



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500

January 14, 2015

**MEMORANDUM FOR UNDER SECRETARY OF DEFENSE ACQUISITION,
TECHNOLOGY, AND LOGISTICS
DIRECTOR, DEFENSE LOGISTICS AGENCY
NAVAL INSPECTOR GENERAL**

SUBJECT: Audit of the AN/SPY-1 Phased Array Radar Systems Performance-Based Logistics Contract Metrics (Project No. D2015-D000AG-0109.000)

We plan to begin the subject audit in January 2015. This audit is the second in a series regarding the U.S. Navy's Arleigh Burke guided-missile destroyer (DDG 51) (for reference to the first audit, see Project No. D2014-D000AG-0203.000). The first audit focused on the U.S. Navy's Material Management of the AN/SPY-1 Phased Array Radar system. In this audit, our objective is to determine whether the performance metrics included in the Navy's AN/SPY-1 Phased Array Radar performance-based logistics contracts appropriately incentivize the support contractors. We will consider suggestions from management on additional or revised objectives.

We will perform the audit at Naval Sea Systems Command in Washington, District of Columbia, and Naval Supply Systems Command Weapon Systems Support in Mechanicsburg, Pennsylvania. We may identify additional locations during the audit.

For this audit, we will continue our coordination with the points of contact that we have from Naval Sea Systems Command and Naval Supply Systems Command Weapon Systems Support.

You can obtain information about the Department of Defense Office of Inspector General from DoD Directive 5106.01, "Inspector General of the Department of Defense (IG DoD)," April 20, 2012; DoD Instruction 7600.02, "Audit Policies," October 16, 2014; and DoD Instruction 7050.03, "Office of the Inspector General of the Department of Defense Access to Records and Information," March 22, 2013. Our website is www.dodig.mil.

If you have any questions, please contact [REDACTED],

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