



2014 Tactical Wheeled Vehicles Conference

OSD Perspective

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Agenda

People

- Enduring AT&L Priorities

Policies

- Interim DoD Instruction 5000.02

Opportunities

- *Future* Ground Vehicle Technologies Consortium
(manned and unmanned systems)

Consortia examples:

- DoD Ordnance Technology Consortium (DOTC)
- Defense Ground Robotics Alliance (DGRA)
- Vertical Lift Consortium (VLC)



SECRETARY OF DEFENSE
Honorable Charles "Chuck" Hagel

DEPUTY SECRETARY OF DEFENSE
Honorable Robert Work



UNDER SECRETARY OF DEFENSE
(ACQUISITION, TECHNOLOGY AND LOGISTICS)
Honorable Frank Kendall III



ASSISTANT
SECRETARY OF DEFENSE
ACQUISITION
Ms. Katrina McFarland

ACTING, ASSISTANT
SECRETARY OF DEFENSE
RESEARCH & ENGINEERING
Mr. Alan Shaffer



DEPUTY ASSISTANT
SECRETARY OF DEFENSE
TACTICAL WARFARE
SYSTEMS
Mr. Jimmy MacStravic



DIRECTOR,
LAND WARFARE &
MUNITIONS
Mr. Jose Gonzalez



Enduring AT&L Priorities



- Support on-going operations
- Achieve affordable programs
- Improve efficiency
- Strengthen the industrial base
- Strengthen the total acquisition workforce
- Protect the future



Interim DoDI 5000.02 – Operation of the Defense Acquisition System

Overarching Objectives

- Decrease emphasis on “rules” and increase emphasis on process intent and thoughtful program planning
- Provide program structures and procedures tailored to the dominant characteristics of the product being acquired and to unique program circumstances, e.g., risk and urgency
- Enhance the discussion of program management responsibility and key supporting disciplines
- Institutionalize changes to statute and policy since the last issuance of DoD Instruction 5000.02



Statute & Policy Driving the Update

POLICY

USD(AT&L) Memos

- Better Buying Power 1 & 2
- Designation of Subprograms for MDAPs
- EVM Systems Performance, Oversight, and Governance
- Government Performance of Critical Acquisition Functions
- Preservation and Storage of Tooling for MDAPs
- Reporting Requirements for Programs Qualifying as Both MAIS & MDAP
- Should-cost Memos
- Strengthened Sustainment Governance
- Improving Technology Readiness Assessment Effectiveness

PDUSD(AT&L) Memos

- Improving Milestone Process Effectiveness
- Post-CDR Reports and Assessments
- Milestone Decision Documentation Outlines

Other Memos

- Guidelines for Operational Test and Evaluation of Information and Business Systems
- DoD CIO Policy for CCA Confirmations

DIRECTIVE TYPE MEMOS

- DTM 09-027: Implementation of WSARA 2009
- DTM 09-025: Space Systems Acquisition Policy
- DTM 09-016: Supply Chain Risk Management (SCRM) to Improve the Integrity of Components Used in DoD Systems
- DTM 10-015: Requirements for Life Cycle Management and Product Support
- DTM 10-017: Development Planning
- DTM 11-003: Reliability Analysis, Planning, Tracking, and Reporting
- DTM 11-009: Acquisition Policy for Defense Business Systems



DoDI 5000.02

STATUTE

Title 10

- §2334: Independent cost estimation and analysis
- §2366: Major systems and munitions programs: survivability and lethality testing required before full scale production
- §2445c: MAIS Programs

NDAA

- §332 of FY09: Fuel Logistics Requirements
- §805 of FY10: Life-Cycle Management and Product Support
- §803 of FY11: Enhancing ... Rapid Acquisition
- §804 of FY11: ... Acquisition Process for Rapid Fielding of Capabilities in Response to Urgent Operation Needs
- §811 of FY11: Cost Estimates for MDAP and MAIS
- §812 of FY11: Management of Manufacturing Risk
- §932 of FY11: Computer Software Assurance
- §831 of FY11: *[Waiver of Nunn-McCurdy for a Change in Quantity]*
- §811 of FY12: Calculation Of Time Period *[for MAIS]* Critical Changes...
- §801 of FY12: Core Depot-level Maintenance and Repair Capabilities
- §832 of FY12: Assessment, Management, and Control of Operating and Support Costs for Major Weapon Systems
- §834 of FY12: Management of Manufacturing Risk in MDAPs
- §901 of FY12: Revision of DBS Requirements
- §811 of FY13: Limitation on use of cost-type contracts
- §812 of FY13: Estimates of Potential Termination Liability ...
- §904 of FY13: Additional Responsibilities (T&E)

ADDITIONAL CONSIDERATIONS

- JCIDS Reissuance
- New Emphasis on Cybersecurity
- New Emphasis on Intellectual Property (IP) Strategy
- FY10 NDA, Sec. 804: Agile IT Development



Better Buying Power 2.0 Initiatives Institutionalized via the DRAFT DoD Instruction 5000.02

Achieve Affordable Programs

- ✓ Mandate affordability as a requirement
- ✓ Institute a system of investment planning to derive affordability caps
- ✓ Enforce affordability caps

Control Costs throughout the Product Life Cycle

- ✓ Implement "should cost" based management
- ✓ Eliminate redundancy within warfighter portfolios
- Institute a system to measure the cost performance of programs and institutions and to assess the effectiveness of acquisition policies
- ✓ Build stronger partnerships with the requirements community to control costs
- ✓ Increase the incorporation of defense exportability features in initial designs

Incentivize Productivity & Innovation in Industry and Government

- Align profitability more tightly with Department goals
- ✓ Employ appropriate contract types
- Increase use of Fixed Price Incentive contracts in Low Rate Initial Production
- Better define value in "best value" competitions
- When LPTA is used, define Technically Acceptable to ensure needed quality
- Institute a superior supplier incentive program
- ✓ Increase effective use of Performance-Based Logistics
- Reduce backlog of DCAA Audits without compromising effectiveness
- Expand programs to leverage industry's IR&D

Eliminate Unproductive Processes and Bureaucracy

- Reduce frequency of OSD level reviews
- ✓ Re-emphasize AE, PEO and PM responsibility and accountability
- Eliminate requirements imposed on industry where costs outweigh benefits
- ✓ Reduce cycle times while ensuring sound investment decisions

Promote Effective Competition

- ✓ Emphasize competition strategies and creating and maintaining competitive environments
- ✓ Enforce open system architectures and effectively manage technical data rights
- Increase small business roles and opportunities
- ✓ Use the Technology Development phase for true risk reduction

Improve Tradecraft in Acquisition of Services

- Assign senior managers for acquisition of services
- Adopt uniform services market segmentation
- Improve requirements definition/prevent requirements creep
- Increase use of market research
- Increase small business participation
- Strengthen contract management outside the normal acquisition chain—installations, etc.
- Expand use of requirements review boards and tripwires

Improve the Professionalism of the Total Acquisition Workforce

- ✓ Establish higher standards for key leadership positions
- Establish stronger professional qualification requirements for all acquisition specialties
- Increase the recognition of excellence in acquisition management
- Continue to increase the cost consciousness of the acquisition workforce—change the culture



What Has *Really* Changed

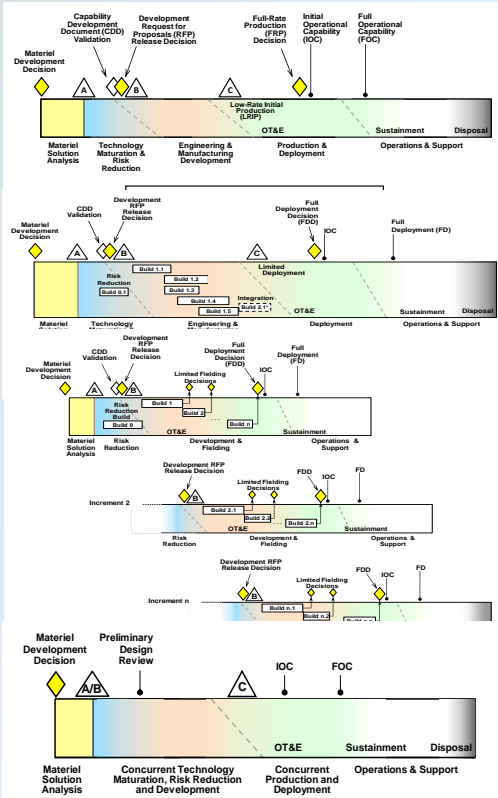
- The overall tone of the document—from compliance to thoughtful planning
- Example Program Models—tailored for the product being acquired and designed to serve as benchmarks for structuring programs
- Re-written and Re-focused acquisition process procedures
- New/Expanded Policy:
 - Program Management
 - Program Protection, including Information Assurance
 - Intellectual Property
 - Operational Test and Evaluation (significantly expanded)
 - Life-Cycle Sustainment
 - Affordability
 - Defense Business Systems
 - Rapid Acquisition of Urgent Needs



Tailored Applicability

How to use the Document

What Model best accommodates the product I'm developing?



What business procedures apply to the program?

Materiel Development Decision

The Materiel Development Decision is based on a validated initial requirements document (an ICD or equivalent) and the completion of the AoA Study Guidance and AoA Study Plan. This decision directs execution of the AoA Study Guidance and AoA Study Plan, and authorizes the DoD Component to conduct the Materiel Solution Analysis Phase. This decision point is the entry point into the acquisition process for all defense acquisition programs; ...

What statute and regulation is applicable to my program category (i.e., ACAT I-III) and milestone?

Table 1. Milestone and Phase Information Assessment

| INFORMATION REQUIREMENT | PHASES | | | | | LIFE CYCLE EVENTS | | | | | SOURCE | APPROVAL AUTHORITY | |
|------------------------------------|--------|-----|-----|-----|----|-------------------|-----|----|----|----|--------|--------------------|-----|
| | INIT | REQ | DEV | PRO | OP | IOC | FOC | OP | OP | OP | | | |
| INITIAL CERTIFICATION REQUIREMENTS | - | - | - | - | - | - | - | - | - | - | - | ICD | AOA |
| OPERATIONAL DECISION INFORMATION | - | - | - | - | - | - | - | - | - | - | - | ICD | AOA |
| ACQUISITION PROGRAM SCHEDULE | - | - | - | - | - | - | - | - | - | - | - | ICD | AOA |
| ACQUISITION STRATEGY | - | - | - | - | - | - | - | - | - | - | - | ICD | AOA |

What detailed functional policy relates to my program?

Program Management, Systems Engineering, DT&E, OT&E, Sustainment, Human Systems, Affordability, AoAs, Resources and Cost, IT and Clinger-Cohen, Defense Business Systems, Urgent Operational Needs



Product-Tailored Acquisition Models

- Model 1: Hardware Intensive Program
- Model 2: Defense Unique Software Intensive Program
- Model 3: Incrementally Fielded Software Intensive Program
- Hybrid Program A (Hardware Dominant)
- Hybrid Program B (Software Dominant)
- Model 4: Accelerated Acquisition Program



Generic Acquisition and Procurement Milestones and Decision Points

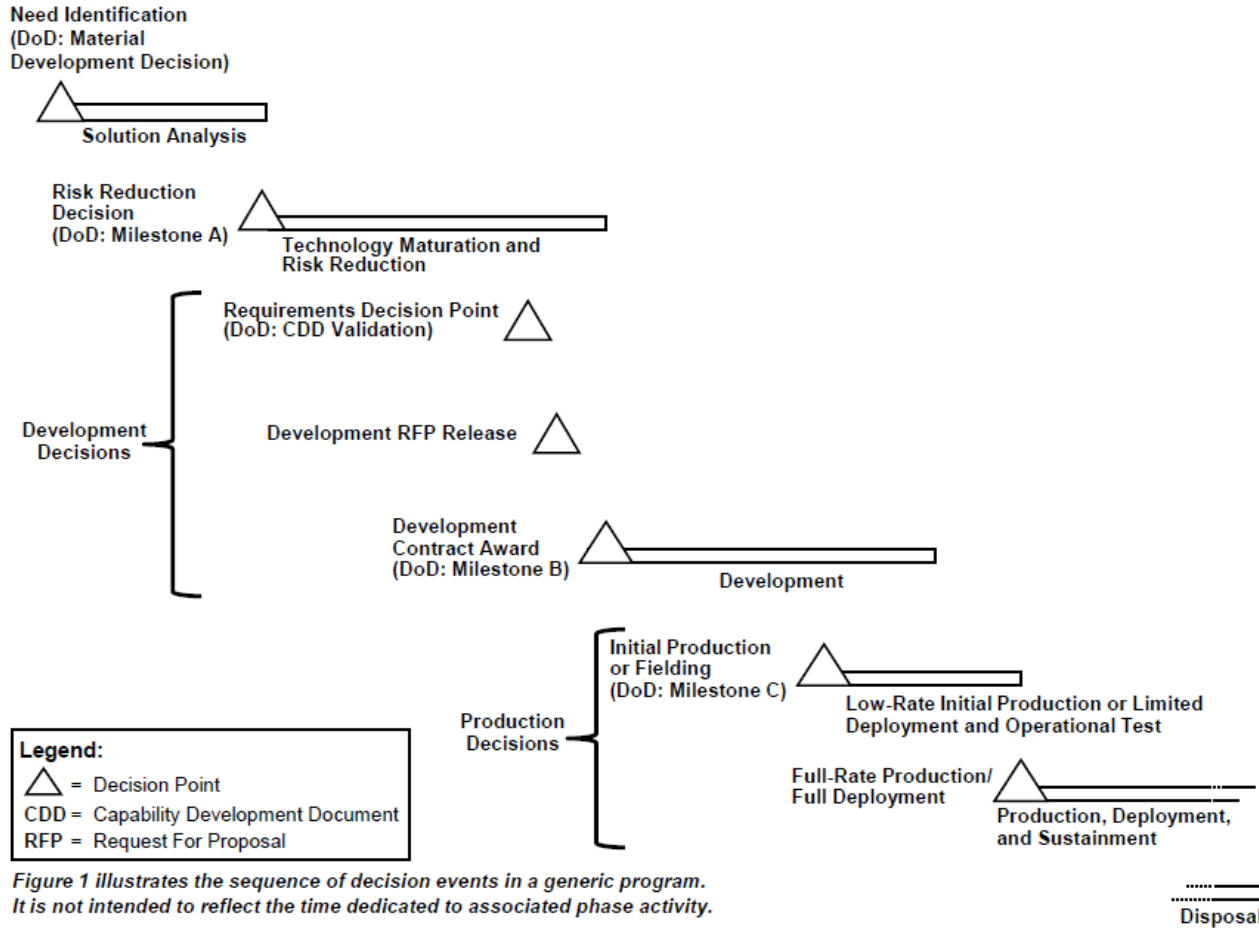


Figure 1 illustrates the sequence of decision events in a generic program. It is not intended to reflect the time dedicated to associated phase activity.

http://www.dtic.mil/whs/directives/corres/pdf/500002_interim.pdf



Contracting Tool Box

Acquisition

Non-Acquisition

| Procurement Contracts | | Non-FAR Contracts | Grants | Cooperative Agreements | | OTs For Research | OTs for Other |
|-----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------|-------------------------------------------------------------------------|
| 10 U.S.C. 2304 31 U.S.C. 6303 6 U.S.C. 187(b)(3) 6 U.S.C. 188(b)(1)(C) ↓ Federal Acquisition Regulations | | *Non-appropriated funds contracts *Other Transactions for Prototypes 10 U.S.C. 2371 note 6 U.S.C. 391 | 10 U.S.C. 2358 31 U.S.C. 6304 6 U.S.C. 187 6 U.S.C. 188 | 10 U.S.C. 2358 31 U.S.C. 6305 6 U.S.C. 187 6 U.S.C. 188 | 10 U.S.C. 2358 6 U.S.C. 187 6 U.S.C. 188 | 10 U.S.C. 2371 6 U.S.C. 391 | 10 U.S.C. 2371 6 U.S.C. 391 |
| PART 15 | PART 12 Commercial Items Price Based | | | OMB Circ. DODGAR | Traditional OMB Circ. DODGAR Lore | Flexible Recoupment Authority | Multi-Party Commercial Firm Consortia Recoupment Authority |
| Cost/Price Based | Price Based | *NASA Space Act | | | | | |



Other Transactions for Prototypes

- DoD authority: Public Law 103-160, **Sec. 845**; as amended by 104-201, Sec. 804; as amended by 106-398, Sec. 803
- Allows for flexibility in requirements, teaming, cost accounting, cost sharing, payment and intellectual property negotiations
- End product that reasonably evaluates feasibility or operational military utility of a concept or system, technology demonstrations, risk reduction prototyping
- When the transaction is entered into, the team must have: 1/3 cost share of the total cost of the program, or at least one nontraditional defense contractor is participating to a significant extent
- Not for EMD, LRIP or production



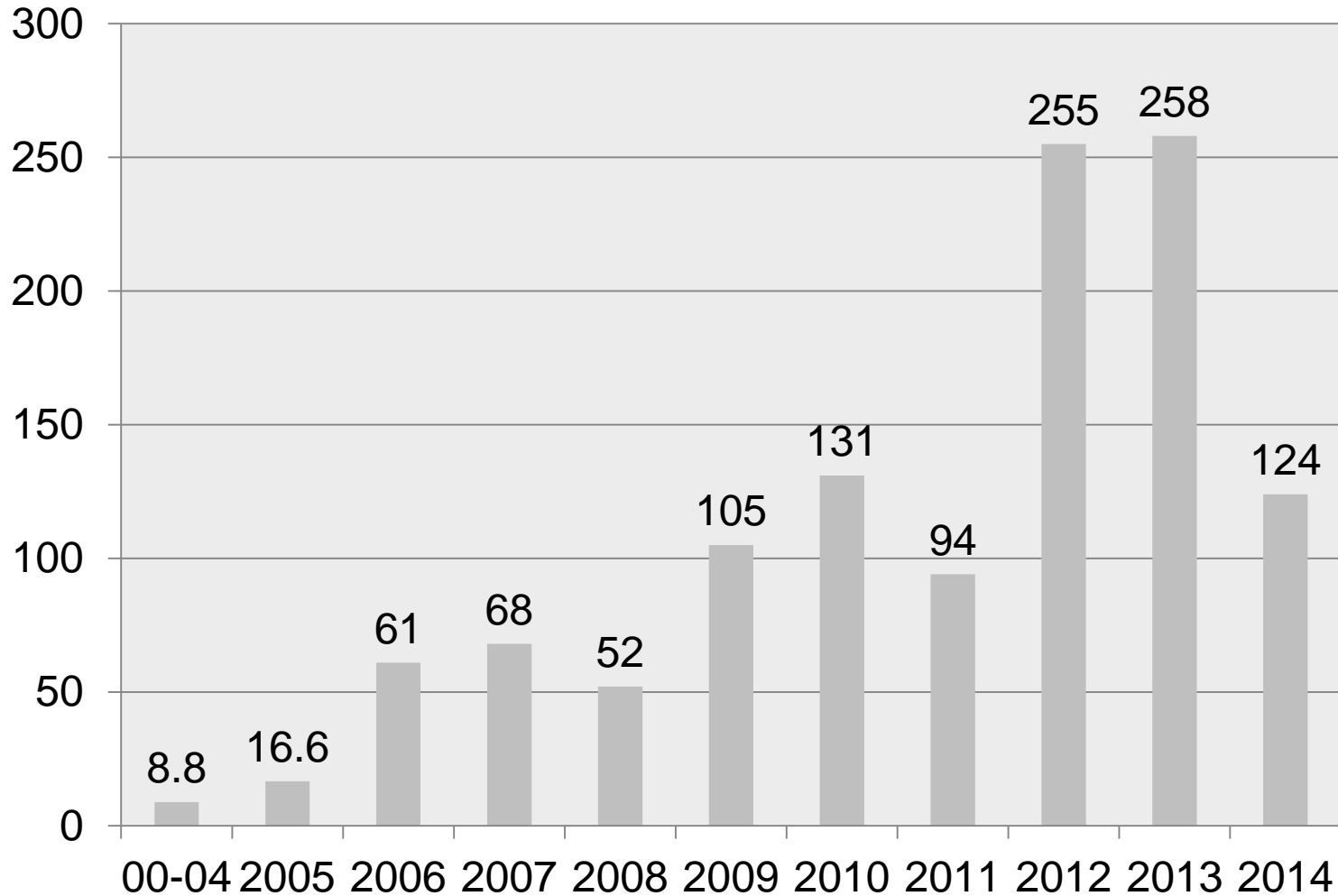
OTA Between DoD and NAC

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| FEATURES | BENEFITS |
|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Streamlined Acquisition | Existing contract and annual business processes reduce duplicative FAR-based upfront contract processes, thus reducing overall development and fielding time for prototype materiel solutions. |
| Collaborative and Competitive Environment | Enables Government and Consortium members to collaborate in an upfront technology planning process. Consortium members (or teams of members) then compete in response to government Request for Ordnance Technology Initiatives in anticipation of technology development funding against the tech development plan. The Government solicits, evaluates, selects and awards. |
| Targeted Research Investment | Provides Consortium members early insight into technology requirements which in turn allows them to focus their Independent Research and Development (IRAD) resources on items that matter to the Government. |
| Small Business and Non-traditional Participation | Encourages participation by small and non-traditional defense contractors that can bring innovative technologies and solutions to both the Government and the Consortium member organizations. |
| Resource Leveraging | Allows Government and Consortium members to leverage their financial resources and employ each others' facilities, technology and human capital investments to achieve critical mass. |
| No Protests Allowed | Prohibits formal protests against the government's project selections and awards. |
| DoD / Industry, Academia Partnering | Minimizes ordnance technology development duplication across Services, Agencies and Industrial/Academic enterprise components. |



DOTC Total Funding \$Million/FY



* FY2014 thru March 15

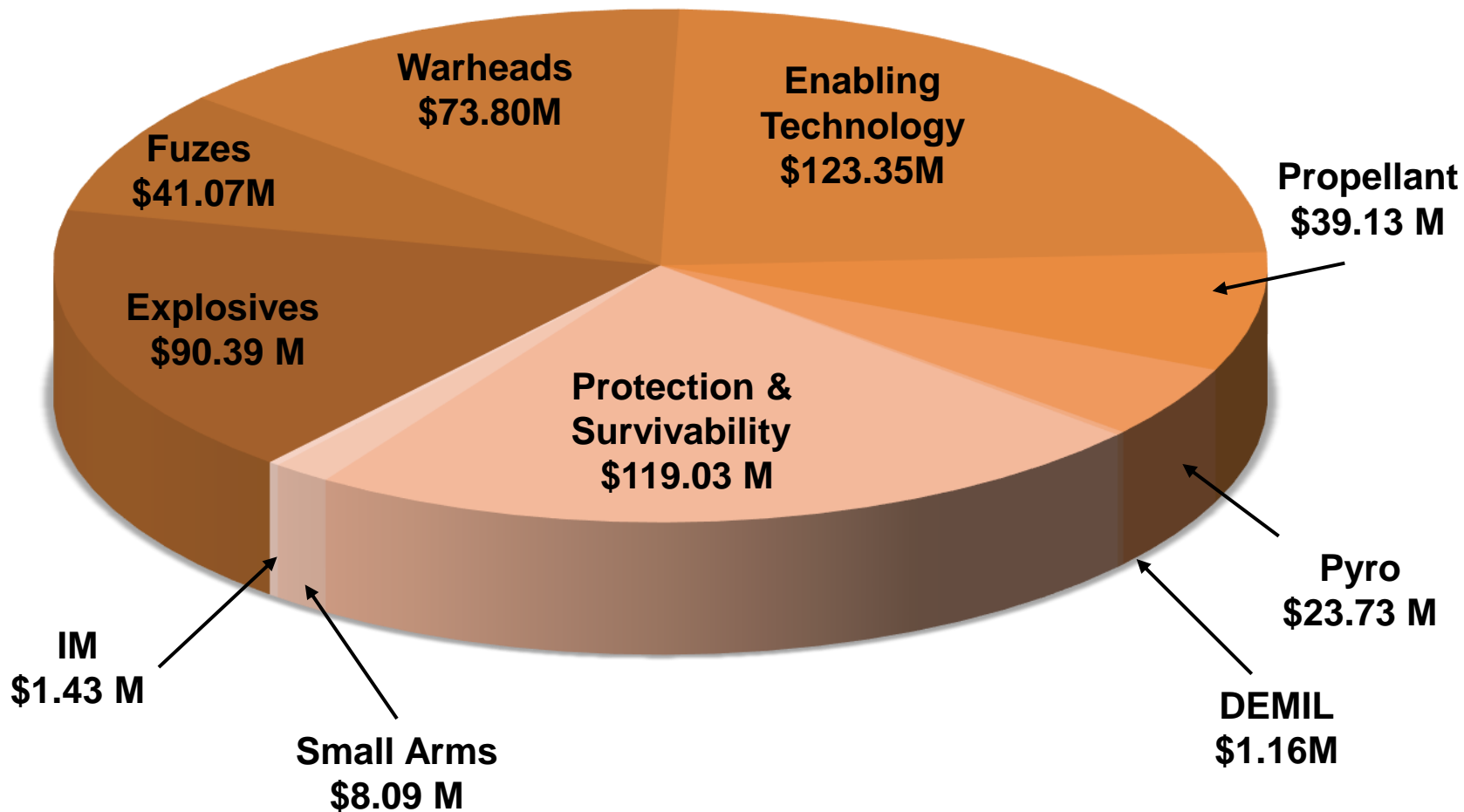
Ongoing Research Initiatives

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\$521.2 million and 190 Initiatives Currently Under Contract...

As of 9 December 2013



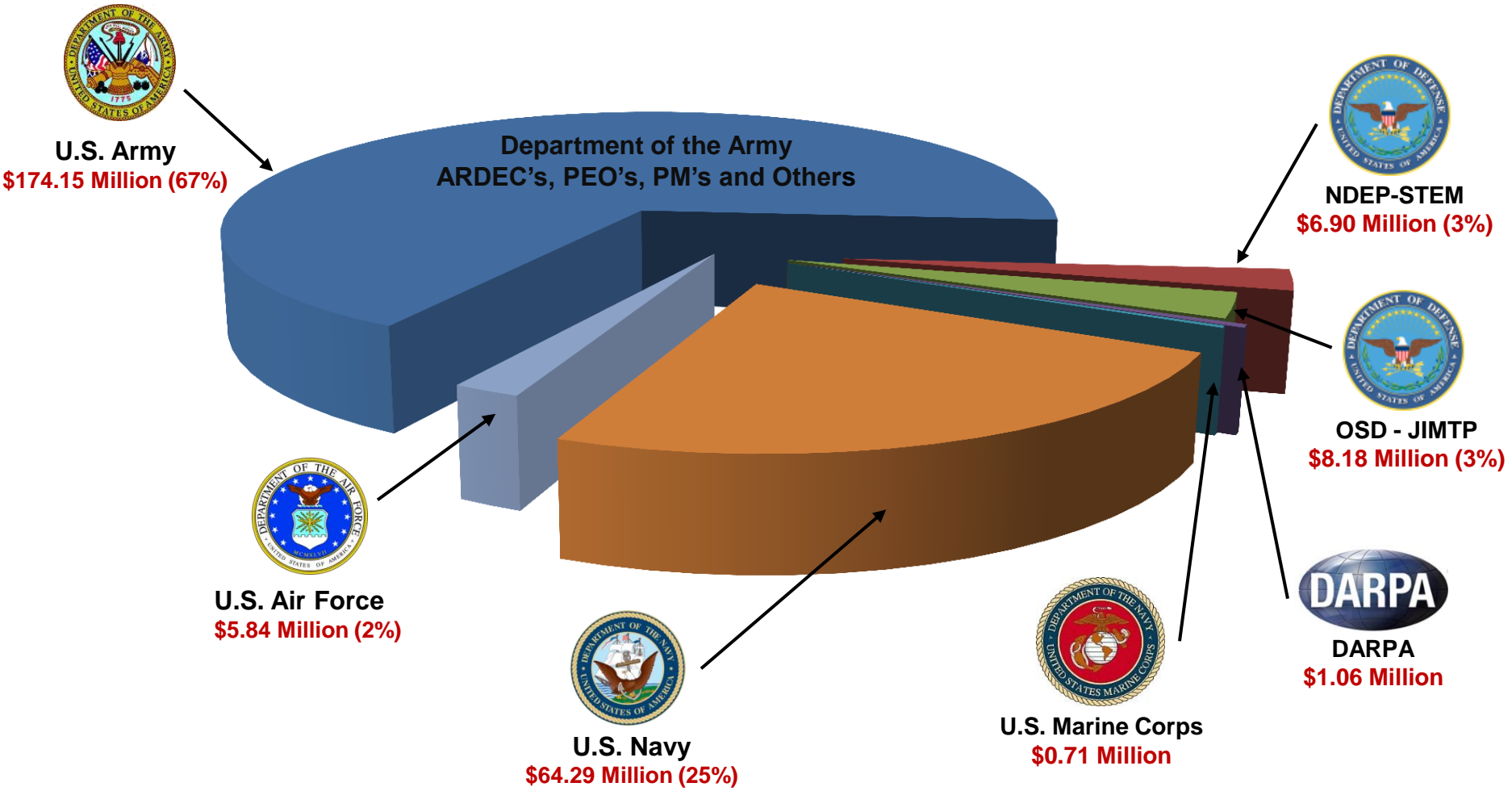


Government Participation

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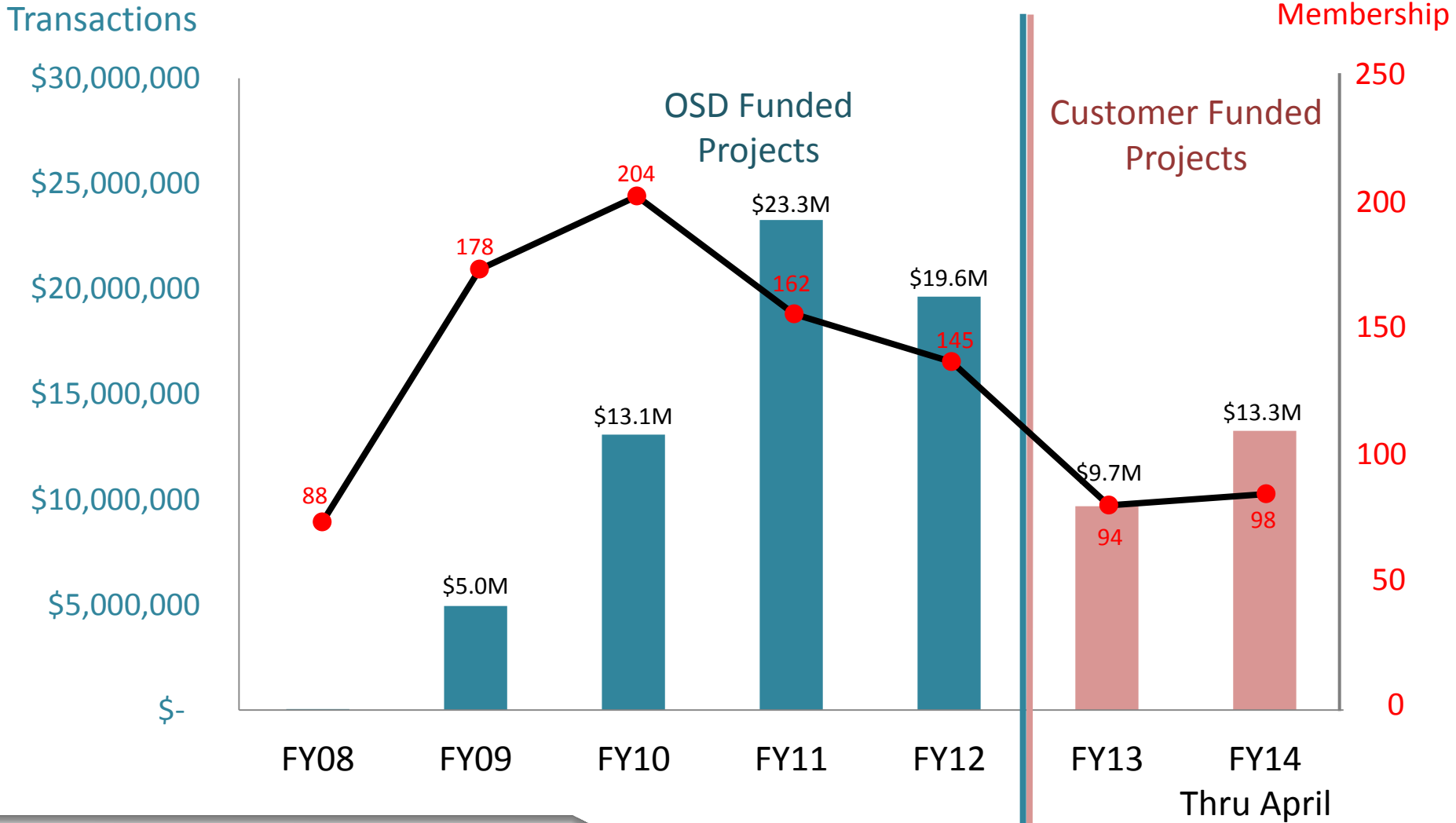
\$261.13 Million Provided in **FY13** by the Services ...

As of EOM September 2013



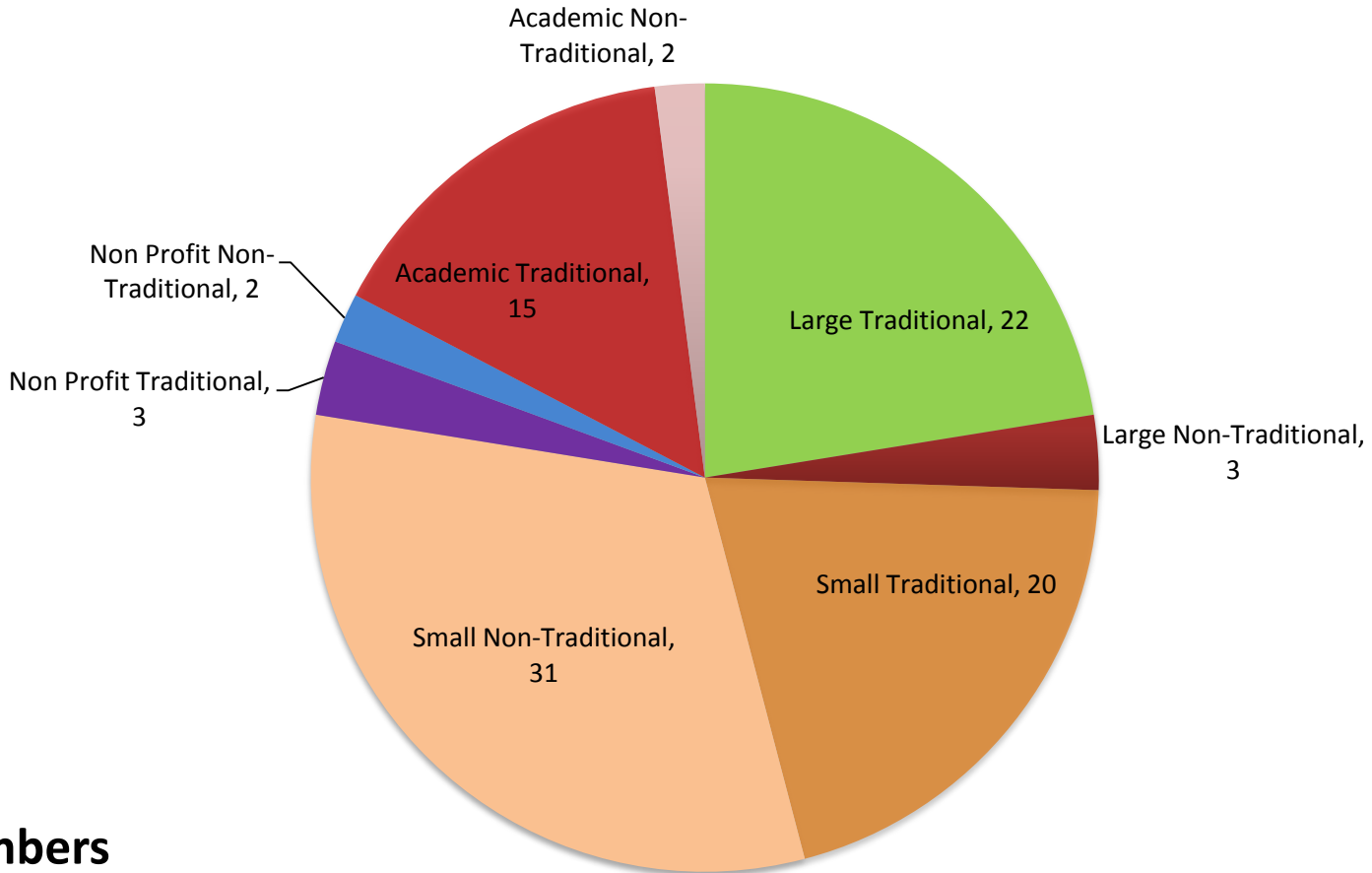


Robotics OTA Transactions and RTC Memberships





RTC Membership



98 Members
~39% are Non-Traditional

***Future* Ground Vehicle Technologies Consortium (Manned and Unmanned Systems)**

- **Sources Sought response closes: 9 May 2014**
 - **Sources sought for an established consortium with collective expertise in technology areas related to prototype manned and unmanned ground vehicle technologies**
- **Areas of interest:**
 - **Modeling and Simulation**
 - **Autonomy**
 - **Interoperability and Collaboration**
 - **Platforms**
 - **Mobility**
 - **Powertrain**
 - **Fuels and lubes**
 - **Architecture, Security, and Modularity**
 - **Payload systems**
 - **Lethality**
 - **Testing and Evaluation**



Questions?