

The Joseph H. Sherick Award

Shay D. Assad

Shay D. Assad assumed the role of Director, Defense Procurement, Acquisition Policy and Strategic Sourcing on April 3, 2006. As the Director, he serves as the principal advisor to the Under Secretary of Defense for Acquisition, Technology, and Logistics. He is responsible for all acquisition and procurement policy in the Department including the acquisition/procurement strategies for all major weapon systems programs, major automated information programs, and service contracting. Mr. Assad is also the Department's key advisor for competition, source selection, multiyear contracting, the acquisition workforce, warranties, leasing, and all international contracting. In short, he oversees the Department of Defense's annual expenditures of over \$400 billion in purchases.

Mr. Assad was very aggressive in improving the acquisition process in the Department. He tackled problems that no other Director would address and worked extremely well with audit in resolving governmental acquisition and funding issues. Within days of being appointed as Director, Defense Procurement, Acquisition Policy and Strategic Sourcing, Mr. Assad was briefed on our audits of Interagency Contracting and the significance of the contracting and funding issues. He immediately went to the Under Secretaries of Defense for Acquisition, Technology, and Logistics, and Comptroller and suggested that a combined effort be undertaken to fix the problems. Many of the issues were legal in nature and had been ignored for years. Specifically, the issues related to the funding of contracts awarded by non-Department of Defense activities such as the General Services Administration and the Department of Interior. Specifically, the Department of Defense activities were improperly "banking" expired funds to use at a later date to purchase goods and services. This resulted in 640 potential violations of the Antideficiency Act amounting to over \$500 million. Banking expired funds was encouraged by the non-Department agencies among all of its customers. Accordingly, the problem was not just a Defense problem but a Governmental problem that affected the revenue of non-Department of Defense agencies banking the funds. Mr. Assad's grasp of the issues and his professional approach to resolving the issues went a long way to eliminating the political, financial, and organizational concerns of non-Department agencies. Shay spearheaded countless meetings with the non-Department activities, Congressional staffers, the Services, the Comptroller, and the Department of Defense General Counsel. He briefed the Secretary on the issues and provided exceptional support to the Inspector General in the process. Mr. Assad also provided invaluable support to the Office of Inspector General during hearings on interagency and service contracting. As a by-product of this undertaking, Mr. Assad is currently reviewing all of the Department of Defense's contracting workload as well as its workforce to determine if a better contracting approach exists in filling the Department's needs. Additionally, Mr. Assad has authored numerous policy memorandums and changes to the Federal Acquisition Regulation and the Defense Federal Acquisition Regulation to clarify the use of non-Department agencies in making purchases for the Department of Defense.

Mr. Assad was instrumental in tackling the ongoing issue of the Department of Defense Acquisition Workforce. Currently, about 50 percent of the acquisition workforce can either immediately retire or is eligible for early retirement. This, coupled with a shortage of acquisition personnel, led to a near crisis situation. Many of the problems noted in Office of Inspector General audit reports directly relate to inadequate personnel resources. His "Acquisition, Technology, and Logistics Human Capital Strategic Plan" deals with these issues and specifically addresses the growing retirement-eligible acquisition workforce and the resulting loss of knowledge and experience, improving workforce development and certification processes, and sharing and migrating acquisition best practices. He also issued the widely praised "Section 814 Acquisition Structures and Capabilities" report of June 26, 2007, that details nine overarching recommendations covering workforce recruiting, training, certification, education, and qualifications to mitigate the loss of seasoned talent from the workforce. He also established the Department "Acquisition Corps" of qualified individuals available for serving in critical acquisition positions and established a management information system to improve the quality of

workforce and position information. The key point being that Mr. Assad has taken action to address the Department of Defense problems and worked hand-in-hand with the Office of Inspector General in these endeavors.

Mr. Assad has taken other aggressive actions to help resolve long standing issues identified in the Department of Defense Inspector General audit reports. For example, in June 2007, he issued a memorandum "Determining Fair and Reasonable Contract Prices - Revised Procedures, Guidance and Instruction" to provide guidance regarding the application of existing Federal Acquisition Regulations/Defense Federal Acquisition Regulation Supplement requirements for determining fair and reasonable contract prices. The procedures, guidance, and instruction change was in response to numerous oversight reports, including findings contained in Department of Defense Inspector General Report "Commercial Contract for Noncompetitive Spare Parts with Hamilton Sundstrand Corporation." In October 2007, Shay again took prompt action in response to an ongoing audit of economic price adjustment clauses in Department contracts that had been improperly impacted by an individual contractor's payments into its pension fund. Mr. Assad revised Defense Federal Acquisition Regulation Supplement and Procedures, Guidance, and Instruction DFARS Subpart 216.2, Section 216.203, "Fixed-price contracts with economic price adjustment," and alerted contracting officers to avoid using a specific Bureau of Labor Statistics index that was found to have been inappropriately influenced by a single contractor.

Accordingly, for all of Mr. Shay D. Assad's exceptional support to the Department of Defense Office of Inspector General and for a distinguished Government career he is most deserving of the Department of Defense Inspector General Joseph H. Sherick award.