



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
8725 JOHN J. KINGMAN ROAD, SUITE 2533
FORT BELVOIR, VIRGINIA 22060-6221

JUL 07 2009

IN REPLY
REFER TO J-7

MEMORANDUM FOR COMMANDERS, DLA FIELD ACTIVITIES

SUBJECT: Alternative Dispute Resolution (ADR) for Acquisition Disputes

As the Defense Logistics Agency (DLA) Senior Procurement Executive, I want to stress my commitment to the use of Alternative Dispute Resolution (ADR) to resolve acquisition issues when unassisted negotiations are unsuccessful. Although the ADR program is officially managed in your Offices of Counsel, I expect the acquisition community to be an active player, and I encourage your continued and increased emphasis on ADR.

DLA's success rate for acquisition ADRs is approximately 80 percent. This leads to significant savings in money, time, and aggravation, and helps improve contractor relations. Successful ADR also helps free up acquisition personnel and lawyers to focus on the current and future agency challenges. The sooner ADR is used, the more likely the matter will be resolved and the greater the benefits. As a reminder, DLA has an "ADR first" philosophy (Alternative Dispute Resolution, DLA One Book). When unassisted negotiations are unsuccessful, ADR must be considered, the ADR Specialist must be consulted, and a decision not to use ADR must be documented in writing one level above the deciding official.

DLA has already integrated ADR into the acquisition process, via the Defense Logistics Acquisition Directive coverage, in a number of ways. A standard contract ADR clause is required for DLA acquisitions (though tailored ones are encouraged), ADR should be addressed at post-award orientations, and ADR must also be part of appeal rights language in contracting officers' final decisions. Furthermore, ADR is not limited to docketed litigation or formal claims, but is also well suited for contract complaints raised in letters from contractors, Congress, or other sources. Part of expected staff work on these issues is to consider ADR. ADR training is available from your Office of Counsel; all acquisition personnel are expected to have at least ADR awareness training, and more extensive "user training" if possible.

I am pleased that ADR is a priority for the agency. I rely on acquisition staff and acquisition lawyers to continue to integrate ADR into the dispute resolution process, and help the agency achieve quick, inexpensive, and cooperative solutions to contracting controversies.


NANCY HEIMBAUGH
Senior Procurement Executive

cc:
DLA-DG (E. Grant)
Chief Counsel

