1 2 AUG 1983

83-2084

MEMORANDUM FOR: Associate Deputy Director for Science

and Technology

VIA: Deputy Director for Administration

or Administration 45-3

FROM: Daniel C. King

Director of Logistics

SUBJECT: Areas For Improved Coordination Between the

National Programs Contract Review Board and

the Agency Contract Review Board

Jim:

1. I have reviewed Al Montefusco's draft "Agreement Between Chairman, National Programs Contract Review Board (NPCRB) and Chairman, Agency Contract Review Board (ACRB)." I note that in addition to the issue of production contracts handled by the ACRB which may have developed from R&D efforts handled by the NPCRB, Al expanded the draft to include accommodation procurements. Accommodation procurements, in the context of Al's memorandum, refers to purchases made on behalf of other government agencies rather than for a foreign government as defined in I would like to use this opportunity to provide my thoughts on both subjects.

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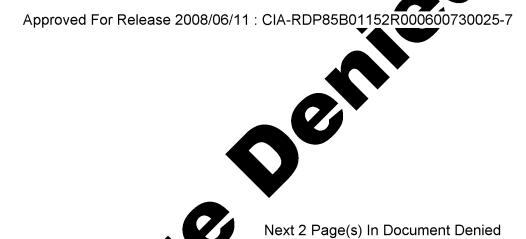
Regarding those situations where a system or piece of equipment was developed using national funds and subsequently placed in production using Agency funds, I am more than prepared, on a case-by-case basis, to solicit ACRB approval to waive jurisdiction and have that production action presented instead to the NPCRB. To the best of my knowledge, only one such case has occurred in recent years. Although I had originally suggested that our thinking in this area should be put in the form of a written agreement, the cases appear to be so few in number that it is probably not worth the trouble involved. However, both boards should be aware of our feelings in this matter. It is also likely that in those cases where ACRB jurisdiction is waived, the ACRB may still insist on some involvement. Such involvement might concern the type of contract or audit advisors who have extensive production contracting experience advising the NPCRB when any such case is being considered. In short, I think that common sense and what is best for the Agency should govern in such cases and that a mutually agreeable procedure can easily be reached on a case-by-case basis.

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SUBJECT: Areas for Improved Coordination Between the National Programs Contract Review Board and the Agency Contract Review Board

- 3. With respect to contracting for other federal agencies, there is some indication in Al's draft of a desire on your part to become more actively involved in acquisition cases where the S&T is deeply involved, as in the case of the equipment purchased by the Agency using monies provided to us from NSA in support of third party operations. As you are aware, such procurements are the responsibility of the ACRB since the funds involved become Agency funds once they are transferred, and the procurement authority of the DCI is the basis for any resultant There is, of course, already a S&T representative on contract. However, should you desire more direct involvement, we the ACRB. would be glad to add an additional observer (perhaps from OSO) to our deliberations who would have the opportunity to contribute to the process. While I would expect that this would be a nonvoting member, the reality is that the board rarely decides on votes alone, but rather discusses each action until a consensus is reached by the entire board.
- 4. I am not certain if my comments address specific concerns you may have since we have not directly discussed Al's draft. If these are not the same issues of concern to you or if there are others you would like to discuss, perhaps we should arrange a meeting. I seem to sense that the NPCRB is moving closer philosophically to the approach taken by the ACRB with respect to focus and approach, and there may be a number of areas where we could help one another or make things move more quickly. Let me know if you would like to pursue any of these points.

/s/ Daniel C. King Daniel C. King



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