



# Acquisition Reform

## *How Will It Affect Business?*



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*October 5, 2005*



# Why Reform Now?

- Why are We Doing This?
- What are the Implications for Industry?
- How are We Achieving our Objective?
- Why are We Where We Are?
- What Exactly is the Problem?
- Who are The Principals And What Are They Doing?
- How are We Doing, so Far?



# **Deputy Secretary of Defense Authorizes Assessment**

***“There is a growing and deep concern within Congress and the Department of Defense (DoD) Leadership Team about the DoD Acquisition Process. Many programs continue to increase in cost and schedule even after multiple studies and recommendations that span the past 15 years. In addition, the DoD Inspector General has recently raised various acquisition management shortcomings.....”***



# Mandate for Success

*“... I am authorizing an integrated acquisition assessment to consider every aspect of acquisition, including requirements, organization, legal foundations ...*

*...decision methodology, oversight, checks and balances — every aspect...*

*The output... will be a **recommended acquisition structure and processes with clear alignment of responsibility, authority and accountability.***

*Simplicity is desirable... restructuring acquisition is critical and essential.”*

Gordon England, Acting Deputy Secretary of Defense

June 2005



# DAPA Advisory Committee

Chartered under Federal Advisory Committee  
Act of 1972 (Public Law 92-463)

- Open Hearings
- Public comments and access
- Website

## Schedule

- Start Date June 7 – Deputy Secretary Memo
- Roadmap – July 7 Briefed to Deputy Secretary
- Mid-late November – Report due



# DAPA Organization

## Panel composition Experts

- Industry
- Government
- Academia

## DAPA Staff

- Support Staff
- Military Services Liaisons



# How Are We Going to Do It?

## Five Element Approach

Qualitative Assessment, Analysis, Review and Implementation

- Establishing Baseline Understanding from Existing Literature
- One-on-One Oral Interviews (Survey) and Analysis
- Views of Knowledgeable Experts (Public Comment)
- Comprehensive Reviews/Modeling at Critical Milestones
- Implementation Plan



# DAPA Panel's Problem Statement

“The current situation is characterized by massively accelerated cost growth in major defense programs, lack of confidence by senior readers, and no appreciable improvement in the acquisition system despite many attempts in the past.”





# What Exactly is the Problem?

## Symptoms

- Cost and Schedule Overruns
- Procurement Scandals
- Program Cancellations Late in Development Cycle
- Vital Programs Take Too Long
- Extended Voids in Senior Acquisition Leadership
- Questionable Procurements – Buying the Wrong Things
- Conflicting Program Information and Data Provided to Leadership
- Test Failures Viewed as Program Failures
- Confidence and transparency in the process



# Congressional Concerns

- Use existing authorities
- Improve communication
- Partner to solve problems
- Accountability for behavior
- Serious budget constraints and mounting costs
- Aging workforce and adequate training

**Note:** DAPA has established regular consultations with Congressional staff as the observations and solutions to the challenges are identified as we partner to determine the solutions.



# Industry Concerns

- Global Market & Foreign Availability
- Competition
- Rules and Regulations
- Ethics
- Viability
- Financial Stability
- Investment
- Consolidations

Note: Improve outreach to Industry and establish partnerships to identify and solve problems.



# Ongoing Efforts

Numerous acquisition/industry studies and reform efforts in the past

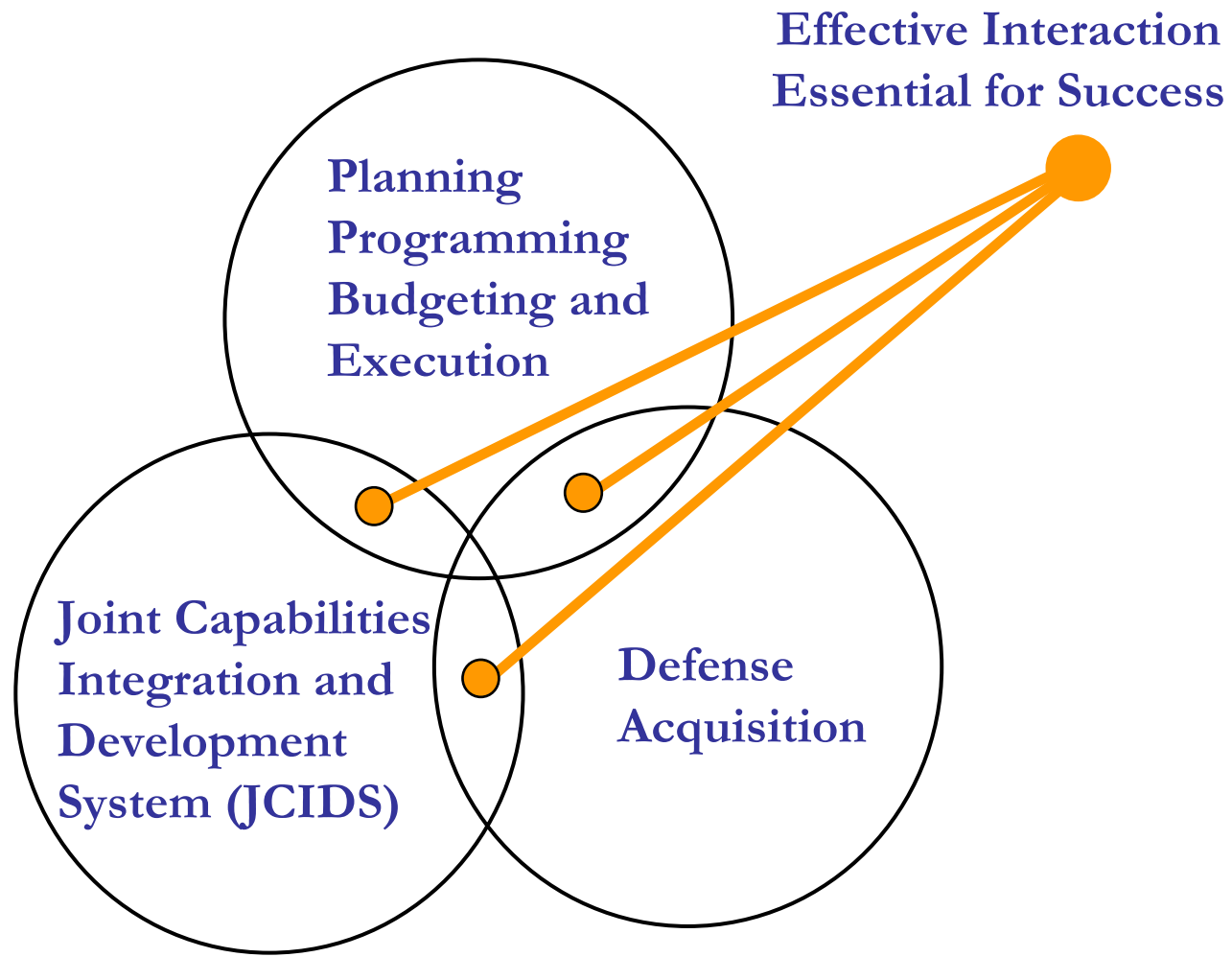
Numerous ongoing reviews and studies today, including:  
QDR, CSIS, DSB

- DAPA mandate addresses the total process
- Big “A”/ little “a”
- Implementation
- Public meetings and input critical to the effort



# Big “A” / Little “a”

## Three Major DoD Management systems





# THE CHALLENGING ENVIRONMENT

- Complexity
- Stability/Instability
- The statutory, regulatory and oversight framework
- Budget and priorities
- Industry issues
- Strategic challenges
- Technology
- Workforce
- Oversight



# WHERE DO WE GO FROM HERE?

DAPA project goals are to improve the DoD's Acquisition System to provide capabilities to win the global war on terror, meet other challenges to national security and regain senior leadership confidence.

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***“Simplicity is desirable...restructuring acquisition is critical and essential.”***

Gordon England, Acting Deputy Secretary of Defense  
7 June 2005



# Summary

- **Structured Analytical Approach**
- **Addresses All Areas of Acquisition**
- **Results Will Impact QDR Results with Implementation Plan**
- **On Track with Aggressive Schedule**
- **Public Panel Meetings Key Element of Effort**

