The answer to tackling any large federal acquisition resides in the old adage of “How do you eat an elephant? One bite at a time.” We ignore the advice “one bite at a time” and in doing so, are consumed by the Department of Defense (DoD) acquisition process.

Tackling an Acquisition Category (ACAT) I program with its cornucopia of required acquisition documentation and full menu of processes and reviews in one bite seems insurmountable at best and, at worst, impossible to achieve. However, if you view “eating the elephant” as an opportunity to modify and streamline the acquisition process in order to obtain more comprehensive results (one bite at a time), then the “elephant” becomes much easier to consume.

If you are fortunate enough to stand up an acquisition program, you have a unique opportunity that expands both knowledge and experience. Removing the burden of legacy decisions provides the perfect opportunity to mold the program from your perspective. This article discusses the tailored acquisition approach of a
commercial-off-the-shelf (COTS) solution for the Department of the Navy (DoN) Electronic Procurement System (ePS), a Major Automated Information System and an ACAT IAC Defense Business System (DBS).

Ask anyone to describe the DoD Acquisition Program Life Cycle and the response probably will reference the DoD Instruction rather than provide a succinct, descriptive answer. Instead of a deep dive into acquisition regulations, let’s look at the beginning phases of the acquisition life cycle and highlight the DBS management activities accomplished by Navy Enterprise Business Solutions (PMW 220).

The point where a program officially begins depends on how much preliminary work has been accomplished on it. Ideally, a DBS program begins strategizing about acquisition tailoring early in the Materiel Solution Analysis (MSA) phase. It is accepted business practice to tailor all acquisition programs wherever possible to improve cost, schedule and performance.

Navy ePS grew out of a need to revitalize or replace the existing DoD Contract Writing System (CWS), known as the Standard Procurement System (SPS), used by every Service. The DoD developed and deployed SPS in the late 1990s. With increases in program and contract sizes, the DoN needed a new, fully integrated and auditable CWS. The MSA phase identified an estimated 723 distinct requirements. Market research confirmed that several COTS solutions could fit the bill. An analysis by the ePS team determined that a COTS solution could eliminate a large portion of the Technology Maturation phase. This set the stage for the ePS program to embrace a proactive tailored approach as an official part of its Acquisition Strategy. It is important to note that any program seeking to tailor programmatic requirements must secure approval from a Milestone Decision Authority (MDA) via an Acquisition Decision Memorandum prior to implementing any tailoring methods.

Documentation tailoring began with regulatory documentation requirements for the Request for Proposal—Release Decision (RFP-RD) point. The most significant tailored requirement was combining the Acquisition Strategy and Acquisition Plan (AS/AP) into one document. The combination of these very similar documents, rather than staffing two separate acquisition documents, saved time and manpower.

The Capability Development Document and Capability Production Document were replaced by the Capability Requirements Document (CRD). Signed on Feb. 4, 2016, the CRD was a significant accomplishment for the ePS team. CRD approval means that the program can use System Performance Measures (SPMs) instead of the Joint Capabilities Integration and Development System Key Performance Parameters. SPMs capture the minimum operational effectiveness and suitability attributes required to achieve the overall desired capabilities for ePS. SPMs also contain threshold and objective values verifiable by testing and other analysis. Since ePS will be DoN-specific, joint requirements are not necessary. This also meant ePS would not be a Joint Requirements Oversight Council (JROC) interest program or subject to JROC oversight.

As the ePS program continued to proceed, other documentation fell into place. A rough order of magnitude (ROM) cost estimate was developed in October 2016 in lieu of an independent cost estimate. The Cost Analysis Requirements Document, Life Cycle Sustainment Plan, Program Protection Plan, which includes the Cybersecurity Strategy and System Engineering Plan, were all approved at the Program Manager or Program Executive Office level by Dec. 5, 2016.

The ePS team tailored the acquisition approach in coordination with the Service Acquisition Executive and the Office of the Secretary of Defense (OSD), with approval from the MDA. It is important to note, that Frank Kendall, then the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)), stated that, “tailoring should and could be discussed in the Acquisition Strategy.” The comment granted ePS the flexibility to pursue innovative tailoring methods as
The idea for a Navy ePS grew out of a need to revitalize or replace CWS, known as the Standard Procurement System (SPS), developed and deployed by the DoD in the 1990s for the military. SPS has been the DoN’s primary contract writing system and contracting data exchanger. Initially developed for simplified acquisitions, today SPS issues more than 75 percent of DoN contracts and modifications.

Patched and updated several times to increase its longevity and usefulness, SPS was never intended for complex major contracts. The need for revitalization or an entirely new system was quickly becoming more apparent. The Navy needed a new contract writing capability, able to meet the contract writing requirements of the 21st century for effective deal initiations, management, termination, close out, and auditability across the full spectrum of Navy and Marine Corps contracting environments.

Recognizing the need for a new or updated CWS, the USD(AT&L) initially directed the development of a new CWS and a halt in the use of SPS by Sept. 30, 2017. That date has been revised to no new awards, agreements, or orders by Sept. 30, 2020, with the system to “sunset” by Sept. 30, 2023. Military departments and agencies were delegated the responsibility to fund, develop and field a replacement CWS within the DoD Business Enterprise Architecture (BEA) boundaries while ensuring data standardization, electronic data transfer, and data visibility across all relevant systems.

In addition to its use as a CWS, Navy ePS will also serve as the DoN’s system of record for the official contract file. The system will have the flexibility to interface with Navy, the DoD and federal electronic systems as needed to meet all stakeholder requirements. Data captured through system automation and distributed through interface transactions are critical elements in supporting the DoN’s Financial Improvement Program and enabling the DoN’s vision of clean financial statements. The ePS also will comply with the National Defense Authorization Act of 2013 direction that DoD writes all contracts electronically by 2018.

The Program began at the MSA phase with the Analysis of Alternatives (AoA) Study Plan in September 2012, followed a few months later by the AoA in 2013. Navy ePS achieved a Materiel Development Decision on April 1, 2013. The Navy Resources and Requirements Review Board approved the ePS AoA in May 2014. The preferred alternative in the AoA is a COTS CWS with COTS middleware that provides an interfacing capability for the CWS, allowing integration and maintenance in the DoN enterprise. Following the AoA’s recommendation, the program intends to invest in a COTS solution, supplemented by gap-closures methodologies such as Business Process Management tools and COTS middleware.

The ePS will provide the DoN with standardized, comprehensive end-to-end (E2E) contract management for services, supplies and construction. The ePS also will support mission-related assistance using assistance agreements, such as grants, and will deliver the following functional/technical capabilities:

- Provide robust functional capabilities to support the E2E Procure-to-Pay process.
- Capture data at the source (i.e., no redundant data entry via touch labor).
- Leverage a data-centric and standard-compliant design for data storage and exchanges.
- Enforce business process controls and system controls to support an unqualified audit opinion.
- Inform decision making through available, accurate, timely and visible reporting.
- Comply with DoN-specific architecture and environmental constraints (e.g., Navy Marine Corps Intranet).
- Deliver a flexible solution that allows prompt and cost-effective changes.
- Support 100 percent of the DoN contracting actions in a fully auditable and traceable environment.
- Provide a secure computing environment that implements critical security controls and capabilities.

The result of a successful Navy ePS implementation will be a contracting process workforce that is well informed and completely empowered to write accurate and timely contracts in support of the warfighter, including management of the data flows into and out of the deal-making space.
The ePS team learned myriad lessons during this stage of the development and execution of its tailoring approach—and captured them in a database for future activities and socialization among other program teams.

To keep all parties abreast of evolving tailoring activities, the ePS team held recurring Acquisition and Engineering Working Integrated Product Team meetings with DoN-OSD stakeholders. This mitigated program risk and allowed stakeholders swift access to a COTS solution, resulting in accelerating the projected program schedule. Working sessions occurred as part of the documentation development process to address significant issues early in the process and to get real-time stakeholder buy-in. This approach enabled timely resolution and response to significant and critical issues as they arose.

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Program Offices engaging in a DBS should apply the following lessons early as activities may take nearly 12 months to complete, and documentation requirements may change during the development and staffing process. The three key lessons learned are (1) allow sufficient time to staff and process acquisition documents; (2) develop standard templates, illustrations and identify responsible parties; (3) and collaborate across functional areas to ensure production of greater descriptive depth and well-written requirements and documents.

The ePS program is poised to deliver an automated DoN CWS that adheres to DoD Information Technology business principles and fulfills congressionally mandated auditability and Financial Improvement and Audit Readiness (FIAR) requirements. In conclusion, the Navy ePS tailored acquisition approach is proactive, innovative, and fully supports DoD acquisition instructions and DoD Better Buying Power 3.0 tenets. The approach encourages thoughtful planning and early program assessment to minimize unnecessary bureaucracy and low-value added processes in major investment decisions supporting delivery of vital operational capability to the warfighter.

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