NDIA Acquisition Reform Effort

• Why now and what will be different?
  – Useful information and lessons from many past efforts: successes and failures.
  – Converging reviews in Congress and DoD.
    • Rep. Thornberry is focused on incentives and disincentives for all stakeholders, rather than processes. *(updated 7/3)*
    • Sec. Kendall is undertaking parallel review of statutory and regulatory requirements.
      – Tools emerging to enable more evidence-based policy decisions.
      – Downward budgetary pressure forcing a review of the costs of the process as well as of outcomes.

• What is NDIA’s role?
  – March 31 letter from HASC & SASC formalizing Jan. 7 Thornberry request.
  – Request from DPAP/AT&L on the “List of 400” regulations.
  – No one can provide the views of industry better than industry.
  – We will coordinate with DoD, the Hill, and other defense industry associations.

• Start with common themes and problem statements from earlier studies.
• Leverage NDIA Divisions and Committees to identify volunteers; organize volunteers to offer “industry’s view” on specific identified areas.
• Goal: Clearly actionable recommendations tied to specific findings.
Current Timeline

• April 11: Presentation to and discussion of plan and methodology with NDIA Board of Directors

• April-May: Identify list of themes, which include problem areas, root causes, and possible solutions
  – April 30: Etherton testimony before Senate Armed Services Committee
  – May 29: Acquisition Reform Kick-off Event. Discussed and finalized major themes

• June: Organize volunteers for research and deep dives into major themes

• July 10: Interim response back to the HASC and SASC in accordance with their March request letter

• June 30: Second event with NDIA members to share and discuss research deep dive results

• July 29: Second event with NDIA members to share and discuss research deep dive results (updated 6/24)

• Late July-August: Draft report using deep dive data and NDIA member input

• September: Share draft report with community of interest, 3rd event to discuss and revise and finalize draft

• Late September: Share the final report with NDIA members, and deliver it to Congress and the Pentagon (updated 7/3)

• Post-September: Engage stakeholders about ways NDIA can continue to assist with acquisition reform (updated 7/3)
Prior Reports

• Packard Commission - 1986
• Report of the Acquisition Law Advisory Panel (Sec. 800 Panel) – 1993
• Defense Acquisition Performance Assessment Report – 2006

• Defense Business Board – Linking and Streamlining the Defense Requirements, Acquisition, and Budget Processes – 2012
• Performance of the Defense Acquisition System – 2013 and 2014
HASC – SASC Issues of Interest

• Steps that DOD or Congress could take to:
  – reduce the cost of major defense acquisition programs;
  – expedite the delivery of useful capabilities to the warfighter;
  – incentivize timely delivery of capability and services for the warfighter and full consideration of life cycle costs; and
  – empower key acquisition personnel, such as program managers and cost estimators, to make sound choices throughout the acquisition process.

• Steps that DOD and industry could take to develop and foster the technical expertise necessary to support successful acquisitions.

• Steps that DOD could take to improve:
  – how it recruits, trains, and develops its acquisition workforce, and
  – planning, contracting, oversight and management of services contracts.

• Steps that Congress could take to improve oversight of DOD acquisitions—both products and services.
Meetings with DoD Stakeholders

- USD(AT&L) Frank Kendall (upcoming)
- ASD(A) Katrina McFarland
- DASD(MPP) John Johns
- Director, JRAC, Andrew Hunter
- Director, Pricing, Shay Assad
- DPAP, Dick Ginman
- Director, PARCA, Gary Bliss
- Jim Woolsey, Dr. Jim McMichael, DAU
- DPAP, LeAntha Sumpter (upcoming)
- SAE’s (Upcoming)
Group A Issues

• Leadership and accountability (personal and organizational)
  – Disconnects between the budget, requirements, and acquisition processes and organizations (major programs)

• Capabilities of the acquisition workforce
  – *Pressures to reduce size of workforce (updated 7/3)*
  – *Inability to use Intergovernment Personnel Act with Industry (updated 7/3)*

• Measuring the performance of the acquisition system
  – Enterprise vs. individual transaction level focus

• Divergence of government-unique and general private-sector practices
  – Commercial item pricing
  – CAS/Auditing requirements
  – Government-unique statutory and regulatory mandates
  – Treatment of intellectual property
  – Supply chain management
  – Protests
Group B Issues

- Contract strategy
  - LPTA vs. Best Value
  - IDIQ/MAC contract issues
    - *Fixed Price vs. Cost-Type* (updated 7/3)
    - *Risk adverse decision making* (updated 7/3)
- Services/IT/cyber acquisition
- Effectiveness of small business programs
  - Innovation
  - Program goals and means
- Contract finance, payment, incentives, and profit
- Boundary conditions (tilting at windmills?)
  - Military and civilian personnel systems
  - Budgeting process
  - Industry financial imperatives and incentives
  - The audit and oversight structure
Leadership and Accountability  
- Chair: Jay Harrison, Center for Smart Defense  
- Members: Brett Villarrubia, Kaye Porter, Patricia Sanders, Randy Allen, Jim Schweiter

Capabilities of the Acquisition Workforce  
- Chair: Marc King, KGV Enterprises  
- Members: George Pedersen, Peg Johnson, Rene Campos

Measuring the Performance of the Acquisition System  
- Chair: Lilly Gilmour, OSD Strategic Capabilities Office  
- Members: Dave Drabkin, Jason Bolton, Jay Heath, Joan Smith, Sam Zega

Divergence of Government-Unique and General Private Sector Practices  
- Chair: Johnny Walker, Thor Solutions  
- Members: Bill Dalecky, Jim Steggall, Jennifer Amato, Owen Paepke, Elizabeth Swain, Jay Heath, Vic Avetissian

Contract Strategy  
- Chair: Chris Veith, Boeing  
- Members: David Lockhart, Rob Sues

Services/IT/Cyber Acquisition  
- Chair: Robin Lineberger, Deloitte; members: Chad Janovec, Stacy Reddan, John Weiler, Steven Tibbets

Effectiveness of Small Business Programs  
- Co-Chairs: Donna Huneycutt, Wittenberg Weiner Consulting, LLC, and David Hahn, Chair, NDIA Small Business Division (updated 7/14); Members: Bill Peterson, Stuart Davis, Suzanne Sincavage

Contract Finance, Payment, Incentives, and Profit  
- Chair: Doug Morrison, DuPont; Members: Doug Hirshman, Edward Harrington, Robert Tatum

Boundary Conditions  
- Chair: Steve Busch, Kepler Research, Members: David Hickey, David Roll, Elizabeth Swain
Next Steps

• Working Groups
  – Prepare concise slide decks for larger group meeting on July 29.

• Goal
  – Clear problem statement(s)
  – Root cause analyses based on prior reform studies, case studies
  – Proposed solutions that will address root causes and fix problems—explain how in specific detail.
  – Simple and short enough to keep the reader’s attention and interest, long and detailed enough to actually be useful.

• Deadline: June 27 for submission of Working Group presentations to NDIA

• Deadline: July 23 for submission of Working Group presentations to NDIA for review for July 29 meeting.
  (update 7/3)
Questions?