

# DEPARTMENT OF DEFENSE (DoD)

## Standard Procurement System Achieves “Balanced Scorecard” Through Use of Best Practices in Independent Evaluations and Project Controls

- Challenge:** Develop a quality software tool and effective procedures to restore confidence and the integrity of end users and oversight boards.
- Solution:** Partner with an expert who could implement reusable best practices for project control to produce accurate, independent analyses quickly and reliably.
- Result:** Today, the Program is meeting all cost, schedule and performance goals. SPS is fully functional, has user acceptance and is receiving positive recognition from the oversight boards. More than 23,000 DoD professionals use SPS to purchase over \$48 billion in goods and services; currently it's deployed in 800 sites worldwide.

### An ambitious endeavor to automate processes and replace legacy systems

The Standard Procurement System (SPS) was launched in 1994 to fulfill the DoD's vision for a standardized contract writing system. Its planners intended SPS to replace more than 70 diverse legacy systems. As the system evolved, SPS is now providing a technology-based solution to DoD's financial management challenges and bringing increased efficiency to personnel facing growing workloads resulting from post cold war downsizing.

Within two years after its launch, many basic procurement functions across the DoD were automated by SPS. Today, SPS functionality allows the system to support major weapons systems acquisitions as well as complex contract administration missions. SPS is the procurement system of choice for the U.S. Army, Navy, Air Force and 13 Department of Defense agencies.

### Critical flaws reduce user confidence and trigger “strategic pause”

In 2001, the challenges of requirements definition, independent testing and strategic deployment were taking a toll on the Program. Work-arounds and systems inefficiencies had become a prolific byproduct, causing widespread user discontent. The Under Secretary of Defense (Acquisition, Technology and Logistics) placed the program on strategic pause until processes that focused on costs, schedules and performance goals were in place. The strategic pause would only be lifted if the program could achieve a “balanced scorecard” rating from the Office of Management & Budget.

SPS Program Manager, Army Colonel Jacob Haynes assembled a team to perform an internal evaluation of the SPS program. After reviewing the Program, Colonel Haynes decided to focus on three areas: (1) develop a quality software product, (2) decrease development time, and (3) better control contracts and deliverables. Before deploying the next version of the system, new requirements, testing and deployment processes were put in place.

To ensure users' suggestions are heard, the SPS Joint Program Management Office (JPMO) revitalized the requirements process by empowering the Joint Requirements Board (JRB) to prioritize requirements for enhancements and fixes and to review, approve and if necessary, write test scripts. The JRB creates and prioritizes functional requirements and consists of representatives from each of the Military Services and 13 Other Defense Agencies. In addition to revamping the requirements process, the JPMO overhauled the testing process. In 2002, an independent validation and verification (IV&V) began, helping the Program Office (with volunteer testers from the field) to perform a full testing scenario prior to formal delivery of the software to the Government. Finally, the deployment process was re-engineered to produce a standard procedure for software installation and upgrades. A site pre-deployment documentation package was created, which includes checklist-type information to accurately determine a site's readiness to deploy and upgrade. It also helps enable sites to prepare their hardware and infrastructure for deployment. Changes made to the deployment process dropped the average deployment schedule from 4.8 to 2.1 days, saving the Program \$12.8 million.

## CASE STUDY



*“Perhaps the most valuable lesson we learned was witnessing how critical stages in development could be reduced from months to weeks, following PRICE’s best practices.”*

**>> COL Jacob Haynes**  
SPS Program Manager

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## PRICE selected by the SPS PMO

The SPS JPMO selected PRICE Systems because of their Program Affordability Management experience and deep industry knowledge. PRICE used its TrueMethods™ approach to streamline all decision-making using development matrices that quantified the right data and approach to each new task. This approach provided the PMO with added credibility by having an independent party review and assess changes to the Program before they were implemented. This assessment helped restore the lack of confidence that had contributed to the strategic pause.

TrueMethods helps ensure the success of programs by using a knowledge base built through actual data collection, developing accurate cost estimates derived from that knowledge base, and implementing project growth controls to keep ongoing revisions within scope and budget. Existing tools were used to determine the feasibility of the budget and schedule adjustments. Cost data and analyses from PRICE were used to write a solid business case analysis, convincing DoD leaders that augmentation of SPS was doable through a series of independent adjustments over a four-month period.

“PRICE Systems helped by transferring their knowledge and maximizing the efficiency of tools we already had which significantly enhanced the cost-effectiveness of their engagement. Ultimately, SPS will potentially replace more than 76 procurement legacy systems and save the Department of Defense \$403.3 million,” explained Colonel Jacob Haynes, SPS Program Manager.

“Perhaps the most valuable lesson we learned in our engagement with PRICE Systems was witnessing how critical stages in development could be reduced from months to weeks, following PRICE's best practices,” says Haynes.

### More information on SPS can be found at:

<http://www.spscoe.sps.eis.army.mil>

## CASE STUDY

### About SPS

The Standard Procurement System (SPS) is a DoD software system that develops, tests and deploys a suite of software products to automate and standardize the procurement process for the acquisition workforce. When full operational capability is achieved, SPS will be deployed to approximately 43,000; today SPS is deployed to each of the military services and 13 departmental agencies to more than 23,000 users throughout the United States and in 15 countries worldwide.

SPS is a Project Office in the Army's Program Executive Office, Enterprise Information Systems (PEO EIS), which develops, deploys and acquires information technology systems and communications for DoD.Launching System, Mk 41.

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