violations of appropriate standards of behavior in contracting.

Q

Strategic Sourcing has been defined as the "collaborative and structured process of analyzing an organization's expenditures and using the information to make business decisions about acquiring commodities and services more effectively and efficiently." The data generated through strategic sourcing are expected to provide more transparency and accountability, and allow for the development of organizational efficiencies. How is this initiative operating today?

A

The Department of Defense, as the largest purchasing organization in the world, spent approximately $300 billion to purchase goods and services in fiscal year 2006. We treat sourcing as a strategic function because it is vital to the success of our efforts to provide reliable, responsive, and cost-effective capability and support to the warfighter.

Strategic sourcing provides the department the ability to leverage regional and DoD-wide spend opportunities; optimize productivity and improve force development opportunities, and strategically acquire and manage services. Through strategic sourcing, the DoD ensures the most efficient and effective manner of buying products and services that are necessary to support the warfighter.

Q

How has the increasing emphasis on joint logistics and programs changed the way your Department operates?

A

I believe the most important thing we are doing is providing cradle-to-grave policy emphasis to logistics planning and long-term sustainment.

Our policies are being revised to ensure that logistics planning is a vital, early consideration in the development of joint program requirements and the identification of alternatives to satisfy those requirements. In that context, we are increasing our emphasis on policy not only to the acquisition of capability, but also to the long-term cost of ownership. To that end, Mr. Krieg initiated a pilot program in April to develop the most efficient business practices to incorporate the fully burdened cost of energy into acquisition decisions. We will be required to consider, at the earliest stages of development, the cost of energy for all tactical systems as a key component of the cost associated with operating and owning a given capability.

Q

Mr. Assad, thank you for your time.

From Our Readers

PBL Lessons Learned

I very much liked the article "Top Ten PBL Lessons Learned" by Ron Klein, Tim Stone, and Mike Murphy in the May-June 2007 issue of *Defense AT&L*. It was particularly helpful to me in a current task I have of assessing the logistical aspects of the software sustainment on the Joint Strike Fighter. I trust the authors are aware that JSF is planning to rely heavily on PBL.

I particularly liked the authors' point about understanding the difference between cost and logistics, and finding the optimal solution. I also really liked lesson 10, and the summary of how hard change is, especially in the government.

Thanks to the authors for a great article and sharing their expertise with *Defense AT&L* readers!

Al Kaniss
Naval Air Systems Command

Risk Identification

I enjoyed reading Douglas J. Bragdon's excellent article on the importance of risk identification in the risk management process in the May-June issue. Mr. Bragdon's point that the identification process is not a one-shot effort is well taken; identification has to be a continuous process as technical risks continue to surface throughout the acquisition process. I'm recommending to the DAU risk management knowledge project officer that the article be included as part of the risk management community of practice in the DAU Acquisition Community Connection (ACC).

Bill Bahnmaier
President, DAU Alumni Association