

# TPPS Oversight Council Minutes

**Date:** January 17<sup>th</sup>, 2012 – 0830 to 1600 ET  
**Place:** Office of the Deputy Assistant Secretary of Defense (Transportation Policy) – Alexandria, VA

## Opening Remarks – TPPS Co-chairs

- OSD opened up the meeting by going over the agenda for the two day TPPS meeting. He mentioned that with the recent travel restrictions due to budget cuts, meetings through DCO will soon become the norm.
- DFAS added DoD has done a great job automating GSA Offsets in the past year and NTS is soon to kick off. The next step for DFAS is to aim to get “good” data in the system.

## Electronic Commerce (EC) Governance/Improvement

### EC Governance Board

- DFAS began by stating that an EC Government board was formed July 2011 in an effort to reduce the costs it takes for the Department to conduct business. The EC Governance Board is intended to eliminate electronic commerce barriers more expeditiously than can be done at organizational levels. The EC Governance Board’s link to this group is TPPS which has been designated as an opportunity to increase TPPS EC acceptance. The council meets quarterly.

### Transportation Payments

- DFAS stated that the transportation payments chart shows the sites that are making payments on the DoD side. Indianapolis does the bulk of the transportation payments.
- DFAS stated he will adjust the slide in the future to show all the services, to include ocean payments.

### Third Party Payments - Transportation

- DFAS continued on stating that our next focus is on processing and DFAS’s goal is to assure that 90% of all invoices coming in are attainable in the future. DFAS has attained that number in HHG and it is 80% automated on the freight side.

### **OSD asked for more information on the 90% goal so he can provide SDDC some additional stats on ocean automation.**

- DFAS went on to explain that the other 10% represents the areas still having trouble identifying LOAs. Foreign currency remains manual and it is not included in the 10%. These statistics are all CONUS. There is a possibility of electronic expansion on foreign currency once DoD successfully passes NTS. There are still some transactions that are outside of Third Party Payment System. DFAS welcomes the direct procurement method process after the NTS process goes smoothly.

### **DLA requested from DFAS for a breakdown of DLA submissions that are being seen by service agencies.**

### Transportation Pay Accounting Trend Lines

- DFAS announced that the next two slides on transportation pay accounting show the trends for CAPS (Computerized Accounts Payable System) and One Pay

entitlement systems. CAPS is used to make payment to Army, Marine Corps, and other DoD services. It also helps track electronic transactions. Army is at 87% on HHG and 40% of Army's problems arise from TAC conversions. This is an opportunity of improvement for Army. Transactions coming into DFAS are 90% electronic, however only about 50% coming out are electronic. The reason for this is the LOAs have errors in them. DFAS has tried to fix this issue by offering various trainings.

- OSD questioned if the JPPSO commanders and directors have a metrics to track these errors because this issue can be addressed during the upcoming TPPS Roadshow. DFAS can show JPPSO commanders what current processes are costing as part of the TPPS Roadshow. Who does JPPSO's review analysis?
- SDDC replied that SDDC may have done JPPSO's review analysis in the past.

**SDDC will inquire who is the responsible party for JPPSO review analysis.**

#### FY 2012 Billing Estimates

- DFAS stressed the importance of getting transactions converted to electronic by showing the difference in costs.
- Air Force requested if DFAS can provide a write up of how these stats are calculated and if they can be broken down by service area.
- US Bank brought to attention that the report he sends out the 25<sup>th</sup> of each month show the different cycles.

#### **TGET Status**

##### Current Status

- DFAS started off by informing that his department is currently going through two changes in the change request cycle. The changes are described on the slide.

##### Change Requirements Completed

- DFAS explained that the slide shows the changes completed since the last TPPS meeting. The TGET team has implemented a new Trackerlite to TGET interface.

**OSD would like TGET to send the timeline for SCR x4235 to the TPPS Council.**

- DFAS added that he has been in communication with Betty Soto and Elaine Applegate on the 8 character issue.
- USTRANSCOM replied that she has gone to ERP and USTRANSCOM to research how this would affect the system. ..

**TGET will email SDDC the policy that describes the minimums and maximums in the FA2 set.**

##### Open System Change Requirements Timeline

- DFAS continued on explaining that the chart shows the timeline of review process. The CCB has been pushed to late February.
- DLA said that, not for financial purpose but DCA purposes, the TACs on this slide will need to be updated.
- DFAS agreed with DLA and informed that he sent out information on that around December 2011.

**OSD informed that a confirmation of who is in charge of these TACs is needed.**

- DFAS communicated that there will be a new "E" series for Army. Further discussion would be needed if Army wanted a sooner implementation than the scheduled release. The projected release date is June 2012.

**Army will look into the new "E" TAC series.**

## **Navy / Marine Corps**

- USMC started by stating that they started the audit requirements process in efforts to track a service member's HHG orders throughout their career, which is something USMC cannot do very easily right now. The determination was made to use Syncada for commercial shipments to identify members for the payments that were made. The hope is to create a SDN, a member specific identification system, that can be mapped to the ZZ segment in Syncada so to the payment that was made can be referenced. There are a few downsides to this - the invoices may become very large, an item for every TAC would be split up into longer LOAs. In addition, USMC will be mapping the Marine Corps' order writing system to DPS as well. There is a group of team working on this along with DFAS. This process will not impact the TACs or LOAs, but just will have additional information linked to them. The SDN will not be the J1 segment and it will not be a social security number. This does not impact the TCN's for overseas shipments.
- US Bank commented why USMC is not considering the header reference option.
- Navy responded that Navy and USMC are not at that point yet with their payments.

### **USMC added that he will look into the header reference option and find out why that was ruled out.**

- USMC also clarified that this process does not separate what will be electronic versus manual, it just separates the number of electronic payments that has to be made. The decision is based on accountability and auditability over everything else.
- Navy brought to attention that the roll up happens at the entitlement system and the accounting system. The process is called the OnePay staging area. USMC uses CAPS and there will be a review for CAPS as well.
- IBM conveyed how this process change will affect the chart of accounts. He asked question along the following lines: Will this SDN show up on the summary invoice? What happens when something "bad" comes in and how will someone make the changes to fix it?
- US Bank agreed with IBM's concerns and stressed the header option to USMC.
- USMC replied that they are looking to see it just in Syncada and that he will take all this information back and look further into this. Please note that this is just HHG. USMC's goal is to get a favorable audit.

### **OSD informed USMC to take the proposal to identify what USMC's intent is, compare it to the current process, and get a write-up of the effects on the current process to the TPPS council.**

- USMC inquired with US Bank on a new subject of false electronic LOAs. What is the status of the TAC edit capability on a summary invoice?

### **US Bank requested a write-up with specific technical requirements before the bank can move forward. IBM should have a draft write-up of change of board process.**

- USMC moved on to his next topic on data analysis. He asked what the long term goals with data reporting and analysis?
- US Bank responded that WebFOCUS, even if migrated to the new version of Java, still functions correctly with the reports so as long as new ones are not been created or modified. He urged that the US Bank Helpdesk be contacted with specific modifications and the bank will help provide those specific reports.

He noted that the “super users” verses the rest of the DoD users do not have the same functionality requirements. He will identify the “super users” and have the services from the council confirm, however he would like to have COGNOS rolled out and tested before he does that.

## **Internal Controls Working Group (ICWG) Status**

### Agenda Topics

- DLA informed that the information in ICWG presentation slides are broken down between ICWG recommendations versus ICWG chair recommendations.

### Organizational Account Naming Conventions- ICWG Recommendation #9

- DLA stated that existing naming conventions are non-standardized and makes identification of organizational account owners difficult. There were some data errors resulting from data entry at US Bank. He stated that there was no group consensus and that some members of ICWG felt this was a problem while other members did not.
- US Bank suggested the most senior person from the Services and Agency should provide their input to US Bank in order to ensure that once US Bank make changes, the Services and Agency have had the opportunity to provide their input. He also stated that he will convey to the Services and Agency how long it would take the bank and when it will be started.
- DFAS suggested for standardization to review Standard Financial Information Structure (SFIS) compliance for trading partner standard naming convention. He also added that there are Trading Partner Identification that would seem standard within DoD.
- OSD proposed the question asking if ICWG considered SFIS. DLA stated that ICWG did not because they were not looking at the Trading Partner’s relationships and that they did not look at the relationship between Syncada and the carriers.
- DFAS stated that each entity within DoD has a standard identity and when used, they are getting SFIS compliant.
- US Bank communicated that there is no requirement for the bank to be SFIS compliant.
- DFAS stated that for commercial entities, the compliance used to be called SAS 70 but now it’s a different name. When the data start flowing into the government systems, SFIS is the control between the financial system and non financial systems and the trading partner DoDAAC will allow traceability throughout DoD.
- OSD asked if this would help for reporting purposes. DFAS stated that yes it will help for reporting purposes.
- US Bank stated that the Bank may already be there with the standardized sort key which is either the DoDAAC or GBLOC fields. However, she questioned if there is a standard naming convention that goes along with that DoDAAC and if there is a master table that could be referred to for the proper naming convention for the DoDAAC.
- DFAS stated that he wants to make sure that the Board is aware of SFIS compliance versus not considering SFIS compliance because the Board just didn’t think about the compliance.
- DLA stated that ICWG recommendation is to let each Service and Agency develop their own standardized naming convention.

### Trading Partner Relationship (TPR) Policy – ICWG Recommendation #10

- DLA stated that the FMR requires pre-payment audit for shipments that are over \$2,500. He stated that for Ocean, pretty much everything is over the \$2,500 requirement which makes the approval process almost 100% manual.
- OSD asked the question if is Pre-Payment audit and Management Review are synonymous. DLA responded that GSA requires a 100% pre-payment audit.
- GSA communicated that all Federal agencies are required to do a pre-payment audit on all transportation invoices. She stated the Agency is suppose to submit their pre-payment audit plans to GSA for approval. She also conveyed that the Agency can use an approved automatic process or use an Independent Auditor.
- US Bank stated that management review is not required if the system does a pre-payment audit. She communicated that if the authorization document is not authorized, then the system would flag it and will not process for payment. She stated that she wants to stress this point that pre-payment audit should be done systematically.
- OSD stated that some people may think that as long invoices amounts are less than \$2500, such invoices are being processed without an audit. However, that is not the case because it is systematic which means the system is doing the pre-payment audit regardless of the amount. He then proposed the question as to how the \$2500 threshold was established.
- DLA stated the FMR and DFAS stated it may be tied to other compliances.
- U.S. Bank conveyed 95% electronic processing as the best commercial practice without human intervention. With the other 5% falling into the audit exception category or manual mode based on a threshold that will need to be established. He stated that it would take a rational process and business analytical approach to establish a correct level or whatever level that the Board deems ideal.
- US Bank stated that the pre-payment audit requirement allows for an audit to be done by the system. She stated that an audit is currently being done by the system for every transaction.
- OSD clarified that if it's over \$2500, the system is doing the review.
- US Bank confirmed assertion and also stated that even if under \$2500, the system is doing the review.
- DLA communicated that he agrees with that there is unlimited threshold as it relates to the Matching Model because Syncada will perform pre-payment audit for all transactions. He then stated the tolerance level becomes the crucial factor. An example he noted is the high level of audit exceptions on ocean, rail and DTCL shipments from locations such as Red River, Texas. He stated that tolerance can be adjusted to ensure audit exception rates of approximately 5% which is currently the commercial industry best practice. He also communicated that ICWG could not come to a consensus on this matter and that it basically depends on the business model one is using. He added that with matching model, all the requirements are there.
- DLA stated that DPC does not have a Matching Model.
- US Bank stated that the language does not match the current program and that they are in compliance and suggested that they set the system written procedures be anything over \$0.00
- DLA stated that they are currently set at \$1.00 in efforts to avert potential issues.
- DLA conveyed that the ICWG Recommendation #10 is to let each Service and Agency develop its own threshold and tolerance standards.

**U.S. Bank asked that DLA provide the group with the exact language for the system audit.**

Trading Partner relationship (TPR) Policy – ICWG Chair Recommendation

- DLA stated that overall, all services and Agencies except Army have made significant progress. Army is still generating about 1K per month.
- Army stated that the issue is centered with the Reserve units and the turnover of employees. It appears to be a new person rotating in and out about every six months.
- DLA conveyed that part of the recommendation is to implement a corrective action plan for Army.
- DLA stated that the UPS unlinked E-Bills are moving in a good direction and that programming ought to be completed by the end of January. Also USPS internal testing is to begin the 3<sup>rd</sup> week of February. The operational testing is scheduled to begin the 1<sup>st</sup> week of March with Navy.
- DLA conveyed that he was very impressed how UPS stepped forward. He also stated that UPS went through a formal process to get a project assigned in order to get proper resources.
- DFAS for clarity purposes asked if the problem was that the supplementary billing was causing the unlinked E-Bills. Morrow agreed with Boyd and stated that that was the issue and estimated 30% was missing a logical link.
- DLA stated that the recommendation is that the DoD TPPS PMO engage Army to implement a corrective action plan and track the progress efforts.
- U.S. Bank recommended G4 attend the Guard and Reserve conferences to have them all in one place to address the issue.
- OSD stated that part of the “TPPS Road Show” is to show cost savings to the different Service’s leadership. For example, they can show Army leadership the potential savings and the efficiency that will result from implementing proposed recommendations. He also noted what is briefed to Army may not necessarily be the same material that will be briefed to DLA, Navy, or Air Force.

Post-payment Audit Feedback to/from GSA – ICWG Recommendation TBD

- DLA stated that they were able to use data received from GSA to help figure out the flagged transactions, but there is additional information detail needed from GSA. He stated that the ICWG learned that everything that was identified was not necessarily recovered. GSA stated that if requested information is provided to her, she’ll work on acquiring such information.
- USTRANSCOM stated this process of identifying what cause the transactions to be flagged was started back in October and it appears to be missing data. He stated that he would have liked to see a note field that explained why a transaction was flagged. USTRANSCOM then asked GSA if the auditors are basing exceptions on a set of criteria. He stated that he would like to know the criteria and what caused the transaction to be flagged.
- GSA responded by stating that GSA auditors may use a tool to help them identify the sample transaction or it could be based on a trend that they have noticed. They do have a requirement to audit as much as they can.
- DLA asked GSA about the two tier of auditors. GSA conveyed that there is a primary auditor by mode, a secondary auditor by mode, and post payment auditor.
- DLA stated that it is important to know that the GSA is not paid unless the money

is recovered. GSA stated that is why it was so imperative to get the HHG offset payment in place. She also noted that if something isn't picked up in the pre-payment audit, there is an opportunity for the post payment auditor to collect and the collection will go back to the federal government.

- GSA also stated that they are getting good feedback from SDDC for HHG and Freight to go after the carriers that caused the short change. GSA agreed and stated they go back to the Service or Agency to clarify before overcharges are completed.
- DFAS asked if there was a set of criteria. GSA responded by stating there are several things that the auditor looks at such as the right measurements, weight, and the to-and-from locations. She also stated that it is important for the auditor to have access to the source documents from the government side to verify the government order to confirm if the authorized charges are what that carrier indeed billed the government. She also stated that they have identified special issue codes list and that list is a growing list. They have noticed a lot of issues with fuel charge, auxiliary and rate alterations.
- OSD asked GSA if she could provide that information. GSA responded that they certainly can after all GSA is here to help and they want to get the data out to the Services and Agencies. She also mentioned that she met with Navy and it was a great meeting. During the meeting with Navy, it was communicated that Navy could make changes to their processes and such issues could be brought to OSD or TPPS Council so that everyone can know where the problems are and can benefit. DLA proposed a question to US Bank asking if the threshold and tolerance in the Matching Model are the only possible flagged criteria.
- US Bank stated that it is not based on threshold and tolerance. She continued that the system has the ability to audit at a line level based on price, unit, and measures. The system audit can be set up to audit a line level and will flag the transaction regardless of the threshold. She stated that the system has the capability to audit at the line level versus at the transaction level. Garcia suggested that the TPPS Council look at the business rules to see if the audit requirement can be at the line level versus the transaction level.
- US Bank stated that it is important to look at the shipper system as the shipper's system varies. He suggested that the TPPS Council do a business rule review and look at the shipper system that touches these transactions. He noted that the systems are legacy systems.
- DLA stated that a correlation that was noticed is that organizations that use GFM seemed to have a lot more charges on the list.
- DFAS stated he would be interested in knowing how much money is involved and perhaps a report card could be provided.
- GSA stated that the total was about 14 million and about 12 million of those belonged to Army which consist of freight and HHG.
- OSD suggested that Army take those numbers to Army leadership and let them know how they stack up against the other Services. GSA added that it is important to look at the difference between the Services. For example, she stated that Army could be doing this at 57 locations whereas Air Force may only have 3 locations. She also suggested that it be divided by Service and by Mode and get another reading to get more accurate information.

#### Post-certification Adjustments-ICWG Recommendations #11

- DLA stated that DFAS is currently scanning all pen and ink changes to Summary invoices and all emails received from Financial Managers directing changes to TACs and LOAs and uploading them into Electronic Document Management (EDM).
- DLA stated that all the emails from the Financial Managers directing changes to TACs or LOAs are now being uploaded into EDM. He was told that it may require work for an auditor but the information is available in EDM.
- DFAS stated that all DFAS entities now use EDM for capturing documentation. However, DFAS Indianapolis that processes Army and Navy payments were the only payment office that was not using EDM. Indianapolis was using two methods of retaining the information, a disk and an online access tool. The outcome of the DoD OIG audit was to get all payment centers to use EDM.
- DLA mentioned that there is an on-going effort at DFAS to get all legacy files uploaded into EDM. He also stated that the process is working and the key is to continue to work on data quality.
- ICWG Recommendation #11 is to continue work on the front end to improve pre-certification data quality to minimize post-certification adjustments.

#### Statistical Sampling – ICWG Recommendation #12

- DLA stated that USTRANSCOM issued policy on 20 Sep 2000 and the policy was not incorporated into the DTR.
- DLA communicated that a review of the methodology laid out in the USTRANSCOM memo was performed by DFAS statistical sampling experts. The experts stated that memo was sound but it should be reviewed periodically.
- DLA stated that ICWG members concluded that the policy as written would significantly impact the ability of Certifying Officials to complete their certification in a timely manner.
- US Bank suggested that if ICWG wanted to do a case study, they could contact HHG program contact and possibly Pearl Harbor as well.
- DLA conveyed that the ICWG Recommendation is to let each service and Agency determine the appropriate extent to which they use statistical sampling.

#### Duplication Standards and Controls-ICWG Recommendation #13

- DLA stated that the identified problem with data standardization is that not all documents feeding into Syncada have TCNs, BOLs, or TACs. He also stated the problem is much more prevalent with the use of Carrier Invoices and Unlinked EBills. Greater compliance with data entry standards will improve identification of duplicate transactions and significantly reduce post-certification adjustments.
- DLA states that carrier invoicing contributes to the vast majority of the problem in the financial and logistical data.
- USAF stated that TCNs are the core data needed and there are overwhelming amount of transactions that do not have TCNs. It is recommended that metric that highlights these issues be developed so that the clean up could commence.
- DFAS-IBM stated that currently the vast majority of accounts that are set up are carrier invoices and these issues are prevalent.
- US Bank stated that carrier invoices is not where DoD should be and suggest that a review be done at some point of all carrier invoices sites and have them migrate to the Matching Model.
- DLA conveyed that the ICWG Recommendation is to continue to work on the front end to reduce the use of carrier invoices and unlinked EBills to the

maximum practical extent and to improve data entry standardization compliance.

#### Account Closure Procedures- ICWG Recommendation #14

- DLA stated that the identified problem is with transactions that are submitted after accounts are closed.
- US Bank stated it is essential that the Bank, DFAS, and the shipper sites engage in close communication in efforts to prevent invoices from going to the wrong places and due to the HHG 3-year after last handling rule, the invoices ought to be in DFAS's memory bank.
- US Bank stated that it is integral that DPS be included in the process and that the Bank needs to look at the entire process.
- DLA stated the ICWG recommendation is that TPPS PMO require Services and Agencies to identify an active account to route transactions intended for closed accounts prior to closing accounts. TPPS PMO will maintain a reference spreadsheet and provide to US Bank as updates are made.
- DLA proposed the question to the bank if they could include a field element that will identify where the invoice should be routed.
- US Bank responded by stating that getting the right data from DPS is important and that there are tools already in place that could be used such as the shipper to and shipper from fields. She also stated that a standard operating procedure be put together.

#### TPPS Leadership

- DLA shared that the bi-weekly TPPS PMO automated processing conference calls may not be as beneficial as they once were. He asked if they be reformatted to perhaps be more performance based, take a more metrics centered approach or change the frequency of them.
- DLA conveyed that the ICWG Chair recommendation is that TPPS PMO take over leadership of the ICWG and repurpose the TPPS PMO automated processing calls to incorporate the ICWG discussions and institute a metric based management system to hold DoD organizations accountable for their performance.
- OSD stated to DLA that the PMO will take a look into this.

#### GSA Update

- GSA stated that the GSA offset processing commenced in June. From June to December, 255 E-Bills totaling about \$147,000 were created and an estimated \$37,000 has been paid. 2008 is completed and the first 2 month of 2009. On December 14<sup>th</sup>, an automated process was started and 401 E-Bills were processed for an estimated \$196,000 of which about \$118,000 have been collected. A few carriers have contacted GSA to work out arrangements. GSA 's next step is to automate the EBills process with US Bank as well as integrate the protest and dispute process into the automated process.

#### Service Agency Army

- Army expressed his concerns concerning closed account. US Bank [Garcia] stated that Bank will disable the account and the TPR. She also stated that there are administrator rights that the bank has no control over that DFAS monitors.

- US Bank added that the account must be disabled, TPR must be disabled, and the user must be disabled.
- US Bank suggested creating a checklist to ensure all parties are disabled.

**DFAS-IBM will provide written procedures for closing an account.**

Service Agency Navy

- No major issues were addressed.

Service Agency Air Force

- No major issues were addressed

Service Agency Marine Corps

- Currently working on bad/expired TACs being used by USMC agencies and the common issue is that a lot of sites are not using TGET to confirm TACs before using them. Seems to be a general training issue.

Service Agency USCG

- NTS is going live and not anticipating any problems.

Service Agency DLA

- May 2012 will start Freight Delivery EDI and December 2012 small parcel. The next coming months, the plan is to engage folks before May 2012.

# TPPS Oversight Council Minutes

**Date:** January 18<sup>th</sup>, 2012 – 0830 to 1200 ET  
**Place:** Office of the Deputy Assistant Secretary of Defense (Transportation Policy) – Alexandria, VA

## US Bank Presentation

- US Bank opened his presentation discussing bank team updates.
- US Bank presented how the different areas are associated to the account managers.

## WebFOCUS/COGNOS

- US Bank discussed the issue with WebFOCUS for reporting. Existing reports will continue to function, however, for any new reports or changes/update the user will need to contact for report generation. US Bank continued discussing the COGNOS roll out with an expected roll out date of mid-February.

## User ID Disablement

- US Bank mentioned the auto-disablement of accounts. He states that if users do not log in within 90 days they will be disabled. They will need to contact the system administrator at the site or contact the help desk to be re-enabled.
- US Bank continued by mentioning that system administrators will need to continue to be proactive in disabling accounts that are no longer in use.
- OSD questioned if the US Bank TPPS help desk folks will be able to identify the difference between auto disabled accounts and system admin disabled accounts.

## **US Bank to check on whether or not it is possible to tell who disabled an account.**

- US Bank mentioned that US Bank needs assistance with this because the best practice is for the system admin at each site to control user id access period. Also, a backup plan is needed if the system admin is not available.
- OSD agreed and suggested the users may not be able to call the help desk and have their id's turned back on.
- US Bank noted that Army has many small sites where a system admin is not always available.
- DFAS added that it would be best to put the protocol in writing.
- US Bank continued by stating that US Bank would like it in writing concerning the escalation points.
- US Bank stated that they will put the help desk SOP together based on the language they are given by the PMO.
- DFAS stated that one of the items that TPPS should have is a communication plan describing escalation procedures.
- Navy stated that this is being worked on in the ICWG but has not yet reached that stated point.
- OSD asked the POCs as to their preference. Army preferred the current system, USMC agreed it should be in writing but USMC current process is in line with best practices, Navy wanted the reactivation of accounts to be left to the service POCs.
- DFAS mentioned that the iCAP controls within the DoD requires a 30 day deactivation period. He mentioned this might require a DAA exception. Although Syncada is a commercial system it is an AIS according to DISA.

- OSD stated his preference is for the 30 days and the services to enable accounts.
- Navy requested if we can ensure the system fits Bill Reed's statement. Her preference is for a 90 day disablement.

#### Current User ID Disablement process

- User ID's can be disabled by site system administrator, service POC, or will auto-disable after 90 days.
- User ID's can be re-enabled by system administrator, service POC, or by calling the US Bank TPPS help desk.

#### **US Bank to check if they are able to move to 30 day disablement.**

#### US Bank Conference/Training

- US Bank discussed the US Bank conference cancellation and future plans. He noted that there are opportunities for additional training at the SDDC training event. US Bank mentioned that if the TPPS Council would like further training at the SDDC Conference this year, then SDDC needs to be made aware and let US Bank know what training to provide.
- USMC stated their plan this year is to have a US Bank Freight Payment Tack-On at the SDDC Conference.
- OSD mentioned that there are at least two different venues being discussed. There is the SDDC training symposium and then there is the SDDC Workshop.
- US Bank mentioned that US Bank would like to meet with the high level management audience USMC is meeting with to discuss items like Key Performance Indicators (KPIs).
- OSD added that it might be beneficial to show those managers the road show presentation that the TPPS Co-Chairs will be providing executive level members of each service.
- OSD affirmed the need to ensure that the intended audiences are indeed present.
- DFAS discussed the plan to build a TPPS Road show that works into the new e-Governance review board and DFAS would be willing to participate in such training on the financial end.
- US Bank mentioned the need to use both SDDC events. One SDDC event to focus on workers who input information into Syncada and one at a more senior level to discuss reports and what the reports show.

#### **OSD to coordinate with SDDC G-9 to set-up some training at SDDC conferences.**

- US Bank offered the possibility of eliminating FSC moving forward and adding onto the SDDC conferences.
- US Bank mentioned that most of the presentations at the SDDC conferences are focused on freight transactions. He recommended that we add a household goods focus to the training.
- US Bank continued by mentioning that online training is available either instructor led or on demand. He stated that if there is a need for specialized, then he should be contacted with such request.
- OSD asked a question concerning the makeup of the people who attend the conference.
- US Bank responded by stating that generally, it is the same set of people who come to the FSC. He estimated 60% are return folks who attend to obtain TPPS update.

- OSD commented that regionalization will likely create savings for the department from a training standpoint that is not captured. There will be 17 centers of excellence.
- DFAS added that training is a large dynamic and there is a financial piece to this as well as a logistics piece. He added that if a training symposium could be added where all of those elements are engaged, then it would be a huge benefit.
- DFAS stated one of things available is a large amount of performance metrics and how it could be beneficial if the existing tools can be used to evaluate how the services are performing.

#### New Data

- US Bank proposed a revamp of KPIs. In this cost environment, he expressed the need to look at the cost drivers and use them to focus on the service representatives and show them the big picture.
- US Bank offered to work with someone to come up with a new standard KPI to provide to each segment when account reviews are performed.
- OSD added that one of the items he would like to discuss on the road show is to show what is possible in management reviews.
- DFAS stated one of the items DFAS would like to do is verify that account LOAs are good. He alluded to this as a major cost driver because of the manual intervention required of bad LOAs.
- US Bank mentioned that US Bank needs feedback on what information is needed to improve processes.
- DFAS brought up the possibility of legislative change and switching to a pay and chase approach.
- US Bank offered the example of the Department of State using pay and chase to turn a loss leader into a profit center.
- DFAS stated DFAS is looking at the possibility of building the tool to chase. He continued by stating the need to investigate whether this will be a legislative change or not.
- OSD questioned how the viability of pay and chase if post pay audits are supposed to be done by GSA. services on ownership of funds if another service uses their LOA.

#### **TPPS Co-Chairs to meet with OSD Comptroller to discuss pay and chase.**

#### File Turn

- US Bank presented the possibility of refunds for lower file turn.
- DFAS commented that the refunds do not include the cost savings of reduced PPI as well.
- US Bank mentioned that in the past, the refunds have been applied towards data storage fees.
- DFAS questioned the possibility of pay and chase due to multiple service LOA's on one statement.
- US Bank commented that it is already been done.
- OSD confirmed that what pay and chase would do is allow to pay and then do the work of chasing funds rather than chasing the funds, paying the interest and bills.
- DFAS continued that there needs to be an agreement between the
- OSD added that there also needs to be discussion about the use of the funds

from the rebate.

- Navy questioned the audit ability of pay and chase due to unmatched disbursements among other issues.
- DFAS commented that this would get to the lower rate for DFAS to process transactions. He states that currently they prevent liquidation of a viable accounts payable to eliminate unmatched disbursements.
- OSD added that if pay and chase is the way, then it would all be done through automation thereby eliminating the manual charges.
- DFAS stated this will require a business process change to streamline the liquidation of the payable DFAS added that there is the need to understand the business rules as they apply to file turn.

**DFAS PMO will coordinate the review of the pay process and evaluate the opportunities.**

- OSD requested that the services be decoupled in the file turn rebate and perhaps include this in the contract.
- USAF commented that USAF experienced challenges with attempts at pay and chase in the past using the alternate LOA.
- Navy added that each TO/CO is a TO/CO for the world and this needs to be kept in mind to make this a holistic process.

Offsets

- US Bank presented that US Bank now has the full capability to do offsets.
- OSD questioned the possibility of doing over-ocean offsets.
- US Bank to meet with USTRANSCOM to discuss possibility of over ocean offsets.
- USTRANSCOM stated that the contracts are with USTRANSCOM so it will be up to them to go after the carrier.

**USTRANSCOM, SDDC, and US Bank to have a teleconference to discuss offsets.**

- US Bank added that offsets are governed by public law so that should supersede any contracts.

Non-Temporary Storage (NTS)

- US Bank discussed NTS including agreement on EDI858 development, handle in and handle out files, initial testing, and map development has occurred. He continued by stating that US Bank have resolved a lot of the issues so when the interim process is shelved, and DPS is incorporated, the process will be seamless. He states that US Bank expects electronic testing in the next couple of weeks with the idea of going live in March. He states that the goal is to have NTS stood up by end of year.
- OSD added that when the services went back through NTS activities, they found several mistakes which could bounce back about \$2.5 million to the department.

Direct Procurement (DPM)

- US Bank continued with his presentation on direct procurement method (DPM). He states that SDDC is looking at DPM as a capacity issue. He states that this is also a way for DoD to capitalize on some automation and that there is a proposed white board session at Scott AFB later in the month to consider this option. Currently DPM is occurring at approximately 151 sites but it is all manual.
- OSD added DPM would be a similar implementation to NTS.
- DFAS alluded to local contracts that could further complicate the project.

- US Bank stated that US Bank has the ability to pay any sort of bill that DoD might have. He pointed to the functionality to do payables for non-transportation items like packing and crating.

### Over Ocean

- US Bank commented that Ocean has been a long lead time effort. He notes that US Bank is anticipating March 1<sup>st</sup> for the first CONUS to OCONUS container movement to be completely electronic with the removal of the flat file.
- US Bank continued that this would only be for outbound containers and there still needs to be a meeting between SDDC and the carriers for the formal process. He states that an IRS document has been sent out that US Bank expects to respond to within the week.
- US Bank points to the next step being the need to move the other items that are processed for ocean into the electronic commerce world. He added that DoD needs to establish the next phase and the easiest next step would be OCONUS to CONUS shipments.
- OSD stated that the benefit to the services is the reduced process management fee due to automation and this would be in addition to PPI reductions.
- US Bank commented that the business volume is in the ballpark of \$1.2 billion per SDDC.
- OSD added that this is a way to continue with MRM15 and proceed with automation. He added that it has also been discussed at the Sealift Executive Working Group (EWG) that SDDC was in favor of moving out.
- US Bank stated that US Bank was told coming out of that meeting that SDDC would have this phase by March 1st.
- US Bank commented that US Bank recently put into production one of the map changes requested by IBS to ensure that origin and destination port information is captured in a compliant field.
- OSD asked how much is left to automate within this program.
- US Bank responded that transportation spend within DoD is about \$25 billion across the spectrum. He states US Bank processed about \$5.8 billion last year. He noted that if Ocean, DPM, and NTS are brought into the mix, there still is a wide difference that is not processed within MRM15. He stated 20 to 60 accounts have been added every year for the past 5 years.
- OSD mentioned a study that was recently completed on new commodities that can be included in the Defense Transportation System (DTS).
- US Bank commented on the \$2,500 threshold limitation on the Ocean environment. He states that the best commercial practice is aimed at keeping 95% of transactions automated and that we are at almost 100% manual for ocean transactions.
- US Bank added that the TPPS council needs to remember that the threshold is completely separate from prepayment audit in the matching model. There is a difference between whether services were authorized versus whether services were provided. She added that US Bank recommends moving to the 95 percentile for those services that are approved, then setting up a process to verify whether or not services were indeed provided. This would be separate from the automation of the payment.
- US Bank added that the key is whether or not the documents are being reviewed and US Bank TPPS has the ability to assist in this via its attachment feature that will allow upload of the supporting documentation.

- DFAS asked if the transaction was manual and documents were uploaded, if the transaction can be automated.
- US Bank responded that since flat files are being used, all transactions are pushed manually. When the EDI 858 is automated, those charges will post automatically. He added that if the workflow routing is in place, verification can be automated.
- OSD stated that once there is a fix for ancillary charges for the outbound transactions, the future inbound transactions will also be fixed.

#### Previous TPPS Action Items

- US Bank stated that US Bank has completed an analysis of carrier invoicing across DoD and concluded that there are a number of sites and trading partner relationships with carrier invoicing with thresholds over \$0. IBM team already sent out supplemental information.
- OSD stated that threshold setting is service responsibility to update and verify.
- US Bank recommended all carrier invoicing tolerances be set to \$0.
- OSD stated that per the TPPS co-chairs all carrier invoicing account tolerances should be set to \$0.
- DLA stated that trading partner relationships were set up with carrier invoicing that are not been used.

#### **Services are to review carrier invoicing accounts for next TPPS meeting.**

#### Other Items

- US Bank asked what information would help improve processes to drive savings. US Bank will send out a template for comments about needed data in the first quarter.
- OSD added that this is what the road show is going to do. The intent is to present to senior leaders ways to gain efficiencies for the Services.
- DFAS commented that DFAS has pre-validation for when they liquidate a payable. He added the need to discuss that pre-validation indicator as currently taking place. He added that any transaction without a pre-validation indicator requires a financial person help to fix it.
- DFAS stated the need to use an EDI824 to confirm the occurrence of the event. He added that if this is used to create a pre-validation indicator, there would be a need to know what bucket to put the transaction in if it can be processed electronically.
- US Bank stated that this is something that needs to be focused on with data.

#### Data Storage

- OSD commented on the data storage requirement concerning a due out that after 16 months that the bank no longer needs to perform data storage for Freight because GSA is now storing the data.
- US Bank stated they have not received that information and for the new contract, the SOW states 6 years 3 months for retention. She continued by stating that if data is removed at the 6 year 3 month, the period would not start until the beginning of the contract.
- OSD stated that the government is able to store the data.
- US Bank commented that freight data is complete and they are still working on the specifications for HHG data.
- US Bank requested DFAS TPPS COR consider a contract modification.

- US Bank affirmed the need to know the exact procedures as to what is required for data storage in the contract modification.
- US Bank added that guidance needs to be given for other agencies that fall under this contract regarding data storage.
- DFAS asked if NARA has sanctions about the 6 years and 3 month time period.
- OSD stated it has been sanctioned by the DFAS lawyers.
- DFAS added that any transaction with foreign military sales needs to be stored for 10 years per the NARA. For other transactions it is 6 years and 3 months from the date of last action.
- USTRANCOM commented it may be beneficial for USTRANCOM to get a copy of any data before it is deleted.
- DLA commented that GFM keeps a repository of data for 10 years.
- OSD stated the services have been informed they will receive a bill for data storage for FY 2012.

**PMO to review the STARS requirements and provide the TPPS Council the way ahead on data storage for next meeting**

- OSD added that whatever decision the PMO office comes up with, it has to acknowledge in the RFP that there is an increased data storage requirement.

TPPS Roadshow

- OSD commented the intent of the road show is to go to the TPPS Chair direct reports and show what TPPS has, is, and can do for the enterprise. This will be done for the SES/GO level. The road show will incorporate lessons learned, highlight positives, identify opportunities, and then take this to the services. There is a link between the road show and the eCommerce board.
- OSD continued that he would like to identify PPI information in the road show. The road show will include ways to obtain rebates with some link to the manual processing fee. The road show information will be shared with the services POCs prior to being shown to management.
- OSD stated he would like to incorporate US Bank KPIs into the road show.