

# Acquisition Symposium '99

## Government-Industry Collaboration — How Far Can We Go?

TODD WILLIAMSON

**A**cquisition professionals from across the nation joined their colleagues May 18-20 at the Sixteenth Annual Defense Systems Management College Alumni Association (DSMCAA) "Acquisition Symposium '99." Designed as a forum to exchange ideas on current acquisition issues, this year's symposium was held at the DSMC main campus, Fort Belvoir, Va.

Participants took the opportunity to learn more about the college, delve into current issues, and network with other Service, agency, and industry professionals. This year's theme, "Government & Industry Collaboration: How Far Can We Go?" highlighted the imperative for collaboration between industry and government.

### Institutionalizing Collaboration

The theme was selected because in order to, as Dr. Jacques S. Gansler, Under Secretary of Defense (Acquisition & Technology), would say, "accelerate the revolution," collaboration will have to be institutionalized. To foster that attitude, this conference, unlike others that have addressed the same issue, focused on industry and government working together to jointly accelerate the revolution and produce an awareness of the need for cultural change instead of focusing on any one particular functional issue.

Throughout the three-day event, participants had the opportunity to select from more than 30 discrete workshops tied to the symposium theme. As symposium attendees know, the workshops are where the real idea exchanges take place.



FRANK VARACALLI, DSMCAA PRESIDENT (LEFT), PRESENTS THE DAVID D. ACKER AWARD FOR SKILL IN COMMUNICATION TO DR. KEN OSCAR, DEPUTY ASSISTANT SECRETARY OF THE ARMY (PROCUREMENT).

### Day 1

Tuesday's activities began with a morning welcome from the DSMC Commandant followed by the keynote speech.

### A WORD FROM JOHN DOUGLASS

Navy Rear Adm. Leonard Vincent, DSMC Commandant, welcomed the participants and encouraged the audience to "think and be different." Introducing the keynote speaker of the morning, Vincent said John Douglass, President and CEO of Aerospace Industries Association (AIA), "has probably done every job in acquisition," including serving as the



RICH REED, DSMC PROVOST AND DEPUTY COMMANDANT, CHALLENGED THE AUDIENCE TO CONSIDER OPPORTUNITIES FOR COLLABORATION IN THEIR PROFESSIONAL LIVES AND BE AT THE FOREFRONT OF EXPLORING "JUST HOW FAR WE CAN GO IN THIS BUSINESS OF ACQUISITION REFORM."

*Williamson is the managing editor, AR Today, DUSD(AR)'s bimonthly, printed newsletter.*



“OUR STRENGTH LIES NOT ONLY IN OUR COMMON AREAS, THE WAYS IN WHICH WE ARE ALIKE, BUT ALSO IN OUR DIFFERENCES AND THE WAYS IN WHICH GOVERNMENT AND INDUSTRY COMPLEMENT EACH OTHER.”

—DR. PATRICIA SANDERS  
DIRECTOR, TEST, SYSTEMS ENGINEERING AND EVALUATION  
KEYNOTE SPEAKER



1999-2000 DSMCAA BOARD OF ADVISORS. SEATED FROM LEFT: COLLEEN PRESTON, FORMER DUSD(AR); RETIRED ARMY GEN. DONALD KEITH; NAVY REAR ADM. LEONARD VINCENT, DSMC COMMANDANT; RETIRED NAVY VICE ADM. WILLIAM C. BOWES. STANDING FROM LEFT: WAYNE GLASS, DSMCAA VICE PRESIDENT (OPERATIONS); DR. DAVID S. CHU, VICE PRESIDENT, RAND CORPORATION, ARMY RESEARCH DIVISION, & DIRECTOR, ARROYO CENTER; FRANK VARACALLI, DSMCAA PRESIDENT; TEL CHARLAND, DSMCAA DIRECTOR AT LARGE.



FROM LEFT: RETIRED NAVY VICE ADM. WILLIAM C. BOWES; LINDA RUSK, SENIOR VP, CONTRACTS, RAYTHEON SYSTEMS COMPANY; SALLIE FLAVIN, ASSISTANT DEPUTY CHIEF OF STAFF, ADCSRDA, HQ AMC; THOMAS BRUNK, DEPUTY COMMANDER, DCMC; TIM BEYLAND, ASSOCIATE DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE FOR CONTRACTING.

# DSMC Hosts SIXTEENTH ANNUAL “ACQUISITION SYMPOSIUM”

May 18-20 Symposium Focuses

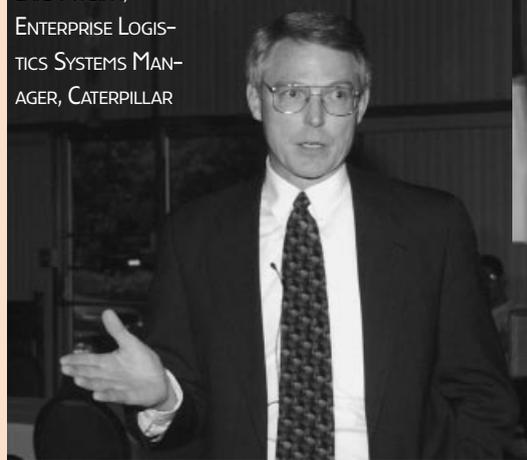
FROM LEFT: NAVY REAR ADM. LEONARD VINCENT, DSMC COMMANDANT; JOHN DOUGLASS, PRESIDENT AND CEO OF AEROSPACE INDUSTRIES ASSOCIATION (AIA); MELISSA HOUGHTON, SRA; FRANK VARACALLI, DSMCAA PRESIDENT.



PETE DEMAYO, VP OF CONTRACTS, LOCKHEED MARTIN



BOB MYLOTT, ENTERPRISE LOGISTICS SYSTEMS MANAGER, CATERPILLAR



BERNIE RUDWICK, FORMER DSMC PROFESSOR



# ANNUAL ALUMNI ASSOCIATION SYMPOSIUM '99"

## on Government-Industry Collaboration

FROM LEFT: DONALD ERVINE, CEO, VSE INC.; ELLIOTT BRANCH, NAVY EXECUTIVE DIRECTOR, ACQUISITION AND BUSINESS MANAGEMENT, OFFICE OF THE ASN(RDA); DR. KEN OSCAR, DEPUTY ASSISTANT SECRETARY OF THE ARMY (PROCUREMENT); STAN SOLOWAY, DEPUTY UNDER SECRETARY OF DEFENSE (ACQUISITION REFORM); MELISSA HOUGHTON, DSMCAA VP, SYMPOSIUM; NANCY ARCHULETA, CEO, MEVATEC.



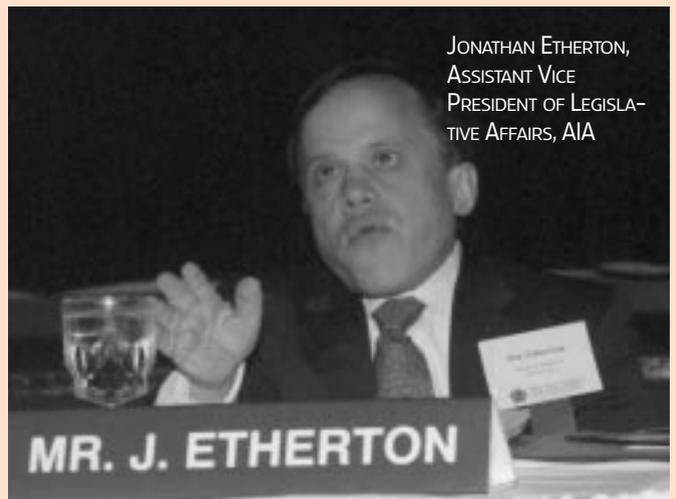
FROM LEFT: WAYNE GLASS, VICE PRESIDENT (OPERATIONS), DSMCAA; FRANK VARACALLI, DSMCAA PRESIDENT; DR. PATRICIA SANDERS, DIRECTOR OF TEST, SYSTEMS ENGINEERING AND EVALUATION, OFFICE OF THE SECRETARY OF DEFENSE; MELISSA HOUGHTON, SRA; ARMY COL. JOSEPH JOHNSON, DEAN, DIVISION OF COLLEGE ADMINISTRATION & SERVICES, DSMC; ARMY LT. COL. MARK SALESKY, DSMCAA ARMY SERVICE REPRESENTATIVE.



SYMPOSIUM PARTICIPANTS DURING A WORKSHOP SESSION.



FROM LEFT: DR. MARVIN LANGSTON, DEPUTY ASSISTANT SECRETARY OF DEFENSE (CIO POLICY & IMPLEMENTATION); DR. WILLIAM MULARIE, DIRECTOR OF INFORMATION SYSTEMS, DEFENSE ADVANCED RESEARCH PROJECTS AGENCY; MELISSA HOUGHTON, SRA; RETIRED NAVY VICE ADM. WILLIAM HANCOCK, PRINCIPAL, TECH STRATEGIES AND ALLIANCES; GIBSON LeBOEUF, DEPUTY DIRECTOR, NAVY INTERNATIONAL PROGRAMS OFFICE; RICHARD CAIME, VP OF STRIKE WEAPON SYSTEMS, LOCKHEED MARTIN ELECTRONICS AND MISSILES.



JONATHAN ETHERTON,  
ASSISTANT VICE  
PRESIDENT OF LEGISLA-  
TIVE AFFAIRS, AIA

ASN(RDA) [Assistant Secretary of the Navy for Research, Development & Acquisition].

"I started in 1959," Douglass began. "There has been enormous change since then." Back then, members of the acquisition workforce were considered second-class soldiers. "Acquisition," he observed, "has gotten more professional."

Douglass noted that not only has the professionalism of the workforce improved, but relationships between the military and contractors have also improved. Government-industry relationships, he said, were adversarial at first.

"In the Civil War, there was no logistics support in the unit. If you were going to use it, it went on your back. Private individuals known as 'Sutlers' supplied the federal side. This was the beginning of bad feelings of collaboration.

"World War II," he continued, "brought fresh rules. President Roosevelt placed public funds in the hands of private industry so they could quickly build the military." This, he explained, was the beginning of Government Furnished Equipment (GFE). With GFE came new oversight of defense companies by the military. Contractors were discouraged to even have a commercial side to their business. Douglass recounted the time a military officer at a shipyard proudly told him that he had successfully chased all commercial work out of the shipyard.

Even up to the 1980s, hard feelings continued. Former Secretary of Defense Caspar Weinberger, Douglass said, was proud of the fact that he would not meet with the CEOs of defense companies.

Douglass stated that if the military is going to integrate to a commercial way of doing business, the corporations that contract with the military must [be allowed to] build up a commercial business.

DoD, he suggested, should look at implementing Price Based Acquisition, eliminating Cost Accounting Standards and Cost and Pricing Data, and repeal-

ing the Truth in Negotiations Act. "That," he emphasized, "is Dr. Gansler's dream, and it is a good one!"

### STATE OF THE COLLEGE

DSMC Commandant, Navy Rear Adm. Leonard Vincent spoke on the state of the Defense Systems Management College. He noted that even though 99 percent of graduates approve of their time spent at DSMC, "We are still chasing that 1 percent.

"We want to take advantage of technology," he reassured the attendees. "DSMC is in a transition toward distance learning. We did not make Dr. Gansler's goal of 25 percent of courses online, but DSMC does have five courses that are taught solely online including ACQ-101. DSMC expects to have three more courses online by October, 2000: BCF-102, TST-101, and ACQ-201 online by October 1999, June 2000, and October 2000 respectively," he said.

DSMC has also made improvements to the Advanced Program Management Course (APMC). According to Vincent, the new APMC course includes, "more critical-thinking skills." It also addresses the problems students want solved.

To speak about the recently revamped APMC, Vincent introduced Dr. J. Robert Ainsley, program manager of the Acquisition Management Curriculum Enhancement Program (AMCEP).<sup>1</sup> Ainsley and his group recently enhanced PMT-302 to include more real-world situations.<sup>2</sup>

The enhanced course includes information management skills and focuses on problem-based learning. "The faculty becomes more like facilitators and less problem solvers," Ainsley explained. "We will augment the case studies with problem-based learning."

### CAPITOL HILL PERSPECTIVE

Following Ainsley's presentation, luncheon speaker, Jonathan Etherton, Assistant Vice President of Legislative Affairs at the AIA, gave a quick overview of acquisition reform issues on Capitol Hill. "Legislative changes," he said, "are made

one member at a time. The Congress is focusing on access to communication technology and contract formulation.

"Acquisition reform," Etherton said, "has for the past five to six years come from the Senate."

On the positive side, the Congress will soon have formal discussions on Total Ownership Cost issues. The [Section] 912 process is considered very big, he added, and the Congress is also working on defining Price Based Acquisition (PBA).

On the negative side, with the distractions of Kosovo and the state of readiness issue, and the Congressional desire to finish DoD bills as quickly as possible, Etherton told the attendees that the Civil-Military Integration package did not make it into the FY2000 authorization. However, he expects to see CMI in the FY2001 authorization.

In closing, Etherton said he believes, "We need new visions and new attitudes for long-term change."

### PANEL

Thomas Brunk, Deputy Commander, Defense Contract Management Command, moderated the first panel session, "Cooperation in Contracting for Acquisition Managers." Panelists included retired Navy Vice Adm. William Bowes, VP Strategic Planning, Litton Industries; Tim Beyland, Associate Deputy Assistant Secretary of the Air Force for Contracting; Linda Rusk, Senior VP, Contracts, Raytheon Systems Company; and Sallie Flavin, Assistant Deputy Chief of Staff for RDA Army Materiel Command.

Bowes, who retired in 1996, said of acquisition reform, "A lot has been done, but much more needs to be done." He believes DoD has "torn down the adversarial relationships."

Rusk suggested the "increased use of Integrated Process Teams." Contractors, she said, "must be free to talk to the government. IPTs achieve that openness." Beyland agreed. "We need the support of industry," he said.

Flavin promoted requirements flexibility. "We are learning to have flexibility in contracts. We need to understand what they [requirements] are and then sit down and work out the contract."

Rusk, answering a question about Alpha Contracts, said Raytheon has "had a lot of success with this. It's not adversarial and we can create the requirements together."

#### WORKSHOPS

Day 1 workshops included, "Contracting for Contractor Logistics Support," "Using Collaboration Tools in Acquisition Management," and "A Business Case for Reducing DoD Product Development Time."

#### Day 2

Wednesday's highlights included a panel discussion on "Cooperation in Civil-Military Integration (CMI)."

#### CMI - A NATURAL LEVEL OF ACQUISITION REFORM

Panel moderator Stan Soloway, Deputy Under Secretary of Defense (Acquisition Reform) and Director, Defense Reform, said, "One of the top priorities is to achieve CMI. CMI is a natural level of acquisition reform. We must begin adapting our practices to what happens in the commercial sector."

Panelists included Nancy Archuleta, CEO, MEVATEC; Donald Ervine, CEO, VSE Inc.; Elliott Branch, Navy Executive Director, Acquisition and Business Management, Office of the ASN(RDA); and Dr. Ken Oscar, Deputy Assistant Secretary of the Army (Procurement).

#### INDUSTRY PERSPECTIVE

At Wednesday's lunch, Pete DeMayo, VP of Contracts, Lockheed Martin, spoke on collaboration and the successes of military/industry partnerships. He said that IPTs are not exactly partnering but they are good successes. The acquisition process is long and costly. "We need the help of industry to do our job differently and better." Trust is the biggest inhibitor, according to DeMayo. "There are three points that are the basis for establishing a trusting relationship: one, making and

# Letter From the DSMC Alumni Association President

The DSMC Alumni Association, founded in 1983 by graduates of the Defense Systems Management College Program Management Course, has two organizational objectives. The first is to provide a member's forum for the continuing professional growth of the defense acquisition community. Our second objective is to provide a source of defense acquisition management expertise for the Defense Systems Management College (DSMC) and the association. If you're not yet a member, let's talk about getting you on board. You can find us at [www.dsmcaa.org](http://www.dsmcaa.org). I encourage you to explore our Web site and talk to the directors to learn about what we have to offer.

We offer two categories of membership. Regular Members include graduates of the program management courses, executive courses, and short courses given by DSMC; and present and past faculty and professional staff members assigned to DSMC. In a recent change to our constitution, the Associate Member category has been expanded to include all individuals in government and industry who are currently serving, or who have previously served, in defense acquisition program management positions, who do not qualify for Regular Membership.

The association is managed by a volunteer board of directors comprised of 12 elected members and four appointed Service representatives. The Service representatives provide a two-way link between the Services and the association to help us serve our members and to ensure that the views of the Service acquisition communities are well represented. The 1999-2000 directors are:

President - Frank Varacalli; Director at Large (June 01) - Melissa Houghton; Vice President (Operations) - Wayne Glass; Director at Large (June 00) - Gary Wimberly; Vice President, Membership - Norm McDaniel; Director at Large (June 00) - Tel Charland; Vice President, Symposium - Meredith Murphy; Director at Large (June 00) - Matt Gillis; Vice President, Publications - Paul McMahon; Army Representative - Lt. Col. Mark Salesky; Secretary - Chip Linnemeier; Navy Representative - Dona Lee; Treasurer - Tony Munera; Marine Corps Representative - Vacant; Director at Large (June 01) - Jim Ledbetter; Air Force Representative - Maj. Tom Brown.

We've recently rolled out an Internet Bulletin Board, which provides a forum for defense acquisition professionals and their industry counterparts (members only) to comment on and discuss topics relevant to our business in a threaded discussion forum setting.

The annual Acquisition Symposium, open to all members of the defense community, is the highlight of our operating year. The Sixteenth Annual Symposium, held at the DSMC main campus, May 18-20, Fort Belvoir, Va., represented a break from tradition. From a casual dress code to fewer formal sessions and a greater focus on workshops, this year's symposium was a huge success as we took on the topic of "Government/Industry Collaboration - How Far Can We Go?" The symposium had three central domains: Cooperation in Contracting, Cooperation in Civil-Military Integration, and Cooperation in International Sales/Manufacturing.

We're already starting to think about the June 2000 Symposium, and we'd like to hear your thoughts on themes, discussion panel topics, and workshops. Contact us at [dsmcaa@erols.com](mailto:dsmcaa@erols.com). I look forward to hearing from you.

-Frank Varacalli

keeping agreements; two, credibility; and three, openness.”

#### SPECIAL AWARD

Before the evening dinner banquet, Dr. Oscar received the David D. Acker “Skill In Communication” Award. The award is presented annually in memory of former DSMC professor David Acker, to one distinctive individual who has promoted and communicated acquisition management excellence to the acquisition workforce. Of those awards sponsored by the DSMCAA, the David Acker award ranks as the most prestigious.

The dinner speaker, Bob Mylott, Enterprise Logistics Systems Manager at Caterpillar, spoke on how Caterpillar revamped their logistics supply system and how their strategy might be applied to DoD. More than 90 percent of Caterpillar orders are filled within two business days; those remaining are filled within three. Mylott challenged the audience to think carefully about their individual roles in acquisition and how they might take advantage of industry best practices.

#### Day 3

Thursday’s activities began with a panel discussion, “Cooperation in Technology,” moderated by Dr. Marvin Langston, Deputy Assistant Secretary of Defense (CIO Policy & Implementation). Panelists included retired Navy Vice Adm.

William Hancock, Principal, Tech Strategies and Alliances; Richard Caime, VP of Strike Weapon Systems, Lockheed Martin Electronics and Missiles; Dr. William Mularie, Director of Information Systems, Defense Advanced Research Projects Agency; and Gibson LeBoeuf, Deputy Director, Navy International Programs Office.

#### A WORD FROM DR. SANDERS

The day’s keynote speech was by Dr. Patricia Sanders, Director of Test, Systems Engineering and Evaluation, Office of the Secretary of Defense. Sanders asked the audience to focus their thoughts on some aspects of partnerships that she believes to be applicable to collaboration between government and industry.

“Challenges facing us today are sufficiently large that we must cooperate if we hope to successfully meet them. Our strength lies not only in our common areas, the ways in which we are alike, but also in our differences and the ways in which government and industry complement each other. And a partnership that is not based on mutual benefit is doomed from the beginning.”

So what will the future look like as we go into the next century, Sanders asked? Forces in the field will likely face a wide range of threats from terrorists to rogue states equipped with a wide range of weapons. And beyond that period,

Sanders said, “We may even face a peer competitor, another power with the resources to challenge us on a global scale.

“So, whatever our individual challenges, if we join our talents and work together — reach across the boundaries that would tend to separate us, if you will — and form true partnerships, we can and will meet those challenges. After all, none of us is as smart as all of us.”

#### A CHALLENGE

After three days of workshops, question-and-answer panels and speakers, the participants were ready to take their knowledge back home.

In closing the symposium, Rich Reed, Provost and Deputy Commandant, DSMC, challenged the audience to consider opportunities for collaboration in their professional lives and be at the forefront of exploring just how far we can go in this business of acquisition reform.

#### REFERENCES

1. For more information on AMCEP, see p. 80, this issue.
2. *AR Today*, March/April 1999 edition, at <http://www.acq.osd.mil/ar/artoday.htm> on the DUSD(AR) Web site, also includes information on AMCEP.

## Army Contracting for the 21st Century

### Available Online

<http://acqnet.sarda.army.mil/acqref/default.htm>

