



DEPARTMENT OF THE NAVY
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From: Assistant Commandant of the Marine Corps
To: Distribution List

Subj: COMPETITIVE SOURCING WORKING GROUP (CSWG)

Encl: (1) CSWG Goals for MROC Briefing
(2) Marine Corps Core and Non-Core Competencies

1. DoD Management Initiative Decision (MID) 907, responding to one of the top five goals in the President's Management Agenda (PMA), increased targets for competitive sourcing in the DoD FY 2004 budget. We expect to be assigned a significant target to reach the PMA's goal of competing 50 percent of our commercial, appropriated funded billets by FY 2008. To develop a strategy for achieving the Marine Corps' expanded competitive sourcing goals in a manner that will also result in a more effective and efficient Supporting Establishment (SE), we will convene a Competitive Sourcing Working Group (CSWG).

2. The CSWG will be composed of members drawn from the Business Performance Offices at the intermediate commands and from HQMC program management offices representing the standard business management categories in the Marine Corps' Installation Process Model. The CSWG will develop recommendations that will be briefed to the MROC by October 2003. Enclosure (1) includes a list of specific goals and tasks that the CSWG will address in its briefing to the MROC.

3. The CSWG will use the definitions and concepts for identifying core and non-core competencies and core critical enablers from the DoN's briefing to the DoD's Senior Executive Council as a starting point in its deliberations. In applying the accepted definitions and the decision flow chart in enclosure (2) to the functions across our SE, the CSWG will focus its efforts on the critical task of identifying all the Marine Corps-unique issues, such as maintaining an appropriate manpower mix that may be associated with competing each of our non-core functions.

4. All jobs in all functions in the SE should be included in this review. It is critical that we identify all personnel performing non-core functions and address up front all issues that have the potential to complicate or to limit our ability

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for including any of our non-core functions in a strategic plan that will meet our expanded competitive sourcing targets. We need to meet the challenge presented by MID 907's expanded competitive sourcing target intelligently, ensuring that we identify all risks and trade-offs, so that implementing our strategic plan will not only increase efficiencies but will also enhance our overall readiness without reducing the Corps' endstrength.

5. Action:

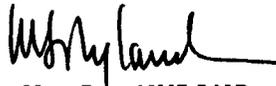
a. The Deputy Commandant for Installations and Logistics will convene, chair, and coordinate the overall CSWG effort and will provide concerned HQMC offices and field commands with more detailed guidance to assist the CSWG in meeting all the goals outlined in enclosure (1).

b. The Deputy Commandant, Marine Corps Combat Development Command (DC, MCCDC) will ensure that the critical task of identifying military personnel filling commercial-like, non-core activities for realignment to the Operating Forces is completed quickly to permit the competition or divestiture of non-core functions, where feasible. DC, MCCDC will also provide data on the military billets that should be retained in the SE to support combat augmentation. Our goal is to ensure that we continue to maintain the appropriate manpower mix across the SE.

c. The Deputy Commandant for Manpower and Reserve Affairs will provide data on the military billets that should be retained in the SE to support requirements for sea-shore rotation, career progression, and casualty replacements.

d. Commanders, U.S. Marine Corps Forces, Pacific and Atlantic; Commanding General, Training and Education Command; and Commander, Marine Corps Materiel Command will provide appropriate participation to the CSWG as detailed in enclosures (1) and (2).

6. The working group will meet in Washington DC, for about one week in the August/September time frame. The Commandant and I request your full support in this critical endeavor.


W. L. NYLAND

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**COMPETITIVE SOURCING WORKING GROUP (CSWG) GOALS FOR MARINE
REQUIREMENTS OVERSIGHT COUNCIL (MROC) BRIEFING**

1. The CSWG will brief the MROC no later than October 2003.
2. The goal of the working group is to develop a plan to comply with the PMA's competitive sourcing goals, as reflected in the requirements of MID 907, that will:
 - a. apply core and non-core and core critical enabler concepts to SE functions in a manner that will ensure effective provision of SE services to the operating forces, Marines and their family members;
 - b. identify the potential for realignment of the maximum number of Marines feasible from their jobs in non-core functions back to the Operating Forces;
 - c. ensure the proposal maintains sufficient military essential billets in the SE inventory to meet combat augmentation, casualty replacement, rotation, career progression, and training requirements;
 - d. ensure military realignment in the SE increases the potential for significant competition and divestiture of non-core functions/processes;
 - e. minimize adverse impacts on our civilian-Marines.
3. The contents of the briefing to the MROC will include, at a minimum, the following items:
 - a. A summary of the recommended strategic approach to contribute to meeting the DoN's competitive sourcing targets described in MID 907 and an overview of how the CSWG applied core, critical enabling, and non-core competency concepts to identify appropriated funded, SE functions as competitive sourcing candidates.
 - b. A comprehensive list of installation, acquisition, training, and logistic processes sorted according to the three definitions for core, critical enabling and non-core competencies for the SE. A summary of FTEs and dollars allocated to each process.

Enclosure (1)

c. A numerical target based on the number of Marines filling commercial-like, non-core billets in the SE that may be feasibly realigned to the Operating Forces by FY 2008 without adverse impacts on structure and manpower mix.

d. A list of specific, appropriated funded candidate activities and functions for competition, divestiture, or privatization within each command/organization.

e. A phasing plan for competing/divesting candidate processes across FYs 2004-2008 that complies with MID 907, dated 20 December 2002. The phasing plan will integrate the timing of competitions with the military realignment process. The phasing plan will also sequence competitions and divestitures in a manner that best ensures consistent results and sharing lessons learned.

f. The anticipated costs of competing the proposed candidates as well as the anticipated costs of continuing to provide necessary services now being provided by any military billets which have been identified as realignment or competition candidates.

g. A competitive sourcing implementation plan. The implementation plan will address use of tiger teams, consultants, procurement/contract strategies, civilian personnel strategies, and so on. In addition, the implementation plan will address all the implications of OMB's newly proposed revisions to Circular A-76, including associated training requirements.

MARINE CORPS CORE AND NON-CORE COMPETENCIES

The attached slides are derived from a briefing given by the Department of the Navy to the Department of Defense's Senior Executive Council (SEC). They apply broad definitions of "Core Competency" and "Core Critical Enabler" developed by the SEC to the Marine Corps, using a common decision flow chart developed for use across all the Services and DoD Agencies. These definitions may require further development for application to Marine Corps installations, Materiel Command, Training and Education Command and other Supporting Establishment (SE) organizations.

The briefing provides a broad frame-work and principles for distinguishing:

- Core Competencies, which are a complex harmonization of individual technologies and "production" (employment, delivery) skills that create unique military capabilities valued by the force employing combatant commander. These services in the SE should normally be performed in-house by Marines (primarily) or civilian-Marines, from
- Core Critical Enablers, functions, which are core but do not directly support the war-fighter. They are valued by those who deliver core competencies to the warfighting combatant commanders. These SE services should normally be performed in-house by Marines or civilian Marines (primarily), from
- Non-Core Competencies, all other functions, some of which may have to be Government and which may or may not be DOD/DON/USMC; and which may or may not be available in the commercial market. These SE services represent the prime area for analysis.

Non-core competencies should normally be performed by the private sector or by civilian-Marines (and in only a few cases, by Marines). The Marine Corps' objective is to become an effective and efficient "buyer" or purchaser of non-core services from the best provider. It is not our objective to provide non-core services, although in some cases the most competitive provider may be the in-house work force—either appropriated funded or non-appropriated funded. Competitive sourcing will be the primary tool for determining the service provider for non-core services.

Enclosure (2)

By using the above definitions, the attached briefing's decision flow, criteria, and questionnaires; along with the read-ahead material developed by I&L, TECOM and MATCOM; the CSWG is expected to be able to segregate non-core functions that can be competed or divested from those which cannot.

Based upon the definitional criteria herein, many functions performed across the Marine Corps' SE will fall into the "non-core competency" category. That fact will require a high burden of proof to be developed for each determination that a non-core function cannot be divested or competed.

ATTACHMENT

Marine Corps Core and Non-Core Competencies

1

Definitions

Core Competency (From the DoD's Senior Executive Council) :

A complex harmonization of individual technologies and "production" (employment, delivery) skills that create unique military capabilities valued by the force employing CINC.

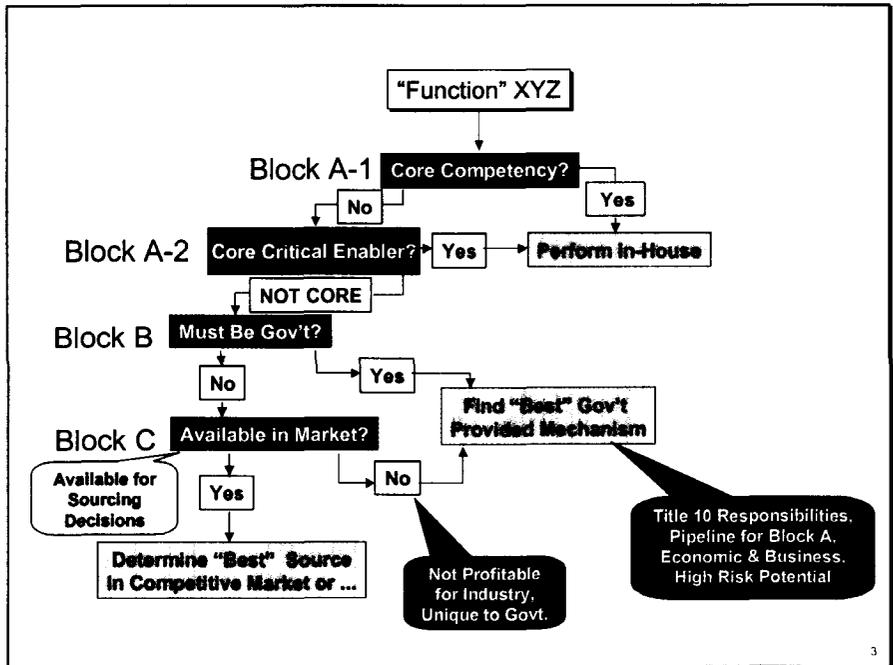
- *Primarily an "Operating Force" vice "Supporting Establishment" question (Direct Support to the War-Fighter.)*

Core Critical Enabler: A function which is Core but does not directly support the war-fighter. It is valued by those who deliver core competencies to the warfighting CINC.

Non-Core: All Other Functions

- *Some may have to be Government (May or may not be DOD/DON/USMC)*
- *May or may not be available in the Market*
- *The Prime Area for Analysis*

2



- ## Core Competencies – Marine Corps
- Warfighting Culture and Dynamic Decision Making
 - Expeditionary Forward Operations
 - Sustainable and Interoperable Littoral Power Projection
 - Combined Arms Integration
 - Forcible Entry From The Sea
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Core Critical Enablers – Marine Corps

1. **Command and Control**
2. **Determination of Operational Requirements**
3. **Recruiting and Introductory Training**
4. **Oversight, Management, Counsel, Representation and Decision Making for:**
 - A. *Program and Budget Formulation and Execution*
 - B. *All Elements of the MAGTF*
 - C. *Civilian and Military Personnel Acquisition, Training, Distribution and Retention*
 - D. *Acquisition, Requirements Development and Weapons System Engineering*
 - E. *Weapons System Repair and Modification*
 - F. *Logistics and Supply Support, In-Service Engineering*
 - G. *R&D, S&T, Technology*
 - H. *Test and Evaluation*
 - I. *Anti-Terrorism and Force Protection*
 - J. *Operational and Tactical Intelligence*
 - K. *Personal and Family Readiness Programs*

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Non-Core Competencies – Marine Corps **Must Be Government (Some must be DON)**

1. **Management, Oversight and Decision Making for All Core Critical Enablers**
2. **Requirements Development and Oversight for Services Done by Others**
3. **Acceptance of Products and Services**
4. **Battlefield Support (Do not place contractors on the battlefield.)**

6

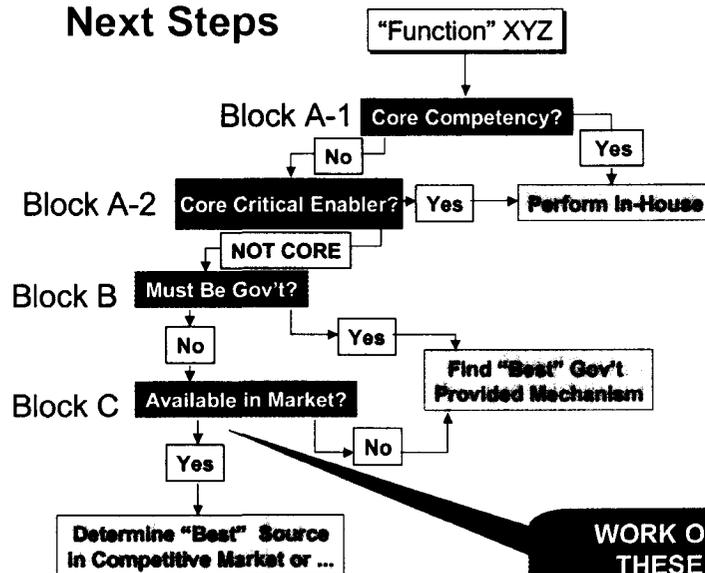
Non-Core Competencies – Marine Corps Available in Market

1. Back Office Support Functions to Core Critical Enablers (Most not large enough to allow wholesale divestiture.)*
2. Administrative Support
3. Base and Station Operations
4. Test and Evaluation
5. Information Technology Operations
6. Personnel Services
7. Training Support
8. Education and Advanced Technical Training
9. Acquisition Support
10. Depot Maintenance
11. Non-Deployable Logistics
12. Supply Support
13. MCCS Services Such as Exchanges, Recreational Facilities, etc.

* Note: The basic premise that there are industries that provide the exact functions we need and can provide trained staff, systems and perhaps even capital investment is not necessarily the case for the myriad of functions we do. For example, there is no company that is a specialist in "budget analysis".

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Next Steps



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Next Steps

- Use flow chart to apply core/non-core definitional criteria to 39 processes in Installation Process Model and to other key SE processes
- Segregate core critical enabling competencies in SE processes from non-core competencies
- Analyze Non-Core Competencies
 - *Apply Title 10 Responsibilities and DoN Questionnaires to segregate "Non-core Must be Gov't" from "Non-core: Available in Market"*
 - *On a process-by-process basis, resolve any differences between core/non-core competency inventory and IG/CA inventory.*
 - *Develop logical alternatives: weigh risk and benefit; prioritize list of candidates; and plan phasing of competitions, privatizations, divestitures.*

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Core Critical Enabler

DON Definition: Core Critical Enabler: A function which also fits the definition of a core competency, but it is valued by those who deliver core competencies to the warfighting CINC. A core critical enabler retains accountability for safety, effectiveness and quality of the current and future weapon systems and intelligence, etc, that are essential to the warfighters' core competencies.

- The function requires profound knowledge of warfighting doctrine or how warfighting equipment is employed in the operational environment
- The function requires understanding the technical dimensions of warfighting problems and knowing who can solve those problems.
- The function requires an independent evaluation of suitability or effectiveness of warfighting solutions with respect to stated requirements
- The function provides for the unbiased advice and counsel to decision makers
- The function ensures interoperability of warfare systems and integrated warfighting capability
- The function is a capability needed to anticipate and respond to current and future National needs
- The function establishes technical policy and standards for air, surface and submarine warfare systems

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Title 10 Responsibilities

- Title 10 responsibilities include those inherently governmental functions associated with:

- Recruiting
- Organizing
- Supplying
- Equipping (including research and development)
- Training
- Servicing
- Mobilizing
- Demobilizing
- Administering (including the morale and welfare of personnel)
- Maintaining
- The construction, outfitting, and repair of military equipment
- The construction, maintenance, and repair of buildings, structures, and utilities and the acquisition of real property and interests in real property necessary to carry out the responsibilities.
- Acquisition
- Auditing
- Comptroller (including financial management)
- Information management
- Inspector General
- Legislative affairs
- Public affairs
- The effective supervision and control of the intelligence activities of the Department of the Navy.

<http://www.access.gpo.gov/uscode/title10/title10.html>

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Non-Core: Must Be Government (Some must be DON)

1. Does it affect how Warfighters organize or execute?
 - a. Source should be transparent to Warfighter/Customer
 - b. Source should not affect organizational composition
 - c. Source should not limit flexibility
2. Does the function deploy with the forces?
3. Does it affect the command and control structure?
4. Does it represent a Title 10 Responsibility?
5. Does the function require an independent review of risk, cost, impact on operations, technical feasibility, "make/buy", contractor incentives, or contractor performance evaluation. The preponderance of answers to the following would be "YES"
 - a. The function involves verification of contractor performance to specification or requirement
 - b. The function results in establishing or defending resource requirements
 - c. It generates sensitive business or operational information (e.g. financials)
6. To provide sufficient hands-on work to foster future performers of Block A functions (develop a pipeline of future decision makers)
7. Does the function form a "representational requirement"?
8. Does the function result in establishing policy
9. Is there a risk to the core competency if function fails?
10. Does it affect how we produce "Sailors/Marines"?
 - a. Training and experience
 - b. Instill ethos and culture
 - c. Warfighting culture and dynamic decision making
11. Is it required to permit the USN/USMC to be an informed consumer?
12. Is this a decision function?
13. Does it have a direct affect on the Sailor/Marine or their family?
 - a. Face to face personal support vice a business relationship

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Non-Core: Available in Market

- 1. Is it a commercially available function/service?**
 - a. Is there a current market model?**
 - b. Does the current commercial source have a good track record?**
 - c. Is the market sustainable over time (sufficient workload and profit incentive for industry)?**
- 2. Does it have a definable outcome or product?**
 - a. Is it measurable?**
 - b. Can it be described in terms of a result?**
- 3. Does it have a predictable requirement and workload?**
- 4. Are the facilities too expensive for industry to own or build?**
- 5. Can we get best value (technical/cost) in contracting?**