



DEPARTMENT OF THE NAVY  
HEADQUARTERS UNITED STATES MARINE CORPS  
2 NAVY ANNEX  
WASHINGTON, DC 20380-1775

IN REPLY REFER TO:

LR  
20 Oct 2004

CHARTER FOR  
THE USMC STRATEGIC PURCHASING INITIATIVE  
INTEGRATED PROCESS TEAM

References: (a) MROC DM 27-2004 of 12 Apr 04  
(b) POM06 Commandant's Programming Guidance of 2 Apr 04

Attachment: SPI Overview Briefing to Executive Council of 29 Sep 04

1. Purpose. The purpose of this charter is to establish and provide direction to the USMC Strategic Purchasing Initiative (SPI) Integrated Process Team (IPT).
2. Background.
  - a. Situation. As a signatory to Naval Power 21, the Marine Corps is committed to business transformation that will improve management of business processes, optimize resources at every level of the organization, and free resources for investment in warfighting capability. References (a) and (b) directed aggressive pursuit of initiatives to improve business processes in order to ensure effective and efficient allocation of resources for continued warfighting excellence. Given the importance to warfighting and the magnitude of resources associated with purchase of goods and services, that is an obvious choice for process improvement.
  - b. Areas of Interest. Key areas of interest in the purchasing process are: current spending patterns, effectiveness and efficiency of USMC value chain purchasing processes, identification of USMC best practices, applicability of industry/other government best practices in various commodity areas, quality of USMC requirements generation and purchasing, clarity of organizational purchasing roles and responsibilities, and effective coordination of multiple initiatives already underway.
  - c. Tasking. The SPI IPT is tasked to study the stated areas of interest, to develop recommendations to improve the purchasing process, and to propose appropriate policy that directs actions to improve support to the warfighter and achieve savings on the order of 1% of annual USMC purchasing of products and services during the PR07 period. A more aggressive savings goal will be established for the POM08 period.

3. Mission. Conduct an end-to-end review of Marine Corps' (value chain) product and service acquisition practices in order to identify opportunities for improvement. Coordinate the development, approval, and implementation of action plans based on the following approaches: (1) coordination of Marine Corps purchasing related initiatives, (2) process mapping and analyses, and (3) spend analyses resulting in commodity oriented benchmarking and best practice analysis.

4. IPT Execution.

- a. Acquire go/no go decision, based on mission analysis (approved in Sep 04).
- b. Acquire go/no go decision, based on draft project plan (submitted in Oct 04).
- c. Complete FY05 (Q1) IPT milestones:
  - (1) Initiative Coordination
    - (a) Coordinated initiative information table (Oct 04)
  - (2) Process Mapping and Analysis
    - (a) Service acquisition "as-is" process map (Oct 04)
    - (b) Service acquisition conference (Oct 04)
    - (c) Product acquisition "as-is" process map (Nov 04)
  - (3) Spend Analysis
    - (a) Preliminary spend analysis (Oct 04)
    - (b) RAND spend analysis initiation (Nov 04)
    - (c) Preliminary report (Dec 04)
- d. Complete FY05 (Q2-Q4) IPT milestones:
  - (1) Initiative Coordination (Nov 04)
    - (a) Continued maintenance and resolution of related initiative boundaries/relationships
  - (2) Process Mapping and Analysis (Dec 05)
    - (a) Determination of to-be processes
    - (b) Implementation of standard processes
    - (c) Best practice recommendations
    - (d) Definition of roles and responsibilities
    - (e) Initiation of training program
  - (3) Spend Analysis (Mar 05)
    - (a) Identification of spending patterns
    - (b) Identification of commodity drill down areas
    - (c) Spend analysis drill down into commodities (on-going over PR07 period)
  - (4) Benchmarking and Application of Best Practices (on-going)
    - (a) Analysis of benchmarks and best practices
    - (b) Development of commodity council activity/plan

- e. Complete FY06 milestones:
  - (1) Acquire go/no go decision, based on revised project plan (Oct 05)
  - (2) Provide implementation plan to achieve PR07 and POM 08 goals (Oct 05)
  - (3) Propose goals (by organization) to save 1% of total USMC purchases annually over PR07 period (1Nov04)
  - (4) Propose more aggressive savings goals to be achieved over the POM08 period (1Nov05)
  - (5) Brief executive committee on action plan to achieve PR07 and POM08 goals (1Dec05)

5. Administration and Logistics.

a. The SPI IPT is comprised of representatives from the following USMC organizations:

- (1) I&L (LR) (chair)
- (2) I&L (LB)
- (3) I&L (LP)
- (4) I&L (LX)
- (5) I&L (LK)
- (6) MARCORSSYSCOM
- (7) MARCORLOGCOM
- (8) P&R (RF)
- (9) M&RA (MR)

b. The executive council is comprised of the Assistant Deputy Commandant for Installation and Logistics; the Director, Marine Corps Business Enterprise Office (MCBEO); the Director, Contracts Division; and the Deputy Director, Logistics Plans, Policy, Strategic Mobility Division. The IPT will provide monthly written progress reports and a quarterly briefing in the Navy Annex to the executive council.

c. Submit quarterly three sentence CMC updates on IPT progress to MCBEO.

Signed



DAVID R. CLIFTON  
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Installations and Logistics Department  
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