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MAR 26 2010

MEMORANDUM FOR DEPUTY UNDER SECRETARY OF THE AIR FORCE
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DIRECTOR, DEFENSE THREAT REDUCTION AGENCY
DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE
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DEPUTY DIRECTOR FOR INFORMATION
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SUBJECT: Revised Letter of Offer and Acceptance (LOA) Document Processing
Performance Metric, DSCA Policy 10-18 [SAMM E-Change 159]

References: (a) DSCA Policy 01-06, New Metric to Measure LOA Processing Time
Line Performance, February 15, 2001
(b) DSCA Policy 07-26, Standard Letter of Offer and Acceptance (LOA)
Milestones and Metrics, July 23, 2007

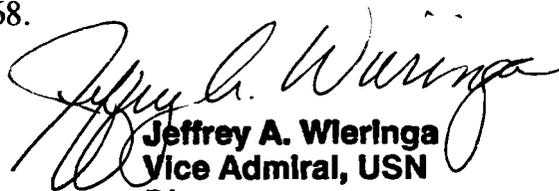
Reference (a) established the current LOA processing metric requiring 80 percent of LOAs and Amendments to be transmitted to the FMS purchaser within 120 days of Letter of Request (LOR) receipt. Reference (b) established a method for evaluating and measuring LOA performance by identifying and isolating three distinct phases of the LOA process that formed the foundation of the 80 percent/120-day metric.

A performance goal for the Security Cooperation (SC) community is to implement all SC programs in a timely manner. Since 2005, the SC community has experienced an unprecedented sales volume. Ongoing operational commitments have resulted not only in a large increase in the number of LOA documents, but also a rise in the level of case complexity. In order for the SC Community to measure performance as a management tool, there must be a better way of measuring LOA processing. The existing environment points to a need for a more practical LOA processing metric based on the types of LOA documents being prepared.

This memorandum announces a new LOA document processing goal that seeks to transmit 85 percent of LOAs and Amendments in four case groupings to the purchaser on or before an Anticipated Offer Date (AOD). The AOD will be established at the time the associated LOR is considered complete, i.e., sufficiently detailed to begin LOA Data development, based on the criteria identified in Attachments 1 and 2, as well as the purchaser's requirements. Modifications will also have an AOD and will be measured by the length of time from when the LOR is considered complete until they are implemented. To allow sufficient time for changes to the Defense Security Assistance Management System (DSAMS), the effective date for the new metric is April 5, 2010. All LORs entered into DSAMS after April 5, 2010, will be based on the new metric. Until that time, the current metric of 80 percent of LOAs and Amendments transmitted to purchasers within 120 days of LOR receipt will remain in use. DSAMS will assign Group Code "Z" to LOA documents that were in place prior to April 5, 2010, to indicate they do not have an AOD. DSCA will continue to measure compliance based on the phases identified in reference (b), but will revise the "Goal (In Days)" column to reflect the four case groupings with their separate AODs.

The intent of selecting this new performance metric and establishing an LOA AOD is to increase responsiveness to the purchaser. Implementing Agencies should ensure that the assigned AODs are responsive, yet realistic. The AOD concept also provides the opportunity for promoting transparency and increasing dialogue with the purchaser, as well as encouraging communication among all involved stakeholders. It should also help to manage expectations with complex and/or "purchaser-unique" cases, as well as provide Implementing Agencies management flexibility and accountability. It is more performance-oriented, and should help isolate problem areas and focus resources where needed.

Attachment 1 updates Chapters 5 and 11 of the Security Assistance Management Manual (SAMM) to reflect the new metric. Attachment 2 provides detailed procedures for processing LOA documents using the new metric. If you have questions concerning the attached SAMM policy, please contact Ms. Kathy Robinson, DSCA-STR/POL, kathy.robinson@dscamil, (703) 601-4368.


Jeffrey A. Wieringa
Vice Admiral, USN
Director

Attachments:
As stated

cc:
STATE/PM-RSAT
AFRICOM
CENTCOM
EUCOM
JFCOM
NORTHCOM
PACOM
SOCOM
SOUTHCOM
TRANSCOM
USASAC
SATFA TRADOC
NAVICP
NETSAFA
AFSAC
AFSAT
MDA
DISAM

ATTACHMENT 1

Security Assistance Management Manual (SAMM), E-Change 159

Change SAMM Chapter 5, C5.4.2., to read as follows:

C5.4.2. LOA Preparation Timeframe. The time required to prepare LOAs varies with the complexity of the sale and the clarity of the purchaser's LOR. Processing time for LOAs and Amendments is measured by the length of time from when the Letter of Request (LOR) is considered complete (i.e., sufficiently detailed to begin LOA Data development), until release of the LOA ("Document Sent" (DOCMNTSENT) in DSAMS) and is based on the Anticipated Offer Date (AOD) that is assigned to the LOA. Modifications will be measured by the length of time from when the LOR is considered complete until they are implemented. The AOD will be established in DSAMS when the LOR is entered as "complete", the document has been initialized in DSAMS, and will be based on the criteria identified below as well as the purchaser's requirements. Changes to the AOD will be permitted on a case-by-case basis and not as a matter of routine. Implementing Agencies will determine who has the authority to change an AOD. Detailed milestone comments will be entered when an AOD is changed. For restated cases (see Chapter 5.4.16.), Implementing Agencies will follow the same guidance as below, and establish a new AOD based on the restated requirements. Implementing Agencies should transmit or implement at least 85 percent of their total number of LOA documents on or before the assigned AOD. Implementing Agencies will inform the purchaser of the AOD.

The AOD is designated according to the following four case groupings:

Group A: Blanket order LOAs, training LOAs, Cooperative Logistics Supply Support Arrangements, and associated Amendments and Modifications. DSAMS will use a default date of 75 calendar days following LOR Complete; however, the Implementing Agency can change the date to less than 75 calendar days if appropriate, but cannot exceed 75 days without justification, which must be documented in DSAMS milestone comments. An AOD of greater than 75 calendar days may be assigned if specifically requested by the purchaser. This also must be documented in DSAMS milestone comments.

Group B: Defined Order LOAs, Amendments, and Modifications. DSAMS will use a default date of 120 calendar days following LOR Complete; however, the Implementing Agency can change the date to less than 120 calendar days if appropriate, but cannot exceed 120 days without justification, which must be documented in DSAMS milestone comments. An AOD of greater than 120 calendar days may be assigned if specifically requested by the purchaser. This also must be documented in DSAMS milestone comments.

Group C: Defined Order LOAs and associated Amendments that are considered "purchaser-unique" in nature. The AOD may be longer than 120 days following LOR Complete based on factors (1) through (8) below. Associated Modifications will be placed in either Group A or B as Modifications generally do not require more than 120 days to prepare. Group C cases are defined as follows:

- (1) First-time purchase of a defense article or service by an FMS purchaser

- (2) First-time FMS purchase by a specific country or international organization with limited experience or knowledge of FMS processes/procedures
- (3) Case requires engineering, system integration, or special acquisition
- (4) Requested use of the system is different from its use by U.S. military forces (e.g., Navy ship missile to be fired from an Army or foreign country's helicopter)
- (5) Detailed release/disclosure coordination required
- (6) Complex pricing effort required
- (7) Extraordinary coordination required inside and/or outside the Implementing Agencies
- (8) Other (must be explained by detailed milestone comments in DSAMS)

Group D: All Pseudo LOAs and associated Amendments and Modifications. The AOD will be assigned as soon as information and/or conditions make AOD determination possible; e.g., receipt of contracting, funding, or other guidance and information needed to determine when the document will be approved.

Change SAMM Chapter 11, C11.3.3.1., to read as follows:

C11.3.3.1. Section 1004 or 1033 Pseudo LOA Preparation Timeframe. Pseudo LOAs are categorized as "Group D" and will be processed according to the guidelines provided in Chapter 5, paragraph C5.4.2.

Change SAMM Chapter 11, C11.6.3.1., to read as follows:

C11.6.3.1. FAA, Section 607 Pseudo LOA Preparation Timeframe. Pseudo LOAs are categorized as "Group D" and will be processed according to the guidelines provided in Chapter 5, paragraph C5.4.2.

Change SAMM Chapter 11, C11.7.3.1., to read as follows:

C11.7.3.1. FAA, Section 632 Pseudo LOA Preparation Timeframe. Pseudo LOAs are categorized as "Group D" and will be processed according to the guidelines provided in Chapter 5, paragraph C5.4.2.

ATTACHMENT 2

Guidelines for Revised LOA Processing Metric

1. Revised LOA Metric Overview. The previous LOA processing goal of 80 percent of initial LOAs and Amendments transmitted to the purchaser within 120 days of LOR receipt is replaced with a goal that seeks to transmit 85 percent of LOAs and Amendments to the Purchaser on or before an Anticipated Offer Date (AOD). The AOD will be established and the measurement will begin when the Letter of Request (LOR) is entered in the Defense Security Assistance Management System (DSAMS) as complete, meaning it is sufficiently detailed to begin LOA Data development and the case has been initialized in DSAMS. It will end when the LOA or Amendment is released to the purchaser using the “Document Sent” (DOCMNTSENT) milestone in DSAMS. Modifications will be measured by the length of time from when the LOR is entered as complete until they are implemented. The AOD for LOAs, Amendments, and Modifications will fall into case groupings based on the type of case. The new metric will be a measurement of how successful a case manager is in meeting his or her own target date (i.e., the AOD). This gives the individual case manager and his/her Implementing Agency the flexibility to establish a date for offering each LOA document based on experience factors with the purchasing country or international organization, the type of equipment or services requested, and/or the date requested by the purchaser. The measure will apply to all documents (Basic LOAs, Amendments, and Modifications) and to blanket order, training, and defined order cases (to include “Pseudo” cases). The Implementing Agency will inform the purchaser of the AOD.
2. Anticipated Offer Dates (AODs). DSAMS will generate the AOD for Groups A and B; however, the Implementing Agency may change the AOD to a shorter period of time based on an assessment of the factors impacting the amount of time it will take to prepare the LOA document. For Groups A and B, an AOD of greater than 75 or 120 days, respectively, may be assigned if specifically requested by the purchaser. This must be documented in DSAMS milestone comments. Implementing Agencies will assign the AODs for Groups C and D based on criteria identified below. Except where noted below, the AOD will be entered at the same time the LOR is entered as “Complete” and the document has been initialized in DSAMS.
3. Case Groupings. FMS case documents will be placed in one of four groupings:

Group A: Blanket Order LOAs, training LOAs, Cooperative Logistics Supply Support Arrangements (CLSSAs), and associated Amendments and Modifications.

- The AOD will be no longer than 75 calendar days following the date the LOR is shown in DSAMS as “Complete.

Group B: Defined order LOAs, Amendments, and Modifications.

- The AOD will be no longer than 120 calendar days following the date the LOR is shown in DSAMS as “Complete.”

Group C: Defined order LOAs and associated Amendments that are considered “purchaser-unique” in nature.

- The AOD will be as soon as possible but likely longer than 120 days following the date the LOR is shown in DSAMS to be Complete. The AOD will be determined by the Implementing Agency/case manager, taking into account various factors associated with the unique nature of the case. Reasons for entering a case in Group C follow:
 - (1) First time purchase of a defense article or service by an FMS purchaser
 - (2) First time FMS purchase by a specific country or international organization with limited experience or knowledge of FMS processes/procedures.
 - (3) Case requires extraordinary engineering, system integration, or special acquisition
 - (4) Requested use of the system is different from its use by U.S. military forces (e.g. Navy ship missile to be fired from an Army or foreign country’s helicopter)
 - (5) Detailed release/disclosure coordination required
 - (6) Complex pricing effort required
 - (7) Extraordinary coordination required inside and/or outside the Implementing Agencies
 - (8) Other (must be accompanied by explanatory milestone comments)

Modifications for Group C cases will be placed in either Group A or B as Modifications generally do not require longer than 120 days to complete.

Group D: All Pseudo LOAs and associated Amendments and Modifications.

- The AOD will be assigned as soon as information and/or conditions make AOD determination possible. Entry of an LOR “Complete” date in DSAMS will not be delayed because information on which to base an AOD is not available.

4. Business Rules

- A. Security Cooperation Community (DSCA and Implementing Agency) LOA processing performance will be judged by the percentage of documents transmitted or implemented on or before the established AOD. The performance goal will seek 85 percent of the cases to be transmitted or implemented (for Modifications) on or before the AOD.
- B. Blanket Order and all Training LOA and CLSSA documents will be designated in DSAMS as Group A and assigned an AOD of 75 days or less following the LOR Complete date. DSAMS will generate an AOD based on the LOR Complete date; however, Implementing Agencies can reduce it to an earlier date if desired.
- C. Defined Order LOA documents will be designated in DSAMS as Group B and assigned an AOD of 120 days or less following the LOR Complete date. DSAMS will generate an AOD based on LOR Complete date but Implementing Agencies can reduce it to an earlier date if desired.
- D. If the Implementing Agency determines that circumstances described in Group C apply, an AOD of over 120 days from the LOR Complete date may be assigned and the case will be designated in DSAMS as Group C. Reason(s) for placing the case in Group C will be entered in DSAMS milestone comments.
- E. Pseudo cases are done under a variety of legislative authorities, are authorized for specific purposes, and may have specific funding expiration dates. For these reasons, Pseudo cases will be tracked separately for performance measurement purposes and designated in DSAMS as Group D. LOR Complete dates will be assigned and entered in DSAMS at the appropriate time. Designation of an AOD may await receipt of contracting, funding, or other guidance and information needed to determine when the document will be approved. Cases may be tasked in DSAMS without an AOD.
- F. The ending point for each document (DOCMNTSENT date in DSAMS) will be compared to its AOD and variation reported as the performance measure. When the DOCMNTSENT date is later than the AOD, Implementing Agencies will be required to enter milestone comments in DSAMS to explain the variance. For Modifications, the Implementation milestone will be used.

- G. Changes to the AOD will be permitted on a case-by-case basis and not as a matter of routine. Implementing agencies will determine who has the authority to change an AOD. Detailed milestone comments will be entered when an AOD is changed.
- H. To enable tracking, all Modifications will be associated to an LOR record in DSAMS, e.g., LOR: PMR action item: MILDEP internal review; preparation for case closure; etc.
- I. The following data fields, management milestones, and milestone comments capabilities will be incorporated into DSAMS at the case document level:
- (1) Case Group designation (A, B, C, or D)
 - (2) AOD entry (DSAMS-generated for Groups A and B; Implementing Agency-generated for Groups C and D)
 - (3) A drop-down menu of reasons why a document is placed in category C and the capability to enter one or more such reasons in DSAMS.
 - (4) The ability to insert optional milestone comments at various stages of the process and incorporation of mandatory milestone comments at key stages or occurrences. Milestone comments are mandatory when any of the following situations exist:
 - When the LOR Complete date exceeds the LOR Receipt date by 20 days (comments are required on the Customer Request window in the Request Status Comments field);
 - When the Standard LOAD Start/Case Assign date exceeds the Standard LOAD Complete/Case Return date by 60 days;
 - When the DOCMNTSENT date or Implementation Date is later than the AOD;
 - When the original AOD is changed;
 - When "Other" is selected as a reason for placing a case document in Group C.
 - (5) The provision of management/warning flags to alert when the AOD is approaching
 - (6) The ability to view revised case data (case group, AOD, pertinent case remarks) in SCIP
 - (7) A report to calculate the delta between AODs and DOCMNTSENT or Implementation dates for documents in each case group.

- J. In situations where a single LOR results in more than one LOA; e.g., Group B major weapon system and a stand-alone Group A training support case, different case designators and associated AODs will be assigned and their associated milestones tracked independently.
- 5. For restated cases, Implementing Agencies will follow the guidance in C5.4.2. and establish a new AOD based on the restated requirements. Implementing Agencies must change the LOR Complete date of the original LOA using the date the restatement became effective and assign a new AOD.