



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
ACQUISITION LOGISTICS AND TECHNOLOGY
103 ARMY PENTAGON
WASHINGTON DC 20310-0103



REPLY TO
ATTENTION OF

SAAL-PS

11 JUN 2002

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Contractor Support Restrictions

On August 1, 2001, the U.S. Army Combined Arms Support Command (CASCOM) Acquisition Liaison Office published a report entitled "System Contractor Support of 4th Infantry Division." The study uses the results of the April 2001 Division Capstone Exercise as the basis for its research. While the study is not 100 percent complete in its findings, enough information is available to make it clear that we must change our planning direction with regard to supporting our battlefield systems.

Our Army currently relies upon a significant contractor presence to maintain operations. The reliance on contractor personnel on the battlefield generates operational costs and legal issues. Units that depend on contractor personnel for system support and maintenance must allocate precious resources to ensure their security and subsistence, in accordance with Field Manual 3-100.21, Contractors on Battlefield.

Therefore, Program Executive Officers and Program/Project/Product Managers (PMs), should strive to develop systems that do not require the routine assignment of contractor support personnel in the ground maneuver area forward of the Division Rear (Force XXI) or Intermediate Staging Base (IDIV and Objective Force). My intent is to bring our material development efforts in line with the support philosophy of Army Regulation 715-9, "Contractors Accompanying the Force."

When a PM anticipates the use of a Support Strategy that requires contractor support personnel in the forward maneuver area, as discussed above, that support strategy will be reviewed at Milestone B and each subsequent decision review and interim progress review (IPR) up to and including the Full Rate Production Decision Review. These reviews will include an assessment of operational impact. For those programs past Milestone B, a waiver approved by the Milestone Decision Authority

(MDA) with concurrence by the Department of Army G-4 is required. If a program will have a decision review or IPR within the next six months, the support strategy will be reviewed at that time and a separate waiver will not be necessary. I will be informed of waivers for programs when I am not the MDA.

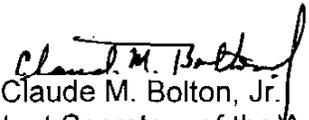
Additionally, in accordance with Secretary of Defense guidance to minimize the footprint of U.S. forces, I want the materiel development community to make every effort to improve systems reliability and ease of maintenance. The Objective Force will have a reduced logistics footprint and will depend on split-based sustainment operations to support high operational tempo. The Objective Force will require innovative sustainment concepts and capabilities, sharp reductions in sustainment demand, significant improvements in reliability, and refined procedures for accelerated throughput, battlefield distribution, and mission staging. We are committed to the achievement of Objective Force sustainment goals. To move us toward these sustainment goals, the following logistics enablers, to help prevent failures and improve ease of maintenance, will be considered during system development:

- a. Remotely accessible embedded system prognostics/diagnostics capabilities.
- b. Modular "plug and play" components.
- c. Intelligent software to automatically compensate for detrimental, environmental and operational conditions.

The planning for diagnostics, including embedded diagnostics is continuous and comprehensive. PEOs and PMs are to work closely with the user community translating and incorporating diagnostic and prognostics requirements found in the Operational Requirements Document into system specifications and contract requirements. Our systems undergo design and milestone reviews to evaluate the success of specific designs and strategies, including diagnostics against the system requirement. Embedded diagnostics, prognostics and predictive tools will be addressed in the Supportability Strategy and approved at each Milestone review where appropriate.

Remember, during systems development, supportability is co-equal with cost, schedule, and performance (SAAL-RP memorandum dated February 27, 2000, Army Policy -- Supportability Co-Equal with Cost, Schedule and Performance).

Your method of system support is a key determiner of the size of the logistic structure that the Army and Department of Defense must maintain and deploy.


Claude M. Bolton, Jr.
Assistant Secretary of the Army
(Acquisition, Logistics and Technology)

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