

THE STANDARDIZATION NEWSLETTER

COMPETITION - QUALITY - READINESS --- THROUGH STANDARDIZATION

Special Edition

October 1994

Message from Chairman, Defense Standards Improvement Council

It's now been over three months since Secretary of Defense Perry directed the implementation of initiatives related to military specifications and standards as part of a new way of doing business in the Department of Defense. There has been tremendous support for these initiatives in the Military Departments and Defense agencies. Unfortunately, there has also been much misinformation.

Contrary to what you may have heard or read, we are not eliminating military specifications and standards. What we are trying to eliminate is the automatic development and imposition of military unique specifications and standards as the cultural norm.

To eliminate non-value added requirements, and thus reduce the cost of weapon systems and materiel; remove impediments to getting commercial state-of-the-art technology into our weapon systems; and integrate the commercial and military industrial bases to the greatest extent possible, Secretary Perry has directed that performance-based specifications and standards or nationally-recognized private sector standards be used in future acquisitions.

This seemingly draconian measure is intended as a "wake-up call" for a new way of doing business. However, there are valid exemptions when a military specification or standard may be imposed:

★ First, the proscription only applies to actions by the government. It doesn't apply to military specifications and standards proposed by a bidder in response to a solicitation. This is important because in some cases, the

PERFORMANCE SPECIFICATIONS

The policy preference for stating requirements in terms of performance is not new (see current policies in DoDD 5000.1, DoDI 5000.2, Part 10 of the Federal Acquisition Regulation, and the DoD 4120.3-M). What is new is that only "performance specifications" and non-government standards can be cited in solicitations without a waiver from the Milestone Decision Authority (see waiver process article on page 4).

military specification or standard is used by individual companies or an entire industry.

★ Second, if it is not possible to use a performance specification, and no commercial alternative exists that is cost effective and meets the requirement, then the Milestone Decision Authority may grant a waiver for using a military specification or standard on a case-by-case basis.

★ Third, military specifications may be used for procurement of items already in inventory without a waiver if no design change is involved.

★ Lastly, military specifications and standards may be cited in solicitations "for guidance only," without need for a waiver, as a means of communicating to bidders the types of requirements for which they need to propose solutions.

This special edition of *The Standardization Newsletter* contains useful information that everyone in the acquisition community needs to know. Communication is key if we are to be successful in our reform efforts. I encourage you to share the *Newsletter* liberally throughout your organization and to contact your Standards Improvement Executive or Departmental Standardization Office if you need more information.

/signed/

Walter B. Bergmann, II
Chairman
Defense Standards Improvement Council.

The Defense Standards Improvement Council has taken a number of actions to establish performance specification criteria and a process for identifying performance specifications. The following reflects the Council's decisions on performance specifications and lets everyone know what will be happening for the remainder of the calendar year:

Definition of Performance Specification
specification that states requirements in terms of the required results with criteria for verifying compliance, but without

stating the methods for achieving the required results. A performance specification defines the functional requirements for the item, the environment in which it must operate, and interface and interchangeability characteristics.

Guidance. There are four types of performance-based specifications: commercial item descriptions (CIDs), guide specifications, standard performance specifications, and program peculiar performance specifications. (Information on how to obtain copies of the guidance documents described below is given on page 5)

☛ The guidance for CIDs is in the General Services Administration Federal Standardization Manual and the Defense Standardization Manual, DoD 4120.3-M. The DoD also provides CID guidance in the SD-2, "Buying NDI." By definition, CIDs are only to describe requirements in terms of function, performance, and essential form and fit requirements. There are many military specifications that are CID candidates.

☛ The guidance for guide specifications is in the Defense Standardization Manual, DoD 4120.3-M. Guide specifications standardize on functional or performance requirements that are common got like systems, subsystems, equipments, and assemblies. To use a guide specification, the format structure forces the user to tailor the document to the specific application. There are several military specifications that may be candidates for guide specifications.

"...We're going to rely on performance standards ...instead of relying on milspecs to tell our contractors how to build something... There will still, of course, be situations where we will need to spell out how we want things built in detail. In those cases, we still will not rely on milspecs but rather on industrial specifications [i.e., non-government standard] ...In those situations where there are no acceptable industrial specifications, or for some reason they are not effective, then the use of milspecs will be authorized as a last resort, but it will require a special waiver. "

Secretary of Defense William J. Perry
June 29, 1994 Press Conference

MIL-STD-961 is being expanded to include content and format guidance for performance specifications that are used in multiple applications and listed in the DoD Index of Specifications and Standards (DoDISS). The revision will be coordinated for comment this fall and published by the end of the calendar year. There are many military specifications that are candidates for standard performance specifications.

The guidance for program unique specifications has yet to be developed, but as a rule, requirements for program unique specifications should be in terms of performance.

Approval Process. Each Military Department and Defense Agency is setting up a process to ensure the integrity of approvals and designations of "performance specifications."

Additional Guidance An inter-Service and Agency working group is developing a DoD handbook on preparing performance specifications. It should be completed by the end of this year with copies available by February 1, 1995 .

Training. Training is key -- both to ensure that we have a consistent corporate idea of what constitutes a performance specification and to learn how to process such documents through the system and have them recognized. There are plans for training seminars, smaller "train the trainers" classes, and formal instruction incorporated into the Defense Specification Management Course and other courses sponsored by the Defense Acquisition University. The Services and Agencies will be conducting acquisition reform "Road Shows" which will include performance specification training.

Locating Approved Performance Specifications. The DoDISS already lists approved CIDs and guide specifications A section is being added to the DoDISS by the end of this year to list standard performance specifications.

MARKET ANALYSIS

Market analysis is really the key to meeting the letter and the spirit of Secretary Perry's goal of increasing access to commercial state-of-the art technology and moving towards greater reliance on an expanded and integrated commercial-military industrial base that is capable of meeting defense needs at lower costs.

DoD policies already require market analysis to ascertain if products are available that would meet the identified need. The new MILSPEC reform initiatives make aggressive market analysis crucial. Only through market analysis will document developers and users be able to determine if satisfactory commercial alternatives exist or identify possible replacements for MILSPECs. If market analysis shows that only MILSPEC products or processes can meet an identified need, the analysis results will serve as the basis for a waiver request to the Milestone Decision Authority.

Market analysis must precede every requirements definition effort, ranging from a new-start acquisition program to the preparation or revision of a specification.

The data collected during the analysis should be used to assess the original requirement to determine if modifications to the requirement would result in greater overall value to the DoD in terms of cost, performance, availability, or other significant factors. Market analysis can also provide valuable maintenance and repair data and previous test results for existing items. This data should be used in developing the support strategy and the test and evaluation plan.

To help provide a generic approach that can be tailored to a wide range of acquisitions and organizational structures, the Office of the Assistant Secretary of Defense (Economic Security) (OASD(ES)) developed the SD-5, "Market Analysis for Nondevelopmental Items. " This publication offers methodologies, research sources, and examples for conducting market research.

Market analysis training is part of the Nondevelopmental Item Course and the Commercial Item Description Course offered by the OASD(ES). If you are interested in attending a course or sponsoring a class at your activity, contact Ms. Christine Metz on (703) 681-9340 or DSN 761-9340.

requirement, but a waiver must be obtained.
A waiver is not needed:

- For reprocurement of an item in inventory.
- If the contractor proposes the use of a military specification or standard in response to a solicitation.
- For military specifications and standards under Federal Supply Group 11 for Nuclear Ordnance and Federal Supply Class 4470 for Nuclear Reactors.
- If cited for guidance only.

The waiver process is not meant to be punitive or prohibitive, but to make people stop, think, and consider alternative solutions. Too often, solicitations are built at the copier machine relying on past ways of doing business and without benefit of market analysis.

The waiver approval process should be fairly simple. Once it's determined a waiver is needed, the requesting office must show that market analysis was done to demonstrate that a commercial alternative does not exist, or that the alternative would have an unacceptable mission impact or would not be cost effective.

The appropriate Milestone Decision Authority then reviews the request and either approves, disapproves, requests additional information, or requests the requiring organization to reconsider the original requirement.

For specific details on requesting waivers, contact your Standards Improvement Executive or Departmental Standardization Office.

WAIVER PROCESS

Military specifications and standards may be cited in a solicitation or contract as a

NON-GOVERNMENT STANDARDS

Together with performance specifications, non-government standards are part of the cornerstones of MILSPEC reform efforts. With proper development and use, non-government standards are preferable alternatives to military specifications and standards.

However, several DoD activities have recently sent out letters offering to turn over many of their documents to private sector standards developers willing to assume ownership. This type of panic behavior in reaction to restrictions on military specifications and standards is not productive.

Transitioning to non-government standards does not mean merely putting a different cover on a military document. The goal is to use documents that are used in commercial transactions, as well as defense acquisitions. A non-government standard that forces a company to manufacture an item for the DoD on a production line separate from a company's commercial line is not any better than using a military specification or standard.

The emphasis on the need to transition to non-government standards should not be misinterpreted. This should be done only when it makes sense and will lead to the use of commercial products and practices that meet the DoD's needs.

Achieving this end requires sound transitioning strategies developed in partnership between the DoD, industry, and the private sector standards developers. Strategies should be based on priorities that reflect the needs of DoD's buying activities, and incorporate such considerations as frequency of use or age of documents.

FYI

The Acquisition Streamlining and Standardization Information System (ASSIST) data base is an essential tool to tracking document decisions resulting from the MILSPEC initiatives. ASSIST provides on-line management information about standardization documents listed in the DoDISS. Today, the information includes lists of approved documents, document status, (i.e., active, inactive

for new design, or canceled) document dates, titles, preparing activities, custodians, and review activities tiering breakouts report capabilities and much more. By the end of the year, ASSIST will be able to provide lists of DoDISS performance specifications and standards that are exempt from the need for waivers. Many more enhancements are scheduled for 1995. At present, ASSIST is only available to DoD personnel, but will be made available to all interested parties in the near future. For DoD personnel interested in subscribing to ASSIST, please call Roy Bowser of the Defense Printing Service on DSN 442-6257.

Department and Agency Standards Improvement Plans are due to the Chairman of the Defense Standards Improvement Council by November 30.

The Defense Standards Improvement Council is working on major changes to policies on military standards. Advance details will be published in this Newsletter, but you can expect a revision to standards policies and procedures in the near future.

Changes to Part 210 of the Defense Federal Acquisition Regulation Supplement (DFARS) will be going out soon for public comment. The proposed changes reflect the DoD's emphasis on performance specifications and non-government standards. In addition, there will be contract clauses that encourage bidders to offer alternatives to specifications and standards called out in solicitations.

Proposed changes to DoD Instruction 5000.2 are being sent forward for approval. The primary thrust of the changes is to ensure that program and functional offices in the DoD understand that the management and manufacturing specifications and standards cited in the instruction are for guidance only. It is the program manager's responsibility to ensure that the various cost, schedule, and engineering management requirements are balanced and met. The specifications and standards in the instruction should form an information infrastructure tool that the program manager can use, rather than a set of rules that drive the program.

Approved publications cited in this Newsletter are available from the Standardization Document Order Desk, Building 4D, 700 Robbins Avenue, Philadelphia, PA 19111-5094, or by calling (215) 697-2667/2179. Private sector and non-DoD federal organizations must order the GSA Federal Standardization Handbook from the General Services Administration, Centralized Mailing List Service (7CAFL), PO Box 6477, Fort Worth, TX, or by calling (817) 334-5215.

EXECUTIVES & DEPARTMENTAL STANDARDIZATION OFFICES

Secretary Perry directed the Under Secretary for Acquisition & Technology, the Secretaries of the Military Departments, and the Director of the Defense Logistics Agency to appoint Standards Improvement Executives (SIEs) to participate on the Defense Standards Improvement Council. The Council is charged with directing specification and standards reform matters.

The Departmental Standardization Offices (DepSOs) ensure that the Council's directions are implemented in the Military Departments and applicable Defense Agencies.

Guidance, interpretation, questions, and problems surrounding specifications and standards reform issues should be directed to the appropriate SIEs and DepSOs.

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