



# Defense Task Force DFARS Transformation

Phase 2 Final Report

**Presented to:  
Acquisition Reform  
and  
Experimental Processes Committee**

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June 17, 2003





# Purpose

- Inform participants of DFARS Transformation results-to-date
- Outline Implementation Strategy
- Invite participation



# Outline

- ✓ **Objective and Task**
- ✓ **Phase 2 Strategy**
- ✓ **Phase 2 Results**
- ✓ **Phase 3 Implementation**
- ✓ **What do we need**



# DPAP Reorganization

**Ms. Lee**  
**Director**  
**Defense Procurement & Acquisition Policy**

**Special Assistant for AT&L Projects**  
**Ms. Leantha Sumpter**

**Operations Office**  
 Col Lyndi Balven  
 LTC Ray Montford  
 Carol Preston  
 Dianne Bagley  
 Conni Homer

**VACANT Prin Deputy & Dep Acq Workforce Mgmt & Trng**

**VACANT**

**We are Here**

Feedback Loop

**Policy**  
 Domenic Cipicchio  
 Joyce Martin  
 Teresa Brooks  
 Mike Canales  
 David Capitano  
 Phil Degen  
 Lt Col Greg Redick  
 Bill Timperley

**Program Acquisition & Int'l Contracting**  
 Dan Nielsen  
 Deborah Grinkley  
 Gary Blasser  
 Craig Curtis  
 Barbara Brygider (BPR)  
 Barbara Gtofelty  
 Skip Hawthorne  
 Sue Hildner  
 Verne McKamey  
 Mike Pelkey  
 Chris Werner

**Regulations**  
 Ronald Poussard  
 Gail Cruz  
 Darryl Gatlin  
 Euclides Barrera (BPR)  
 Steve Cohen  
 Ted Godlewski  
 Sandy Haberlin  
 Angelena Moy  
 Michele Peterson  
 Susie Schneider  
 Amy Willams

**E-Biz**  
 Mark Krzysko  
 James McMichael  
 Qiana Garnett (SIS)  
 Kathy Fenk  
 Col Larry Lee  
 Jay Mandelbaum  
 Diane Morrison  
 Lisa Romney  
 Steve Slavsky  
 SPS  
 Liz Gooding (BPR)  
 D. O'Rourke (BPR)

**Workforce & Career Mgmt**  
 Ric Sylvester  
 Mary M. Evans  
 Y. Whichard (CTR)  
 G. Yarbrough (CTR)  
 David Boyd  
 Rita Lefler  
 P. McMahon (DAU)  
 Melissa Rider  
 JudithBoyd (Detailee)  
 Diane Bray (Detailee)  
 K.Clougherty (DLAMP)  
 W. Howard (Detailee)  
 F. Leaming (Detailee)  
 B. McChesney (Detailee)  
 D. Murry (DLAMP)

**DAU**  
**AET & CD\***  
 Tonya Barbour (CTR)  
 Bonnie Mitchell  
 Leslie Blackmon  
 Dan Dennison  
 John Michel  
 Kenn Steffee  
 Steve Tkac  
 P. Mattei (Detailee)  
 \*Statutory\*  
**DoD DACM**  
 Jay Boller (CTR)  
 J. Higgins (CTR)  
 Karla Merritt (DLA)  
 Cindy Taylor (DLA)  
 Kelly Long (Detailee)  
**ACQ DEMO**



**Organization**

- [DAR Directorate](#)
- [DAR Council](#)
- [DAR Committee](#)

**FAR**

- [GSA](#)
- [Hill AFB](#)

**DFARS**

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- [Change Notices](#)
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# DFARS Transformation

The Department of Defense is kicking off a major transformation initiative to identify dramatic improvements and reductions to procurement policies, procedures and processes in the Defense Federal Acquisition Regulation Supplement (DFARS).

Under the direction of the Director of Defense Procurement and Acquisition Policy, Ms. Deidre Lee, we are establishing a Task Force to consider bold changes and make proposal recommendations. We will also develop legislative proposals for consideration by the Congress for future changes to the DFARS.

The public is encouraged to participate in generating ideas for improvements. To ensure timely consideration, please submit your proposal NLT March 28, 2003. We will consider and post all ideas but our aggressive schedule precludes us from responding on an individual basis.

Please [Click Here](#) to submit your proposal.



# DoD Direction

- Conduct a comprehensive review and transformation of the FAR and DFARS
  - **Reduce DFARS by 40%**
- Include operational proceedings used to revise and implement the DFARS

## **Fits within OSD Goals and Priorities**

- √ **Improve credibility and effectiveness of acquisition and logistics support process**
- √ **Enhance higher priority activities and improve responsiveness and efficiency**
- √ **Shorten DoD Processes by 50%**



# Why?

- **FAR/DFARS published in 1984**
  - 4-year effort to rewrite FPR and ASPR
- **Many re-write/transformational initiatives**
  - DMR – late 80s removed duplicative/unnecessary rules
    - DFARS size cut in half - words cut from 600K to 300K
    - 400 directives identified for cancellation/consolidation
    - 113 clauses removed (35%)
  - Fundamental improvements to:

<b>Negotiated procurement</b>	<b>Source Selection</b>
<b>Procurement Integrity</b>	<b>Profit</b>
<b>Commercial contracting</b>	<b>IT and schedules</b>
<b>Milspec reform</b>	<b>Industry involvement</b>

- Section 800 panel (1993) – comprehensive look at the laws
- FASA and FARA – mid – 90s
- Plain language re-write (ongoing)
- FAR guiding principles

Rule-making process has remained relatively unchanged



# Why? - A Case in Point

- Temporary Emergency Procurement Authority
  - FAR change to implement Section 836 of the FY02 NDAA
  - Increased micro-purchase threshold and the simplified acquisition threshold for defense against terrorism.
  - Allows PCOs to treat biotechnology supplies and services as commercial items.
- Timeline

Law	Cmte Tasked	DAR Council Sends to CAAC	OFPP/OIRA /GSA/AT&L Approval	Interim Rule Published in Fed Reg							
Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	

9 months to publish an Interim Rule!

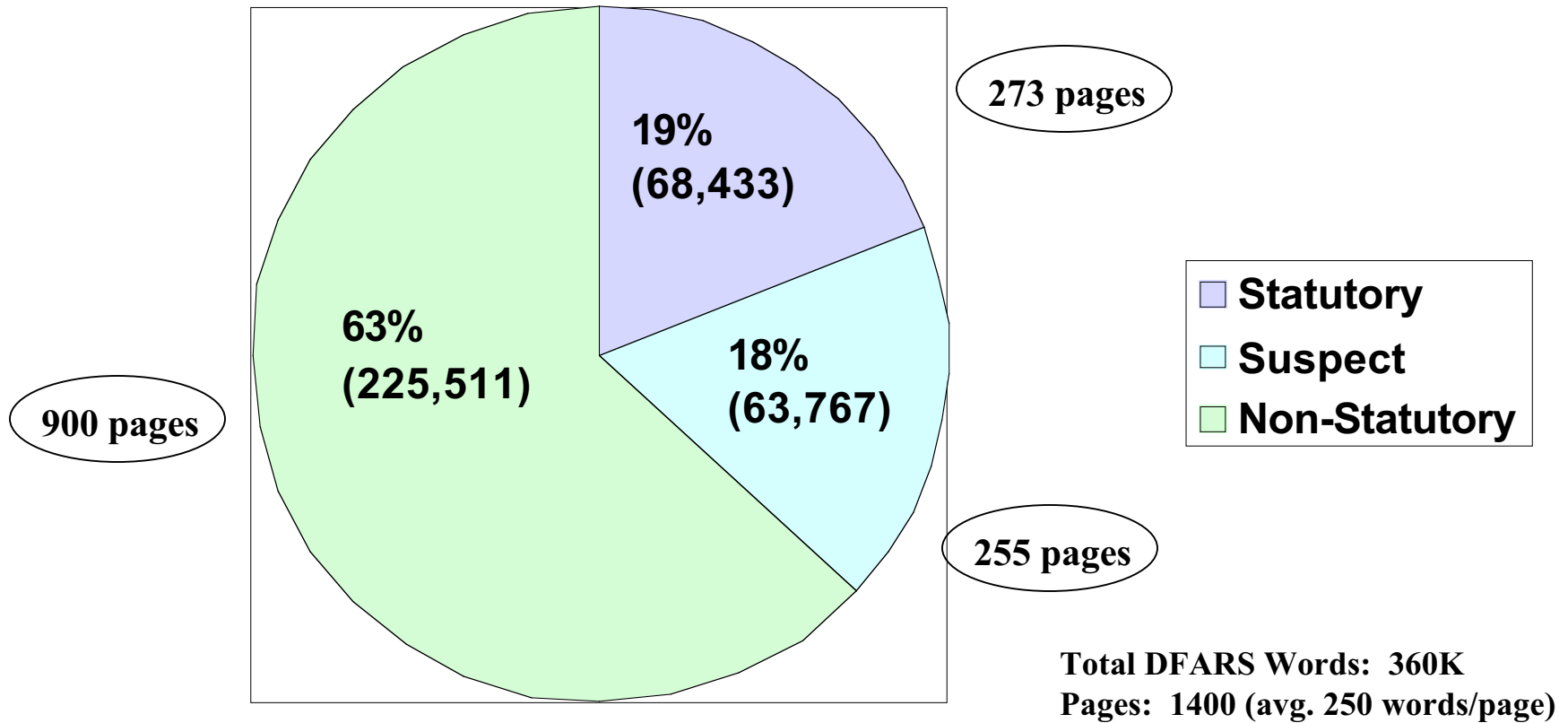


# Objectives

- Value-based approach
  - Identify opportunities and potential for improvement
    - Policy, process, procedure, authority
  - Identify opportunities to reduce regulatory requirements
    - Recast the purpose, process and content of the DFARS
- Focus on opportunities with measurable benefit
  - Strengthen procurement process, reduce cost, cycle time, administrative burden, foster innovation
  - Increase effectiveness



# Phase 1 Results



Based on DFARS total word count



# Phase 2 Task

- Generate DFARS proposals to --
  - Reduce acquisition cost, cycle time, administrative burden
  - Strengthen procurement processes, foster innovation
  - Improve clarity
  - Provide measurable value in accomplishing DoD's mission
- Justify retaining existing DFARS requirements
- Recommend changes to
  - Statutes, Executive Orders, FAR, Other
- **Deliverables:**
  - Database recommending/justifying disposition by subsection
  - Legislative, regulatory, and other significant change proposals

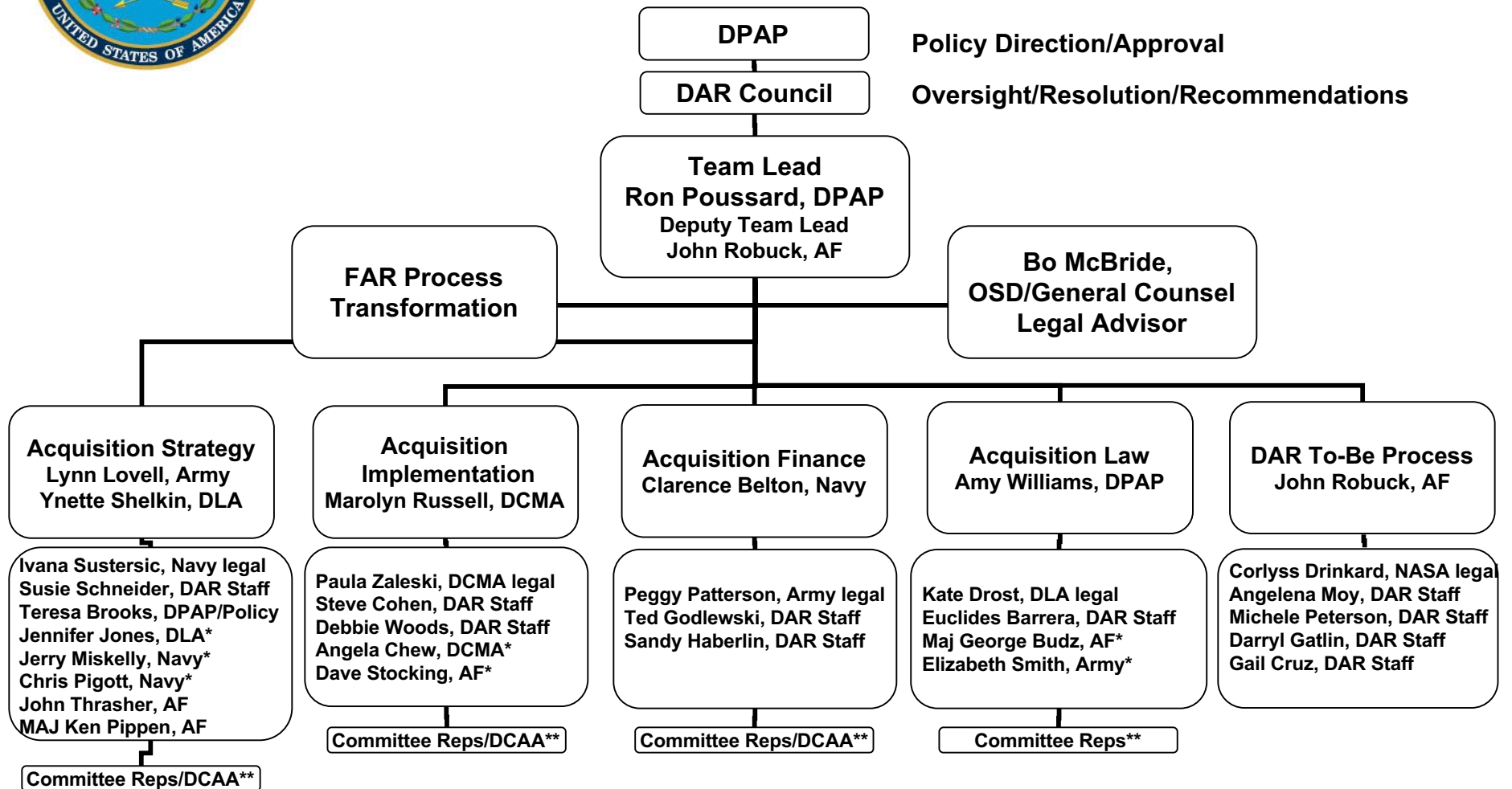
**Recast the purpose, process & content of DFARS**



- ✓ **Objectives and Task**
- ✓ **Phase 2 Strategy**
- ✓ **Phase 2 Results**
- ✓ **Phase 3 Implementation**
- ✓ **What do we need**



# Task Force Structure



Total: 30 participants

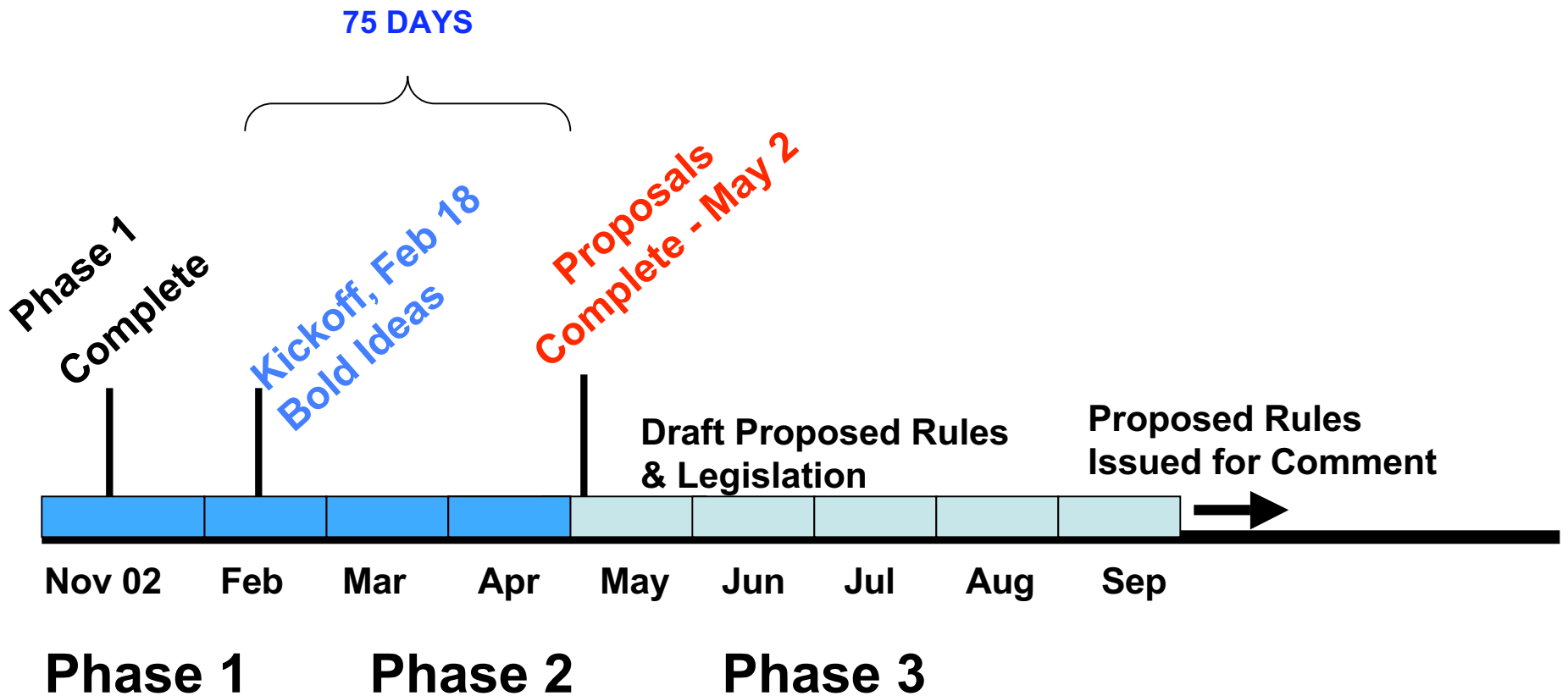
\*Full-time augmentee from Services and Agencies.

\*\*As required.

DAR Council will continue to work priority FAR/DFARS cases



# Task Force Schedule





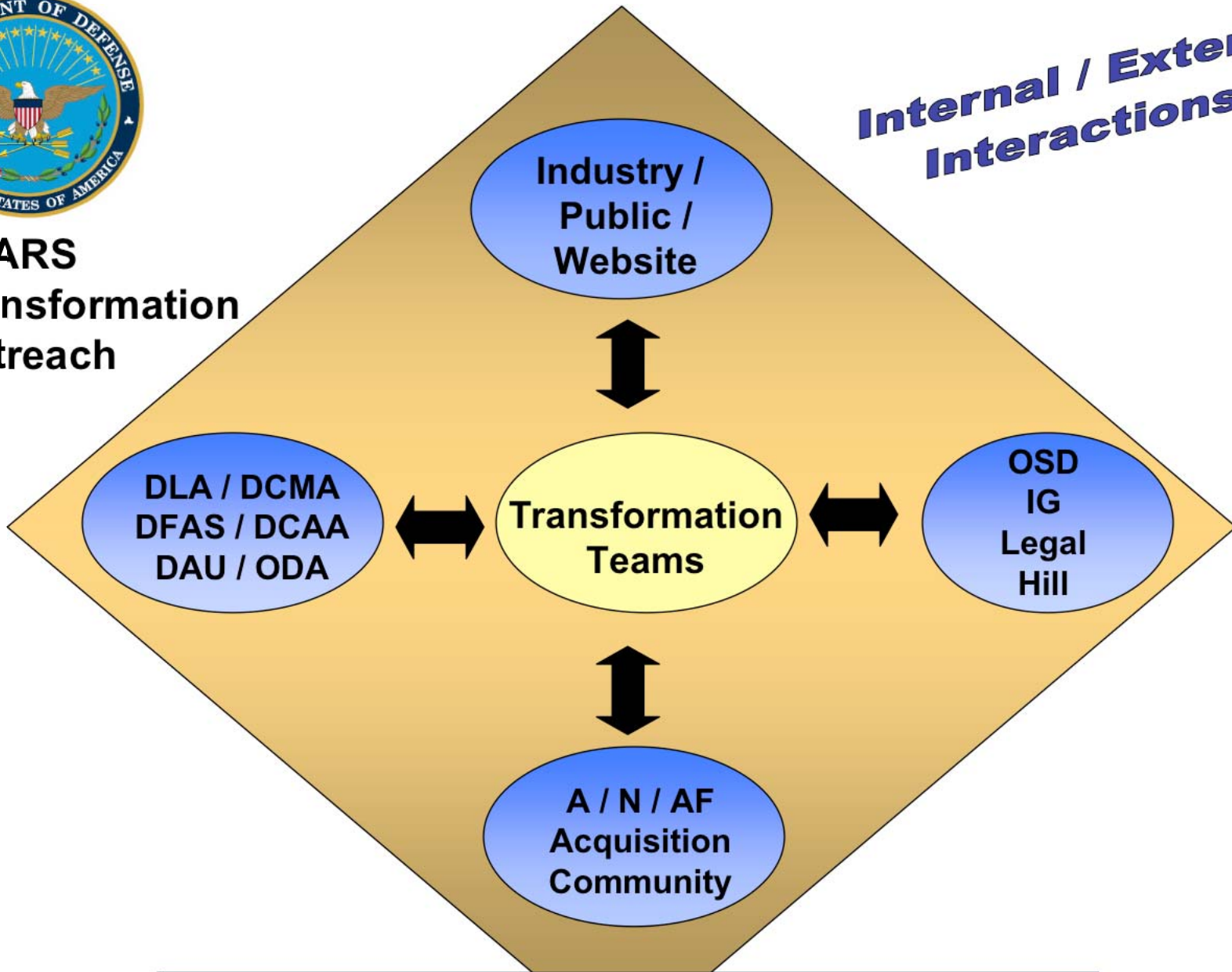
# Task Force Framework

- DFARS, the Regulation --
  - Clear requirements/procedures of law
  - Mandatory DoD-wide policy
  - Deviations from FAR
  - Flexible decision processes
- Procedures and Guidance --
  - Common instructions, procedures and information
  - Decision making support
  - Internal to DoD – no significant impact on public



**DFARS  
Transformation  
Outreach**

**Internal / External  
Interactions**



**200+ Stakeholders participated**

Address http://www.acq.osd.mil/dp/dars/transf.htm

#### Organization

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# DFARS Transformation

Established  
A  
Webpage

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Please [Click Here](#) to submit your proposal.

Done

# Database Tool

== DFARS Review ==

Cite No: 201.201-6 Team ID: A - Acq Strategy

Cite Title: DFARS Subsection title goes here

Category: 3. Non-Statutory Cat 3 - Risk Assessment: 3. Low

Stat Ref:

Proposal: REMOVE

REMOVE: Eliminate - Non-mandatory guidance

Recommend

Statutory Change:

Changes To Higher Authorities:

Prop Paper Required?  No  Yes

Proposal Description: xxxxxx

Add (enter 3 digit number and select Add)

Web Proposals Considered: None

Rationale

We recommend this idea because.....

...includes complex and other recommendations

DFARS Text  Yes Click Yes to indicate that more than one category may apply to the DFARS text

XXXXXXXXX

DFARS Word Count: 0 DFARS Page Count: 0

Notes

YYYYYYYYYYYYYY

Complex recommendations documented in Proposal Papers...

## PROPOSAL CHOICES

- Remove
- Change
- Retain As Is

# Database Tool

ATL DFARS Review System - Microsoft Internet Explorer provided by OUSD/AT&L

Address: <http://emissary.acq.osd.mil/dar/dfarstrack.nsf>

AT&L DFARS Review

[Search](#)  
[Team Counts](#)  
[Action Stats](#)  
[Recommendation Stats](#)  
[Paper Stats](#)  
[Create Report](#)

- click on a small triangle next to a column label to sort on that column -

Cite	Title	Action	Team	Category
<a href="#">201</a>	FEDERAL ACQUISITION REGULATIONS SYSTEM		E	N/A
<a href="#">201.1</a>	PURPOSE, AUTHORITY, ISSUANCE		E	N/A
<a href="#">201.104</a>	Applicability	RETAIN AS IS	E	3. Non-Statutory
<a href="#">201.105</a>	Issuance			
<a href="#">201.105-3</a>	Copies			
<a href="#">201.107</a>	Certifications			
<a href="#">201.2</a>	ADMINISTRATION			
<a href="#">201.201</a>	Maintenance of the FAR			
<a href="#">201.201-1</a>	The two councils			

ATL DFARS Review System - Microsoft Internet Explorer provided by OUSD/AT&L

Address: <http://emissary.acq.osd.mil/dar/dfarstrack.nsf/CountsAction?OpenView&Start=1&Count=500&Expand=1.4#1.4>

As of: 05/21/2003 06:47 PM

Records	Words	Est Word Reduction	Cite	% Reduction	Title
342	103,908	28,592.8			
274	71,052	13,016.7			
56	29,397	14,623.4			
6	1,704	469.3			
6	1,755	483.4			
	350	252.0			
	73	0.0			
	558	273.4			
	67	0.0			
	316	(53.7)			
	391	11.7			
385	117,103	117,103.0			
542	138,276	0.0			
1,269	359,287	145,695.8			

CHANGE

- To enhance clarity
- To reduce administrative burden
- To reduce cost
- To reduce cycle time

Cite	% Reduction	Title
205.303	72	Announcement of contract awards
217.7404-5	0	Exceptions
219.201	49	General Policy
219.502-1	0	Requirements for setting aside acquisitions
235.006	-17	Contracting methods and contract type
252.217-7004	3	Job Orders and Compensation

REMOVE

RETAIN AS IS

Master listing of  
Individual records...

...record statistics



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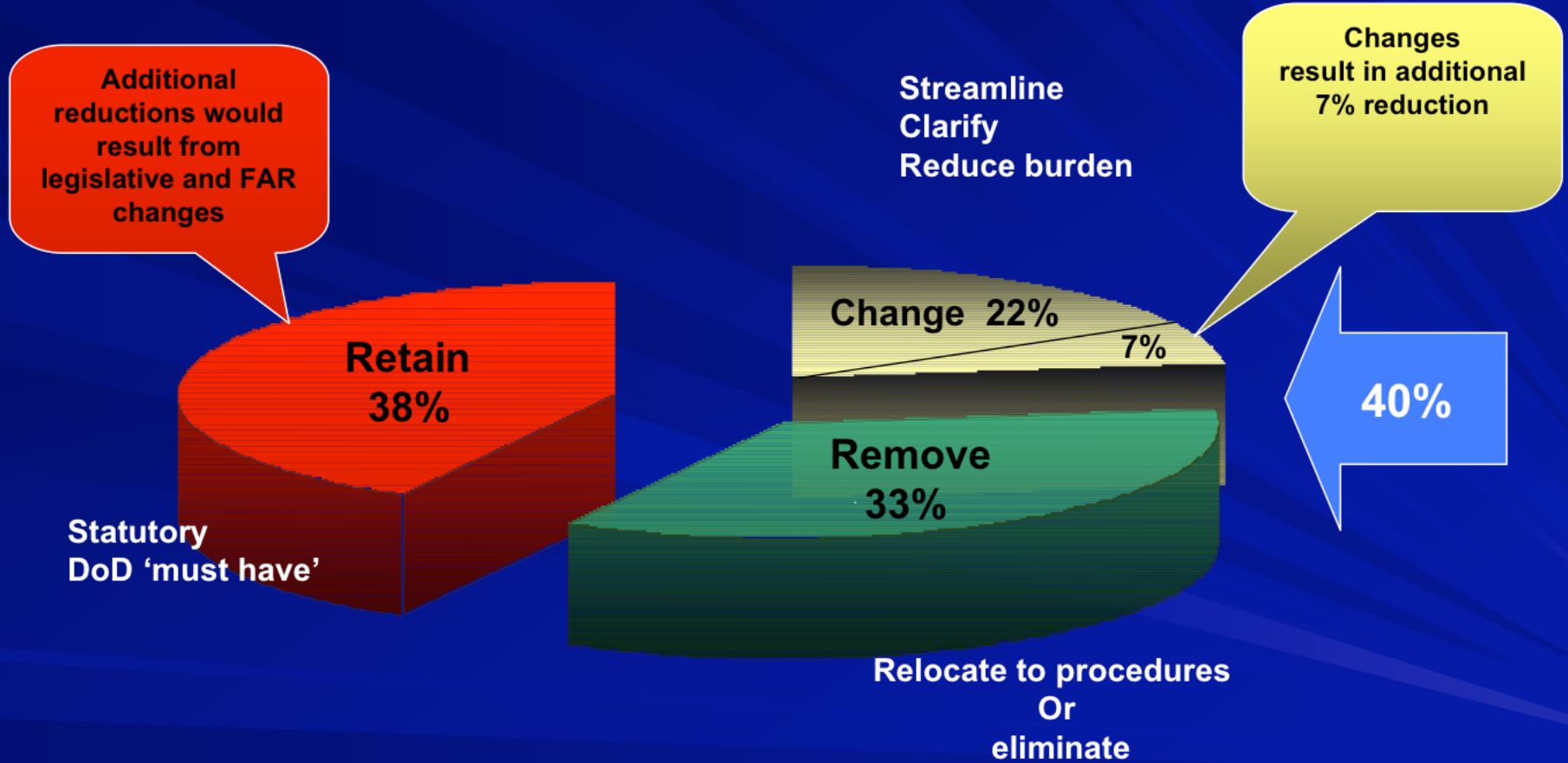


# Phase 2 Summary Results

- Comprehensive DFARS review accomplished in 75 days
- 30 Full time participants
  - 200+ Stakeholders participated
  - Outreach to more than 1000 in acquisition community
- 253 web proposals received by conclusion of Phase 2
- 83 significant proposal papers developed
  - Legislative and FAR changes included
- 700+ other proposal recommendations developed



# Phase 2 Summary Results\*



- \* Based on estimated word reductions
- \* Requires full implementation of all proposals



## ✓ Phase 2 Results

# Database Examples of Team Proposals

**Note: Examples of team proposals require review, coordination, approval, and public comment**

Save Save & Close Close

== DFARS Review == Open

Cite No: 204.670-6 Team ID: B - Acq Implementation

Cite Title: Types of DD Form 350 reports

Category: 2. Statutory - Suspect Cat 3 - Risk Assessment N/A

Stat Ref:

Proposal: REMOVE

REMOVE: Relocate - DoD-wide uniform procedure required but doesn't affect the public

Recommend

Statutory Change:

Changes To Higher Authorities:

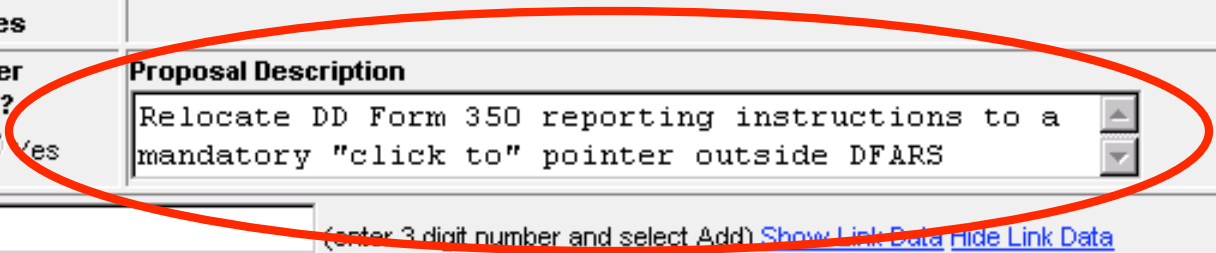
Prop Paper Required?

No  Yes

Proposal Description

Relocate DD Form 350 reporting instructions to a mandatory "click to" pointer outside DFARS

 REMOVE  
(Relocate)



Add

(enter 3 digit number and select Add) [Show Link Data](#) [Hide Link Data](#)

Web Proposals Considered:

None

**Rationale**

RECOMMENDATION: Relocate this subsection to a mandatory pointer.

RATIONALE: This material contains solely procedural reporting instructions applicable to Government personnel only and has no significant impact on the public. Although this coverage is administrative and procedural in nature, standardized reporting requirements across DoD are necessary.

STAKEHOLDERS: All contracting offices subject to DD 350 reporting requirements.

COMMENT: Recommend Phase 3 scrub for any clarifications which may be



**DFARS Text**  Yes Click Yes to indicate that more than one category may apply to the DFARS text

There are three types of reports?single, consolidated, and multiple.

(a) A single report is one DD Form 350 report per action.

(b) A consolidated report combines several actions.

(1) Prepare consolidated reports for?

(i) Military Traffic Management Command awards of indefinite-delivery contracts for ocean transportation.

**RATIONALE  
(Relocate)**

DFARS Word Count:337 DFARS Page Count:0

**Notes**

This requirement is driven by P.L. 98-191, Section 5, which amended



# “Relocate”

- **PROPOSAL:** Create non-regulatory “Procedures and Guidance”
  - Internal guidance, instructions and procedures (optional and mandatory)
  - No significant impact on public
  - Not a codified federal regulation
  - Fundamental approach to meet AT&L objectives
- **VALUE:**
  - Fosters an environment of flexibility and innovation
  - Shortens DAR Council processes
  - Supports rapid change process
- **APPROACH:** Develop clear objectives
  - Seamless access (Web based)
  - Managed content (DARC direction and processes)
  - Demonstrate alternative technical solutions before implementation

# Current DFARS

The screenshot shows a Microsoft Internet Explorer browser window. The title bar reads "SUBPART 206.2—FULL AND OPEN COMPETITION AFTER EXCLUSION OF SOURCES - Microsoft Internet Explorer". The address bar contains the URL "http://www.acq.osd.mil/dp/dars/dfars/html/r20030430/206\_2.htm". The main content area displays the following text:

**206.202 Establishing or maintaining alternative sources.**

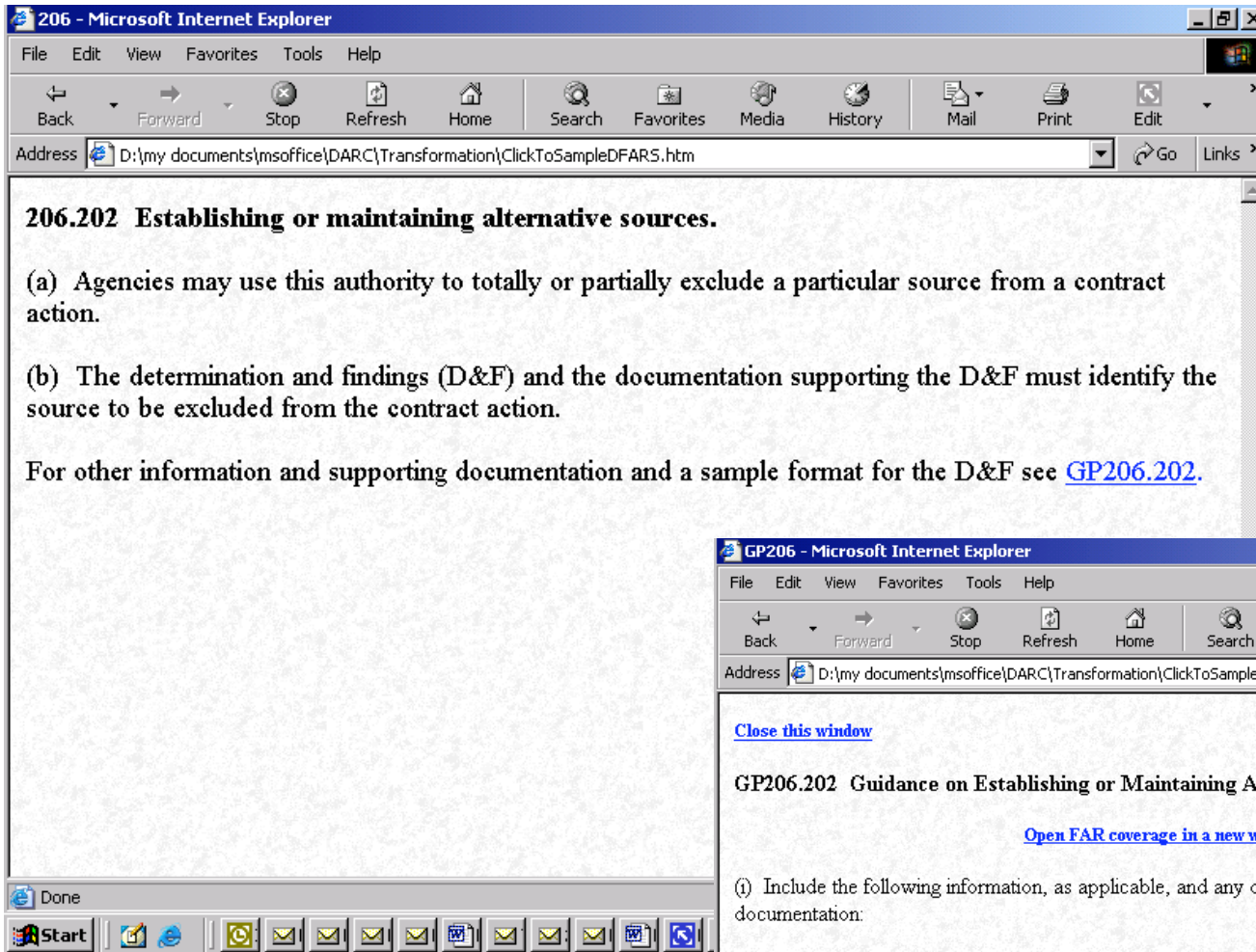
(a) Agencies may use this authority to totally or partially exclude a particular source from a contract action.

(b) The determination and findings (D&F) and the documentation supporting the D&F must identify the source to be excluded from the contract action.

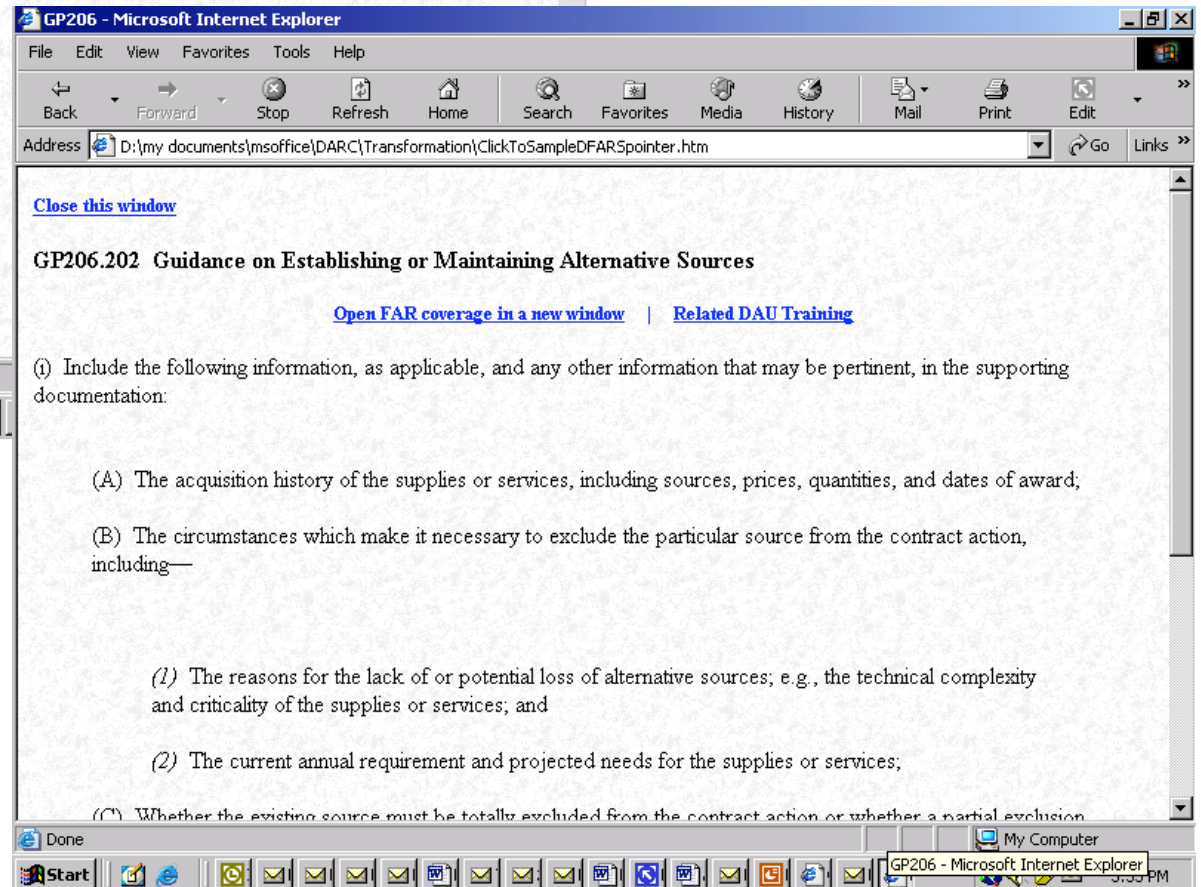
(i) Include the following information, as applicable, and any other information that may be pertinent, in the supporting documentation:

- (A) The acquisition history of the supplies or services, including sources, prices, quantities, and dates of award;
- (B) The circumstances which make it necessary to exclude the particular source from the contract action, including—
  - (1) The reasons for the lack of or potential loss of alternative sources; e.g., the technical complexity and criticality of the supplies or services; and
  - (2) The current annual requirement and projected needs for the supplies or services;
- (C) Whether the existing source must be totally excluded from the contract action or whether a partial exclusion is sufficient;
- (D) The potential effect of exclusion on the excluded source in terms of loss of capability to furnish the supplies or services in the future;

The browser's status bar at the bottom shows "Done" and "Internet". The Windows taskbar at the very bottom includes the Start button, several application icons, and the system clock showing "3:23 PM".



# Notional Version #1 ("Click-To")



# Notional Version #2 (Guide Book published with DFARS )

**206.202 Establishing or maintaining alternative sources.**

(a) Agencies may use this authority to totally or partially exclude a particular source from a contract action.

(b) The determination and findings (D&F) and the documentation supporting the D&F must identify the source to be excluded from the contract action.

For other information and supporting documentation and a sample format for the D&F see [GP206.202](#).

**GP206.202**

(i) Include the following information, as applicable, and any other information that may be pertinent, in the supporting documentation:

- (A) The acquisition history of the supplies or services, including sources, prices, quantities, and dates of award;
- (B) The circumstances which make it necessary to exclude the particular source from the contract action, including—
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- (C) Whether the existing source must be totally excluded from the contract action or whether a partial exclusion is sufficient;
- (D) The potential effect of exclusion on the excluded source in terms of loss of capability to furnish the supplies or services in the future;
- (E) When FAR 6.202(a)(1) is the authority, the basis for—



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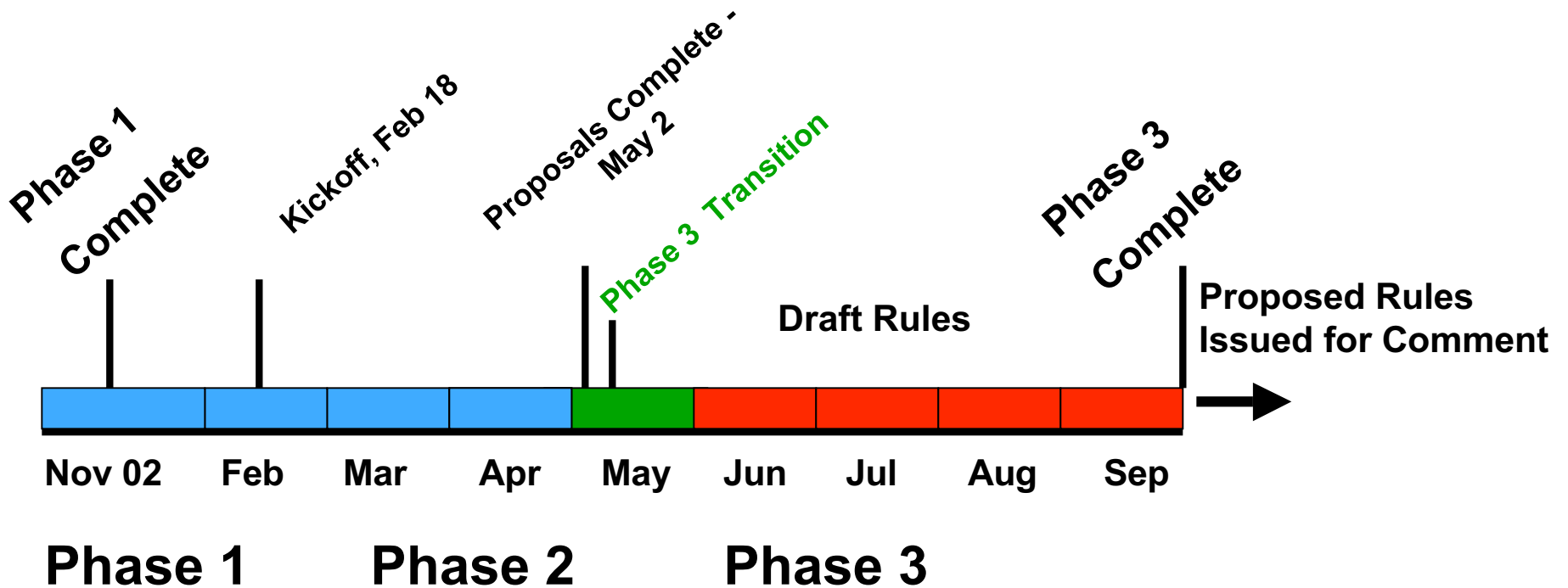
# Phase 3 Objective

**Objective: Coordinate and Publish  
Approved DFARS Changes**

**Prioritize proposals  
Develop draft language  
Establish coordinated positions  
Obtain approvals  
Publish proposed rules**

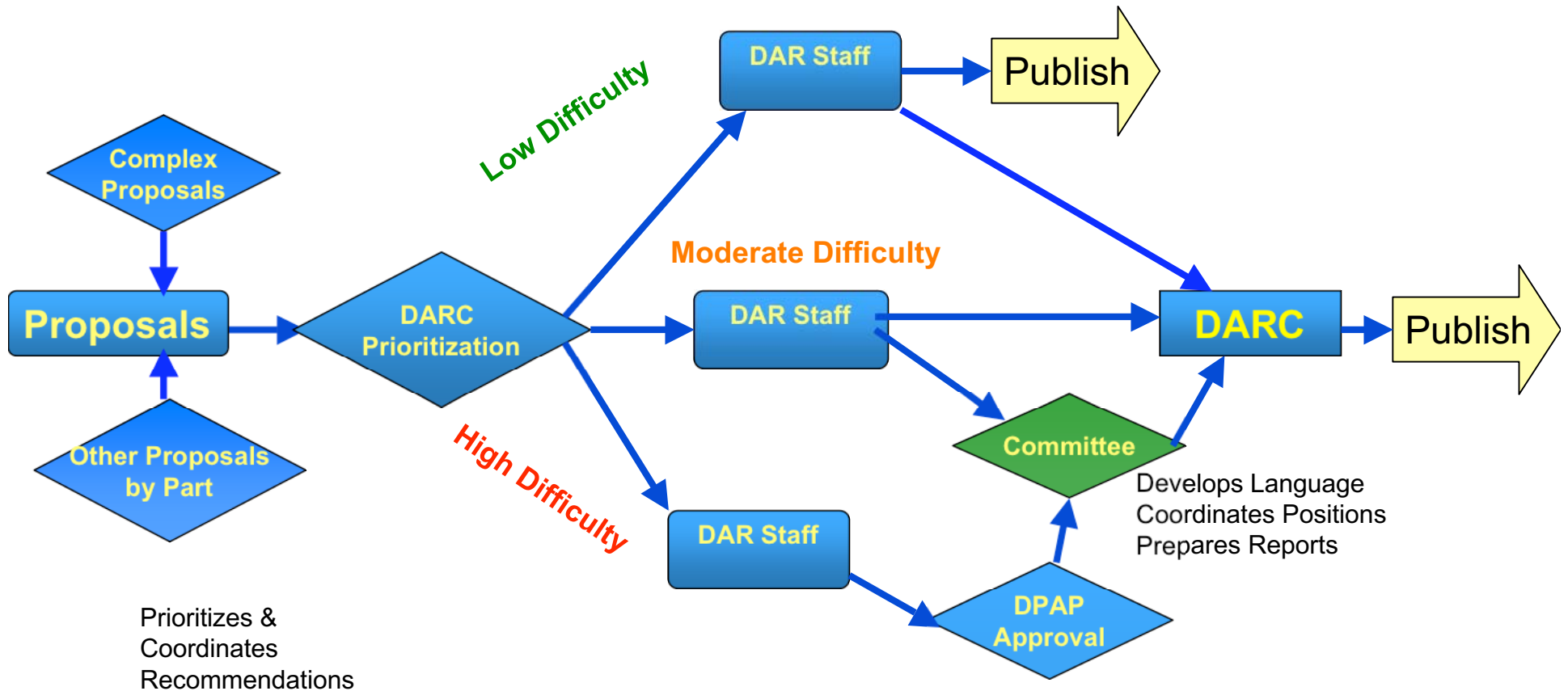


# Phase 3 Schedule





## Phase 3 Implementation Process



Includes 83 complex papers and 700+ other proposals



- ✓ **Objectives and Task**
- ✓ **Phase 2 Strategy**
- ✓ **Phase 2 Results**
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# What do we Need

- **Public participation and ideas**
  - <http://www.acq.osd.mil/dp/dars/transf.htm>