



CUI

# INSPECTOR GENERAL

*U.S. Department of Defense*

FEBRUARY 3, 2023



## (U) Management Advisory: DoD Agreements for the Industry Connections (ICON) Initiative

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

February 3, 2023


(U) MEMORANDUM FOR DEPUTY CHIEF INFORMATION OFFICER FOR SPECIAL ACCESS  
PROGRAMS INFORMATION TECHNOLOGY

(U) SUBJECT: Evaluation of DoD Agreements for the Industry Connections (ICON) Initiative  
(Report No. DODIG-2023-050)

(CUI) OSD/JS (b) (3) 10 USC 130 [Redacted]  
[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]<sup>1</sup>

(CUI) [Redacted]  
[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]

(U) If you have any questions, please contact [Redacted] (DODIG (b) (6)), Sensitive  
Activities, Evaluations Component, DoD OIG, at [Redacted] (DODIG (b) (6)) [Redacted] (DODIG (b) (6)) [@dodig.mil](mailto:[Redacted]@dodig.mil).

  
Randolph Stone  
Assistant Inspector General for Evaluations  
Space, Intelligence, Engineering, and Oversight

<sup>1</sup> (U) As of 2022, the DoD Special Access Programs Chief Information Officer is referred to as the Deputy Chief Information Officer for Special Access Programs Information Technology



## (U) Introduction

### (U) Objective

(~~CUI~~) OSD/JS (b) (3) 10 USC 130 [Redacted]  
[Redacted]  
[Redacted]  
[Redacted].<sup>2</sup>

### (U) Executive Summary

(~~CUI~~) OSD/JS (b) (3) 10 USC 130 [Redacted]  
[Redacted]  
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[Redacted]  
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### (U) Background

(~~CUI~~) OSD/JS (b) (3) 10 USC 130 [Redacted]  
[Redacted]  
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(~~CUI~~) [Redacted]  
[Redacted]  
[Redacted]  
[Redacted]

<sup>2</sup> (U) As of 2022, the DoD SAP CIO is referred to as the Deputy CIO for SAP Information Technology. We will continue to use DoD SAP CIO throughout the report. In May 2021, the DoD CIO appointed the current DoD SAP CIO whom identified several areas of concern with the ICON initiative and requested DoD OIG assistance to review.

(CUH) OSD/JS (b) (3) 10 USC 130 [Redacted]  
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## **(U) The DoD SAP CIO Office Did Not Follow Correct Federal and DoD Regulations and Guidance to Execute the Agreements**

### **(U) The DoD SAP CIO Office Did Not Use the Correct Agreement Type**

(~~CU~~) OSD/JS (b) (3) 10 USC 130 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(U) DoDI 4000.19 states that the DoD Component commander, commanding officer, or director is the support agreement approval authority, and may also delegate this function. DoDI 4000.19 also states that support agreements, to include MOUs, document the terms of an agreement that a DoD Component enters into with:

- (U) another DoD Component;
- (U) a federal agency or federally-recognized Indian tribe;
- (U) a State or local government in accordance with section 2336 of Title 10 of United States Code; or
- (U) a State or local government for support of the National Guard in accordance with Title 32 of United States Code.

(~~CU~~) OSD/JS (b) (3) 10 USC 130 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(~~CU~~) [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

<sup>3</sup> (U) DoD Instruction 4000.19, "Support Agreements," April 25, 2013 (Incorporating Change 1, November 16, 2017), was in place at the time the DoD SAP CIO Office entered into the agreements and was later updated December 16, 2020.

(~~CUH~~) OSD/JS (b) (3) 10 USC 130  
[Redacted]

(U) Based on this guidance and reviewed documentation, we determined that an MOU was not the correct vehicle to use. As such, the DoD SAP CIO Office should consult their contracting officers to determine the best course of action.

***(U) The DoD SAP CIO Office Did Not Correctly Use and Complete DD 254s***

(~~CUH~~) OSD/JS (b) (3) 10 USC 130  
[Redacted]

(~~CUH~~) [Redacted]

**(U) Conclusion**

(~~CUH~~) OSD/JS (b) (3) 10 USC 130  
[Redacted]

<sup>4</sup> (U) FAR Part 16, "Type of Contracts;" subpart 16.3, "Cost-Reimbursement Contracts;" 16.307, "Contract Clauses." FAR clause 52.216-11 states, "The contracting officer shall insert the clause 52.216-11, Cost Contract-No Fee, in solicitations and contracts when a cost-reimbursement contract is contemplated that provides no fee and is not a cost-sharing contract."  
<sup>5</sup> (U) Federal Acquisition Regulation, Part 16.303 "Cost Sharing Contracts"



(CUI) OSD/JS (b) (3) 10 USC 130  
[Redacted]

## **(U) Recommendations, Management Comments, and Our Response**

### **(U) Recommendation 1**

**(U) We recommend that the Deputy Chief Information Officer for Special Access Programs Information Technology:**

- a. **(U) In coordination with a contracting officer, identify the correct agreement type before moving forward with the Industry Connections Initiative.**

### ***(U) Office of the Deputy Chief Information Officer for Special Access Programs Information Technology Comments***

(CUI) OSD/JS (b) (3) 10 USC 130  
[Redacted]

### ***(U) Our Response***

(U) Comments from the Deputy Chief Information Officer addressed the recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation once we verify the Deputy Chief Information Officer has identified the appropriate contract or agreement type in coordination with the warranted Contracting Officer and CIO General Counsel.

- b. **(U) Upon the determination of the correct agreement type, include the accurate security language on either a properly completed and signed DoD Form 254, “Contract Security Classification Specification” or the appropriate security requirements document in the agreement.**

### ***(U) Office of the Deputy Chief Information Officer for Special Access Programs Information Technology Comments***

(CUI) OSD/JS (b) (3) 10 USC 130  
[Redacted]

## **(U) Our Response**

(CUI) <sup>OSD/JS (b) (3) 10 USC 130</sup> [Redacted]  
[Redacted]  
[Redacted]  
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## **(U) Scope and Methodology**

(U) We conducted this evaluation from June 2022 through October 2022, in accordance with the “Quality Standards for Inspection and Evaluation,” published in January 2020 by the Council of the Inspectors General for Integrity and Efficiency. Those standards require that we adequately plan the evaluation to ensure that we meet project objectives and that we perform the evaluation to obtain sufficient, competent, and relevant evidence to support the findings, conclusions, and recommendations. We believe that the evidence obtained was sufficient, competent, and relevant to lead a reasonable person to sustain our evaluation findings.

(CUI) <sup>OSD/JS (b) (3) 10 USC 130</sup> [Redacted]  
[Redacted]  
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(CUI) [Redacted]  
[Redacted]  
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## (U) Acronyms and Abbreviations

<b>CIO</b>	Chief Information Officer
<b>DD 254</b>	DoD Form 254 Contract Security Classification
<b>DIB</b>	Defense Industry Base
<b>DoDI</b>	Department of Defense Instruction
<b>FAR</b>	Federal Acquisition Regulations
<b>ICON</b>	Industry Connections
<b>MOU</b>	Memorandum of Understanding
<b>SAP</b>	Special Access Program





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