



2011 Tactical Wheeled Vehicle Symposium

OSD Perspective

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**Director, Land Warfare &
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Mr. Jose Gonzalez



The Imperative

- **DELIVER** warfighting capability with the Dollars we have
- **CREATE** Better buying Power from the warfighter and taxpayer
- **RESTORE** affordability to Defense Goods and Services
- **REMOVE/MITIGATE** government impediments to leanness
- **AVOID** program turbulence
- **MAINTAIN** a vibrant and financially healthy defense industry
- **Institutionalize the approach and communicate the OSD Strategy for Ground Vehicles – RELENTLESSLY EXECUTE!**

5 Key Principles Guiding Program Evaluations

- EMPHASIZE PROVEN TECHNOLOGIES**
- SEEK JOINT – NOT SINGLE SERVICE SOLUTIONS**
- INCORPORATE COMBAT EXPERIENCE**
- BEWARE THE EXQUISITE SOLUTION**
- SEEK BETTER BALANCE/MAXIMIZE FLEXIBILITY**

DoD-Wide Ground Vehicle Strategy (The Plan)

- **LEVERAGE** on-going Service Studies for TWV and the JLTV Analysis of Alternatives; **UNITE** these efforts into comprehensive strategy
- **ESTABLISH** a context to support future ground vehicle acquisition decisions
- **IDENTIFY** expectations for analyses (AoA, business case, etc) needed to support future decisions from a joint portfolio perspective
- **BRING FORWARD** executable acquisition plans for the ground vehicle programs resourced in the FY12 budget
- **IMPLEMENT** the 5 principles in program evaluations

OSD will endeavor to align requirements, resources, and acquisition strategies into a UNIFIED PLAN for TWV investment decisions.

OPPORTUNITY

- **The Department use of efficiency \$\$\$ for Army and USMC INVESTS in tactical wheeled and ground vehicle modernization**
- **Service Strategies for Tactical Wheeled Vehicles have matured; CLEAR place to start**
- **OSD PRIORITIES enable Service Strategies to be realized**
 - **DRIVES Alignment - INFORMS Smart Decisions**
- **IMMENSE Appetite for Immediate Progress**

Acquisition Efficiency Guidance Roadmap

The CRITICAL Enablers

- **Target Affordability and Control Cost Growth**
- **Incentivize Productivity & Innovation in Industry**
- **Promote Real Competition**
- **Improve Tradecraft in Acquisition of Services**
- **Reduce Non-Productive Processes and Bureaucracy**

Acquisition Efficiency Guidance Roadmap

Target Affordability and Control Cost Growth

- Mandate affordability as a requirement
- Implement “should cost” based management
- Eliminate redundancy within warfighter portfolios
- Achieve Stable and economical production rates
- Manage program timelines

Incentivize Productivity & Innovation in Industry

- Reward contractors for successful supply chain and indirect expense management
- Increase Use of FPIF contract type
- Capitalize on progress payment structures
- Institute a superior supplier incentive program
- Reinvigorate industry’s independent research and development

Promote Real Competition

- Emphasize competitive strategy at each program milestone
- Remove obstacles to competition
 - Allow reasonable time to bid
 - Require non-certified cost and pricing data on single offers
 - Enforce open system architectures and set rules for acquisition of technical data rights
- Increase small business role and opportunities

Improve Tradecraft in Acquisition of Services

- Assign senior managers for acquisition of services
- Adopt uniform services market segmentation (taxonomy)
- Address causes of poor tradecraft
 - Define requirements and prevent creep
 - Conduct market research
- Increase small business participation

Reduce Non-Productive Processes and Bureaucracy

- Reduce frequency of OSD level reviews
- Work with Congress to eliminate low value added statutory requirements
- Reduce the volume and cost of Congressional Reports
- Reduce non-value added requirements imposed on industry
- Align DCMA and DCAA processes to ensure work is complementary
- Increase use of Forward Pricing Rate Recommendations (FPRRs) to reduce administrative costs

Joint Center for Ground Vehicles

- Promotes Jointness and Portfolio Problem Solving
- Enables Technical Synergy
- Exploits “center of mass” acquisition, science, and technical expertise on the Detroit Arsenal
- Promote a healthy mix of ideas
- Minimizes duplication of efforts
- Establish a joint enterprise approach that enables faster, more effective realization of the Service Strategies
- It is time to test, prove, learn!
- Exportable mindset

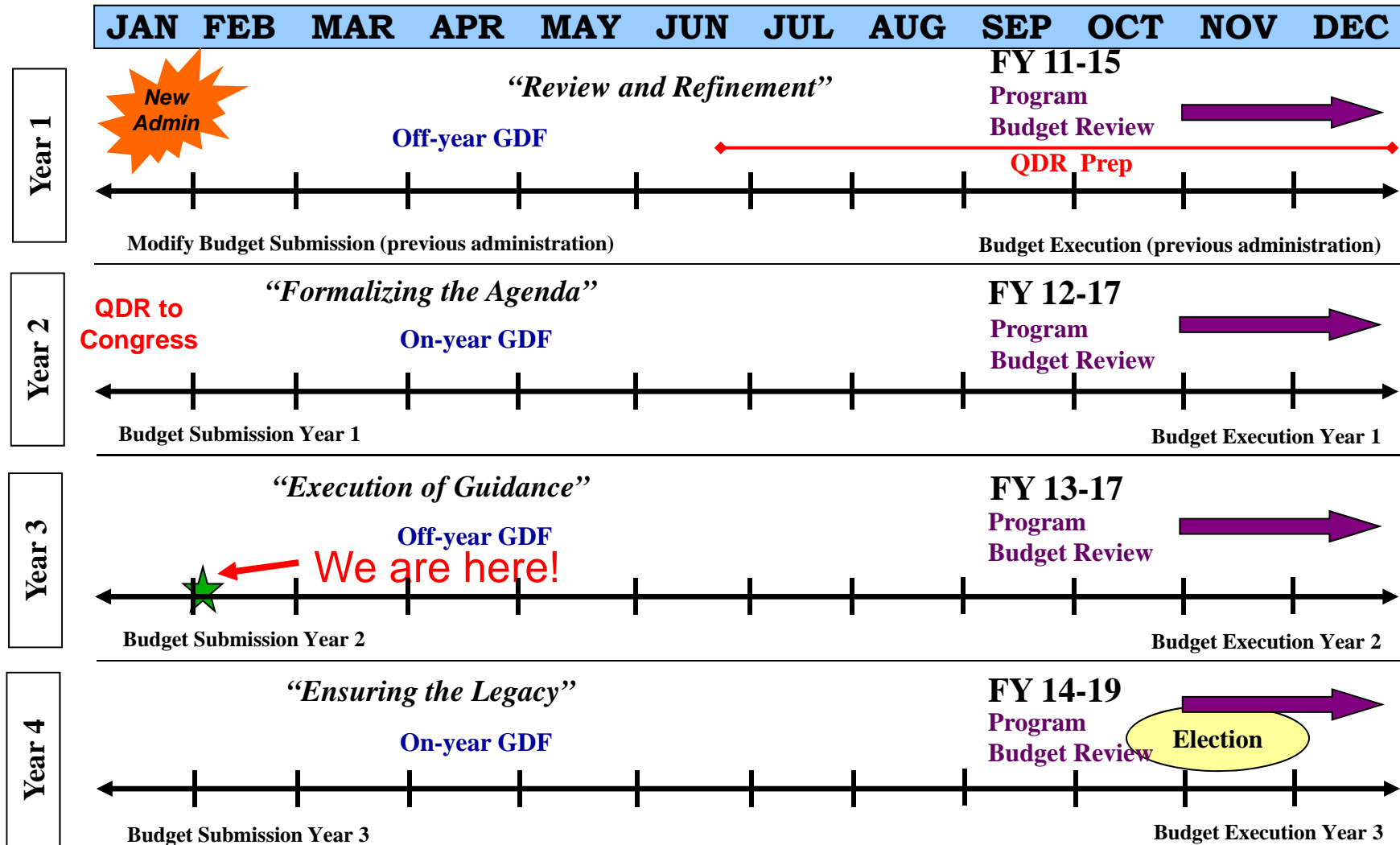
A Means to an End (One of Many?)

(A few) Questions to FRAME our thinking?

- **What forums provide the best opportunity to support “joint” portfolio systems acquisition analysis and decision making?**
- **What are the MAJOR obstacles to realizing the goals of the Service TWV strategy and what are we doing about it?**
- **How much redundancy is too much?**
- **What are the biggest GAPS in our capability?**
- **What decisions from OSD can help the most?**
- **How much “joint” examination is necessary and sufficient?**
- **How do we assess the TOTAL needs of the vehicle fleets?**
- **How do we account for the OCO transition to base budgets?**

Answers provide CONTEXT for Program/FLEET Decisions

Planning, Programming, Budgeting, and Execution



SUMMARY

- **OSD and the Land Warfare Acquisition Team is an integral part of MDAP and PRE-MDAP decisions**
- **We will leverage Service Strategies work as the foundation; we will account for Affordability and Efficiency initiatives**
 - **We are in HOT PURSUIT of the affordability and efficiency direction from SECDEF and USD(AT&L)**
- **Collaboration and Coordination with Services and the Joint Center for Ground Vehicles has begun**
- **Communication, Collaboration, Teamwork key enablers**