



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

JAN 10 2008

MEMORANDUM FOR HEADS OF CONTRACTING ACTIVITIES

Subj: IMPROVING COMMUNICATION DURING COMPETITIVE SOURCE SELECTIONS

Encl: (1) Acting USD(AT&L) memo of August 24, 2007  
(2) DPAP memo of January 8, 2008

Enclosure (1) emphasizes the benefits of structuring competitive acquisition strategies to include government-industry exchanges to ensure that industry has a firm understanding of the government's requirements, and that these requirements, in turn, are developed with understanding of industry capabilities. You are encouraged to promote early exchange of information among participants in the acquisition process to identify and resolve concerns regarding the feasibility of the requirement, the acquisition strategy and suitability of the evaluation criteria.

Enclosure (2) re-emphasizes the importance of open, on-going dialogue with prospective offerors throughout the source selection process, and clarifies that, although contract awards may be made without discussions, this should happen only in rare circumstances. The memo also requests a briefing to the Director, Defense Procurement and Acquisition Policy, on any protest of a competitively awarded Major Defense Acquisition Program or services acquisition valued at \$1 billion or more within 10 days of the filing of the protest. The briefing shall be coordinated with my office. Upon receipt of notice of a protest on such a contract, please notify this office immediately at [DASN\(A&LM\)/CAG@navy.mil](mailto:DASN(A&LM)/CAG@navy.mil).

  
Seán F. Crean  
RDML, SC, USN  
DASN(A&LM)

Copy to:  
See page 2

Subj: IMPROVING COMMUNICATION DURING COMPETITIVE SOURCE  
SELECTIONS

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ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

THE UNDER SECRETARY OF DEFENSE  
3010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3010

AUG 24 2007

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS  
CHAIRMAN OF THE JOINT CHIEFS OF STAFF  
UNDER SECRETARIES OF DEFENSE

The Department of Defense has experienced a significant increase in the number of competitive source selection decisions which are protested by industry. Protests are extremely detrimental to the warfighter and the taxpayer. These protests actions consume vast amounts of the time of acquisition, legal, and requirements team members; delay program initiation and the delivery of capability; strain relations with our industry partners and stakeholders; and create misperceptions among American citizens. The Defense Department must take steps in an effort to avoid these protest situations.

The Defense Department has successfully conducted without protest a number of major program competitions in recent years. A key characteristic of these competitions was an open, on going detailed dialogue with each bidder about their proposal. Specifically, the government must receive and review an initial proposal and engage industry in a dialogue about elements and issues in the industry proposal which are deficient, ambiguous or non-complaint. The government proactively communicate our concerns to each industry proposer and answer all industry questions.

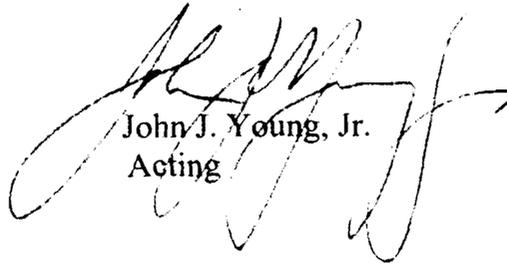
The result of this dialogue will be a high quality well understood proposal from each industry team. The warfighter and the taxpayer will benefit from government receipt of the best possible proposals against our military needs. The acquisition team will be challenged by the need to evaluate and select the best proposal from the high quality, responsive proposals. However, I believe this process will allow the acquisition team to well explain, and industry to clearly understand, the fundamental factors which determined the outcome of the competition. These steps should significantly reduce the number of industry protests or, should alternately guarantee that the Defense Department will prevail in all protest actions.

The Defense Department policy going forward is to structure all planned competitions with one or more government industry feedback and dialogue points prior to receipt of final proposals. All ongoing competitions should be reviewed with a bias toward incorporating feedback and dialogue sessions before receipt of final proposals. These structures do not necessarily require time and schedule to the source selection process. Indeed, this process can spread the workload over the competition and reduce the time and workload during the final evaluation of proposals.



Enclosure (1)

Additionally, within 120 days, the Defense Acquisition University will develop training on successful execution of competitive source solutions. This training will include case studies. PEO's and program managers must receive this training at the earliest possible opportunity.



John J. Young, Jr.  
Acting

cc:  
DepSecDef  
DUSD(A&T)  
ASD(NII)/DoD CIO  
ATSD(NCB)  
DIR, ARA



ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE  
3000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3000

JAN 08 2008

DPAP/CPIC

MEMORANDUM FOR DIRECTORS, DEFENSE AGENCIES  
DEPUTY ASSISTANT SECRETARY OF THE ARMY  
(POLICY AND PROCUREMENT), ASA(ALT)  
DEPUTY ASSISTANT SECRETARY OF THE NAVY  
(ACQUISITION & LOGISTICS MANAGEMENT),  
ASN(RDA)  
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE  
(CONTRACTING), SAF/AQC  
DIRECTOR, ACQUISITION MANAGEMENT (DLA)

SUBJECT: Improving Communication during Competitive Source Selections

In his memorandum of August 24, 2007, the Under Secretary of Defense for Acquisition, Technology & Logistics (USD(AT&L)) highlighted the need for open, on-going dialogue with prospective offerors throughout the source selection process. I wish to re-emphasize the importance of such communication. The USD(AT&L) has asked me to provide additional guidance on this important subject.

Communication is a key element in the Department's ability to conduct reliable and successful source selections. We need to encourage government participants involved in source selections to fully engage with industry at all stages of the competitive process. The use of industry days is a good example of positive communication between the government and industry. The use of Requests for Information and draft Requests for Proposals also provide opportunities for industry and government to exchange data that is informative and constitute constructive dialogue beneficial to all participants.

Additionally, continuing this process of engaging with industry after proposal submission affords the government the opportunity to effectively understand and evaluate a proposal and permits industry the opportunity to clearly explain any aspects of a proposal that appear to be deficient, ambiguous or non-compliant. Such dialogue can only lead to more efficient, effective and improved source selections. The Federal Acquisition Regulation (FAR) at Subpart 15.306, "Exchanges with offerors after receipt of proposals," provides overarching guidance in this regard.

Enclosure (2)

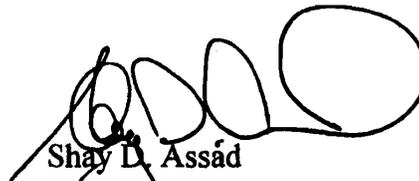


The focus of encouraging more open communications with industry is not the fear of protest, but rather to ensure more predictable, reliable and successful contract outcomes.

That is not to say that contract awards cannot be made without discussions. However, they should be made only in limited circumstances. Possible candidates for such an approach include mature dual-source production programs, routine procurements with well defined requirements and a number of qualified vendors, and procurements of spare parts. Even in well defined procurements, the decision that discussions are not required should be made on a case-by-case basis.

Communication is equally important in those rare instances when a source selection is followed by a protest. To that end, I request that you provide a briefing to me on any protest of a competitively awarded Major Defense Acquisition Program or of an acquisition of services valued at \$1 billion or more within ten days of the filing of the protest. Please ensure that the briefing outlines the basis of protest, your agency's position, and any other information you deem relevant.

I appreciate your attention and assistance in this matter. My staff point of contact for this issue is Ms. Sandra Haberlin, 703-695-4259, [sandra.haberlin@osd.mil](mailto:sandra.haberlin@osd.mil).

A handwritten signature in black ink, appearing to read 'Shay D. Assad', written over a circular stamp or mark.

Shay D. Assad  
Director, Defense Procurement and  
Acquisition Policy