



FY12 – A period of Turbulence

Frank P. Puzycki

# NATIONAL SMALL ARMS CENTER

# Agenda



- ⦿ What We Are
- ⦿ A Brief Look-Back
- ⦿ FY12 – Legal & Procurement Difficulties
- ⦿ FY13 and Beyond

# What We Are

- An Innovation Center and Partnership to spur performance improvement in the National Small Arms arena
- Over 100 industry and academe partners coupled to the Services through the Joint Service Small Arms Program Office and a wide sweep of relevant Product Management Offices
- Other Transaction Agreement (OTA) based acquisition

# What We Are

- ⦿ In operation since FY05.
- ⦿ Developments to date include:
  - Light weight stainless steel cartridge cases
  - Luminescent tracer projectiles
  - Advances in weapon system modeling
  - Foundational efforts done in grenade munitions and fire control concepts transitioned to 6.3.
  - Benchmark supplier-driven technology assessment in response to a comprehensive user capability needs list

# What We Are

- Foundational to this relationship is enhanced customer-supplier dialogue
  - Semi-annual *interactive* member meetings
    - Muddy Boots
    - Muddy Brains
    - Business oriented topic subject matter expert talks
  - Predictable business cycle centered on three annual solicitation venues
    - Request for Project Proposal (near-term, funded)
    - Request for Business Development Proposal (mid to long term, unfunded)
    - White Papers (mid to long term, unfunded)

# A Brief Look Back

- Progress and impact have been uneven during the first eight years of operation.
  - Establishment of a predictable business cycle
  - Maintenance of a predictable procurement cycle
- Through a joint customer-supplier six sigma process study, a highly relevant business cycle developed.
- This cycle underlined the importance of the foundational procurement cycle contribution

# A Brief Look Back

- FY05 Procurement cycle averaged 127 days from proposal receipt to award
- Subsequent years saw a steady erosion of that performance to over 360 days in FY09
  - Army's burden of SW Asian operations (capacity)
  - Baby Boomer retirements (capacity)
- Solution: Find an interim alternate procurement venue until the above factors lessened

# A Brief Look Back

- FY10 to FY12 procurement mission reassigned to the Department of Interior's National Business Center Sierra Vista Office via an Interagency Agreement
  - Former Army Procurement Office
  - Wide spread OSD/Service/DARPA technology support history
  - Lower administrative costs than alternate in-house (ARDEC) Other Transaction Agreement Model
- FY10 and FY11 performance:
  - 78 day average award cycle (from receipt of Proposal)
  - Approximately 1/3 administrative costs



# FY12 – Legal and Procurement Difficulties



- Stable and predictable NSAC processes resulted in decision to expand annual JSSAP business activity by at least 3 fold.
- Required Departmental review and approval per statute
- Formal request transmitted in July 2011 while FY12 procurement was in process
- OGC Army challenges DoI/NBC authority to award section 845 Prototype Authority

# FY12 – Legal and Procurement Difficulties



- DoI Solicitor General aggressively asserts legitimate authority based on 2003 legislation
- Advances detailed position defending this statutory authority in December 2011
- Department of Defense still reviewing this position as of this current conference
- Plan B – alternate FY12 procurement avenues
  - Other Army
  - DARPA
  - Other Service

# FY12 – Legal and Procurement Difficulties



- Ultimate FY12 decision – one time award by Defense Ordnance Technology Consortium for FY12 NSAC technology programs
- Developmental schedules impacted by this delay will result in no formal FY13 RPP.

# FY13 and Beyond



- ⦿ Indications that current impasse will be resolved in the near to mid term by congressional action regarding statutory authority
- ⦿ Critical issues apart from the above resolution involve the following:
  - Administrative costs
  - Capacity/Priority

# FY13 and Beyond



- Administrative Costs: Small Arms Technology Base budgets are relatively modest – alternatives that double or triple USG costs have real and substantial impacts
- Capacity/Priority: A return to the FY07 to 09 unpredictable and lagging procurement cycle clearly does not support an innovation program focused on the goals of the underlying Other Transaction Agreement legislation

# FY13 and Beyond



- ⦿ Factors affecting the go-forward planning:
  - Legislative actions
  - Costs
  - Capacity
  - Industry/Academe partner perspectives