



ACQUISITION
AND SUSTAINMENT

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

JUN 24 2024

MEMORANDUM FOR COMMANDER, UNITED STATES CYBER COMMAND
(ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES SPECIAL OPERATIONS
COMMAND
(ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION
COMMAND
(ATTN: ACQUISITION EXECUTIVE)
ASSISTANT SECRETARY OF THE ARMY
(ACQUISITION, LOGISTICS AND TECHNOLOGY)
ASSISTANT SECRETARY OF THE NAVY
(RESEARCH, DEVELOPMENT, AND ACQUISITION)
ASSISTANT SECRETARY OF THE AIR FORCE
(ACQUISITION, TECHNOLOGY, AND LOGISTICS)
DEFENSE AGENCY AND DOD FIELD ACTIVITY DIRECTORS

SUBJECT: Steps to Improve Acquisition and Contracting Support to Foreign Military Sales

Reference: Department of Defense Unveils Comprehensive Recommendations to Strengthen Foreign Military Sales

Last year, the Secretary of Defense (SECDEF) directed the Department to implement recommendations to improve and accelerate the Foreign Military Sales (FMS) process (reference). In one of six FMS pressure points, the SECDEF instructed the Department to:

- *Accelerate acquisition and contracting support. To advance FMS acquisition prioritization and award timelines for allies and partner nations, the Department will establish contract award standards and metrics as well as develop associated process maps to monitor the FMS prioritization and award process.*

In response to key portions of the SECDEF's direction, I recommend the following compendium of existing best practices and initiatives be taken by acquisition and contracting professionals when appropriate to enhance the development and execution of FMS requirements and facilitate greater speed in awarding DoD contracts for FMS:

1. **Revise Checklists to Better Define FMS Requirements.** On April 5, 2018, the Director, Defense Security Cooperation Agency (DSCA), issued a policy memorandum in response to GAO report GAO-17-682, *FOREIGN MILITARY SALES: Expanding the Use of Tools to Sufficiently Define Requirements Could Enable More Timely Acquisitions (August 2017)*. The DSCA memorandum revised the Security Assistance Management Manual (SAMM) to require Implementing Agencies (IA) to develop system-specific

checklists to assist FMS partner nations in creating readily actionable Letters of Request. Links to the current Service/IA specific checklists are located at SAMM, Chapter 5, section C5.1.2.2. I recommend reviewing the existing checklists and that you modify or tailor the documents accordingly for your organizations, to include identifying additional information FMS partner nations must provide to the program office to facilitate the shortest timeline to contract award for FMS requirements. In cases where the requirement is for a Non-Program of Record (NPOR) with significant resource implications for the IA, early engagement with the security cooperation (SC) office is imperative. The Generic Letter of Request Checklist should note this SC office engagement and any other priority/critical engagements that must be completed as early in the process as practicable. Please reference the "Non-Program of Record U.S. Industry Handbook" for NOPR procedures/guidance. The most recent version (August 2021) is located at:

<https://www.dsca.mil/sites/default/files/NPOR%20Industry%20Handbook%20Aug%202021.pdf>.

2. **Adopt Tools and Processes to Enhance Prioritization of FMS Requirements.** The FMS Continuous Process Improvement Board is developing recommendations on a standardized approach and framework to manage prioritization decisions involving both U.S. and FMS requirements that help to align National Defense Strategy priorities with ally and partner capability goals. Proper prioritization of all DoD requirements, inclusive of FMS, help to ensure the right requirements are on contract at the right time. I recommend each agency review this initiative when approved and adopt to the extent possible.
3. **Provide Contract Order Period Information.** During early discussions with the SC Office, the acquisition and contracting team should be prepared to identify any anticipated open contracts and relay the necessary ordering instructions and order period information. This is to assist the FMS partner nation in planning and budgeting for the anticipated FMS case execution steps after the Letter of Offer and Acceptance (LOA) is signed.
4. **Include FMS Case Identifiers in Contracts.** FMS Case Identifiers are used in several contexts for market research and contract performance/administration and enabling U.S. industry to expedite exports under the International Trafficking in Arms Regulation. The SAMM prescribes a specific format for the FMS Case Identifier: a six-position alpha-numeric string which includes the program code, the single-position IA code of the DoD component providing support, and a three-position case designator, each separated by a dash (e.g., E7-B-UAC). Details for FMS Case Identifiers may be found in figure C5.F6 of the SAMM. It is imperative that contracting officers observe requirements for properly identifying and formatting of all associated FMS Case Identifiers within each contract. Defense Federal Acquisition Regulation Supplement (DFARS) Procedures, Guidance, and Information (PGI) 225.7301(c)(iii) requires FMS contracts clearly identify the FMS Case Identifier code in Section B of the Schedule.
5. **Leverage Training and Tools for DoD Acquisition Personnel Executing FMS Requirements.**

- a. Program Managers and Contracting Officers should consider taking Defense Acquisition University's (DAU) online training course INT 1110, International Acquisition/Security Cooperation Foundation when appropriate. While not mandatory, this course provides students a broad foundation on all forms of international engagement conducted by the Defense Acquisition and Security Cooperation Workforces and how they can be employed to enhance acquisition outcomes and improve allied and friendly nation interoperability. Program Managers involved in an international program should also consider completing CACQ 012, International Acquisition/Security Cooperation for Program Manager's (PM) Credential.
 - b. PM and Contracting Officers should utilize the DAU FMS Systems Acquisition Job Support Tool (JST) when appropriate. This FMS Systems Acquisition JST provides current and detailed guidance on how to plan, establish, and execute system-level FMS efforts in accordance with applicable laws, policies, and regulations.
6. Develop Priced Options in Contracts Containing U.S. and FMS Combined Requirements. Options allow organizations to pre-price forecasted or anticipated requirements, minimizing the number of negotiations and allowing for expedited contract awards once a requirement is identified. Options are most effective in situations with stable configurations and reliable projected quantities to avoid proposal updates and re-work; organizations should seek to balance efficiency with predictability in soliciting and negotiating options. I recommend that Contracting Officers and PMs, as part of their acquisition planning, review requirements and consider inclusion of priced options for future FMS efforts in solicitations and contracts. See DFARS PGI 217.202 Use of Options.
7. Undefined Contract Actions (UCAs) for Urgent FMS requirements. Often, due to delays in negotiations of FMS LOAs, the requirement is already late to need by the time it makes it to contracting. When appropriate to meet urgent needs, DoD may issue UCAs, which authorize contractors to begin work before reaching a final agreement on contract terms. In those times of urgency, utilizing a UCA may help meet a country's need date, align with current lot buys, and support operational timelines. See DFARS 217.7404 Limitations.
8. Consider Including the Pilot Program to Accelerate Contracting and Pricing Processes Truth in Negotiations Act ("TINA Lite") into an FMS Acquisition Requirement. Section 890 of the National Defense Authorization Act (NDAA) for FY 2019, as amended by section 841 of the NDAA for FY 2024, authorizes DoD to conduct a pilot program through January 2, 2028, for contract actions exceeding \$50 million. Pilot program authority is implemented in DFARS Class Deviation 2024-O0007, dated February 8, 2024. Subject to approval by the Office of Defense Pricing and Contracting, Director, Price, Cost and Finance, the pilot allows the contracting officer to strategically establish the extent, structure, and level of detail of the historical actual cost data the contractor

will be required to submit in lieu of providing complete certified cost or pricing data. The TINA Lite program may help to accelerate the contract award timelines for those FMS programs with previous buys and historical cost. Contracting Officers should consider the use of TINA Lite for those FMS requirements with relatively stable configurations and predictable requirements where the historical costs are traceable, accurate and reliable for the purposes of projecting and negotiating future costs. See Pilot Program to Accelerate Contracting and Pricing Processes (“TINA Lite”).

9. Expand Use of Data and Analytics Tools Available in Advana. Advana (derived from the term “Advancing Analytics”) is a common enterprise data repository for the DoD, required by the NDAA for FY 2018. Advana is a centralized data and analytics platform that provides DoD users with common business data, decision support analytics, and data tools. Advana ingests several acquisition and procurement-related data sources that can be accessed to help acquisition and contracting personnel manage the performance of FMS actions and improve timely acquisition outcomes. Advana is coordinating with Source System Owners to safeguard contracting information residing in or transiting Advana, encouraging the incorporation of more data sources and accessibility of the data across the acquisitions community. The potential benefits here are twofold: first, utilizing Advana to improve visibility into current FMS cases and acquisitions could aid in resolving issues and improving performance; second, critical analysis of past FMS acquisitions could yield better planning and decision making on similar future requirements.

The point of contact for this action is Mr. Jeff Grover, who may be reached at osd.pentagon.ousd-a-s.mbx.asda-dp-c-contractpolicy@mail.mil or 703-380-9783.



William A. LaPlante