



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(RESEARCH, DEVELOPMENT AND ACQUISITION)
1000 NAVY PENTAGON
WASHINGTON DC 20350-1000

APR 25 2011

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Role of Defense Contract Management Agency

By the attached memorandum dated April 1, 2011, the Director of Defense Procurement and Acquisition Policy (DPAP) emphasized the mission and independent role of the Defense Contract Management Agency (DCMA) in performing contract administration services for the Department of Defense (DoD). DPAP reiterated that agencies should not use limited resources to duplicate contract oversight functions assigned to DCMA. Likewise, agencies, which normally assign contract administration functions to DCMA, are not authorized to audit the operations of DCMA. Such audit functions are reserved for certain organizations within DoD and are not to be duplicated unless specifically authorized. Accordingly, issues or concerns regarding DCMA's performance should be addressed to DCMA's management for review. Notify DASN (A&LM) of any major concerns that have been elevated up the DCMA chain of command for resolution.

My point of contact for this matter is Mr. Clarence Belton. He can be reached at clarence.belton@navy.mil or (703) 693-4006.

Elliott B Branch
Elliott B. Branch
Executive Director
DASN (A&LM)

Attachment :
As stated

Distribution
See next page

SUBJECT: Role of Defense Contract Management Agency

Distribution:

CMC (LB)

MARCORSYSCOM (CT)

MSC (N10)

NAVAIRSYSCOM (2.0)

NAVFACENGCOM (ACQ)

NAVSEASYSCOM (02)

NAVSUPSYSCOM (02)

ONR (02)

SPAWARSYSCOM (2.0)

DIRSSP (SPN)

NAVICP (02)

AGC(RD&A)



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

3015 DEFENSE PENTAGON
WASHINGTON, DC 20301-3015

APR -1 2011

ACQUISITION

MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS
COMMAND, (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION
COMMAND, (ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(ACQUISITION AND LOGISTICS MANAGEMENT)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING)
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Role of Defense Contract Management Agency

The Defense Contract Management Agency (DCMA) was established to perform contract administration for the Department of Defense. DCMA is expected to operate in an independent, consistent, transparent and collaborative manner while performing a wide variety of contract oversight functions. DCMA prioritizes and balances its Contract Management activities to reduce acquisition risk by focusing limited resources on the highest risk processes, products, and programs. DCMA's mission is best achieved when there is open communication and teaming between DCMA and its acquisition partners and when there is a full understanding of all program risks and acquisition objectives.

While DFARS 242.202 allows for limited exceptions to DCMA performing contract administrative functions, it is not a prudent use of limited DoD resources for buying activities to duplicate the contract administration functions assigned to DCMA. Similarly, DCMA's acquisition partners are not authorized to audit DCMA operations. In our constrained fiscal environment, organizations should not be expending precious funds to perform functions budgeted elsewhere by the Department. This duplication may create additional costs for Industry, and ultimately the Department; these are costs that we cannot afford.

If issues arise with DCMA performance, those concerns should be communicated up the DCMA chain of command for review. Consistent with the Department's efforts to ensure maximum efficiency, please continue to support DCMA in its critical role in the acquisition process.

Shay D. Assad
Director, Defense Procurement
and Acquisition Policy
Performing the Duties of the ASD(A)