

to make them net-ready. As such, our information assurance program has developed a strategy that supports this concept and has focused on providing the Department with robust protections, agile network defenses, integrated situational awareness, transformational assurance capabilities, and a professional, highly aware and trained workforce. Each of these elements works together to provide the necessary dynamic and agile information assurance capabilities for a net-centric force. I view these capabilities as integral to our efforts to transform the communications capabilities of the Department and see information assurance as critical to successful business and warfighter operations.

We are working hard to put all these pieces in place, and to institute a seamless, common network linking the Department and the Services. This new, integrated network will discourage anti-collaborative behaviors and allow us to exploit Information Age technology to our fullest advantage and turn the network into the single greatest contributor to combat power.



Mr. Stenbit became Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (C3I) on August 7, 2001, and now serves as Assistant Secretary of Defense of the C3I successor organization, Networks and Information Integration/Department of Defense Chief Information Officer. His career spans over 30 years of public and private sector service in the telecommunications and the command and control fields.

His public service includes four years at the Department of Defense from 1973 to 1977, serving for two years as principal deputy director of telecommunications and command and control systems, and two years as staff specialist for Worldwide Command and Control Systems in the Office of the Secretary of Defense.

Mr. Stenbit previously was an executive vice president of TRW, retiring in May 2001. He joined TRW in 1968, and was responsible for the planning and analysis of advanced satellite surveillance systems. Prior to joining TRW, he held a position with the Aerospace Corporation involving command and control systems for missiles and satellites, and satellite data compression and pattern recognition. During this time, he was a Fulbright Fellow and Aerospace Corporation Fellow at the Technische Hogeschool, Eindhoven, Netherlands, concentrating on coding theory and data compression.

He has chaired the Science and Technology Advisory Panel to the Director of Central Intelligence, and served as member of the Science Advisory Group to the directors of Naval Intelligence and the Defense Communications Agency. He also chaired the Research, Engineering and Development Advisory Committee for the Administrator of the Federal Aviation Administration. He has served on the Defense Science Advisory Board, the Navy Studies Board, and the National Research Council Manufacturing Board.

In 1999, Mr. Stenbit was inducted into the National Academy of Engineering.

Mr. Stenbit holds bachelor's and master's degrees in electrical engineering from the California Institute of Technology. He is a member of Tau Beta Pi, the engineering honor society. □

“The Umbrella Program has been and continues to be a cornerstone of the ESI project ...”



Talking with Jim Clausen OASD (NII)/DoD CIO ESI Working Group Co-Chair

The Enterprise Software Initiative (ESI) is a joint project designed to implement a software enterprise management process within the Department of Defense (DoD). The main problem identified with procuring software for DoD is that the software (including price, acquisition cost, distribution, training, maintenance, and support) costs too much. ESI objectives are to save money and improve information sharing. By pooling commercial software requirements and presenting a single negotiating position to leading software vendors, ESI provides pricing advantages not otherwise available to individual Services and Agencies. ESI's initial focus is on DoD common-use, standards-compliant software COTS software products.

CHIPS: *How does ITEC-Direct and the DON IT Umbrella Program (www.it-umbrella.navy.mil) fit into the ESI program?*

Mr. Clausen: The Umbrella Program fulfills the Navy's duties as ESI Executive Agent for Office Automation Tools and Enterprise Resource Planning software. The Program Manager, Barbara Johnson and her whole team, Linda Greenwade, Peggy Harpe and the ITEC-Direct group have been very supportive and proactive in pushing the ESI project. The ITEC-Direct (www.itec-direct.navy.mil) Web site is great and the team is customer-focused. I am amazed at what they have accomplished and at what they continue to do.

CHIPS: *How do you gather requirements for the IT products and services offered to DoD customers?*

Mr. Clausen: We follow the money and leverage the marketplace. We continually monitor customer interest levels by collecting data to see who is purchasing, and what they are purchasing. As Service or Agency buyers purchase, or plan to acquire significant amounts of particular software products, we look into the feasibility of expanding the scope of their contracts for the benefit of all DoD buyers. Then we assign an Executive Agent, who develops an acquisition strategy and a business plan. We discuss this strategy and reach consensus within the group. The Executive Agent, through their Software Product Manager (SPM) then begins negotiations with the software publisher. What usually results is a BPA off the GSA Schedule; with substantial pricing discounts. For example, as he observed that there was substantial interest in the Navy for Merant software, Floyd Groce (Department of the Navy representative and co-chair of the ESI Working Group) brought the information to one of the bi-weekly ESI Working Group meetings. The group eventually approved the Navy's plan to move forward with an agreement, which included some up-front funding, resulting in a pre-purchased inventory for Navy customers, and a BPA for DoD-wide use priced at 21 percent off GSA Federal Supply Service (FSS).

"It has been 15 great years for the Umbrella Program and their Navy and DoD customers."

CHIPS: Who are the ESI Working Group members?

Mr. Clausen: Our ESI Working Group includes members from: the Office of the Secretary of Defense (NII)/DoD CIO; Department of the Navy; Defense Finance and Accounting Service; Defense Logistics Agency; Office of the Secretary of Defense (CIO); Missile Defense Agency; Defense Intelligence Agency; National Imagery and Mapping Agency; Defense Information Systems Agency; Department of the Army; and the Department of the Air Force. They are truly just the "tip of the iceberg" though, because the really heavy lifting gets done by all the wonderful people in our Software Product Manager organization, which include the Navy's IT Umbrella Program, the Army's Small Computer Program and the Air Force's Standard Systems Group. Our SPMs, in turn, are supported by a variety of superb contracting offices, including NAVICP, DITCO, and ITEC4. It's important to realize that all these folks have full-time "day jobs"; they perform their ESI functional roles in conjunction with their billeted duties.

CHIPS: Do you require IT products to be interoperable or to conform to a standard?

Mr. Clausen: We only require that products meet the JTA, the Joint Technical Architecture. By following the money, we allow the functional experts in the field to determine "best of breed." DoD PEOs (Program Executive Officers), Program Managers and field offices know their functional requirements quite well, and are also cognizant of the various interoperability and information assurance requirements. We have to assume that their purchasing decisions take all those requirements into account. It is a formula that has worked well for the past five years.

CHIPS: Do you work with the Service CIOs and other groups?

Mr. Clausen: Absolutely — DoD CIOs own this project! Priscilla Guthrie, the DoD Deputy Chief Information Officer is our champion and sponsor. The ESI Steering Group includes many of the department's CIOs and senior CIO staff within DoD, and meets as required to update our way ahead, and resolve issues. We also provide quarterly briefings to the full DoD CIO Executive Board.

Also, ESI is endorsed by the DoD Business Initiative Council (BIC), which authorized development of a DoD-wide Software Asset Management (SAM) Framework. We are beginning a process to populate the SAM Framework through the efforts of a CIO-led joint IPT (Integrated Product Team). Our current plan is to finish by 2005. Accomplishment of this task will help us track the majority of COTS software licenses in DoD. This will give us the visibility we need to create more and better ESI software agree-

ments, and enable software transferability throughout the DoD. So, for example, if an Air Force base is closed down we could transfer their 1,000 MS 2000 Professional licenses to other DoD users. The BIC also approved extension of the project to establish a Virtual Information Technology Marketplace (VITM) for online purchasing of Information Technology. Effective working relationships with the DoD Comptroller have enabled ESI use of the Defense Working Capital Fund to provide "up-front money" for initial, wholesale software buys. This funding process assures maximum leverage of DoD's combined buying power, and results in large software discounts.

CHIPS: Can you talk about current savings to DoD?

Mr. Clausen: In the last five years the ESI has accumulated over \$1 billion in cost avoidance. For the most part, this is measured as the difference between our ESI software pricing, and GSA Schedule price. We also attempt to capture the delta between our ESI software price, and a buyer's large volume spot bid quoted price, which is always lower than GSA Schedule.

CHIPS: What about potential customers who may not be aware of the ESI or Service programs like the DON IT Umbrella Program and use their local contracting agency instead?

Mr. Clausen: No problem with buyers using a local contracting agency — as long as they purchase off our ESI agree-

ments (through our SPMs) whenever possible. If they are buying ESI software products via other means, we call that "leakage" and it is very difficult to measure. But there should not be anyone buying COTS software that is available under ESI, through means other than an ESI agreement. Contracting Officers, and other requiring officials should be aware of the DFARS change (subpart 208.74) and the Defense Acquisition System guidance (issued May 12, 2003) regarding COTS software purchasing. The ESI vision is "Point and Click IT Shopping at the Lowest Cost," so ask your readers to take a look at our Web site: www.don-imit.navy.mil/esi. There really is no reason not to use ESI; it's a classic "win-win" for everyone involved!

CHIPS: Did you know that it is the Umbrella Program's 15th birthday?

Mr. Clausen: It has been 15 great years for the Umbrella Program and their Navy and DoD customers. Keep up the good work!

www.it-umbrella.navy.mil
www.itec-direct.navy.mil

