

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
U. S. ARMY MEDICAL COMMAND
AND THE
DEPARTMENT OF VETERANS AFFAIRS

I. Purpose. This agreement between the United States Army Medical Command (USAMEDCOM) and the Department of Veterans Affairs (VA) establishes a partnering initiative to seek and obtain increased efficiencies through joint acquisitions and materiel management actions. The agreement initially focuses on four major areas: joint procurements, readiness support, automation, integration, and technical exchange/sharing programs. It outlines procedural requirements and commitments, along with establishing expected benefits and quality indicators of success. Additional areas will be identified as the Memorandum of Understanding is implemented.

II. Authority. This agreement is entered into pursuant to the authority and is an extension of the June 2, 1978, agreement between the Department of Defense and VA for improving purchasing and supply management of medical items and perishable *subsistence*.

III. Background. VA and the USAMEDCOM manage the two largest health care organizations in the Federal Government. Their organizations have numerous structural similarities and common outsourcing requirements normally obtained from commercial sources which are integral parts of the health care industry. Furthermore, the patient care missions of the two organizations are often integrated during peace time; in disaster and emergency relief at Federal, state and local levels; and during periods of major conflicts or war. Requirements for commercially available materiel and services are provided directly from the same vendors to VA and to the USAMEDCOM and are in large part the same or similar items. Both organizations have similar procurement and materiel management structures at individual hospitals, regional centers, and at centralized hubs. Acquisition processes have interfaced for many years, have a common procedural basis, and have been directly or indirectly linked for acquisition support.

IV. Objectives. Recognizing all of the above, this agreement establishes the means to obtain additional integration of acquisition and materiel management resources. The parties hereto will jointly plan enhancements to automated systems with the goal of lowering costs of procuring materiel management and financial processes and with an end result of a better trained, more efficient organization for both parties to the agreement.

V. VA will:

1. Establish a joint acquisition/materiel management Executive Committee to work with the USAMEDCOM to identify and recommend related initiatives. Designated Executive Committee members are: the Associate Deputy Assistant Secretary for Acquisitions (90A) and the Associate Deputy Assistant Secretary for Program Management and Operations (90M).

2. Develop plans to provide a mutually beneficial technical exchange/sharing program designed to provide training opportunities and experience to enhance the acquisition and materiel management work force.

3. Develop joint acquisition/materiel management teams consisting of one to four people at key working level positions and develop plans for requirements that are selected by the Executive Committee.

4. Provide information to the Executive Committee necessary to analyze and document the increased efficiencies or possible cost-benefits of the partnering program.

VI. The USAMEDCOM will:

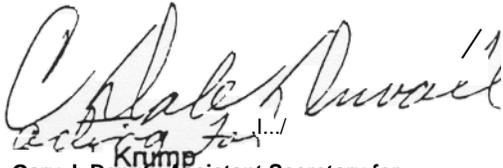
1. Establish a joint acquisition/materiel management Executive Committee with VA to identify and recommend related initiatives. Designated Executive Committee members are: the Assistant Surgeon General for Force Sustainment; the Deputy Chief of Staff for Logistics, Office of the Surgeon General; Chief of the Medical Support Division, United States Army Medical Command; and Principal Assistant Responsible for Contracting, United States Army Medical Command.
2. Develop plans to provide a mutually beneficial technical exchange/sharing program designed to provide training opportunities to enhance the education and experience of the acquisition and materiel management work force.
3. Develop joint acquisition/materiel management teams consisting of one to four people at key working level positions and develop plans for requirements that are selected by the Executive Committee.
4. Provide information to the Executive Committee necessary to analyze and document increased efficiencies or possible cost-benefits of the partnering program.

VII. VA and the USAMEDCOM agree:

1. To form task groups to develop plans to implement this agreement and to establish an Executive Committee to furnish policy guidance to the task groups.
2. The task groups will establish baselines by which process improvements, system enhancements, and cost savings/avoidance are identified, monitored, and reported to the Executive Committee.
3. To seek and develop increased capabilities to support mutually beneficial opportunities to include readiness requirements.
4. To investigate feasibility of integrating VA and Army systems to provide necessary and appropriate interfaces between contracting, materiel, financial services, and other support services.
5. To exchange acquisition reform information and seek joint acquisition reform initiatives when doing so appears mutually beneficial.


Ogdeil DeWitt. Brigadier General, USA
Assistant Surgeon General for Force Sustainment
United States Army Medical Command

Date: 21 Aug 97


Gary J. Deputy Assistant Secretary for
Acquisition and Materiel Management

Date: 7/14/97