

September 27, 2001

TO: Subcabinet Officials

FROM: Lou Gallegos /s/
Assistant Secretary
for Administration

SUBJECT: Procedures for Review of Contracts for Advisory and Assistance Services;
Waiver of Approval Requirement

This memorandum cancels the process for review of Contracts for Advisory and Assistance Services (CAAS), effective September 11, 2001. All requests to contract for CAAS in process of review at any level within the Department of Agriculture (USDA) are hereby approved. No further requests to contract for CAAS need be submitted to Departmental Administration.

In 1996, at the direction of the Secretary, the Assistant Secretary for Administration established a process for review and approval of requests to contract for CAAS. This process was issued to USDA mission areas and staff offices by memorandum dated June 4, 1996. Revised procedures were issued in a memorandum dated June 23, 1998. These procedures required that all requests to contract for CAAS over \$25,000 be approved by a Subcabinet Officer and submitted to the Assistant Secretary for Administration for review and approval. We are discontinuing the review and approval process implemented by the memoranda dated June 4, 1996 and June 23, 1998, and we are rescinding these memoranda. Departmental Regulation 5037-1, Contracting for Advisory and Assistance Services (April 20, 1990, with amendment 01 dated September 25, 1992), is also cancelled.

Section 821 of the National Defense Authorization Act for Fiscal Year 2001 (Pub. L. 106-398), implemented in the Federal Acquisition Regulation (FAR) at FAR 37.102, establishes a preference for performance-based service contracting. Performance-Based Service Contracting is one of the criteria by which USDA is measured pursuant to the Government Performance and Results Act. We encourage agencies to use performance-based statements of work for CAAS and CAAS task orders to the maximum extent practicable. Reviews of requests to contract for CAAS may be reinstated on an agency-by-agency basis for agencies that do not meet Departmental standards for use of performance-based service contracting.