



# DoD's Cadre of Experts The Commercial Item Group

# YEAR IN REVIEW

Fiscal Year   
2022

# FROM THE DIRECTOR

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With the 2022 National Defense Strategy driving the commercialization of military-relevant technology categories such as space, software, energy, and more, the Defense Contract Management Agency (DCMA) Commercial Item Group (CIG) focused its support to DoD buying activities by issuing Commercial Item Determinations (CIDs), performing market research, and conducting price analysis in support of the NDS commercialization efforts and other critical DoD commercial procurements.

In FY22, our 62 person team reviewed and provided commercial acquisition insight evaluating 139 unique contracting actions consisting of nearly 5,000 unique products and services to each of the major armed services. Of the 5,000 unique products/services reviewed, nearly 2,300 were specifically reviewed for commerciality, resulting in affirmative determinations on 82% of the products and services reviewed. Additionally, the CIG continued to maintain its flagship statement that it recommended more in proposal dollar savings each week than it costs the DoD to operate the group each year!

As we move through FY23, the CIG will remain focused on providing commercial acquisition expertise to DoD Program Offices and Buying Commands by supporting active commercial acquisition requirements, and finding opportunities to advance defense acquisition strategies by leveraging/adopting commercial technology. We stand ready to support our DoD customers' commercial acquisition challenges.



Dan Hawley  
Director, Commercial Item Group  
Defense Contract Management Agency



# Rapid Commercial Acquisition Support

The 2022 NDS calls for rapid experimentation, rapid acquisition, and rapid fielding of commercial technologies. The CIG's warranted contracting officers serve as a centralized team of trusted acquisition professionals issuing CIDs that pave the way for DoD contracting officers to use streamlined commercial contracting vehicles allowing the department to rapidly adopt/field commercial technologies.

FPDS-NG data from 2019-2021 identified the Procurement Administrative Lead Time (PALT) was 37% faster when using FAR Part 12 (Commercial) vs FAR Part 15. In FY22, the CIG directly contributed to reducing the Department's PALT by:

- Issuing CIDs to 21 separate commands (top 5 by percentage on the right)
- Determining 82% of the products and services reviewed as "Commercial"
- Uploading nearly 2,300 unique products/services determined "Commercial" into the DoD's centralized CID database that are now available for immediate use by DoD contracting officials
- Leveraging the DoD's centralized [Commercial Item Database](#) to provide existing CIDs to 18 DoD customers resulting in real-time information needed to pursue a commercial contract saving ~45 days of PALT



To further reduce PALT, the CIG continued exploring opportunities to issue CIDs ahead-of-need (issuing 'Strategic CIDs') as a method to enable an enterprise-wide, consistent approach to utilize commercial acquisition procedures to acquire critical products/services. This concept moves the process of evaluating and issuing the CID to the left in the acquisition cycle ahead of the acquisition planning phase (removing it from the PALT calculation). Additionally, the issuance of Strategic CIDs is targeted to increase the defense industrial base by providing market-awareness of existing commercial solutions and sources of supply consistent with FAR Part 11. In FY22:

- The CIG's average timeline to issue a Commercial Determination during the proposal review phase was ~45 days. Early engagement and deployment of issuing 'Strategic CIDs' removes proposal review time, saving up to 45 days in contract execution (PALT)
- The CIG identified 11 opportunities to issue Strategic CIDs, resulting in issuing CIDs for over 300 products, ahead of any specific contracting requirement





# Strategic Collaboration

In order to keep pace with the rapidly changing commercial marketplace and updated statutory and regulatory requirements, the CIG ensured lines of communication remained open with both our DoD partners and industry. Aligned with the 2022 NDS, we focused on collaboration within the Department of Defense, allied nations, and industry partners.

**Customer Outreach** – Open collaboration with our DoD strategic partners identified opportunities for the CIG to receive critical feedback from its customers capturing success stories that could be duplicated in future acquisitions across the Department and discuss critical information such as regulatory/statutory changes pertaining to commercial acquisitions. These open lines of communication also provided increased awareness of the CIG’s mission and group’s expertise, which resulted in the CIGs FY22 workload volume exceeding FY21 workload volume.

**International Support** – CIG Director Dan Hawley spoke at the DCMA Host Nation Conference in Germany, providing an overview to our strategic international partners discussing how the United States DoD regulations promote the rapid integration of commercial products and services. This event highlighted the need to leverage and adopt commercial technology for defense purposes to maintain a competitive advantage against our adversaries not only in the United States, but across the globe.

**CIG Outreach Group provided targeted commercial acquisition training to over 700 DoD acquisition professionals representing 9 major DoD Buying Commands**

**DoD Commercial acquisition strategies shared with 100 international strategic partners representing over 20 countries.**

**In FY22, 12 separate Office Hour Engagements were held consisting of over 100 DoD and Industry participants at each engagement**

**Industry Engagement** – On the first Thursday of every month, the CIG partners with the Defense Acquisition University (DAU) to conduct “Office Hours.” Each session is an open forum (agenda-free), focused on tackling difficult questions and overcoming acquisition challenges such as DFARS rulings, FAR changes, and NDAA updates. Additionally, throughout the year the CIG has had the opportunity to speak at numerous events (NCMA, FedPubs, etc.) where the team’s message continued focusing on the speed of commercial contracting and providing clarity on several FAR/DFARS updates. Continuous engagement with Industry is critical to the CIG to keep a consistent pulse on what challenges Industry is facing with commercial acquisitions. These open lines of communication also provide the CIG an opportunity to offer guidance outlining what information should be included in the offerors commercial justification packages. The intent of this transparent communication is to decrease the number of RFIs submitted and delays with proposal review time, by receiving robust and compliant proposal packages at the time of proposal submittal. For additional information on future “Office Hours” and other industry engagements please visit the [CIG website](#).



# What's Next?

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We endeavor to be a “fast-follower where market forces are driving commercialization of military-relevant capabilities” (2022 NDS). The CIG is continuously looking for ways to improve our support to the Department of Defense. Some of these ways include a potential Product-Level-Pricing repository, leveraging big data using PowerBI and the Advanced Analytics platform ADVANA, and early acquisition support to PMOs and PEOs.

**Product-Level-Pricing repository** – The CIG is actively supporting the DoD in collecting data relative to product level prices through multiple avenues. The aggregation of product-level-pricing data will provide DoD contracting officers additional insight utilizing robust data sources enhancing their ability to assess fair and reasonable pricing of same or similar products. These efforts include:

- Leveraging Advanced Analytics (ADVANA) capabilities to assist in collecting data relative to product level prices from sources such as Bill of Materials and Contract Line Item Number Data
- Partnering with NAVAIR, Air Force, Army, Defense Contract Audit Agency, Defense Contract & Pricing (DPC), and the Chief Digital and Artificial Intelligence Office (CDAO), to create an enterprise level pricing capability

**Early Acquisition Planning Support** – The CIG is seeking to assist Program Managers and Program Executive Offices (PEOs by performing market research during the acquisition planning phase). The intent is to understand the program requirements ahead of a formal requirement being established and utilize market research to identify/provide recommended sources of supply enabling the Department to adopt and increase the use of available commercial technology to satisfy Government requirements.

*If printed, all URLs hyperlinked in the document can be found at the CIG webpage:*

<https://www.dcmil/Commercial-Item-Group/>





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