THE UNDER SECRETARY OF DEFENSE

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ACQUISITION AND
TECHNOLOGY

03 JUN 1998

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARY OF DEFENSE (COMPTROLLER)
ASSISTANT SECRETARY OF DEFENSE (COMMAND, CONTROL, COMMUNICATIONS AND INTELLIGENCE)
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: The Single Process Initiative - A Long Term Perspective

Civil military integration, eliminating the distinction between doing business with the government and other buyers, is critical to meeting our future military, economic, and policy objectives. The transition of the Department of Defense (DoD) to a Performance Based Business Environment (PBBE), maximizing the use of commercial items and practices, is a key step toward achieving civil military integration. The Single Process Initiative (SPI) is the mechanism that we have chosen to implement changes to our existing contracts. Over the past two and a half years, the SPI has expedited the transition of existing contracts to common best processes, making a positive impact on the way the Department conducts business, by facilitating industry consolidation and plant modernization, encouraging innovation, and encouraging subcontractor reform. While we have made a solid beginning with this initiative, particularly in the transition of at least 140 facilities to the ISO 9000 quality standard, we have a long way to go. The replacement of multiple government-unique management and manufacturing processes with common, facility-wide processes that adopt best practices drawn from both commercial and government experience is an objective that the Secretary and I share. Your leadership is critical to the successful attainment of this objective.

Secretary of Defense memorandum on Specifications and Standards of June 29, 1994, directed the use of performance specifications to the maximum extent practicable. However, the substitute language that has been used in SPI block change modifications has not always been articulated in performance language. Therefore, I direct the DoD Component Acquisition Executives (CAEs) and the Commander, Defense Contract Management Command, to promulgate guidance to ensure that block change modifications be written in performance language whenever practicable.

Through the SPI initiative, emphasis must also be placed on integrating both prime contractors and suppliers into a performance based business environment. To assist in this integration, the Aerospace Industry Association (AIA) has established an Executive Committee to facilitate supplier reform and acceptance of best practices within AIA. I applaud AIA's initiative and will be encouraging other industry associations to follow its example.

My objective is for the SPI to achieve the integration of commercial and military facilities. Several defense contractors recently have initiated corporate SPI Management Councils designed to expedite reform and facilitate best practices across the entire corporation. I encourage the expansion of this concept. I expect the CAEs to ensure that they are appropriately represented at these Corporate Management Council meetings, as well as, at local management council meetings. I also expect that the Components will expeditiously review concept papers submitted by contractors and elevate any disagreements among the components to me for resolution. This is a matter that I will review with the Component Acquisition Executives at our periodic Acquisition Reform Updates.

I expect that program executive officers and their representatives will commit resources to support the SPI, as continued emphasis on this initiative is vital. In this regard, I ask the Senior Acquisition Executives to review progress personally, to identify impediments to implementing the SPI, and to discuss with me the status of this initiative.

I have asked the Principal Deputy Under Secretary of Defense (Acquisition & Technology) to chair a Council on the SPI to facilitate this reform initiative, that will coordinate with the Defense Systems Affordability Council. This group should include representatives from corporate management councils, industry association representatives and the Component Acquisition Executives and report quarterly to me. The group will provide insight into the success of the SPI and offer solutions to the challenges identified.

By working together with our industry counterparts at the facility and corporate level, we will be able to make the kinds of change that will result in our ability to provide our customers, the warfighter, with the best value goods and services that meets their needs from a globally competitive national industrial base. I expect your full support for institutionalization of this initiative.

J. S. Gansler