODIG

THROUGH: DIRECTOR, ACQUISITION RESOURCES AND ANALYSIS 3/14/07

SUBJECT: IG/GAO Action - D-2007-023-OIG - Final Report "FY 2005 DoD Purchases Made Through the National Aeronautics and Space Administration" (D-2005 -D000CF-0273 .000)

I am responding to the request for comments to the final report. Thank you for including our comments to the draft report in the final report. The following updates are provided.

The Department concurred with Recommendation 2(a)(2) of the draft report that said: "Although the prices obtained on the National Aeronautics and Space Administration Scientific and Engineering Workstation Procurement (NASA SEWP) contracts are considered fair and reasonable, contract holders are permitted to charge less than the list price. Therefore, contracting officers should seek discounts when awarding orders on the single-award contracts."

Consistent with the DoD response to the draft report, language has been added to the NASA SEWP contract website that encourages DoD contracting officers to seek discounts when utilizing the NASA SEWP contract.
http://www.sewp.nasa.gov/dod/info.shtml

The Department concurs with Recommendation 2(b) of the report that said: "Require Departments and Agencies that use the National Aeronautics and Space Administration Scientific and Engineering Workstation Procurement contracts to take free training provided by the National Aeronautics and Space Administration."

DoD will issue a policy memorandum advising effective when the NASA SEWP IV is awarded, only a warranted DoD contracting officer or a purchase card holder who has completed the free training and received a certificate of training completion can place an order on the NASA SEWP IV contract. NASA will maintain the list of contracting officers that have completed the training. This message has also been added to the NASA SEWP contract website http://www.sewp.nasa.gov/dod/info.shtml.

The Department partially concurred with recommendation 2(c) of the report that said "Require contracting officers to use the National Aeronautics and Space Administration Scientific and Engineering Workstation Procurement (NASA SEWP) on-line tool when requesting quotes because the tool aids contracting officers in providing fair opportunity, and instruct contracting officers that they should not deselect contractors that the on-line tool automatically chooses unless one of the exceptions to fair opportunity is documented."

Consistent with the DoD response to the draft report, language has been added to the NASA SEWP contract website that encourages the use of the SEWP on-line RFQ tool since it includes prompts to ensure that the requirements of "Fair Opportunity" are met. http://www.sewp.nasa.gov/dod/info.shtml

The policy memo to be issued in response to recommendations 2(a)(l), 2(a)(3), 2(a)(4) and 2(a)(5) is now expected to be released in April 2007.

If you have any questions regarding this response, please contact Mr. Michael Canales, at 703-695-8571 or at michael.canales@osd.mil.

Shay D. Assad
Director, Defense Procurement
and Acquisition Policy