



COMPTROLLER

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



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

INFO COPY: SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF

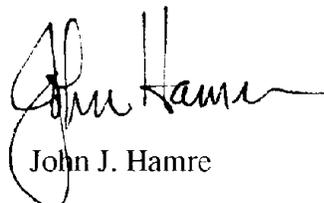
SUBJECT: Management Reform Memorandum #7 -- Streamlining the Management of Leased Property

The Department currently spends over \$900 million a year to lease buildings and property, yet there is no systematic oversight of this process. Each service and defense agency has developed its own plan and procedures in isolation, preventing the opportunity to capture efficiencies through coordinated efforts. Data on departmental leasing is inadequate and inconsistent, and is not integrated into long-term force and infrastructure planning.

I am asking the Acting Under Secretary (Acquisition and Technology) to join with me in establishing an integrated process team that would revise existing or develop new policies, and insure consistent and accurate record keeping and management of property leases on a department-wide basis. This should be undertaken in cooperation with the Director for Administration and Management. I am requesting an initial report from the team by July 1, with a final blueprint by October 1. The plan should survey business procedures and tools available in the private sector. The plan should also contain an evaluation of opportunities to shift lease administration to the private sector.

Your cooperation in supporting the development of this coordinated plan will be appreciated.

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 discuss the status of this joint effort.


John J. Hamre