



OFFICE OF THE SECRETARY OF DEFENSE

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WASHINGTON, DC 20301-1000

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ACQ FYI 03-018

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Designation of Lead Component for the Standard Procurement System (SPS)

The purpose of this memorandum is to redesignate the lead acquisition component for the SPS program. SPS is a Major Automated Information System (MAIS) acquisition program with the Assistant Secretary of Defense (C3I) as the Milestone Decision Authority (MDA).

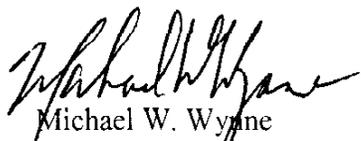
The Army is designated as the Lead Component for acquisition of the SPS. The SPS Program Management Office (PMO) will transfer from the Defense Contract Management Agency (DCMA) to the Army. The SPS PMO will continue to provide centralized management for the SPS program for completion of the current version as well as follow-on efforts as determined in the Analysis of Alternatives (AoA). The SPS Program Manager shall report to the designated Army Program Executive Officer (PEO) and the Army Acquisition Executive. In addition, both the PM and Deputy PM shall be certified as meeting Level III requirements in the acquisition career field of Program Management.

The Office of the Director for Defense Procurement and Acquisition Policy (DPAP), OUSD(AT&L), as the OSD Principal Staff Assistant (PSA), will retain responsibility for identifying and prioritizing current and future requirements, as well as functional and resource oversight of the SPS program. DCMA will retain funding responsibility through the PPBS process, to include funding necessary to bridge the program from current status to the AoA-preferred alternative. Army's designated PEO and the SPS PMO will assist DCMA to develop funding requirements and the PPBS submission and justification material. Funding will be suballocated to the Army in the year of execution. The suballocation shall equal the amount appropriated less the program's fair share of General Congressional Reductions. This funding arrangement will be reviewed after approximately two years to determine if it is still the appropriate and optimum funding arrangement for the program. This review and any resulting decision will be accomplished in such a manner to support the PPBS process for FY07.

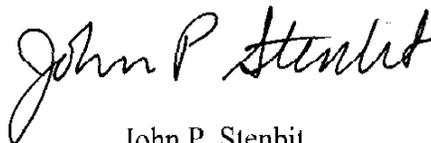
The Military Departments and Defense Agencies will work with the Director, DPAP, to (1) validate the need for any requirements not met by SPS Version 4.2, and (2) analyze alternatives to best meet those requirements, including reengineering their business processes.



Success of the SPS requires extensive joint cooperation among the Military Departments and Defense Agencies. Your support and assistance during this realignment is critical to the deployment of SPS Version 4.2, Increment 2 and preparation for Increment 3. Additional SPS-directed actions are contained in the attachment.



Michael W. Wynne
Principal Deputy Under Secretary of Defense
(Acquisition, Technology, and Logistics)



John P. Stenbit
Assistant Secretary of Defense
(Command, Control, Communications
and Intelligence)

Attachment

cc: OIPT Members

Standard Procurement System (SPS) Directed Actions

- The Director, Defense Procurement and Acquisition Policy (DPAP), OUSD(AT&L) and the Army shall prepare and coordinate a Memorandum of Agreement (MOA) specifying their relationship and respective responsibilities. The MOA shall address, at a minimum, the following topics: system requirements, funding, manpower, and the Analysis of Alternatives.
- The Army shall prepare and coordinate an MOA with the participating Military Departments and Defense Agencies specifying relationships and responsibilities. The MOA shall address, at a minimum, the funding responsibilities of the Departments and Agencies for infrastructure, communications, portions of deployment, portions of training; deployment schedules; and any sustainment responsibilities.
- The current DPAP-led Acquisition Governance Board, Joint Acquisition Electronic Business Oversight Board and SPS Joint Requirements Board, will continue to provide functional guidance to the SPS program.
- DPAP shall maintain functional oversight of SPS in its roles as the Acquisition Domain Owner and as the assigned Principal Staff Assistant (PSA).
- The Army, with the assistance of DCMA and the SPS PMO, shall assess the program's current staffing to ensure that the necessary resources are available to implement a disciplined acquisition process. Resource adjustments should be requested through the appropriate channels. DCMA and the Army's designated PEO shall develop a Transition Plan to be approved by Director, DPAP and the Army Acquisition Executive, within the next 60 days. The Plan will include the following as a minimum:
 - The transfer method, responsibilities and management roles for funding and manpower resources
 - DCMA shall continue to provide the existing matrix personnel resources to the SPS program.
 - DCMA shall identify and delineate all internal program office infrastructure costs (telecommunications, IT, etc.) that are currently provided
- Transfer of operational control will be accomplished within 60 days of approval of the Transition Plan.