



OFFICE OF THE SECRETARY OF DEFENSE

1 000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000

FEB 22 2012

MEMORANDUM FOR DEPUTY CHIEF MANAGEMENT OFFICER

SUBJECT: Procure to Pay 9.0 Business Enterprise Architecture

The leaders of the Procure to Pay (P2P) functional domain and their key stakeholders reviewed the Business Enterprise Architecture (BEA) Version 8.0 Level 1 steps and descriptions, and determined that this architectural structure did not accurately reflect the process steps embodied in the regulatory and issuance processes documented across the Department of Defense. In collaboration with the Deputy Chief Management Office (DCMO) and subject matter experts within the Services and Defense Agencies, the attached documents an accurate Level 1 process flow, as well as the description of the process steps for that flow. Key to this process is the recognition that Level 1 steps occurring across more than one End-to-End (E2E) should be identical.

The 15 voting members of the Procure to Pay Process Advocates' Working Group (P2PPAWG) approved the content of P2P 9.0 Level 1 flow, to include that P2P begins with the creation of a purchase requisition but does not include requirements generation.

This approval is subject to clarification on re-use of Level 1 terms and business rules that apply to multiple E2Es (e.g. Manage Disbursement versus Manage Procurement Disbursement). The clarification is documented in the following business rule:

- Level 1 process steps should be reused if appropriately defined and supported by Level 2 (L2) processes that further distinguish the differences unique to a specific End 2 End. For example, in the case of Manage Disbursements, the current description is broadly written to cover many different types of disbursements. It is the L2s that contain the process steps, business rules, and data standards to support the specific functional requirements within the E2E scope and are thus used for system mappings and compliance.
- Detailed labels (e.g. Manage Procurement Entitlement) should be used to further distinguish differences between a specific E2E at L2. Rationalization of Entitlements will be deferred to BEA 10.0.
- A working group will be established by DCMO in March 2012 to resolve E2E framework and architecture methodology issues across the enterprise in preparation for future BEA updates.

The P2PPAWG members have requested a plan to identify owners of requirements generation for future BEA releases. The leaders of the P2P functional domain will chair a working group of the requirements generation stakeholders to develop the Purchase Request Data Standard (PRDS) as a common entry to P2P for all requirements.

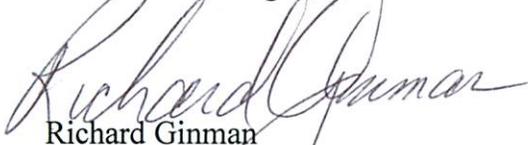
Formal configuration control of the PRDS will be expanded by the Defense Procurement and Acquisition Policy (DPAP) office. This will include the members of the P2PPAWG to manage any changes required to the standard in order to support its use across the enterprise.

In today's environment, there are multiple Line of Accounting (LOA) formats used to exchange accounting information. OUSD(C) and DCMO will standardize the Standard Financial Information Structure (SFIS) Line of Accounting/Accounting Classification exchange format and sequence to ensure efficiencies and interoperability, while working with DPAP to resolve any SFIS and Procurement Data Standard inconsistencies.

We request that the Level 1 processes and descriptions, together with the links to necessary updates to the OV5-OV6C architectural artifacts be updated based on the attachment prior to the release of the BEA Version 9.0. Additionally, we concur with the recommendation of the DCMO that the Intragovernmental Transaction (IGT) processes should exist external to the P2P process documentation. If an IGT results in a procurement action, P2P processes will apply.

With the concurrence of the E2E Governance Board, we will establish a working group to initiate the refinement of the requirements generation process and make recommendations to the appropriate method for inclusion in the architecture and to identify any necessary changes to the OV6C, LRPs or other documentation. We ask DCMO to canvas the Department to determine all stakeholders that need to participate.

We appreciate the teamwork already underway between our respective offices and look forward to ensuring that the BEA matures as a tool for the Department and as a benchmark for systems investment and compliance. The DPAP point of contact for this matter is Ms. LeAntha Sumpter, 703-588-0800 or LeAntha.Sumpter@osd.mil. The DCFO point of contact for this matter is Mr. Drew Morgan, 571-256-4453 or Andrew.Morgan@osd.mil.



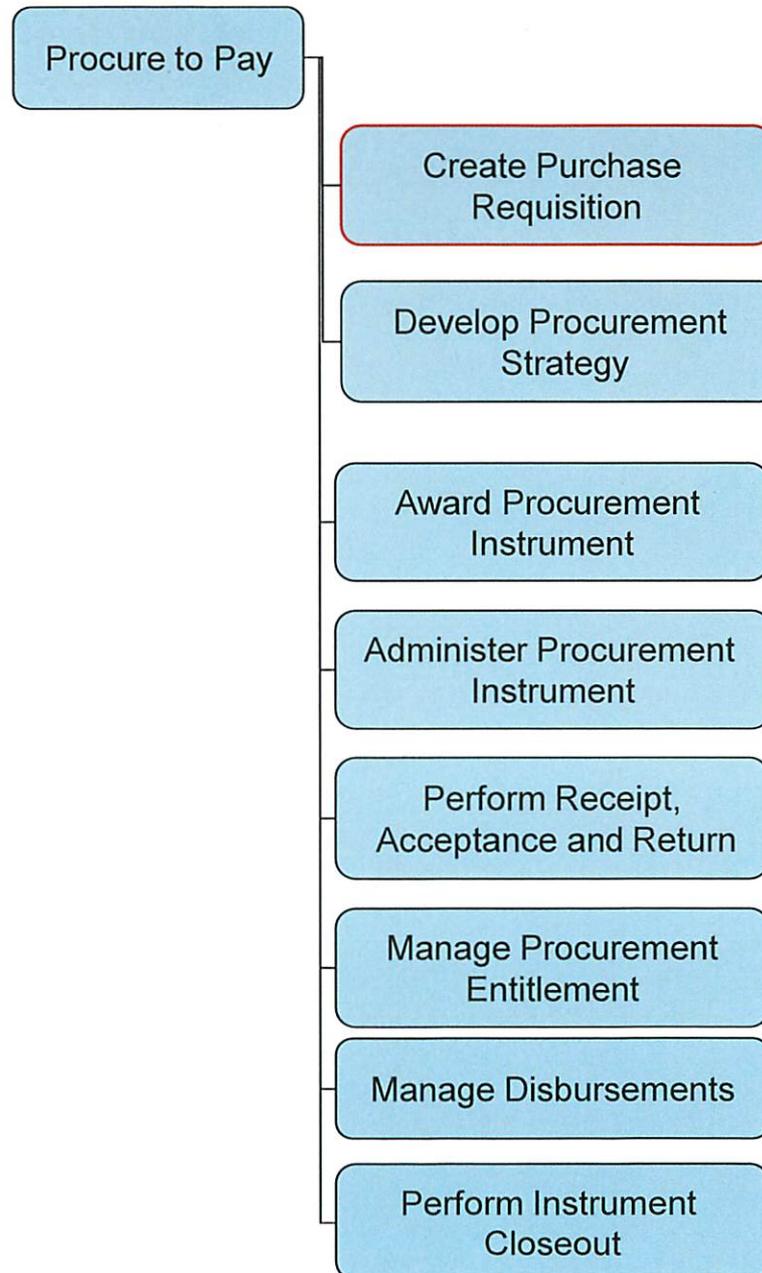
Richard Ginman
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Mark E. Easton
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Comptroller/Chief Financial Officer
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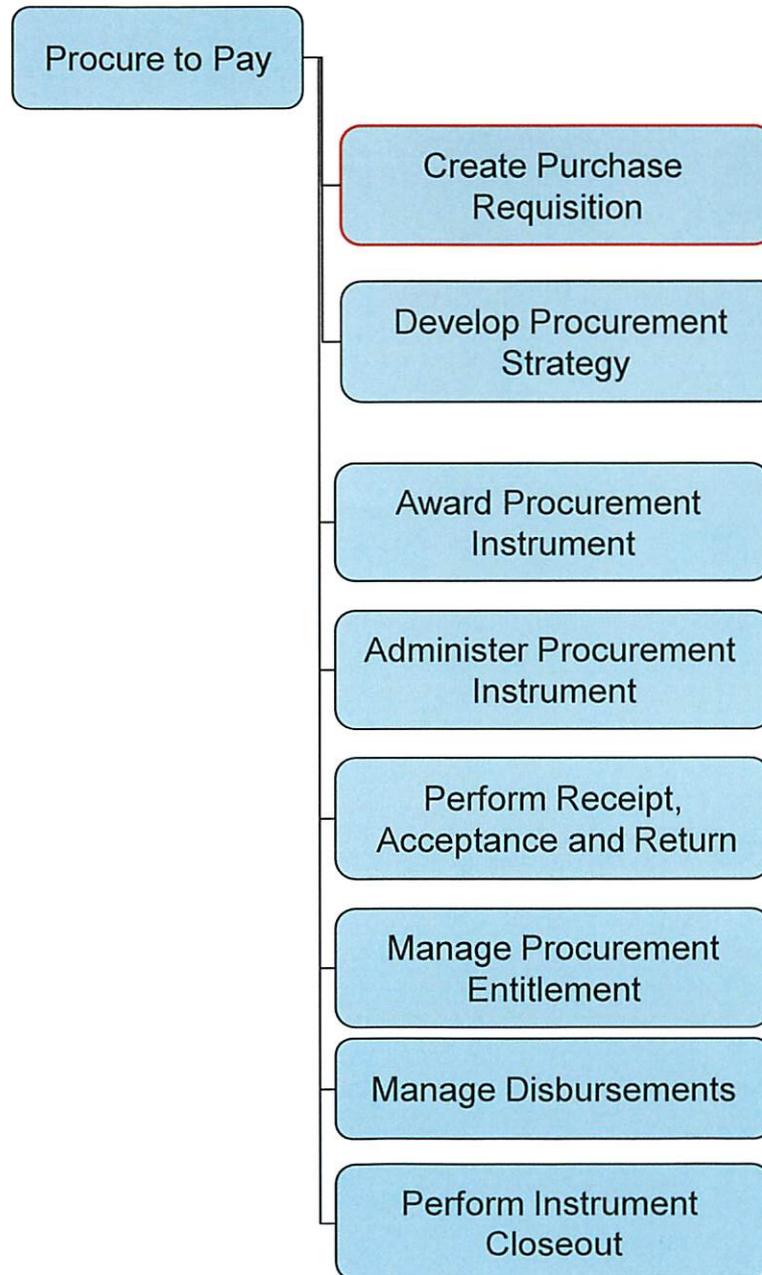
Attachment:
As stated

BEA 9.0 Level 1 P2P



#	Level 1	Level 1 Description
1	Create Purchase Requisition	Create Purchase Requisition relates to the initiation and management of requests for the purchase of goods and/or services. This includes, but is not limited to the following activities: generating the purchase requisition; receiving the appropriate approvals from management indicating validity of the purchase requisition; validating that funds are available; reserving the funds necessary for the purchase requisition via financial commitment transaction; and routing the purchase requisition to the buyer with the information necessary to produce a compliant procurement request.
2	Develop Procurement Strategy	Develop Procurement Strategy is initiated as a review of sourcing alternatives for the goods and/or services requested to determine the products and services from vendor sources that will best meet the requirement. Activities include determining: appropriate contractual vehicles, terms and conditions, opportunities for strategic sourcing, and the independent government estimate for performance. This activity determines the strategy to acquire supplier provided goods and services that satisfy the approved requirement.
3	Award Procurement Instrument	Award Procurement Instrument results from an execution of an approved acquisition/sourcing plan and results in the execution contractual documentation and the legal obligation of funds. This may include creation of source selection documentation, solicitations, evaluation of proposals, and award of the procurement instrument, order or modification documents. This may also include the establishment of contracts or agreements that do not obligate funds, but may be used to satisfy future requirements.
4	Administer Procurement Instrument	Administer Procurement Instrument is composed of monitoring the contract, agreement or order to ensure that a supplier is meeting requirements in accordance with the terms and conditions of the procurement instrument for providing goods/services and performing the administration activities from award to physical completion including change request management and vendor performance evaluation.
6	Perform Receipt, Acceptance, and Return	Perform Receipt, Acceptance and Return involves confirming that goods and/or services were delivered as ordered, any errors were resolved, and formal acceptance was rendered by the government. This process may also include the generation of an acceptance document, government ownership of goods tendered, and the accrual of a liability and expenditure. When formal acceptance is not rendered by the government, items must be returned to vendors. Examples of returns include overages, damage, mis-orders, or mis-picks. This activity also includes physical receipt of goods. This process step connects to the asset accountability portion of the BEA.
5	Manage Procurement Entitlement	Manage Procurement Entitlement includes the approval of the request for payment from the commercial vendor for goods or services rendered. This also includes requests for payment based on contract terms and conditions such as financing payments. This process includes matching of the invoice against other transaction artifacts based on the pre-determined workflow for the transaction in question. Upon completion of the matching process the transaction is authorized for payment.
7	Manage Disbursements	Manage Disbursements supports all activities necessary to execute the payment process for transactions that have been authorized for payment. Activities within this process include, but are not limited to, payment groupings, the application of credit offsets, the generation of check and EFT ready to pay files, the certification of payment files, the confirmation and cancellation of payment files, payment cancellation with and without re-issuances, and payment remittance notifications. All activities within this process are performed in accordance with federal payment regulations including the Prompt Payment Act.
8	Perform Instrument	Closeout of the procurement instrument includes those processes that execute contract closeout procedures from physical completion confirmation to archiving contracts in accordance with statutory regulations. This also includes the requirements for records retention.

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