ACQUISITION REFORM UPDATE

The Navy Acquisition Reform Newsletter   March/April 1999

SPECIAL FOCUS ON SPECIFICATIONS AND STANDARDS

STANDARDIZATION

CAPT Sam Collins

Standardization Key to Acquisition Success

Standardization is at the heart of the Department of Defense's Joint Vision 2010. The Navy's Departmental Standardization Officer CAPT Sam Collins explains, "The specifications and standards conversion process is largely complete. The Standardization Office is focusing on helping the acquisition community work with the new processes. In the years since we began the Acquisition Reform effort with a program to replace Military Specifications and Military Standards with performance specifications and commercial standards, the working environment in the acquisition community has changed dramatically. While people have become more comfortable with the idea of using MIL-SPECS and MIL-STDS only where appropriate, they still struggle with the new processes."

CAPT Collins goes on to say, "We do not have convenient ways to share information among programs about what works and what doesn't, an Acquisition Reform Lessons Learned system if you will. The AR Web site has great potential for such a forum, and I am looking at ways to make better use of it. I also have access to other programs we may be able to leverage."

CAPT Collins' varied background including two sea commands, two shore commands, and as Nuclear Weapons Stockpile Program Manager at the Department of Energy - allows him to join the efforts underway with no pre-conceived ideas while he quickly absorbs the language and processes of the Acquisition community.

In addition to four other sea tours, CAPT Collins has also served ashore as Intelligence and Plans Officer on the staff of Commander Submarine Group SEVEN in Yokosuka, Japan and, most recently, as Deputy and Chief of Staff to the Commander, Joint Warfighting Center, Fort Monroe, VA. He is a graduate of the U.S. Naval Academy and the Naval War College. If you have ideas about the DoN's Standardization efforts please write to: [collins.robert@hq.navy.mil]

In this issue

Visit the AR website
www.acq-ref.navy.mil

Message from the Acquisition Reform Executive

Eileen Roberson

We all understand that there is a need to accelerate fundamental change in the way we conduct our business affairs and we are all working hard to improve our business processes. Each change we adopt takes us one step closer to our goals. As we look around us, the rate of environmental change has been exponential. In an effort to learn how to best support the acquisition workforce in this environment, we have reviewed your survey feedback, conducted interviews, and held strategic planning sessions. We want you to know that WE HAVE HEARD YOU!

From your inputs, we are convinced that the workforce is no longer looking for the "What to do"; rather you're looking for the "How to do". First, we must enable workforce proficiency in continuous process improvement. That is, we must provide tailored products and implementation services that truly help make your job easier.

Second, we must provide an environment within the DoN wherein your ideas and innovation will be met with enthusiastic embrace. We must eliminate the historical process and policy barriers to smart acquisition.

Third, we must ensure effective communication - upward, downward, and across programs. We must capture and share timely relevant information, especially best practices.

This approach tackles the more complex, even cultural aspects of Acquisition Reform. By working together, we will be able to significantly improve our business processes.

Share Your Lessons Learned And Good News Stories

Acquisition Reform Update, March/April 1999 (Volume 6, No.2)

This issue of the Acquisition Reform Update is the second in a special series of newsletters, each focused on an acquisition reform theme of special interest to members of the acquisition community. This issue provides an update on Specification and Standards Reform, a long-standing reform initiative within the Department of Defense. Standardization is at the heart of Joint Vision 2010 which stresses that interoperability is achieved through standardization. Articles cover topics such as the Single Process Initiative, the Government-Industry Data Exchange Program, and World Wide Web resources. Guest editor for this issue: Capt. Sam Collins, Navy's Departmental Standardization Officer.

Visit the AR website www.acq-ref.navy.mil

Standardization Efforts Continue

CAPT Sam Collins

" . . . the Department of Defense must increase access to commercial state-of-the-art technology and must facilitate the adoption by its suppliers of business processes characteristic of world class suppliers." Thus, former Secretary of Defense William Perry began the process to transition the Department of Defense (DoD) from reliance on military specifications and standards to widespread use of performance and commercial specifications and standards. In the four and one-half years since, the Navy/Marine Corps team has made significant strides in this direction, and the path is clear to making military-unique requirements the exception rather than the rule.

As this effort has progressed, many have come to believe that they can never use military specifications and standards in acquisition programs. This is unequivocally NOT TRUE! The Milestone Decision Authority can approve waivers for the use of military specifications and standards when there is no acceptable non-governmental standard or when their use is not cost effective. In certain military-unique applications, military specifications and standards are clearly appropriate. The Department of Defense's goal is not elimination of all specifications and standards, but to reduce the use of governmental specifications and standards to only those essential to our purposes. The goal is to use them only when no other acceptable solution exists. The Navy/Marine Corps is working with the Standardization Offices of other Services and the DoD to develop and identify tools, techniques, and other information processes to assist the acquisition community to use specifications and standards effectively. For example, *Turbo SpecRight!* (available at the Acquisition Reform web site www.acq-ref.navy.mil) provides assistance for developing performance-based specifications. Also, the Government-Industry Data Exchange Program (GIDEP) has established a "Standardization Forum," an e-mail list server to promote and facilitate dialog between government and industry.

With a view toward assisting our efforts to reduce the differences in business practices between government and industry, the Defense Standardization Program is working in new areas. The Single Process Initiative (SPI) is an effective tool to identify opportunities for industry to standardize on common processes within a facility or across facilities. It has also been effective in eliminating or minimizing differences in business practices when facility contracts involve multiple Services. Using SPI as a framework, we have a pilot project underway to examine the use of commercial packaging in military applications. On-going Civil/Military integration efforts will use SPI as an essential tool. The Joint Technical Architecture (JTA) Version 2.0, expands the applicability of JTA beyond the C4I realm, with a view toward improving interoperability. The Defense Standardization Program will have a major role in implementing and monitoring JTA.

Each Systems Command is represented by a Command Standardization Executive (CSE) who acts as a key resource in the Navy/Marine Corps Standardization program. Use the CSE to help resolve questions and to identify ways to improve the program. Everyone should recognize that our goal is to make the standardization program effective in improving our acquisition processes. This process must not stand-alone; it must integrate with the Navy/Marine Corps' efforts to reduce Cycle Time and Total Ownership Cost.

COMMAND STANDARDIZATION EXECUTIVES

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If you do not see a CSE identified for your activity, contact the Navy Acquisition Reform Office (703-602-5506) for a point-of-contact.

Forty Year Old Program Saves DoD Millions Through Cost Avoidance

Sandy Kraft

From humble beginnings in 1959 as the Interservice Data Exchange Program, the Government-Industry Data Exchange Program (GIDEP) achieved government and industry cost avoidance of at least $40 million during each of the last two years, from an annual investment of about $5.5 million. GIDEP is a cooperative activity among government and industry participants to exchange technical information during research, design, development, production, and operational phases of the life cycle of systems, facilities, and equipment.

GIDEP was originally established among the U.S. Army, Navy, and Air Force to reduce duplicate testing of parts, components, and materials in ballistic missile systems. It now includes over seventeen hundred government and industry partners sharing an enormous variety of data. The GIDEP database collects and distributes unclassified and non-proprietary technical data in several areas:

♦ Defective parts and materials notices (Safe-Alerts, Problem Advisories, Agency Action Notices), engineering data, metrology data (calibration procedures, technical manuals, metrology reports).

♦ Product information (Diminishing Manufacturing Sources, Product Change Notices, Product Information Notices).

♦ Reliability-Maintainability Data and Urgent Data Requests for both government and industry, commercially available items.

Cost avoidance is just one benefit GIDEP provides to its users. Some programs have avoided production delays and weapon system downtime by using GIDEP Urgent Data Requests (UDR) to identify alternate sources for material or components when the original manufacturer no longer provides support. When the original development parts were no longer available for an Army radar system transitioning from development to production, program personnel used GIDEP to identify acceptable substitutes and avoided delays in system delivery. The Air Force avoided downtime and significant redesign/reprocurement costs on the C-5 Galaxy by using a UDR to identify an alternative source for engine tachometers. In both of these examples, program offices were able to reduce acquisition cycle time and total ownership cost by making use of GIDEP.

Programs that derive the greatest benefit from GIDEP are those that make use of it in their routine operations such as the Strategic Systems Program (SSP), a long-time user of GIDEP. Last year, their contractors reported a cost avoidance of nearly $5M while avoiding potential system downtime. Through early analysis of Diminishing Manufacturing Sources data, SSP contractors are able to identify alternative sources of supply or the need for component redesign before an operational impact occurs. NASA routinely searches the GIDEP database for non-conforming parts before every Space Shuttle and other major mission launch. Their proactive use of GIDEP data allows NASA engineers to identify problems with the potential to affect mission safety and correct them prior to launch.

Data collection, storage, analysis, and distribution have evolved with enhancements in information technology moving from hard copy to an on-line, World Wide Web-based system available twenty-four hours a day, seven days a week. The Department of the Navy manages GIDEP under a charter from the Joint Logistics Commanders, with funding from the military services, the Defense Logistics Agency, the National Aeronautics and Space Administration (NASA), the Department of Energy and the Canadian government. Any Government activity that acquires supplies, services, facilities, and equipment for the government may be automatically authorized to become a GIDEP participant. The only requirement levied on users of the program is to submit a utilization report, at least annually, documenting cost savings or avoidance. Any industrial organization that supplies items or services, directly or indirectly, to the U.S. government or Canadian Department of Defence can join GIDEP.

GIDEP currently relies on user reports to capture cost savings and avoidance based on actual user experiences. The program is working to develop tools to allow more accurate accounting of this information in the future.

If you are looking for a quick, easy way to improve your program's cost, reliability, maintainability, and readiness performance, contact CAPT Sam Collins, the GIDEP program manager for more information [collins.robert@hq.navy.mil or 703.602.2123]. You can also visit the GIDEP Operations Center [www.gidep.corona.navy.mil]

Participating GIDEP Government Organizations

U.S. Army
U.S. Navy
U.S. Air Force
U.S. Marine Corps
Defense Logistics Agency
National Aeronautical and Space Administration
Department of Energy
Department of Labor
Department of Commerce
General Services Administration
Federal Aviation Administration
U.S. Postal Service
National Institute of Standards and Technology
National Security Agency
Canadian Department of Defence

UPCOMING EVENTS

For Specific Event Information: [www.acq-ref-navy.mil]

Hampton Roads Network 99
5 May 99

Location: Virginia Beach Pavilion

Executive Panels and roundtable discussion focusing on Acquisition Reform and Logistics.

Acquisition Symposium of DSMCAA
18-20 May 99

Sponsors: Defense Systems Management College Alumni Association

Location: DSMC, Fort Belvoir, VA.

Government/Industry Collaboration: How Far Can We Go? Help us answer this question and others through a series of interactive workshops, panels and briefings.

ASNE Day 1999

New Challenges for a New Millenium
21-22 May 99

Sponsors: American Society of Naval Engineers

Location: Hyatt Regency Crystal City, Arlington, Va.

Acquisition Logistics Reform Week

Change Through Ex-Change Conference
7 June 99
0845-1200

Sponsor: H. Lee Buchanan, ASN RD&A

Location: Crystal City Forum, Arlington, VA

Two years ago, the DoN implemented the Change Through Ex-Change process to provide visibility of our program successes and to promote the sharing of ideas in a structured, creative environment. This year the DoN is strengthening this process to include formalized review, focus and refinement. The results of this new cyclical process will be the identification, implementation and measurement of DoN Best Practices. View in person, internet or satellite broadcast.

OSD Kick-Off Event
8 June 99
0900-1530

Sponsor: William S. Cohen, Secretary of Defense

Location: Pentagon Courtyard

Opening ceremony will honor the Packard Award winners. Speakers and panelists from OSD and the Services will address pertinent acquisition and logistics reform topics. Booths and displays demonstrating acquisition and logistics reform successes will be available throughout the day.

Virtual Town Hall Meeting
10 June 99
1300-1500

Sponsor: H. Lee Buchanan, ASN RD&A

Location: Acquisition Center of Excellence, Washington Navy Yard

This year's Town Hall will provide an opportunity for a live audience to speak directly to Dr. Buchanan and a small panel of senior leaders. Satellite communications will allow interactive discussions from several sites across the continental United States. The acquisition community will also be able to share their thoughts and questions via the internet, telephone and facsimile transmissions. View the Town Hall live on the Defense network, internet or satellite broadcast.

Understanding Specs & Standards

Paula Howard

Former Secretary of Defense William Perry's memorandum, "Specifications & Standards - A New Way of Doing Business", dated 29 June 1994, directed the Department of Defense (DoD) to implement the Team's recommendations and to use performance specifications and non-government standards. Recognizing that there would be cases when military specifications would be necessary, their use was authorized (as a last resort) provided an appropriate waiver was obtained.

There were tens of thousands of these military specifications that the government viewed as containing necessary military-unique requirements. This memorandum caused the government to re-examine our total population of military documents to ensure that we properly designated those that were written in performance terms and to identify those that could be transitioned to non-government standards (NGSs).

The definitions of "performance specification" and "non-government standard" (NGS), as stated in MIL-STD-961, "Department of Defense Standard Practice for Defense Specifications," are:

♦ **Performance specification**. A specification that states requirements in terms of the required results with criteria for verifying compliance, but without stating the methods for achieving the required results. A performance specification defines the functional requirements for the item, the environment in which it must operate, and interface and interchangeability characteristics.

♦ **Non-Government standard**. A standardization document developed by a private sector association, organization, or technical society that plans, develops, establishes, or coordinates standards, specifications, handbooks, or related documents. The term does not include standards of individual companies.

The military specifications that are written in performance terms are designated as "MIL-PRF." These specifications may be cited in solicitations without obtaining a waiver. Military specifications that do not carry the MIL-PRF designation are considered detail specifications and require a waiver to cite them in government solicitations. These will either be identified by "MIL-(letter)-XXX" or "MIL-DTL-XXX". Further guidance on the different categories of specifications and standards, including non-government standards, and policy concerning their use is available in the Defense Standardization Program Manual, DoD 4120.3-M, and various DoD numbered policy memos. All of these documents as well as training opportunities are on the Defense Standardization Program website [www.dsp.dla.mil].

Visit the AR website
www.acq-ref.navy.mil

Standardization Resources on the World Wide Web

Defense Standardization Program [http://www.dsp.dla.mil/]

DoD policy is to promote standardization of materiel, facilities, and engineering practices to improve military operational readiness, reduce total ownership costs, and reduce acquisition cycle time. It is also DoD policy to state requirements in performance terms, wherever practical, and to make maximum use of non-Government standards and commercial technologies, products, and practices. To pursue these policies, there is a single, integrated DSP and a uniform series of specifications, standards, and related documents.

ASSIST On-line [assist.daps.mil/online/]

The ASSIST-Online is a robust, comprehensive web site providing access to current information associated with military and federal specifications and standards in the management of the Defense Standardization Program (DSP). Managed by the DoD Single Stock Point (DoDSSP), Philadelphia, ASSIST-Online provides public access to standardization documents over the Internet. ASSIST-Online includes many powerful reporting features and an exhaustive collection of both digital and warehouse documents. ASSIST is the official source of DoD specifications and standards.

GIDEP [www.gidep.corona.navy.mil/]

GIDEP (Government-Industry Data Exchange Program) is a cooperative activity between government and industry participants seeking to reduce or eliminate expenditures of resources by making maximum use of existing information. The program provides a media to exchange technical information essential during research, design, development, production and operational phases of the life cycle of systems, facilities and equipment.

Turbo SpecRight! [www.acq-ref.navy.mil/specright/]

Turbo SpecRight! is a tool for converting to or developing performance-based specifications.

Navy Provides Help with Performance-Based Specs

The Navy designed the web-based tool, *Turbo SpecRight!*, to assist the acquisition community in understanding and implementing performance-based specifications. *Turbo SpecRight!* describes how to develop new specifications, how to convert military specifications (MIL-SPECs) into performance-based specifications (MIL-PRFs), and provides general and specific information on preparing specifications. It leads the user through the process of selecting the appropriate type of specification for the intended acquisition and suggests methods for salvaging important information contained in MIL-SPECs being proposed for cancellation.

Throughout the various topics contained in *Turbo SpecRight!*, "best practices" are provided which may be specification and standards reform. *Turbo SpecRight!* is not a template for preparing specifications. Instead, it provides guidance on moving through the twists and turns of specification policy. *Turbo SpecRight!* is intended to provide an intellectual guideline or tutorial process for generation of performance specifications. While the "how to" links are there, and the writing tools are provided, the thrust is to aid the decision processes in selecting the right type of specification to meet the offeror's needs, and when appropriate, in conversion from detail to performance specifications.

Turbo SpecRight! will help acquisition professionals to develop a rational, prioritized, cost-sensitive approach to managing the specification writing and conversion process. When a decision is made to execute a specification conversion, this tool will fully support the conversion process with the aim of assisting the creation of a quality product that will pass scrutiny and challenges throughout the entire review and approval cycle, and best meet the user's needs.

Single Process Initiative Paves Way for Partnering with Industry

Vic Jordan

The Single Process Initiative (SPI) is a Department of Defense (DoD) acquisition reform initiative that permits contractors to replace government-unique business and manufacturing processes with commercial equivalents. One of the most positive changes resulting from SPI has been increased partnering between government and industry. The DoD is no longer in a position to impose restrictive process requirements without paying a premium price for them. Similarly, industry is being challenged to find new ways to satisfy DoD mission requirements at a much cheaper cost. The cumulative effect has been an increase in the use of commercial processes and continuing refinement of the SPI process itself.

SPI allows contractors to use their most efficient business and manufacturing processes to reduce or eliminate the use of military standards and specifica-

tions. To date, SPI has reduced government reliance on military standards and specifications, and has initiated fundamental changes in the role of the acquisition professional and the DoD procurement process. It has also helped pave the way for an accelerated transition to a performance based business environment (PBBE) that maximizes the use of commercial items and practices.

SPI has moved from its conceptual roots as a contract block change mechanism to a more global acquisition change tool. It has expanded beyond the bounds of a single facility to include corporate-wide processes. DoD plans to use SPI as a key tool to achieve long-term civil/military integration (CMI) goals, reducing the distinction between DoD and its commercial customers. Specifically,

♦ DoD can capitalize on state of the art commercial processes without the associated development and testing costs.

♦ DoD will inherit the benefits of improved technology, product ingenuity, and quality of goods and services.
♦ DoD will reduce overall mission support costs.
♦ DoD and industry will share the risks associated with joint business efforts.

Government and industry must continue to work together to remove the barriers that inhibit acquisition change, positioning themselves to compete in the streamlined business environment of the future. SPI is an important tool in this transition, providing a common sense approach to reduce or eliminate many of the barriers that inhibit collaborative business efforts between government and industry.

Business as Usual

Navy Process
Air Force Process
Army Process

• Same Function
• Multiple Processes
• More Cost

SPI

Common Process

Navy
Army
Air Force

• Same Function
• Common Process
• Best Practices
• Cost Reductions