# Agenda & Administrative Remarks

## DoD Connect, March 5, 2018

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
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<tbody>
<tr>
<td>9:00 – 9:30 am</td>
<td>• The State of Defense Travel, Mr. Bill Mansell, Director</td>
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<tr>
<td></td>
<td>• Excellence in Practice Award Recipients Recognized</td>
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<tr>
<td>9:30 - 11:35 am</td>
<td>Director’s Roundtable</td>
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<tr>
<td></td>
<td>• 9:30-9:55 am – USA</td>
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<td>• 9:55-10:20 am – USN</td>
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<td>• 10:20-10:45 am – USAF</td>
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<td>• 10:45-11:10 am – USMC</td>
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<td>• 11:10-11:35 am – Agencies</td>
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<tr>
<td>11:35 am – 12:55 pm</td>
<td>Lunch &amp; Networking</td>
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<tr>
<td>1:00 – 2:30 pm</td>
<td>DTMO Program Updates</td>
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<td>• Hospitality Management</td>
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<td>• Smart Pay 3 Transition</td>
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<td>• Defense Travel System</td>
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<td>• Cross Functional Team—Travel</td>
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## Program Roundtables

- Defense Travel Modernization
- Integrated Lodging Program
- Dining Program
- SmartPay3 and GTCC Program
- Commercial Travel Programs
- Compliance Program
- Regulations and Policy
- Travel Assistance Center
- Training Resources
The State of Defense Travel

Bill Mansell, Director, DTMO
Excellence in Practice Awards
The Premier Award
David Ross

U.S. Navy

U.S. Naval Hospital – Okinawa, Japan
The Champion Award
The Elite Award
Space and Naval Warfare Systems Command System Center

U.S. Navy
Pacific Travel Services Office
– San Diego, CA

Reshaping the Defense Travel Enterprise through Results-Oriented Innovation
The Icon Award
Naval Sea Systems Command, Naval Underwater Warfare Command – Keyport Division

U.S. Navy
Washington Navy Yard – Washington, DC
### Director’s Roundtable

<table>
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<tr>
<th>Component</th>
<th>Timeslot</th>
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<tbody>
<tr>
<td>Army</td>
<td>9:30 - 9:55 am</td>
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<tr>
<td>Navy</td>
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<tr>
<td>Air Force</td>
<td>10:20 - 10:45 am</td>
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<tr>
<td>Marines</td>
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<tr>
<td>Agencies</td>
<td>11:10 - 11:35 am</td>
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Welcome to
DoD Connect 2018

Lunch Break
Please be seated promptly at 1:00 pm
DTMO Program Updates
Hospitality Management Update

Dane Swenson
Senior Strategic Advisor

DoD Preferred
Commercial Lodging
ILPP Evolution

**Program Launch**
(June 2015)
- Added JTR policy
- Integrated DoD lodging
- Strategically sourced 53 DoD Preferred properties at 8 pilot sites

**Expanded Pilot Sites**
(January 2016)
- Added 6 DoD Preferred Pilot sites increasing to a total of 95 properties
- Expanded Pilot Sites to include military installations with adequate Privatized facilities

**Added Privatized Lodging**
(March 2016)
- Added 5 new DoD Preferred Pilot sites bringing the new total number of properties to 126

**Expanded Pilot Sites**
(July 2016)
- 32 DoD Preferred Pilot sites with 187 properties

**Expanded Pilot Sites**
(January 2017)
- Now 52 DoD Preferred Pilot sites totaling 258 properties

**Future**
- Long term travel: 30-179 nights (31-180 days)
- Group travel
Lodging Programs Update

• **2018 Phase V**
  – DoD Lodging (government) 168 installations, 210 hotels
  – Public-Private Venture (PPV) Privatized Army, 29 installations, 34 hotels
  – DoD Preferred Lodging (commercial), 52 sites, 258 hotels

• **DoD Preferred Commercial Lodging**
  – Customer Survey: 82% Satisfaction 2017 (79% in 2016)
  – Cost avoidance: $13.2 million since inception, $9.4 million FY17
  – Room nights: 1.3 million room nights since inception (956k room nights FY17)
  – 50.3% compliance FY17; 48.8% compliance FY16
Lodging Program Legislative Proposal


• **Background.** Exempts DoD from title 5 prohibition to direct program usage and to collective bargaining with unions, helps offset impact of OMB Memo 12-12 cutting travel spending ~30%,

• **Status.** OLC proposal 193 cleared DoD and OMB /keep updated/

• **Approach.** Codify in §465, chapter 8, title 37

• **Scope.** Three programs: Government (DoD Lodging), Public Private Venture (Privatized Army Lodging) and Commercial (DoD Preferred); over 1M travelers.

• **Implementation.** Phased in (now at 249 sites); DTS lodging modules completely reprogrammed at cost of ~$2.6M; policy in JTR/Directive Type Memorandum

• **Value Proposition.**
  – **Savings.** Projected $27.8M for 2019
  – **Quality Standards.** Safety/security, accommodations, financial protections, conveniences
  – **Customer Satisfaction.** 82% overall for commercial
  – **Online booking.** DTS navigation for both booking and settlement
DoD Preferred Dining Program (PDP) Pilot

**BUSINESS CASE & BACKGROUND**

- The Federal government lacks a program for managing dining spend – DoD spends over $1B on meal per diem annually
- The 2014 federal commission on travel, Government Travel Advisory Committee, recommended establishing a “corporate like” dining rebate program
- Private industry dining programs yield rebates of 3% to 6% (note: DoD would receive two separate rebates; GTCC and dining program)
- In FY16 DoD posted $125M in food transactions to the Government Travel Charge Card (GTCC) – just 7% of actual meal spend
- Proposed solution does not require: major change to regulations, measurable workload for Services, or burden on traveler
- Pilot Program – Congress notified in May 2015 that DoD will conduct a PDP pilot under §454, title 37 “to enhance cost savings or other efficiencies”

**TRAVELER’S VIEW**

- Voluntary program offering incentives for travelers to dine at participating restaurants
- Traveler identifies network restaurant via APP or website
- Seamless process: no special dining cards required – just use of the GTCC
- Provide program incentive for travelers

**COMPONENTS**

**Sourcing & Management**

- Contract with third-party vendor; corporate model
- Managed through a “no-cost” fee-based contract
- Requires minimal contracting support
- Most operating costs borne by a provider
- Collects and distributes fee from the participating restaurants

**Congress & Statutes**

- DoD notified Congress that dining will be a title 37 dining pilot (May 15)
- SASC/HASC staffers briefed on pilot program during Hill visit in 2015
- Legislation modeled after GTCC authority to credit receipts to “current” FY account

**WAY AHEAD**

- Sourcing
  - Contract kickoff meeting 12 Feb 18
  - “No-cost” performance based contract
- Rebates
  - Distribution of funds IAW DHRA Director’s decision (20%/80%)
  - Mirror GTCC rebate process
- Statutory Authority—Refunds
  - Efficient use of rebates requires specific legal authority
- Communications campaign

**TRANSACTION AND FUNDS PROCESSING**

- Traveler dines at a preferred restaurant and pays for meal with GTCC
- GTCC meal transactions matched and reconciled by the Management Company
- Management Company distributes rebates to DoD
Travel Refund Legislative Proposal

• What. Codify special authority for DoD to efficiently reinvest travel refunds
• Background. The Government Travel Charge Card (GTCC) has special authority for DoD to efficiently reinvest rebates in “current” appropriations versus ”original” appropriations.
• Status. OLC proposal 196 cleared DoD’s legislative review panel, expected to be forwarded to OLC in next 10 days /keep updated/
• Approach. Codify in §456, chapter 8, title 37
• Program. The Preferred Dining Program (PDP) being implemented via a “no-cost” performance based contract (i.e., Dinova) with first rebate expected in ~Aug/Sep 19. Congress notified in May 2015 that DoD will conduct a dining pilot under §454, title 37 ”to enhance cost savings or other efficiencies”
• Implementation. Contract kickoff 12 Feb; program rollout over next three months
• Value Proposition.
  – Rebates. Projected initially for less than $1M annually given 7% GTCC usage for meals and selection of “in-network” restaurants. At 15% GTCC usage and 50% in network dining, DoD would receive ~$5M in rebates.
  – Program. Optional for travelers, no policy change needed, no systems change required
SmartPay3® Transition

Kathy Windsor
SmartPay3 Project Lead

- Single Largest Travel Card Program in Federal Gov’t
- $5B in Annual GTCC Spend
- $45M in Annual Rebates to DoD
- 1.7+M Individual Accounts
- 3K+ Centrally Billed Accounts
Transition guidance, tool and trainings available on SmartPay Website
Feb 2017

Master Contract Award
Projected Late Summer 2017

TO Evaluation & Award
Jan 2018 thru Mar 2018

Transactional PoP Begins
Nov 2018

Identify program needs & write Task Order (TO) Requirements
Feb 2017 thru Dec 2017

TO Post-Award Implementation
Apr 2018 thru Nov 2018
How SP3 Transition will Affect the DoD

• Transition activities will affect:
  – Component Program Managers
  – Account Program Coordinators
  – Cardholders / CBA Account Managers
  – DTS (and other travel processing systems)
  – DFAS (and other DoD Disbursing activities/systems)
  – Interface partners (DFAS, DMDC, DoDIG, etc.)
  – DoD Travel Data Warehouse (CTIM)
  – Travel Management Centers
  – Other

Regardless of the selected vendor, including the incumbent (Citi), implementation of the new task order will require changes
Team Approach

• Integrated Project Team with sub-teams planned for:
  – Transition Preparation
  – Collaboration DTMO & SP3 Bank
  – DTS Cutover
  – Data & Interfaces
  – TMCs

• Component Transition Plan responses due 30 March

• DTMO Transition Plan will be published the week of 19 March:
  – Phased Approach
  – Pre-transition
  – Go-Live / Cutover
  – Post Cutover / Implementation
  – SP2 Closeout
Risk Mitigation

- Task Order Award Timeline
  - Mitigation through weekly ‘check-in’ calls with GSA
- SP2 Clean-up
  - Aggressively track, report, and reduce delinquencies
  - Collect/process/credit remaining un-collected rebates
- DTS Functional Changes
  - Mitigation through close coordination with PMO-DTS and DFAS
- SP3 Master File Build
  - Mitigation through templates for APCs and reporting through CPMs
Defense Travel System Update

Michelle Rudolph
Director,
Service Delivery Directorate
Defense Manpower Data Center
Recent Sustainment Efforts

• January Release – Implemented User Experience/User Interface (UX/UI) changes in the Reservations module
• February Release – Updated Expense Screens and implemented updated BI Logic
• SPR Clean Up Campaign
• Business Intelligence Updates
What’s Next

• Lowest Logical Airfare (May 2018)
• Continue enhancements to the UX/UI and updates to underlying frameworks
• Update Accounting Modules (July 2018)
• Infrastructure and Security Updates
• Continue to align DTS with DMDC’s security infrastructure
• COOP / Disaster Recovery (DR) Activities
• Continue SPR Clean Up Campaign
• Contract re-compete
• What happened to flat rate?
Cross Functional Team – Travel

Bob Gerenser
Strategic Plans & Initiatives Division Chief

Jack “Mess” Messer
Departing Travel Modernization Program Manager

Craig “Scott” Smith
Travel Modernization Program Manager

Joel Ridenour
Policy, Regulations & Allowances Division Chief
Establishment of the CFT-Travel

• February 17, 2017 the SecDef tasked the Deputy Chief Management Officer and Chief Information Officer to identify enterprise-wide lines of business and lead cross functional teams to deliver improved effectiveness and efficiencies

• Aligns to the National Defense Strategy

• The Deputy Secretary Established the Cross-Functional Team to Improve Travel in June 2, 2017 to:
  
  – Review existing policy, service delivery approaches, and technology to modernize travel within the DoD
  
  – Leverage and utilize past Components' recommendations on the Defense Travel System and identify potential areas of efficiency while preserving or improving overall mission performance outcomes

• Joint Leadership: DCMO, USD (P&R), and the DoD CIO
CFT-T Expected Outcomes

• **Purpose:** Improve travel performance outcomes to streamline and optimize the processes, mechanisms, and approaches to execute Temporary Duty (TDY) travel for DoD civilian and military Service members. Initial phase will:
  - Reduce process and workflow complexity
  - Ensure audit readiness requirements are understood and missing controls are identified and addressed
  - Improve customer satisfaction
  - Reduce cost
  - Align to commercial/industry best practices

• **Deliverables:**
  - Simplified policy
  - An evaluation of alternative technical solutions
  - An acquisition strategy
How We Travel Today

- Travel requests and reservations are created and managed in the Defense Travel System (DTS) and supported by Travel Management Companies (TMCs) who provide ticketing and other travel services.
- DTS and TMCs integrate with one of the Global Distribution Systems (GDSs) to create and update Passenger Name Records (PNRs).
- Today the Department procures its travel system (DTS) and travel services (TMCs) separately.

Traveler expenses and reimbursements are initiated through DTS and paid to the traveler through interfaces with DoD financial systems.

Cost Imbalance

DTS • System

GDS w/ PNR • Services

TMC
How We Travel Tomorrow

A secure, efficient, and effective end-to-end travel solution that includes Travel Management Company (TMC) services supported by travel and expense management technology. Procured together as one travel capability, it will:

- Book travel, manage travel related expenses, and initiate travel-related financial transactions
- Reduce overhead costs for travel transactions and lower the overall travel cost per trip by empowering travelers to make travel decisions that benefit their organizations
- Minimize customization of systems by aligning travel policies with standard industry practice without negatively affecting usability, auditability, compliance or security
- Provide real-time access to data and analytics

Enhanced Travel Capability
BCAC Framework

Business Capability Acquisition Capability (BCAC) Framework – DoDI 5000.75

Phase 1: Capability Need Identification
- Solution Analysis ATP
  - Activities/Products:
    - Identifies Business/Mission need
    - Capabilities to deliver business need
    - Performance Measures
    - BEA Alignment
    - Applicable Laws, Regulations & Policies (LRP)
    - Cost to complete next steps

Phase 2: Business Solution Analysis
- Functional Requirements ATP
  - Activities/Products:
    - Builds upon CRD
    - Develops “To-Be” Capability Process Maps (CPMs) for each business capability
    - Develops initial Capability Implementation Plan (CIP)
    - Determines rough order of magnitude (ROM) estimate and cost benefit

Phase 3: Business System Functional Reqs & Acquisition Planning
- Acquisition ATP
  - Activities/Products:
    - Identify/Define IT Functional Reqs (ITFRs) & Information Assets (IA)
    - Conduct Market Analysis
    - Acquisition Strategy Determination
    - Solution Approach Decision
    - Funding Identified

Phase 4: Business System Acquisition Testing & Deployment
- Limited Deployment ATP(s)
  - Activities/Products:
    - Solution Selection Decision
    - Detailed Fit-Gap Analysis
    - Develop Design Specifications
    - Establishment of Cost, Schedule, and Performance

Phase 5: Capability Support
- Full Deployment ATP
  - Activities/Products:
    - Limited Deployment Testing Results
    - Full Operational Testing Results
    - Mature Software Capability
    - Transition and Sustainment Plan

We are here

CPI/LSS (Non-IT)

BCAC Continuation (IT Solution)
What is an Other Transaction Agreement?

- An Other Transaction Agreement (OTA) is an acquisition instrument which allows agencies to enter into transactions “other than” standard Government contracts, grants and cooperative agreements.
- OTAs are not subject to the Federal Acquisition Regulation (FAR), DoD FAR Supplement (DFARS) and many other statutes and regulations associated with Federal Government contracting.
- OTAs provide an additional tool that Congress has authorized to help Government program managers accomplish their missions.
Advantages of OTAs

• OTAs broaden the technology base by reaching innovators not readily available to DoD
• Prototype Projects under $50M competitively awarded within 90 days
• Project awards cannot be protested
• Offers seamless transition from prototype through production
• Open to large and small businesses
• Offers flexibility in treatment of Intellectual Property
• Promotes public/private collaboration
• Accepts all “colors” of funding
• Allows Government program managers to maintain full project control
## Next Steps/Timeline

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<tr>
<th>Action</th>
<th>Date</th>
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<tbody>
<tr>
<td>Fed Biz Opps (FBO) Notice</td>
<td>2 Mar 18</td>
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<tr>
<td>Request for White Papers (RWP)</td>
<td>7 Mar 18</td>
</tr>
<tr>
<td>White Paper Responses Due</td>
<td>21 Mar 18</td>
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<tr>
<td>Selected vendor demonstrations</td>
<td>16-20 Apr 18</td>
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<tr>
<td>Target date for OT Agreement award</td>
<td>4 May 18</td>
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Policy Simplification and the Cross Functional Team – Travel

• Created Appendix B in the Joint Travel Regulations to support the Cross-Functional Team – Travel

• Appendix B provides policy guidance on Travel and Transportation allowances to implement in the CFT-T solution

• The first draft of Appendix B, published March 1, identifies travel and transportation allowances payable for short-term business travel for DoD Civilian employees and Service members

• Future iterations will expand to include additional types of travel (e.g., Long Term TDY, Group Travel, Government Funded Leave Travel, Permanent Duty Travel, Evacuation Travel)

• Policy simplification is a major driver to modernization and we will continue to standardize and simplify policy where possible to facilitate the application of industry leading technology and best practices
Thank you for attending DoD Connect!

Within the next 10 days you will receive an electronic questionnaire asking for your feedback on DoD Connect and GovTravels. We appreciate your honest feedback to improve future stakeholder engagements.