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**JOINT APPLIED PROJECT**

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**Are We Using Legislation to Its Fullest Potential? An In-Depth Look at  
Simplified Acquisitions in the Marine Corps**

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**By: Laurie A. Gillespie  
December 2005**

**Advisors: E. Cory Yoder  
Bill Gates**

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**ARE WE USING LEGISLATION TO ITS FULLEST POTENTIAL? AN IN-DEPTH LOOK AT SIMPLIFIED ACQUISITIONS IN THE MARINE CORPS**

Laurie A. Gillespie, Captain, United States Marine Corps

Submitted in partial fulfillment of the requirements for the degree of

**MASTER OF BUSINESS ADMINISTRATION**

from the

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## I. INTRODUCTION

This chapter examines the historic major legislative acts that established the current Simplified Acquisitions Procedures (SAP). A brief synopsis of each legislation action will be provided as well as a chronological timeline. The government's stance on SAP will be explained and the benefits of SAP over traditional acquisition methods will be explored. Finally the theoretical potential of SAP will be outlined.

### A. HISTORY (THE SHORT STORY)

Prior to the 1990s, federal acquisitions were often characterized as complicated, requiring compliance with numerous rules and a lot of paperwork. One requirement was that in traditional large contracts the contractor must follow over 100 statutes. Some statutes, which serve as examples, are

- Certified Cost and Pricing Data under the Truth in Negotiations Act<sup>1</sup>
- Performing book keeping in accordance with government Cost Accounting Standards (FAR part 30 and 31)<sup>2</sup>, (FAR part 23.5)
- the Drug-Free Workplace Act of 1988 (Pub. L. 100-690)<sup>3</sup>, (FAR 22.6)
- Walsh-Healey Public Contracts Act (41 U.S.C. 35-45)<sup>4</sup>.

---

<sup>1</sup> Truth in Negotiations Act (TINA) is a public law enacted for the purpose of providing for full and fair disclosure by contractors in the conduct of negotiations with the government. The most significant provision included in TINA is the requirement that contractors submit certified cost and pricing data for negotiated procurements above a defined threshold.

<sup>2</sup> The purpose of this Cost Accounting Standard is to ensure that each contractor's practices used in estimating costs for a proposal are consistent with cost accounting practices used by him in accumulating and reporting costs. Consistency in the application of cost accounting practices is necessary to enhance the likelihood that comparable transactions are treated alike. With respect to individual contracts, the consistent application of cost accounting practices will facilitate the preparation of reliable cost estimates used in pricing a proposal and their comparison with the costs of performance of the resulting contract. Such comparisons provide one important basis for financial control over costs during contract performance and aid in establishing accountability for cost in the manner agreed to by both parties at the time of contracting. The comparisons also provide an improved basis for evaluating estimating capabilities.

<sup>3</sup> Drug Free workplace act -No offeror other than an individual shall be considered a responsible source (see 9.104-1(g) and 19.602-1(a)(2)(i)) for a contract that exceeds the simplified acquisition threshold, unless it agrees that it will provide a drug-free workplace.

<sup>4</sup> Walsh-Healy Act - A public law designed to prevent the practice of "bid brokering," i.e., the practice of buying items and then reselling them to the government without the adding of any value to the item by the reseller. The Act provides that contracts subject to its provisions (generally contracts over \$10,000) may be awarded only to "manufacturers" or "regular dealers," as defined.

These statutes were all originally intended to ensure that the government was getting a good deal, and that the contracting officer could easily justify any actions taken. A Coopers and Lybrand study was performed which stated that 18% of the purchase price of an acquisition was due to government regulations [1, 2, 3, Appendix A]. Not only is this cost a huge barrier to entry for small businesses to sell to the government, but it also limits the number of competing offers the government receives on any given solicitation. With fewer responses, competition is limited and the government actually ends up with a product that may not be the best solution, but simply the only available one.

In the mid-1990s there was a shift in importance from a strict adherence to a plethora of regulations to a more business-like model of acquisitions. The motive behind the new way of thinking was to get a better deal for the money. Acquisition reform gained significant momentum during the presidency of William Clinton and with influential reformers such as Dr. Jacques S. Gansler, the former Undersecretary of Defense (AT&L) who has written many documents involving better business practices and commercial items<sup>5</sup>, and Virginia's Republican Representative Tom Davis, who currently leads the Committee on Government Reform and is involved in many legislative reform efforts [4]. Each of these reformists explains how the government would be better served by reforming acquisition to be more closely reflective of the commercial sector by using best business practices.

After the ending of the Cold War, the Department of Defense underwent cutbacks and restructuring to reduce the number of acquisition personnel from 250,000 to less than 124,000 [5]. The thought was that the large acquisition infrastructure in place during the Cold War was no longer required to maintain the only world superpower. The personnel reduction was meant to streamline the process and cut waste. The problem was that the use of commercial contracts for goods and services increased as the requirements from the Cold War decreased. The issue now is that the cutbacks do not correspond to the workload. The Department of Defense has increased the use of contract services and items, especially since the start of Operation Iraqi Freedom in 2003. The initial idea of

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<sup>5</sup> A few notable documents by Dr. Jacques S. Gansler that may be of interest for further background are: "A Vision of the Government as a World-Class Buyer: Major Procurement Issues for the Coming Decade" and "Moving Toward Market-Based Government: The Changing Role of Government."

cutting back while still providing outstanding service to the taxpayers is obtainable. The government has tried many initiatives aimed at doing more with less, by capitalizing on commercial business best practices and implementing them into government acquisition policy and legislation.

### **1. Legislative Acts to Streamline the Acquisition Process**

In the past, there has been legislation to accomplish greater productivity while using less of the American taxpayers' resources. The commercial world began to be replicated in order to capitalize on business practices that could make the government more efficient.

A few recent and notable legislative attempts have been made to streamline the acquisition process. The following are examples of some of these legislative attempts:

- Federal Acquisition Streamlining Act (FASA) of 1994
- Federal Acquisition Reform Act (FARA) of 1995
- Clinger-Cohen Act 1996
- The E-Government Act 2002
- Service Acquisition Reform Act (SARA) 2003
- Acquisition System Improvement Act (ASIA) introduced in 2005 which some aspects have passed
- General Service Administration Modernization Act (GSAMA) 2005

These legislative statues are explained in the next few sections.

#### ***a. FASA (Federal Acquisition Streamlining Act)***

FASA was the first major reform legislation and was enacted in 1994. It helped alleviate the need to comply with a set of rigid rules in each procurement. Due to the excessive regulations in the FAR, DFAR, and general government policies such as TINA (refer to footnote 2) and CAS (refer to footnote 3), many businesses could not afford to or simply refused to do business with the government.

FASA helped to unburden commercial businesses by eliminating many statutory compliance requirements and creating a preference for “commercial items” in

government procurement. The definition of a commercial item<sup>6</sup> is more detailed, but in essence it is anything offered or actually rented, leased, or sold to the public.

With a commercial item designation, a company no longer was required to provide certified cost and price data, as well as other costly oversight-based documents. It also gave relief from the Walsh-Healy Act, which required anyone selling to the government on contracts worth more than \$10,000 to provide proof that they were manufacturers or the regular dealers of the goods being bought. In addition, FASA also encouraged a preference for commercial item procurement, with a stronger reliance on the market and industry to establish a “fair and reasonable” price. FASA also listed a number of laws which would now be inapplicable at the Simplified Acquisition Procedures (SAP) level [Appendix B].

***b. FARA (Federal Acquisition Reform Act) of 1995***

FARA is a reform legislation that logically follows in FASA’s footsteps. FARA not only agreed with FASA on preference for commercial items, but also expanded the definition to include: items that evolved from a commercial item, a commercial item that was slightly modified to fit the government’s needs, non-developmental items, and some services. These services now included services at a catalog price or in combination with a commercial item.

With FASA and FARA now in legislation, there was an extreme shift to buy on the open market, with full and open competition when at all possible, and pay the going market price just like a business would do. The idea behind this legislation was that doing away with the extra red tape required by the government would lower prices without sacrificing quality. This idea was documented in a study which identified the statutory cost drivers that increased the price of items procured by the DOD [1].

---

<sup>6</sup> A commercial item is any item, other than real property, that is of a type customarily used by the general public or by non-governmental entities for purposes other than governmental purposes, and (i) has been sold, leased, or licensed to the general public; or, (ii) has been offered for sale, lease, or license to the general public; any item that evolved from an item described in paragraph (1) or services of a type offered and sold competitively in substantial quantities in the commercial marketplace.

According to the study, the extra documentation the government required (to keep costs low) raised costs by 18%. By using the commercial item designation, this extra cost can be done away with.

*c. The E-Government Act of 2002*

The E-Government Act of 2002 "authorized the use of share-in-savings contracting for information technology. Share-in savings contracts represent an innovative, performance-based approach to procurement that encourages industry to share technology and solutions with the government – without large ‘up-front’ costs to the taxpayer. They are, in essence, turbo charged performance-based contracts." [6] Share-in savings contracts were created so that there would be an incentive for private contractors to act more fiscally responsible and to incentivize them to save the government money in information technology contracts, while using a performance-based approach. It encouraged private industry to share technology with the government without a large upfront cost to the tax payer. As stated by Congressman Davis, “The genius is in the simplicity: the more a company saves the government, the more it gets paid...” [7] It seemed like a good idea, but did it work?

As of December 2004, there was not a single share-in-savings contract awarded. The act had not really taken off because the implementing guidance that was to accompany the act was not completed. GAO (Government Accountability Office) recently reported back to Congress that, “...agency officials are reluctant to use share-in-savings contracting until the implementing regulations are finalized...” [6]

The agency acquisition councils began working on a regulatory policy when the President signed the E-Government Act and published a first draft in October 2003. It was subsequently updated by the councils in July 2004, and the councils were ready to issue the finished product just a few months ago in 2005. OMB (Office of Management and Budget) decided to wait to make sure that the rules correctly addressed situations to include but not limited to funding of termination and retention of the government's share of savings.

*d. ASIA (Acquisition System Improvement Act) of 2005*

ASIA of 2005, introduced by Representatives Tom Davis and Dan Burton, extended the Clinger-Cohen Act for two years until January 2009. While still under House review, seven provisions were implemented in the 2005 Defense Appropriations Act. The pilot program [8], which authorized streamlined acquisition procedures, applies to purchases equal to or less than \$5 million dollars when a contracting officer reasonably expects that offers in response to a solicitation will only include commercial items. It allows for shorter deadlines, fewer government requirements, and lower administrative costs. It includes provisions for sharing savings from contracting efficiencies within businesses and creates a government-industry exchange program for acquisition professionals between government agencies and federal contractors to expose government contracting officers to best practices in the private sector acquisition fields. This part of the act is known as ASIA Redux [9]. ASIA also consolidates various agency contract appeals boards into two, one for defense agencies and one for civilian agencies at the General Services Administration, and increases time to 20 days for protests of an award to the head of an agency [10]. In summation, the provisions give contracting officers greater flexibility to award contracts to the company that offers the best government deal. Is this program working?

It is evident that ASIA or the extended Clinger-Cohen Act is helping to speed up acquisitions. The following testimony was presented on the House floor by Tom Davis on April 9, 2002, which concerned the Clinger-Cohen Act extension and was used to help rebuild the Pentagon after the terrorist attacks on September 11, 2001.

One significant step at the Pentagon has been the efforts to quickly restore what DoD calls the 'critical pathway' to the damaged wing. DoD used the Clinger-Cohen pilot program authority to buy routers and switches to re-establish the communications grid. Using conventional procurement procedures to buy this equipment would have added many extra months and would have jeopardized the whole project's completion by the one-year anniversary. [9]

*e. General Services Administration Modernization Act (GSAMA)*

GSAMA was responsible for merging the agency's two acquisition arms, the Federal Supply Service and Federal Technology Service. The organization is structured with six offices throughout the country that report to a national office, which sets policy and leads initiatives such as strategic sourcing and the effort to leverage agencies' buying power in purchasing goods and services [11]. The organizations were originally separated because information technology used was easily defined, but today it mixes with other goods and services. An item like a network cable being laid during construction fell into a grey area where it technically was two sets of money and this caused problems. With the GSA Modernization Act, the cross-functional items in the grey zone can now be purchased more easily and faster.

The GSA Modernization Act also establishes “retention bonuses and reemployment relief aimed at maintaining the strength and experience of the federal government’s civilian acquisition workforce.” [12] Basically, if a retired worker who is receiving benefits is rehired into an acquisitions field, he or she can still receive his or her annuity from the previous retirement. This is to directly combat the large number of acquisition employees retiring in 2005.

All of the above-mentioned acts were introduced with the idea that government procurement should incorporate commercial best practices into government procedures. Representative Davis, subcommittee chairman, stated, "The government is not utilizing commercial best practices [in acquisition]..." [13] when he introduced the new legislation. Congressman Davis is a big proponent for the government following commercial policies to streamline acquisitions activities and ensure the most efficient use of taxpayer money, while reducing oversight to increase response time. This is a tremendous help to contracting officers to become more responsive to the end user’s requirements. The potential in savings is just beginning to be realized.



**B. WHAT IS THE UNITED STATES GOVERNMENT’S STANCE ON SIMPLIFIED ACQUISITION PROCEDURES?**

The policy of the federal government is, “Agencies shall use simplified acquisition procedures to the maximum extent practicable for all purchases of supplies or services not exceeding the simplified acquisition threshold (including purchases at or below the micro-purchase threshold).” [14] There are exceptions of course and other criteria, but the intent is to use simplified acquisitions procedures as much as possible. Congress has passed legislation and the Federal Acquisitions Regulations have mirrored the idea that SAP is a good program with monetary, as well as time, benefits.

**C. WHAT ARE SIMPLIFIED ACQUISITIONS PROCEDURES?**

Simplified Acquisitions Procedures (SAP) are a way to capitalize on the above-mentioned legislative intent. SAP cuts the statutory regulations that are required to do business with the government, and relieves the contracting officer of many unneeded procedural and statutory requirements. The federal government is trying to do more with less, and the traditional way of doing business requires a lot of time and paperwork. SAP reduces the personnel and time required on each acquisition. The legislation provides relief from all of the statutory “red tape” that slows the system down. According to the FAR Part 13, Simplified acquisition procedures are established

...in order to

- (a) Reduce administrative costs;
- (b) Improve opportunities for small, small disadvantaged, women-owned, Veteran-owned, HUB Zone, and service-disabled veteran-owned small business concerns to obtain a fair proportion of Government contracts;
- (c) Promote efficiency and economy in contracting; and
- (d) Avoid unnecessary burdens for agencies and contractors. [15]

SAP is a way of promoting the socio-economic goals of the federal government, increasing responsiveness to the end users, cutting down on unnecessary paperwork, reducing cost, and essentially creating a new way to do business, which is in keeping with the commercial business practices of society.

**D. WHAT DOES SAP ALLOW THAT IS BETTER THAN TRADITIONAL ACQUISITIONS?**

SAP allows for immediate response to a request by an end user. The subpart 13.5 test program for certain commercial items takes the legislation provided for SAP and extends it. By using SAP, contracting officers have much more leeway to get done what needs to happen. While still following the FAR, a contracting officer using SAP can make a purchase the same day if there is an urgency of need for a commercial item.

With technology advancing so rapidly, sometimes a commercial item can be bought for less money than contracting someone to make it. Items like contracted photo copier services could easily be researched by a government individual. The individual could compare all of the costs of suitable companies in the service area, choose the lowest price, a technically acceptable service provider and write a contract, which could all happen very quickly. SAP allows this to happen more simply than the traditional approach of placing a solicitation on the web site, waiting the minimum of 30 days, comparing the responses, choosing from those who provide a response, and then moving into the contract writing. This can easily take at least 90 days under the traditional acquisitions process. After all of that effort, a contracting officer may not end up with the lowest price possible for that service, but simply the lowest price of those who respond.

SAP is not the best solution for every acquisition, but it is a wonderful tool when used correctly. Obviously the next generation Stealth fighter would not be a good use of SAP, but in the commercial item realm, there is an almost endless potential savings in both money and time.

SAP offers speed, simplicity, reduced advertising time, less elaborate descriptions in the criteria for selection, use of commercial clauses for commercial item description and limits contract types to only fixed-price type contracts. Because contract types are limited to firm fixed-price and fixed-price with economic price adjustments, the business relationships are simplified and clear. When SAP is used, a contracting officer can waive the normal advertising period if a need is urgent and requires immediate action. This advertising period does not have to be cut short, and a full and open competition can still be used if so desired.

Another benefit for SAP is less elaborate descriptions in the selection criteria documentation. Since the item being purchased is a commercially recognized product, it is sufficient to use normal industry language and standards when describing selection criteria, thus abbreviating the source selection criteria. Examples include using commercially recognized standards like standard film speed, lumens of light, watt usage, number of pixels, etc. These types of descriptions have consistent industry standards that do not require lengthy explanations about the desired outcome. Due to the commercial item designation, only fixed-price type contracts can be used as there is a prevailing fair and reasonable market price already established for the commercial market.

An additional benefit is to have a simplified and abbreviated acquisition plan. It is no longer necessary to lay out the entire plan and reasons for each step. It is advantageous not to plan weighted guidelines, plans for negotiations, pre- and post-negotiation memorandums, and other documents which would be part of the entire planning process. Using SAP, a contracting office ensures that he or she is fulfilling the requirements listed in FAR part 13.5 and purchases the best valued item. Elaborate documentation is not required in the official record.

Traditional acquisitions procedures are much slower and more complex. There are many contract types available under a traditional procurement method that require longer times to perform each step, and because the purchase is so complicated, many more documents are required to ensure the acquisition is truly the best value the government can receive. There are many checks and balances built into the process that take time and effort to accomplish correctly. Traditional procurements require much more management oversight, thus limiting individual responsibility and requiring many more labor hours to accomplish the same mission. Table 1 is an easy to read comparison.

<b>SAP acquisitions</b>	<b>Traditional acquisitions</b>
Speed - The ability to modify advertisement periods can significantly decrease possible procurement time in event of an urgent situation.	Long procurement times - Ensures adequate advertising for competition and all aspects are explored prior to award.
Economy - Cost per transaction decreases as time spent on each procurement is cut and man-hours significantly reduced.	Lack of economy - Each transaction is labor intensive with long time requirements and many required steps in the process, and the cost per transaction goes up in an attempt to save money.
Responsiveness- Broad participation by many manufacturers ensures the customer's needs are met. No special requirements for dealing with the government entice a larger competition base to choose an item from.	Lack of responsiveness- The linity of requirements to do business with the government preclude some products from being considered. Some companies are not willing to sell to the government with so many restrictions and requirements (e.g. SYSCO).
Simplicity- There is a lot to be said about understanding every step of a process and being proficient at all of them.	Complex- Many steps, many requirements, not many experienced contract specialists qualified to award contracts.

Table 1. Comparisons of SAP Vise Traditional Acquisitions

**E. WHAT IS THE THEORETICAL POTENTIAL OF SAP?**

The potential of SAP, if implemented in every contracting office to its fullest potential, addresses complaints of not responding quickly as well as the significant cuts in man power. SAP will also save a measurable amount of money. SAP can help move the government's spending into the new age. According to a GAO study, "...If agencies were to build on their initial experiences and duplicate these steps government wide, they would have the opportunity to save the taxpayer almost \$300 million annually." [16] No longer is America fighting the Cold War with countless major acquisitions, where defense spending is something spread across many years. The Marine Corps has been

nicknamed America's 911 force in readiness. The Marine Corps incorporates many types of war-fighting equipment and training to react instantaneously to a threat. Maritime Propositioned Force (MPF) is sailing worldwide in order to support an operation instantly. Marines are on standby and ready to deploy across the world. MEUs (Marine Expeditionary Unit) are constantly training and deploying to be ready at the word of the President or Congress. America is prepared to do battle with very little notice.

America has seen the need to update and modernized its approach. SAP is one more tool that is attempting to modernize the acquisition approach. In order to keep pace with the war-fighters, the acquisition force must also be able to respond quickly. When dealing with SAP, it is also possible to receive discounts that have been pre-negotiated by the GSA and other federal agencies. In each area, a representative could organize and establish discounted prices and when the item is needed, simply go to that location and purchase at the discounted rate. The capitalization of the savings SAP has to offer has just begun.

#### **F. SIMPLIFIED ACQUISITIONS IS BETTER BUSINESS**

SAP is the future direction of better business practices because it offers a solution to the problem the acquisition workforces faces. SAP offers compensation for work force cuts without adding the extra expense of hiring additional personnel, it calls for faster and more responsiveness to the needs of the war-fighters, and it entices many businesses to participate in offering services or products to the government which would have previously been overlooked. Simply put, SAP makes sense.

## **II. WHAT THE IDEAL MODEL WOULD LOOK LIKE**

This chapter demonstrates what an ideal model for Simplified Acquisitions would look like in a perfect world, as originally intended by the legislators. The ideal model of how Simplified Acquisitions should be handled is just that - simple. The legislators intended to lessen the burden of the federal acquisition procedures for both the commercial world and the acquisition workforce.

### **A. HOW IS THE FAR LANGUAGE DESIGNED?**

The relationship between legal case precedence legislation and stances and policy ideas are combined at the DAR council. All potential legislation combined with acquisition professionals draft FAR language to eventually be a change to the FAR. The language is posted for public opinion and then reviewed at a later date. Suggestions from the public are either followed, modified or disregarded as constructive inputs. Once the review is complete and modifications are made, the language is officially added to the FAR as a change.

Ideally the language in the FAR should be a clear guide to let contractors and contracting officers know exactly what the law requires, but sometimes the intent of the legislation gets clouded through this process. That is what happened in the case of FAR part 13.5.

The original legal drafters intended one outcome, but once it made its way through the process and was put into the FAR, the actual language was not as originally intended. In an interview with the drafters of the legislation on Congressman Davis' staff and Professor Cory Yoder at NPS in October 2005, this question was addressed. The original drafters intended for the FAR to be changed to allow SAP purchases under the test program to be simple, effective, responsive, and, most of all, less labor intensive. With the DAR council process, the legislation intended by the legal staff eventually ended up segmented within different parts of the FAR (FAR 6, 12, 13, 15) and was not represented as originally intended.

**B. WHAT IS THE ORIGINAL INTENT?**

The intent is echoed by Congressman Davis' staff and many renowned reform advocates like Dr. Gansler. SAP should ideally be very flexible. It relies on the judgment of the contracting officer to use sound business practices and to be innovative. Through this process, there will be a tradeoff between flexibility and oversight documents, but in reality, that is the purpose, which is to clear the red tape to make way for cost savings.

**C. HOW WOULD THIS AFFECT THE FAR?**

In an ideal world, the FAR would have a very clear section dedicated to the SAP. It would not only define what laws are no longer applicable to contractors, but it would also define what documents and steps in the traditional procedures are no longer required. In an ideal world, the FAR would reflect the exact intent of the original legislation. The FAR would allow for some interpretation, but explain the basics so that it is clear on the use of SAP.

**D. HOW WOULD THIS AFFECT THE DFAR?**

Additionally, in a perfect world the DFARS would go into great detail to explain the steps of SAP, using the FAR as a guide as to what documents are no longer required. This is where it is essential that the intent to create less work must be clear. Human nature is to modify a new requirement to fit an existing set-up. Ideally, the DFAR would demand a culture shift towards accepting SAP as the preferred method for acquisition and only using traditional methods when SAP did not apply.

**E. HOW WOULD THIS AFFECT THE NAVY MARINE CORPS ACQUISITION GUIDE (NMCAG) AND MARINE CORPS PROCUREMENT SUPPLEMENT (MAPS)?**

The Navy Marine Corps Acquisition Guide (NMCAG) and Marine Corps Procurement Supplement (MAPS) would, in this ideal world, further explain and consolidate all information as they currently do, but would also incorporate this new SAP idea. The NMCAG would further detail the application of the FAR and DFAR to the naval service, while still keeping under the original intent of SAP. The MAPS would also, in this ideal world, accurately reflect the intent of all guiding policies and statutes, while specifically guiding contracting personnel to the sections that pertain most to the

Marine Corps' way of application. It would be essential then that the MAPS detail the preference for using SAP. It would also be essential for the MAPS to not further restrict any policy or documentation of SAP, which would add extra oversight documents or procedures and not keep with the original intent of legislation.

The original intent of the test case was designed for using this ideal SAP system and applying the best business practices of competition, the socioeconomic goal programs, and any sole source instructions from other parts of the FAR. SAP was not designed to add-on extra checks and balances. There is a tradeoff the legislators agreed to when they passed the statutes, and the same tradeoffs of oversight for efficiency need to be accepted. By allowing each step along the chain of command to add more stringent requirements beyond the FAR, it creates inefficiencies and mutates the legislative intent. The idea of SAP was to lessen workload, save money, time and paperwork, while increasing creativity and flexibility of the contracting officer to do more with less. If requirements from the traditional system remain in place, it hinders the outcome. To increase the effectiveness of the FAR 13.5 test case requires simplifying to the fullest extent that is allowed under the law.



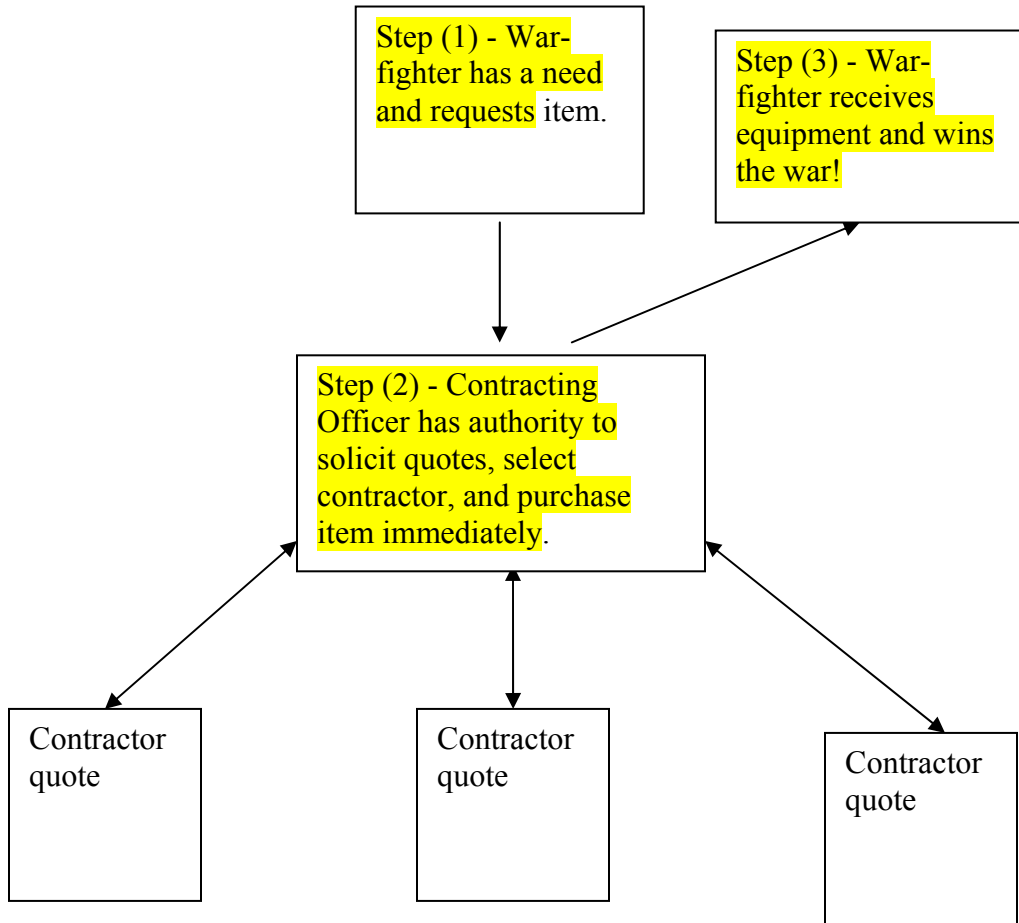


Figure 1. Ideal Model Using SAP

The above diagram, Figure 1, is meant to show how simple the entire process can be when Simplified Acquisition Procedures are applied. Three basic steps are all that is required. First, a request is generated by the end user. Then, the contracting officer receives and begins work immediately by soliciting quotes, selecting a contractor, and purchasing the item immediately. Finally, the item is delivered to the end user. SAP is very simple, responsive and is an efficient use of time.

### **III. DATA COLLECTION AND ANALYSIS**

This chapter explains the investigation performed for the research leading to this paper. The methodology for collecting data and the actual data will be examined. Why the Regional Contracting Office South West (RCOSW) was chosen and who is encompassed within the RCOSW will be explained. The data collected in raw form will be summarized into easy-to-understand tables and visual representations will be made for each as applicable. The intent is to extrapolate, via the data provided, a current view of what is being executed at the RCOSW. In addition, some conclusions will be reached as to the applicability of SAP to various factual data.

#### **A. WHAT WAS THE METHODOLOGY FOR STUDYING CAMP PENDLETON RCOSW?**

The rationale for collecting data was based on studying the largest Marine Corps Contracting Office with the most responsibility. This office most accurately depicts the majority of the country's contracting procedures and is representative of the Marine Corps as a whole in its applicability of policy. Appendix B of the MAPS lists all buying offices in the Marine Corps. The Marine Corps is divided into three geographic MEFs (Marine Expeditionary Forces) located at Camp Pendleton (I MEF), Camp Lejeune (II MEF), and Okinawa Japan (III MEF). Their associated contracting offices should all be set up the same and they should be the largest. This, however, was a wrong assumption. Each buying office is set up according to their commander's ideas of what would best serve their using units. Each office is also set up with different geographical areas of responsibility and differences in size. The RCOSW is based out of Camp Pendleton and basically handles all contracting needs west of the Mississippi river. This by far was the largest area. The other buying areas are called Regional Contracting Offices (RCO), but in reality each only supports a few using units. With this in mind, data was collected from Camp Pendleton. As stated in Appendix B of the MAPS [17], the Regional Contracting Office South West Region and the RCO provides acquisition support to:

1. "MCB Camp Pendleton
2. PPMAP & KO appointments for MCAS YUMA, MCAS MIRAMAR, MCLB Barstow, Marine Corps District Headquarters (8th, 9th, 12th), all recruiting stations west of the Mississippi river, MCMWTC Bridgeport, CKO 1st FSSG (while in Garrison)
3. All Marine Corps Units not otherwise identified in the states of AK, AZ, CA, CO, ID, MT, ND, NE, NM, NV, OR, SD, UT, WA, WY." [17], The RCOSW occasionally supports other Department of Defense and federal agencies in the area requesting assistance.

Data was only collected from the regional office in Camp Pendleton, as it is the by far the largest contracting office. The analysis is not limited to but includes the following:

1. A study of their internal policies and standard operating procedures was performed.
2. Raw data from their awards database was collected and analyzed for fiscal years 2003, 2004 and 2005.
3. Personal interviews were conducted, both in person and by other communication methods, such as e-mail and telephone.

#### **B. WHAT WAS EXAMINED?**

Policies, guides, legislation, professional reading materials, and all orders pertaining to these actions were examined in addition to the data. Contracting procedures were studied from requests to awards. The personnel along each of the process steps were interviewed, both Marine and civilian. When possible, all references used by each person interviewed were reviewed. Questions were asked of all people in the process, not limited to but including the following: what the people did in the process, what references they used, how the references were applied, why the process was set up in the way it was, what problems they saw in the process, how they might improve the process if allowed to make changes, what works best, what works the worst, and what reoccurring problems were seen regularly.

Data was collected for the last three years of all purchases made from that office, due to the sensitivity of the individual purchase information. The database is not provided, but a summary of what was found is detailed in the following table:

Purchase Agency and Type	Amount in U.S. Dollars
SAP purchases made by 1st FSSG during OIF (OIF is defined as OIF I-the war)	483,583,137.62
GCPC purchases made by 1FSSG during OIF	319,422.40
SAP purchases made by RCOSW	3,895,913.20
GSA purchases made by the RCOSW	195,420,425.77
Contracts written by Formal Contracts division:	353,377,257.28
Negotiated by HQMC or SF33	54,115,904.00
Written by Formal Contracts w/SF1449/1599/mods	169,946,939.9
Written by Formal Contracts for commercial items	24,567,852.64
Written by Formal Contracts for items w/SF1449 under "P" type contracts	24,240,961.29
Written by Formal Contracts for items commercial items under a "P" type contract	80,505,599.46
Total FSSG	483,902,560.02
Total RCOSW	552,693,596.25
Overall total:	1,036,596,156.26

Table 2. Database Totals Categorized

**C. WHAT DOES THIS DATA MEAN?**

Table 2 depicts the basic break down of purchases from the years 2003, 2004 and 2005. The monetary award amounts were added for each type of contract awarded during this time period and categorized by types of acquisition methods used to purchase the items (government purchase card (GCPC), SAP, traditional large contracts, and GSA). To break down the categories even further, the types of solicitations used were also broken out, simply for ease of understanding. The above chart is representative of

all the information provided from the database. The entire database was divided into contract types, branch which the purchase was made, and type of purchase. These totals aid in describing how money is being spent in the procurements made by the RCOSW. The breakdowns below are geared towards explaining these specific ideas.

Purchase Agency	Amount in U.S. Dollars
RCOSW	3,895,913.20
FSSG deployed	483,583,137.62
Overall SAP total	487,479,050.82

Table 3. Simplified Acquisitions for RCOSW Including FSSG Deployed

Table 3 shows the total dollar amount of the SAP purchases in both the RCOSW and FSSG deployed. This table demonstrates the dollar value of the executed SAP purchases. The major point demonstrated here is that the FSSG deployed is making a higher volume of SAP buys compared to the RCOSW.

Purchase Agency	Type	Amount in U.S. Dollars	% of Overall Total
RCOSW	Large Contracts	353,377,257.28	34.09%
RCOSW	SAP	3,895,913.20	0.38%
RCOSW	GSA purchases	195,420,425.77	18.85%
FSSG deployed	GCPC	319,422.40	0.03%
FSSG deployed	SAP	483,583,137.62	46.65%

Table 4. Overall Percentages

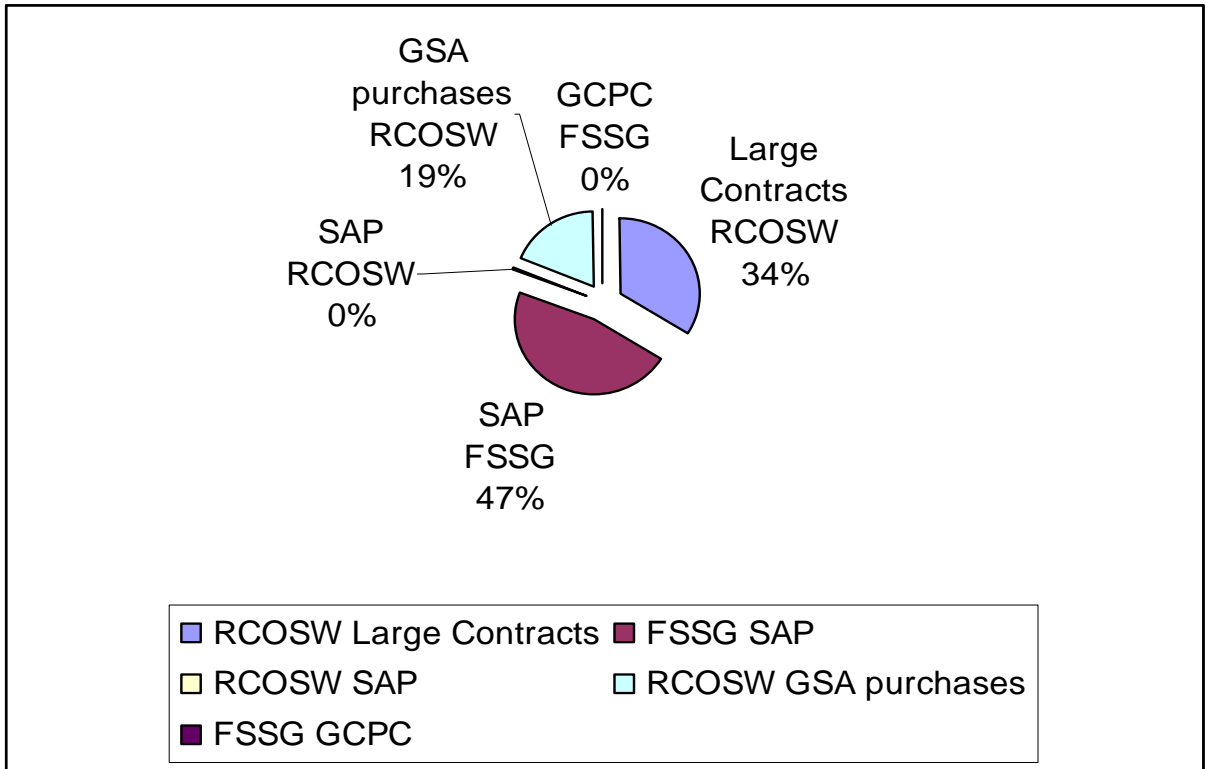


Figure 2. Overall Percentages Pie Chart of Data in Table 4

Table 4 and Figure 2 depict the total dollar value of every contract written, expressed in percentages for each category. The contracts written totaled \$1,036,596,156 and were split up by types of buys and by awarding organization. These depictions demonstrate what percent of the total purchase dollars are being spent by which organizations and how that money is spent. This depiction also shows that SAP purchases by the FSSG deployed make up 47% of the total dollars spent in the time period studied. The large contracts division of the RCOSW accounted for 34% of the total dollars spent in the three years studied. GSA buys from the RCOSW was the next largest dollar volume. What is an important takeaway from this breakdown is that the SAP for the RCOSW and GCPC for FSSG deployed are both an insignificant amount of the total spent in the last three years of contract awards. Another important takeaway is that the SAP for FSSG deployed is the largest category, accounting for 47% of the total dollar purchases made in the time period. This shows a significant use of the procedures. Another important point is that 66% of the overall total of acquisitions was spent using SAP and GSA.

Purchase Agency	Type	Amount in U.S. Dollars	Agency Total	% of Buying Agency's Total
RCOSW	Large Contracts	353,377,257.28	552,693,596.25	63.94%
RCOSW	SAP	3,895,913.20	552,693,596.25	0.70%
RCOSW	GSA purchases	195,420,425.77	552,693,596.25	35.36%
FSSG deployed	GCPC	319,422.40	483,902,560.02	0.07%
FSSG deployed	SAP	483,583,137.62	483,902,560.02	99.93%

Table 5. Percentages of Own Agency's Buys

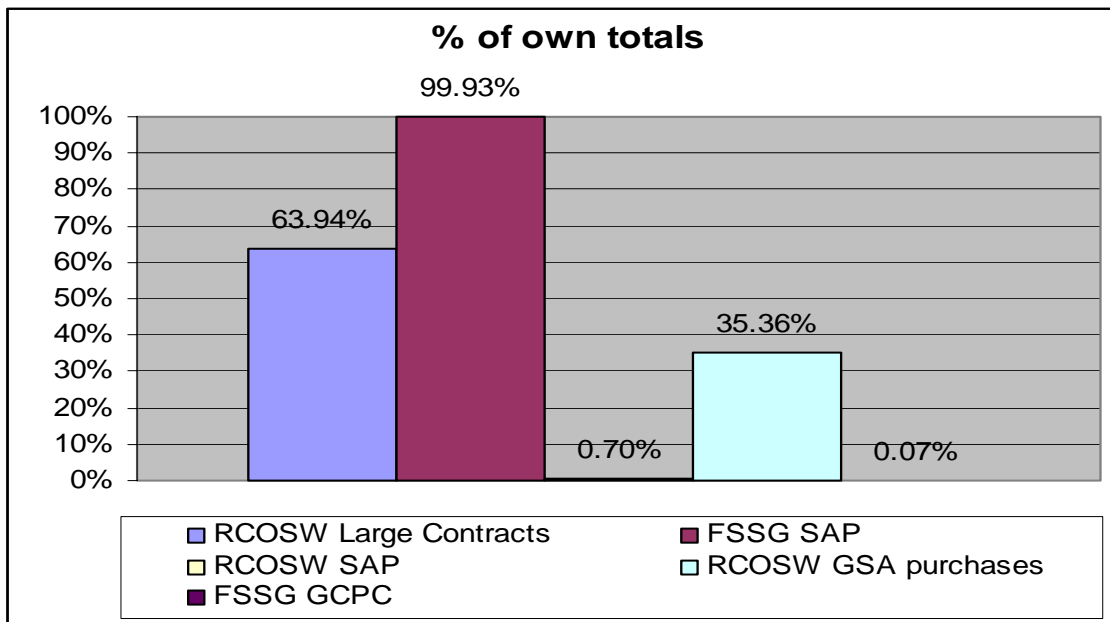


Figure 3. Diagram of Percent of Own Agency's Buys

Table 5 and Figure 3 show the SAP purchases as a percent of the unit's overall purchases. Almost all of the FSSG's purchases use SAP, while the remaining purchases use the GCPC. The GCPC is in itself a variant of SAP. This chart shows that the FSSG uses SAP for its purchases unless otherwise noted. SAP was used extensively by the FSSG. On the other hand, the RCOSW uses GSA and SAP sparingly and the GSA buys

are much more prominent than the SAP buys. The largest expenditure by the RCOSW was on large contracts (63.94%).

Purchase Agency	Amount in U.S. Dollars	Percent of Total
RCOSW	3,895,913.20	1%
FSSG deployed	483,583,137.62	99%
Overall SAP total	487,479,050.82	100%

Table 6. Percent of SAP Purchases Made From Each Agency to Overall Total

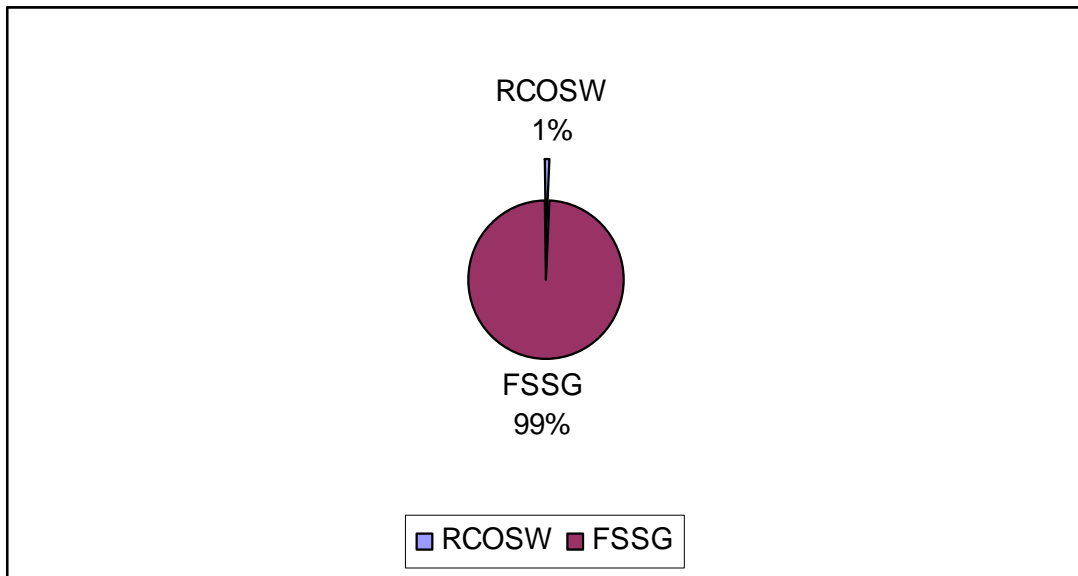


Figure 4. Diagram of Percent of SAP Purchases Made From Each Agency to Overall Total

Table 6 and Figure 4 depict the SAP dollar value split by user. It is clear that the FSSG deployed used SAP far more than the RCOSW in terms of total dollar expenditure, as 99% to 1% is a clear and definite difference.

Purchase Agency	Commercial Items	Total Items Purchased	% of Purchases that are Commercial Items:
RCOSW	497,291,833.25	552,693,596.25	90%
FSSG deployed	483,902,560.02	483,902,560.02	100%

Table 7. Percent Commercial Items Within Agency (For Assessment, GSA is Considered Commercial Item)



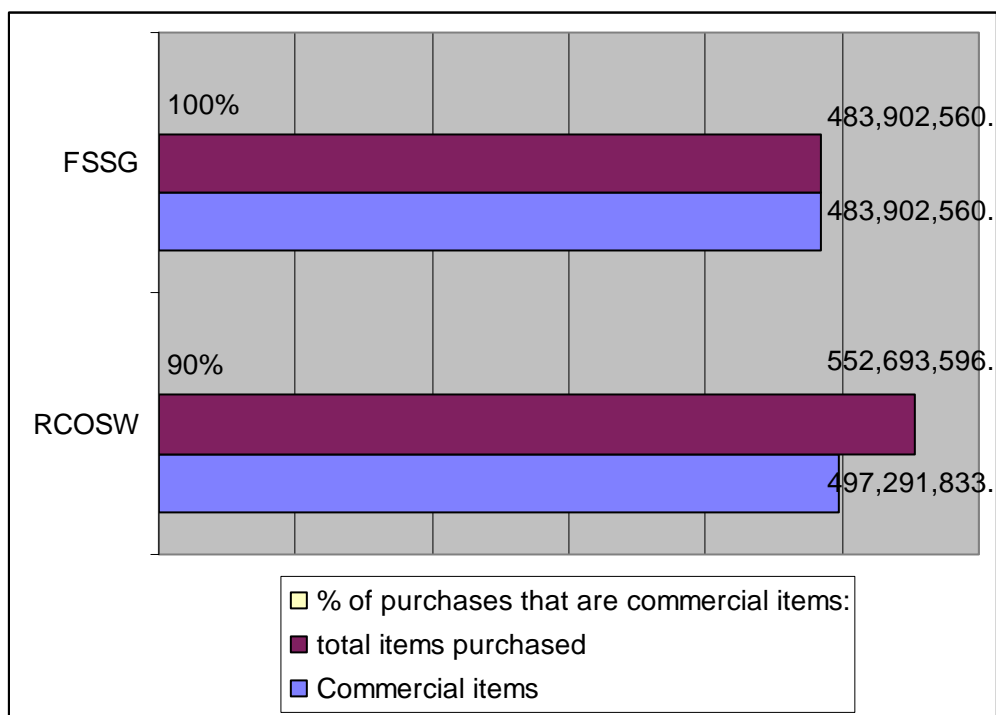


Figure 5. Diagram of Percent Commercial items Within Agency (For Assessment, GSA is Considered Commercial Item)

Table 7 and Figure 5 show the percent, by dollar value, of items purchased that are considered commercial items/services. Only commercial items/services are eligible for SAP under the test case in FAR 13.5, so this is an important distinction. As shown in the table, 90% of the RCOSW and 100% of the FSSG deployed purchases fell into the category of commercial items or services. This means that 90% of the RCOSW and 100% of the FSSG deployed purchases could have been made using SAP. This clearly demonstrates the need to examine Simplified Acquisitions of commercial items because this is where the majority of U.S. procurement dollars are spent. Any policy affecting these purchases will have huge economic impacts on the American economy. If small businesses and more competition are involved, acquisition dollars spent in these areas have the potential to impact companies' profits, manpower levels, number of employees, and benefits offered to those employed. Almost every purchase in some way was a commercial item bought on the economy, which is an enormous amount of money.

Purchase Agency	Non-commercial Items	Total Items Purchased	% of Purchase Non-commercial Items:
RCOSW	\$55,401,763.00	552,693,596.25	10%
FSSG	0	483,902,560.02	0%

Table 8. Percent Non-Commercial Items Within Agency (For Assessment, GSA is Considered Commercial Item)

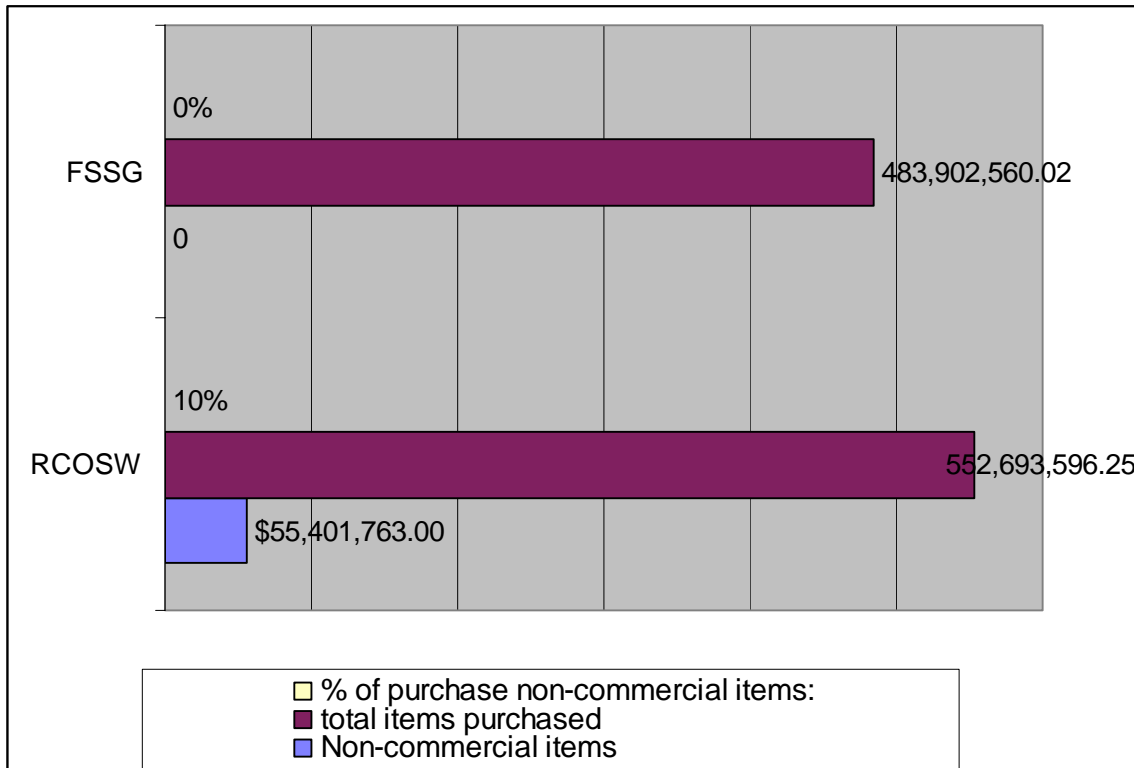


Figure 6. Diagram of Percent Non-Commercial items Within Agency: (For Assessment, GSA is Considered Commercial Item)

Table 8 and Figure 6 show the opposite of Table 6 and Figure 4. It simply shows that 10% of the RCOSW purchases were not considered commercial items/services. This amount of money must be spent in the traditional way.

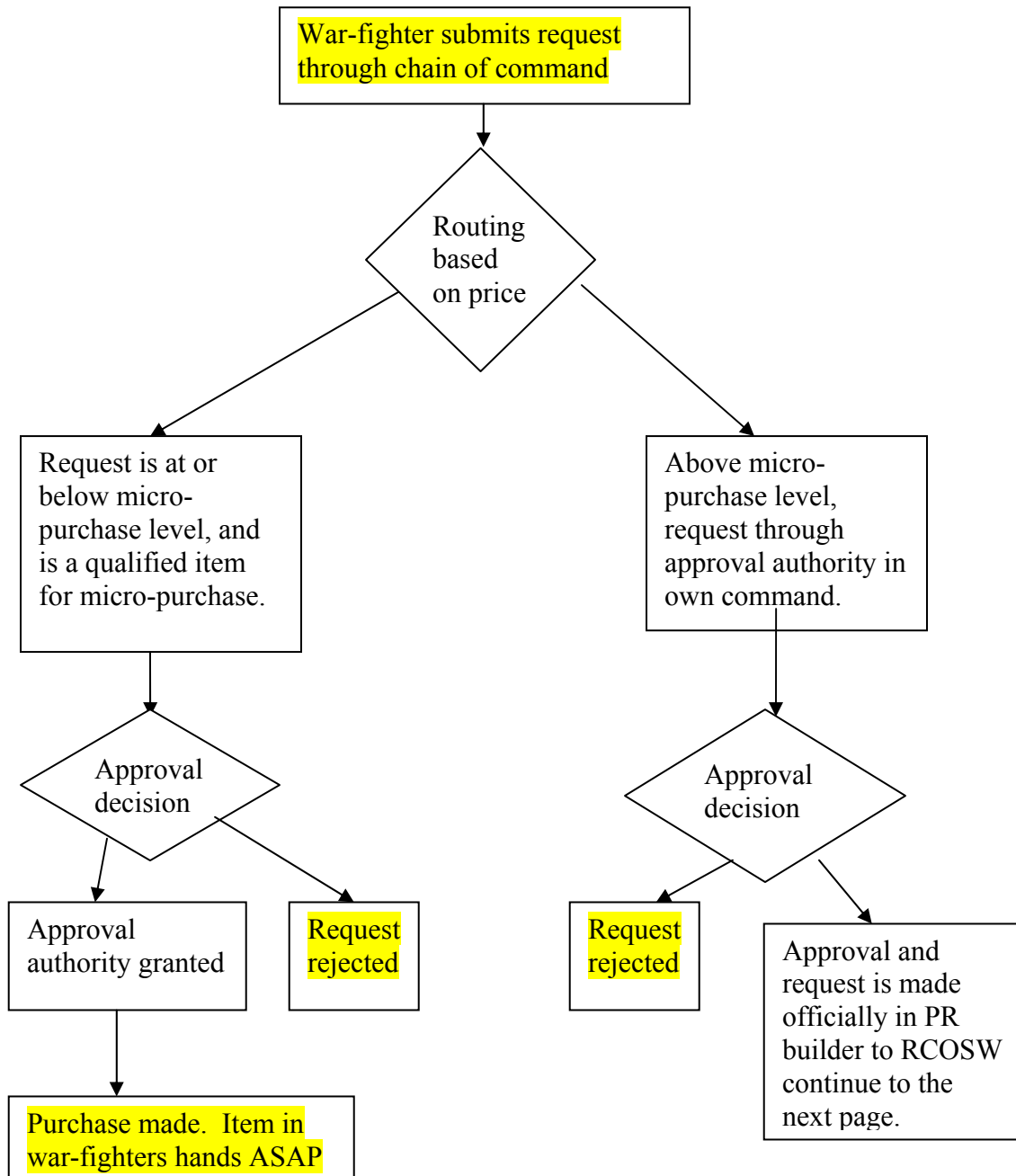
**D. WHAT DOES THIS ALL MEAN?**

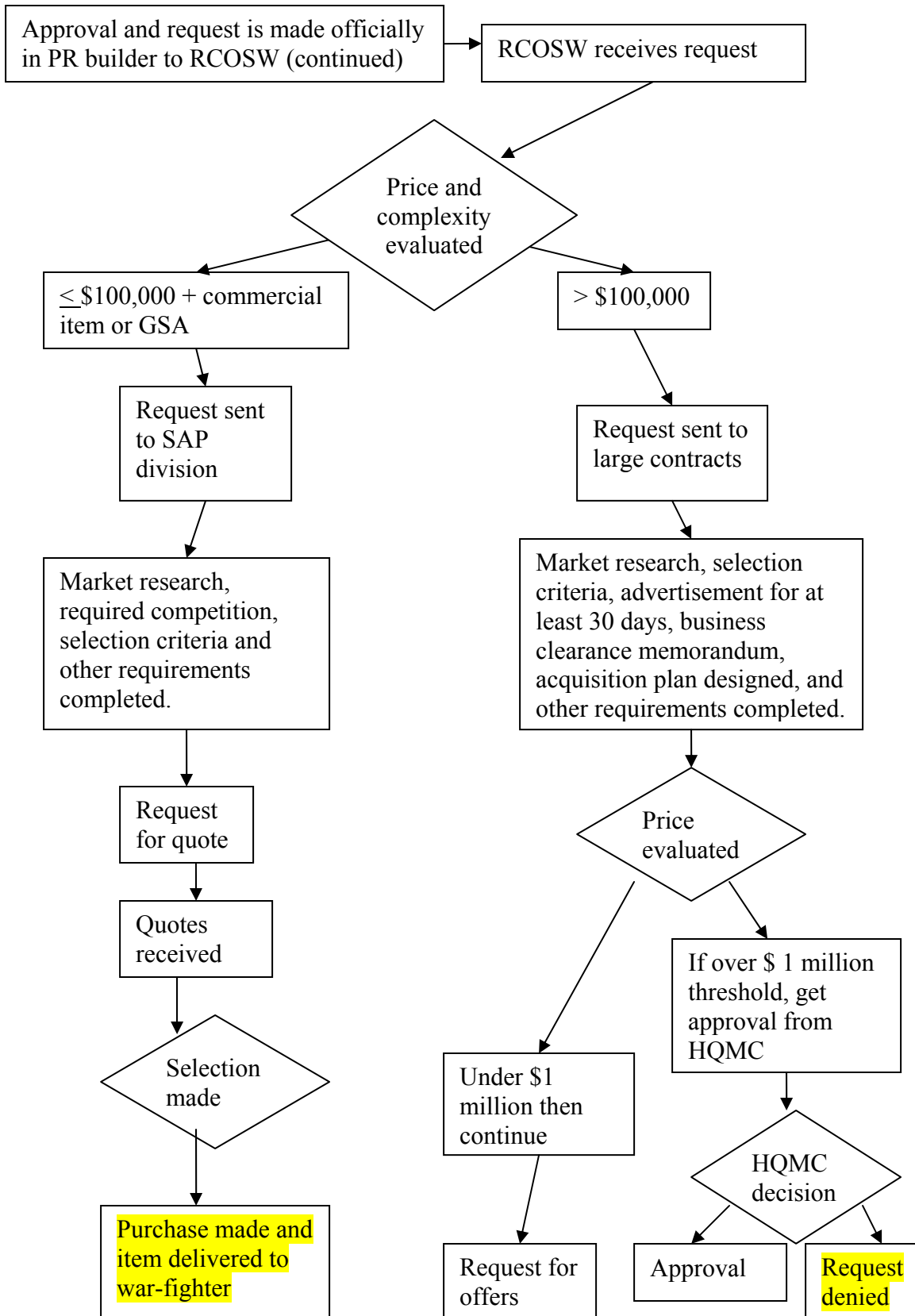
The overall conclusions from these charts and diagrams is that 90% of acquisitions made by the largest contracting office in the Marine Corps, which spans west from the Mississippi river under I MEF’s control, are commercial items. For the three

years analyzed, 66% of the total dollars spent by the RCOSW and FSSG deployed were spent using SAP. This in itself shows a significant portion of spending already uses SAP. The question is what is going on with the other 34% of dollars spent for commercial items that were not purchased using SAP? This represents a significant dollar value of \$352,442,693. How is this money being spent? The data indicates that this \$352,442,693 is being spent using traditional contract methods, even though they fit the criteria of the FAR 13.5 test program and could have been bought using SAP. This is the motivation for this project. If legislation permits SAP to be used for these purchases, why isn't the RCOSW taking advantage of it? Chapter V will examine what is currently going on at the RCOSW and the reasons SAP is not being fully used.

#### IV. CURRENT PROCEDURES AT THE RCOSW

This chapter captures a snapshot of the current procedures and steps the RCOSW in Camp Pendleton, CA follows when a procurement request is received. It depicts the current decision tree (Figure 7) of all the steps a request makes along its journey to a final award. The highlighted steps are either a beginning point or an ending point to the process.





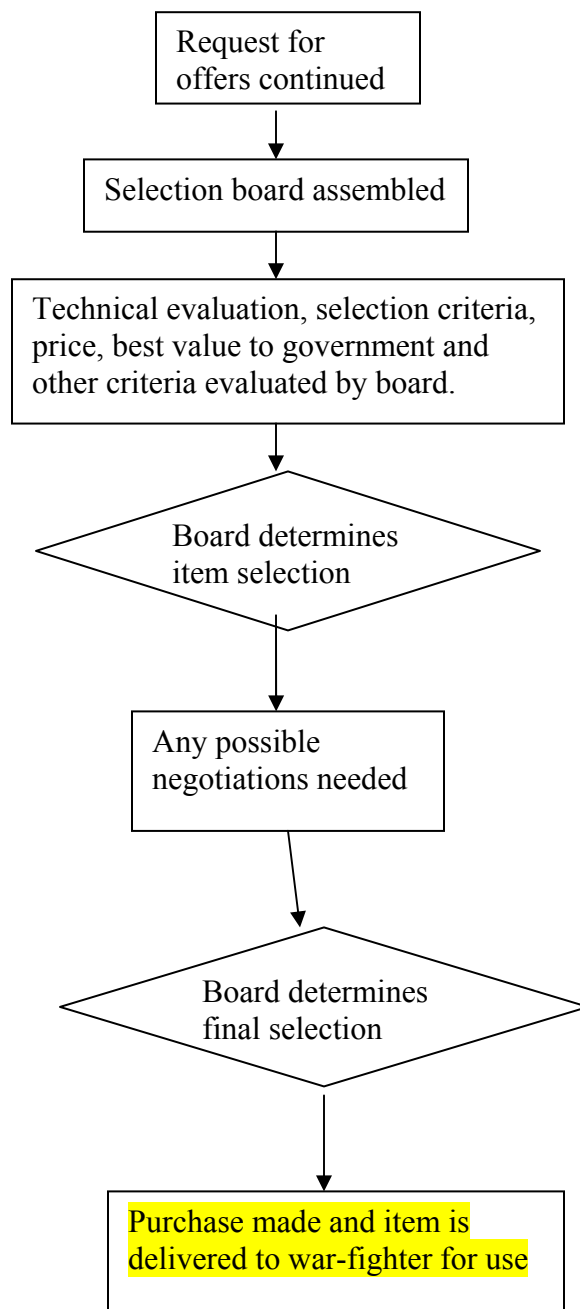


Figure 7. Current Decision Tree

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## **V. POLICY AND PROCEDURES THAT INFLUENCE SAP USE**

This chapter examines the actual fleet practices with respect to SAP use. The regulating documents (FAR, DFAR, NMCAG, MAPS etc.) are examined for specific instructions pertaining to SAP. Some inconsistencies were found between documents and policies. Interviews were conducted with key personnel at the headquarters of the Marine Corps to find out the intention of the policy writers at the service level. This section both examines the written documents as well as the procedural steps in practice at examined units.

The FAR Part 13 does not possess nearly an extensive enough explanation of SAP to fully be incorporated into everyday policy. FAR Part 13.002 states the purpose of Simplified Acquisitions is to:

- (a) Reduce administrative costs;
- (b) Improve opportunities for small, small disadvantaged, women-owned, Veteran-owned, HUB Zone, and service-disabled veteran-owned small business concerns to obtain a fair proportion of Government contracts;
- (c) Promote efficiency and economy in contracting; and
- (d) Avoid unnecessary burdens for agencies and contractors. [15]

The FAR is vague at best in its explanation of how this purpose should be enacted. There is only an explanation of what SAP is to be used for, what the purpose is, and why and how the SAP came about. There is no specific explanation of how SAP is to be implemented into full service. Due to the modifications the DAR council made in the FAR language, the FAR (part 13.5) is limited in detail of what procedures and documents are no longer required under the test case. In addition to the lack of instruction, there is no provision designed to review overall affects of the test program to ensure it is in fact the most economical way of doing business. "GAO was unable to determine the extent to which federal executive agencies-including DOD- have used the test program and have realized any benefits." [19]



Policies at both the FAR and DFAR were examined and found to inadequately explain the processes, procedures, and documentation no longer required. Policy at the federal level in the FAR and DFAR should reflect the intent of legislation. Industry knows exactly what accounting standards they no longer need to apply to a commercial item sale, and they also know that they no longer need to provide certified cost and pricing data and many other documents which were formerly required. Industry had lobbied government legislators for years to change these rules to save money and reduce paperwork and regulations. Because of the intense lobbying by major defense industry corporations, the FAR specifically lays out what laws are no longer applicable to commercial items. The FAR is very clear and lists each non-applicable law individually.

The modifications directed towards the contracting officer are, however, much more vague and open to interpretation by each person along the chain of command.

There was a shift in thought, or at the very least, a contradiction in policy at the high levels, as demonstrated in the next step of acquisition policy guides. This is where the policy begins to modify.

The DoN EBUSOPSOFFINST 4200.1A (Department of the Navy, E-business operations office of instructions) states, “The purchase card may be used as a method of payment in conjunction with other contracting methods above the micro-purchase threshold up to \$9,999,900 depending on the type of contracting vehicle utilized, with the appropriate delegation of authority from the Head of the Contracting Activity.” [20] This limit is up to 5 million for commercial items. However, the Marine Corps Acquisitions Procedures Supplement dated April 6, 2005 immediately follows a reference to the 4200.1A with the following: “Within the Marine Corps utilizing the GCPC as a method of payment above the micro-purchase threshold is not preferred and should only be done when no other means of contract payment is feasible and/or practicable.” [17] This thought was not expressed in the 4200.1A.

A closer look was made at service level policy for clarification. The Navy Marine Corps Acquisition Guide dated November 2003 (and revised February 14, 2005) made only a single mention of simplified acquisitions, under the prompt payment section, as also falling under the prompt payment rules. Simplified acquisitions were not mentioned

in any other location. Part G5212 Acquisition of Commercial Items, subpart G5212.90-- Innovative Commercial Contracting Techniques, G5212.9000 Model Commercial Contracting Strategy, mentions purchasing commercial items, but primarily discusses ways to be innovative and cover all the requirements and never mentions simplified acquisitions [21]. The MAPS mentions SAP, but it further restricts the instructions from the NMCAG, as discussed later in this chapter.

The modification continued at the lower level. On Camp Pendleton's web page there is a section called doing business with Camp Pendleton and is the RCO information site. This site lists types of procurements, including simplified acquisitions, along with negotiated and sealed bid. It gives the following description: "Simplified acquisition methods are used for all open market procurements **under \$100,000**, and purchases for supplies or services placed against an established contract or with Government sources."

[22] Simplified acquisitions encompass four approaches:

1. Micro-Purchase
2. Purchase Orders
3. Blanket Purchase Agreement (BPA)
4. Government-Wide Commercial Purchase Card (GCPC) Program

The Camp Pendleton (RCOSW) procedures mention the micro-purchase threshold of \$2,500 often, and give detailed procedures for those purchases [23]. All micro-purchases are encouraged to be bought on government purchase cards through simplified acquisitions at every possible situation, at the lowest buyer in the chain of command with authorization. This was addressed in many locations throughout the internal operating procedures as well as in the web site. In the micro-purchase arena, simplified acquisitions are encouraged as per the intent of the legislations, and it is reflected via actual purchases.

RCOSW purchase orders seem to follow the intent of the legislation, but only up to \$100,000. Their policy defines purchase orders as the acquisition of supplies or services, the aggregate amount of which exceeds \$2,500, but does not exceed \$100,000 and a Blanket Purchase Agreement (BPA), which a large contract is defined as and small purchases are made against it when needed. A simplified method of filling anticipated

repetitive needs for supplies or services is establishing "charge accounts" with qualified sources of supply [22]. These two sections follow the original intent of the legislators.

The RCOSW website states GCPC is "...utilized by RCO buyers for many other simplified acquisition procurements. This procedure allows authorized Government personnel to use the card to buy goods in the same manner that private citizens utilize their credit card. The process is expeditious and economical for both the vendor and the Government..." [22] It does not go into any detail about the upper thresholds, but does mention simplified acquisitions. The how-to and limits are vague under this part, so one is forced to refer back to the simplified acquisitions section where it lists the upper limit of \$100,000.

According to the RCOSW internal operating procedures for the GCPC, there is only one mention of simplified acquisitions using the GCPC above the micro-purchase level. It states that participants in the GCPC program with authority above the micro-purchase level must complete CON 237, simplified acquisitions training on-line [23].

**A. WHAT DOES ALL OF THIS MEAN FOR THE ACTUAL PRACTICE OF THE RCOSW?**

Based on interviews with civilian contract staff as well as Marine personnel in October of 2005, it appears that simplified acquisitions are being used often, but only to the cost limit of \$100,000 on a regular basis. Anything below \$100,000 is sent to the SAP branch if it in fact can be purchased through simplified acquisitions. Anything requested beyond that price, if not a commercial item or if it is complex in nature, is forwarded to the major contracts division to be competed in the formal way, as with a negotiation or a sealed bid contract. GCPC for micro-purchases at or below \$2,500 are also regularly used but more at individual command levels. Any simplified acquisitions above \$2,500 are initiated at the contracting office, where they employ simplified acquisitions to the utmost extent until the \$100,000 threshold. If above \$100,000, the request is transferred to the formal contracts division for action. If it is brought to the formal contracts division, even if it is a SAP purchase, a business clearance memorandum is started and evaluation criteria decided before the award process is determined. All processing and associated documents are performed for all purchases over \$100,000 and complex buys, even if it is under the 13.5 test case. For any request over one million

dollars, MAPS adds yet another step. After the previously mentioned documents are completed, the file must then be sent to the headquarters of the Marine Corps for additional approval. This is time consuming and defiantly more paperwork. This is required for any purchase over one million dollars, even if it is being bought under the simplified acquisitions test case and is being purchased quickly.

After extensive interviews with personnel in the RCOSW, a common perception about simplified acquisitions emerged, and that is there is nothing simple about simplified acquisitions. This was said by more than 75% of the personnel during the interviews. The supervisor who handles the formal contracting division stated that the RCOSW utilizes simplified acquisition to the fullest extent possible. Yet this same person also mentioned that the only difference between the formal contract procedure for other types of contracts such as negotiated or sealed bid and sealed bid procedures was that the sub-elements in the selection criteria are not as detailed. This is not the case if you read section 13.5 of the FAR, but in reality there is not much difference from the contracting officer's point of view. The FAR is not clear on what is no longer required, so the safe risk-averse path is to do everything that has been traditionally required, as this guards against accusations of cutting corners or proceeding counter to the FAR rules.

The idea of complexity was also mentioned as a reason for sending a SAP purchase to the formal contracts division. The general consensus in the facility was that most Marines who work in the SAP division were not experienced and trained enough to handle complex buys, even commercial items under \$50,000. This idea will be further examined in chapter VI.

## **B. SUMMARY OF FINDINGS**

Considering the entire contracting office, a few issues surfaced. The SAP relief given by legislation is not being exploited to the fullest extent, and there are significant reasons why all acquisitions above \$100K are treated as formal contracts.

The \$100K threshold was originally included as a SAP threshold limit, but, the system was already in place and was not changed when the threshold changed for other reasons or through the test program in FAR 13.5. It has become more of an experience issue, as the RCOSW interprets that the MAPS requirement for any contract over \$100K

includes a business plan and other associated paperwork, which, makes the contract formulation process more complex and thus appropriate to be written in the formal contract division. It makes perfect sense to keep things as they are if the requirements have not significantly lessened. To ensure all traditional requirements are covered is the risk-averse course of action. A prudent caretaker of the taxpayer's dollars would avoid possible risks of unfair actions, overspending, or lack of competition. Naturally, things that are important under traditional procurement methods and are not specifically identified as unnecessary will surface within the interpretation of those with past experiences. Thus, a new hybrid SAP-traditional method of procurement was formed.

Upon this discovery, the source of the more complex contracts was investigated. MAPS, Part 15.406-90 Documentation, deals with business clearances. It states that:

*In all acquisitions greater than \$100,000, the Contracting Officer will prepare a Business Clearance Memorandum (BCM) following the format found at Appendix K. [17]*

It was referenced from the NMCAG, G5215.406-90. However, in the NMCAG, there is a slight variation to that statement, but the one word difference has a tremendous effect. Also, there is no Appendix K template in the MAPS. The NMCAG which was referenced incorrectly in the MAPS says:

... (a) Generally, 'pre-negotiation' and 'post-negotiation' business clearances are required for each **negotiated** contract action. Business clearance memoranda (BCM) document the basis for approval of the action, and the basis for determination that the negotiated prices are fair and reasonable.” [21]

The one word difference makes a large impact on the way the business processes of the ROSCW are based. NMCAG only requires a BCM for negotiated contracts, while SAP contracts over \$100K should not require a BCM. If a SAP contract over \$100K is handled the same way as a less complex purchase, it could be processed by Marines in the SAP branch.

### **C. CLARIFICATION OF INTENT OF POLICY:**

Due to the inconsistent SAP interpretation by the high-ranking policy makers at the RCOSW, clarification was needed. Mr. Asad at HQMC is the head of the contracting

section for the Marine Corps, and Mr. Asad identified Mr. John Marshall as the person who wrote the MAPS policy. When John Marshall was interviewed<sup>7</sup> by phone in October 2005, he confirmed that he helped write the MAPS policy. Mr. Marshall stated that the failure to print the word negotiated was not meant to increase workload, and it was not the intent of the MAPS paragraph to treat all commercial items over \$100K as large contracts. He stated that there will eventually be a template for the BCM as an appendix to the MAPS, but as of now there is not an appendix insert, as noted in the quote. He said that the term BCM was being used in a generic sense as just a requirement to document the requirements in FAR part 13.5. He also mentioned that his supervisor was the official who could make a final determination of the intent.

Mary Overstreet is that supervisor. She was interviewed<sup>8</sup> and asked the same questions about the intent of the paragraph in the MAPS. She discussed how supervisors in the chain of command had the right to further restrict some liberties of an individual contracting office if needed. The policy requiring any acquisition over one million dollars to obtain HQMC approval came from this thinking. She stated that when HQMC started to review the contracts over the million dollars threshold, they discovered mistakes that needed to be corrected. There was a benefit to increased supervision by “having another set of eyes” look over the file prior to award. This was also the intent of requiring a business clearance approved by someone higher than the contract specialist or contracting officer for all procurements above \$100,000, even SAP buys under the FAR 13.5 test case.

Ms. Overstreet stated it was not the same as the business clearance mentioned in the NMCAG G5215.406-90, but was more of a generic term to describe a summary. She mentioned that the business clearance documents all of the information on how the procurement was made and the story of how and what was done, which documents why the decision was made as it was. She mentioned that this was the intent, and that the extra set of eyes is a good thing.

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<sup>7</sup> Interview with John Marshall at HQMC via phone in October 2005.

<sup>8</sup> Interview with Mary Overstreet at HQMC via phone in November 2005.

The only documents specifically expressed in FAR 13.5, except for a sole source justification, are:

- “(1) A brief written description of the procedures used in awarding the contract, including the fact that the test procedures in FAR subpart 13.5 were used;
- (2) The number of offers received;
- (3) An explanation, tailored to the size and complexity of the acquisition, of the basis for the contract award decision; and
- (4) Any justification approved under paragraph (a) of this section.” [15]

Ms. Overstreet indicated that these documents would be part of the business clearance. She mentioned that the business clearance should follow the template in NAVSUP 4200.82D, but that a MAPS template was not yet created. As the overall supervisor for writing Marine Corps policy, her interpretation reflects what the fleet offices in the Marine Corps will do, and some would agree that additional oversight in the acquisition process is a good thing. This interview indicates that the official policy of the Marine Corps prescribes to this theory.

Dr. Gansler is a notorious proponent of many acquisition initiatives, one of which is using the SAP test case under FAR 13.5. In an interview with Professor Cory Yoder from the Naval Postgraduate School, Dr. Gansler stated that he believes the true intention and the correct interpretation of FAR 13.5 should be to perform a SAP buy of a commercial item over \$100,000 exactly the same way as a SAP buy of \$50,000. The process should be the same. No additional requirements should be added to the process.

The true question that needs to be answered is whether or not the Marine Corps want to utilize the SAP procedures to their full potential for commercial items over \$100,000. The RCOSW is assigning workload based on extra effort and paperwork required by MAPS. Current interpretations make purchases over \$100,000 more complex than can be handled by the normal SAP procedures in the SAP branch. If the Marine Corps wants to fully capitalize on the SAP legislation, it will need to adjust the MAPS process protocol.

## **VI. OTHER CONTRIBUTING FACTORS OUTSIDE OF POLICY**

This chapter examines forces affecting the implementation of the full SAP procedures outside of the policy and document requirement confusion. This chapter will look at other significant factors that contribute to the decision to divide the RCOSW into SAP and large contracts divisions using the \$100K dollar threshold and complexity, rather than fully capitalizing on the SAP procedures. The procurement references are one reason but there is also another reason. Experience is another very real reason that faces the RCOSW. This chapter will paint a fuller picture of the reasons that the Marine Corps does not fully capitalize on the SAP legislation intent.

### **A. INITIAL EDUCATION**

The contract specialist Military Occupation Specialist (MOS) for the Marine Corps is not a primary MOS that is granted to Marines out of boot camp. Marines initially enter the contracting field as Sergeants and then learn through on-the-job training (OJT) until they have fulfilled the requirements to become certified. There is no formal enlisted MOS producing school that Marines attend to learn the basic of contracting prior to working in a contracting office. No standardized course of instruction or allotted learning time is granted to those becoming contracting specialists. Once a Marine is selected to become a contract specialist, he or she is removed from his or her former MOS and assigned to his or her new assignment as a contract specialist. A newly arriving Marine is then assessed and given an overall training guideline per his or her assessment from the more experienced contract personnel. At this point the reality of the situation is explained.

### **B. EXPECTATIONS**

A new Marine who has been selected into the contract specialist MOS is told what is expected in his/her new assignment in order to be successful. Among other requirements, he/she is to maintain his/her basic military training requirements, annual training, and all military commitments. This is a requirement for all Marines. In addition to the military commitments, he/she must take specific Defense Acquisition University (DAU) classes to obtain a certification for a warrant. These classes are to fit into his/her



off-time, outside of the normal workday. The Marine is also required to obtain 24 credit hours of college level business studies. This can be done at the university or college of the Marine's choosing. Once again, this is to be accomplished in the Marine's off-time. All of these requirements are to be satisfied simultaneously and as fast as possible. The Marine is still expected to deploy as a Marine would in the normal deployment cycle. With the global war on terrorism (GWOT), deployments are often for a contract specialist. In some MOS' like infantry, there is a set time for recovery and training of new Marines before a unit is expected to perform their next deployment. With support MOSs, this is not a luxury that is commonly experienced. Support MOSs are, as a whole, understaffed and in great demand. The deployment turnaround time for a support MOS may be months rather than years. With all of these requirements put on new Marines as they are first entering the career field, it takes a few years for even the brightest Marines to obtain a warrant.

Appendix D shows a report that is required by HQMC from each contracting office. It contains exact information as to which Marines and civilians are warranted at what level as well as their education. Specific names have been blacked out for confidentiality, but this is the actual information provided to HQMC by the RCOSW Deputy Director. One can see from examining the document that the majority of non-warranted people are newer and lower ranked Marines. This was supported by the Deputy Director in interviews concerning the certification process for new Marines in the field. The Deputy Director has gone on record as stating this situation is a problem affecting the ability to send fully qualified, trained, certified or warranted contract specialists on each deployment. The Deputy Director of the RCOSW, Terri Zimmerman, has requested that Head Quarter Marine Corps (HQMC) standardize and allow Marines to get their required education all at once, like other MOS schools and fields allow. The body of this request is included as Appendix E.

### **C. EFFECTS OF THIS PROBLEM**

The lack of education and training that Marines bring with them as they report to their first contract specialist assignment increases the workload of those already qualified. It asks the new Marines to perform at an overload level where training can not be accomplished in less than a few years. Prior to deployment in the Marine's normal

deployment cycle, the Marine is asked to learn at a level that would burn-out the best and the brightest of any institution. By the time the Marine is ready to deploy, he/she is worn thin from operating at such a high stress level for so long. The deployment is simply another step built on an already bad situation. When this same Marine returns home, instead of a much needed break, training resumes where it had been left prior to deployment. The Marine's non-deployment time is no longer a break from stress and time away from family and friends. There is not an adequate "break" period to recuperate from the effects of long-term stress. The very nature of the Marine Corps is to have a higher relative proportion of lower ranking Marines. As a result, the majority of Marines are being trained on the basics most of the time. Considering the time it takes to train and warrant Marines, they usually rotate prior to truly mastering their assignment. This perpetuates putting the untrained Marines into positions of authority without the background to be effective. Situations are possible, where a Staff NCO, who is expected to be an expert in their field, has not been fully trained and now must assist with the training of others. This affects the overall function of any office.

#### **D. WHO WORKS THE CONTRACTS?**

Only Marines tend to work the simpler contracts, due to this overall level of inexperience. These simpler contracts are put into the SAP branch for purchase (if they qualify). A more complicated SAP purchase requires more experience in some areas, and therefore more experienced contracting personnel would handle them. This leads to a naturally occurring shift in contract assignment. The more complicated contracts shift divisions to where the personnel are more experienced. In this situation, the purchase requests are processed through the formal contracts division. The personnel that work in the formal contract division have a higher level of experience and are almost exclusively permanent civilian contract specialists. This is a major reason why contracts that could be bought under SAP are brought to the formal contracts division instead.

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## VII. RECOMMENDATIONS FOR IMPROVEMENT

It is clear that the United States Marine Corps as a whole, and specifically the RCOSW, are not fully capitalizing on the legislative intent of the Simplified Acquisition Procedures. There are many reasons why the legislation is not being fully exploited, and this project examined a few. This chapter recommends possible solutions to correct discrepancies found during the analysis. This chapter highlights specific problems and recommends a course of action to better correlate actions with the intent of the legislation.

**Problem 1:** The lack of emphasis on using SAP.

**Situation 1:** The policy is written to encourage SAP whenever possible. However, SAP is mostly being used for purchases under \$100K. SAP purchases above \$100K are being sent to the formal contracts division.

**Recommendation 1:** Emphasize the requirement to use SAP whenever possible. If the item being purchased qualifies under the test program, stipulate that SAP must be used. Only exceptions, which are justified individually and approved through a higher official, should use anything other than SAP. Special emphasis and training must be conducted to emphasize that only the requirements of FAR part 13.5 will be performed. No additional approvals, documents, or plans should be required for the SAP purchase under the test program, regardless of dollar amount.

**Problem 2:** Inconsistent messages being sent by different publications throughout the DOD in reference to SAP.

**Situation 2:** There are inconsistent instructions between the FAR and contracting officer policies. The interpretation of the NMCAG is further restricted in the MAPS acquiring safeguards not originally intended by the legislation of Congressman Davis.

**Recommendation 2:** Reconcile all requirement documents and laws to ensure the same message is being sent by all publications. Ensure all contracting offices utilize SAP to the fullest extent, and that no additional oversight documentation is added. Immediate corrective changes should be incorporated into the MAPS, and what is no longer required should be explained.

**Problem 3:** FAR is not clear on what documents and steps are no longer required of contract officers using SAP.

**Situation 3:** The FAR is vague on what is no longer required when using SAP, so it is left to individual interpretations along with interpretations of those along the chain of command. The result is a hybrid version of the original intent and traditional procedures. The true SAP legislation is not being followed.

**Recommendation 3:** The FAR should outline exactly which steps are required under SAP, and which are no longer needed by the contracting officer, as this is not present in the current FAR. A new section should be dedicated to procedures no longer applicable and it should mirror the section of the FAR identifying the laws which are now no longer applicable under the reform.

**Problem 4:** The MAPS further constricts the intent of the NMCAG and SAP legislation.

**Situation 4:** The MAPS takes the stance that all acquisitions over \$100K need to perform a business clearance, which is essentially a fully documented summary of everything in the process and a stand-alone explanation of all that happened during the purchase. The intent is to have another set of eyes applying oversight to all purchases over \$100K. It further restricts all purchases over 1 million dollars as they require approval by HQMC.

**Recommendation 4:** The Marine Corps Procedures Supplemental (MAPS) needs to be updated to reflect the overall goal of the legislation. The MAPS should not further restrict the NMCAG to induce a business clearance for all acquisitions above \$100K, and should truly encourage making purchases using

SAP. Restrictions imposed by the MAPS need to be changed to fully capitalize on SAP legislation. The only required documents, per the FAR part 13.5, are and should remain:

- “Contract file documentation.* The contract file must include—
- (1) A brief written description of the procedures used in awarding the contract, including the fact that the test procedures in FAR Subpart 13.5 were used;
  - (2) The number of offers received;
  - (3) An explanation, tailored to the size and complexity of the acquisition, of the basis for the contract award decision; and
  - (4) Any justification approved under paragraph (a) of this section”
- [Appendix B]

**Problem 5:** No formal contract award information is captured for SAP test procedures reviews at program end. This problem has also been noted in a GAO report referenced in chapter V [19].

**Situation 5:** Congress has authorized a test program under FAR part 13.5, but no data is being collected to confirm or disprove if SAP is a more efficient way of performing contracts.

**Recommendation 5:** Require all contracting offices to report data back to DOD about the use and effectiveness of the test program. Lack of any information has precluded an in-depth analysis of SAP effectiveness for purchasing commercial items.

**Problem 6:** Threshold limits of SAP were raised in accordance with the realities of today’s market, but other limits, such as the Competition in Contracting Act (CICA) threshold, have not changed.

**Situation 6:** The requirement of full and open competition (in practice as advertised on websites like FEDBIZOPS) is required of anything above \$25,000. This original amount was created by statute in the original law, and has not been updated as other statutory requirements have been adjusted and raised. CICA needs to be updated per the SAP thresholds.

**Recommendation 6:** Raise the CICA threshold from \$25,000 to match the original SAP threshold amount of \$100,000. This will truly simplify acquisitions in the SAP branch. This is not to say that competition should not be used to the fullest extent, but it will make the contracting officer's judgment on the most appropriate course of action more influential. This will impact the use of best commercial practices in a dramatic and useful way.

**Problem 7:** Although not a statutory requirement, the culture of a \$2,500 dollar limit for micro-purchases has rooted itself in the internal operating procedures of the Marine Corps, as referenced in chapter V.

**Situation 7:** The culture of checks and balances and wanting to avoid trouble has prevailed in the Marine Corps to where micro-purchases are very limited and oversight is tremendous. The Marine Corps trusts Battalion Commanders with the lives of hundreds of Marines, but it does not trust them to approve buys above the \$2,500 level. This is an obvious discrepancy.

**Recommendation 7:** Raise the micro-purchase level from \$2,500 to a \$50,000 threshold. This is in keeping with the times of current acquisition policies. After the amount is raised, ensure that it is used throughout the Marine Corps and not further restricted as it currently is.

**Problem 8:** No specialized training with the emphasis on SAP.

**Situation 8:** Many Marines do not understand the use, requirements, and inter-workings of SAP. This leads to dependence on more experienced civilian contract specialists for guidance. This creates a culture of doing it the ways of the past, as many of these civilian contract specialists began their training 20 years ago.

**Recommendation 8:** Train Marines. The more training the younger generation receives, the more current and practical best business practices will be used. If processes are to be modernized, Marines must be trained to think and act

creatively and with ingenuity. The Marine Corps is based on letting the Marines know the objective and running with it to create wonderful outcomes. However, the contract specialist field is not doing this, as Marines are tied to the experience of others rather than leading and being innovative as the FAR demands.

**Problem 9:** No formal school to train contract specialists.

**Situation 9:** The problem was further explained in chapter V. The basic issue is that the Marine Corps is not training its contract specialists to the extent required to perform the job well.

**Recommendation 9:** Have all Marines go into the contract specialist field and complete formal schooling prior to arriving at their duty station. Allow an entry level MOS to be obtained by the formal school where the Marine will receive training and certification in DAU course requirements. Once the Marine arrives for his/her OJT, he/she should have a good understanding of contracting and be able to learn more effectively. The overload of requirements is also lessened on Marines, allowing them to complete the 24 hours of required college level business training earlier in their career. Once the Marine is warranted and gains some experience, he/she can be placed in more complex areas and will be better rounded as a contracting specialist. This would also provide the fleet a more capable Marine for deployment. With these changes, the SAP threshold of 5 million should actually be processed in the SAP branch with the SAP personnel, as the Marines would have the training and experience needed to conduct those purchases.

**Problem 10:** Marines enter the field of contract specialist at too high of a rank to be used to their highest potential.

**Situation 10:** Marines currently enter into the field at the rank of Sergeant and it takes years to be fully trained. This creates SNCOs with little practical experience.



**Recommendation 10:** Allow entry into the MOS as Corporals versus Sergeants. NCOs in general have the maturity needed to be effective and this would help to train Marines at a younger rank. Allow a six month non-deployment period when a Marine, under the rank of GySgt, checks into a unit to learn OJT prior to beginning the deployment cycle. This would create better and more fully trained Marines as the backbone of the contract specialist field, rather than Marines who are not fully trained.

## APPENDIX A

# Department of Defense’s Top 10 Cost Drivers

Cost driver	Description
DOD quality program requirements	An umbrella military specification (MIL-Q-9858A) requiring contractors to establish quality assurance programs to ensure compliance with contract requirements.
Truth in Negotiations Act	A statute (P.L. 87-653) requiring contractors to justify cost proposals and proposed contract prices with detailed cost or pricing data that must be certified as accurate, complete, and current.
Cost/schedule control system	A requirement that contractors have an integrated management control system to plan and control the execution of cost-reimbursable contracts.
Configuration management requirements	A military standard (MIL-STD-973) for DOD approval of all contractor configuration changes to technical data packages.
Contract-specific requirements	DOD-imposed requirements that are not codified in statutes, regulations, military specifications, or standards.
Defense Contract Audit Agency/Defense Contract Management Command interface	Costs deriving from daily interaction of contractor personnel with auditors from the Defense Contract Audit Agency and quality inspectors and functional experts from the Defense Contract Management Command.
Cost accounting standards	Requirements for ensuring consistent and equitable allocation of costs and for disclosing accounting practices and contractor interpretation of certain standards.
Material management and accounting system	A requirement (DFARS-242.72) for certain contractors to establish and maintain a system that accurately forecasts material usage and ensures that costs of all materials are appropriately allocated to specific contracts.
Engineering drawings	A guideline (MIL-STD-100E) for preparing engineering drawings.
Government property administration	A requirement (FAR part 45) that contractors assume responsibility for maintaining and accounting for government-owned property.

Note: DOD, Department of Defense; MIL-STD, military standard; DFARS, Defense Federal Acquisition Regulation Supplement; FAR, Federal Acquisition Regulation.

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## APPENDIX B (FAR REFERENCE 13.005)

### Federal Acquisition Streamlining Act of 1994 List of Inapplicable Laws.

(a) The following laws are inapplicable to all contracts and subcontracts (if otherwise applicable to subcontracts) at or below the simplified acquisition threshold:

- (1) 41 U.S.C. 57(a) and (b) (Anti-Kickback Act of 1986). (Only the requirement for the incorporation of the contractor procedures for the prevention and detection of violations, and the contractual requirement for contractor cooperation in investigations are inapplicable.)
- (2) 40 U.S.C. 270a (Miller Act). (Although the Miller Act does not apply to contracts at or below the simplified acquisition threshold, alternative forms of payment protection for suppliers of labor and material (see [28.102](#)) are still required if the contract exceeds \$25,000.)
- (3) 40 U.S.C. 327 -- 333 (Contract Work Hours and Safety Standards Act -- Overtime Compensation).
- (4) 41 U.S.C. 701(a)(1) (Section 5152 of the Drug-Free Workplace Act of 1988), except for individuals.
- (5) 42 U.S.C. 6962 (Solid Waste Disposal Act). (The requirement to provide an estimate of recovered material utilized in contract performance does not apply unless the contract value exceeds \$100,000.)
- (6) 10 U.S.C. 2306(b) and 41 U.S.C. 254(a) (Contract Clause Regarding Contingent Fees).
- (7) 10 U.S.C. 2313 and 41 U.S.C. 254(c) (Authority to Examine Books and Records of Contractors).
- (8) 10 U.S.C. 2402 and 41 U.S.C. 253g (Prohibition on Limiting Subcontractor Direct Sales to the United States).
- (9) 15 U.S.C. 631 note (HUBZone Act of 1997), except for 15 U.A.C. 657a(b)(2)(B), which is optional for the agencies subject to the requirements of the Act.
- (10) 31 U.S.C. 1354(a) (Limitation on use of appropriated funds for contracts with entities not meeting veterans' employment reporting requirements).

(b) The Federal Acquisition Regulatory (FAR) Council will include any law enacted after October 13, 1994, that sets forth policies, procedures, requirements, or restrictions for the acquisition of property or services, on the list set forth in paragraph (a) of this section. The FAR Council may make exceptions when it determines in writing that it is in the best interest of the Government that the enactment should apply to contracts or subcontracts not greater than the simplified acquisition threshold.

(c) The provisions of paragraph (b) of this section do not apply to laws that --

- (1) Provide for criminal or civil penalties; or

(2) Specifically state that notwithstanding the language of Section 4101, Public Law 103-355, the enactment will be applicable to contracts or subcontracts in amounts not greater than the simplified acquisition threshold.

(d) Any individual may petition the Administrator, Office of Federal Procurement Policy (OFPP), to include any applicable provision of law not included on the list set forth in paragraph (a) of this section unless the FAR Council has already determined in writing that the law is applicable. The Administrator, OFPP, will include the law on the list in paragraph (a) of this section unless the FAR Council makes a determination that it is applicable within 60 days of receiving the petition.

**13.006 -- Inapplicable Provisions and Clauses.**

While certain statutes still apply, pursuant to Public Law 103-355, the following provisions and clauses are inapplicable to contracts and subcontracts at or below the simplified acquisition threshold:

- (a) [52.203-5](#), Covenant Against Contingent Fees.
- (b) [52.203-6](#), Restrictions on Subcontractor Sales to the Government.
- (c) [52.203-7](#), Anti-Kickback Procedures.
- (d) [52.215-2](#), Audits and Records -- Negotiation.
- (e) [52.222-4](#), Contract Work Hours and Safety Standards Act -- Overtime Compensation.
- (f) [52.223-6](#), Drug-Free Workplace, except for individuals.
- (g) [52.223-9](#), Estimate of Percentage of Recovered Material Content for EPA-Designated Products.

## APPENDIX C

Name	GS Series	Grade	Year of Birth	Years of Service	MOS	Rank	Warrant Level	Cert Level Achieved	CL* Credit Hours as of 30-Sep	Have 24 Bus Semester Hours	Education Level		
MCB, CAMP PENDLETON					9656	O-5	5 MIL	C-2	68	Y	17	DEPLOYED	
	1102	9	1953	29			SAT	C-2	137.5	Y	9		
					3044	E-5		SAT	NONE	80	Y	9	MLG
	1102	12	1956	5			5 MIL	C-III	80	Y	13		
					9656	O-4	1 MIL	C-2	15	Y	17	I MEF	
	1102	12	1956	13			Unlimited	C-III	108	Y	17		
					3044	E-6	SAT	C-2	80	Y	9	MLG	
	1102	9	1977	4			SAT	P-II	80	Y	11		
					3044	E-6	SAT	NONE	80	N	9	MLG	
					9656	O-4	SAT	C-2	0	Y	17		
	1105	7	1946	21			SAT	P-III	90	Y	9		
					9656	O-4	SAT	C-2	0	Y	17		
					3044	E-5	NONE	NONE	NONE	N	7		
1105	6	1954	12			SAT	None	204.5	0	3			
				3044	E-5	NONE	NONE	NONE	N	7			
1105	7	1962	2			NONE	NONE		12	10			

Name	GS Series	Grade	Year of Birth	Years of Service	MOS	Rank	Warrant Level	Cert Level Achieved	CL* Credit Hours as of 30-Sep	Have 24 Bus Semester Hours	Education Level		
MCB, CAMP PENDLETON	1102	12	1948	36			Unlimited	C-II	52	Y	7		
					3044	E-9	NONE	C-2	40	Y	11		
	1102	12	1967	20			5 MIL	C-III	225	Y	10		
					3044	E-7	SAT	C-I	8	6	7	MLG	
					3044	E-5	SAT	NONE	80	N	4	MLG	
					3044	E-5	NONE	NONE	80	12	9		
					9656	O-3	5 MIL	C-2	80	Y	17	MLG	
	1102	11	1977	2yr 4 mo			1 MIL	C-II	80	Y	13		
					3044	E-6	SAT	C-1	80	Y	13		
					3044	E-8	SAT	C-1	80	Y	10	MLG	
	1102	12	1964	24			5 MIL	C-3	80	Y	8		
					3044	E-6	SAT	C-1	80	N	4	MLG	
					3044	E-5	SAT	NONE	80	N	8	MLG	
					3044	E-6	NONE	NONE	80	N	7		
	1102	7	1948	18				SAT	C-1	?	Y	7	
					3044	E-5	NONE	NONE	15	N	7		
					3044	E-5	NONE	NONE	0	N	7		

Name	GS Series	Grade	Year of Birth	Years of Service	MOS	Rank	Warrant Level	Cert Level Achieved	CL* Credit Hours as of 30-Sep	Have 24 Bus Semester Hours	Education Level
<b>MCB, CAMP PENDLETON</b>											
	1105	7	1941	20			SAT	P-2	80	Y	9
					3000	E-5	NONE	NONE	0	Y	14
	1102	11	1965	10			None	None	53	Y	14
	1102	12	1950	36			5 MIL	C-II	16	Y	11
					3044	E-7	1 MIL	C-2	0	Y	14
					3044	E-5	SAT	C-1	658.4	Y	11
	1102	9	1947	37			SAT	C-2	80	Y	11
					3044	E-6	SAT	C-1	100	6	7
	1102	12	1959	19			None	C-III	37	Y	17
	1102	13	1957	2			5 MIL	C-III	318	Y	17
	1102	13	1946	38			Unlimited	C-III	58.6	Y	10
<b>MCAS, YUMA</b>											
	1102	12	1952	29			SAT	C-II	80	Y	9
	1102	7	1970	2			None	None	0	Y	13
	1105	10	1948	23			SAT	P-II	80	Y	4
					3044	E-5	SAT	None	0	N	4
	1105	7	1952	19			SAT	P-II	21	N	4

MLG



Name	GS Series	Grade	Year of Birth	Years of Service	MOS	Rank	Warrant Level	Cert Level Achieved	CL* Credit Hours as of 30-Sep	Have 24 Bus Semester Hours	Education Level
<b>MCAS, YUMA</b>											
[REDACTED]	1105	7	1956	2			None	None	0	N	4
<b>MCAS, MIRAMAR</b>											
[REDACTED]					3044	MSgt	SAT	C-I	2	24	13
[REDACTED]					3044	SSgt	SAT	C-I	25	21	13
[REDACTED]					3044	Sgt	NONE	C-1	0	24	14
[REDACTED]	1102	9	1959	23			SAT	C-II	73	Wavier	12
[REDACTED]	1102	9	1948	17			SAT	C-II	34	24	12
[REDACTED]	1102	9	1952	23			NONE	C-1	0	24	13
<b>MCLB, BARSTOW</b>											
[REDACTED]	1102	12	1955	5			SAT	C-II	115.5	Y	17
[REDACTED]	1102	9	1944	20			SAT	C-II	37	N	04
[REDACTED]	1102	7	1956	21			0	C-II, P-I	4	Y	13
[REDACTED]	1105	5	1973	5			N/A	0	224	N	07
[REDACTED]	1105	7	1948	25			N/A	P-I	42	N	07
[REDACTED]	1106	7	1949	18			N/A	N/A	N/A	N/A	13

Name	GS Series	Grade	Year of Birth	Years of Service	MOS	Rank	Warrant Level	Cert Level Achieved	CL* Credit Hours as of 30-Sep	Have 24 Bus Semester Hours	Education Level
<b>MCLB, BARSTOW</b>											
[REDACTED]	1106	7	1950	18	[REDACTED]		N/A	N/A	N/A	N/A	04
<b>MWTC, BRIDGEPORT</b>											
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	3044	Sgt	SAT	C-11	40	Y	11
<b>8TH MCRD</b>											
[REDACTED]	1105	7	1949	22	[REDACTED]		\$25K	P-III	80	Y	7
<b>9TH MCRD</b>											
[REDACTED]	1105	7	1963	15	[REDACTED]		\$25K	P-II	63	Y	13
<b>12TH MCRD</b>											
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	3043	E-8	\$25K		40	Y	13
[REDACTED]	1105	7	1948	16	[REDACTED]		\$25K		80	Y	10
					[REDACTED]						

**Notes**

- DENOTES:** Employee unavailable due to pending medical retirement.
- DENOTES:** Marine is deployed. Information has not been updated from Oct 04 report.

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## APPENDIX D

Subj: Mandatory Education Requirements for Military Personnel in Military Occupational Specialty 3044, Purchasing and Contracting

Ref: (a) Defense Acquisition Workforce Improvement Act  
(b) Under Secretary of Defense ltr dtd Aug 1, 2003, Subj: Position Category Descriptions and Experience, Education and Training Requirements for Fiscal Year 2004, Release #04-01  
(c) Under Secretary of Defense ltr dtd April 10, 2003, Subj: Military Contingency Contracting Force Qualifications

1. **Background.** Reference (a) established mandatory education and training requirements for all personnel working in the acquisition field. This requirement is updated regularly, as indicated by reference (b). Reference (c) is current Department of Defense Policy for military contingency contracting personnel, and establishes a different education requirement than exists for civilian counterparts.
2. **Problem.**
  - a. Enlisted personnel in the Marine Corps, working in the 3044 Purchasing and Contracting MOS, are all considered to be contingency contracting forces and can be deployed at any time due to world situations. Therefore personnel in the 3044 MOS are subject to the requirements established in reference (c).
  - b. This educational requirement is inconsistent with education requirements for enlisted personnel and places an undue burden on these Marines not shared by their peers. As a result, for fitness reports, they are judged differently by their reporting seniors than non-3044 personnel.
  - c. The acquisition community has a mandate that personnel, both civilian and military, meet the minimum education requirements before being qualified to assume responsibility as a warranted Contracting Officers. This is critical to a Marine's ability to provide support to the customer in deployed situations.
  - d. Because 3044 Marines deploy for long periods of time in support of world situations it is difficult for them to complete the mandatory educational and training requirements.
3. **Recommendation.** Establish an undergraduate degree certification program for enlisted 3044 Marines in the acquisition field that will allow them to go to school full time prior to assignment to a Contracting Office. This program would be similar to that outlined in MARADMIN 638/02, dated 12/03/2002, Subj: Academic Year 2003-2004 Undergraduate/Graduate Intelligence Program.
  - a. Certificate Program. This is not a degree program. It a professional development program for Marines entering the 3044 Purchasing and

Contracting MOS as a means of acquiring the minimum 24 hours business education required by DAWIA.

- b.** Individual will have a maximum of 12 months to complete the 24 semester hours. He/she will meet monthly with the senior military officer to discuss goals and receive guidance.
- c.** Individual must be a high school graduate as certified by a secondary school diploma or GED.
- d.** Successful completion of at least 24 semester hours of college credit, with a cumulative GPA of 2.0 or higher on a 4.0 scale (not waivable). Credit must have been earned in residence at a regionally accredited college or university. Correspondence or extension credit will not satisfy the 24-hour requirement.
- e.** Individual will incur 3 years of obligated service (to begin upon completion of the certification program).

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