

PEO/SYSCOM CONFERENCE



The Will To Change

7 November 2006

presented by

The Honorable Dr. James Finley
DUSD Acquisition & Technology





Vision

LEADERSHIP

for an

***INTEGRATED, RESPONSIVE
ACQUISITION SYSTEM***

providing

WARFIGHTER NEEDS

with

PREDICTABLE PERFORMANCE

“THE WILL TO CHANGE ...”



Strategy

RESHAPE THE ENTERPRISE

utilizing short and long term

INITIATIVES

that

ACCELERATE

LASTING CHANGE

for all elements of the

ACQUISITION SYSTEM

“THE WILL TO CHANGE ...”



Reshaping the Enterprise

QDR/DAPA/CSIS/DSB

STRATEGIC FRAMEWORK

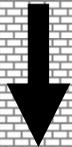
MORE THAN 100
RECOMMENDATIONS
SORTED TO

**Business
Transformation**

“23”

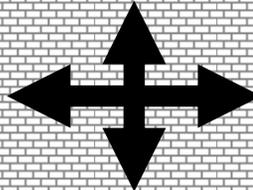
**Lean
Six Sigma**

ACTIONS – SHORT – MID – LONG – TERM



Cycle Time

Communication

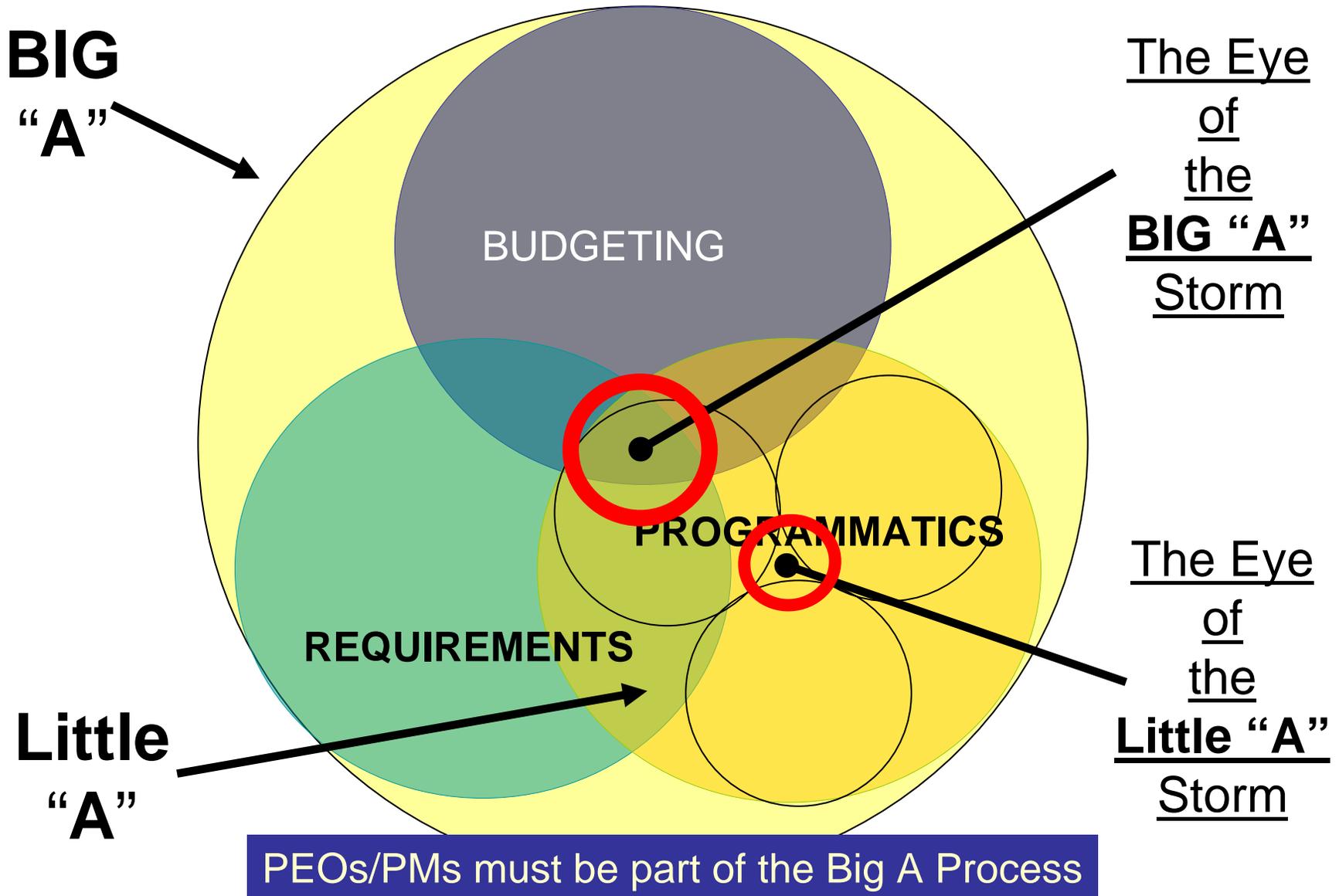


Competitiveness

THE WILL TO CHANGE



The Acquisition System





Initiatives For Strategic and Tactical Acquisition Excellence

STRATEGIC
"Big A"



"Little A"
TACTICAL

OBJECTIVES	INITIATIVES
<p>Making Decisions that Balance the Trade-Space</p> <ul style="list-style-type: none"> Affordable, Feasible Investments 	<ul style="list-style-type: none"> Portfolio Management Tri-Chair Concept Decision / Time-Defined Acquisition Evaluation of Alternatives (EOA) Synchronize Processes Tri-Chair Investment Balance Reviews
<p>Starting Programs Right</p> <ul style="list-style-type: none"> Improved, Up-Front Planning Awareness of Risk / Improved Source Selection More Responsive Acquisition Solutions 	<ul style="list-style-type: none"> Risk-Based Source Selection Small Business Innovative Research Acquisition of "Services" Policy Systems Engineering Excellence Award Fee and Incentives
<p>Process efficiency</p> <ul style="list-style-type: none"> Tailored, agile, transparent 	<ul style="list-style-type: none"> DAB / OIPT Process Optimization Common Data / DAMIR Restructured DAES
<p>Program Stability</p> <ul style="list-style-type: none"> No Downstream Surprises Issue Awareness 	<ul style="list-style-type: none"> Program Baseline Assurance Capital Accounts DCMA/Earned Value Management Tripwires

Improving the Full Range of Acquisition Execution



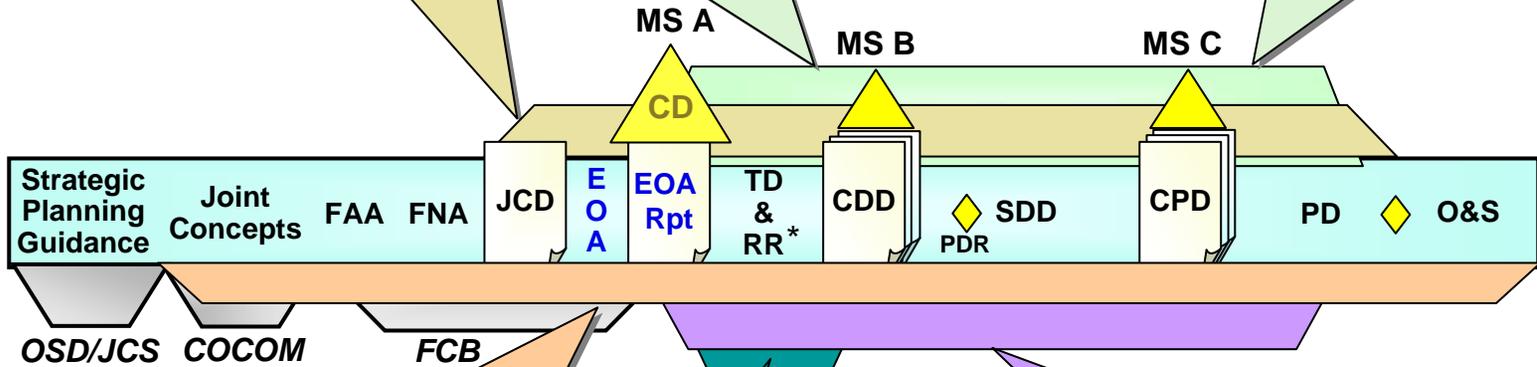
Improving Strategic & Tactical Acquisition Excellence

An Evolving Toolkit

1. TRI-CHAIR CONCEPT DECISION / TIME-DEFINED ACQUISITION

3. TRI CHAIR INVESTMENT BALANCE REVIEWS
4. PROGRAM BASELINE ASSURANCE

2. CAPITAL ACCOUNTS



5. SYSTEMS AND SOFTWARE ENGINEERING CENTER OF EXCELLENCE

7. AWARD FEE POLICY
8. RESTRUCTURED DAES
9. DAB / OIPT OPTIMIZATION

6. RISK-BASED SOURCE SELECTION

10. ACQUISITION OF "SERVICES"



Restructured Defense Acquisition Executive Summary (DAES)

85 MDAP, ACAT1 PROGRAMS

Table Top Review

3 Star Level Review

Simplify from 30 to 3 pages

Utilize standard formats

Transparency of Data

DCMA Participation/EVM "Tripwires"

Trade-off Considerations

Requirements first

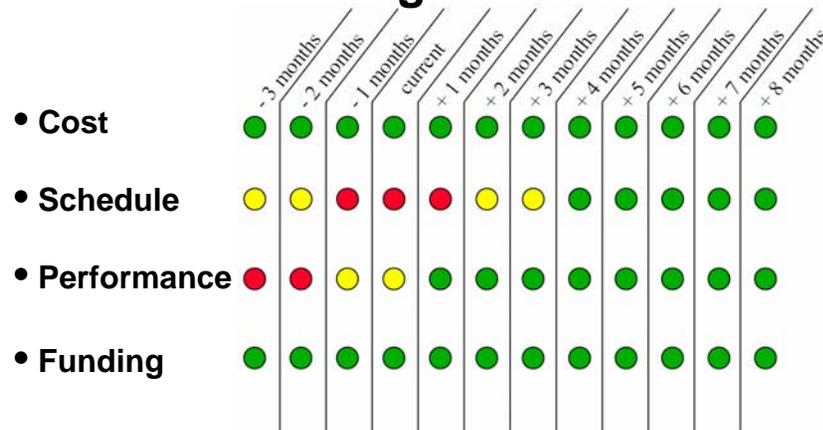
Schedule second, then Cost

Known problems - closure 30/60/90 days

Potential problems - risk mitigation plans

Reduced support documentation > 50%

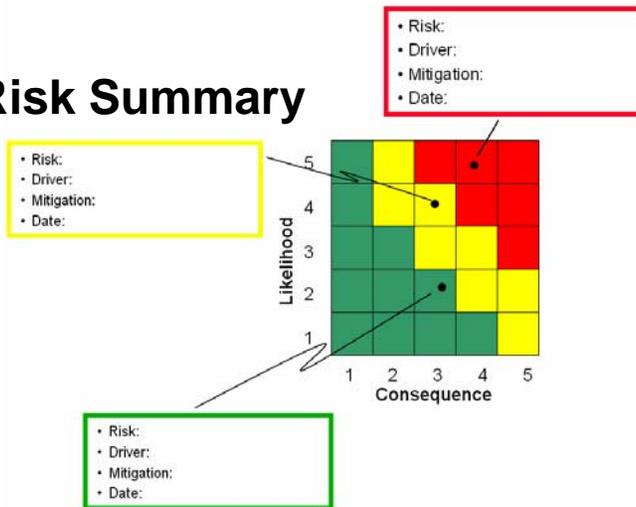
Program Status



Issue Summary

No.	Issue/Problem Description	Action Plan	Closure Date
1			
...			
n			

Risk Summary



Objective: Predictable Performance



Acquisition of Services

Management Consistent with FY 06 NDAA Section 812

Functions provided by Military Departments consistent with DoD Architecture

Contract/Award

Strategic Contracts

- ✓ "Best Practices"
- ✓ Coordinated DoD-wide approach
- ✓ Competitive Prices
- ✓ 3-5 year performance periods
- ✓ Strategic Socio-economic Goals

New

Local PCO uses appropriate strategic contracting tool

Refined & actionable requirements package

Multi-functional Support Cadre

- ✓ Apply Best Practices
- ✓ State requirements clearly
- ✓ Draft SOO
- ✓ Quality/Surveillance Plan
- ✓ Identify appropriate performance measures
- ✓ Performance-based approach used as appropriate
- ✓ Award Fee Evaluation Plan with metrics tied to expected outcomes as appropriate

Enhanced

Contract Administration/Performance Management

Procurement Request to Local PCO

Requirement for Contracted Services

Initiate Acquisition

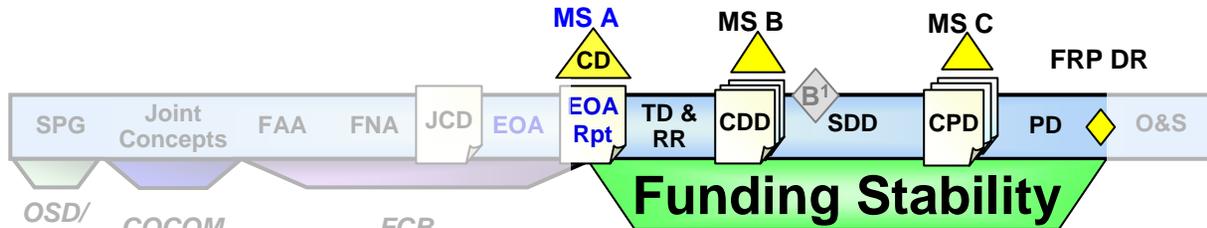


Task Completion or Deliverable

Potential for Significant Cost Savings



Capital Accounts



- Financial initiative - JS/OSD/Service
- Funding protection and stability
- Risk-informed investment strategy
 - Technology ready
 - Affordability bounded
 - Requirements hardened
 - Incremental acquisition approach
- Consistent with the QDR and FY 06 Authorization Act
- Pilot ACAT 1 Programs (MS A through MS C)
 - Selection criteria and metrics established
 - Avoid OSD, Service & Congressional “takes”

Funding Stability = Predictable Performance



Aggressive Implementation

Short Term

Concept Decision/Time Defined Acquisition
Evaluation of Alternatives (EOA)
Risk-Based Source Selection
Award Fee and Incentives
Restructured DAES
DCMA/Earned Value Management Tripwires

Mid Term

Portfolio Management
Investment Balance Reviews
Capital Accounts
Small Business Programs (SBIR et al)
Acquisition of "Services" Policy
Common Data/DAMIR/NGA

3-6 months

6-12 months

12-24 months

Continuous Implementation

Centers of Excellence

Systems and Software Engineering
Program Management
Acquisition Policy and Contract Management
Industrial Policy
Small Business Programs
Systems of Systems Management
Defense Acquisition University
Defense Contract Management Agency

Long Term

Synchronize Processes
Off the GAO High Risk List
Process Optimization
FOGO/OIPT/WIPT/DAB
Continuous Improvement

Source: FY07 AT&L Strategic Goals Implementation Plan



Streamline and Simplify

Metric	From	To
Acquisition Yrs	10	5
Meeting Hrs	2	1
Memo Days	40	4
Briefing Pages	30	3
Analysis	FSA + AoA	EOA
Solutions	Objective	Bounded
Meeting Focus	Status	Results
Leadership Attention	Cyclic	Most Pressing
Decisions Driven By	Performance	Trade Off

Checks and Balances - Open and Transparent



Vision of Success in 24 Months

Streamlined and Simplified Acquisition

Improved Quality and Reduced Time For Decision Making
Earlier Initial Operational Capability with Incremental Approach

Affordable and Predictable Outcomes

Bounded Choices – Trade Space Driven (requirements, schedule, cost)
Open and Transparent Data and Information Management

Improved Centers of Excellence

Systems and Software Engineering
Program Management / Contract / Pricing / Cost Expertise

Responsibility and Accountability Alignment

Trust, Integrity, and Ethics as the Cornerstones

Broadened Globalization, Innovation and Competition

Well-Characterized Industrial Base Aligned to Skills and Strategy

“THE WILL TO CHANGE ...”



Questions and Answers

Thank You