Enterprise Resource Planning Plus (ERP+): The Future of Navy ERP

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- Setting the Foundation

- Navy ERP Program Overview

- ERP+: the Future of Navy ERP

- Multifaceted Contract Approach

- Capability Needs and Contracting Opportunities

- Next Steps

- Q&A

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Navy ERP Journey

Sustainment & Migrations

1999	2000 – 2012+	2018+	2019 - 2020	2021 -2022	2023 - 2024	2024 - 2025	2025 – 2026+	2028
Introduced	* NAVAIR * NAVWAR * NAVSUP * NAVSEA ONR SSP * Pilot Programs	AWS GovCloud Migration	EXWC NRL MSC	DMAG SMAG DWAS COMFRC BUMED DON/AA	FSA GF NIA BUPERS	CNIC/NAVFAC	USFFC PACFLT RESFOR	Audit Opinion

Journey:

- **Introduced in 1999.** Initial tests provided evidence that the commercially available program can be successfully implemented with some adaptations
- **18 of 21 Migrations** completed; as of 13 DEC 2024, three commands remain for Navy ERP: **USFFC**, **PACFLT** and **RESFOR**

Impact | Benefits Realization:

- Trust in DON's stewardship of its resources is foundational to good governance
- Improved performance and transparency provides the American people, Congress, and warfighters confidence in DON's ability to develop realistic budgets and properly execute taxpayer dollars
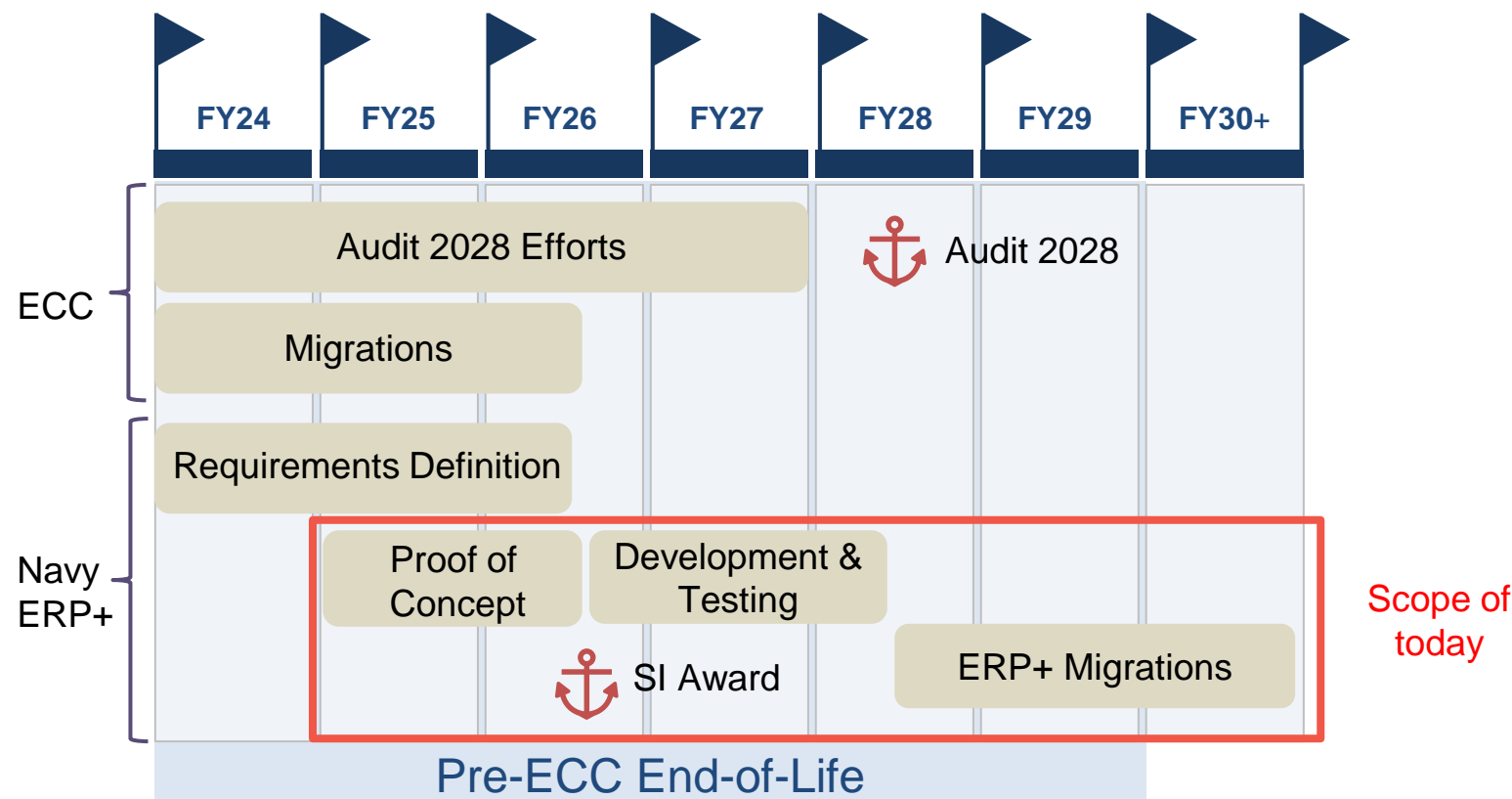- **Clear path forward to achieve an unmodified audit opinion in 2028**
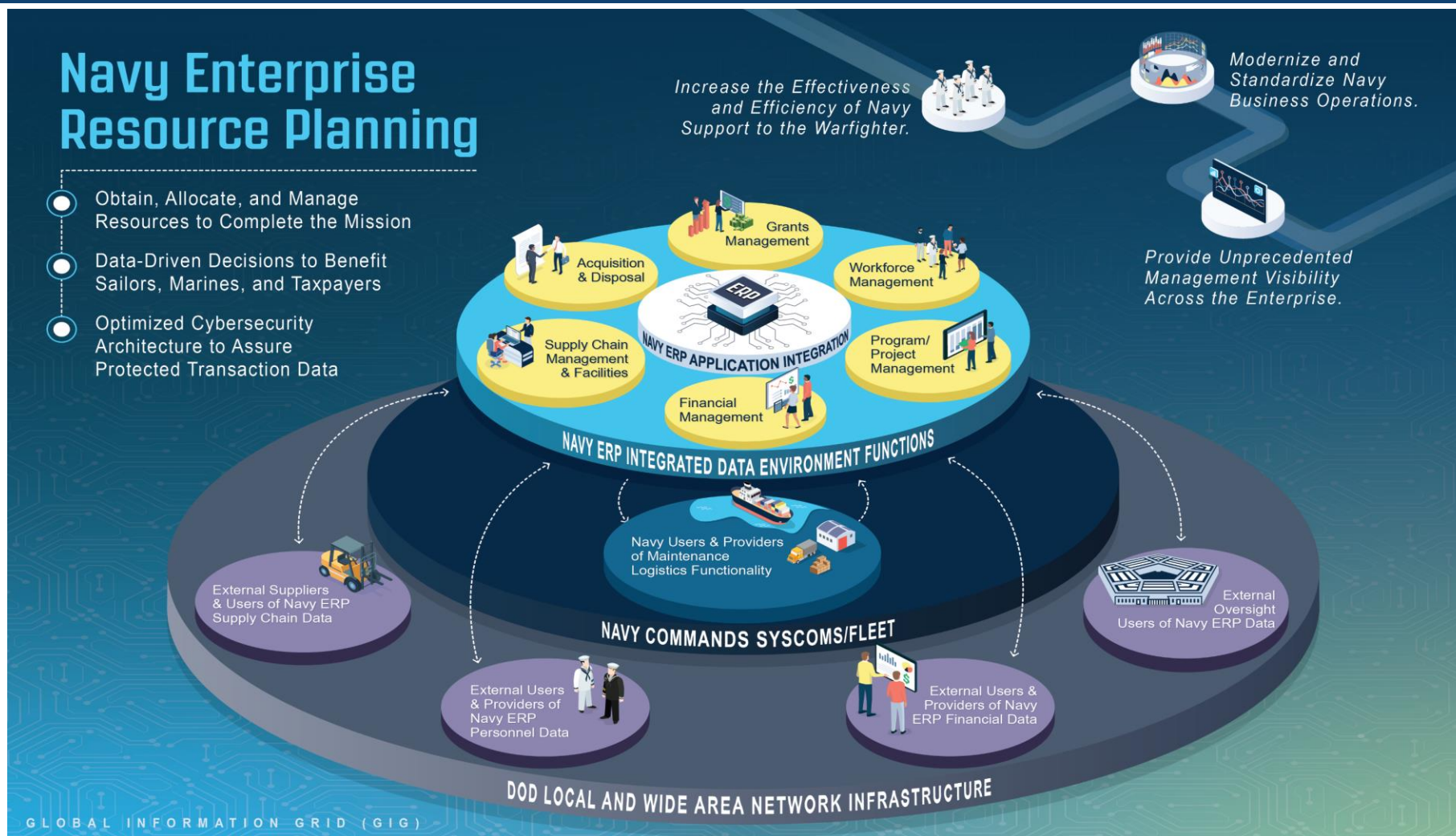
Current Navy ERP capabilities: Financial Management; Supply Chain Management & Facilities; Workforce Management/Time & Attendance; Grants Management; Program/Project Management; and Acquisition & Disposal.

An evolved Navy ERP increases:
- **Warfighter effectiveness**
- **Auditability**
- **Business agility**
- **Capability and readiness**
- **Enhanced decision maker confidence**
- **Improved user experiences**

ERP First: A guardrail to aid with Navy ERP+ decisions to maximize native S/4 HANA capability and minimize customization for the DON wherever possible, including external interfaces, data storage and management, automation and streamlining of business processes

	FY24	FY25	FY26	FY27	FY28	FY29	FY30+

ECC
- Audit 2028 Efforts
- ⚓ Audit 2028
- Migrations

Navy ERP+
- Requirements Definition
- Proof of Concept
- Development & Testing
- ⚓ SI Award
- ERP+ Migrations
- Scope of today

Pre-ECC End-of-Life

Focus on standardization up front eases future transitions

Navy ERP Lessons Learned

Themes:

Master Data

Complex Enterprise Structure
- 39 Company Codes

Challenges
- Updates to data records requires replication 39 times and delays system deployments
- Significant testing events due to sheer volume of master data extensions
- Increase of administration roles/access
- Data is not standard and siloed

Interfaces

Over 120+ interfaces
- Mechanism of Contract Administration Services (MOCAS), OnePay, Global Exchange (GEX), etc.

Challenges
- High percentage of data exchange failures
- Complexity to maintain multiple interfaces / updates
- Higher risk of security breaches

Customization

4 Million Lines of Custom Code
- Significant customization related to process areas (Supply Chain; Ship Building, etc.)

Challenges
- Unable to deploy all system patches
- Lack of standardization/ unnecessary duplication

Overarching Enterprise Challenges:

- Data **Inconsistency**
- Slower Performance
- Capacity Issues
- Reporting Difficulty
- Maintenance **Costs**
- **Security Risks**
- Complexity/Confusion

Impact:
- Auditability
- Operational Inefficiencies
- User Experience
- Decision Making
- **Steep Cost**
- Schedule **Delays**

What We Will Do Differently Leveraging Best Practices:

Simplify Enterprise Structure
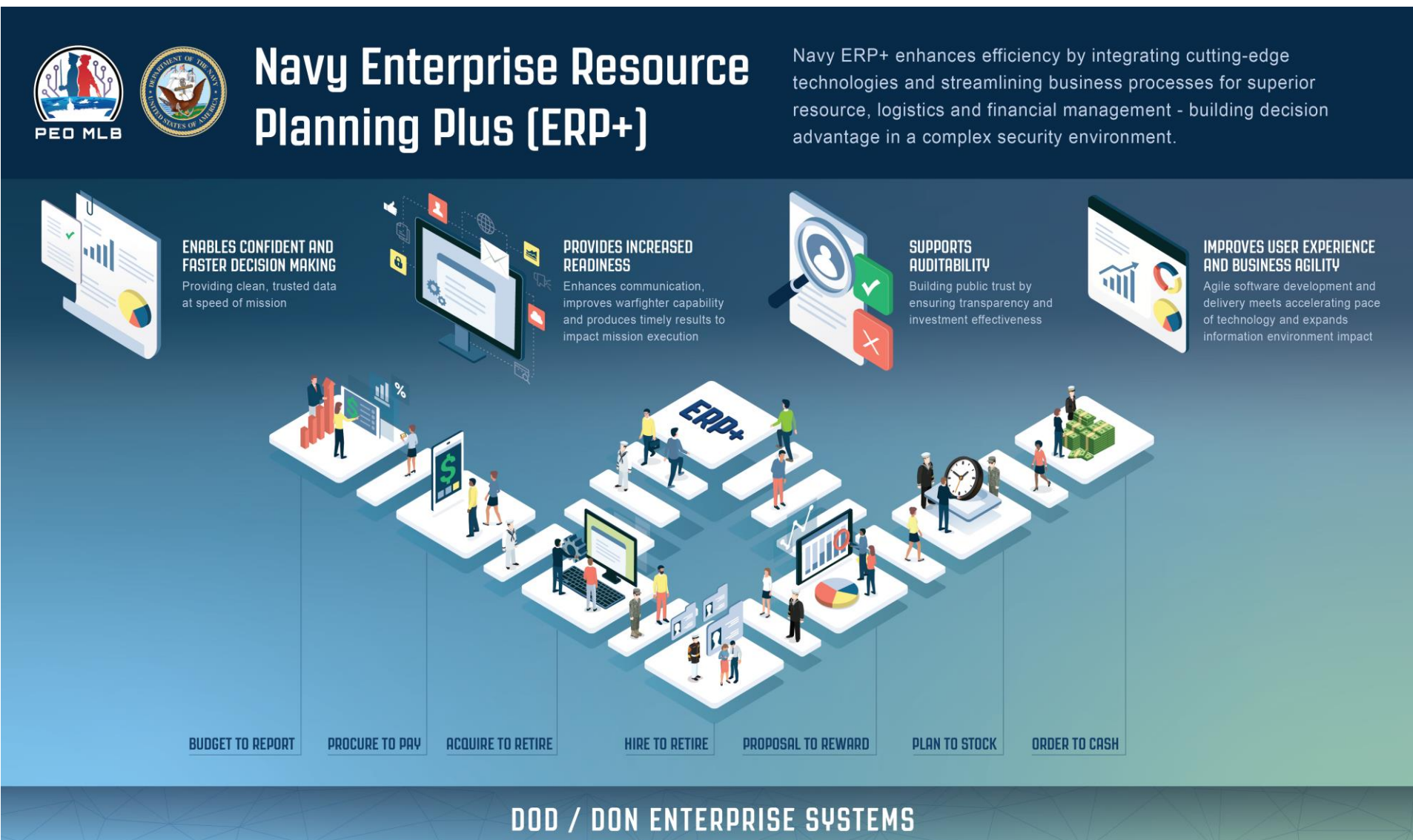- Significantly reduce company codes

ERP First
- Reduce interfaces; leverage existing or new ERP capability/functions

Maximize Out of the Box
- Replacement of customizations by standard SAP functionalities

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Navy ERP+ Foundational Activities

FY24

Planning (Setting the Foundation)

- ✓ **Established governance model**
- ✓ **Performed initial review of S/4 capabilities**
- ✓ **Established working hypothesis for Key Design Decisions (KDDs)**
- ✓ **Formulated approach to acquiring transformation and system integrator support**
- ✓ **Established resource requirements**
- ✓ **Kicked off SAP discovery work**
- ✓ **Procured SAP S/4 HANA sandbox to support KDDs and high level design**

FY25-FY26

Requirements Development (High-Level Design)

- ✓ **Onboarded transformation support for requirements development work**
- ✓ **Conducted an ERP+ industry day**
- ✓ **Identified comprehensive list of KDDs**
- ✓ **Kicked off Integrated Product Teams (IPTs) by end-to-end (E2E) process**
- Establish S/4 HANA sandbox for iterative prototyping to be used during IPTs
- Complete documentation for all E2E processes
- Kick off proof of concept competition for system integrator
- Complete proof of concept competition for system integrator

FY26-Onward

Detailed Design, Build, Test, Deploy, Sustain

- Onboard system integrator
- Finalize deployment strategy
- Begin migration to S/4 HANA

We are using an ERP First approach – maximizing native S/4 HANA capabilities, minimizing customization, and streamlining business processes.

Multifaceted Contract Approach

Competitive Proof of Concept (POC)

- Uses down-selection process to award a Systems Integrator based upon vendor demonstrations of integrating an SAP S/4 system with standardized Navy business processes

Commercial Solutions Opening (CSO)

- Establishes a rapid acquisition framework for Navy ERP+ technical solutions and inform government on industry best practices

Support Contracts

- Program management, systems engineering, requirement development, organization change management, communications, business process re-engineering, hardware, software

Proof of Concept Scope

- ☑ ▪ Includes Budget to Report (B2R) and components of Procure to Pay (P2P)

- ☑ ▪ Expectation is S/4 HANA functionality which integrates complex DON B2R and P2P requirements maximizing OOTB capabilities/minimizing customizations

- ☑ ▪ Occurs in vendor supplied Impact Level (IL) 4 systems

- ☑ ▪ Proposed technologies and solutions should be IL4 compliant and adhere to Department of Defense guidelines and standards

Commercial Solutions Opening (CSO)

CSO Highlight

- Competitive process to obtain innovative solutions or new capabilities that fulfill requirements, close gaps, or provide technological advances

Purpose

- Establish an acquisition framework to deploy Navy ERP+ technical solutions, inform government on industry best practices, and accelerate the migration from existing ECC to SAP S4

Objective

- Explore and identify innovative commercial solutions to Navy ERP Financial IT Services Portfolio modernization requirements for technology and business processes

Potential CSO Areas of Interest

☑ Technical

- Low Code / No Code tools
- Artificial Intelligence Tools
- Software Development Lifecycle Tools
- Data Migration / Conversion Tools
- User Interface / User Experience (UI/UX)
- GIT Repository and Alternatives

- Reporting Tools
- Automated Testing Tools
- Job Scheduling Tools
- Middleware Platform
- End-User Printing

☑ Business Processes

- Business Process Re-Engineering/Modeling
- Training Development and Execution
- Studies and Analysis
- Modeling and Simulations of Process & Policy Change Scenarios
- Finding Efficiencies in Cost, Schedule, and Performance of Navy ERP+
- Cost Estimating Tools

Needed Capabilities

- Industry and Small Business
- Vendors need to be registered in Systems for Award Management (SAM.gov)
- Engineering (including cyber) & Logistics experience
- IT management & Technical support services experience
- Operations, Administrative & Executive support services
- Experienced Leadership, Management, & Technical teams
- Subject Matter Expertise with ERP capabilities (i.e., Supply, Finance, Procurement, Real Property)
- Knowledge & Experience with Department of Defense (DoD) and Department of the Navy (DON) mission, vision, and core values
- Knowledge & Experience with Agile, SAFe and DevSecOps delivery
- Expertise with AWS GovCloud (US)
- Expertise and Demonstrated Experience with SAP ECC and S/4 HANA (High-performance Analytic Appliance)

Contracting Opportunities

- **Current Contracting Vehicle for Navy ERP:**
  - **SeaPort-NxG Multiple Award Contract (MAC) task order:**
    - Title/Name: Navy ERP Technical Support Services (NETSS)
    - Contract Number: N0017819D7876
    - Task Order Number: N0003921F3007
    - Expires: 4/22/2026

- **Navy ERP+ RFI timeline:**
  - RFI Solicitation Number: N00039-24-R-4030
  - Notice Published: 9/25/2024
  - NAICS: 541512

- **Navy ERP+ RFP notional timeline:**
  - RFP/RFS release FY25 Q2
  - CSO Notice ID: Notice ID: N00039-25-R-4030

- **PRIME/Teaming Opportunities**
  - NETSS II RFI: 10/2024
  - NETSS II Recompete Contract FY25 Q2

- The acquisition strategy for this procurement is still being formulated. Please continue to monitor **SAM.gov** for updates as they become available (Link available at the end of this presentation).

Opportunity to increase collaboration with businesses to enable speed-to-capability

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Next Steps

☑ **Proof of Concept**
- Final RFP target posted: Q2 FY25

☑ **CSO**
- Post Final CSO Umbrella & Migration CSO target: Q2 FY25

Please continue to monitor **SAM.gov** for updates as they become available.

Notice ID: N00039-25-R-4030

Title: PEO MLB Navy ERP+ Technology and Business Process Exploration

Link: https://sam.gov/opp/9fdce0018c7242b789b191aa4cac8159/view

Questions?

Be on the lookout for SAM.gov posts

Questions? Email pmw220_erp_plus@us.navy.mil

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