UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

COMPTROLLER

MAY 21 1997

MEMORANDUM FOR UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Management Reform Memorandum #2 -- Moving to a Paper-free Contracting Process by January 1, 2000

The Secretary of Defense has directed that we undertake a revolution in business practices in conjunction with the Quadrennial Defense Review. He has specifically cited the need to simplify and modernize our acquisition process in the area of contract writing, administration, finance, and auditing.

In order to determine the feasibility of sweeping changes in this area, I am requesting the Under Secretary of Defense (Acquisition and Technology) to develop, by July 1, the blueprint of a plan to move to a totally paper-free contract writing, administration, finance, and auditing process. This plan should be coordinated with all of the organizations that participate in the integrated process. The plan should incorporate the Department's ongoing initiatives for use of purchase cards, electronic catalogues, electronic commerce and imaging.

I request your full cooperation in developing this blueprint.

In approximately two weeks from the date of this memorandum, I will have my secretary arrange for a meeting with the USD(A&T) to obtain a status on how this effort is proceeding.

John J. Hamre

cc: Secretaries of the Military Departments
Chairman of the Joint Chiefs of Staff