



Office of the Deputy Under Secretary of Defense for Acquisition and Technology

The New Vision

25 April 2007

Precision Strike Association
Annual Conference





Vision

LEADERSHIP

for an

**INTEGRATED, RESPONSIVE
ACQUISITION SYSTEM**

providing

WARFIGHTER NEEDS

with

PREDICTABLE PERFORMANCE

“The Will To Change”



DoD/AT&L Goal Alignment

DepSecDef Goals:

- **Win the Global War on Terror**
- **Strengthen U.S. Combined and Joint Warfighting Capabilities**
- **Meet the Challenge of Improvised Explosive Devices**
- **Continue Transforming the Joint Force**
- **Significantly Improve Military Intelligence Capabilities**
- **Focus on People – Military and Civilian**
- **Improve Effectiveness and Efficiency Across the Board**

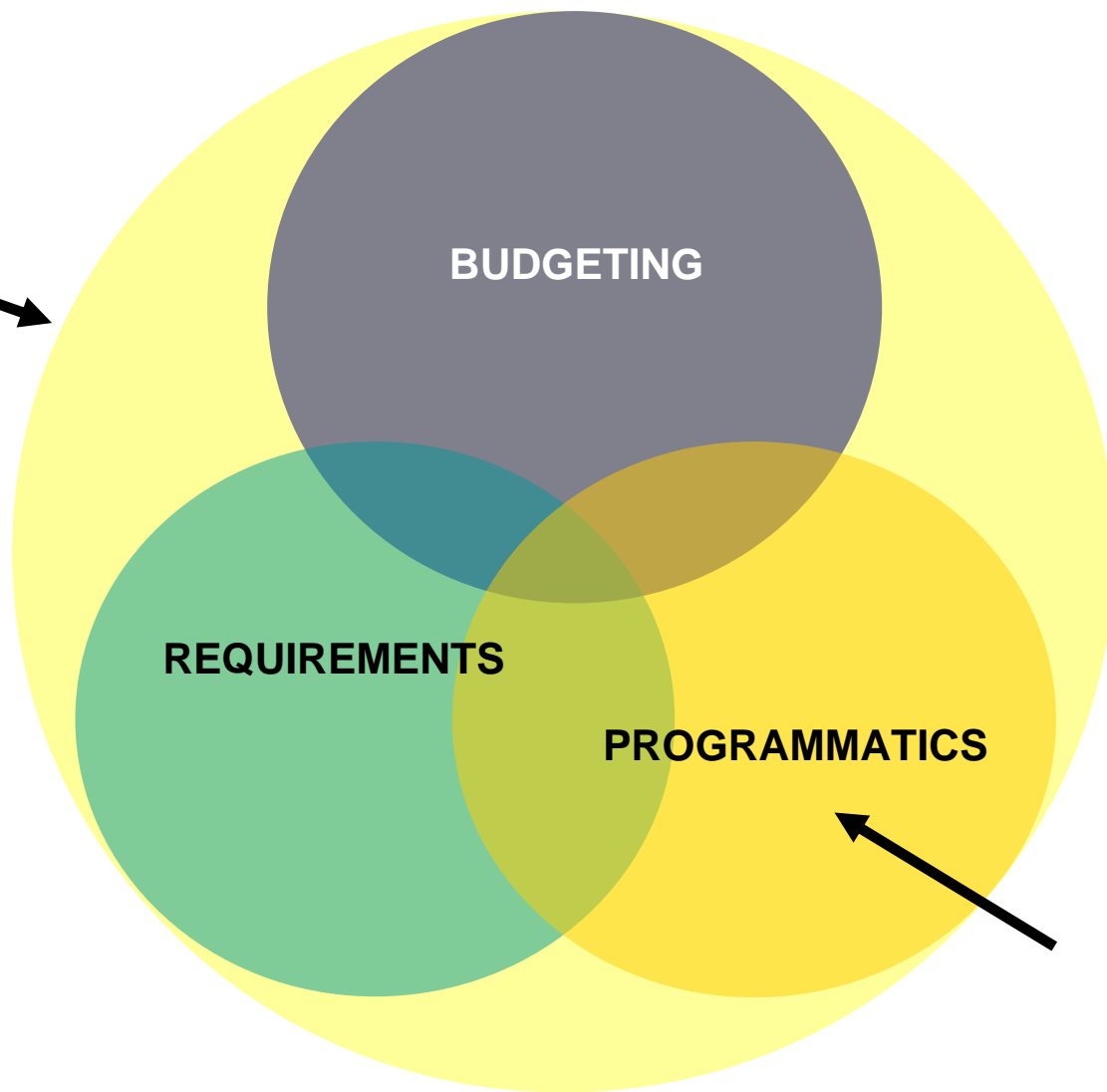
AT&L Goals:

1. **High Performing, Agile, and Ethical Workforce**
2. **Strategic and Tactical Acquisition Excellence**
3. **Focused Technology to Meet Warfighting Needs**
4. **Cost-Effective Joint Logistics Support for the Warfighter**
5. **Reliable and Cost-Effective Industrial Capabilities Sufficient to Meet Strategic Objectives**
6. **Improved Governance and Decision Processes**
7. **Capable, Efficient, and Cost-Effective Installations**

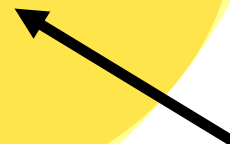


The Acquisition System

BIG
"A"



Little
"A"



Complex System with Many Stakeholders



Strategy

RESHAPE THE ENTERPRISE

utilizing short and long term

INITIATIVES

that

ACCELERATE LASTING CHANGE

for all elements of the

ACQUISITION SYSTEM



Initiatives For Acquisition Excellence

**STRATEGIC
“Big A”**



**TACTICAL
“Little A”**

OBJECTIVES	INITIATIVES
<p>Strategic Decisions that Balance the Trade-Space</p> <ul style="list-style-type: none"> – Affordable, Feasible Investments 	<ul style="list-style-type: none"> • Portfolio Management • Tri-Chair Concept Decision / Time-Defined Acquisition • Evaluation of Alternatives (EOA) • Synchronize Existing Processes • Tri-Chair Investment Balance Reviews
<p>Start Programs Right</p> <ul style="list-style-type: none"> – Improved, Up-Front Planning – Awareness of Risk / Improved Source Selection – More Responsive Acquisition Solutions 	<ul style="list-style-type: none"> • Risk-Based Source Selection • Small Business Innovative Research • Acquisition of Services Policy • Systems Engineering Excellence • Award Fee and Incentives
<p>Improve Process efficiency</p> <ul style="list-style-type: none"> – Tailored, agile, transparent 	<ul style="list-style-type: none"> • DAB / OIPT Process Optimization • Common Data • Restructured Defense Acq Executive Summary
<p>Improve Program Stability</p> <ul style="list-style-type: none"> – No Downstream Surprises – Issue Awareness 	<ul style="list-style-type: none"> • Program Baseline Assurance • Capital Accounts

Improving the Full Range of Acquisition Execution



Acquisition Excellence

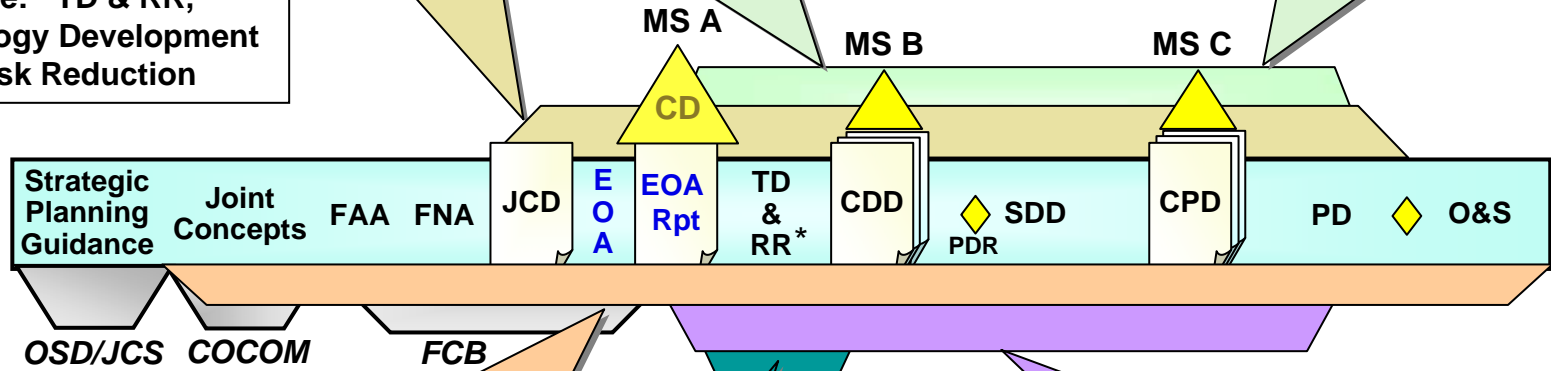
An Evolving Toolkit Reducing Cycle Time 50%

1. TRI-CHAIR CONCEPT DECISION / TIME-DEFINED ACQUISITION

**3. TRI CHAIR INVESTMENT BALANCE REVIEWS
4. PROGRAM BASELINE ASSURANCE**

***Note: TD & RR, Technology Development & Risk Reduction**

2. CAPITAL ACCOUNTS



SCIENCE AND TECHNOLOGY ENABLERS (TRL, IRL, MRL)

5. SYSTEMS AND SOFTWARE ENGINEERING CENTER OF EXCELLENCE

**7. AWARD FEE POLICY
8. RESTRUCTURED DAES
9. DAB / OIPT OPTIMIZATION**

6. RISK-BASED SOURCE SELECTION

10. ACQUISITION OF "SERVICES"



Concept Decision (CD)

National Military Strategy
JS, OSD, COCOMS
COMPONENTS AND AGENCIES

Portfolio

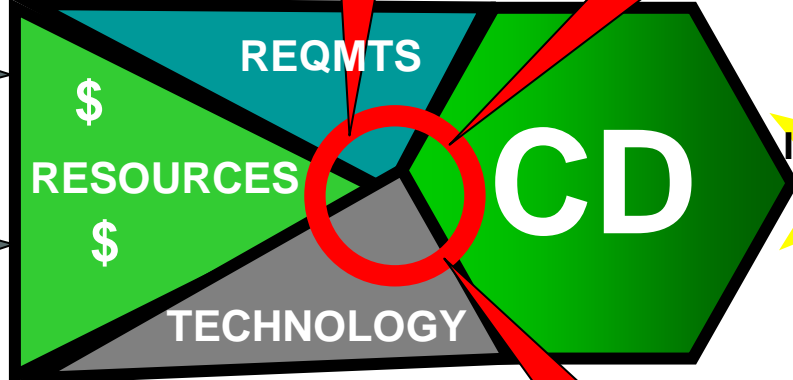
Enterprise Investment Decision

NEEDS VS. WANTS

FAA, FNA, JCD, FCB, ETC

OPTIONS VS. RISKS

E
O
A



Investment Strategy

Agile Acquisition Solutions
Science & Technology, Program Management
Contracting, Engineering...

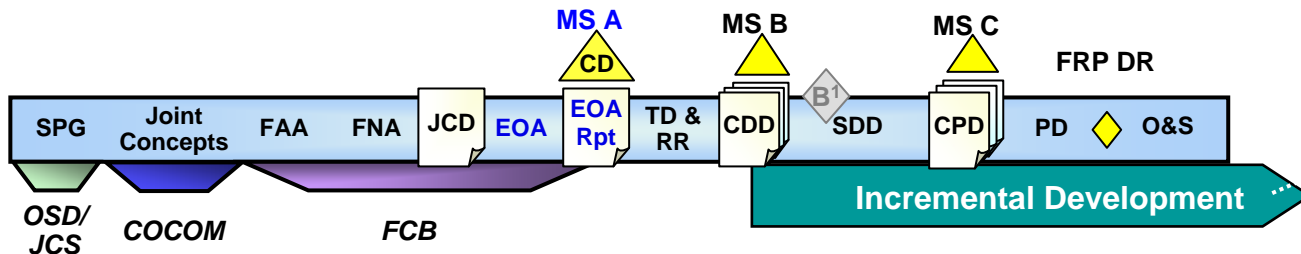
Bounded Solutions

QDR "Implement Now" Initiative
Strategic Choices - Balancing Capability, Risk, and Affordability
Leverage "Best Practices" via 4 Pilots (JLTM, IAMD, JRSG, GS-R)

Potential for Significant Savings



Improving Synergy with S&T



Science and Technology: Continuous throughout the lifecycle

Technology Continuum – ON Ramps/OFF Ramps

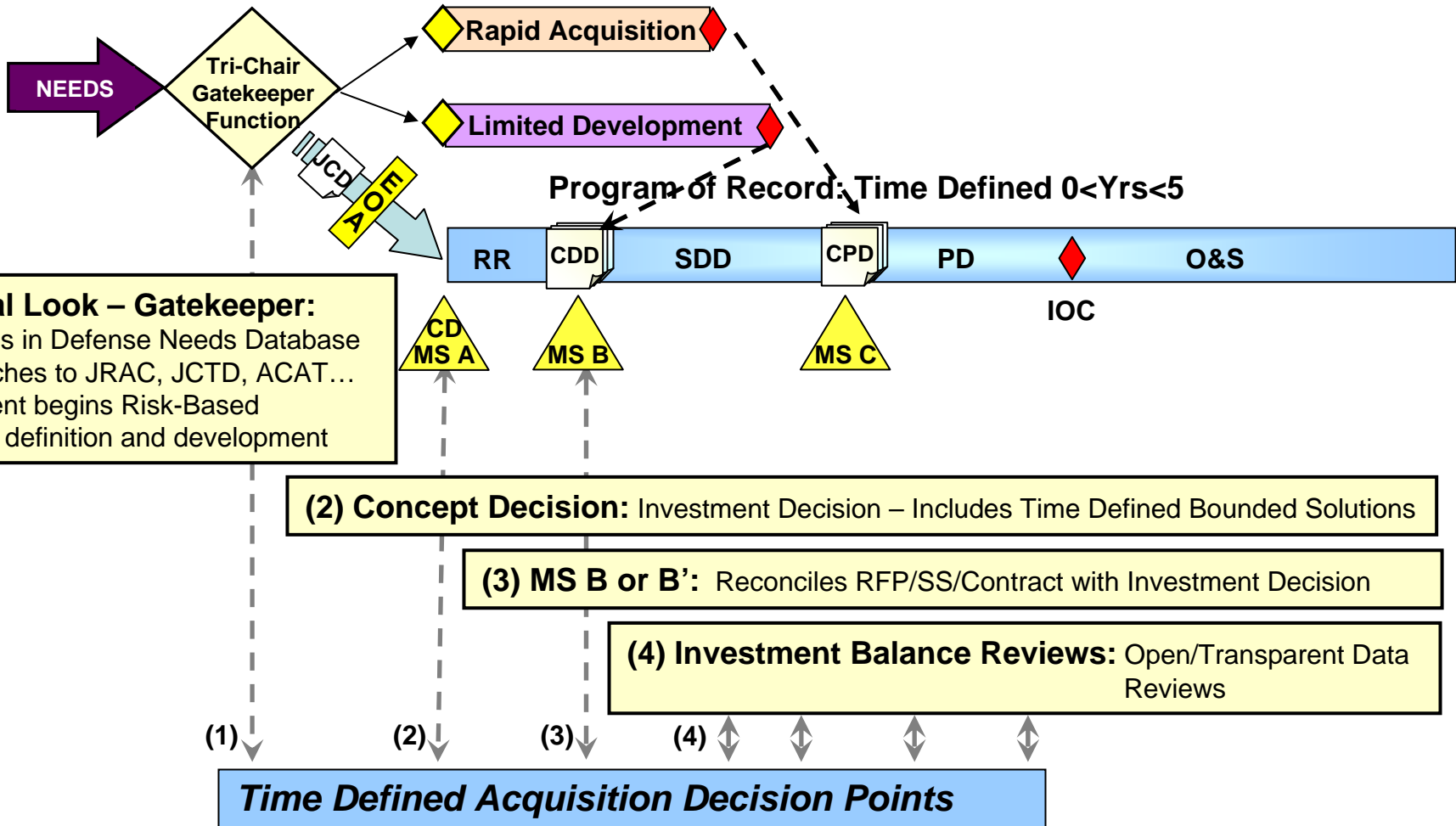
- Technology assessed during the Evaluation of Alternatives
- Technology matured in support of Risk-based Source Selection
- Mature technology transitioned for development; immature technology deferred to later increments
- Long Term technology investment considered during the Evaluation of Alternatives with bounded solutions
- Pull technology when ready – an Incremental/Block Approach

Integrating Life Cycle Cost Metrics from the Get Go



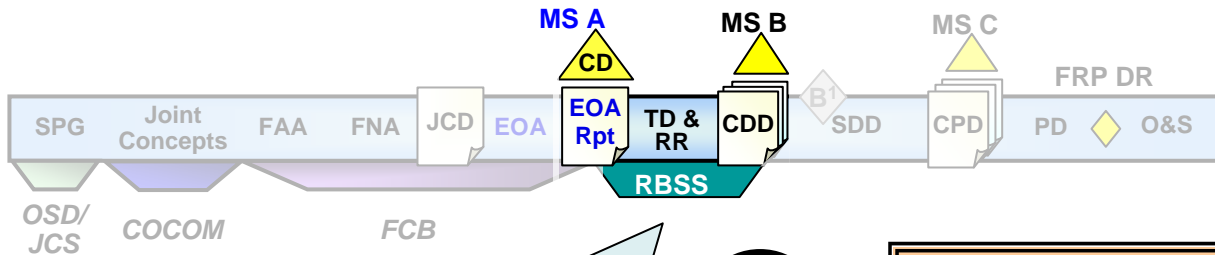
Time-Defined Acquisition

Defining an optimum path





Risk-Based Source Selection (RBSS)



Objective: Starting Programs Right



TRL 6+

- Technology Maturation
- Requirements Stability
- Affordable Solutions
- Predictable Performance
- Risk Management

Identify, quantify and mitigate risk, stabilize requirements definition, refine cost estimation, and improve source selection decision making.

More Knowledge



Less Knowledge

EOA

< TRL 6



MS A

TECHNOLOGY DEVELOPMENT & RISK REDUCTION

Award SDD Contract



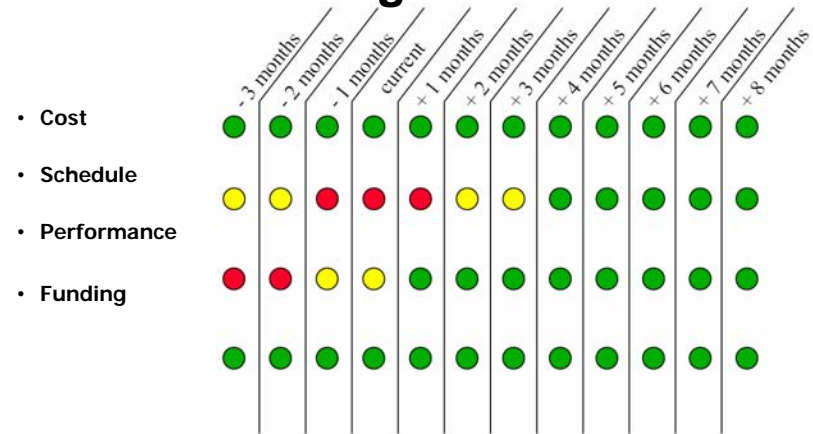
MS B



Restructured Defense Acquisition Executive Summary (DAES)

- **89 MDAP, ACAT1**
- **3 Star Level Review**
 - With USD(C), JS, PAE, SAE, PEO, PM
- **Simplify from 30 to 3 pages**
- **Utilize standard formats**
 - Consistent tracking
- **Transparency of Data**
- **Trade-off space considerations**
 - Start with Technical Performance
 - Schedule consideration, second
 - Trade-off Cost as a last resort
- **Known problems - closure 30/60/90 days**
- **Potential problems - risk mitigation plans**

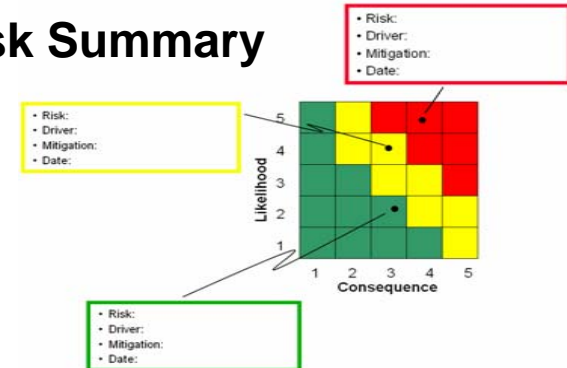
Program Status



Issue Summary

No.	Issue/Problem Description	Action Plan	Closure Date
1			
...			
n			

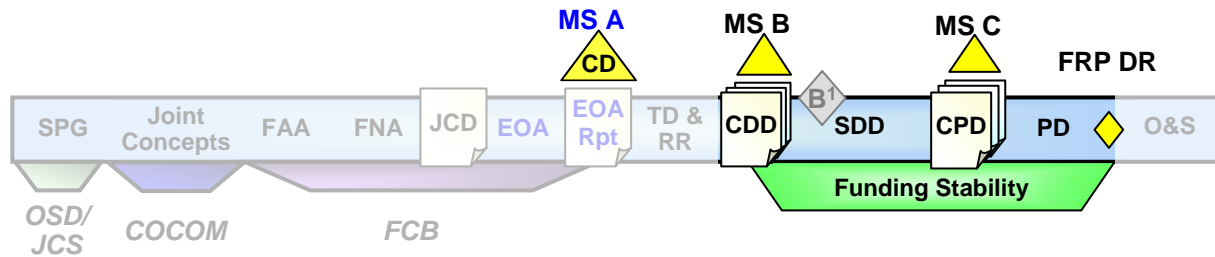
Risk Summary



Objective: Program Stability
Improve the Process of Tracking Program Execution and Transparency



Funding Stability



Capital Accounts

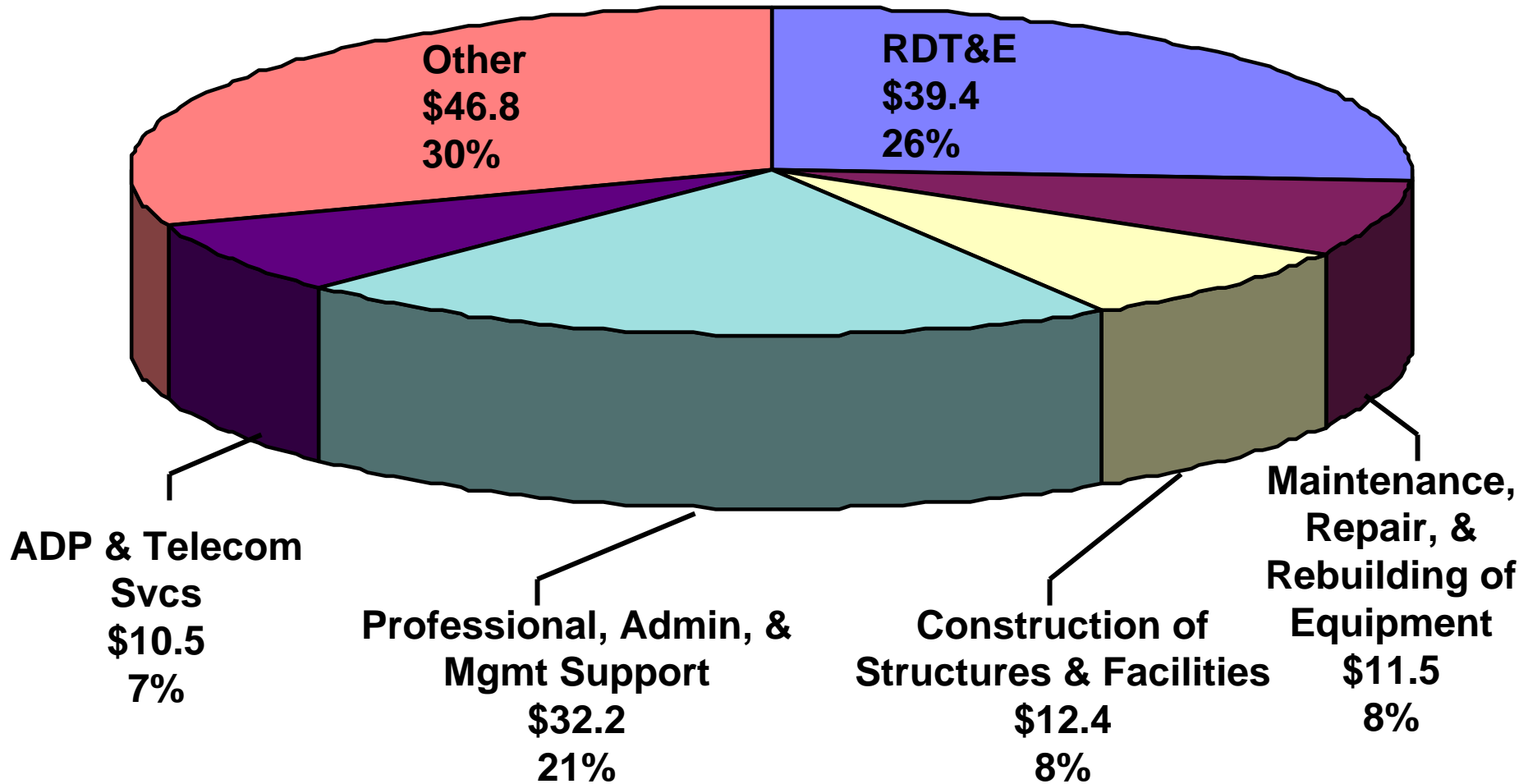
- A financial initiative designed to provide stability in the budgeting system and to establish accountability for acquisition programs throughout the hierarchy of program responsibility
- Implements a risk-informed investment strategy reflecting joint warfighter priorities, and will be used to inform future investment decisions
- Consistent with the QDR and section 1004(a) of the FY 06 Authorization Act, the Department is exploring capital accounts to stabilize funding for selected major programs
- Pilot programs (MS B through MS C) to be established in the FY 2008 budget
 - Criteria established, agreement & metrics/performance measures to be developed for each pilot program

Objective: Program Stability



FY 2006 DoD Spending on Services

Total DoD Spend: \$295 Billion
DoD Services Spend: \$152.8 Billion





Acquisition of Services

04-06-2007

Management Consistent with FY 06 NDAA Section 812

Functions provided by Military Departments consistent with DoD Architecture

Local PCO uses appropriate strategic contracting tool

Contract / Award

Strategic Contracting Tools **New**

- ✓ "Best Practices"
- ✓ Coordinated DoD-wide approach
- ✓ Maximize competition
- ✓ 3-5 year performance periods
- ✓ Emphasize small business participation and opportunities

Others, ie; GSA
USAF
Navy
Army
Tools

Procurement Request to Local PCO

Refined & actionable requirements package

Multi-functional Support Cadre **New**

- ✓ Apply Best Practices
- ✓ State requirements clearly
- ✓ Draft SOO
- ✓ Quality/Surveillance Plan
- ✓ Identify appropriate performance measures
- ✓ Performance-based approach used as appropriate
- ✓ Incentive Fee Structure with metrics tied to expected outcomes as appropriate

Enhanced

Contract Administration/
Performance Management

Requirement for contracted services

Initiate Acquisition

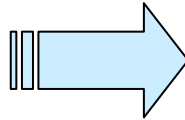
Task Completion or Deliverable

Potential for Significant Savings



Vision for Systems Engineering and Software

Systems Engineering Revitalization



Systems and Software Engineering Center of Excellence

- **Competencies improved**
- **Delivered product suite**
 - Courseware
 - Policy/Guidance
 - Program Support methods
- **Elevated stature**
- **Raised awareness**
- **Positive influence**

- **World class leadership**
- **Broaden to Software Engineering, System Assurance, Complex Systems-of- Systems**
- **Responsive and agile, proactive to changing customer needs**
- **Focused technical assistance, guidance, and workforce education and training**

The Technical Foundation that Enables Acquisition Excellence



Why the Focus on Software...

Software is an increasingly, important factor

- Research investment has been static or declining
- Requirements growth 10X from '60s -'00s
- Need vs. skilled/clearable workforce - gaps increasing
- President's Information Technology Advisory Committee Report, February 2005
 - Identifies SW as “major vulnerability”
 - Recommends priority attention

Systemic issues are driving poor execution

- Software requirements not well defined, traceable, testable
- Immature architectures, COTS integration, interoperability, obsolescence
- Development processes not institutionalized, planning documents missing or incomplete, reuse strategies inconsistent
- Schedule (un) realism - compressed, overlapping...
- Software risks/metrics not well defined, managed



Vision of Success in 24 Months

Streamlined and Simplified Acquisition

- Reduced decision making cycle time
- Earlier initial operational capability

Affordable and Predictable Outcomes

- Bounded choices – trade space driven
- Open and transparent data and information management

Improved Centers of Excellence

- Systems and software engineering
- Program management / contract / pricing / cost expertise

Responsibility and Accountability Alignment

- Trust, integrity, and ethics as the cornerstones

Broadened Globalization, Innovation and Competition

- Characterized industrial base aligned to skills and strategy

“THE WILL TO CHANGE”