



DEPARTMENT OF THE AIR FORCE
WASHINGTON DC

*rec'd PAC
27 Jan 00*

Office Of The Assistant Secretary

JAN 10 2000

MEMORANDUM FOR SEE DISTRIBUTION

FROM: SAF/AQ
1060 Air Force Pentagon
Washington DC 20330-1060

SUBJECT: Alternative Dispute Resolution (ADR) Plan Implementation

Dr. Delaney and I recently approved a five-year acquisition ADR plan that was transmitted to each of you in a memorandum dated 18 August 1999. The initial tasks contemplated by that plan were to complete work on Corporate-level ADR agreements and the program-level agreements specified in Lightning Bolt 99-4. The plan also called for the appointment of ADR Champions and the creation of an ADR Advisory Team. We have completed this work and it is now time to begin implementing two other parts of this important initiative.

First, I believe the ADR Advisory Team (Atch 1) is an important resource for all of us to consult when using ADR. The ADR Advisory Team consists of a multi-disciplinary team of experts to advise you and your staffs about matters that are appropriate for ADR resolutions. The ADR Team is also ready to assist you in designing and drafting ADR agreements with contractors. I expect everyone to keep the ADR Advisory Team informed of your ADR activity and to seek its advice when you contemplate the use of ADR prior to a contracting officer's final decision. The ultimate goal of the ADR Advisory Team is to help you, and the Air Force, ensure that each time we use an ADR process we benefit from the lessons learned from prior ADR attempts.

Second, collecting information about pending issues on all ACAT I and II programs that may be amenable to an ADR resolution (Atch 2) is another critical part of our plan. This data call has a threefold purpose. First, various expired Air Force appropriation accounts have reached critically low levels. This data call is intended to give us a more accurate assessment of the universe of issues that may require expired or current-year funding. Second, our ADR plan calls for a study to decide what type and how much support is necessary for the Air Force to provide a much more aggressive dispute resolution effort. Data you supply will help us assess the type and amount of resources that may be necessary to support this effort. Last, but not least, we need the information to identify issues in controversy that are more than one year old or valued at \$10 million or more. I believe these are the types of disputes that may best lend themselves to resolution through the use of ADR.

The Air Force Audit Agency (AFAA) has agreed to collect and analyze the information generated by the data call and I request that you provide this information by 1 February 2000. The AFAA point of contact for this project is listed in the attached data call instructions.

I urge everyone to use their common sense in helping us collect data that will be meaningful in achieving the goals of this request. I am sensitive to the workload this data call imposes on you and your staffs. However, I believe that this information is essential to the effective implementation of our ADR initiative.

If you have additional questions, please contact the ADR Advisory Team Leader, Col Barry Wilson, SAF/AQCX at DSN 425-5011 or (703) 588-5011.



DARLEEN A. DRUYUN
Principal Deputy Assistant Secretary
(Acquisition & Management)

Attachments:

1. ADR Advisory Team
2. Data Call Instructions and Spreadsheet

DISTRIBUTION:
See Attached List

DISTRIBUTION LIST:

1. AFPEO/AT
2. AFPEO/C2
3. AFPEO/FB
4. AFPEO/LI
5. AFPEO/SP
6. AFPEO/WP
7. ESC/CC
8. ASC/CC
9. SMC/CC
10. AAC/CC
11. OC-ALC/CC
12. SM-ALC/CC
13. SA-ALC/CC
14. OO-ALC/CC
15. WR-ALC/CC
16. SAF/AQC
17. HQ AFMC/PK
18. ESC/PK
19. ASC/PK
20. SMC/PK
21. AAC/PK
22. OC-ALC/PK
23. SM-ALC/PK
24. SA-ALC/PK
25. OO-ALC/PK
26. WR-ALC/PK
27. HQ DCMC
28. HQ DCAA
29. AFAA/MS

cc:

AFSPC/LGC
AMC/LGC
PACAF/LGC
USAFE/LGC
ACC/LGC
AETC/LGC
10 ABW/LGC
11 CONS/LGC
SOAL-KB
SAF/GCQ
ADR Advisory Team Members

ADR ADVISORY TEAM

| <u>Name</u> | <u>Office</u> | <u>Email</u> | <u>Phone</u> |
|------------------|---------------|--|---------------------|
| Col Barry Wilson | SAF/AQCX | barry.wilson@pentagon.af.mil | (703)588-7011 |
| Capt Mimi Murphy | SAF/AQCX | mimi.murphy@pentagon.af.mil | (703)588-7023 |
| Jerry Aldridge | SAF/AQCX | jerry.aldrige@pentagon.af.mil | (703)588-7022 |
| Ron Poussard | SAF/AQCS | ronald.poussard@pentagon.af.mil | (703)588-7040 |
| Colleen Griffith | SAF/AQCS | colleen.griffith@.af.pentagon.mil | (703)588-7075 |
| Ann McDermott | SAF/AQX | ann.mcdermott@af.pentagon.mil | (703)588-7247 |
| Lewis Dotson | SAF/FMB | lewis.dotson@af.pentagon.mil | (703)695-4942 |
| Joe McDade | SAF/GCQ | mcdadej@af.pentagon.mil | (703)693-7286 |
| Gerry Brown | AFLSA/JACN | gerry.brown@pentagon.af.mil | DSN426-9078 |
| Barbara Zanotti | AFLSA/JACR | barbara.zanotti@pentagon.af.mil | DSN426-9034 |
| Diana Dickinson | AFMC LO/JAB | diana.dickinson@wpafb.af.mil | DSN785-6111 ext 258 |
| John Thrasher | AFMC/AQ | john.thrasher@wpafb.af.mil | DSN 986-0816 |
| Liz Boyce | DCAA | liz.boyce@dcaa.mil | (703)767-3262 |
| Mark Burrell | AFAA/MSS | mark.burrell@wpafb.af.mil | DSN787-4429 |

Contract Controversy Candidates for Alternate Dispute Resolution

| Col 1 | Col 2 | Col 3 | Col 4 | Col 5 | Col 6 | Col 7 | Col 8 | Col 9 | Col 10 | Col 11 | Col 12 | Col 13 | Col 14 | Col 15 |
|--------------|-------|-----------|---------|----------------|-------------------|-----------------------|--|------------------------------------|----------------|--------------------|--|------------|---------------|--------|
| PROGRAM NAME | IC | ASCI/CC | ASCI/CC | OC/STAFF/ASST | CONTRACTOR | Issues to Controversy | Received Proposed Schedule for ADR (Y/N) | Amount of Controversy (\$ Million) | Resolved (Y/N) | Date of Resolution | Description of Controversy | Resolution | Unsure/Amount | Col 15 |
| B-2 Avionics | IC | ASCI/CC | FB | XXXXX-82C-1234 | Northrop Grumman | \$2M | Y | | | 05/22/1996 | Govt Interference | N | Unsure/3600 | \$0 |
| NAVSTAR GPS | ID | SMC/CC | SP | XXXXX-82C-1234 | Lockheed Martin | | Y | \$12M | Y | 04/24/1997 | Schedule Interruption due to late GFE delivery | N | FY 96/3010 | \$0 |
| F-15 | ID | WR-ALC/CC | FB | XXXXX-82C-1234 | McDonnell Douglas | \$11M | Y | \$11M | Y | 06/02/1997 | Cost of Change Order/Modification | N | Unsure/2010 | \$0 |

EXAMPLES

Data Call Instructions/Definitions for Contract Controversy Candidates for Alternative Dispute Resolution (ADR)

Purpose: The purpose of this data call is to (1) identify current contract issues in controversy that are candidates for alternative disputes resolution, (2) accurately define and measure the overall dispute environment in the Air Force major acquisition arena, and (3) improve fiscal management via more timely and improved commitment of scarce expired and current funds for dispute-related contingent liabilities.

Electronic Version of the Spreadsheet: You can download the attached Microsoft Excel spreadsheet from the Air Force ADR Program website at: <http://www.adr.af.mil/SOURCE/datacallmatrix.htm>

Columns 1 - 6. Self-explanatory.

Column 7. Show the amount of each written request for an issue in controversy that is over one year old. The term "issue in controversy" is defined in FAR 33.201 to "mean a material disagreement between the Government and the contractor which:

- (1) May result in a claim; or
- (2) Is all or part of an existing claim."

If there is any possibility that an issue could result in a claim, it should be included. This includes but is not limited to requests for equitable adjustment.

Column 8. Specify whether you have received a proposal suitable for DCAA audit/negotiation (Y/N).

Column 9. Show the amount of each submitted issue in controversy over \$10 million, as defined in FAR 33.201. However, unless there is a clear material disagreement between the parties, "normal" contract actions under 12 months need not be included.

Column 10. Specify whether you have received a proposal suitable for DCAA audit/negotiations (Y/N).

Column 11. Show the corresponding date each issue in controversy was submitted in writing.

Column 12. Provide a short description of the issue or potential issue in controversy, as defined in FAR 33.201, if known.

Column 13. Indicate whether this issue is currently in an alternate dispute resolution (ADR) process. Under FAR 33.201, ADR is defined to "mean any type of procedure or combination of procedures voluntarily used to resolve issues in controversy. These procedures may include, but are not limited to, conciliation, facilitation, mediation, fact-finding, minitrials, arbitration and use of ombudsmen."

Column 14. Identify the fiscal year and appropriation account funds at risk due to the controversy.

Column 15. Show the amount of funds currently committed for the contingent liability related to the issue.

Please email your completed form to Mark Burrell, AFAA/MSS at Mark.Burrell@wpafb.af.mil. If you have any questions about these instructions or the attached spreadsheet, please contact Mr Burrell at DSN 787-4429.