



OFFICE OF THE UNDER SECRETARY OF DEFENSE

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ACQUISITION,
TECHNOLOGY
AND LOGISTICS

FEB 02 2007

Mr. Steven D. Aitken
Acting Administrator
Office of Information and Regulatory Affairs
Washington, DC 20503

Dear Mr. Aitken:

This letter is in response to your January 9, 2007, request that the Defense Acquisition Regulations Council coordinate with OMB on the roll-out of Federal Acquisition Regulation (FAR) Case 2003-027, Additional Commercial Contract Types, and FAR Case 2004-015, Payments Under Time-and-Materials (T&M) and Labor-Hour (LH) Contracts, including the development of the training materials. Specifically, you requested that we provide OMB the opportunity to review the related training documents developed by the Federal Acquisition Institute (FAI) and the Defense Acquisition University (DAU) before they are formally incorporated into course materials.

I share your concern regarding the risk and management challenges associated with T&M and LH contracts. DoD and GSA are working closely with the Office of Federal Procurement Policy (OFPP) to ensure the appropriate training is developed. The training will also be coordinated with OFPP before it is formally incorporated into the FAI and DAU course materials. We anticipate providing the materials to OFPP for coordination no later than February 6, 2007.

Please address any questions concerning this memorandum to Ms. Robin Schulze, Senior Procurement Analyst, at 703-602-0326 or via e-mail at robin.schulze@osd.mil.

Sincerely,

Shay D. Assad
Director, Defense Procurement
and Acquisition Policy

