

DD/A Registry
76-4995

DD/A Registry
File OLM-1

5 OCT 1976

MEMORANDUM FOR: Comptroller

FROM :
Chief, Procurement Management Staff, OL

VIA : Director of Logistics

SUBJECT : OMB Circular A-109, Major Systems Acquisitions

1. By memorandum of 11 June 1976, which was forwarded through the Deputy Director for Administration, the Director of Logistics requested that your Office accept responsibility for implementation of the subject Office of Management and Budget (OMB) Circular.

2. This memorandum is written to forward a 28 September 1976 memorandum from OMB which advises of progress by various agencies toward meeting objectives of the subject directive, along with progress reports on agencies and a list of acquisition executives.

3. The memorandum referred to in paragraph 2 is directly related to the subject Circular and therefore is referred to your Office for appropriate action.



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Atts

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OFFICE OF FEDERAL
PROCUREMENT POLICY

SEP 28 1976

MEMORANDUM FOR THE ATTACHED ADDRESSES

SUBJECT: OMB Circular No. A-109, Major Systems Acquisitions

On August 26, 1976, the Subcommittee on Federal Spending Practices, Efficiency and Open Government of the Senate Committee on Government Operations held hearings concerning the implementation of A-109. These hearings were very helpful in focusing attention to the many issues involved in the development of the agencies' time-phased action plans.

As we have discussed in the past, the following items may be useful as a check for the adequacy of your time-phased action plan to be submitted by October 5, 1976:

- ° Designation of acquisition executive.
- ° Definition of major systems including cost threshold(s) and other criteria for major systems.
- ° Schedule for identification and definition of mission areas and the process for gaining agency head approval of mission needs.
- ° Identification and scheduling of agency implementing policy directives, regulations, and guidelines.
- ° Scheduling of component implementing policy directives, regulations, and guidelines.
- ° Procedures for assignment of program managers and development of charters.
- ° Procedures for developing acquisition strategies.
- ° Policy regarding agency cost estimating capability.
- ° Date policies will be operative; e.g., when will all agency major systems begin with the first key decision point - approval of mission need.

- Training of agency personnel in new policies, procedures and improvements in skills that are required; for example, program management.

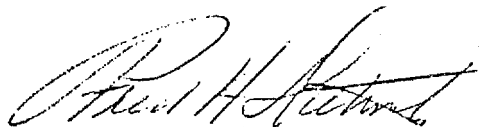
To further assist your planning efforts, I have attached a current list of acquisition executives, a summary of Agencies' Implementation Planning submitted by Mr. Witt during Senator Chiles' hearings, and a number of sample drafts of time-phased action plans and policies developed by some agencies. OFPP pamphlet #1 relating to the application of A-109, which also may assist in your planning efforts, has been sent to you under separate cover.

We would appreciate receiving copies of your directives, circulars, procedures or other issuances, which will be used to implement the Circular prior to their promulgation.

In the event you have further questions relating to your time-phased action plan, please contact Mr. William Hunter of my staff, who can be reached on 395-3367 or me on 395-4677.

Your continued cooperation is truly appreciated.

Sincerely,



Fred H. Dietrich
Assistant Administrator
for Systems Acquisition

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OFFICE OF FEDERAL
PROCUREMENT POLICY

August 26, 1976

SUMMARY OF AGENCIES' IMPLEMENTATION PLANNING

OMB Circular A-109, Major System Acquisitions

The following is a brief summary from executive agencies of current status and planned actions leading to their submission of time-phased implementation action plans by October 5, 1976.

Agriculture, Dept. of

- Identification of need is left to policy staff, including the Secretary, Under Secretary, Assistant Secretary, and Director, Agriculture Economics.
- MSA dollar threshold has been established at \$10 million or more.
- Schedule of actions in implementing A-109 is as follows:
 - a. Draft chapter to be included in Administrative Regulation. Completed
 - b. Request comments on proposed chapter insertion. Completed
 - c. Make necessary modifications and obtain approval by acquisition executive. Aug. 15
 - d. Publish plan. Sep. 1
 - e. Submit plan to OFPP. Sep. 1

Commerce, Dept. of

- Schedule of actions for supporting the implementation of the Circular:
 - a. Complete review of draft Department Administrative Orders 208-1 and 208-3 by OFPP and Department. Sep. 3
 - b. Publication and issuance of the Orders implementing A-109. Sep. 10

- c. Formulation of draft time-phased action plan. Oct. 1
- d. Submission of time-phased action plan per A-109. Oct. 5

Defense, Dept. of

- The analysis of A-109 and previous direction given by Mr. Clements will be incorporated in a top document.
- 5000.1 and 5000.2 will be restructured to include all A-109 items and will be supported by a family of documents.
- The time-phased action plan submitted to OFPP. Aug. 26
- Finalization of 5000.1. Dec. 1
- Finalization of 5000.2. Jan. 15, 1977
- Finalization of all documents implementing A-109. March, 1977

Health, Education, & Welfare, Dept. of

- Issuance of Department policy directives, regulations, and guidelines:
 - a. Identification of proposed acquisition to be treated as major system acquisitions.
 - b. Major system acquisition planning.
 - c. Major system acquisition strategy tailoring.
 - d. Major system acquisition program managers.
 - e. Major system acquisition key decision points.
- Designation of the acquisition executive.
- These actions will be projected in a top _____ document outlining the proposed implementa-
tion plan in terms of the functions to be
served by them. Oct. 5
- Target date for completion of these actions - Apr. 5, 1977

Housing and Urban Development, Dept. of

- Task force has been organized to compare present directives to A-109 - develop plan. Completed
- Submission of time-phased action plan. Oct. 5
- Anticipate an amendment to the HUD Procurement Regulations be published. Oct. 30

Interior, Dept. of the

- Schedule of actions in implementing A-109 is as follows:
 - a. Complete preliminary draft of regulations. Sep. 1
 - b. Apointing acquisition executive. Oct. 5
 - c. Publish implementing regulations. Oct. 5
 - d. Submit time-phased action plan. Oct. 5
 - e. Begin triennial review of FY 1979 budget process. Dec. 5

Labor, Dept. of

- Tentative dollars of MSA threshold is set at \$500,000 or more.
- Formation of draft policy. Completed
- Office of the Assistant Secretary for Administration and Management approval Completed
- Department approval Sep. 7
- Submission of time-phased action plan. Oct. 5

State, Dept. of

- Draft submitted to OMB. Completed
- Departmental approval. Sep. 17
- Submittal of approved time-phased action plan. Sep. 24

Transportation, Dept. of

- A task force has been set up.
- The Assistant Secretary for Administration has been tentatively designated the acquisition executive.
- The Office of Installations and Logistics within the Department of Transportation is in the process of re-writing the DOT Order on major systems acquisitions to conform to OMB Circular A-109. The following tentative schedule applies to this process:
 - a. Initial draft completed and submitted to a committee of procurement, budget and program representatives for informal review. Completed
 - b. Office of Installations and Logistics incorporates informal review comments into a final draft. Completed
 - c. Final draft completed and distributed throughout the Department for formal comment. Sep. 1
 - d. Implementation of revised DOT Order on major systems acquisition. Oct. 1
 - e. Submission of time-phased plan to OFPP. Oct. 5

Treasury, Dept. of the

- Major system thresholds:
 - a. ADP system over \$10 million.
 - b. Construction projects over \$10 million.
- A-109 has been closely reviewed by budget, program analysis.
- Schedule of actions in implementing A-109 is as follows:

- | | |
|--|-----------|
| a. Draft of Departmental directive to be circulated to appropriate top management officials. | Completed |
| b. Comments received, reviewed and, as needed, incorporated in revised directive. | Aug. 30 |
| c. Directive issued throughout Treasury. | Sep. 15 |
| d. Submission of time-phased plan to OFPP. | Oct. 5 |

Energy Research and Development Administration

- Task force set up and two subgroups formed:
 - a. One group represents planning, budgeting, analysis and other functional offices. They are developing guidance in support of paragraphs 10, 13 and 14 of A-109.
 - b. Other group represents fossil and nuclear energy and other technical groups.
- The object of subgroups is to submit a plan to the task force. Completed
- Task force will develop time-phased action plan by mid-September and final plan to be submitted to OFPP. Oct. 5

Environmental Protection Agency

- Formation of task force to establish policy. Completed
- Draft of time-phased action plan. Oct. 1
- Time-phased action plan submitted to OFPP. Oct. 5

General Services Administration

- Establish office responsible for preparation of A-109 plan and its implementation. Completed
- Establish GSA system acquisition committee to participate in developing plan. Sep. 8
- Draft the GSA A-109 plan. Sep. 24
- Complete final form of plan and submit to OFPP. Oct. 5

National Aeronautics and Space Administration

- A committee was organized.
- Currently comparing A-109 to existing documents and a matrix has been developed.
- NASA intends to develop a top document by extracting from existing procedures.
- The production phase of the acquisition process is not a problem at NASA.
- The time-phased action plan will be submitted. Oct. 5
- Provisions of subordinate NASA issuances referenced and involved in a top policy document planned to be completed. Dec. 31

National Science Foundation

- Draft implementing circular to be completed. Aug. 31
- Comments will be received. Sep. 10
- Time-phased action plan to be submitted. Oct. 5

Veterans Administration

- The Assistant Administrator for Planning and Evaluation has been designated the acquisition executive.
- Schedule of actions supporting the implementation of the Circular:
 - a. All directives relevant to major system acquisitions and proposed changes in implementing A-109 will be submitted by the committee to the acquisition executive. Aug. 16
 - b. Each member of the committee is to submit a draft of goals and changes to implement the time-phased plan. Aug. 30
 - c. Committee to commence drafting an agency time-phased plan. Sep. 6
 - d. Final plan to be submitted to OFPP. Oct. 5

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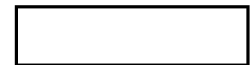
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