Defense Supply Center Richmond

Business Systems Modernization: Changing the way DLA does Business

Meggan McCarter, Division Chief
Heidi Bradbury, Procurement Branch Chief

DSCR Business Conference
June 8-10, 2004
Overview

- BSM Overview & Business Blueprint
- BSM Organizational Structure - Supply Chains, Integrated Supplier Teams (ISTs)
- BSM Timeline - Concept Demo and Future Releases
- System Changes
- Other BSM Related Changes
- Communication Channels
The BSM Scope

- BSM, the System, replaces two legacy materiel management systems, SAMMS and DISMS, and various extension systems used at DLA Inventory Control Points.
- These systems are technologically and functionally obsolete: difficult and expensive to maintain.
- These systems do not support our vision.

BSM enables achievement of the DLA Strategic Plan, DoD Logistics Strategic Plan, and JV 2020 (Concept of Focused Logistics)
Business Systems Modernization is …

• Major Transformation Effort--Massive Change for our Workforce, Creation of an Enterprise

• Incorporating Best Practices via Commercial-Off-The-Shelf (COTS) Based Tools

• BSM Replaces 30 year old Materiel Management Systems ... and our processes were embedded in those systems

• The Core of DLA’s Enterprise Architecture
Why DLA Needs to Modernize Its Business Systems...

- Legacy systems do not meet current and future operational needs
  - Does not support Joint Vision 2020, DoD Force-Centric Logistics and DLA Strategic Plan
  - Does not support changing business rules
- Obsolete code and outdated/inflexible technology
- No real-time access to logistics data
- High maintenance costs, increasing unreliability

Legacy environment does not support DLA’s Vision for Warfighter Customer Support
BSM Program Summary

**Expected Benefits:**

- Improved demand forecasting accuracy
- Better stock positioning
- Improved financial accountability
- Achieve auditable financial statements
- Retire 15 legacy systems
- Reduce risk of catastrophic failure
The Five Core Supply Chain Processes

• Planning
  • Understanding customer needs (Demand Planning)
  • Matching resources and positioning materiel to meet needs (Supply Planning)

• Order Fulfillment
  • Delivering materials and services to meet customer needs.
  • Managing customer relationships

• Procurement
  • Identifying, qualifying and contracting with suppliers to meet customer needs
The Five Core Supply Chain Processes (Cont’d)

• Technical and Quality
  • Processing product changes
  • Supporting procurement activity
  • Assuring product quality

• Financial Management
  • Defining and managing budgets
  • Product pricing and cost management
DLA Target Architecture

Web Portal

Security Authentication

Corporate Information Services, Translation, Information Exchange, Reference Data

Supply Chain Management

Customer Relationship Management

Customer

Operation

Readiness

Depot Maintenance

Base/Post Operations

Enterprise Integrated Data Environment

Supplier/Partner Processes

Transportation

Manufacturers

Distributors

Standards-based Interoperability

Financial Management

Enterprise

Financial Management

Distribution Planning & Mgmt

eProcurement

Manugistics

SAP
Business Strategy

**Enabling Functionality**

- Demand planning by Customer
- Collaboration
- Time-phased Inventory Plan
- Available to Promise
- Online Account Visibility
- Streamlined Item Introduction
- Comprehensive Product Lifecycle Management

**Customer Focused**

- Supplier Performance and Management
- Capable to Promise
- Web-based Procurement
- Pay on Receipt

**Supplier Focused**

- CFO Compliance
- Financials Integrated with Business Transactions
- Change in Inventory Valuation Methodology

**Financial Stewardship**

- Single Instance
- One Enterprise

**Process Orientation**

- Reduced Inventory
- Reduced Cycle Times
- Improved Customer Service
- FFMIA Compliance

Managing the Strategy to Achieve Business Results

- Uniform Policy, Procedures, and Metrics
# Supply Chains of DLA

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<th>DSCR</th>
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<th>DSCP</th>
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<td>- SMSG</td>
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**BSM**

*Business Systems Modernization*

*Delivering 21st century logistics*
Aviation Customer Operations Organization

As of 2 March 2004

D/DD DSCR

Aviation Customer Operations Directorate
Director/Deputy Director Customer Operations

AF
Customer Facing Division
Oklahoma City ALC Cell - IND
Ogden ALC Cell - IND
Warner Robins ALC Cell - IND
AF Operations Cell Group - OF
AF Training (AETC) Cell - OF
AF FMS Cell - FMS
AF/Civil Aviation Other Cell - Other
AF Installation and Other Support Team
Weapon System Support Team

Navy
Customer Facing Division
NADEP NI Cell - IND
NADEP Cherry Pt. Cell - IND
NADEP JAX Cell - IND
Naval Aviation Forces Cell - OF
USMC Aviation Cell -OF
Naval Air Training Cell - OF
Weapon System Support Team

Army
Customer Facing Division
CCAD & SRA Cell - IND
101st Air Assault Cell - OF
Army TRADOC Cell - OF
Weapon System Support Team

Item Planning Division
Aviation OEM 1 IPT
Aviation OEM 2 IPT
Aviation OEM 3 IPT
Aviation Engines & Airframes 1 IPT
Aviation Engines & Airframes 2 IPT
Aviation Engines & Airframes 3 IPT
Aviation Engines & Airframes 4 IPT
Aviation SC Commodities 1 IPT
Aviation SC Commodities 2 IPT
Aviation SC Commodities 3 IPT
Aviation IPT DSCP Detachment
Aviation IPT DSCR Detachment
Maritime IPT DSCR Detachment

Customer Support Division
Customer Analysis Team
Readiness and PBL Team
CRM Team
Administration Team

IND = Industrial
OF = Operating Forces
Other = Other
FMS = FMS
Proposed Supplier Operations Organization Design

As of March 8 2004
BSM Schedule

FY 2000 - FY 2006

= System Functionality

= Users and Materiel

= Full Operating Capability

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BPR Design, Build, Test

Release Two

Release 1.1 Business Warehouse

Release 1.2 Legacy Procurement Solution

Release 2.0 Phased Roll-out

IOT&E

On-going Technology Insertion

Subsistence (Retire Legacy System) BDUs

BW 1.2
BSM Concept Demo: Release 1 Population Across DLA

• Select Helicopters (UH-1, H-3, H-46, and H-53)
• Terminal Lugs & Insulation Sleeving (FSCs 5940 & 5970)
• Maritime Carrier and Sub-Surface Teams (LM-2500 Engine)
• Medical/Surgical Fleet Prime Vendor
• Battle Dress Uniforms
• Garrison Feeding (Southeast Region Prime Vendor)

Full list of NSNs available on BSM website

150,000 Items
17,000 Customers
400 Users
$500M Sales Annually
### DSCR Concept Demo
#### NSN Population

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<tr>
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<td>H-3 Green Giant (15F)</td>
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<td>H-46 Sea Knight (40N)</td>
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<td>H-53 Super Jolly (16F)</td>
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Note: Counts may change marginally pending final NSN update
BSM Concept Demonstration
Bottom Line

• Business Volume since Jul 02*:
  • Orders Received  667.4K
  • Orders Filled  417.9K
  • Purchase Requisitions  224K
  • Purchase Orders  249K
  • Vendor Payments  $436.7M
  • Customer Sales  $539.7M

• Inventory Value being managed within BSM: over $348 million

• Material Release Order processing time improvement:
  • Receipt of requisition to release of material
    • 45-60 minutes in BSM vice 12 hours in legacy system

* Data as of 1 Mar 2004
Lessons Learned from Release One Concept Demo

• Too much change management is not enough
• Identified functional areas requiring redesign or enhancement
• Data was not readily accessible
• Inadequacy of procurement COTS solution
• Need for more robust test program
• Validated importance of top leadership involvement and program management processes
Properly setting expectations and enhancing training program

• Enhancing functionality
• Utilizing Business Warehouse for generation of reports
• Changing the procurement solution
• Enhancing performance stress testing
• Building single portal access and establishing single Agency help desk
• Incremental implementation approach by expanding Concept Demonstration
• Maintaining program management processes and discipline
• Possible future DLA Contract Writing Tool
• R/3 Used as the backbone, version 4.0
• Goal is to have a seamless application, which will tie into all other DLA processes.
• DLA partnering with Accenture, SAP America and SAP Germany.
• eProcurement and BSM (DPACS retrofit) are working simultaneously
  • Identifying DLA requirements
  • Identifying software issues
Project Description

- Partnership between DLA, Accenture, and SAP to build an integrated, public sector version of SAP’s supplier relationship management (SRM) solution

Project Scope

- Release 1 - Automated Delivery Order Process

SAP proposing to deliver functionality in two releases (Release 2A and 2B)

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Note: Phase 4A/4B proposals currently being prepared for evaluation by DLA Program Mgr.
System changes regarding May 3, 2004
Procurement Retrofit Go-Live

- The enterprise version of the DLA Pre-Award Contracting System (DPACS) replaces Procurement Desktop Defense (PD2) for contract writing

- DLA-BSM Internet Bid Board System (DIBBS) replaces Solicitation Response website (SRweb) for solicitation and award posting

- Procurement Automated Contracting Evaluation (PACE) replaces Offer Evaluation website (OEweb) for automated evaluation of vendor proposals.

- Electronic Contract File (ECF) will function as the electronic contract file for all contract documentation.
Software
DLA DIBBS (Solicitation Response) &
PACE (Offer Evaluation)

- Vendor registration
- Post solicitations/awards to the web
- Process vendor quotes
- Automated quote evaluation
- Process awards
- Fast Awards
• Web-based application that will become DLA’s singular vendor quoting application by 2006

• Vendors can:
  • Search for and view RFQs, RFPs, IFBs, amendments, awards, and modifications
  • Submit secure quotes online for RFQs

• Solicitations, amendments, awards, and modifications for BSM NSNs will no longer be posted to Procurement Gateway or SRweb.

• Solicitations under $100,000 posted to DIBBS are candidates for award under the automated evaluation program PACE (Procurement Automated Contracting Evaluation)
• Registration began on April 19, 2004

• If a vendor’s CAGE is already registered on the DSCC Internet Bid Board System by March 28, 2004, their registration information, including passwords, will be transferred to DLA DIBBS.

• In order to activate the DLA DIBBS account, the vendor’s Super User will need to go to https://www.dibbs.bsm.dla.mil/ and update their associated account and vendor profile.

• Vendor’s that have not registered will need to go to the same website shown above.
DLA DIBBS Quoting

- Supports single solicitation responses
- Allows batch quoting
- Enables “Fast Track” quoting
- Accommodates reverse auction solicitations
- Does not accept vendor proposals/bids for formal acquisitions (RFPs/IFBs over $100,000)
  - Still send to appropriate bid clerk
Welcome to the DSCC InterNet Bid Board System

DSCC Internet Bid Board System (DIBBS) is a web-based application that provides the capability to search for, view, and submit secure quotes on DSCC Requests For Quotations (RFQs). The DIBBS system also allows DSCC's Request For Proposals (RFPs) and Invitations For Bid (IFBs) to be searched and viewed online.

- Frequently Asked Questions (FAQ)
  - This page highlights the "Frequently Asked Questions" with the DIBBS system such as registering, log in, searching and quoting.
- Technical Requirements and Registration for Quoting
- DSCC Acquisition Forecast
- Solicitations
  - DSCC Requests for Quotation (RFQ) Search
  - RFP Search
  - DSCC Requests for Proposal (RFP) / Invitation For Bid (IFB)
  - Other DSCC Opportunities
- Awards
  - DSCC Awards Search
    - DSCC Award Data Downloads
    - DSCC Abstract of Offers Search (Large Purchase)
    - DOD Procurement Gateway
- References
  - Procuring &Clauses (Including DSCC Master Solicitations)
  - DIBBS On-Line Quoting Help
  - PACKAGING - Specifications, Standards, and Manuals
- Technical Data
  - DSCC/ASM Product Interface
  - Military Specifications & Drawings (MIL-SECTIONS)
  - Qualified Product List (QPL) / Qualified Manufacturers List (QML)
- Virtual Library
- Services
  - Global NSN Database search
  - Search all DIBBS databases for your NSN.
  - DSCC Product History
DIBBS - Solicitation Search screen
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<th>NSN/Part No.</th>
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New Approved CAGE Search?
### REQUEST FOR QUOTATION (THIS IS NOT AN ORDER)

DLA, DEFENSE SUPPLY CENTER COLUMBUS  
3990 EAST BROAD STREET  
P.O. BOX 16704  
COLUMBUS, OH 43216-5010

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**SOLICITATION POC**

Questions regarding this solicitation (quote submittal, solicitation requirements, item description, drawings, alternate offers, award choice, etc.) should be e-mailed to dlabids@dla.mil.

Email will be answered within 1 business day. If the solicitation return date falls on the same day as your email request, include the return date in the subject line so that the response can be expedited.

For immediate assistance, please refer to the Frequently Asked Questions (FAQs) at [http://dibbs.dco.dla.mil/PeFs/FAQ](http://dibbs.dco.dla.mil/PeFs/FAQ) on the DSOC Internet Bid Board System (DIBBS).

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• Most BSM contracts will have contract numbers beginning with “SPM...” (e.g., SPM400-02-M-1234)

• DFAS payment office and accounting line will be unique for BSM contracts (during Concept Demo)

• SubCLINS will not be used in BSM (e.g., for phased deliveries)
Selected BSM Process Improvements

• Single entry point for quoting and solicitation/award viewing (DLA DIBBS)

• Auto fill-in of vendor-specific information to minimize quoting time (DLA DIBBS)

• Visibility of contracts across the enterprise including long term contracts
Communication Channels

Regular updates on...

BSM website:  
http://www.dla.mil/j-6/bsm/SIRC

DLA DIBBS website:  
https://www.dibbs.bsm.dla.mil/

Procurement Gateway  
http://progate.daps.mil/home/
Questions?

DSCR Procurement Site Transition POCs
Heidi Bradbury - Heidi.Bradbury@dla.mil
(eProcurement)Chris Hutnan - Chris.Hutnan@dla.mil
Meggan McCarter - Meggan.McCarter@dla.mil