

Sales Through the DoD 5000 Process

The Defense Commissary System

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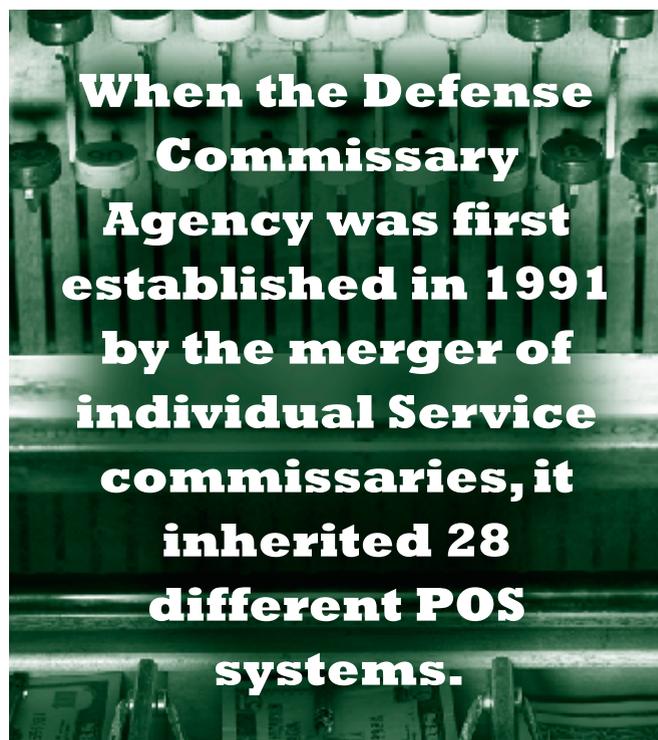
Following DoD policy, the Defense Commissary Agency (DeCA) self-identified its new commissary point-of-sale system—the Commissary Advanced Resale Transaction System (CARTS)—for DoD 5000 process review in 2003. CARTS was designated as an Acquisition Category IAM (ACAT IAM) program, as its funding exceeded both the \$32 million single-year and \$126 million total program thresholds (both FY 2000 dollars). CARTS thereby became the first known Major Automated Information System (MAIS) acquisition program to go through the revised 2003 DoD 5000 process from program inception. This article summarizes DeCA's experience with the process and presents lessons learned and best practices that future programs might employ.

Providing the Commissary Benefit

DeCA manages DoD commissaries to provide a non-pay compensation benefit to military personnel and other designated beneficiaries. Two hundred and sixty-three commissaries around the world provide groceries and household items at cost, with savings that exceed 30 percent over their civilian counterparts. The commissary benefit is consistently listed as one of the top quality-of-life benefits in surveys of military personnel. Commissaries also serve the DoD by enhancing recruitment, retention, and readiness.

Within every store, the point-of-sale system is the center of operations and a key customer interaction point. A POS system is the collection of checkout lanes, terminals, scales, printers, and other equipment; along with a server to manage prices and quantities, record transactions, and communicate with DeCA headquarters. DeCA commissaries contain more than 3,000 checkout lanes.

When DeCA was first established in 1991 by the merger of individual Service commissaries, it inherited 28 different POS systems. DeCA fielded its first unified and modernized POS system in 1996. In 2002, it modernized the server hardware and software and extended the commercial maintenance contract to May 2008. By that date, the checkout equipment will have withstood 12 years of hard wear and tear. DeCA initiated the POS re-



placement program in 2003 to both replace aging equipment and provide customers with new features such as self-checkout lanes, gift cards, and electronic coupon and check verification.

It's Just a Cash Register

DeCA falls under the human resource management mission area of the Office of the Under Secretary of Defense for Personnel and Readiness (OUSDP&R). DeCA first identified the program to P&R in a meeting in 2003. The DeCA PM staff soon became immersed in the Office of the Secretary of Defense ACAT I review process. This included supporting integrating integrated product team (IIPT), working-level integrated product teams (WIPTs), and the Networks and Information Integration Overarching Integrated Product Team (OIPT) meetings, reviews, and other briefings to review the CARTS program. The CARTS program kickoff meeting with the IIPT was in December 2003. It had two immediate results.

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First, DeCA needed to more clearly define its operating environment, requirements, and alternative solutions to the OUSD(P&R) stakeholder team, with primary input coming from the DeCA user community to justify the program need. This was addressed by OUSD(P&R)'s forming a WIPT to work with DeCA on program requirements, and DeCA's providing a new and more detailed briefing to describe the program. Over the next few months, DeCA and OUSD(P&R) representatives met many times, and the briefing underwent even more revisions. Admittedly, there were times when we had to ask ourselves why we were going through this process as a major program, given that we were not developing a major weapons system but simply buying 3,000 sets of commercial grocery store checkout lanes and approximately 280 store back-office servers with supporting commercial off-the-shelf (COTS) software. However, we always concluded that the process was inherently good, and the guidelines were flexible enough to accommodate a COTS system.

Second, OUSD(P&R) wanted DeCA to establish a more robust program management team. DeCA made organizational adjustments that included establishing a program management office (PMO) to oversee all DeCA programs, and recruiting and appointing co-author Comer as the full-time Defense Acquisition Workforce Improvement Act (DAWIA) Level III-certified (Program Management) CARTS program manager. After researching the program office composition of several major point-of-sale-vendors, Comer set up a matrix-supported CARTS PMO. The core functionality of the PMO came from three major DeCA directorates: Resource Management provides the program control function; Information Technology provides the system engineering function; and Operations provides the logistics support function. This arrangement, with augmentation from the user community, provided the PMO with a dedicated CARTS integrated product team (IPT). DeCA also appointed a DAWIA Level III-qualified program executive officer to oversee all its acquisition programs.

Process Tailoring: A Grocery CARTS' Worth of Documentation

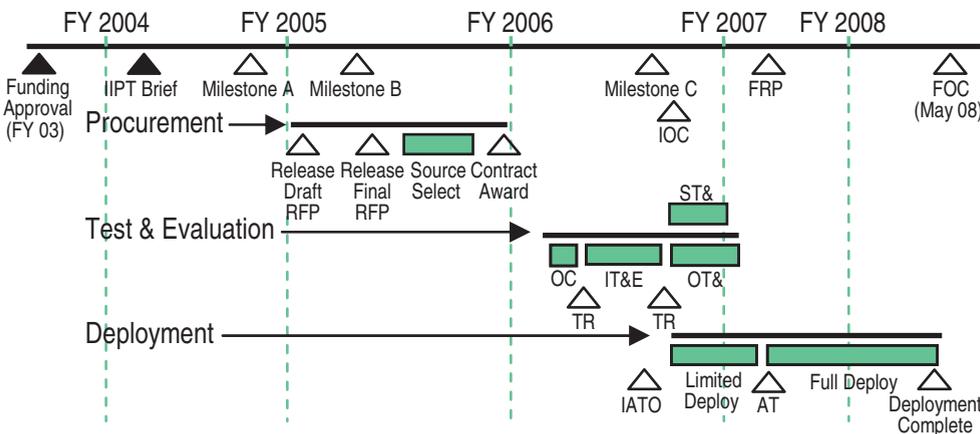
The DoD 5000 process requires development of a number of documents to describe the project and explain how the program will be planned and managed throughout its life cycle. The following is a partial list of key acquisition documents that detailed our planning activities:

- Initial Capabilities Document
- Analysis of Alternatives
- Capabilities Development Document
- Acquisition Strategy
- Economic Analysis
- Technology Readiness Assessment
- Information Support Plan
- Test and Evaluation Master Plan
- System Engineering Plan.

Program managers live for the challenge of guiding a program through the various milestones. After all, they spend years training for the opportunity and are excited to get to work; however, that excitement can sometimes turn to frustration if the resources are not available to accomplish the mission, or if there is a lack of leadership support. The leadership support at DeCA has been outstanding. Realizing early on that it did not have government resources to spare for the required planning and to develop the related acquisition documents, DeCA obtained the services of the Logistics Management Institute to assist with developing documents and providing PM support. This additional support allowed DeCA to tackle the documentation requirement aggressively while still ensuring quality. Each document was reviewed by the DeCA IPT and submitted for DeCA-wide staff review before being submitted to OSD for coordination.

Only a few documents required multiple reviews or had significant issues. One was the Analysis of Alternatives, which went through extensive review by OUSD(P&R). Issues included coming to agreement on the range and definition of the alternatives and how well the cost estimates supported them. Those discussions also affected the subsequent, more detailed Economic Analysis. Another was the Technology Readiness Assessment, where the issue was whether it should even be required at all, since DeCA's solution was to acquire commercial products that had proven track records in the commercial grocery industry; required no software development or integration; had no military application; would not interface with any military application; and would not require the imple-

Initial CARTS Deployment Schedule



Nineteenth International Defense Educational Arrangement (IDEA) Seminar



June 11-15, 2007
To be held in Fort Belvoir, Va.

The 19th International Defense Educational Arrangement (IDEA) Seminar will be held at the Defense Acquisition University (DAU) campus on Fort Belvoir, Va., from Monday, June 11 to Friday, June 15, 2007.

The seminar objective is to improve the economy, efficiency, and effectiveness of international training and education for acquisition/procurement management by active cooperation among national defense educational institutions with similar goals.

The seminar will be a theme-based format, with seminar panels; will include an industry day; provide for individual participation; and will provide positive information exchange and feedback.

The seminar is sponsored by IDEA, which consists of defense acquisition educational institutional representatives from the United States, United Kingdom, Germany, France, Spain, Sweden, and Australia.

Attendees are Defense Department/Ministry and defense industry employees from the seven sponsoring nations who are actively engaged in international defense acquisition and training programs. Other nations may participate by invitation, and it is anticipated that several Pacific countries will attend this year.

Contact an IDEA team member
for additional seminar information:

United States: 703-805-2308 or 5151, or e-mail:
internationalseminars@dau.mil.

Updated information can be found on our Web site at
<www.dau.mil/international/international.aspx>.

**The Commissary
Advanced Resale
Transaction System
became the first
known Major
Automated
Information System
acquisition program
to go through the
revised 2003 DoD
5000 process from
program inception.**

mentation of any new technology. After some discussion, DeCA agreed to complete a brief submission. The Technology Readiness Assessment was, in some ways, reflective of the entire document suite, in that the DoD 5000 documents are understandably oriented toward large-scale military and weapons systems applications, but not all DoD systems—such as CARTS—fit that mold.

Overall, the various OUSD(P&R) staff specialists who reviewed the documentation did so quickly and were helpful in addressing comments. Several of DeCA's documents were cited by OUSD(P&R) representatives as being very well-executed and models for future programs.

We are Here to Help

The DeCA CARTS PM first met with OUSD(P&R) representatives to identify the program in 2003. Both the Milestone Decision Authority—assistant secretary of defense for networks and information integration (NII)—and the under secretary of defense (P&R) assigned staff representatives to work with DeCA. These two key individuals and the DeCA PM worked together through Milestones A and B and, at the time of writing, are still doing so as the project moves toward Milestone C. As noted earlier, DeCA first briefed the program to the full OSD IIPT in December 2003. The next two months were spent working with the program WIPTs to develop a common understanding of the program. After that period, most of the interac-

tions focused on working with individual OUSD(P&R) offices and on reviews of specific documents. Most of the work was accomplished electronically, with each document formally approved by both DeCA and OUSD(P&R) as the final process.

Throughout, the NII and P&R representatives were cognizant of progress and issues. As the program drew near to Milestones A and B, they conducted weekly teleconferences with the CARTS PM to review action items and to ensure that the project remained on schedule and achieved the milestone. These weekly teleconferences were key to identifying and resolving issues early, thus keeping the program schedule on track.

The OUSD(P&R) staff often get a bad rap for being too bureaucratic, inflexible in their interpretation of the acquisition guidelines, and for not being willing to help. It is no wonder that PMs sometimes shy away from this kind of help. However, those involved in the CARTS program found working with the OUSD(P&R) staff an enjoyable experience that was truly beneficial to the program. Like all programs, CARTS had its inherent risks—such as a very aggressive schedule that appeared to be exacerbated when coupled with the OUSD(P&R) oversight and approval process. During a discussion of the schedule risk, the NII Overarching Integrated Process Team leader commented to a nervous PM and PEO that he and his OUSD(P&R) staff would help make CARTS a success. Those words have held true today and were backed up by a staff of true professionals who were consistently devoted to the program throughout the process.

Lessons Learned

In a program as large as CARTS, and with details of the new DoD 5000 process still being ironed out, everyone learned many lessons. A post-Milestone B review between DeCA and OUSD(P&R) identified the following as among the most important:

- DeCA benefited by identifying the CARTS program, at its inception, for DoD 5000 oversight and by embracing the process. Early meetings between DeCA and OUSD(P&R) staff clarified the program goals and DoD 5000/Joint Capability Integrated Development System (JCIDS) process requirements for both sides. DeCA and OUSD(P&R) established a core team of action officers who stayed on the project throughout and who coordinated and staffed the program with management and other stakeholders at both DeCA and OUSD(P&R).
- DeCA established a dedicated program team, led by an acquisition-qualified PEO and PM; and an internal stakeholder team that mirrored the OSD IPT functions.
- The OUSD(P&R) staff was committed to both the review process and DeCA's program schedule. The staff worked closely with DeCA on planning activities and document review, providing timely responses and increasing communications and coordination as the pro-

gram neared milestones. The Human Resources Management Mission Area representative was particularly proactive in monitoring OUSD(P&R) reviews and the project schedule.

- DeCA used the DoD 5000 documents as its primary program documentation and guides, not just as required "shelfware" paperwork. DeCA hired a contractor experienced in both the DoD 5000 and DeCA business functions in order to apply the focused resources and develop high-quality documents for DeCA review and approval prior to submission to OUSD(P&R). This minimized the number of cycles and potential delays between OUSD(P&R) and DeCA and also promoted confidence within OUSD(P&R) concerning DeCA's management of the project. The contractor participated directly in DeCA/OUSD(P&R) meetings and worked directly with OUSD(P&R) specialists on technical issues. This also reduced review and cycle times.

The Outcomes

Milestone A was achieved in February 2005, and Milestone B in November 2005. As a direct result of program success, the MDA delegated milestone decision authority to the DeCA director in the Milestone B acquisition decision memorandum. Both of these milestones were approximately a quarter behind DeCA's initial schedule. However, the OUSD(P&R) staff were cognizant of the criticality of DeCA's procurement and deployment schedules and, through the past year's work, developed sufficient confidence in the program's approved acquisition strategy to allow DeCA to release the final Request for Proposal to industry before obtaining Milestone B approval. Because of the close collaboration between DeCA and the OUSD(P&R) staff, the project remained on schedule. DeCA's initial 2003 program schedule called for contract award in September 2005. The contract was actually awarded in December 2005 (see the graphic on page 25).

DeCA's CARTS program was the first to go through the revised 2003 DoD 5000 process from program inception to Milestone B. It was an ACAT IAM, using a full-and-open-competition acquisition strategy for COTS hardware and software, and was an atypical DoD application. Despite these potential hindrances, through close cooperation between DeCA and the OSD staff, it was successfully managed through the DoD 5000/JCIDS and procurement processes without major deviation from the program schedule or direction. The program is currently in the system development and demonstration phase, with the results to be seen in commissaries near you in 2007, and with a projected full operational capability by May 2008.

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