



DEPARTMENT OF THE NAVY  
NAVAL SUPPLY SYSTEMS COMMAND  
1931 JEFFERSON DAVIS HIGHWAY NAVSUPINST 1541.1  
ARLINGTON VA 22241-5360 SUP OP32  
28 Apr 1995

NAVSUPINST 1541.1

Subj: NAVY ACQUISITION CONTRACTING OFFICER SUBSPECIALTY  
DEVELOPMENT PROGRAM

Ref: (a) BUPERSINST 1611.17 of 10 Jun 93

Encl: (1) Listing of Key Offices and Phone Numbers  
(2) Guidelines for Officer Development  
(3) Fact Sheet and Six-Month Report Form  
(4) ADDU Activity Letter of Nomination, and Officer  
Request for, NACO Program Completion (Example)  
(5) Application for NACO Program (Example)

1. Purpose. To discuss the opportunities presented through participation in the Navy Acquisition Contracting Officer (NACO) program; to establish procedures for applying to the NACO program; and to establish guidelines and procedures for assigned officers and participating activities.

2. Discussion

a. Career Opportunity. The NACO program offers junior Supply Corps officers the unique opportunity to assume ever increasing responsibilities and challenges in a dynamic, vital Supply Corps subspecialty. Working with both civilian and military contract specialists and managers, NACOs experience all phases of contract management in a wide array of Navy and Defense Logistics Agency (DLA) activities. NACO interns are presented the opportunity to participate in the negotiation of Navy requirements; attend contracting training courses; and experience interesting and varied "on-the-job" professional training, all under a structured program.

Many Supply Corps officers attain their post-graduate degree at the Naval Postgraduate School (NPS) as students in the Acquisition and Contract Management Degree (815) Program. Graduates of the NACO program who pursue other subspecialties at NPS, such as Financial Management (0031), Material Logistics Support (0032), Systems Inventory Management (1302) or other curricula may also attain the 1306P subspecialty through validation of their NACO training and experience and completion of any additional course work as required. This would provide a very desirable graduate level acquisition education while at the same time diversifying into another Supply Corps subspecialty. Postgraduate education may also be obtained through several Navy sponsored civilian institution programs.

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Upon graduating from NPS, NACO interns will have completed a significant career milestone and acquired a full measure of the academic credentials necessary to be a successful acquisition professional. The blending of newly acquired academic credentials with acquisition and Fleet job experience further develops officers into well rounded professionals.

b. Background. The NACO Subspecialty Development Program was instituted by the Navy to fulfill training requirements first identified in 1965 by the Secretary of Defense to develop officers for positions as senior contracting managers. The program ran continuously through November 1990, at which time the Defense Acquisition Workforce Improvement Act (DAWIA) became law. DAWIA requires that, "the Secretary of Defense shall establish policies and procedures for the effective management (including accession, education, training, and career development) of persons serving in acquisition positions in the Department of Defense." The NACO Subspecialty Development Program is the Navy's premier internship for developing Navy Acquisition Contracting Officers.

c. NACO Billets. There are numerous NACO billets located at various Navy and DLA activities. Further information on the Defense Acquisition Contracting Officer (DNACO) program may be obtained from the coordinator listed in enclosure (1).

3. Operating Policies. NAVSUP, as the major claimant and program administrator for NACOs, is responsible for selection, detailing and coordination. A separate Memorandum of Understanding exists between NAVSUP, Assistant Secretary of the Navy (Research Development & Acquisition) Acquisition and Business Management (ASN (RD&A) ABM) and DLA providing control and program guidance for the NACO and DNACO programs.

a. Administrative Cognizance. NACO billets are centrally established at the Naval Inventory Control Point (NAVICP), Mechanicsburg, Pennsylvania. DNACO billets are centrally established by DLA. ASN (RD&A) ABM is responsible for monitoring each NACO's training and development according to the guidelines contained in this instruction. Officers are screened for the NACO/DNACO program by a semiannual board held at SUP OP. NACO's receive orders to the NAVICP Mechanicsburg site, but will be assigned to one of the additional duty (ADDU) activities where a valid NACO billet exists. DNACO's receive orders to valid DNACO designated billets within DLA.

b. Activity Designation. (ADDU designation) - NAVSUP, in conjunction with ASN (RD&A) ABM, will designate Navy ADDU activities which can best accomplish NACO program objectives. NAVSUP will request establishment/disestablishment of NACO ADDU activity Unit Identification Codes as necessary. DLA shall identify to the Navy those billets designated as DNACO requirements.

c. Tour Length. The tour of duty in the NACO program, similar to other development tours, is two years. SUP OP will carefully consider both Navy and DAWIA requirements when projecting intern rotation dates.

d. Fitness Reports. Officers for both the NACO and DNACO programs are selected based on career potential and exceptional performance of duty. Senior managers have a special responsibility for their NACO's professional development as acquisition contracting managers and as Supply Corps officers. It is recognized that the special nature of this program, and the number of training courses that are required, make it extremely difficult to equitably compare a junior officer who is performing in a single specialized field with another who may be serving in several direct mission support capacities. However, senior managers must take special actions to ensure that these officers receive the challenges and responsibilities inherent in their special assignments, as well as being equitably evaluated with their contemporaries in the Report on the Fitness of Officers. Fitness reports for NACOs will be submitted per the guidelines of reference (a).

e. Officer Development. For NACO interns, the Commander/Commanding Officers of the ADDU activities, or their designated officer representatives, in addition to mentoring the officer(s) assigned, are responsible for the following administrative requirements:

(1) Individual Development Plan (IDP): Navy activities with NACOs assigned shall submit an IDP for approval to ASN (RD&A) ABM. The Commander/Commanding Officers of the ADDU activities, or their designated representatives, are responsible for preparing the development plans. Submission shall be within 30 days of the reporting date of each new NACO. The plans will be developed using enclosure (2) as a guide and will be designed to provide NACOs with a sound working knowledge of contracting. In addition to describing types and duration of developmental assignments, the plans must include quarterly formal training course schedules for the full two year tour. Changes made to the IDPs should be noted on the NACO's progress reports required by paragraph 4g.

(2) The Commander/Commanding Officers of the ADDU activity, or their designated officer representatives, is responsible for implementing the development plans, and for ensuring that all mandatory formal courses are completed. While the Commander/Commanding Officer may assign day-to-day supervision of the NACOs to other military or civilian professionals, NACOs must be exclusively afforded the opportunity to get "hands on" contracting experience. Their only other professional responsibility is participation in mandatory and optional training. They should not be assigned duties by their

command which remove them from practical learning of contracting skills, such as supervisory roles or prolonged special projects. Provisions should be made in the IDPs for periodic discussions among the NACOs, their immediate supervisors, and the officers responsible for preparing and implementing the development plans. Copies of the approved plans will be furnished to the NACOs.

(3) The Commander/Commanding Officers of the ADDU activities, or their designated officer representatives, are responsible for submitting concurrent/regular fitness reports per reference (a).

f. Formal training. All mandatory courses discussed in enclosure (3) are funded and sponsored by the Defense Acquisition University (DAU). One exception is the Business Resources Management course which is offered on an annual basis pending funding availability. The NAVSUP Training Coordinator (SUP 08) is responsible for requesting training quotas for all NACOs assigned to Navy ADDU activities. Annually, NAVSUP (SUP 08) will plan for, and request training quotas, based on projected annual selections, in order that all interns may expeditiously complete DAWIA Level I and II mandatory courses during their two year shore tour. The Commander/Commanding Officer of the ADDU activity, or their designated officer representative, is responsible for notifying the NAVSUP training coordinator of each officer's training requirements.

g. NACO Progress Reports. Each NACO will submit an informal progress report to ASN (RD&A) ABM at six-month intervals. This report should discuss the NACO's progress against the development plan, report course completions, and may include constructive suggestions to improve the program. The report should be reviewed by the officer responsible for preparing and implementing the development plan. Enclosure (3) shall be used to make the periodic report.

h. Completion Certificates. ASN (RD&A) ABM will award a certificate of completion to each officer who successfully completes all requirements of the program. The ADDU activity will nominate eligible officers by submitting a letter to ASN (RD&A) ABM, certifying that the IDP has been completed. An example nomination letter is included at enclosure (4). ASN (RD&A) ABM will:

(1) Mail the original certificate to the NACO's Commanding Officer for presentation;

(2) Ensure that a copy is forwarded to Bureau of Naval Personnel (PERS 4412), who will ensure that the certification is entered in the officer's service jacket, record assignment of subspecialty code 1306S, and record completion of DAWIA requirements.

i. Additional Obligated Service. Officers accepting official orders to the NACO program must execute an agreement to remain on active duty for a period beyond the completion of the training tour which is equal in length to the length of the training (i.e., a one-for-one return).

4. Applying to the NACO Program. Supply Corps officers (LTJG/LT) interested in the program should notify their detailer in writing. An example of the letter format is included at enclosure (5).

5. General. Recommendations regarding the program should be submitted to ASN (RD&A) ABM. Supply Corps officers interested in the program should contact their detailer.



R. M. MOORE  
Commander

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Navy Acquisition Contracting Officer Career Development  
Program Points of Contact:

Office:

Telephone:

Director, Supply Corps Personnel (SUP OP)

Head, Career Development & Training Branch (703)614-3471  
Director of Supply Corps Personnel (SUP OP31)  
Mail:  
Bureau of Naval Personnel  
PERS 4412  
Room 2501  
Navy Annex, FOB #2  
Columbia Pike/Arlington Ridge Road  
Washington, DC 20370-5000

NAVSUP Training Coordinator (703)607-1757

Mail:  
Deputy Commander for Human Resources Management  
(SUP 082)  
Naval Supply Systems Command Headquarters  
1931 Jefferson Davis Highway  
Arlington, VA 22241-5360

Assistant Secretary of the Navy  
Research, Development and Acquisition  
Deputy for Acquisition Business Management

NACO Program Liaison (703)602-2385  
Mail:  
ASN (RDA) ABM  
Room #578, CP-5  
2211 Jefferson Davis Highway  
Arlington, VA 22244-5104

Defense Logistics Agency Headquarters (Acquisition)

DNACO Coordinator (703)767-1450  
Mail:  
Defense Logistics Agency Headquarters (Acquisition)  
ATTN: NACO Coordinator  
8725 John J. Kingman Road  
Fort Belvoir, VA 22060-6112

NAVY ACQUISITION CONTRACTING OFFICER SUBSPECIALTY DEVELOPMENT  
GUIDELINES

Because of the different commodities, missions and organizational structures of activities to which NACOs are assigned for additional duty (ADDU), these guidelines are intended to permit flexibility for tailoring development to match individual and activity needs.

1. Development Assignments.

a. The purpose of the NACO program is to provide NACOs the opportunity to learn the acquisition contracting system through actual contracting work experience and formal training. Work or resource exigencies are unacceptable as reasons to deviate from the spirit and intent of the program. NACOs are not to be considered as ready resources for use in various stopgap situations. For example, it may be inappropriate to assign a NACO to a position solely to resolve a workload backlog problem. Short term (not exceeding a total of two weeks) rotation, as part of a formal command orientation program, is not precluded.

b. The NACO developmental assignments will be primarily in contracting and formal education during the two year tour. This necessary and important requirement will allow NACOs to meet DAWIA Level II requirements. The NACO should develop experience in contract management, contract policy, planning management, negotiation and administration in as many different contractual methods (formal advertised, competitive and non-competitive negotiated) and commodity types (off-the-shelf, spare parts, research, major components, services and systems) as is possible at the ADDU activity. Assignments should be progressively more complex and difficult.

c. The NACO should be rotated among different assignments and given added contracting responsibilities to provide a diversity of experience. However, the NACO should not be rotated nor assigned additional responsibilities prior to becoming reasonably proficient and productive in the current assignment. Typically, assignments may begin with a brief introduction to acquisitions under \$25,000 and progress quickly to formally advertised contracting, research and development, large dollar component buys, and system acquisition contract negotiations.

d. NACOs at systems command headquarters should receive at least one assignment involving either direct support of or duty with a designated program manager. This should develop an orientation and a working understanding of the weapon system acquisition process.

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e. Visits should be made to contractors' plants where possible. Participation in professional associations is encouraged.

2. Formal Courses. The objective is that the NACO shall achieve DAWIA Level II certification during the NACO internship. Refer to the Defense Acquisition University (DAU) Catalog (published annually) for prerequisites and procedures.

Appropriate internal courses, seminars and conferences will be attended where feasible. After-hours and correspondence courses are encouraged. The recommended optional courses may be taken as time and funds permit.

Navy Acquisition Contracting Officer Subspecialty Development  
Program  
Fact Sheet and Six-Month Report Form

<u>Rank</u>	<u>Name</u>	<u>ADDU Activity</u>	<u>Year Group</u>
<u>MM/YR Reported</u>	<u>PRD</u>	<u>Office Phone (Commercial/DSN)</u>	

TRAINING COURSES

<u>Mandatory Courses</u>	<u>Scheduled</u>	<u>Date Completed</u>
1. CON 101 Contracting Fundamentals	_____	_____
2. CON 104 Contract Pricing	_____	_____
3. CON 201 Government Contract Law	_____	_____
4. CON 211 Intermediate Contracting	_____	_____
5. CON 231 Intermediate Contract Pricing	_____	_____

Other Courses

1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____

1. Briefly describe your developmental job assignment(s) to date, indicating number of months in each assignment, and anticipated future developmental job assignment(s).

2. On the initial progress report, indicate your home address. This is necessary to expedite your receipt of training materials for the Business Resource Management course.

3. Provide other comments as desired, including suggestions to improve the NACO program or problems encountered which you believe program sponsors should be aware of.

<u>NACO's Signature</u>	<u>Date</u>	<u>Reviewer's Signature</u> (Officer responsible for implementing the Development Plan)
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Mail to:

NACO Liaison  
ASN(RDA)ABM  
Room #578, CP-5  
2211 Jefferson Davis Highway  
Arlington, VA 22244-5104

COMMAND LETTERHEAD

Date

FIRST ENDORSEMENT on LT W. B. Ellis, SC, USN (000-00-0000)  
ltr of 1 Jan 93

From: Commanding Officer, (Activity)  
To: Assistant Secretary of the Navy (Research, Development &  
Acquisition) Acquisition Business Management  
ATTN: NACO Liaison

Subj: NAVY ACQUISITION AND CONTRACTING OFFICER (NACO)  
CERTIFICATION

1. Forwarded, recommending approval.
2. Lieutenant Ellis's professional accomplishments and proven performance record as a NACO has met the requirements of the NACO program. Additionally, he is certified as Level II in the Defense Acquisition Workforce Improvement Act Acquisition Contracting career field. His professional accomplishments and proven performance will serve him well with an Acquisition/Contract Management (1306S) Subspecialty code.
3. Lieutenant Ellis has proven his dedication and professionalism. He will continue to be a valuable asset to the Supply Corps with the Acquisition/Contract Management Subspecialty code.

Signature

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Date:

From: LT W. B. Ellis, SC, USN (000-00-0000)  
To: Assistant Secretary of the Navy (Research, Development &  
Aquisition) Aquisition Business Management  
ATTN: NACO Coordinator  
Via: Commanding Officer, Activity Name

Subj: NAVY ACQUISITION AND CONTRACTING OFFICER (NACO)  
CERTIFICATION

Ref: (a) NAVSUPINST 1541.1  
(b) DOD 5000.52M Career Development Program for  
Acquisition Personnel

1. Per reference (a), I request the subspecialty code 1306S. I have been assigned to the (activity name) for the past 24 months as a NACO intern. My accomplishments (and/or) involvement have included the following:

a. Upon completing my tour, I have met (will meet) all of the requirements for DAWIA Level II Certification.

b. Significant involvement.

c. ASN (RDA) is looking for indications that the officer has accomplished everything the NACO and his command set out to do on the Individual Development Plan submitted at the beginning of the tour.

2. In addition, please list any comments regarding the NACO program: communication with ASN (RDA); access to training courses; etc.

3. If anything further is required I can be reached at: (Please include current address and phone number at work and home, and any known phone and mail information on your next duty station.)

Very respectfully,

LT, SC, USN

Enclosure (5)

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Date:

From: LT(JG) W. P. Ellis, SC, USN (000-00-0000)  
To: Director, Supply Corps Personnel (SUP-OP)  
Department of the Navy, Washington, DC 20376-5000  
Via: Commanding Officer, (ship or activity name)  
  
Subj: APPLICATION FOR THE NAVY ACQUISITION AND CONTRACTING  
OFFICER PROGRAM  
  
Ref: (a) NAVSUPINST 1541.1

1. Per reference (a), I request to become a Navy Acquisition and Contracting Officer.
2. (Discussion of career interests, other reasons of interest in the program, and any qualifications which may apply, if any.)
3. If anything further is required I can be reached at: (Please include current address and phone number at work and home.)

Very respectfully,

LT(JG), SC, USNR

Enclosure (5)