



# ARMY ACQUISITION REFORM



## *IOC CAPITALIZES ON EMPOWERMENT*



Headquarters, US Army Industrial Operations Command (IOC), capitalized on recent changes for government property accountability. In July 1995, the Director of Defense Procurement, Ms. Spector, authorized military departments to deviate from overly burdensome FAR requirements in Part 45 for **low value** government property. This class deviation reduces property recordkeeping and periodic physical inventory requirements for low value property, which is defined as Special Tooling, Special Test Equipment and Plant Equipment with an acquisition cost of \$1,500 or less and permits contractors to defer reporting the loss, damage or destruction of low value property until contract termination or completion. In taking advantage of this class deviation, the Deputy Chief of Staff for Installation Support conducted negotiations on several of its existing contracts with Government and contractor representatives from the Iowa Army Ammunition Plant (IAAP), generating first year savings of \$189,000 and annual cost savings of \$187,000. The “class deviation” from the FAR (Part 45) can be found on the Army Acquisition Website on the Army Acquisition Newsletter Notes page.



## *MICOM REDUCES CYCLE TIME*



The MICOM Acquisition Center awarded a contract for remanufacture of the Multiple Launch Rocket Systems (MLRS) Launchers a month ahead of schedule by streamlining procedures for audit and pricing support, proposal evaluation, and fact finding discussions. This contract is unique in that it requires close coordination and cooperation between a government entity, Red River Army Depot (RRAD), and the contractor, Lockheed Martin Vought Systems (LMVS), in the accomplishment of their individual as well as combined responsibilities for successful completion of the entire remanufacturing effort. The contract, awarded to Lockheed Martin on 28 August 1996, is for the remanufacture of twenty (20) systems in the amount of \$7.6M and contains a firm priced option for FY97 and an Not to Exceed Option in FY98.