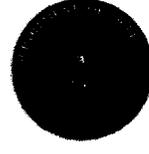


DEPARTMENT OF DEFENSE



BUSINESS INITIATIVE COUNCIL (BIC)

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS **DEC 16 2003**

CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST & EVALUATION
COMMANDERS OF THE COMBATANT COMMANDS
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION & MANAGEMENT
DIRECTOR, FORCE TRANSFORMATION
DIRECTOR, NET ASSESSMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Business Initiative Council's (BIC) Approval of Initiatives

The BIC Executive Steering Committee (ESC) and Executive Directors (EDs) briefed the members of the BIC (the Secretaries of the Military Departments, the Vice Chairman of the Joint Chiefs of Staff, the Under Secretaries (P& R), and (C), and myself) on December 10, 2003 and requested approval for the eleventh round of initiatives. These initiatives will improve the processes and policies associated with tactical radio acquisition; reduce redundant reporting requirements for Major Automated Information Systems, implement an integrated supply discrepancy report process; improve the tracking and reporting of cross service exchanges of supplies, services and payments between the Military Departments and other nations; increase standardization of parts to reduce logistics footprint and lower costs; eliminate unnecessary financial controls that impede efficient procurement of ammunition; and increase the ability of DoD to leverage proven cost savings and efficiency programs as well as best practices across all the services.

At the conclusion of the meeting, the BIC Principals approved six new initiatives as well as one initiative for potential consolidation with a previously approved initiative. All of the initiatives are summarized in the attachment to this memorandum. The BIC champions for these initiatives are hereby authorized to develop and launch their implementation plans. While undertaking these efforts, they carry my authority, on behalf of the Senior Executive Council, which is chaired by the Secretary of Defense. I therefore expect the full support and cooperation of all staffs across the Department.

BUSINESS INITIATIVE COUNCIL

Chairman: Acting Under Secretary of Defense for Acquisition, Technology & Logistics: The Honorable Michael W. Wynne

Secretary of the Navy: The Honorable Gordon R. England

Secretary of the Air Force: The Honorable James G. Roche

Acting Secretary of the Army: The Honorable Les Brownlee

Vice Chairman of the Joint Chiefs of Staff: General Peter Pace

Under Secretary of Defense (Comptroller) and Chief Financial Officer: The Honorable Dov S. Zakheim

Under Secretary of Defense for Personnel & Readiness: The Honorable David S.C. Chu

I expect the respective ESC members and EDs to monitor their champions' progress and get involved, when needed, to overcome any obstacles or barriers while implementing these initiatives.

The approval of this eleventh set of initiatives continues the phased effort by the BIC to identify and implement ideas to increase efficiency, reduce costs and improve the way we conduct our business. The BIC, a catalyst for business reform within the DoD, will continue to work collaboratively and continuously with each of you to bring good ideas forward for consideration.



MICHAEL W. WYNNE
Acting Chairman

Attachment:
As stated

SUMMARY OF APPROVED INITIATIVES
(RESULTS OF BIC PRINCIPALS' MEETING, 10 DECEMBER 2003)

Title: ASD (NII) Radio Acquisition Policy (AM 44)

Description of Initiative: This initiative will gather stakeholders to review current Joint Tactical Radio System (JTRS) processes associated with the current Waiver Requirement policy as stated in ASD(C3I) Radio Acquisitions Memos dated 28 Aug 1998 and 17 June 2003, and evaluate whether process or policy changes are required. Current OSD policies for JTRS waivers can inhibit services' ability to develop realistic Programmatic Plans within PPBE to maintain minimum current tactical communications capabilities until JTRS are available.

Required Policy Changes/Approach: Potential for policy change if identified by IPT.

Approved Actions: Form an IPT co-chaired by Army and OSD (NII) and include all stakeholders to review current processes associated with the JTRS waiver requirement policy; differentiate between real and perceived problems. Review to include consideration of dollar thresholds, quantity, thresholds, incremental requests and allowing delegated authority to approve waivers. Identify if policy changes are required to enable process changes.

Responsible DoD Champion: Army/OSD (NII).

Title: DOD Supply Discrepancy Report Process Transformation Initiative (IL 25)

Description of Initiative: Implements an integrated Supply Discrepancy Reports (SDR) process. The system will include: a facilitated web-based entry method for SDRs; routing for web-submissions and logistics transactions according to business rules; any-to-any translation to support unique and standard transaction formats and information exchange between action office and shipper.

Required Policy Changes/Approach: DLAI 4140.55/AR 735-11-2/SECNAVINST 4355.18A/AF JMAN 23-215, Reporting of Supply Discrepancies, DoD 4000.25-M, Volume 2, Defense Logistics Management System (DLMS) will need to be changed.

Approved Actions: Multi-phased incremental approach to include functional web capability, pre-populated w/DAASC data; decision logic for action activity assignment and routing; limited any-to-any translation – Implementation beginning Oct/Nov 2003 with e-mail, transitioning to transactions according to Components ability to accept. Second phase will provide the ability to process SDR/response information using standard automated transaction sets and completion of integration with Component systems, central database, and query/reports capability.

Responsible DoD Champion: DUSD(L&MR)(SCI).

Title: Acquisition and Cross-Servicing Agreement (ACSA) Global (IL 26)

Description of Initiative: This initiative creates a joint service global management information system for Acquisition and Cross-Servicing Agreements (ACSAs) that interfaces with financial systems to track and report the exchange of supplies and services between nations and the resulting payments. The current system would be expanded to include additional logistics reporting data be linked to financial systems. Unlike the Foreign Military Sales system, the ACSA recognizes equal value exchange and replacement in kind.

Required Policy Changes/Approach: No policy changes required. ACSA Global would fully support Title 10 US Code, Sections 2341 through 2350.

Approved Actions: Implement Plan.

Responsible DoD Champion: Army.

Title: Unit Set Integrated Logistics Support (IL 28)

Description of Initiative: This initiative will focus on the “process” for identifying common systems subject to parts commonality and for enforcing parts commonality in systems acquisition. Once the process is developed it can be applied to items across DoD. A pilot effort will leverage commonality among the nine different models of trailers in the current inventory to achieve cost avoidances, manpower savings, reduction of the logistics footprint and simplification of the sustainment process. The process will then be applied to other end items.

Required Policy Changes/Approach: Stronger enforcement of DoD 5000-series policies that addresses parts commonality. There may be policy changes that address Commercial Off The Shelf (COTS) purchase requirements.

Approved Actions: Establish an IPT to identify common systems subject to parts commonality, evaluate the applicability of the procedures from the Army’s pilot program with trailer taillights to other Services, establish a process to enforce parts commonality in systems acquisition, and identify the results in terms of cost savings, cost avoidance and efficiency.

Responsible DoD Champion: Army.

Title: Leverage Successful Best Practices (IL 30)

Description of Initiative: This initiative proposes to develop DoD-wide mechanism for sharing the improvements/processes (“Best Practices”) derived from Suggestion Benefit Award Programs. Suggestion Benefit Awards are approved at the Service level that may be applicable DoD-wide but there is no mechanism for making them visible outside the approving Service. Current suggestion award program addresses monetary awards for initiatives, but does not address implementation or sharing of ideas.

Required Policy Changes/Approach: No legislative changes are believed to be required. Service policies may require change to encourage DoD-wide adoption of “Best Practices” identified by other Services.

Approved Actions: Establish an IPT to create a “proven best practices” pilot for logistics focus areas. Develop business rules and criteria to evaluate candidate best practices. Develop a DoD “Best Practices Web Site” that includes data mining capabilities with search categories and sub-categories to aid users. Conduct a test period to evaluate the effectiveness of the DoD solution.

Responsible DoD Champion: TBD.

Title: Implement Automatic Reimbursement Authority for Procurement of Ammunition, Army, Appropriation (RM 31)

Description of Initiative: OMB policy requires that procurement-funded work for others be financed by funded reimbursement authority (FRA), and sets a ceiling for FRA when the budget is submitted. When estimates are inaccurate and the Services must request a FRA increase from OMB, the result is unnecessary delays and underutilized capacity. This initiative would allow the Army ammunition appropriation to use ARA, which means that work done for others would not be constrained by the ceiling.

Required Policy Changes/Approach: Change in OMB policy. No Congressional action required.

Approved Actions: Coordinate among OSD and Services. Present case to OMB (as determined by OUSD (C)).

Responsible DoD Champion: TBD

Title: Standardize Acquisition Reporting Process (AM 48)

Description of Initiative: This initiative would reinvent Major Automated Information Systems (MAIS) acquisition reporting processes so that the thresholds reflect how IT is used today and so that superfluous reporting requirements are reduced. Currently, MAIS acquisition thresholds are considerably lower than those of Major Defense Acquisition Programs (MDAP), burdening the PEOs/PMs with additional MAIS reporting requirements after a system enters production and no longer requires acquisition reporting as an MDAP.

Required Policy Changes/Approach: Title 10, Section 2435, US Code, Chapter 144 and DoD 5000.2 must be changed.

Approved Actions: Establish an IPT to compare thresholds/guidelines of weapon system and MAIS acquisition processes, ensure appropriate threshold for MAIS program reporting, and identify guidelines that should be modified and decide upon recommended changes. The BIC will pursue merging this initiative with AM45, Streamline Automated Information System Review.

Responsible DoD Champion: Army.