



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

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

As the result of an internal review that is ongoing, PSC has determined that it does not have the policies, procedures, or internal controls necessary to conduct assisted acquisitions for agencies outside of HHS. PSC is not accepting new requirements from non-HHS funding/requesting agencies, and PSC has identified the following as the maximum limits of its authority to continue providing acquisition support to non-HHS agencies while PSC completes the ongoing review of its assisted acquisition program:

1. Active Contracts/Orders

For those non-HHS agencies 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 a contracting office specified by the non-HHS funding/requesting agency on a priority basis or reduce the period of performance. Effective immediately, if 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 included in the contract action is required before funding acceptance by PSC (FAR 17.502-2(d)). 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 non-HHS 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 non-HHS funding/requesting agencies concurrent with this notification. Additional requirements apply to contract actions affected by a DD-254.

2. New Work and Solicitations

Any funding document for new work will be canceled by PSC and returned to the non-HHS funding/requesting office as soon as reasonably prudent. Active solicitations will be canceled, and no new awards will be made by PSC on behalf of non-HHS agencies. The reasonable basis for such cancellations is PSC's determination that it does not have the policies, procedures, or internal controls necessary to conduct assisted acquisition services for agencies outside of HHS. Canceling and returning funding will allow non-HHS agencies to utilize funding within an internal contract office or with another shared service organization. PSC will cooperate in providing information that will assist non-HHS agencies in utilizing work that has been completed.

Questions concerning this policy decision should be directed to Melissa McAbee at Melissa.McAbee@psc.hhs.gov.