

Partnering for Success

Government-to-Government (GTGS) Solutions GSA and USMC Partnerships



BLUF: During the past 15 years, the U.S. Marine Corps has shifted from a base-level logistics environment to an enterprise-wide approach. By partnering with GSA, the Corps has achieved cost savings, standardization and an improved customer experience, reduction of IT systems being used from 22 to 1, as well as improved data visibility. GSA's 4th Party Logistics (4PL) business model has leveraged industry leaders' product expertise in support of the USMC mission. This solution has benefitted installations large enough to host a retail store as well as small, scattered units who must rely on "virtual" stores to purchase common, commercial products.

Transitioning the Marine Corps Garrison Retail Supply Chain

During the late 90's, the Marine Corps started exploring options to partner with industry to become a more effective and efficient fighting force by applying sound business practices for the procurement of common commercial products. Under this concept, all Marine Corps activities would rely on Marine Corps ServMarts for common commercial items to support the Marine Corps mission. Marine Corps logistics strategy calls for it to use an established industrial base to the greatest extent possible, freeing-up Marine Corps management attention and resources for higher priority tasks.

In the early 2000s, after in depth considerations of alternatives, Marine Corps and GSA leaders formed a new partnership between the General Services Administration (GSA) and the Marine Corps which allowed the Marine Corps to migrate its Garrison Retail Supply Chain (GRSC) from base-level management to an enterprise-level management construct executed by an external Supply Chain Manager: GSA, under a 4th Party Logistics (4PL) model.

GSA became the single point of contact for the flow of products, financial data and other pertinent information, allowing the USMC to focus on its core activities. By implementing an

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enterprise-wide solution the Marine Corps was able to leverage its buying power and achieve cost reductions through strategic sourcing and expansion of the garrison retail supply chain beyond brick and mortar stores. Also, data reporting was consolidated and routed with a flexibility and ease not previously available, providing data to the appropriate organizations in a timely manner and in a format they designed.

GSA 4PL Enterprise Concept

The GSA 4PL model (partnership between USMC and GSA) supports the Marine Corps goals of an expanded range of products/services, standardization, and synchronization, while providing Marines with an improved shopping experience and enhanced customer service.

Expanded Range of Products and Services - The GRSC/GSA 4PL initiative brings Marines, Marine units and all of the tenants of Marine Corps Installations excellent customer service with a wide range of dependable, high quality products, when and where they need it; This enables the Marine Corps to divest inventory and relieves the burden on the Regional Contracting Offices for the management of routine, time-consuming contracts and reduces the use of the Navy Working Capital fund for financing of inventory.

Standardization - From the inception of the ServMart concept, bases acted individually to best serve their tenants by selectively accessing government resources mixed with local resources outside their gates. Multiple studies revealed that there was a strategic sourcing potential if the ServMarts were run at an enterprise level. A CENSEO study concluded that leveraging GSA could help approach commercial levels of efficiency and product offering across the Marine Corps Garrison Retail Supply Chain Enterprise. Although, the GRSC initiative standardizes the process for obtaining supplies and services, each individual ServMart retains the right to provide local customization, in coordination with GSA.

Synchronization - The Corps-wide initiative is synchronizing eleven previously independent ServMart stores worldwide into a single network and IT system that will support not only the eleven original locations, but also recruiting stations, reserve units, and units engaged in combat around the world via the USMC Servmart Internet ordering capability.

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New shopping experience – For years under the Navy Working Capital Fund, activities were not able to bring new and better products into the ServMarts and this limited selection of products was not satisfying to customers. Vendor managed inventory allows faster introduction of new products tailoring ServMart inventory to meet the specific needs of its customer base. Approving Officials must monitor items being purchased to ensure that items meet mission requirements.

Customer Service – The Federal Customer Service Enhancement Act of 2008 requires the establishment of customer standards for Federal agencies. The partnership between GSA and the Marine Corps set standards for ensuring customers supported by the USMC ServMart, both in-store and online, for products and services, are provided with exceptional customer experience.

Improved Shopping Experience for Marine Corps Customers

The GSA 4PL model provides Marine Corps customers with commercial best practices in support of the Marine Corps' mission. GSA developed a model that allowed easy access to hundreds of thousands of items in its catalogs. GSA created a walk-in-walk-out and referral process for store customers, including a customer support section supported by vendors to answer specific questions on products and other service issues.

Operational Readiness

For activities/customers not supported by a retail store, GSA created the Marine Corps "Virtual ServMart." The Virtual ServMart provides Marines ready access to over 400,000 commercially available products around the globe. Through direct interdepartmental billing, orders process just as if they were made at the physical ServMart store, and are delivered directly to the CONUS customer in 2-7 business days. The website provides both a Help Desk Line, and a link to provide feedback on the site.

Prior to implementing the Marine Corps/GSA 4PL model deploying unit would often leave on deployment without many of the items needed for the deployment. Because the ServMarts operated under a Marine Corps Funded Inventory, which lack timely funding for support, the ServMarts were unable to stock or had the reach back capabilities to support deploying units

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requirements. The 4PL vendors with their reach back capabilities have been able to fully support deploying units deployment block. The units working with the 4PL vendors were able identify new requirements and have those requirements delivered in time to meet deployment deadline. The 4PL Vendors continues to successfully support the Marine Forces surge and sustainment requirements, with breadth and depth of product, and supplier capabilities; demonstrate the ability to process emergency orders with minimum lead time; demonstrate the ability ensure uninterrupted products and services for the Marine Corps Customers; provide on-site, in-store staff necessary to meet the all Marine Corps requirements in providing the highest level of customer service.

Key Successes for the Marine Corps Enterprise

Before the GSA/USMC 4PL partnership, the 24 installations with a ServMart/Base Store, had varying arrangements for contract vehicles, working capital, and processes for obtaining commercial supplies. Through the work of GSA's enterprise management effort, the Marine has achieved the following benefits:

- 1) 8 of 11 CONUS ServMarts operating under a single enterprise concept (GSA in negotiations with AbilityOne to transition the remaining installations);
- 2) Added 3 new stores (New River, Kaneohe Bay and Iwakuni)
- 3) The 2 OCONUS ServMarts (Camp Butler and Iwakuni) will transition to the 4PL model during FY16
- 4) Reduced Marine Corps labor cost (vendors support their own inventory);
- 5) Reduced Marine Corps inventory cost (vendor managed inventory);
- 6) Reduced labor and fees associated with the utilization of government purchasing cards as sales lost to commercial retailers are regained (all Marine Corps activities directed to use the ServMarts);
- 7) Reduced costs associated with antiquated legacy supply systems as they are replaced with GSA systems (retired 4 Marine Corps legacy IT systems);
- 8) Relieved the burden on Marine Corps Regional Contracting Offices for the management of these routine, time-consuming contracts (Regional Contracting Offices are coordinating with supported ServMarts prior to putting additional items/products on contract);
- 9) Single IT system improving audit readiness and internal controls
- 10) Compliance with Buy American Act {Trade Act | Agreement Act}
- 11) Seamless support to deployed units with {supply block and delivery}

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Moving Forward

Moving forward, the Marine Corps is looking to expand the scope of the Marine Corps and GSA partnership in meeting Marine Corps requirements and the goals and direction for the sustainable procurement of goods and services as identified in the DoD Strategic Sustainability Performance Plan (SSPP).

GSA support to USMC Cyber Range

The USMC requirements were that they needed a real world test environments that could provide them the capability to replicate real-world DoD networks known as Cybersecurity Ranges.

GSA Federal Systems Integration and Management Center (FEDSIM) partnered with the U.S. Marine Corps (USMC) to award Alliant Government-Wide Acquisition Contracts (GWAC) actions for the creation and enhancement of test environments that would replicate real-world Department of Defense (DoD) networks known as Cybersecurity Ranges.

USMC New Capabilities

The Cybersecurity Ranges enable USMC personnel to test out new capabilities and also introduce ways to bolster the integrity of USMC networks across 24 base/post/stations without jeopardizing live operations or real-world missions.

GSA's actions preserved expiring FY14 USMC funds, awarding an urgent \$9 million task order. FEDSIM received the Cyber Range 2015 Commissioner Spotlight Nomination.

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How Much USMC is benefiting from the KCITC Concept?

GSA's Federal Complex on 1500 E. Bannister Rd, Kansas City, MO 64131 is better known as the Kansas City Information Technology Center (KCITC). GSA employees have worked diligently to ensure the USMC IT data center remains a valuable asset to the United States Marine Corps. The Marines' decision extends its commitment to Kansas City well beyond its current lease that expires in 2017. However, the USMC is benefiting far more than just from an infrastructure standpoint. One of the many benefits is a more efficient enterprise IT portfolio consolidated into a more cost effective environment that has long term sustainment.

LF and Marine Corps Installations Command (MCICOM) Guidance, 31 January 2012.

This guidance was to ensure long term, economic and functional viability of Installations, Facilities, and Environmental (IF&E) IT Portfolio systems and applications in order to support decisions making, stewardship, a clean audit opinion, and internal controls.

All Enterprise IT Systems, Regional Systems, and many Local applications in the IT portfolio were inherently governmental activities that were consolidated into one-single government owned, government operated (GOGO) hardware (HW) and software (SW) hosting site {the goal was to ideally be hosted at the KCITC} that was aligned with the Marine Corps Information Enterprise Strategy (MCIENT).

The objectives were to "do more with less" and to improve, "we must change".

- 1) Reduce the cost of doing business through Business Process Reengineering (BPR) and Continuous Process Improvement (CPI) to managing IT systems and applications
- 2) Provide universal yet controlled access to USMC IT functionality and data

Outcome

The strategic vision and strategy, mission and scope, and objectives were all accomplished.

Results

USMC saw a 90-million-dollar savings across the 5-Year Future Year Defense Program (FYDP) from the "KCITC concept" through the Facility Systems Branch (FSB) construct.