

To Boldly Go ... Into Defense Acquisition

The Program Manager's Rules of Acquisition

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Fans of the television show *Star Trek: Deep Space Nine* will immediately recognize the recurring theme of “The Rules of Acquisition.” In the *Star Trek* universe, The Rules of Acquisition are promulgated by a ruthlessly entrepreneurial species known as the Ferengi. There are supposedly 286 existing rules covering everything from negotiation techniques to risk management, but most focus on profit, which is the main concern of the Ferengi. If you haven't been exposed to the Rules of Acquisition, many are very entertaining, and I urge you read them. I'll cite a few in this article for your benefit.

Several of the Rules of Acquisition are worth heeding for those of us who boldly go into defense acquisition. A few apply directly to our business such as:

- Rule of Acquisition Number 3: *Never spend more for an acquisition than you have to.*
- Rule of Acquisition Number 62: *The riskier the road, the greater the profit.*
- Rule of Acquisition Number 218: *Always know what you're buying.*

They are as true today as they will be in the 24th century. Several—such as Number 192: *Never cheat a Klingon, unless you can get away with it*—are somewhat less useful to us in this century.

Having seen acquisition from both the government and industry sides of the aisle, I would offer two additional Rules of Acquisition to benefit to all parties in our little corner of the galaxy.

Rule of Acquisition Number 287: You're the program manager. It's YOUR statement of work.

The heart of the government-contractor relationship on any particular program is the statement of work. Too often, everyone involved in the program considers this document more of a nuisance than a touchstone. But as a program manager, it is the founding document in the

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relationship. It doesn't belong to the chief engineer or the contracting officer; it belongs to you, the program manager. As a program manager at any level, preparing the statement of work correctly is your responsibility and should be a top priority as you develop your acquisition strategy.

A good, well-written, and understandable statement of work will allow the contractor to quickly grasp program requirements and more accurately assess risk. That results in better proposals and shortens contracting and acquisition timelines. A poor statement of work only leads to confusion, arguments, and uncertainties throughout the term of program. Too often, both parties think they know what the other party wants or will commit to doing, so they don't bother to put it down on paper. But as programs evolve and people transfer, the folks who come later are left to pick up the pieces and try to guess what to do or what the originators had in mind. To the extent possible, (coincidentally, a bad statement of work phrase) government program managers should review a draft statement of work with their contractor counterparts to ensure all the bases are covered and there are no areas that are likely to be misinterpreted.

An Effective Handbook

Although dated, MIL-HDBK 245 on statements of work is still very useful and contains a wealth of relevant guidelines—especially a series of do's and don'ts that are the product of years of experience and lessons learned. For

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example, some do's the handbook advises: You should tailor specifications and standards to avoid over-specifying, and you should make sure you give the contractor the ability to use commercial products where appropriate. Don't establish your delivery schedule in the statement of work—there is a specific section for that in the contract, and you don't want to create the potential for a conflict. Probably one of the most important don'ts is don't tell the contractor how to do the job; tell the contractor what you want accomplished and let him figure out the most efficient way to get it done under the cost and schedule constraints. As far as possible, follow the standard statement of work format described in MIL-HDBK 245. It's well-known and assists the reviewers and implementers in locating all the relevant requirements. Lay it out clearly for them; don't make it a hunting expedition.

It also helps to amplify the work-breakdown structure, which will lead to more effective use of earned value management. By doing that, the contractor should be able to more easily grasp the breakdown of the system, which will speed the development of work packages and cost accounts that will establish the baseline for earned value management.

There are also continuous learning modules available from the Defense Acquisition University that will help you improve your statement of work.

Use Clear Language

Especially avoid big black holes like vague requirements or open-ended statements during statement of work development. Phrases like "as required" add no value and only cause confusion—after all, you're the customer. Don't you know what you require? If the government doesn't know, how do you expect the contractor to know? In the example I mentioned in a previous paragraph, "to the extent possible" may have different meanings to both parties. Work that might seem possible to the government under the current contract funding might not be seen as possible by the contractor.

Pay careful attention to all the work words such as "design" or "construct." Spend the extra time to craft language that can be related to specific, definable actions. Avoid words that require individual judgment, drive unneeded work, or whose definition could differ in different eyes of the beholder. Words like "accurate," "properly," "neatly," or "pleasing" mean different things to different people. Remember, to one Ferengi, another Ferengi might look quite "pleasing," but not necessarily to you!

Know Your Audience

Assume your statement of work will be read and implemented by many people working on the program whom you don't know and you may never meet, such as team members in Defense Contract Management Agency who



may not have the same intimate knowledge of the program that you do. Is your statement of work going to be used as part of a source selection? You may have evaluators from other organizations referring to it. You owe it to all parties to be as specific and detailed as you can since you may not be present to explain it to them.

Assess your program. Will it be a competition or sole source? Will the statement of work be read by contractors who have done this type of work before, or is this a completely new effort? If you have limited opportunities to dialogue with potential bidders, take the time to ensure your narrative is complete so they can grasp the big picture. Try to put yourself in the shoes of the bidder or contractor. What would you need to know to do the job? Are you specifying what to do or how to do it? I've seen several instances in which both the government and the contractor said—but didn't write down—"I know what they want," or "They know what I want." Do you? Did they? The only way to be sure is to specify it in the statement of work.

If all else fails, role play. Read the draft statement of work as if you were the other party in the program. Does it make



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sense to you? Is it specific enough? Are there loopholes or ambiguities? Do you understand what the government wants you to do? Do you understand what you're asking the contractor to do? Are you asking for data items you will never read or use? Are you ordering photon torpedoes when a phase cannon would meet your requirements? (In other words, are you ordering something bigger than you need?)

Ask a colleague on another program or your acquisition support office to review your draft statement of work to see if you've missed anything or if the requirements are unclear. Also, if you find you've over-specified something that might end up costing too much money, better to find that out in the draft phase rather than after the program is on contract. Taking time to craft a complete and proper statement of work will save everyone time, money, and stress as you execute the program.

Commit yourself to making the statement of work a quality product (and remember Rule of Acquisition Number 8: *Small print leads to large risk.*) The statement is your best tool to define the bounds of the program, and it will live on long after you have moved on to the next star system.

Rule of Acquisition Number 288: Read the contract

Beyond the knowledge of the statement of work, all program managers should read the final signed contract from cover to cover. Don't rely exclusively on the contracting staff to point out all the unusual terms and conditions. While many will give you their full support, no one knows

the program like the program manager. It is up to you as a program manager to be aware of the requirements of the program. Don't wait for things to come back and bite you later.

Make Sure Everyone's Clear

At the first opportunity, go over the contract as a team or an integrated product team and make sure everyone is clear on not only the scope of work, but the terms, conditions, and any special requirements. Pay particular attention to the data items. For example, if you can submit data electronically, don't go through all the extra trauma of generating endless paper copies. Is there government-furnished equipment/data involved? Is it specified clearly? Is it realistic to plan for it to be delivered as promised? By reading the contract closely, you'll know if you need to build in lead time—and it's better to do it at the beginning of the program.

Verbal Agreements Aren't Enough

Once your contract has been signed and your program is under way, more than likely changes will occur—in requirements or delivery schedules or as a result of unanticipated work problems. Expect that will happen. How you manage those changes will determine how successful your program execution will be. Discussions between the contractor and the program office concerning the impact of changes are normal, but once a way ahead is decided on, follow it up with a formal contract change and get it on paper. Remember Rule of Acquisition Number 262: *A verbal contract isn't worth the paper it's printed on.* If a verbal agreement isn't written into the contract in the form of a change, it didn't happen. Make it a point to document the changes as soon as possible before other program activities get the best of you and the team forgets what they agreed to in the first place.

Give some thought to those who come after you. When you rotate out—and you will eventually—how can you expect your successors to know the substance of discussions that occurred long before they joined the program team? When you do rotate out, make a departure checklist item to go over the contract with your successor. If a problem comes up later into the program that could have been resolved earlier if all parties had read the agreement, won't you all look a bit foolish?

I'd like to tell you that knowledge of all the Rules of Acquisition will make your job easier, but as the Ferengi know, there's always Rule Number 285: *No good deed ever goes unpunished.* However, if you implement the two new Rules of Acquisition I've given you, you are sure to live long and prosper in our universe of program management

The author welcomes comments on this article and may be contacted at bjdasp@rit.edu.