



# Acquisition Reform Update

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## Acquisition & Logistics Reform (A&LR) Week 2000 Highlights

This edition of *AR UPDATE* recognizes the hard work and dedication of the Acquisition Reform (AR) community in planning the very diverse and all encompassing areas of acquisition and logistics reform. As you read through this newsletter, we hope you gain an even greater appreciation for the teams of people who put these fascinating programs together. The breadth and depth of topics certainly provide a better understanding of the issues and areas of interest and concerns throughout the Headquarters activities and our representatives around the world. We appreciate the inputs from you. If you would like to share more about your A&LR Week activities, please forward the information to the Acquisition Reform Office (ARO). We will highlight your "week" in a future publication.



The Navy ARO kicked off the week at the Department of Defense (DoD) Pentagon Courtyard ceremony. An annual highlight of the event is the recognition of the David Packard Excellence in Acquisition Award Winners. The DoN was proud to be represented in this esteem group by the United States Marine Corps Advanced Amphibious Assault Vehicle (AAAV) MARK 46 Weapon Systems Team. Many Department of the Navy (DoN) representatives

participated in presentations throughout the day.

This year the DoN focused on a regional concept to better reach the acquisition workforce. The Navy Kick-Off event was held at the Marriott Crystal City on 23 May and was co-hosted by the Assistant Secretary of the Navy (Research, Development & Acquisition) (ASN (RDA)) ARO and the Naval Sea Systems Command (NAVSEA). Local Navy organizations were invited to participate in the day's activities. VADM George Nanos, COMNAVSEA, provided the opening remarks. Ms. Eileen Roberson, the ASN(RDA) Acquisition Reform Executive welcomed the guests. Dr. H. Lee Buchanan, ASN(RDA), provided his stimulating view of the accomplishments in AR and its future. VADM Conrad C. Lautenbacher, OPNAV (N8), provided a view from the customer, our warfighter. RADM Roland B. Knapp, PEO Carriers, enlightened us with the Fleet's perspective. Mr. Stan Soloway, USD (AR), spoke about DoD's view of the future and led us towards a timely discussion by Mr. Skip Hawthorne, Office of the Under Secretary of Defense (Acquisition, Technology & Logistics) (AR) and Mr. Denis Catalano, NAVSEA, on the new DoD 5000 rewrite. Mr. Bill Shaefer, Deputy ASN PP&R, led a panel discussion of our DoN David Packard Award Nominees.

## Navy International Program Office (IPO) Celebrates A&LR Week

The Navy IPO held its 5th annual Acquisition and Logistics (A&L) Reform Day on 24 May at the Navy IPO building on Nebraska Avenue in Northwest Washington, DC. Since this Command deals in security assistance and international programs, A&L Reform in these areas was the primary focus for the Command's reform day. Deputy Director, Gibson LeBoeuf opened the session for the IPO's 52 acquisition

Command personnel, by welcoming the gathering and addressing several high level IPO reform projects.

Mr. LeBoeuf was followed to the podium by L/COL Karen Currie, from the Defense Institute of Security Assistance and Management (DISAM) in Dayton, OH. L/COL Currie is the resi-

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## NAVSEA AR Team Provides Wide Choice of AR Topics

NAVSEA Headquarters, affiliated PEOs, and affiliated Field Activities supported Acquisition and Logistics Reform Week 2000 throughout the month of May and June. Below is a listing of the wide variety of topics that were attended. These topics were presented in various formats, including: presentations, briefs, panel discussions, workshops, video presentations and satellite broadcasts. In addition to NAVSEA sponsored events, NAVSEA personnel attended other AR related events, such as A&LR Week 2000 Kick-Off at the Pentagon, NETOP 2000, and the Southwest Regional Consortium Acquisition Reform Day.

### Topics:

- Contractor Logistics Support (CLS)
- Commercial Off-the-Shelf (COTS)
- Commercial Operations and Support Savings Initiative (COSSI)
- Contractor Performance Assessment Reporting System (CPARS)
- Total Ownership Cost (TOC)
- Knowledge Management
- Standardization Improvement Program
- T-ADC(X) Program and the Impact of AR
- The Shipbuilder and Supervisor—Partners in Navy Ship Construction
- DAWIA Update
- New Role & Skill Sets for Contracting Professionals
- CACM/CPCM Workshop
- Changes in Small Business Size Standards and National American Industry Classification System (NAICS)
- Commercial Services Contracting
- DoD Standard Procurement System (SPS) - Now and in the Future
- FAR Updates
- General Accounting Office Protests
- Government Payment Maze
- Heart Intelligence: High Performance Strategies for Managing Change
- Innovating Contracting Approaches
- Negotiation Techniques
- Performance Based Services Contracting
- Professional Versus Personal Life Balances
- Report Card on Past Performance Implementation in Source Selection
- Northeast Regional Maintenance Initiatives
- How Northwest Regional Maintenance Initiatives Impact Q.A. Activities
- Four Steps to a Performance Work Statement
- Technical Paperless Acquisition Initiatives
- Impact of Regional Initiatives on SUPSHIP Engineering
- Incentivizing Contractor Performance
- Concept of Operations—Total Ownership Cost
- Success Story—SYQ-13
- Business Process Improvement—Common Acquisition Documentation Architecture
- Business Process Improvement—MK30 MOD 2 IPT Implementation
- Partnering with Commercial Industries
- Business Process Improvement—Web Communication in the MUW Community
- Sustain Drydock
- DoD 5000

NAVSEA'S list of keynote and senior level speakers for this year's A&LR events was long and distinguished. Their insights and knowledge were key to the success of this year's events.



### *Did you know?*

*This year's A&LR Week 2000 theme was "Embracing Change for the 21st Century Warfighter".*

## Navy International Program Office Celebrates A&LR Week

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dent acquisition expert on the DISAM staff and had spoken at other Navy A&L Reform Day functions. L/COL Currie emphasized information sources and provided a list of international acquisition-related web sites which participants were encouraged to explore during the day's non-classroom training times.

Dr. William Epstein then provided an overview of continuing education requirements for acquisition workforce members and the various options available to attaining credit towards the 80 point, two year requirement.

The afternoon session consisted of IPO's two directorates providing concrete examples of reform and reinvention in their respective areas of expertise. IPO-01 concentrates on technology transfer, disclosure, and cooperative program issues, while IPO-02 is involved in security assistance operations. Three short presenta-

tions from each directorate provided the combined audience with information on what was happening both within their own areas and in the separate but related directorate.

To close the training session, IPO's two directorate heads, Mr. Stan Hicks and Captain Tom Keithly devised a very humorous, yet extremely information "debate" format discussing the premise of the future viability of foreign military sales. While both parties defended their own domain, the not so subtle, yet good-natured barbs provided some very interesting discussion points which were not lost on the audience. Following a thought-provoking question and answer session, Mr. LeBoeuf closed the session by thanking the participants for the day's events and praising the debaters on their acquisition knowledge and oratory skills.

## Space and Naval Warfare SYSCOM Addresses Program Office and Regional Interests

Over 800 participants attended the Space and Naval Warfare Systems Command (SPAWAR) hosted Acquisition and Logistics Reform Week 2000 events on May 24 held in the Marine Corps Theater. COMSPAWAR, RADM Gauss, provided opening remarks. CAPT Dave Carey, USN (Ret.) drew upon his experiences as a Prisoner of War for over five years. He reminded the attendees of the power stored within each of us that adversity can help unlock. He related to his audience with fresh, motivating ideas. More important than anything else that could be said of CAPT Carey, is that he exemplifies the ideas he presents. CAPT Carey's motivational message—DOING WHAT YOU HAVE TO DO—stresses that each of us has the opportunity and the power to make every day a little better, in spite of, not because of, the events that occur in our lives.

The day's activities continued with presentations on the new DoD 5000 by Mr. Denis Catalano, NAVSEA; Earned Value Management by Mr. Gary Christle, Office of the USD(AT&L)/AR&A/PM; and Logistics by Ms. Peggy Ingerski, SPAWAR O4L.

Breakout Rooms were provided to address:

- DCMA—Managing Suppliers. Defense Contract Management Agency's related their risk management approach for managing suppliers under DCMA's cognizance. Critical to this approach is the identification of

the suppliers' key processes and systems, and the risk they pose to DoD acquisitions.

- Mr. Tony Vellucci, Joint Venture Program Manager of Space and Sensors Associates, discussed the necessary ingredients for a joint venture, the development and formation of a charter, and the benefits—both tangible and intangible—to be derived by Government contracting agencies. Representatives from three joint venture partners were available for a question and answer period.
- The North American Industrial Classification System. This system is expected to replace the Standard Industrial Classifications Codes effective 1 Oct 2000. The San Diego Regional Electronic Commerce Resource Center and the Small Business Administration San Diego discussed the planned conversion and effects on small business.
- Joint Ventures 101 and North American Industrial Classification System were topics of regional interest.

SPAWAR also participated in the ARO-sponsored AR Breakout Sessions 2000 from 30 May–2 June 2000. Training topics included: Knowledge Management, Contractor Supply Support, Risk Management and Total Ownership Cost. Approximately 113 people attended these sessions.

*"CAPT Dave Carey's motivational message ... stresses that each of us has the opportunity and the power to make every day a little better, in spite of, not because of, the events that occur in our lives. "*

## Naval Supply Systems Command — Taking AR Around the World

The Naval Supply Systems Command Headquarters and its many activities embraced A&LR Week with their fascinating topics and speakers. The Headquarters sponsored a 2-day program featuring speakers, Ms. Eileen Roberson, BGEN Leon Wilson, and CAPT Peter Hyers spoke respectively on AR Status, AR and Working with the National Institute for the Blind/National Institute for the Severely Handicapped (NIB/NISH) community, and the DoN Smart Card. Workshops included Knowledge Management, Earned Value Management, Cost As an Independent Variable, Paperless Initiatives, Smart Card, Serial Number Tracking, Automatic Identification Technology, Next Generation Workforce, Quality of Life Issues, E Portal and Enterprise Resource Planning. Over 125 acquisition members attended the ceremonies and workshops.

FISC San Diego teamed with SPAWAR for their program this year. (See article on Page 2.)

FISC Puget Sound sponsored a session for the Navy activities in the area. Workshops included: Best Value, Simplified Acquisition Procedures and Market Research/Commercial Items; Contractor Performance Assessment Report System (CPARS) and Red/Yellow/Green, Earned Value Management, Cost As an Independent Variable, and Purchase Card. Demonstrations were provided on Electronic Initiatives and Vision for the 21st Century covering One Touch Supply, Automated Non-Standard Requisition System (ANSRS), CPARS, and Wide Area Workflow.

FISC Jacksonville teamed with local Navy activities at the AR/SAP Fair, "Training Conference and Trade Show," on 19-20 Apr 00. Key-note speakers included RADM Jenkins and Ms. Eileen Roberson, from ASN(RDA).

FISC Norfolk sponsored an interagency program with over 2,200 attending. Workshops included: Certified Associate Contract Manager (CACM) Workshop/Certified Professional Contract Manager (CPCM) Workshop; Changes in Small Business Size Standards; Commercial Services Contracting; DoD Standard Procurement Systems/Now and in the Future; FAR Updates; General Accounting Office (GAO) Protests; Government Payment Maze; Heart Intelligence; High Performance Strategies for Managing Change; Innovative Contracting Approaches; Negotiation Techniques; Performance Based Service Contracting; Professional vs. Personal Life Balances; Report on Past Performance Implementation in Source Selection. An Executive Panel addressed the New Role and Skill Sets for Contracting Professionals. The Keynote

speaker was Mr. Elliott Branch, Director of Procurement, District of Columbia.

FISC Yokosuka hosted a 2.5 day contracting improvement seminar. In addition to the seminar several in-house training workshops were held covering topics identified during their annual Quality Assurance Review and Procurement Performance Management Assessment Program Review, purchase card issues, and other quality issues. Fluctuating currency rates, problems associated with purchase card acceptance by overseas vendors, and Simplified Acquisition Procedures problems for remote overseas sites were also addressed. The audience included numerous Navy sites in the region, Puget Sound and Pearl Harbor representatives, Citibank representatives and NAVSUP spokespeople.

NRCC Naples conducted its A&LR week event on 31 May 2000 in conjunction with the Engineering Field Activity, Naples with guest attendees from other area contracting commands for a total of 41 participants. The event was opened by CAPT Darby, Commanding Officer. In keeping with the expanded logistics theme, a featured presentation was "Logistics Initiatives in the Mediterranean" presented by Lt. Ihlenfeld from the Naval Air Station, Sigonella. He discussed the many steps being taken to improve logistics support in-theatre, largely by consolidating materials, increasing visibility and forward staging. In line with their goals to become business managers, a presentation on the history and status of European Union with an emphasis on its economy was made by Dr. Maria Rizzo of the University of Maryland. The remainder of the day was focused on the following topics: Electronic Commerce / Paperless Contracting; Electronic Funds Transfer Overseas; Electronic Document Access (also called Non-Appropriated Funds Instrumentality (NAFI)); Public Key Infrastructure; the Standard Procurement System; and Information Systems Security Issues.

NRCC Bahrain and Dubai viewed the video entitled "Defense Reform Initiative Checkpoint 2000—On the Road to Excellence," viewed nine internet training sites and held round table discussions on FAR Part 13.5, Service Contracts, Fleet Support Logistics and Workflow Issues.

NRCC Naples Det London addressed new legal instruction for Justification and Authorization; SPS Update; Competitive Sourcing; Commercial Item Priorities; DRI Checkpoint 2000 video; and the new Contract Review Board (CRB) Instruction.

### *Did you know?*

*Over 2,500 NAVSUP acquisition members participated in A&LR Week activities.*



## Strategic Systems Program (SSP) Tests AR Knowledge — “Who Wants to be a Millionaire?”

*SSP used an innovative quiz approach to test their team's knowledge of Acquisition Reform.*

The SSP A&LR Day 2000 event, held on 6 June, stressed individual and team contributions in applying the tenets of A&LR within SSP. It also covered general DoD and Navy progress in A&LR as well. RADM Dennis Dwyer provided an A&LR Day introduction, presented awards and conducted the day by having the six Acquisition Award winners describe how they had used A&LR in their jobs, by providing other presentations, and by involving all in an A&LR quiz derivative of Regis Phibin's "Who Wants to be a Millionaire" TV quiz show.

The SSP Acquisition Award winners, W76/MK4 Reentry Body Arming and Fuzing Team, START Compliant Telemetry Acquisition Team, Commercial Services Acquisition Team, MTRE MK 11 Acquisition Team, TRIDENT II (D5) Procurement IPT, and the TRIDENT II (D5) SWFPAC D5 Acquisition IPT highlighted the successes of their programs. The agenda also featured presentations on DoD 5000, logistics reform, and an overview of current initiatives.

Before the A&LR Week event, tapes of the headquarters speakers, as well as electronic copies of the presentation materials, including the millionaire game show questions and rules, were forwarded to the field activities. They were free to use the material, substitute it, or supplement it with materials tailored toward their local needs.

SSP Headquarters had approximately 210 people in attendance. The personnel were from acquisition and acquisition-related fields, including contractors and some non-acquisition personnel. This is approximately 95% of SSP's acquisition workforce. Almost 100% of the field activity acquisition and acquisition-related personnel participated in their A&LR Day.

## NAVAIR Patuxent River Provides Comprehensive Program

The Naval Air Systems Command (NAVAIR) Team presented a broad range of activities in support of A&LR Week 2000 throughout May to government and industry personnel. Starting on 8 May through 11 May, over 24 different training modules were provided as a special offering of the Management of Naval Aviation Acquisition Process (MNAAP) Course. The courses covered topics such as: The Competency Aligned Organization and Acquisition Management; Decision Milestones; Cost Analysis; Source Selection; Contracting Management; Acquisition Environmental Safety and Health; R&D as Applied to Acquisition; The Program Executive Officer's Perspective; Integrated Logistics Support and many more interesting and appropriate topics.

On the morning of 15 May, VADM Lockard, COMNAVAIR, and Mr. Stan Soloway, DUSD(AR), hosted an awards ceremony recognizing the NAVAIR's Team contributions to acquisition reform. In the afternoon, CAPT Bob Cowley (AIR 2.0) served as moderator for a lively exchange between leaders of the public and private sectors. The panel members, RADM Bill Jenkins, Deputy for Acquisition Business Management, ASN(RDA); Mr. Ed Will, Director, Contracts & Pricing for Acquisition Streamlining at The Boeing Company; Mr. Jim Newman, Director of Strategic Supply Chain Systems of Raytheon Company; Mr. Nick Kuzemka, Corporate Director,

Acquisition Management Lockheed Martin Corporation; and Mr. Jim Nehman, Deputy PEO(T), Tactical Aircraft Programs explored the potential of on-line business exchanges to improve government/contractor business relationships, supply chain management, and warfighter support.

On 22 May, Mr. Denny Distler, Program Director for Enterprise Solutions, addressed NAVAIR's approach to Enterprise Resource Planning, a far-reaching endeavor designed to dramatically improve the way we do business. Additionally, NAVAIR's Knowledge Management (KM) Strategy Lead, Gail Chenevey discussed KM, a "cutting edge" acquisition initiative.

On 23 May, Brig. Gen. Jack Hudson, the Joint Strike Fighter Program Deputy Director, shared a number of state-of-the-art acquisition techniques being used by the Joint Strike Fighter (JSF) program and how JSF logistics development embodied acquisition reform. All of the events the MNAAP presentations were taped and are available for loan from the NAVAIR AR library.

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## 1999 Acquisition Award Winners

### 🏆 David Packard Excellence in Acquisition Award

United States Marine Corps Advanced Amphibious Assault Vehicle (AAAV)  
MARK 46 Weapon System Development Team

### 🏆 Defense Acquisition Executive (DAE) Certificate of Achievement

- \* TOMAHAWK All-Up-Round Program Team (NAVAIR/PEO (CU))
- \* W76/MK4 Reentry Body Arming and Fuzing Team (SSP)
- \* Enterprise Licensing Team (Don CIO)
- \* Interim Fast Attack Vehicle Team (MARCORPS)
- \* Navy Aircrew Ejection Seat (NACES) IPT Team (NAVAIR)
- \* Regional Mediterranean-wide Husbanding Services (NAVSUP/NRCC Naples)
- \* START Compliant Telemetry Acquisition Team (SSP)

### 🏆 Defense Certificate of Recognition for Acquisition Innovation

- \* Joint Navy/Industry Power Supply Team (DoN ABM)
- \* Power Electronic Building Blocks (DoN ONR)
- \* Advanced Amphibious Assault Vehicle (MARCORPS)
- \* PM-LAV (MARCORPS)
- \* PNAM Demolition Kit C-4 Team (MARCORPS)
- \* Commercial Helicopter Team (MSC)
- \* Commercial Operating and Support Savings Initiative (NAVAIR)
- \* RTCASS (NAVAIR)
- \* FY 99 SLAM ER Procurement Team (NAVAIR)
- \* Think-Pack Parachute System IPT (NAVAIR)
- \* T-45 CLS Competition Team (NAVAIR)
- \* Joint Standoff Weapon Program Team (NAVAIR/PEO(TT))
- \* Contracting (NAVFAC (LANTDIV/PWC))
- \* Expedited Task Order Process Team (NAVSEA)
- \* Flexibility in Contracting Team (NAVSEA)
- \* A-RCI and the Advanced Processing Build Team (NAVSEA)
- \* LPD-17 (NAVSEA)
- \* Ring Laser Gyro Navigator Project Team (NAVSEA)
- \* DD 21 Program Acquisition Team (NAVSEA)
- \* Raytheon Value Engineering Team (NAVSEA/PEO (TSC))
- \* James Fleet Support Center (NAVSEA/PEO (TSC))
- \* Navy/Marine Corps PCAS Team (NAVSUP)
- \* Contracting Consolidation Team (NAVSUP)
- \* Interagency Business Opportunities Page Team (SPAWAR)

### 🏆 DoN Acquisition Reform Certificate of Excellence

The extensive list of winners of the DoN AR Certificate of Excellence is available on the ARO web site at [www.ar.navy.mil/alrweek2000/alrwk20002.html](http://www.ar.navy.mil/alrweek2000/alrwk20002.html).

**Congratulations to all of our winners !**

## Naval Facilities Engineering Systems Command Shares their A&LR Week Activities

Many of the Naval Facilities Engineering Systems Command's activities chose to spread A&LR Week 2000 throughout the year. The South Division conducted a one day event to include topics such as Bundling/Hubzone, Design/Build, Utility Privatization A76, Smart Business Practices, CMS/Skill Assessment, Regional BOS, and Paperless Initiatives. They also conducted a briefing on "DAWIA for Engineering" and "The Engineering Community".

The Atlantic Division held their activities on 9 May, partnering with the local National Contract Management Association chapter, all Navy activities, FISC, MSC, and DFAS, GAO and SBA. Topics included Innovations, Risk Management, Past Performance, Performance Based Service Contracting, and Commercial Contracting.

The Engineering Field Activity Midwest had

over 40 contracts and engineering personnel participate in their one-day event. Their topics of interest were: Unitized Heating Contracts, Utilities Privatization, Electronic Bid Sets, and an Acquisition Overview

The Northwest Division partnered with their local FISC activity in March to coincide with a visit by RADM Bill Jenkins, Deputy Acquisition Business Management, ASN(RDA). Best Value Commercial Contracting and Market Research, Cost As an Independent Variable, CPARS, Electronic Initiatives and Purchase Cards topped their list of interests.

The West and Southwest Divisions join together each quarter. The sessions generally parallel guidance from OSD, including lessons learned, PMAP, and any changes.