THE UNDER SECRETARY OF DEFENSE

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ACQUISITION,
TECHNOLOGY
AND LOGISTICS

MAR 7 2002

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
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GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
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ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Competitive Sourcing Program Policy During Military Mobilization or Declared War and Applicability of Office of Management and Budget (OMB) Circular A-76

This memorandum addresses the applicability of OMB Circular A-76, "Performance of Commercial Activities," as we respond to recent acts of terrorism. Paragraph 7.c.(3) of the Circular states that the Circular and its Supplement "shall not...[a]pply to the Department of Defense in times of a declared war or military mobilization." The Department's actions in response to Executive Order 13223 and the measures enacted by Congress constitute a "military mobilization," resulting in the Circular's inapplicability to DoD. Consequently, this memorandum sets forth the departmental policy that replaces OMB Circular A-76 while mobilization or war proceeds.

I have considered the effect of current levels of mobilization on the Department's activities and conclude that we shall continue to apply OMB Circular A-76 notwithstanding paragraph 7.c(3) of the Circular. I direct the DUSD(I&E) to monitor the impact of changes in the level of mobilization on the Department's competitive sourcing and advise me if any change in this policy becomes appropriate.

Components shall report the impact of mobilization on current or projected competitive sourcing to DUSD(I&E). Ongoing initiatives may not be cancelled due to mobilization without prior approval of DUSD (I&E). It is not the intent of this policy to restrict the flexibility of the Military Departments to manage their resources, but to ensure consistency across the Military Departments and to meet our financial obligations. Detailed implementation guidance associated with this policy may be found at http://www.acq.osd.mil/installation/csp/.

E. C. Aldridge, Jr.

cc:
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