



To: Department of Department of Defense Agencies  
From: Melissa McAbee, Program Support Center, Acting Head of Contracting Activity  
Date: June 14, 2019  
Re: Interagency Acquisitions Conducted by PSC

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Effective immediately, the Department of Health and Human Services (HHS), Program Support Center (PSC) is terminating its assisted acquisition program for non-HHS agencies.

Section 801 of the Fiscal Year 2008 National Defense Authorization Act (NDAA), "Internal Controls for Procurements on Behalf of the Department of Defense by certain Non-Defense Agencies," requires the heads of all non-DoD agencies that provide acquisition support to DoD to certify that their respective non-Defense agencies will comply with defense procurement requirements for FY 2019 for assisted acquisitions executed on behalf of DoD in FY 2019. This requirement is included in the Federal Acquisition Regulation (FAR) 17.7.

As the result of an internal review that is ongoing, PSC is currently unable to certify that it will comply with defense procurement requirements for FY 2019 for assisted acquisitions executed on behalf of DoD. As of June 2019, the DoD Defense Procurement and Acquisition Policy division removed the HHS FAR 17.7 certification from its website at [https://www.acq.osd.mil/dpap/cpic/cp/interagency\\_acquisition.html](https://www.acq.osd.mil/dpap/cpic/cp/interagency_acquisition.html).

PSC is not accepting new requirements from DoD funding/requesting agencies, and PSC has identified the following as the maximum limits of its authority to continue providing acquisition support to DoD while PSC completes the ongoing review of its assisted acquisition program:

#### **1. Active Contracts/Orders**

For those DoD entities that have active contracts/orders with PSC, PSC does not intend to enter into new contract actions after 30 September 2019, and PSC does not intend to enter into new contract actions that will result in a period of performance that extends past 30 September, 2020. For contract actions that have a period of performance that extends past 30 September, 2020, PSC is prepared to either transfer contract administration to contracting offices specified by DoD funding/requesting agencies on a priority basis or reduce the period of performance. Effective immediately, if MIPR/funding acceptance is required for contract administration by

PSC, a determination and findings signed in accordance with FAR 17.502-2(c), and advanced payment for all of the estimated cost of furnishing the supplies or service (FAR 17.502-2(d)) is required before MIPR/funding acceptance by PSC. Contract actions that have not expired by their terms or have not been transferred by 30 September 2020 will be terminated for convenience.

For those DoD funding/requesting agencies that have been identified as having an active contract action with PSC that requires a Contract Security Classification Specification, DD 254 (DD-254), a Memorandum of Understanding (MOU) has been drafted and will be provided to affected DoD funding/requesting agencies concurrent with this notification. Additional requirements apply to contract actions affected by a DD-254.

## **2. New Work and Solicitations**

Upon additional notice of the customer, any MIPR or funding document for new work will be canceled by PSC and returned to the DoD funding office as soon as reasonably prudent. Active solicitations will be canceled, and no new awards will be made by PSC on behalf of DoD. The reasonable basis for such cancellations is PSC's inability to certify that it will comply with defense procurement requirements for FY 2019 for assisted acquisitions executed on behalf of DoD. Canceling and returning funding will allow DoD agencies to utilize funding within a DoD contract office or with another shared service organization. PSC will cooperate in providing information that will assist DoD in utilizing work that has been completed. Non-defense agencies that are compliant with defense procurement requirements for FY 2019 for assisted acquisitions executed on behalf of DoD are listed on the DoD assisted acquisition website at [https://www.acq.osd.mil/dpap/cpic/cp/interagency\\_acquisition.html](https://www.acq.osd.mil/dpap/cpic/cp/interagency_acquisition.html).

Questions concerning this policy decision should be directed to Melissa McAbee at [Melissa.McAbee@psc.hhs.gov](mailto:Melissa.McAbee@psc.hhs.gov).