

DEFENSE  
CONTRACT  
MANAGEMENT  
AGENCY

# INSIGHT

2017



CENTER/AFT FUSELAGE  
DCMA PALMDALE

F414-GE-400 POWER PLANT  
DCMA APG LYNN MASS.



# ON THE COVER

The E/A-18G Growler is just one of many major programs Defense Contract Management Agency supports throughout the acquisition life cycle. The agency works directly with its customers and industry counterparts to meet the delivery, cost and performance expectations of Department of Defense, Federal and allied government supplies and services.

An example of the agency’s performance, on this page, DCMA Boeing St. Louis quality assurance specialists Jim Bader and Kevin Williams inspect an E/A-18G Growler. Their work is just one facet of DCMA’s warfighter support mission.

With major programs, that collective effort often involves a global supply chain and the support of DCMA’s network of acquisition professionals. Although the end-product is typically assembled at a specific location, it is infused with the world-wide expertise of the agency’s 12,000 team members.

Cover: Navy photo by Petty Officer Nathan Beard  
This page: DCMA photo by Thomas Perry  
Back: Air Force photo by Senior Airman Tyler Woodward



# INSIGHT

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The Defense Contract Management Agency consistently, professionally and independently administers contracts on behalf of our Department of Defense customers, saving billions of taxpayer dollars. These savings the services can rededicate — to other contracts, to mission readiness, to changing needs.

Military buying commands contract with industry to produce goods and services, from aircraft to textiles. On behalf of the customer, DCMA makes sure all contract requirements are met, from pre-award to product delivery and contract closeout. We have thousands of acquisition experts around the world who make this happen. People who follow the money, who verify what is being reported, who recognize counterfeit parts and question data; people who perform acceptance check flights; people who deploy to provide contract expertise in theater.

Our scope of work includes 345,200 active contracts with a total contract amount of \$6.5 trillion, being performed at 19,500 contractor locations world-wide. We employ nearly 12,000 people, primarily civilian subject matter experts, working out of about 1,000 locations. Eighty-five percent of the agency’s workforce is acquisition certified, and half are veterans. About 500 are uniformed service members. All are dedicated to doing the right thing from the bottom line to the front lines.

This essential combination of experienced personnel and immediate proximity to contractors ensures cost and quality requirements are met. It also means contractors get paid on time — DCMA authorizes \$455 million in contractor payments every day. It means predictability and readiness, for everyone involved.

This publication should give you a sense of who we are, what we do and how we fit into the greater national defense team. It also dives a little deeper into a few examples of our role — our expertise in commercial item pricing, our focus on small business as an economic driver, and the unique opportunities a DCMA assignment provides our service members.

The big takeaway, however, is simple. DCMA provides a significant return on investment. When done right — and we don’t settle for less — our work saves taxpayer dollars and lets our warfighters focus on what they do best ... training, fighting and defending our nation.

Air Force Lt. Gen. Wendy Masiello  
Director, DCMA



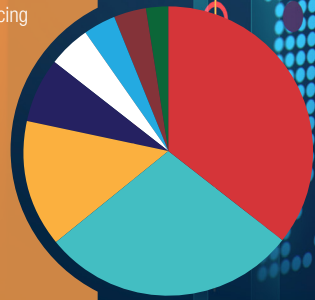


has **12,000** employees from over eight different career specialties.

**47** percent of the workforce are veterans

**5** percent are active duty military

- 30% Quality Assurance
- 24% Contracting & Pricing
- 12% Engineering
- 6% Industrial Specialist
- 4% Software/IT
- 3% Procurement
- 3% General Business
- 2% Property



## GLOBAL ENGAGEMENT

**50** main offices overseeing  
**1,000** locations around the world

Managing  
**345,200**  
active contracts  
With a total contract  
amount of  
**\$6.5 trillion**

Providing direct support to  
**200**  
DoD and other  
government agencies



**BY THE NUMBERS:** The totals below are the big picture numbers that account for the work (analyzing contractor systems, reviewing data, investigating sources, identifying non-conforming materials, just to name a few) DCMA provides to it's customers.



.....75 programs, 51 are ACAT 1  
**124,000** contracts totaling **\$2.5 trillion**  
\$614b obligated • \$78b unliquidated .....



.....45 programs, 32 are ACAT 1  
**36,000** contracts totaling **\$817 billion**  
\$586b obligated • \$51b unliquidated .....



.....62 programs, 37 are ACAT 1  
**46,000** contracts totaling **\$850 billion**  
\$850b obligated • \$651b unliquidated .....



## RETURN ON INVESTMENT: \$2.84 BILLION

# ROI

By Patrick Tremblay, DCMA Public Affairs



**\$250 MILLION SAVED**



**\$946 MILLION RECOVERED**



**\$1.6 BILLION AVOIDED**

In 2016, the Defense Contract Management Agency returned to the government more than \$2 for each \$1 invested. The agency's return on investment last year was \$2.84 billion against a \$1.38 billion budget.

This number is actual dollars avoided, recovered or saved. The agency's acquisition professionals use creative problem solving, innovative thinking and an unwillingness to accept the status quo to contribute to that return on investment.

In addition to this quantifiable return on investment, the agency projects that in the next three to five years it will save nearly \$7.4 billion for the Department of Defense customer, and ultimately the taxpayer.

Some efforts may return just a few thousand dollars,

but just like the following examples, they all add up to the pivotal role DCMA plays in safeguarding taxpayer dollars.



### COST AVOIDANCE

The agency avoided more than \$1.6 billion last year through initiatives including commercial pricing efforts. It also avoided spending through efficiency, like making smarter decisions when traveling to review contractor purchasing systems.

The Contractor Purchasing System Review Group's four teams perform over 130 reviews a year across the U.S., evaluating the efficiency and effectiveness with which contractors spend government

funds and comply with policy when subcontracting. Dozens of analysts travel hundreds of times a year to contractor locations.

"We saved more than \$80,000 in 2016 by finding better ways to perform our reviews," said Betty Alicea, CPSR Group director. Efficiencies include conducting remote reviews when contractor records were available, and sending three analysts to contractor sites instead of two, halving the number of days required for the review.

"It is important that we are good stewards of our own use of taxpayer dollars so we can focus on contractor's efficient use of government funds when subcontracting," said Alicea.



### COST RECOVERY

The agency recovered \$946 million last year, through litigation, contract terminations and property claims.

Darrel Goldman, a plant clearance officer at DCMA Orlando, is using an innovative way to recover more money when getting rid of unneeded items — online commercial auctions.

Federal organizations regularly use auctions to sell off usable, off-the-shelf items. Typically this is done by soliciting bids from a short list of emails. Goldman said when he did so, it was often the same small number of people bidding, or worse. "Time after time I would see no bids on good useable property," he said. "I would cringe at the thought of having to direct the contractor to scrap usable good items."





DoD photo by Leah Garton

## Missile Defense

Earlier this year Missile Defense Agency personnel and sailors aboard the guided missile destroyer USS John Paul Jones, conducted a flight test of the SM-3 successfully intercepting a ballistic missile target. The test demonstrated a critical milestone in the development of a defense against ballistic missile threats.

DCMA had a hand in this success through government surveillance of material review, configuration control board processes, and testing operations, the agency verified and validated Standard Missile-3 Block IIA hardware and software before acceptance.



Air Force photo by Staff Sgt. Roy Lynch

## Blackhawk

Of the 36,000 contracts DCMA administers for the Army, the largest program is the UH-60 Blackhawk helicopter. In late 2016, DCMA's Army Chief Warrant Officer 4 Michael Tobin accepted the 1,000th Black Hawk from Sikorsky's Stratford, Connecticut location, on behalf of the government. The aircraft is now part of the 22nd Aviation Regiment, Fort Hood, Texas.



Navy photo by Chief Petty Officer Keith DeVinney

## Poseidon

In January, the Navy accepted its 50th P-8A Poseidon, an advanced anti-submarine warfare; anti-surface warfare; and maritime patrol aircraft. Led by DCMA Boeing Seattle, acquisition professionals from across the agency's diverse procurement portfolio have supported the program's Fleet Depot contract since its October 2015 inception.



Photo courtesy of DCMA Lockheed Martin Marietta

After getting the necessary approval, Goldman took the initiative to start selling them on eBay and immediately saw success. In the six months before going online, auction sales were \$787. In the first three months online, sales totaled \$12,614. "This is all money that would have never been received with the old sales method," he said.

Small wins add up, and the initial success has led Goldman's leadership to create a business practice for using online auctions. "I saw a problem and figured out a way to fix it. Rather than usable property ending up in a landfill, we are now able to sell more and deposit more funds back to the U.S. Treasury."



### COST SAVINGS

DCMA saved \$250 million last year. This included things like earned value management streamlining and final incurred cost rate settlements. It also includes smart moves

that can save thousands, like giving something away.

DCMA Lockheed Martin Marietta employees saved taxpayers at least \$16,000 by donating a retired Air Force railroad switch engine to a farm that provides educational programs to children in Florida.

The 60-ton Engine 1248 served many missions during its working life, primarily pulling rail cars carrying C-5 Galaxy and C-130 Hercules parts used on Lockheed Martin's production lines. The engine had reached the end of its service life, which typically meant it would be scrapped.

"Our local scrap dealer said it would cost \$12,000 to scrap in place, and in addition, \$1,000 per truck load to remove from our site, which would have been at least four truckloads," said Leonard Rishell, a plant clearance officer with the Contracts Directorate. On top of this, the

government would have had to pay to have the equipment cleaned and drained of all fluids before being scrapped.

Rather than go the scrap route, Rishell used the plant clearance process, a program to expedite and increase the reutilization and disposal of excess government material, to research other ways to get rid of the old engine. Using his knowledge of property disposition, he found the ideal recipient — Kirby Family Farm, a Williston, Florida, facility that provides educational, historical, recreational, agricultural and community enrichment programs for at-risk and special needs children.

"This engine had an important mission," said Rishell. "When it was no longer needed, instead of destroying it, we wanted to find an organization that could still use it. Now others can continue to enjoy it."



# BOOSTING SMALL BUSINESS DEMANDS BIG IDEAS

DCMA maintains a team of acquisition professionals who serve as small business advocates to ensure "mom-and-pop" and socio-economic disadvantaged businesses receive a fair opportunity to compete for DoD contracts.

By Thomas Perry, DCMA Public Affairs



There are 28 million small businesses in America, and Defense Contract Management Agency's small business team wants as many of them as possible to join the defense industrial base.

"Our mission is to provide small business support to our defense and government customers by ensuring subcontracting compliance and optimizing subcontracting opportunities," said Tatia Evelyn-Bellamy, the director of DCMA's Small Business Office and Small Business Compliance Center. "Our strategy is to actively assist customers in developing aggressive but reasonable subcontracting plans for their contractors and review contractor subcontracting program compliance."

In line with the agency's over-arching mission of warfighter support, Evelyn-Bellamy explained her team's effort "in assisting military partners with pre-award and post-award subcontract management, and working with prime contractors to achieve subcontract success" helps foster business innovation and new technology, supports the warfighter, strengthens and sustains the military and economic industrial base, and promotes private enterprise.

It is a massive undertaking that the office's name naturally undersells. Small businesses account for 54 percent of all U.S. sales and provide 55 percent of all U.S. jobs. To support this large group of

# "WE ARE COMMITTED TO EXPANDING THE SMALL BUSINESS INDUSTRIAL BASE."

Tatia Evelyn-Bellamy, DCMA Small Business Office and Small Business Compliance Center director

American taxpayers, the agency's small business team partners with other DCMA departments to create an environment of support.

"We maintain a collaborative relationship with senior leaders, program managers and the Contracts Directorate to ensure customers and contractors develop acquisition strategies to identify and receive quotes, bids, or proposals from small business vendors," said Rosalyn Wiggin, a small business professional within the SBO. "Our joint effort

educates customers on small business regulation requirements and the benefits of small businesses — particularly their responsiveness to requirements and agility to perform in a more cost-effective manner compared to current large business suppliers and service providers."

The U.S. Small Business Administration's categorization of "small" depends on the industry. It is then further defined by average number of employees over the past 12 months or average annual receipts over the past three years. Prospective contractors should visit the administration's website for more information. As a first-glance qualification test, SBA guidelines maintain businesses must meet the following parameters to qualify for small-business government contracts:

- Is organized for profit;
- Has a place of business in the United States;
- Operates primarily within the U.S. or makes a significant contribution to the U.S. economy through payment of taxes or use of American products, materials or labor;
- Is independently owned and operated;
- Is not dominant in its field on a national basis.

DCMA's collaborative effort begins once business owners determine they qualify for small-business government contracts. Many owners may find it difficult to navigate regulations, especially those new to government contracts. It is a challenging environment that can at times



While conducting site visits to Defense Contract Management Agency facilities, Air Force Lt. Gen. Wendy Masiello, DCMA director, often tours the factory floors of the agency's industry counterparts. DCMA photos by Thomas Perry

punish inexperience, but Evelyn-Bellamy said her team maintains passion in pursuit of its mission.

"We are committed to expanding the small business industrial base," Evelyn-Bellamy said.

In support of that commitment, DCMA SBO works with its DoD and industry counterparts to include the Navy's Office of Small Business Programs, local Procurement Technical Assistance Centers, the National 8(a) Association, the National Defense Industrial Association, veterans' groups and many more.

In addition to supporting these organizations, the agency's small business team conducts training sessions, when appropriate, for both contractor and government personnel on existing and emerging small business issues.

"We support many groups whose goals are to educate, inform and train small business personnel and our industry counterparts on current programs, processes and initiatives," said Eric Claud, an SBO professional. "It really is all about increasing small business opportunities for prime contractors, and particularly subcontractors, across the Department of Defense and the federal government."

All of these efforts can make a huge

difference in the financial health and success of small and socio-economic disadvantaged businesses. According to the SBA, "most government agencies 'set aside' a percentage of their acquisitions for small and disadvantaged businesses. In some cases, these set-asides might consist of certain types of tasks on larger contracts. In other cases, entire contracts may be designated for small businesses."

In other words, there are often government-contract opportunities available to small business owners. Whether owners are qualified and prepared to properly apply is another story. DCMA's small business team hopes to ensure that answer is always yes.



Navy file photo

In April of 1952, Sarkis Tatigian began an 11-month tour of the Navy's small business mobile exhibit. His mission was to travel throughout America to increase awareness of small business contracting opportunities. More than 60 years later, Defense Contract Management Agency's small business team shares a similar mission — minus the fancy trailer. The team provides support to defense and government customers by advocating for small businesses to ensure subcontracting compliance.

**87** MENTOR PROTÉGÉ ACTIVE AGREEMENTS  
At the end of fiscal year 2016, DCMA's small business team maintained 87 active mentor protégé agreements.

**59** ANNUAL PERFORMANCE REVIEWS  
The DCMA small business team completed 59 annual performance reviews. Of those 59 reviews, 15 were Credit DoD Mentor Protégé agreements and 44 Reimbursable DoD Mentor Protégé agreements.

**78** MENTOR PROTÉGÉ POST AGREEMENTS  
DCMA maintained 78 active Mentor Protégé post agreements. After the expiration of an active agreement, the DCMA Mentor Protégé Small Business Compliance division is responsible for reporting on the return on investment of the protégé for two consecutive years.

**28** MENTOR PROTÉGÉ POST AGREEMENTS COMPLETED  
In its 2016 return on investment report to Office of the Secretary of Defense, DCMA completed 28 Department of Defense Mentor Protégé post agreements.

**1** MENTOR PROTÉGÉ PROGRAM  
According to the U.S. Small Business Administration, the Mentor-Protégé Program is designed to enable successful firms to provide various forms of business development assistance to program participants. The goal of the program is to enhance the capability of businesses to be competitive, achieve entrepreneurial success and contribute to the strength and vigor of the economy.



# WARFIGHTERS WANTED

DCMA offers military ranks career advancement, leadership challenges and unique perspective.

By Stephen Hickok, DCMA Public Affairs

The term “tip of the spear” is normally associated with America’s elite forces fighting in a far-off hostile environment.

It may sound unusual as a definition for maintaining government and industry relationships and yet, leaders at the Defense Contract Management Agency see it just that way.

“We can’t project power without industry,” said former DCMA International Commander Navy Rear Adm. Deborah Haven. “This is the tip of the spear with connecting industry to our warfighter. The impact we have on major weapon systems by streamlining the relationship with the supply chain, reducing costs and reducing production times can have an incredible impact on the Department of Defense’s budget and our nation’s ability to project power around the world.”

As a majority of the agency’s workforce is civilian, DCMA is lesser

known within military communities. For Haven and others formerly assigned to DCMA, and the service members who currently make up 5 percent of the agency’s 12,000 personnel, DCMA duty assignments are career shaping.

“This agency has more command billets than any other agency,” said Haven. “So if you’re an aspiring leader, and I believe that every military officer should be aspiring to command, this is the place to be.”

DCMA was a unique career experience for Haven, who now works as the Defense Logistics Agency director for the Navy Joint Reserve Force. “Well, I came in as a captain and I’m leaving as a two star, so I guess it had a huge impact,” she said.

In addition to career advancement, she said her agency time was professionally fulfilling. “It was incredible to be able to lead a team that is multifunctional — engineers,

administrative contracting officers, quality, pilots, safety experts — and then take that powerful knowledgeable team and apply it on a global basis to our partners around the world.”

Air Force Master Sgt. Ron Simmons is a government ground representative with DCMA International in Wiesbaden, Germany. He began his seven-year tour without any knowledge of the agency.

“I had never heard about DCMA prior to my selection for the special duty assignment,” Simmons said. “Honestly, I don’t think many service members within the different branches of the military know about DCMA. Unless they have a DCMA office on their military installation, I don’t think service members see it as anything other than another DoD agency.”

He soon realized how important his role would be.

As a subject matter expert for aircraft ground operations, or as he calls it “an

## “WE CAN’T PROJECT POWER WITHOUT INDUSTRY. THIS IS THE TIP OF THE SPEAR WITH CONNECTING INDUSTRY TO OUR WARFIGHTER.”

Navy Rear Adm. Deborah Haven  
Defense Logistics Agency director for the Navy Joint Reserve Force

aviation insurance agent,” Simmons approves and oversees contractor maintenance ground operations at nine U.S., NATO and foreign military sales sites. Leading the maintenance, training and tool control programs in Wiesbaden, his contractual oversight spans over 14 million square miles on three continents and \$7.7 billion in U.S. government contracts.

Interactions with technical experts like Simmons helped shape Haven’s understanding of DCMA before her first assignment with the agency.

“I knew that once you got under the hood and got to the right people in DCMA they could be very very effective for supporting the contracts and making sure the parts were getting to the warfighters,” she said. “I understood the value, but of course, after you’re here, you really can see the power. So I’m very excited about that as I go back to DLA where I will be working with other services and can help them leverage the talent that DCMA brings to the warfighter.”

Air Force Col. Alex Stathopoulos

also had previous experience with the agency before becoming the DCMA Lockheed Martin Fort Worth commander.

Starting as a lieutenant, Stathopoulos saw the significance of the agency while working on the Joint Tactical Information Distribution System, the A-10C Thunderbolt program, and the first acceptance of production F-35s. “These professionals were essential acquisition teammates bringing necessary skills and insight to the table to establish and execute





The roughly 500 service members at Defense Contract Management Agency perform a variety of roles — from acquisition to aviation — and about a dozen billets carry Joint assignment credit. The agency is working toward expanding this, as many of its service members work on a diverse portfolio of defense programs. DCMA photo by Thomas Perry

“DCMA CAN MAKE YOU THE SMARTEST PERSON IN THE ROOM WHEN DEALING WITH INDUSTRY ISSUES.”

Air Force Col. Alex Stathopoulos  
Deputy Director of Global Power Programs, Office of the Assistant Secretary of the Air Force, Acquisition

win-win business deals for the taxpayer and warfighter,” he said. “All of these positive experiences happened prior to me becoming part of the agency.”

He says that the greatest benefit personally was seeing how defense contractors actually approach and execute programs. The DCMA Lockheed Martin Fort Worth team introduced Stathopoulos to what he calls the most knowledgeable acquisition warriors in the world. “These people understand the systems, challenges and warfighters need as good as anybody,” he said. “They are dynamic, creative and inspirational.”

Stathopoulos has moved on to become the deputy director of global power programs for the office of the Secretary of the Air Force, Logistics, but still leans on lessons learned at DCMA. “DCMA can

make you the smartest person in the room when dealing with industry issues.”

But as with any senior position, challenges are always present. Stathopoulos regards the leadership challenges unlike any other. He explained that balancing the factory realities, the demands of the program office customer, and warfighter expectations are a daily challenge.

Simmons agrees. With his background in aircraft maintenance being instilled by the “Air Force way,” adapting to DCMA’s operational demands has taken some effort. “Being a part of DCMA and working with contractor personnel in ground operations, I found out things are much different.”

The high operating tempo challenges, however, can sometimes prove to be the greatest benefit of an agency tour.

“Everything is how you react to it,” said Haven, who explained that successful leaders have to work hard, have a positive attitude, take initiative, be accountable and look for opportunities.

The opportunities are there. As a GGR, contracting or quality assurance specialist, acceptance pilot, or senior leader, DCMA global assignments deliver experience, training and expertise in the acquisition world.

Agency offices are strategically placed where the workforce can sit down with senior leadership in civilian companies and learn their processes. Haven said those experiences are career shaping. “I think that I knew nations were trying to emulate the U.S. but to hear it one-on-one from around the world in different companies, that was pretty powerful to me. I just can’t imagine a more exciting place to be to support the warfighter from the contracting aspect.”

The point of DCMA is to ensure those at the tip of the spear have the right equipment and support so they can accomplish their mission and come home safe. “That awesome responsibility is fundamental in our combat edge across the world,” said Stathopoulos. “If you want to truly understand industry’s role in the DoD, DCMA is a great experience.”

CAN FAIR PRICES RESTORE AMERICAN POWER?

Commercial Item Group’s ultimate goal is to provide America’s warfighters with the latest technology at the best value.

By Thomas Perry, DCMA Public Affairs



In January, Chairman of the Senate Armed Services Committee Sen. John McCain released “Restoring American Power,” a white paper examining future defense budget recommendations.

While highlighting the “erosion” of the U.S. military technological advantage, he wrote, “Commercial research and development now dwarfs U.S. government investments, and more and more of the technologies that the U.S. military will need to remain dominant are being developed by commercial firms, including those that traditionally have been deterred from doing business with the Department of Defense.”

He called on Congress “to provide the department with greater congressional support and funding to experiment with new approaches that can deliver greater capabilities to our warfighters more quickly and cost effectively.”

It was a sobering assessment for a military community that has maintained battlefield superiority for many years. One “new approach” may already exist within DoD’s acquisition community — commercial item determination and pricing. In its simplest terms, the initiative ensures the government and, by proxy, the American taxpayer, pays a fair price for items deemed commercial.

Commercial item pricing began its journey to prominence six years ago when Shay Assad was named DoD’s defense pricing director. Assad, a champion of the commercial item pricing movement, worked with DCMA last year to establish six Centers of Excellence. Along with

the agency’s Commercial Item Group headquarters element, these centers provide “commerciality” and pricing insight to buying commands as well as DCMA administrative contracting officers.

“There are eight different types of commercial items,” said Thomas Walker, CIG director. “We help our clients determine whether their acquisition meets one of those definitions and whether the price being paid is fair and reasonable as compared to the commercial marketplace.”

The DCMA-Assad commercial item alliance led to a rapid development of what agency Director Air Force Lt. Gen. Wendy Masiello called “a robust cadre of commercial acquisition expertise.”

In a welcome letter to his group’s 2017 conference, Walker wrote, “As a testament to the urgency of our mission, most of the CIG workforce has been hired within the last 12 months; since January 1, 2016 our numbers have gone from 11 to 53, a growth rate that is seldom seen in a Department of Defense organization outside of wartime ... We are here to establish Commercial Item Group as a community of practice founded upon open communication, sharing of knowledge and mutual trust.”

Trust can be difficult to establish when stakes are high, but Masiello said Assad remained an agency supporter throughout the CIG’s development.

“I consider Mr. Assad a great partner and he’s an advocate

for DCMA, our pricing talent, and our future commercial-item determinations and recommendations,” said Masiello, in a POLITICO Pro Q&A. “I consider it his responsibility in partnership with (Defense Procurement Acquisition Policy) and the DoD policy writers to define the pricing expectations and standards, and then our job at DCMA is to execute those expectations.”

As Masiello and her senior leadership team crafted a plan to meet expectations, they understood the potential obstacles of presenting new business practices to the defense industrial base.

“I think this new commercial thought process can be challenging for industry, as it is for us, too,” said Masiello. “It’s going to require a new level of trust and transparency that many companies struggle with in dealing with government agencies. It’s going to be a journey, but DCMA is committed to that journey.”

From its mission statement to its strategic plan, the agency is committed to warfighter support and to the idea that the way forward does not need to mirror previous trips.

“DCMA is in the forefront of the Defense Department’s efforts to encourage and engage both non-traditional

contractors as well as our traditional contractors in supplying critically needed technology, supplies and services to our warfighters,” said Steve Trautwein, a senior price and cost analyst with DCMA’s Cost and Pricing Center. “A critical piece of that is our commercial pricing group focused on serving as the department’s experts in assessing proposals for commercial items as to their proper classification and ensuring we pay fair and reasonable prices.”

Timothy Callahan, the executive director of the agency’s Contracts Directorate, said moving forward the area of commercial items is only going to grow in importance. As the CIG team’s efforts expand in both size and scale, DCMA hopes to accelerate the process by establishing memorandums of agreement with defense contractors.

The agreements ensure an improved process for procurement of commercial items for military application by defining expectations regarding information requirements in support of commercial item classification and price reasonableness. DCMA currently has three agreements in place — Rockwell Collins, Airbus and Honeywell — and has two more in process.

“I am thrilled that Rockwell Collins and DCMA were able to come to terms

Members of the newly formed Commercial Item Group serve as acquisition experts by ensuring their customers pay a fair price for items deemed commercial. DCMA photo by Thomas Perry



on this first-ever commerciality MOA,” said Masiello, after the agreement was announced in September 2016. “This agreement sets forth the type of information and specific data that Rockwell Collins will provide to the government to support their commerciality assertions and item pricing. In doing so, this landmark agreement will greatly streamline the acquisition process for commercial and

commercial-like items, and sets the standard by which future commerciality agreements will be measured.”

According to CIG leadership, similar agreements are being actively pursued by industry and the government to give government agencies greater access to commercial products and services, ultimately providing the warfighter with the latest technology at the best value. Items classified as non-commercial often require additional time to develop and are delivered at greater cost to both public and private sectors.


“The DoD acquisition process has many administrative burdens that can keep commercial companies away,” said Walker, explaining his group’s thought process. “Our goal is to look at acquisitions and make educated recommendations on following a commercial buy versus the full DoD system. The ultimate goal is to save taxpayer dollars and still provide quality products to the troops in a timely manner.”



**“It’s going to be a journey, but DCMA is committed to that journey.”**

Air Force Lt. Gen. Wendy Masiello, DCMA director





“Our priorities focus on the constant pursuit of affordability, innovation and agility in concert with the Better Buying practices.

In the end, that pursuit stems from a desire to provide unparalleled warfighter support.”

Air Force Lt. Gen. Wendy Masiello,  
DCMA director



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