Acquisition Transformation

Precision Strike
Annual Programs Review

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Office of the Secretary of Defense
Acquisition, Technology and Logistics
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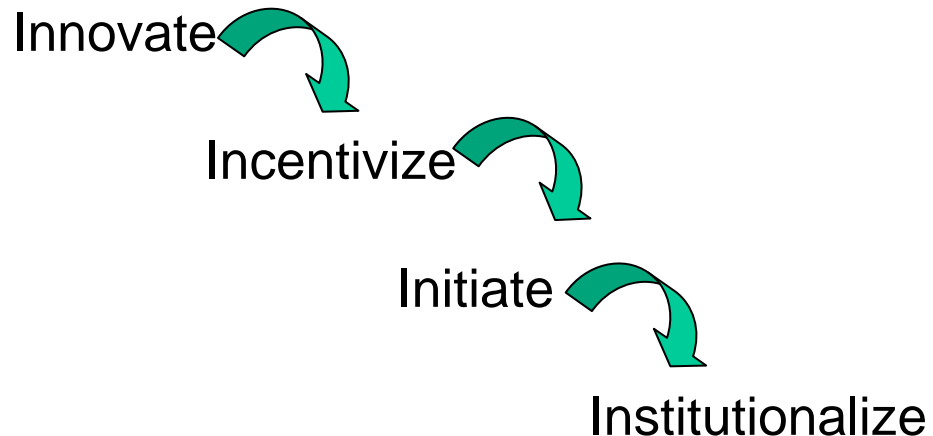
CHALLENGES TO THE ACQUISTION SYSTEM

What's New?

- Post 9/11 - Functional not technical threats
- Immediate Warfighter Needs
- Terrorism
- Asymmetric Threats
- Global markets
- Quadrennial Defense Review and IRG
- Strategic Goals and Initiatives
- Transformation
- Diminishing resources
- Workforce challenges
- Consolidation of Industrial Base
- Contracting based on "Conspiracy of Hope"
- Acquisition slow and complex
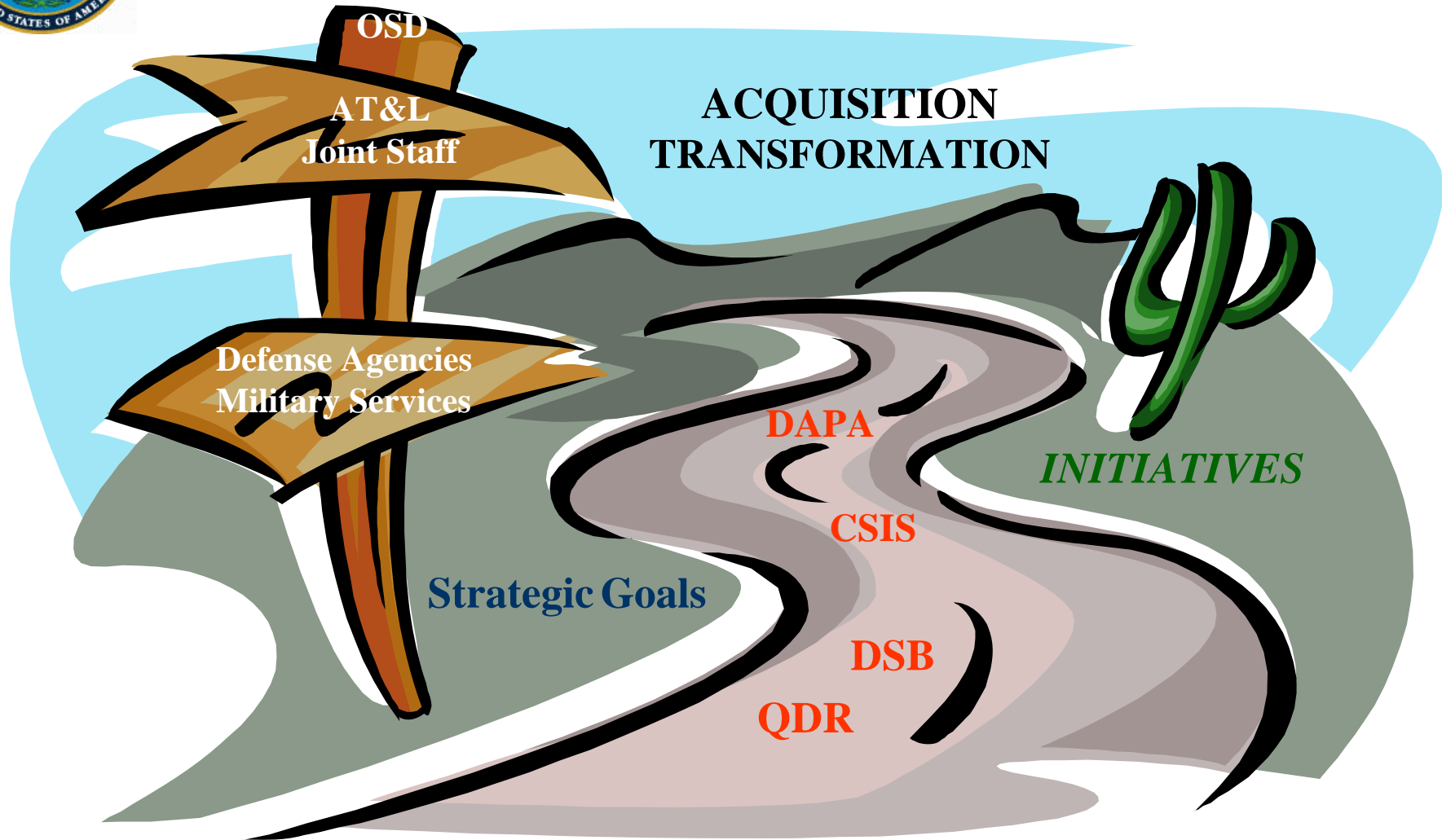- Immature Technologies
- Etc…..

Precision and Adaptability

- Vision
- Communication
- Collaboration
- Cooperation
- Consistency
- Transparency
- Roadmaps
- Partnerships
- Horizontal Integration
- The Four "I"s

Innovate

Incentivize

Initiate

Institutionalize

Roadmap

Implementing Acquisition Reforms

Section 804 of the National Defense Authorization Act, Fiscal Year 2007 requires biannual reports to Congress regarding the implementation of recommendations as follows:

- **Defense Acquisition Performance Assessment Project, January 2006;**

- **Defense Science Board summer Study on Transformation: "A Progress Assessment, February 2006;**

- **The Center for Strategic and International Studies, "Beyond Goldwater Nichols: U.S. Government and Defense Reform for a New Strategic Era" July 2005;**

- **Quadrennial Defense Review (February 2006).**

The Strategic Plan, to prepare these biannual reports to Congress is designed to 1. Review and experiment with recommendations,
2. identify initiatives that are ongoing across the Department and,
3. track Strategic Plans and Goals.

Acquisition Transformation

The Mission

The Acquisition Transformation process, the Acquisition, Technology and Logistics Strategic Goals Implementation Plan and the Section 804 Report set the stage for real change and accountability. Capturing the data and centralizing the message will ensue from the socialization, focus and visibility on all aspects of acquisition processes – department-wide.

"A sense of urgency has been established to streamline and simplify the Acquisition System with aggressive initiatives to provide lasting solutions for predictable performance. DoD is tracking the milestones to ensure that the desired outcomes in this transformation are achieved."

Section 804 Defense Acquisition Transformation Report to Congress.
February 2006 ~ Ken Krieg

Initiatives ~ Organization

- Acquisition Total Life Cycle Management Culture

- Use the Institutional Reform and Governance Roadmap

- Utilize Tiered Accountability

- Utilize the Enterprise Transition Plan

- Follow the Strategic Communication execution roadmap

- Follow commercial best practices

- Organizational Performance Assessments

Initiatives ~ Workforce

- Implement National Security Personnel System

- Implement Personnel & Readiness Civilian Human Capital Strategic Plan 2006-2010

- Modernize structured learning through the Advanced Distributed Learning Initiative

- Appoint a Director of Human Capital Initiatives to oversee implementation of Strategic Goals Implementation Plan

- Incorporate ethics into every level of acquisition workforce training

- Utilize Defense Acquisition University and the Industrial College of the Armed Forces to provide career development and performance support to the acquisition community

Initiatives ~ Requirements

- Joint Requirements Oversight Council

- Engage the Combatant Command to comment on future capabilities

- Develop a training course specifically focused on the requirements process

- Performance-Driven Outcomes

- Develop weapons system readiness and sustainment modeling capabilities

- Develop mechanisms for rapid acquisition to meet urgent warfighter needs (includes Joint Rapid Acquisition Cell)

- Capability Portfolio Management (renamed PfM to CPfM and combined with Capabilities based decisions)

Initiatives ~ Acquisition

- Tri-Chair Concept Decision Reviews
- Time Defined Acquisition
- Evaluation of Alternatives
- Synchronization of Existing Processes
- Investment Balance Reviews
- Small Business Innovative Research
- Acquisition of Services Policy
- Systems Engineering Excellence
- Award Fee and Incentives Policy
- Enterprise Risk Assessment Model Initiatives
- Open, Transparent and Common Shared Data Resources with Defense Acquisition Management Information Retrieval
- Contingency Contracting Initiatives
- Continuous Process Improvement
- Risk Based Source Selection
- Restructure the Defense Acquisition Executive Summary Reviews

Initiatives ~ Budget

- Planning, Programming, Budgeting, and Execution through a realistic process

- Program Assessment Rating Tool

- Develop authoritative information sources to provide more accurate cost data

- Wide Area Workflow system expansion

- Establish a new online training course for Program Managers and staff leaders regarding effective meetings to support oversight and the review process

- Institute Capital Accounts

- Optimize the Defense Acquisition Board

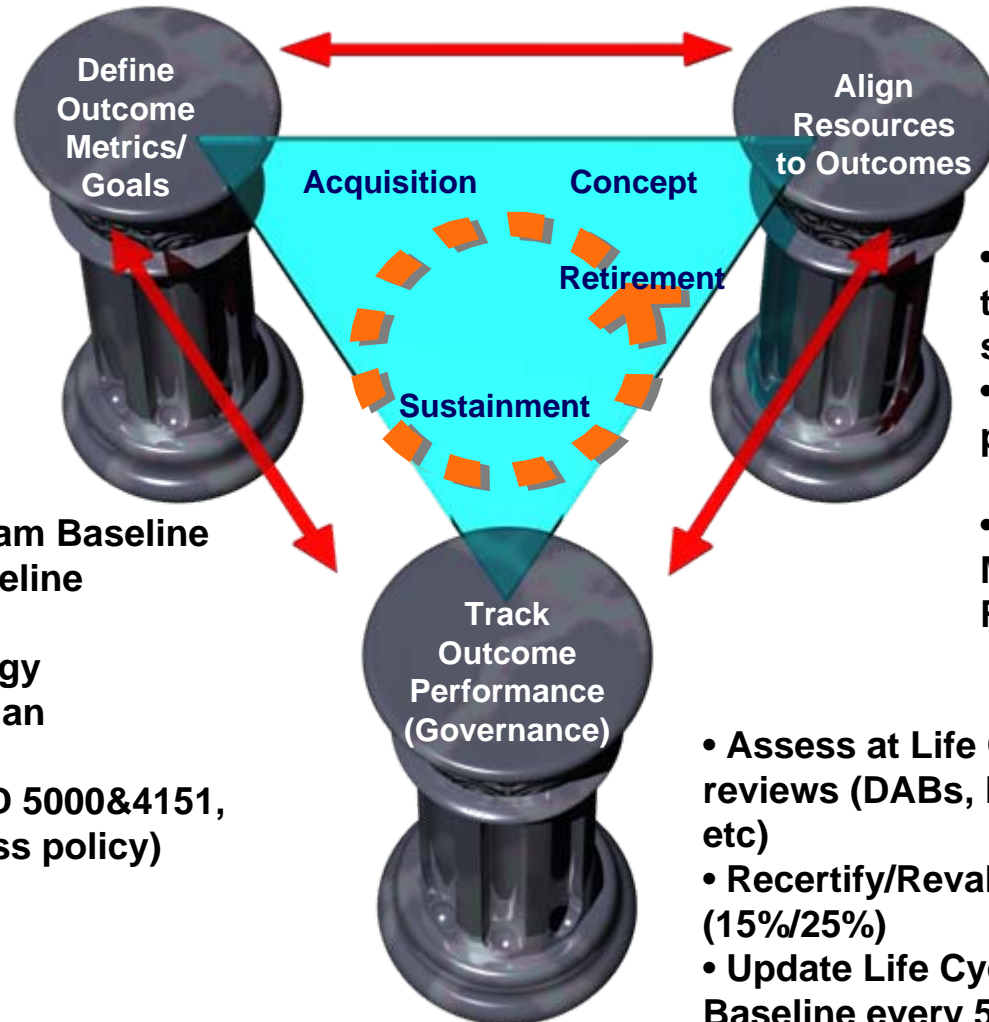- Optimize/Eliminate Integrated Product Team process

Initiatives ~ Industry

- Establish baseline criteria for the industrial base

- Reduce certain barriers to entry for non-traditional defense companies

- Improve access to commercial technology

- Better understand and address barriers to entry by reaching out to industry

- Identify strengths and weaknesses in the Small Business Program

- Evaluate contractor vertical integration policies

- Promote innovation and competition by directly funding innovation in science and technology accounts

Integrate Life Cycle Principle
for Warfighter Materiel Readiness @ Best Cost

Define Outcome Metrics/ Goals

Align Resources to Outcomes

Acquisition   Concept

Retirement

Sustainment

Track Outcome Performance (Governance)

Outcomes
- Materiel Availability
- Materiel Reliability
- Mean Down Time
- Ownership Cost

Expand Acquisition Program Baseline to Life Cycle Program Baseline

Expand Acquisition Strategy to Life Cycle Strategy Plan

Include in Policy (e.g., DoD 5000&4151, CJCSI 3170, New Readiness policy)

- Assess resource-to-outcome sensitivities
- Create/Use predictive modeling tools
- Update Financial Management Regulation

- Assess at Life Cycle executive reviews (DABs, DAES+, MRUs, etc)
- Recertify/Revalidate upon breech (15%/25%)
- Update Life Cycle Program Baseline every 5 yr

Bottom Line - THINK NEW

- Acquisition Life-Cycle – identify and protect from "concept" to "fielding."

- Identify the gaps and improve communication.

- Bridge the stove-pipes and create horizontal integration.

- Make the process more consistent and transparent to achieve community cooperation.

- Transformation is an outlook, an attitude, a new way of thinking.

ACQUISITION TRANSFORMATION

Section 804 Report

http://www.acq.osd.mil/documents/804Reportfeb2007.pdf

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