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**Chemical Biological Defense
Acquisition Initiatives Forum
(CBDAIF)**

January 9, 2008

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Agenda

- **Policy Updates**
 - DoD Prototyping and Competition
 - Sales to State and Local Governments
 - Configuration Steering Boards for Major Acquisitions
 - Army Expeditionary Mgmt. and Contracting Commission Report
- **Congress**
 - FY 08/09 Budget and Budget Request
 - FY 08 Congressional Language
 - Trends in DoD Acquisition
- **Discussion of Acquisition Issues**
 - Non-Attribution Comments on Acquisition Topics



New DoD Prototyping and Competition Policy

- **Undersecretary of Defense – Acquisition, Technology and Logistics Issued September 19, 2007**
- **Prototyping and Competition (Fly-Offs) Will Correct:**
 - **Low Technology Maturity**
 - **Inadequate Estimates of Technical Risk**
 - **Poor Estimates of Development and Procurement Cost**
- **Requires: Two Prototypes at Milestone B**
- **Policy Applies to All USD(ATL) Approved Acquisition Strategies and Service Identified Candidates**



Status of Sales to State and Local Government

- **DoD and DHS May Support State and Local Government in Obtaining Anti-Terrorism Technologies, Supplies and Services**
- **Office of Federal Procurement Policy (OFPP) Must First Issue a Policy**
- **Update:**
 - **OFPP Considering OSD/DHS/JPEO-CBD/DLA Recommendations**
 - **Agencies are Preparing Trial Offerings to Test Procedures**
 - **Estimate Earliest Policy Issue and Sales - 60 Days**



Configuration Steering Boards (CSBs) for Major Acquisitions

- **Major Defense Acquisition Programs (ACAT I) will have CSBs Chaired by the Service Acquisition Executive**
- **CSBs Review all Technical Configuration Changes that Might Result in Cost and Schedule Impacts**
- **To Balance Emerging Technical Risks, the CSBs will Consider De-scoping Options to Reduce Costs or Moderate Requirements Annually**
- **The CSBs will Adjust Technical Content and Requirements to Deliver as much Planned Capability as Possible within Budgeted Cost**



Army Expeditionary Management and Contracting Commission Report

- **Recommended Major Improvements in:**
 - Training
 - Organization
 - Regulation
 - Career Field Enhancement
- **Workforce Size has not Matched Increase Workload of Expeditionary Contracting**
- **DCMA is not Staffed or Resourced to Handle Expeditionary Contracting**
- **A Single Army Contracting Command is Needed with General Officers Leading the Transformation**
- **Commission Recommends a Task Force Form a Plan**



Reliability Test Thresholds

- **Issue:**
 - **Systematic Problem of Unreliable Programs**

- **Policy:**
 - **Establish a Systems Reliability Threshold Prior to Milestone B**
 - **Incorporate Reliability Threshold into Solicitations**

- **Effective:**
 - **Immediately**



Common CBRN Sensor Interface (CCSI)

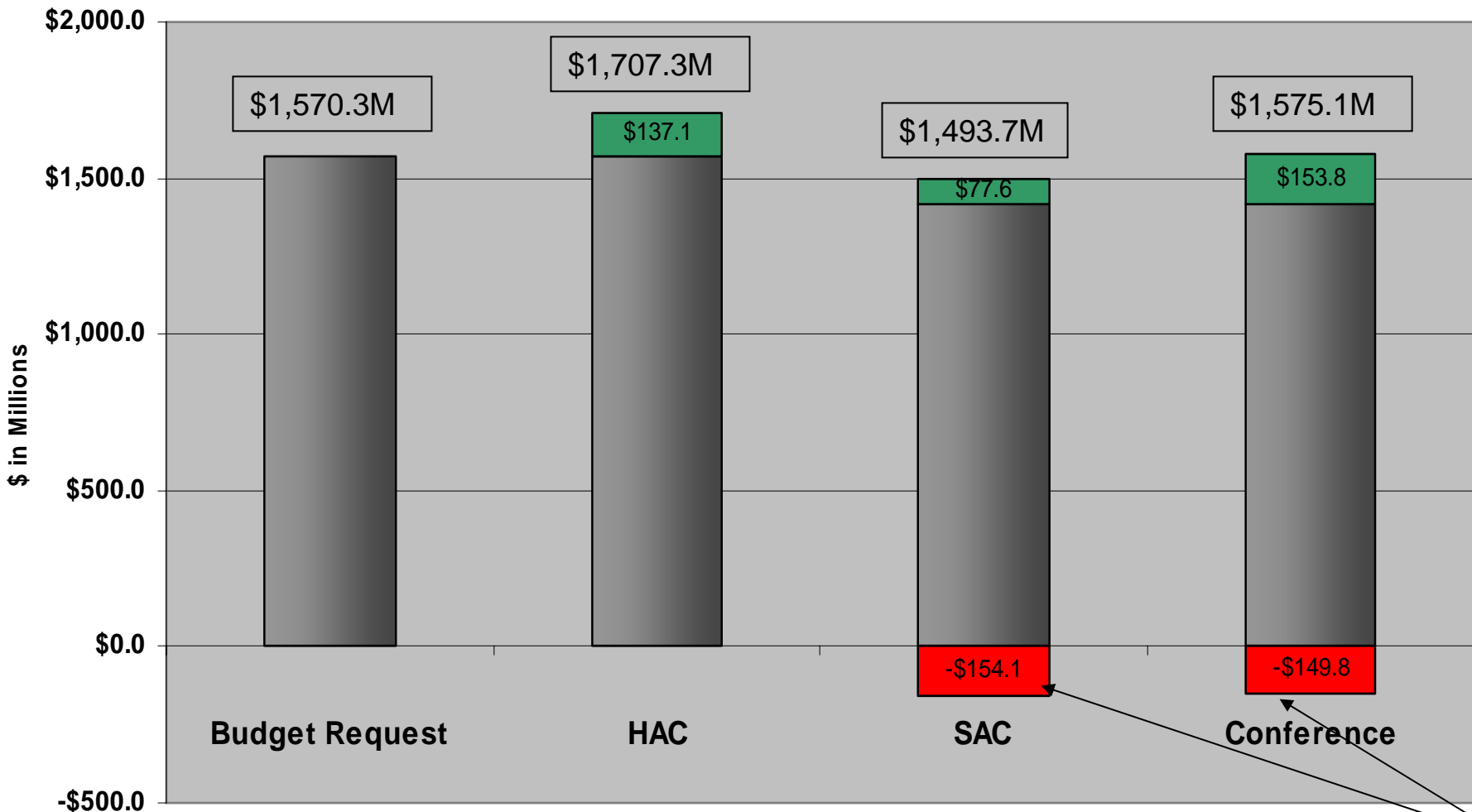
- **A Set of Standards and Requirements that Define the Mechanical, Electrical, and Software Requirements for CBRN Sensors**
- **Status**
 - **The Three Volume Standard Set Was Requested by and Provided to 63 Vendors, Agencies, and Universities**
 - **14 Sets of Vendor Comments Received to Date**
- **Industry Comments**
 - **521 Received, Work Underway to Respond and Update the Standards Based on the Comments**
 - **Vol I – Summary and Architecture, 195 comments**
 - **Vol II – Physical Interface Standards, 213 comments**
 - **Vol III – Software Interface Standards, 113 comments**
 - **JPEO Policy Effective January 2008**
 - **Implemented Through the Net-Centric Contract Language**
 - **Available on the Web on the JPEO-CBD IDE**



Congressional Update



FY08 CBBDP Appropriations (Regular) (\$M)



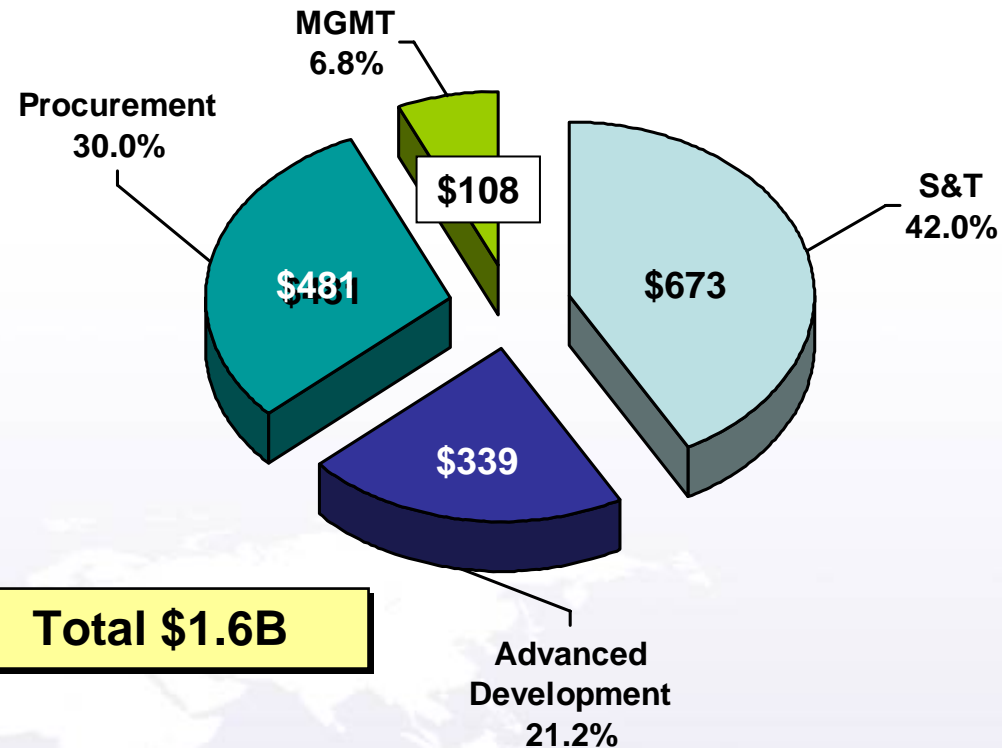
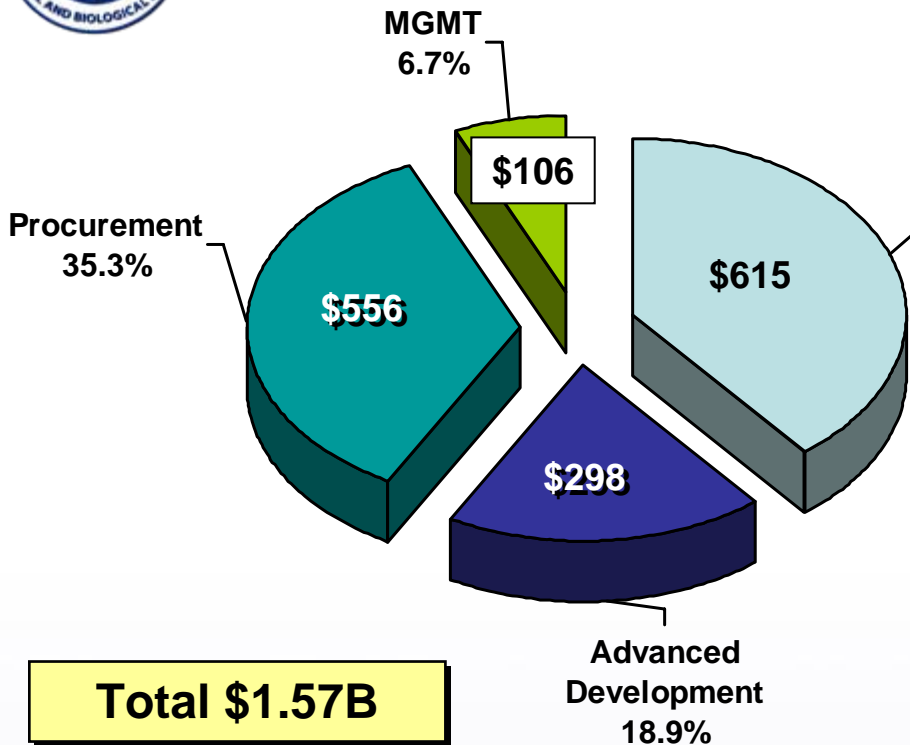
Base Budget Request
 Adds
 Reductions

**Essentially
Cuts to
TMTI & TCTI**

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FY08 Budget / FY09 Budget Request



No Major Adjustments



Approved CBDP FY08 Budget

(\$'s in M)

APPN	Amount	%
RDT&E 6.1	\$ 83.7	5.3%
RDT&E 6.2	\$ 268.7	17.1%
RDT&E 6.3	\$ 247.2	15.7%
RDT&E 6.4	\$ 64.4	4.1%
RDT&E 6.5	\$ 253.1	16.1%
RDT&E 6.6	\$ 99.1	6.3%
RDT&E 6.7	\$ 7.7	0.5%
Procurement	\$ 551.3	35.0%
Total = \$1,575,200,000		



FY 08 Congressional Language

- **Required Reports on Homeland Defense**
 - **Advisory Panel – DoD Capabilities for Support to Civil Authorities**
 - **DoD IG Report on DoD Installation Physical Security and Resources**
 - **Secretary of Defense Plan for Response to National Disasters and Terrorist Events**
 - **DoD Civil Support Requirements – Military-Unique Capabilities and Development and Implementation Plan for Funds and Resources**
 - **National Guard Readiness for Civil Support Missions**

Civil-Military Integration



Lead Systems Integrators

- **Prohibited for New Contracts Effective October 1, 2010**
- **FY 08 Authorization Act**
 - **(1) PROHIBITION ON NEW LEAD SYSTEMS INTEGRATORS –**
Effective October 1, 2010, the Department of Defense (DoD) may not award a new contract for lead systems integrator functions in the acquisition of a major system to any entity that was not performing lead systems integrator functions in the acquisition of the major system prior to the date of the enactment of this Act.
 - **(2) PROHIBITION ON LEAD SYSTEMS INTEGRATORS BEYOND LOW-RATE INITIAL PRODUCTION –** Effective on the date of the enactment of this Act, the Department of Defense may award a new contract for lead systems integrator functions in the acquisition of a major system only if...
 - **(A) the major system has not yet proceeded beyond low-rate initial production; or**
 - **(B) the Secretary of Defense determines in writing that it would not be practicable to carry out the acquisition without continuing to use a contractor to perform lead system integrator functions and that doing so is in the best interest of the Department.**



FY 09 Congressional Outlook

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CBDP FY09 Budget Request

(\$'s in M)

APPN	Amount	%
RDT&E 6.1	\$ 57.2	3.6%
RDT&E 6.2	\$ 214.0	13.4%
RDT&E 6.3	\$ 384.2	24.0%
RDT&E 6.4	\$ 51.7	3.2%
RDT&E 6.5	\$ 301.8	18.8%
RDT&E 6.6	\$ 100.9	6.3%
RDT&E 6.7	\$ 10.4	0.6%
Procurement	\$ 480.9	30.0%
Total – \$1,601,049,000		

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FY 10 POM Outlook





FY08 – FY13 CBDP Funding (\$'s in M)

			Approved Planning Figures				
Program	FY08	FY09	FY10	FY11	FY12	FY13	Total
Science & Technology	624.9	672.8	578.0	453.9	457.7	447.9	3,235.4
Advanced Development	297.6	277.6	380.2	474.6	458.5	438.8	2,351.3
Procurement	548.8	480.9	551.6	552.9	585.6	637.7	3,357.6
CBDP Oversight	106.1	108.1	121.1	124.1	129.2	131.4	719.9
Total							\$9,664.2



Final Thoughts

- **Acquisition of Services**
- **“Gansler Report” on Procurement**
- **Supplementals**



Cost and Affordability

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Discussion





Discussion of Acquisition Issues and Comments (Non-Attribution)

- Overall Product Quality
- Quality of Low Rate Initial Production
- Defense Contract Management Agency Role
- Contracts
- Statements of Work
- Independent Research and Development Efforts in the CBD Sector



Overall Product Quality

- **How Important is Quality?**
- **Is there a Cost vs. Quality Trade-Off?**
- **What are the Consequences of Non-Conforming Products?**
- **What are Roadblocks to Quality?**
- **Should a Formal Quality Program be a Requirement in Contracts?**
- **Has Industry Increased or Decreased its Quality Infrastructure?**



Quality Issues in Low Rate Initial Production (LRIP)

- **What are the Reasons for Quality Problems in LRIP?**
- **Are these Quality Issues Unique to CBD Products?**
- **What can Industry and Government do to Improve LRIP Quality?**



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Defense Contract Management Agency (DCMA) Role

- **How do you (Joint Product Offices and Industry) View the Role of DCMA?**
- **Is DCMA Management a Benefit, Detriment or Just “There”?**
- **How Might DCMA Provide More Value to Both Industry and the Joint Program Offices (JPOs).**



Contracts

- **Are Contracts the Right Size and Type for Competition?**
- **Are Contract Awards Fair?**
- **Are Contracts Administered Effectively?**
- **Do Contracts Protect Both the Company and Government?**
- **What Might Improve the Contracting Process?**



Statements of Work

- **Are Statements of Work Clear and Specific?**
- **Are there Inconsistencies?**
- **What Improvements Could be Included in Statements of Work?**



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CBD Market Size and Independent Research and Development (IR&D)

- **Does the Size of the Chemical Biological Defense Market Enable industry to Maintain a Robust IR&D Capability?**
- **How Does Government Science and Technology (S&T) Investment Compare to Industry IR&D?**
- **Informal Comments so far Indicate:**
 - **The United States may Constitute Half the World CBD Market**
 - **Large Companies Reinvest ~7-9% of Sales in IR&D**

The BEST Technology and Equipment

At the RIGHT PLACE

At the RIGHT TIME

At the RIGHT COST

MG Steve Reeves

<http://www.jpeocbd.osd.mil>

JPE-CBD

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