



DEFENSE SECURITY COOPERATION AGENCY

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05 JUN 2015

MEMORANDUM FOR DEPUTY UNDER SECRETARY OF THE AIR FORCE FOR
INTERNATIONAL AFFAIRS
DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR
DEFENSE EXPORTS AND COOPERATION
DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR
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DIRECTOR, DEFENSE REUTILIZATION AND MARKETING
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DIRECTOR, DEFENSE THREAT REDUCTION AGENCY
DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE
AGENCY
DEPUTY DIRECTOR FOR INFORMATION ASSURANCE,
NATIONAL SECURITY AGENCY

SUBJECT: Revision to Letter of Offer and Acceptance (LOA) Document Processing
Performance Metric, DSCA Policy 15-14 [SAMM E-Change 274]

Reference: DSCA Policy 13-16, "Revision to Letter of Offer and Acceptance (LOA) Document
Processing Performance Metric," August 09, 2013

The referenced DSCA Policy established an LOA document processing goal of transmitting 100 percent of LOAs and Amendments on or before the assigned Anticipated Offer Date (AOD). The policy also established a new AOD for each AOD Group. These AOD times were established because our previous AOD goals were determined too conservative and were actually working against our goal of improving the speed, flexibility and responsiveness of the Foreign Military Sales system.

These Fiscal Year (FY) 2013 AOD goals were aggressive, and although they were successful in encouraging improvement of performance against the revised metric, the 100% standard was unachievable. For example, we could not achieve a 50% success rate in FY 2013 or FY 2014 when using an average as the standard for the revised performance metric. DSCA and the Military Departments (MILDEPs) analyzed LOA document processing performance data from the time the revised metric was established through FY 2014. We determined the AOD

times needed to be revised to provide a balanced, performance driven metric that continues to stretch our goals towards improving performance, while also providing our international partners with a more realistic and dependable AOD. This policy updates the AOD goals and establishes an LOA document processing goal of transmitting 85% percent of LOAs and Amendments on or before the revised AOD. This policy also modifies the description of the AOD Groups. The revised AOD timelines are as follows:

- AOD Group A: Blanket Order LOAs, training LOAs, Cooperative Logistics Supply Support Arrangements - 45 days
- AOD Group B: Defined Order LOAs - 100 days
- AOD Group C: Defined Order LOAs considered “purchaser-unique” - 150 days
- AOD Group D: Pseudo LOAs – 60 days

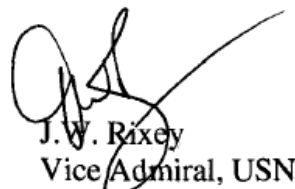
Although these times are an increase to the AOD times established in referenced policy, they are less than the AOD policy times originally established in FY 2011 which were 75 days for AOD Group A, 120 days for AOD Group B, 121 or more days for AOD Group C, and 75 days for AOD Group D.

This memorandum changes the AOD times and supersedes those found in the referenced policy. The new AOD times will be applicable to all LOA documents (Basic, Amendments, and Modifications) for Letters of Request (LOR) received on or after August 01, 2015. The LOA document processing performance metric for all LOA documents assigned the new AOD times will be measured from LOR receipt to offer (for LOAs and Amendments) and from LOR receipt to implemented (for modifications).

LOA documents based upon LORs received prior to August 01, 2015, will continue to be measured by the previous AOD times as established by above reference; however, any Amendments or Modifications to those LOA documents will be assigned the new AOD times when the corresponding LOR is received on or after August 01, 2015.

The revised AOD policy and progress towards achieving the stated goals will be reviewed on a regular basis. An AOD working group consisting of DSCA and MILDEP representatives will meet every quarter to continue seeking ways to improve the LOA document processing time as a means to help the community achieve these goals. This will include reviewing and analyzing data to benchmark the AOD segment processes. Finding ways to improve the processing time in the various AOD segment processes will help reduce the overall LOA document processing time.

The attachment updates Chapter 5 of the Security Assistance Management Manual (SAMM) to reflect the new changes. If you have questions concerning the attached SAMM policy, please contact Mr. Kent Bell, DSCA-STR/POL, kent.bell@dca.mil, (703) 604-6612.



J. W. Rixey
Vice Admiral, USN
Director

Attachment:
As stated

cc:
STATE/PM-RSAT
AFRICOM
CENTCOM
EUCOM
JFCOM
NORTHCOM
PACOM
SOCOM
SOUTHCOM
TRANSCOM
USASAC
SATFA TRADOC
NAVICP
NETSAFA
AFSAC
AFSAT
MDA
DISAM

ATTACHMENT

Security Assistance Management Manual (SAMM), E-Change 274

Revise C5.4. as follows:

C5.4. LOR Responses – Letter of Offer and Acceptance (LOA)

C5.4.1. Definition. The LOA is the legal instrument used by the USG to sell defense articles, defense services including training, and design and construction services to a foreign country or international organization under authorities provided in the Arms Export Control Act (AECA). The LOA itemizes the defense articles and services offered and when implemented becomes an official tender by the USG. The LOA is not used to provide Price and Availability (P&A) data. Signed LOAs and their subsequent Amendments and Modifications are also referred to as “FMS cases.” See Chapter 15 on use of LOAs to implement Building Partner Capacity (BPC) cases.

C5.4.2. LOA Preparation Timeframe. The time required to prepare LOAs varies with the complexity of the sale. Processing time for LOAs and Amendments is measured from receipt of the LOR until the time it is offered to the purchaser (Document Sent, (DOCMNTSENT in DSAMS)). Table C5.T9. lists DSAMS Milestones. After DSCA has countersigned the LOA, the Implementing Agency (IA) sends a copy of it to the SCO to offer to the purchaser. Processing time for Modifications will be measured from receipt of the LOR until the Modification is implemented.

C5.4.2.1. Assignment of an Anticipated Offer Date (AOD). Upon creation of a case document, the IA must enter a Case Category Code and assign an AOD Group Code in DSAMS regardless of whether the LOR has been marked complete or associated to a case document. DSAMS will not allow the case document to be saved until both codes have been entered. Once entered in DSAMS, the Case Category Code and AOD Group Code cannot be deleted but can be revised by the IA. DSAMS will automatically assign an AOD derived from the AOD Group Code to every case document when the IA enters an LOR receipt date and associates the LOR to a case document. The DSAMS-generated default AOD is designated according to the following case groupings shown in Table C5.T6.

C5.4.2.2. Case Development Extenuating Factor (CDEF). A CDEF identifies a reason why the processing time of an LOA document might exceed the default AOD from Table C5.T6. Once the IA determines that an LOA document will be impacted by a CDEF, a CDEF reason code should be added in DSAMS. One or more CDEFs can be applied to an LOA document. A CDEF reason code will require the IA to include an estimated number of days the CDEF will take to be resolved as well as the actual number of days for the CDEF. DSAMS will not allow the LOA document to be signed (MILSGN) until the actual number of days it takes to resolve the CDEF is entered. This will enable DSAMS to measure the impact of the CDEF(s) against the LOA processing time. A CDEF can be applied to LOA documents in all AOD Group Codes but is mandatory for LOA documents in AOD Group Code C. A list of the CDEFs is identified in Table C5.T6. CDEF operational definitions are identified in [Figure C5.F13](#).

Table C5.T6. AOD Group Codes

Group	Description
A	45 days for Blanket Order LOAs, training LOAs, Cooperative Logistics Supply Support Arrangements (CLSSAs), and associated Amendments and Modifications.
B	100 days for Defined Order LOAs, and associated Amendments, and Modifications. An LOA document assigned to AOD Group Code B can be re-assigned to AOD Group Code C if the IA later determines the

Group	Description
	LOA document meets the requirements of AOD Group Code C.
C	<p>150 days for Defined Order LOAs and associated Amendments considered "purchaser-unique" in nature. Associated Modifications to this group will be placed in Group B.</p> <p>The IA must identify why the LOA document is "purchaser-unique" by selecting one or more of the following CDEF factors or sub-factors and document the number of days these factors are expected to significantly impact the LOA development processing time.</p> <ol style="list-style-type: none"> 1. First-time purchase of a defense article or service by an FMS purchaser 2. First-time FMS purchase by a specific country or international organization with limited experience or knowledge of FMS processes/procedures 3. Case requires engineering, system integration, or special acquisition 4. Requested use of the system is different from its use by U.S. military forces (e.g., Navy ship missile to be fired from an Army or foreign country's helicopter) 5. Detailed release/disclosure coordination required <ol style="list-style-type: none"> 5a Technology Release 5b Policy Release 6. Complex pricing effort required <ol style="list-style-type: none"> 6a. Contractor Pricing Delays 7. Extraordinary coordination required inside or outside the IAs <ol style="list-style-type: none"> 7a. Congressional Notification 7b. Waiver Required 7c. Excess Defense Articles (EDA) 8. Purchaser LOR Incomplete <ol style="list-style-type: none"> 8a. Changing Requirements 9. Funding Issues or Delays 10. Other (Unique circumstances requiring detailed milestone explanation in DSAMS)
D	60 days for all Pseudo LOAs and associated Amendments and Modifications.

C5.4.2.3. AOD Measurement. The IA should offer or implement 85 percent of its LOA documents on or before the assigned AOD. The IA will inform the purchaser of the AOD and of any subsequent changes. The most current AOD will also be posted to the Security Cooperation Information Portal

C5.4.2.4. AOD for Restatements. There may be times when major changes need to be made to a document after it has been countersigned and offered to the purchaser. If the purchaser wants to retain the existing designator (instead of cancelling the offer and issuing a new case), the offered case may be restated. Restatements can be made as long as the document is in "offered" status, the purchaser has not yet signed the case, the Offer Expiration Date (OED) has not yet expired, and all changes are consistent with FMS policies and procedures. See Section C6.7.1.4. for more information on restatements. DSAMS will automatically revise the original customer request status of an LOA document from LOR Complete to LOR Restate once an IA selects the restatement tool in DSAMS. The IA will revise the customer request status in DSAMS from LOR Restate to LOR Complete. DSAMS will not allow the MILDEP Approval (MILAP) on the restated LOA document without the customer request status being marked LOR complete. DSAMS will automatically assign a new AOD to the restatement based upon the case grouping selected using the date of the LOR Restate as the LOR Receipt date.