



DEPARTMENT OF THE NAVY

NAVAL FACILITIES ENGINEERING COMMAND
200 STOVALL STREET
ALEXANDRIA, VA 22332

IN REPLY REFER TO

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26 March 1998

From: Commander, Naval Facilities Engineering Command
To: Distribution

Subj: PAPERLESS CONTRACTING METRICS (11-98)

Ref: (a) NAVFAC Policy Letter of 5 February 1998 (Paperless Contracting)

Encl: (1) Draft Paperless Acquisition Metrics Guide
(2) Sample Monthly Metrics Report Format

1. As stated in the referenced 5 February memo, the Department of the Navy has taken an aggressive stance to implement the Secretary of Defense's goal to achieve a paperless contracting environment by 1 January 2000. To that end, specific performance measures have been established to track the Department's progress toward achieving this goal. The areas that will be tracked are: Contract Requirements, Solicitations, Awards/Modifications, Receipts & Acceptance, Invoices/Payment, and Contract Closeouts.
2. Each Systems Command is required to submit a report of their performance data to the Office of the Secretary of Defense on a monthly basis. In order to complete NAVFAC's submission, each of the PWCs and EFAs/EFDs will be responsible for preparing a report of performance data for their respective organization and submitting it to this office not later than the 8th of the following month. This data will then be used to prepare NAVFAC's corporate report to be forwarded to the EA21 office.
3. Enclosure (1) contains a draft metrics guide, which will assist you in submitting your monthly report by providing additional background information and instructions for preparing your monthly metrics submission. In addition, a sample format for the monthly metrics reports is included as an Excel spreadsheet at Enclosure (2).
4. All metric data shall be submitted to CandL@hq.navfac.navy.mil not later than the 8th of each month. As such, March's data is due not later than 8 April 1998.
5. Please note that the data contained in the report from October 1997 to date is currently inaccurate. You will be required to provide this information and submit it with April's metrics, due 8 May 1998.
6. If you have any questions, please contact Ms. MiChele Stevenson on (703) 325-9038 or Ms. Jackie Simchick on (703) 325-0822.

/s/
ROBERT R. BOYER
By direction

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Paperless Acquisition

Metrics Guide

For Monthly Updates to OSD
And
Quarterly Briefs to ASN(RDA)

DRAFT
Paperless Acquisition Process
Metrics Guide

INTRODUCTION..... 3

GUIDE PURPOSE/LAYOUT..... 9

DEFINITIONS 4

METRICS CATEGORIES/INDICATORS/ASSUMPTIONS 4

 CONTRACT REQUIREMENTS:..... 5

 SOLICITATIONS:..... 5

 AWARDS/MODIFICATIONS:..... 6

 RECEIPTS & ACCEPTANCE:..... 7

 INVOICE/PAYMENTS: 8

 CONTRACT CLOSEOUT:..... 8

DATA COLLECTION AND PRESENTATION..... ERROR! BOOKMARK NOT DEFINED.

REPORT PRESENTATION SLIDES 8

TENTATIVE SCHEDULE..... 9

POINTS OF CONTACT..... 9

ATTACHMENT #1..... ERROR! BOOKMARK NOT DEFINED.

ATTACHMENT #2..... ERROR! BOOKMARK NOT DEFINED.

DRAFT

Paperless Acquisition Process Metrics Guide

Introduction

The Secretary of Defense, in his Quadrennial Defense Review report, directed the Services to undertake a revolution in business practices. He specifically cited the need to simplify and modernize the Department's acquisition process in the area of contract writing, administration, finance, and auditing. The Under Secretary of Defense for Acquisition & Technology subsequently developed a blueprint for moving to totally paperless contract writing, administration, finance, and auditing processes. The paperless acquisition initiative coincides with the Department of Defense's corporate goal of moving to digitally-based acquisition management and integrated life-cycle information management.

The Secretary of the Navy, in accordance with the DOD Reinvention Impact Center Goal #7, directed that the Assistant Secretary of the Navy (Research, Development & Acquisition) ASN(RDA), with the close support of the Under Secretary and Assistant Secretary of the Navy (Financial Management and Comptroller), work to achieve the goal of moving to a paperless contracting process by January 1, 2000.

The Department of the Navy's initiative to establish a paperless acquisition process is designed to reduce cycle time and administrative overhead, thus freeing up scarce resources for more pressing needs as the Department moves to re-capitalize the Navy in the 21st Century. Achieving this goal is a personal interest item of the Secretary and Deputy Secretaries of Defense, as well as of the Secretary of the Navy. To coordinate this effort throughout the Navy, a Project Executive Officer (PEO) for Acquisition Related Business Systems (ARBS) was established. The PEO-ARBS, Mr. Elliott Branch, will act as the acquisition business systems integrator.

The PEO-ARBS, in conjunction with a Navy Senior Steering Group, will oversee the building of an electronic environment designed to support a paperless acquisition process. The senior group will coordinate funding requirements for electronic bridge development and for paperless functional implementation. These will drive the development of a paperless acquisition process.

A Component Manager for the Standard Procurement System (SPS), Mr. Chuck Mills, was designated as the single point of contact for coordinating the installation of SPS throughout the Department of the Navy. A Project Manager, Electronic Acquisition 21 (PM-EA21), Mr. Brian Reily, was established as the executive responsible for developing the most-promising alternatives, in conjunction with and/or in addition to SPS, to achieve the project goal of paperless acquisition by the year 2000.

The initial goal of the EA-21 office is to develop an accurate baseline of how close the Navy's acquisition process is to being entirely paperless. To accomplish this goal the office first must understand what the process steps and links of the acquisition process are, which are being completed electronically, and which are being accomplished manually. Note that process steps or links of the acquisition process may still be considered paperless even though the recipient chooses to print the document simply for ease of use.

DRAFT

Paperless Acquisition Process Metrics Guide

The Office of the Secretary of Defense (OSD) has established specific performance measures to track the Department's progress towards a paperless acquisition process. These performance measures are "Contract Requirements (which includes Purchase Requests and Funding Documents), Solicitations, Awards/Modifications, Receipts & Acceptance, Invoices/Payment, and Contract Closeouts." Services must report monthly against these measures to the Deputy Secretary of Defense. Activities also are to report against these measures in their quarterly reports to Secretary ASN(RDA).

Guide Purpose/Layout

This guide is designed to provide the paperless metrics for the monthly reports to OSD. An additional purpose of this guide is to assist the SYSCOM Commanders, PEOs, and Directorate Reporting Program Managers (DRPM) in developing the metrics for paperless acquisition to be reported at the quarterly briefs to the ASN(RDA).

This guide is provisional in nature, as the OSD Paperless Integrated Product Team (IPT) is considering changing some of the current metrics used for their monthly reports. Updates will be provided as they occur.

The guide is divided into the following major sections:

- The Definitions Section provides definitions of key terms.
- The Metrics Categories/Indicators/Assumptions Section provides guidance on what data is required for both the monthly OSD and quarterly ASN(RDA) reports.
- The Data Collection and Presentation Method Section provides the format to use to collect and report the data for the reports.
- The Report Presentation Slides Section provides a sample slide format for both the OSD monthly and ASN(RDA) quarterly presentations.

Definitions

- ***Paperless Acquisition*** – Is the capability to electronically initiate, develop, process, control, modify, and close or terminate an acquisition transaction. This includes the entire acquisition business process from requirement initiation through contract closeout. A process step may be considered paperless even if a signature must be affixed manually simply to file a document. However, if the signed document must be forwarded for action, it is considered a partially paperless process step (see below).
- ***Paperless Linkage*** – Is the electronic movement of information from one process step to another. For example, data that is provided via network, floppy diskette, or telephone and can be used by the next process step owner without employing paper is acceptable. Data that is passed by paper or over a facsimile where the information must then be manually entered into a system is still considered a paper-based process step.

DRAFT

Paperless Acquisition Process Metrics Guide

- ***Partial Paperless Acquisition*** – Information supporting the acquisition process is moved by both electronic means and paper. For example, if an entire procurement request is developed utilizing electronic documents, but still requires the document to be printed so that it can be signed and then forwarded for action, then that process step is not considered entirely paperless.

Metrics Categories/Indicators/Assumptions

Contract Requirements:

Indicator Description:

A customer request to purchase an item that has been issued to the procuring activity on or before the last day of the month. Requests may be made via, but are not limited to, DD Form 1149, NAVY Form 10460, etc. as well as via any forms which could result in an action reported on DD Forms 350 or 1057, even if a requirement is cancelled prior to award. A request can be made by phone, piece of paper, facsimile, computer (E-mail or Direct Link), or diskette. Two separate categories will be reported: purchase requests and funding documents (but only those that pertain to the acquisition process).

- Purchase Requests: the percentage of purchase requests issued/distributed by electronic means will be calculated as follows: (the number of electronic purchase request transactions) divided by (the total number of purchase requests received by contracting officers from the different elements of the procuring agency).
- Funding Documents: the percentage of funding documents issued/distributed by electronic means will be calculated as follows: (the number of electronic funding document transactions) divided by (the total number of funding documents received by the procuring agency's contracting officers for contractual actions).

Assumptions/Rules:

Data are to be collected and counted manually.

Solicitations:

Indicator Description:

The total number of solicitations includes Requests for Proposal (RFPs), Requests for Quotation (RFQs), EDI 840, oral solicitations, and IFBs available to vendors/industry. The number of paperless solicitations is those transactions made available through an electronic or oral means (but only if these solicitations do not have to be re-keyed).

DRAFT
Paperless Acquisition Process
Metrics Guide

- The percentage of solicitations issued/distributed by electronic means will be calculated as follows: (the number of electronic solicitation transactions) divided by (the total number of solicitations issued).

Assumptions/Rules:

Data are to be collected and counted manually.

Awards/Modifications:

Indicator Description:

SF33/26 (High \$ items)
SF1449/DD1155 (Low \$ items)
EDI850/860

Assumptions/Rules:

- Data will be taken from the Directorate for Information, Operations and Reports (DIOR) database. However, each activity must manually identify those awards made and/or distributed electronically.
- ACO Modifications that impact Navy Obligated Dollars will be reported by the Defense Contract Management Command (DCMC). Non-delegated “A” modifications affecting obligations must be reported by the issuing activity.
- Activities will not track “A” modifications that do not impact obligations and are not reflected in the DIOR database.
- All PCO modifications will be included in the calculation.
- Six different types of transactions involving awards/modifications will be tracked:
 - Awards/modifications document(s) sent to files/archives.
 - Awards/modifications document(s) sent to the originator.
 - Awards/modifications document(s) sent to ACOs.
 - Awards/modifications document(s) sent to DFAS for payment.
 - Awards/modifications document(s) sent to DFAS for accounting.
 - Awards/modifications document(s) sent to a contractor.

DRAFT

Paperless Acquisition Process Metrics Guide

- The percentage of awards/mods issued/distributed by electronic means will be calculated as follows: (the sum of the number of electronic transactions in the six categories noted above) divided by (the total number of awards/mods issued/distributed during the time period multiplied by six). This assumes that all awards/mods issued/distributed during a given time period are sent to all six destinations noted above. If this simplifying assumption is not true for a given claimant and the claimant is able to provide more exact data for this calculation, then the claimant should provide the more accurate data.

Receipts & Acceptances:

Indicator Description:

This category includes the:

- Total number of receipts (e.g., DD Form 250) processed and paid on or before the last day of the month (under non-delegated contracts only). Delegated contracts receipts and acceptances will be tracked by the agency to which the contract is delegated.
- Three different types of transactions involving receipts or acceptances will be tracked:
 - Total number of receipts or acceptances transmitted/routed/received by the receiving activity (non-DCMC delegated environment {Vendor Pay}).
 - Total number of receipts or acceptances transmitted/ routed/received through end-to-end workflow at receiving activity. Activities will count the internal flow of each receipt or acceptance as one transaction only. If any portion of this internal flow is paper-based, then the transaction will not be considered electronic.
 - Total number of receipts or acceptances transmitted/routed to DFAS.
- The percentage of receipts/acceptances issued/distributed by electronic means will be calculated as follows: (the sum of the number of electronic transactions in the three categories noted above) divided by (the sum of the total number of transactions in the three categories noted above).

Assumptions/Rules:

- NAVSEA and NAVSUP EDI/EDA/EDM/EFT/IMPAC Card/Web (receipts, invoices) interactive applications (DD250, etc.) pilot programs constitute a paperless initiative.
- The Marine Corps Wide Area Workflow pilot program also constitutes a paperless initiative.
- Interim SF1034s are sent electronically through DCAA to DFAS.

DRAFT
Paperless Acquisition Process
Metrics Guide

- This process step also includes EDI 856(S)/861(D).
- Count one receipt per invoice.

Invoice/Payments:

Indicator Description:

DFAS is the responsible agency and will provide this data.

Assumptions/Rules:

- NAVSEA and NAVSUP EDI/EDA/EDM/EFT/IMPAC Card/Web (receipts, invoices) interactive applications (DD250, etc.) pilot programs constitute a paperless initiative.
- Vendor payment systems include but are not limited to only CAPS/SRD1, STARS-1 PAY, IAPS/IPC, SAMMS, DISMS, SAVES, etc.
- This process step also includes EDI 810 EFT.

Contract Closeouts:

Indicator Description:

Contracts closed either electronically or on paper on or before the last day of the month.

- The percentage of contract closeouts issued/distributed by electronic means will be calculated as follows: (the number of electronic contract closeout transactions) divided by (the total number of contract closeouts).

Assumptions/Rules:

Data are to be manually collected and counted at each site.

Data Collection and Presentation

This data will be collected and provided to OSD on a monthly basis. It also will be the basis for the paperless reporting included in the quarterly ASN(RDA) report. A sample format for the reporting of this data is included at **Attachment #1**. An Excel spreadsheet (which is the same as the chart at Attachment #1) which each reporting activity can complete and forward at the required times has been distributed to all Paperless Acquisition Working Group members. Reporting activities are listed on the spreadsheet.

Report Presentation Slides

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Paperless Acquisition Process Metrics Guide

The slide contained in **Attachment #2** provides a SAMPLE FORMAT for both the monthly OSD and quarterly ASN(RDA) metrics presentations.

Tentative Schedule

The monthly reports to OSD will be provided to the EA-21 office by the 10th of each month. All data shall be valid as of the end of the preceding month.

Metrics report presentation slides for the quarterly briefs to the ASN(RDA) will be developed by the presenter as scheduled. Copies of the slides should be forwarded to the EA-21 office NLT three (3) days prior to the scheduled briefing to ensure consistency.

Points of Contact

Your Metrics POCs are Bob Johnson and Debbie Streufert. Mr. Johnson can be reached by E-mail at Robert.Johnson3@us.coopers.com; telephone (703) 601-0242. Ms. Streufert can be reached by Email at Debbie.Streufert@peoarbs.navy.mil; telephone (703) 601-0246. The Fax for both is (703) 602-0313.

