



THE ASSISTANT SECRETARY OF THE NAVY

(RESEARCH, DEVELOPMENT AND ACQUISITION)

1000 NAVY PENTAGON

WASHINGTON DC 20350-1000

NOV 30 2010

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Establishment of Program Executive Office for Services

Reference: (a) Under Secretary of Defense (Acquisition, Technology and Logistics)
Memorandum dated 14 September 2010

(b) Under Secretary of Defense (Acquisition, Technology and Logistics)
Memorandum dated 3 November 2010

Reference (a) established a Department of Defense (DoD)-wide expectation for the DoD to achieve efficiencies by addressing a broad range of productivity growth initiatives; in essence "do more without more". Reference (b) provided implementation direction to the Secretaries of the Military Departments, which specifically included the requirement to improve tradecraft in services acquisition.

As part of the Department of the Navy's (DoN) implementation of reference (b) requirements, I am establishing a Program Executive Office for Services (PEO (Services)), effective immediately. Mr. Bruce Sharp is appointed as the Acting Program Executive Officer (PEO), and Mr. Ken Brennan as Acting Deputy PEO for 90 days following issuance of this appointment letter.

During the 90-day appointment, Mr. Sharp and Mr. Brennan are tasked to assess the requirements of, and develop an implementation plan for full execution of PEO(Services) stand-up that will provide additional, appropriate oversight regarding the DoN's annual obligations for contracted services, which now comprise over 50% of all DoN contracted annual obligations.

Actions during this 90-day period will include:

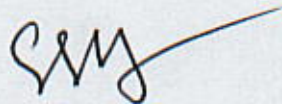
- Assessing oversight requirements to be addressed by PEO(Services);
- Assessing, and leveraging where appropriate, services governance and/or oversight structures already in use or under development;
- Identifying outcomes and possible metrics by which to gauge efficiency improvements in services acquisition;
- Recommending the required authorities and responsibilities for PEO(Services);
- Identifying staffing requirements (billets and skill sets) to appropriately staff the PEO;
- Developing required documentation for the PEO stand-up;

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- Providing monthly updates to the ASN(RD&A).

I ask that you provide Mr. Sharp and his staff your complete cooperation as the acquisition community establishes this important acquisition organization.

I believe PEO(Services) will build upon our Management and Oversight Process for the Acquisition of Services (MOPAS) and Strategic Sourcing efforts in services acquisition by providing additional codification and oversight of this important segment of the DoN acquisition portfolio.



Sean J. Stackley

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