DR. KAMINSKI DELIVERS KEYNOTE ADDRESS

Transforming the Way We Buy Goods and Services

Andrea Garcia

"The Acquisition Streamlining Act of 1994 is the most significant change in law affecting procurement in five decades. It will transform the way we buy goods and services." These were the opening words of Dr. Paul Kaminski, Under Secretary of Defense for Acquisition and Technology, in his keynote address to the Defense Acquisition University (DAU) Training and Education Conference, on 13 October 1994, in McLean, Virginia.

Dr. Kaminski had just come from the ceremony in which President Clinton signed the Act into law. He believes the new law has solid potential to save money, give us better access to technology, and enable us to improve our readiness.

Despite the end of the Cold War and severe cuts in the defense budget, Dr. Kaminski says we still need a vigorous technical and industrial base to counter threats to national security. He called for dramatic action to integrate the defense industrial base with the commercial industrial base and unify them into a *national* industrial base. He says this is an idea whose time has come.

Ms. Garcia is a Professor of Systems Acquisition Management, Acquisition Policy Department, DSMC.

Dr. Paul Kaminski, Under Secretary of Defense for Acquisition and Technology

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And times have changed. In the past, when the Department of Defense was the dominant customer, companies often set up separate organizations to do government business. Many leading companies cannot afford to do that anymore, nor do they need to. Commercial business, not the Government, is now the driver behind many of our high-technology industries. For example, in the 1960s, DoD bought two-thirds of all domestic computers and semiconductors; today, DoD buys less than five percent. DoD now has to "ride on the shoulders" of the commercial marketplace.

To adapt to this new environment, Dr. Kaminski believes DoD must buy commercial products more often, make greater use of commercial buying practices, and use non-government specifications and standards. The Acquisition Streamlining Act will facilitate the use of commercial products and practices in three ways:

(1) It lifts many government-unique provisions and allows DoD to follow general business practices so that companies will not need two separate production lines.

(2) It raises the dollar threshold for simple procurement procedures from $25,000 to $100,000. This will affect about 40,000 purchases per year. Over

99 percent of all contract actions will now be under the simple procedures, saving a tremendous amount of time and money. And for "micro" purchases under $25,000, government personnel will be able to buy items at a local store using a government credit card.

(3) It establishes a Federal Acquisition Computer Network, an automated list of what the government wants to buy. Companies will submit proposals electronically, avoiding paper solicitations and paper contracts.

DoD must go beyond the reforms in the new law in order to minimize the use of military specifications (MIL SPEC) and standards. This summer, Secretary of Defense William J. Perry issued guidance calling for the Services to use MIL SPECs and standards on an exception basis only. Dr. Kaminski noted, "We have turned the system upside down...now we must tell the contractor *what* we need the system to do, not *how* to do it."

The benefits are dramatic. For example, during Operation Desert Storm the Army needed to acquire a new receiver for the Global Positioning System. Under the old MIL SPEC, the receiver would have cost $34,000, weighed 17 pounds, had only one channel, and taken 18 months to procure. Instead, the Army bought the receiver using commercial specifications, and the receiver cost just $1,300, weighed less than three pounds, had multiple channels, and took just six months to procure.

Dr. Kaminski noted that it took "patience, sweat and determination to get the Act through Congress. It will take the same to implement it." He cautioned us not to underestimate the difficulty; we must overcome deep-seated and long-held practices, and it will take the commitment of the whole acquisition community. He also prevailed upon the faculty and staff of the Defense Acquisition University and its consortium schools to ensure the acquisition workforce gets the education and training needed to realize these reforms.

In closing, Dr. Kaminski said that the Federal Acquisition Streamlining Act of 1994 is the beginning of a revolution in defense acquisition. It will cut paperwork and simplify the acquisition process. It will give us quicker and easier access to defense technology. And it will help both government and industry.

SECRETARY KAMINSKI APPOINTS THOMAS M. CREAN NEW DAU PRESIDENT

The Under Secretary of Defense (Acquisition and Technology), Honorable Paul G. Kaminski, recently announced the appointment of Thomas M. Crean as President, Defense Acquisition University (DAU), effective 21 November 1994.

Mr. Crean has extensive education and training, management, and acquisition experience in the Department of Defense. He is a retired colonel in the Army Judge Advocate General's Corps, and served as both the Commandant and the Chief of the Administrative and Civil Law Teaching Division of the Judge Advocate General's School. In addition, he served as an instructor at the Judge Advocate General's School and the Army Engineer School. Continuing his diversified career with the Judge Advocate General's Corps, he served as both the chief and assistant chief of the Judge Advocate General's Personnel, Plans, and Training Office where he was responsible for education and training policy for military and civilian lawyers.

Mr. Crean served as the chief legal officer for some of the Army's largest commands, including III Corps and Fort Hood, Texas, and the U.S. Army, Europe. He was responsible for the entire legal functions of those organizations, including acquisition law, civil law, administrative law, and criminal law, as well as the operational management of the legal offices and personnel. Mr. Crean also served as a contracting officer's representative and Chairman of the European Command Remedies and Performance in Contracting Committee. Before retiring, Mr. Crean served as Senior (Presiding) Judge of the U.S. Army Court of Criminal Appeals.

Mr. Crean is a graduate of Fordham College and Fordham Law School, the U.S. Army Command and General Staff College, and the Army War College. His military decorations include the Legion of Merit (1st Oak Leaf Cluster); Bronze Star (1st Oak Leaf Cluster); Meritorious Service Medal (2d Oak Leaf Cluster); and one award each of the Air Medal, Army Commendation Medal, and the Army Achievement Medal.

Mr. Crean resides in Springfield, Virginia, with his wife, Donna, a first-grade teacher. His daughter, Kelly, attends Mount Saint Mary's College in Emmitsburg, Maryland; and his daughter, Katie, is a student at West Springfield High School, Springfield, Virginia.