

COMMERCIALITY AND WHY IT MATTERS IN DOD ACQUISITION

Team members and customers of the DCMA Commercial Item Group share their insights into the value of the CIG and its work.

BY RACHEL E. DURKOTA



“Commerciality”: You either love it or hate it. It’s one of the most challenging, least understood, and often contentious tasks/concepts in defense acquisition – yet it’s here to stay.

The draft National Defense Authorization Act (NDAA) for Fiscal Year 2021 is anticipated to be the most recent of several NDAs with mentions of commercial acquisition, commercial technology, and/or price analysis of commercial items. Though, as of this writing, final passage of this Act has yet to occur,¹ the 2021 NDAA in its current form prioritizes commercial acquisition of products, technologies, and services to strengthen the U.S. Defense Industrial Base.

This is where the Defense Contract Management Agency (DCMA)’s Commercial Item Group (CIG) comes into play.

The DCMA CIG

The CIG is the Department of Defense’s elite cadre of commercial acquisition experts established to support the Department in navigating/providing subject matter expertise surrounding the fast-paced, ever-changing commercial acquisition environment.

– Mr. Daniel Hawley, CIG Director

For the U.S. Department of Defense (DOD) to maintain a competitive advantage over our adversaries, identifying, incorporating, and obtaining new innovative commercial technology into DOD requirements through *Federal Acquisition Regulation (FAR)* Part 12 commercial acquisition procedures is more important than ever.

Established by the 2013 NDAA,² and formally stood up within DCMA in 2016, the CIG is an elite, highly specialized group of contract price/cost analysts,

contracting officers, and engineers providing a centralized capability and expertise in performing price reasonableness determinations (PRD), commercial item determinations (CIDs), market research, and negotiation support for the Armed Service Buying Commands. The CIG is a unique group within DOD: They are not tied to any specific buying command or service, nor are they tied to any specific contractor or contract, as is the case with most other offices within the DCMA. CIG engineers and analysts are situated in six primary offices throughout the United States³ and represent DCMA’s most agile, lean, and highly adaptable team that is equipped to respond to all types of procuring contracting officer requests for support on any DOD programs.

The original organization of the CIG was focused on market sectors (based on commodity) and defense customers local to each office; however, that model has evolved to leverage the subject matter expertise of all CIG team members across the country – resulting in a higher-quality product and effective utilization of the limited resources making up the CIG. Presently, the CIG has about 60 diverse personnel, with a roughly 60/40 split between price/cost analysts and engineers. Many of the CIG team members spent time in private industry prior to working for the government. In addition, each CIG member holds DAWIA Level III professional certifications in his or her respective career field, and most team members have pursued membership in the Defense Acquisition Corps.

The Process

From an acquisition standpoint, one of the first things a procuring contracting officer will do upon receipt of

a proposal with asserted commercial items or services is research whether or not a CID has previously been issued by a warranted government contracting officer. This review can include consulting with the CIG to request an internal search for historical PRDs and commercial item evaluations. If there is no previous CID on file, it often results in a formal request to the CIG to issue a CID, PRD, or provide market research information assisting the buying command with making a final determination of commerciality and/or pricing.

As a result of the 2017 NDAA⁴ and a corresponding DCMA CIG initiative, the Procurement Integrated Enterprise Environment (PIEE) – the primary DOD enterprise for procurement capabilities – has been expanded to include the initial CIG database and now serves as the official DOD repository for all CIDs. This database is accessible to government personnel and can be searched to see if a prior CID has been issued.

Meet the Team

With such a specific focus, what would draw one to seek a position in the CIG? From my perspective, as of this fall, I will have 10 years with DCMA, including just over one year on the CIG. My prior positions within DCMA included working at a large contractor facility performing engineering surveillance for several large acquisition programs and supporting proposal evaluations and negotiations. I opted to leave that type of work behind and gain experience working with commerciality as it is one of the most challenging types of engineering work within DCMA, and I wanted to broaden my technical experience.

Similar reasoning is shared by several CIG team members, including Quentin Kersey, contract price/cost analyst out of the DCMA's Indianapolis office. According to Kersey:

I chose to apply and accept a position with the CIG; I saw it as a new entity that was going to challenge the status quo and shift the paradigm as far as the handling of CIDs and the use of PRDs. Not that there was necessarily a problem, but I did believe there was room for improvement. Since joining the CIG four years ago, I have seen much change and significant improvement, particularly with the CID process in DCMA.

When asked how the work performed by the CIG benefits the acquisition community, Kersey said:

The CIG is a one-stop shop for buying activities looking for assistance. They can come to the CIG for all sorts of assistance with their acquisitions. The CIG not only provides CIDs and PRDs for their parts or services, but also provides assistance such as support during their negotiations, market research efforts, or just about anything they might request to assist with their acquisition.

Mr. Kersey was a great complement to the Indianapolis team due to his prior DCMA experience, along with insight gained from volunteering for several deployments with the DCMA Combat Support Center to support its mission in the Middle East. He deployed in various roles that included serving as an administrative contracting officer, quality assurance representative, property administrator, and procurement advisor. Prior to working for DCMA, Mr. Kersey worked in production and production management in industry.

Another team member, Natalija



Aleksejevica, is based out of the St. Petersburg, Florida, office and has been providing engineering support to the CIG for the last three years. Prior to joining the CIG, Ms. Aleksejevica held technical project management and configuration management positions in industry. This experience has provided her with the subject matter expertise/technical knowledge required for critical engineering evaluations as part of the commercial item evaluation process. When asked why she took a position with the CIG, she explained that she was looking for a change and understood differences between commercial and noncommercial technology based on her industry experience. She thought the CIG offered an opportunity to expand upon what she had been doing for several years in industry. Not only is she a consistent contributor to the technical team's success, she was recently recognized by CIG leadership

for her ability to quickly turn cases around, resulting in expedited customer deliverables.

Another CIG team member is Kathryn Foresman, a contracting officer who is based out of the DCMA's Phoenix office and brings over 30 years of government auditing and contracting experience to the team. Prior to joining the CIG, she worked for the Defense Contract Audit Agency (DCAA) performing a wide range of audits, including proposal and business system audits. She transferred to the DCMA as a contract price/cost analyst at Boeing in Mesa, Arizona, where she was selected as the Divisional Administrative Contracting Officer (DACO) and where she first became involved in reviewing CIDs. She also served as the DACO for Honeywell's Phoenix, Tempe, and Tucson operations. In 2016, she was selected to serve as a pricing team lead for the CIG team based out of the DCMA Phoenix office. When asked

why she chose to accept the position as a pricing team lead for the CIG, Ms. Foresman stated:

I really enjoy pricing and was at a point in my career that I wanted to help lead/mentor others in how to do pricing and to try to make it enjoyable. Commerciality was an added challenge that I welcomed as a chance to be part of a new dynamic group.

Ms. Foresman also shared the following thoughts on how the work performed by the CIG benefits the acquisition community:

In the acquisition community, procuring contracting officers perform “cradle to grave”

functions when it comes to contracting. It is difficult for them to be specialists in unique areas such as commerciality. They rely heavily on our expertise of commercial items for both commerciality determinations and for pricing commercial items. Commerciality is very difficult and sometimes contentious and, as a result, the buying commands really appreciate the CIG’s ability to provide expert advice/guidance, in addition to performing CIDs and price analyses for them. Also, the CIG is working to make a difference in the acquisition community by influencing the future of commerciality within the government.

impact of the CIG’s contributions is provided via feedback from their customers. For example, Emily McGee, contracting officer for the Army Contracting Command, Redstone Arsenal (ACC-RSA), had this to share:

The DCMA CIG has been a huge help to ACC-RSA by assisting in the proposal evaluation for a complex, high-dollar procurement. First, the CIG’s commercial item database has been instrumental in our evaluation of over 160 parts for a commerciality determination. This database facilitated our ability to locate prior determinations and to reach out to other agencies for other prior recommendations and determinations on same/similar parts, which we would otherwise not have known existed, in keeping with [Defense FAR Supplement (DFARS)] 212.102, which allows the contracting offer to presume certain prior CIDs may serve as a determination for our procurement.

Second, the CIG assisted in the review of numerous parts by providing a commerciality determination and/or price recommendation, thus allowing our evaluation team to focus on other areas of the proposal. CIG personnel, analysts, and engineers were professional and accommodating for both our schedule and evaluation needs.

Third, the CIG provided valuable training and educational material, which helped us properly evaluate parts, consistent with CIG’s methods and report formats. Maintaining consistency proved to be advantageous: Because our substantiation requirements were in line with the CIG’s as well as consistent by part review, the contractor had a better understanding of how to support its assertions.

As another example, Roxanna Genova-Lasecki, Abrams readiness team chief, Army Contracting

Meet the CIG’s Customers An effective way to gauge the



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Command, Detroit Arsenal (ACC-DTA), had this to share:

Working with the DCMA CIG has allowed ACC-DTA and ACC-RSA to collaborate across ACC with commercial determinations from the same supplier for similar procurements. ACC-DTA's upcoming procurement for the Total Engine Revitalization Program (TIGER) Abrams engines and ACC-RSA's upcoming procurement for T55 engines provided an opportunity for both contracting and pricing teams to collaborate and discuss mutually applicable topics, which includes CIG determinations and the topic of commerciality.

The DCMA CIG has provided exceptional support to ACC-DTA to ensure the tight program milestones were not in jeopardy. The DCMA CIG teams worked diligently to provide ACC-DTA with frequent updates and weekly progress on the outstanding reviews. The open communication across the teams was successful in ensuring a clear understanding of any challenges and the rationale behind the determinations.

Pushing the Boundaries & Moving Forward

While CIDs, PRDs, and market research are considered the primary tasks performed by the CIG, there are several other initiatives that CIG personnel perform for the DOD:

- ▶ The CIG's Acquisition Community Collaboration Initiative (ACCI), which was recently rolled out, serves to connect the CIG team with program offices/buying commands to lend market research and commerciality expertise in advance of a request for proposals and/or concept of operations. This effort is being headed up by Ms. Kori Marietta, director of the CIG West Pricing Team.⁵
- ▶ "CIDSTOCK," headed up by Mr. Ryan Connell, director of the CIG North-

east Pricing Team, is a concept that involves working with subject matter experts in the Small Business Innovation Research (SBIR) community to identify how to better transition commercial technology onto platforms/systems and programs using commercial acquisition procedures.

- ▶ Industry Days: The CIG successfully hosted an engagement with over 150 industry personnel, with support from Defense Pricing and Contracting Principal Director Mr. Kim Herrington, this past February in Tampa, Florida. The full day was spent discussing commercial acquisitions and how the DOD and industry can partner together to achieve a common goal in streamlining the acquisition cycle to deliver a quality product/service to the warfighter.
- ▶ A pilot program calling on nontraditional defense contractors with the purpose of reviewing contractor's packages, increasing the industrial supply base, identifying new innovative technology, and potentially issuing CIDs ahead of need with the intent of reducing barriers to entry for future acquisitions.
- ▶ Proactive pricing papers: The CIG recently released a white paper with advice on evaluating price in an "other transaction" environment. This document does not reflect policy; however, it was created to promote price-based analysis assistance for agreement officers.
- ▶ Proactive technical papers: The CIG has produced white papers on several technical issues to assist with commerciality reviews (e.g., Selective Availability Anti-Spoofing Module (SAASM) Small Business Innovation Research (SBIR) CIDs).

Conclusion

The DCMA CIG has proven its effectiveness in the area of commerciality, but there is a wide range of additional pricing and market research capabilities offered by the CIG team that have been largely untapped by DOD program offices and contracting commands. By playing a greater and more active role in pre-award and even pre-solicitation activities, the CIG, with its unique expertise and independent perspective, is able to provide greater insight into pricing considerations and market research for the acquisition of goods and services at no additional cost to our DOD customers. Feedback from all major buying activities has been overwhelmingly positive regarding the performance of the CIG for pre-award activities, and the CIG continues to be the go-to source for all things commercial. **CM**

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The views presented in this article by the author and by the individuals interviewed are solely their own and do not necessarily represent the views of the U.S. Department of Defense or its components.

ENDNOTES

- 1 Editor's Note: At the time of this article's publication, the House had approved its version of the 2021 NDAA on July 21, with the Senate passing its version two days later. The differences between the two bills were to be negotiated in conference, which, as of early September 2020, had yet to be scheduled (though was anticipated to occur in the fall).
- 2 *Pub. L.* 112-239.
- 3 I.e., St. Petersburg, Florida; Denver, Colorado; Phoenix, Arizona; Indianapolis, Indiana; Boston, Massachusetts; and Philadelphia, Pennsylvania.
- 4 *Pub. L.* 114-328.
- 5 Editor's Note: For more information on the ACCI, visit the MAX.gov website (<https://portal.max.gov/portal/home>).