



SECRETARY OF THE ARMY
WASHINGTON

MAY 23 2002



MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Business Initiative Council (BIC)

The Business Initiative Council (BIC) continues to gain efficiencies and enhance our business practices through web-based technologies and streamlined procedures. Our initial Army BIC efforts were extremely productive. As a result of your response to my data call on February 11, 2002, 27 initiatives were presented to me and the Executive Steering Committee for approval. We approved 15 initiatives, identified six others that are already ongoing, and are still working two others. We expect that eight of those approved will have Department of Defense (DoD) applicability. The initiative summaries and status are at enclosure 1.

At the DoD level, the BIC approved a fourth set of initiatives on March 18, 2002. These initiatives are described in the enclosed memorandum from the Under Secretary of Defense (Acquisition, Technology and Logistics). I encourage you to review these initiatives for applicability to your organizations and to inspire innovative approaches to your business practices.

This effort has demonstrated the good ideas that exist in your organizations. These ideas enable us to continuously review processes, rules and regulations, and available business tools to create an environment of constant improvement to support The Army Vision. To build on the momentum we are experiencing, I direct each addressee to submit an additional initiative not later than June 30, 2002. I look forward to reviewing your initiatives.

Thomas E. White

Enclosure
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ARMY

SUBJECT: Business Initiative Council

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SUPERINTENDENT, U.S. MILITARY ACADEMY

Army Business Initiative Council - May 8, 2002

The Secretary of the Army has approved the following initiatives under The Army's Business Initiative Council (BIC). Seven of the initiatives are Army unique while the remaining eight will also be submitted to the Department of Defense's Business Initiative Council to receive consideration for benefits that could be extended across all military services and other DoD activities.

ARMY UNIQUE INITIATIVES:

- **Elimination of Pre-printed Letter Head:** This initiative terminates the use of pre-printed letterhead by using computer-generated letters and memoranda that include the letterhead with the official seal that can be printed from templates. Although there may be some requirement for special embossed letterhead for ceremonial or official correspondence sent outside the Army, this initiative will aid in the move toward a paperless headquarters environment. Efficiencies will be recognized through timelier formatting of actions with reduced document printing error rates and eliminating the need for special equipment to complete an action.
- **Streamline HQDA Staff Action Process:** This initiative will create a single, web-based collaboration site to facilitate the efficient coordination, processing and tracking of actions. It will provide a centralized authoritative source for action offices and leadership and decrease action cycle-time as well as supporting movement of the headquarters to a paperless organization.
- **Standardize HQDA Staff Procedures:** This initiative will provide standardized and centralized staff action and correspondence templates. It will provide a centralized authoritative source for Actions Officers, thus decreasing formatting times, while reducing error rates and action officer training time.
- **Streamline Army Regulation Publishing:** This initiative will update the business process of drafting, staffing, and finalizing for publication Army regulations by utilizing collaborative tools. The resulting benefit is a centralized authoritative source for staffing and coordination of regulations. In addition, this initiative will decrease regulation development cycle-time, reduce error rates, and support the movement of HQDA from information-based to a knowledge-based organization.
- **Enterprise Configuration Management:** This will create an enterprise-level configuration management process that provides a multi-purpose, web-enabled, centralized tool set to support enterprise-wide decision-making on information technology (IT) capital planning, management and

investment strategy. The result will be the capability to provide more accurate technical requirements analysis, which will contribute to development of an enterprise-level IT investment strategy with increased accuracy in forecasting resource requirements.

- RM Online: The Resource Management Online is a web-based system designed to support major command and installation-level resource management requirements (both dollars and manpower). The system is Army Knowledge Online compliant and is compatible with Army IT architecture. While the Army will not establish a standard Army MACOM system, RM Online has been identified as one potential system for MACOM use.
- Limited Liability Company: This initiative will establish a Federally Enacted Limited Liability Company (LLC) at the Aberdeen Test Center (ATC). The ability to generate business and higher facility utilization will reduce costs to all customers and maintain the facility for Army usage. The initiative will also increase access to industry and academia intellectual capital and support reinvestment of ATC's share of excess revenue in Army infrastructure.

ARMY INITIATIVES SUBMITTED TO THE DoD BIC:

- OMB Circular A-97 Contracting Services with Government: This initiative will amend Office of Management and Budget (OMB) Circular A-97 to allow contracting as a service under the Intergovernmental Cooperation Act (31 USC 6505). The initiative will cut the time it takes for state/local governments to get needed assistance and thus put The Army and other Federal Agencies in a better position to respond to emergency situations.
- E-Mail Distribution of Contract Documents: By using Procurement Desktop-Defense (PD2) capabilities, contract document distribution can be expedited. PD2 permits the creating of contract award and modification documents in secure MS Word format, where signatures cannot be altered or deleted, which are easily transmitted to electronic mail recipients. This results in paperless work, reduces contract distribution costs and cycle time and increases document tracking and accountability.
- Guaranteed Fixed Price Remediation: These contracts guarantee regulatory closure at environmental restoration site(s) at a fixed price. As part of the agreement, the contractor buys insurance to protect against major cost overruns. It is anticipated that the process will be standardized, as the contractor will work directly with regulators, thus reducing Army oversight and effecting cost avoidance associated with The Army's standard environmental restoration contracting practices.

- Standardized TRICARE Coverage: This initiative would eliminate separate enrollment requirements in each region and standardize a universal one-time enrollment into TRICARE. This would ensure continuous health care services are provided for sponsors and family members during moves between regions.
- Accounting for Contractor Services: The Secretary of The Army recently approved the re-establishment of The Army's contractor reporting system, which is designed to obtain contractor work year information and identify organizations supported. This initiative recommends Army test the system for possible use DoD-wide. The Army's system provides visibility over contract resources in programming/budget process, improves audit trail and validation of manpower requirements, and ensures that manpower and force allocation decisions are more credible and auditable.
- Modify OMB Circular A-34: When an executive branch agency does work for State and Local governments, A-34 requires that the customer make advanced payments prior to the work being performed. However, if work is done for other federal agencies, costs can be reimbursed after the fact. The requirement to pay in advance of work performance often conflicts with State laws and prevents DoD from responding quickly, especially in emergency situations. This initiative will modify A-34 to eliminate the requirement for advanced payment by State and Local governments.
- Recovery of Unused Airline Tickets: This initiative focuses on improving the recovery of unused airline tickets. The result is an avoidance of funding losses to the government – effecting both improvements to internal controls and resource stewardship.
- Reserve Component (RC) Reimbursement Authority: The Acquisition, Logistics and Technology community frequently uses contractors to support systems acquisition and logistics functions. This initiative calls for using active component appropriations to reimburse RC appropriations for RC personnel on active duty for special work in support of systems acquisition and logistics functions. The effort will ensure soldier expertise is included early on in the development cycle and provides a means if support for short-term requirements.

ON-GOING INITIATIVES INCLUDED IN ARMY BIC

- Utilities Privatization: Streamline the process when a regulated utility is clearly the preferred source, accept other than “fair-market value” as consideration for conveying a utility system; and base decisions on tariff-based pricing instead of life-cycle cost economic analysis to achieve a best value deal.

- Transformation Installation Management: Provides a corporate structure focused on installation management.
- Municipal Services Partnership: Partner with municipalities for base support services at selected installations.
- TRADOC Knowledge Management System: Develop a web-based system to help focus the organization on acquiring, storing and utilizing knowledge.
- CCIMS Travel Order Module: Automated system that matches travel allocations with travel order preparation and certification.
- Flat Rate Stipend to Cell Phone Users: Reimburses official use of personnel cell phones at a flat rate stipend.

DISAPPROVED INITIATIVES

- Manage Civilian Manpower to Budget
- Consolidate DoD Civilian Personnel Services
- ARNG Financial Management System (withdrawn for further study)