

SECTION
809
PANEL

*Streamlining
&
Codifying
Acquisition*

**Overview of Section 809 Panel
Recommendations**

Event: 16th Annual Acquisition Research Symposium

Speakers: David Drabkin, Charlie Williams, VADM(R) Joe Dyer, Hon Alan Burman

Date: May X, 2019/Time: XXXXXXXX

AGENDA

BOLD.

SIMPLE.

EFFECTIVE.

- 809 Panel Overview
- Dynamic Marketplace
- Small Business
- Portfolio Management
- Budget
- Q&A/Discussion

What is the Section 809 Panel?

- Congressionally mandated (FY16 NDAA), independent commission tasked with streamlining and improving defense acquisition process
- 16 commissioners who are senior marketplace and government leaders with more than 300 years of collective experience

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THE PANEL'S FRAMING RESEARCH QUESTIONS

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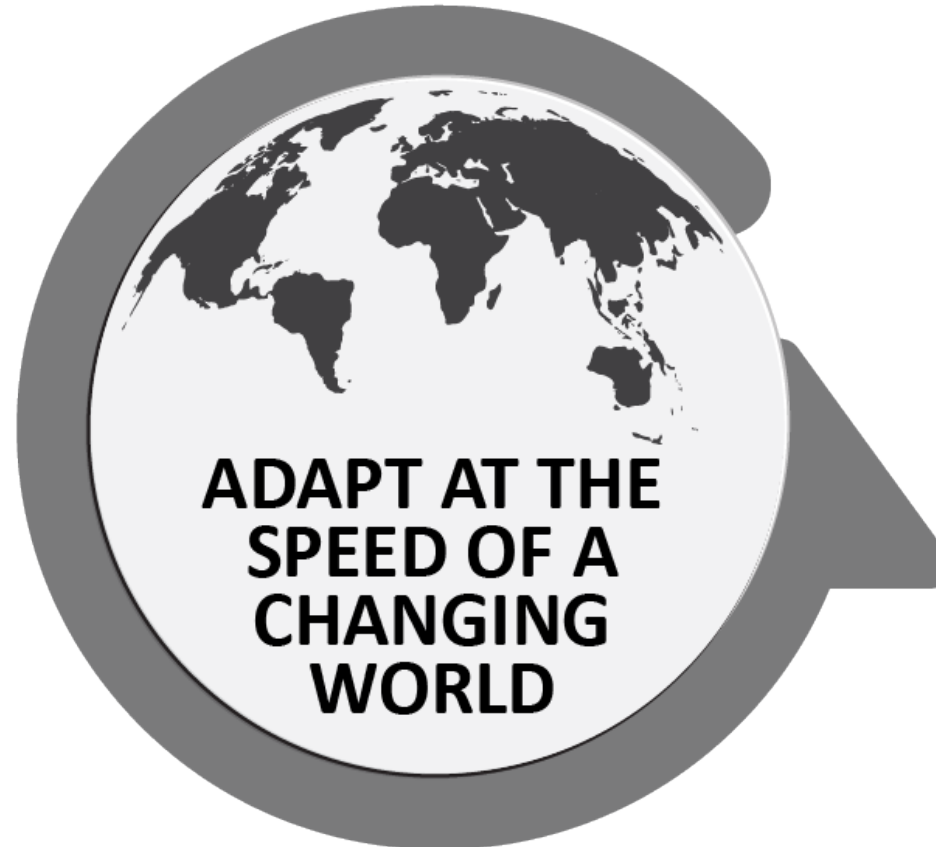
1. Provide **flexibility** to the workforce and employ modern capabilities to **incent innovation, creativity, and risk-taking**?
2. Create an environment that fosters a more transparent, appropriate, and productive relationship and dialogue among the buyers and sellers? **Results?**
3. Foster acquisition outcomes that support the agency's mission by providing the **right solution** at the right **time** at the right price?
4. Allow the system to **deliver capability successfully** within a dynamic and uncertain environment?
5. Result in a system that is **fair and transparent** to ensure the public's trust and to protect the parties' interests?
6. Support effective **competition**?
7. Allow the solution to precede the **requirements** when seeking **innovation**?
8. Shape a **workforce** within the defense sector with the capability and capacity to deliver the desired outcomes?

How Can the Defense Acquisition System Adapt at the Speed of a Changing World?

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Threat Environment

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New commercial technology will change society and, ultimately, the character of war. The fact that many technological developments will come from the commercial sector means that state competitors and non-state actors will also have access to them, a fact that risks eroding the conventional overmatch to which our Nation has grown accustomed. *Maintaining the Department's technological advantage will require changes to industry culture, investment sources, and protection across the National Security Innovation Base.*

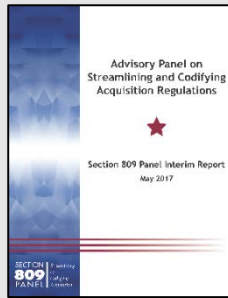
-- 2018 National Defense Strategy

Panel Reports

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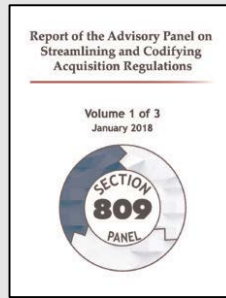
EFFECTIVE.



- 5 recommendations
- 3 statutory changes enacted in FY18 NDAA



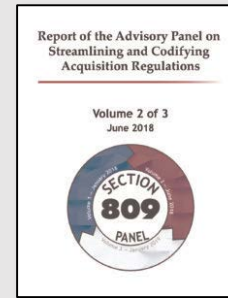
May
2017



- Addressed wide range of acquisition topics
- 24 recommendations
- 7 statutory changes enacted in FY19 NDAA



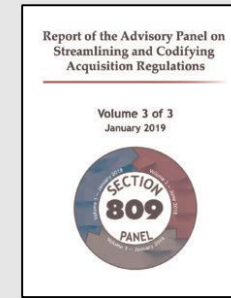
Jan
2018



- Introduced portfolio management concept
- 10 recommendations
- 1 statutory change enacted in FY19 NDAA



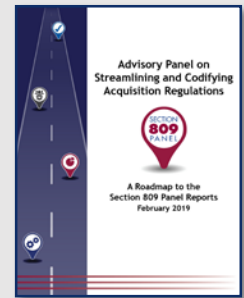
Jul
2018



- Fully describes dynamic marketplace
- 59 recommendations
- Statutory changes pending



Jan
2019



- Portrays vision for the Defense Acquisition System
- Summarizes the Panel's 98 recommendations



Feb
2019

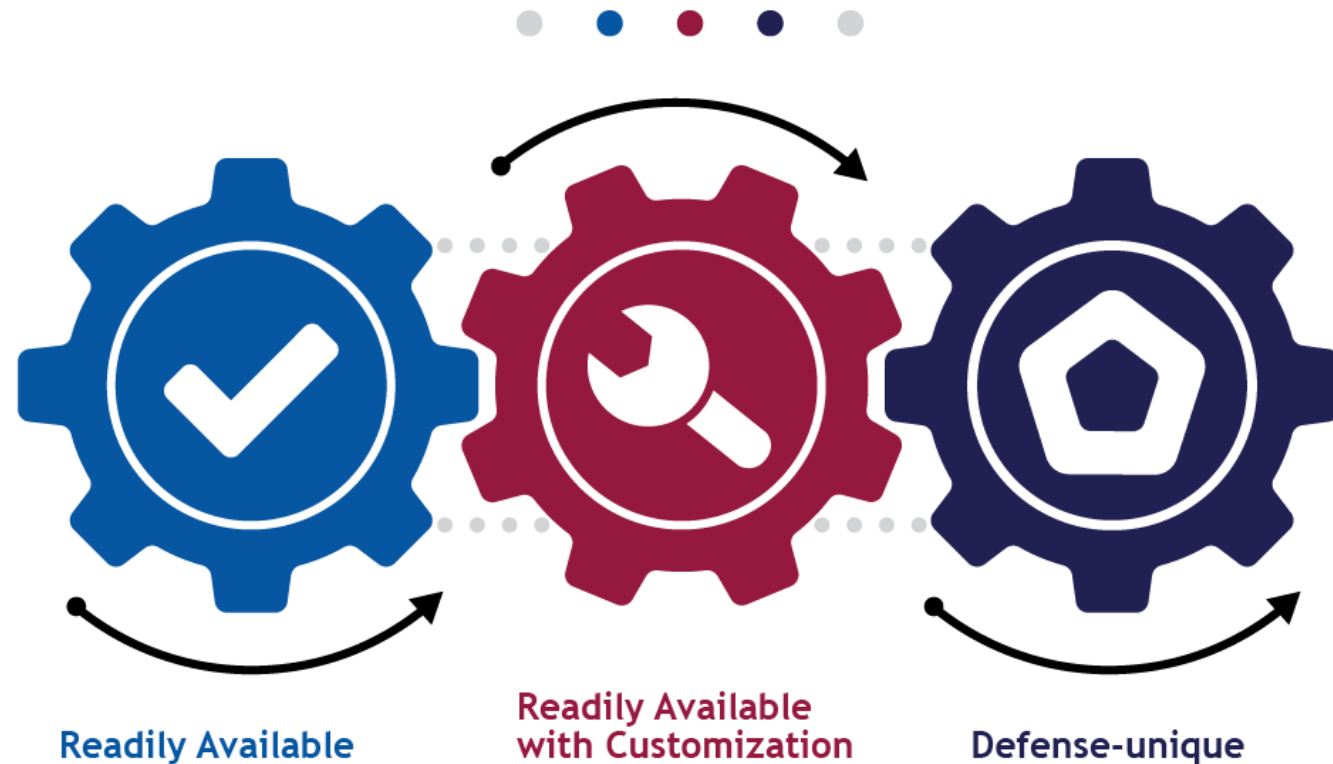
Dynamic Marketplace Framework

A radically simplified way of interacting with the private sector and contracting in the Dynamic Marketplace

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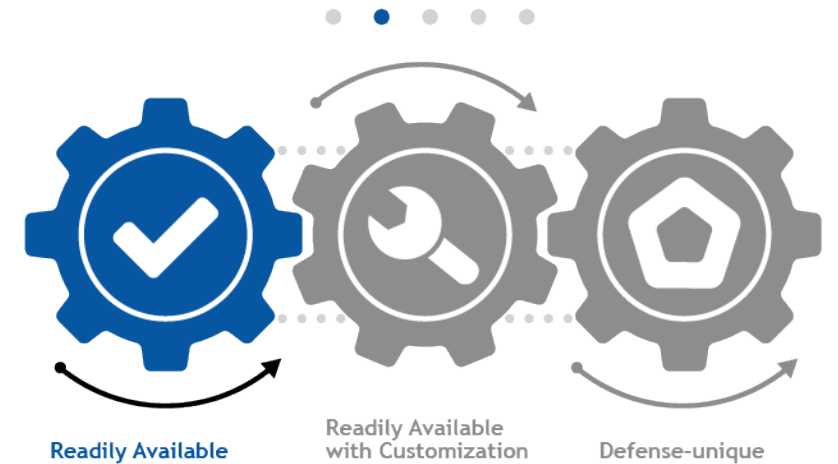
Dynamic Marketplace Framework: *Readily Available*

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- No customization
- Rapid delivery
- Mostly products, some services
- Transparent market-based pricing, terms, and competition
- Typically multiple sources
- Limited procurement laws/policies apply
- Simplified procedures



Small Business

Small Business Pivot Recommendations

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- Develop a DoD strategic plan for implementation of the small business program
 - Expand utilization of innovative and non-traditional small businesses
- The Panel wants to incentivize participation from innovative small businesses that currently do not pursue DoD contracts due to:
 - Long business development cycle time
 - Extensive compliance requirements
 - Bureaucratic red tape
- Initiate numerous legislative changes to enhance SBIR, RIF, and SB Technology Transfer (STTR) programs (e.g., SBIR and STTR sole-source RIF awards)

Portfolio Management

Portfolio Management Overview

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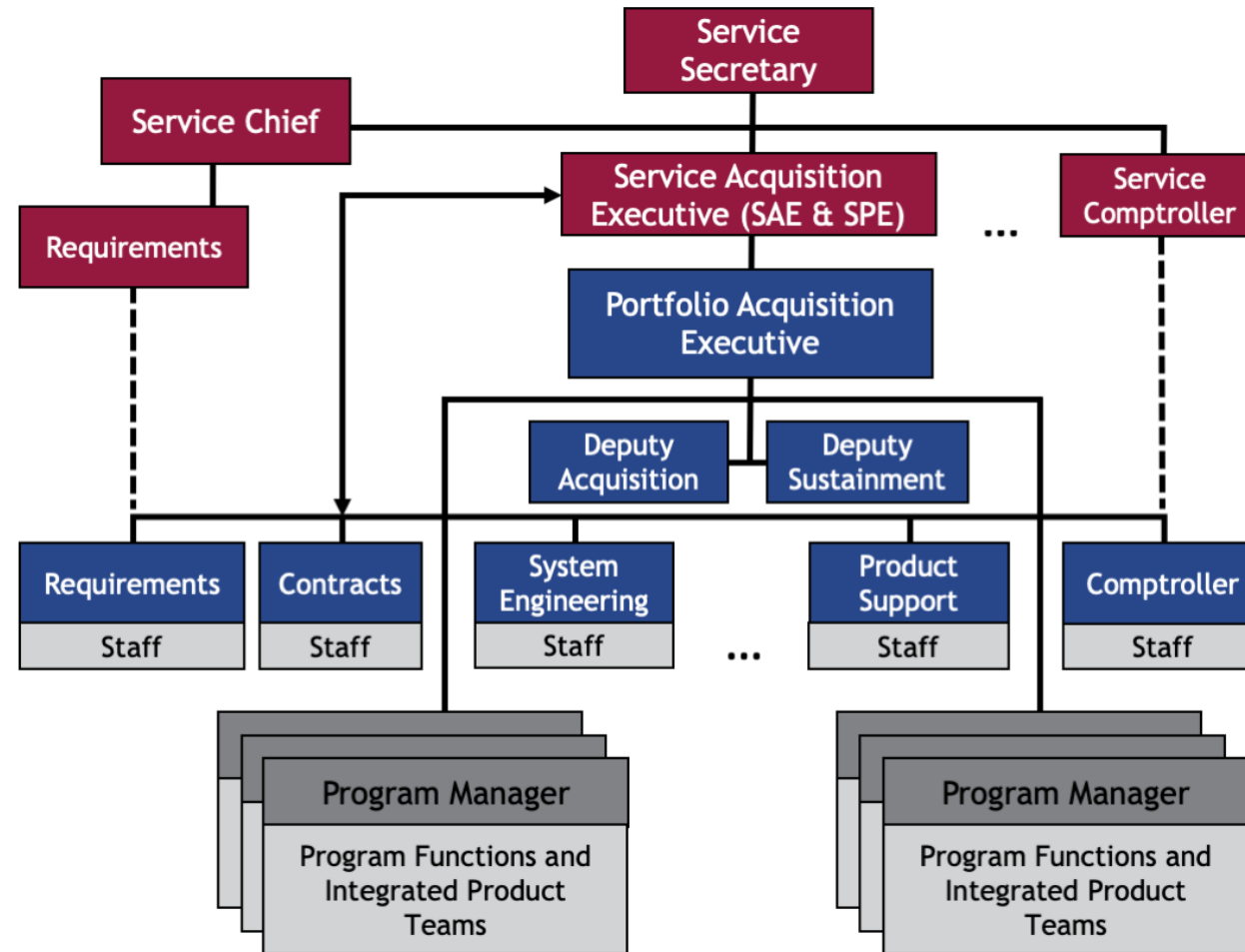
- **A total lifecycle, multi-tiered approach to delivering defense capabilities in a dynamic and efficient way**
- **Meets National Defense Strategy objectives, supporting speed, innovation, and budget discipline**
- **Is enabled by collaboration and empowerment throughout “Big-A” Acquisition**

Portfolio Acquisition Executive (Notional Concept)

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SPE is Senior Procurement Executive

Restore System Readiness

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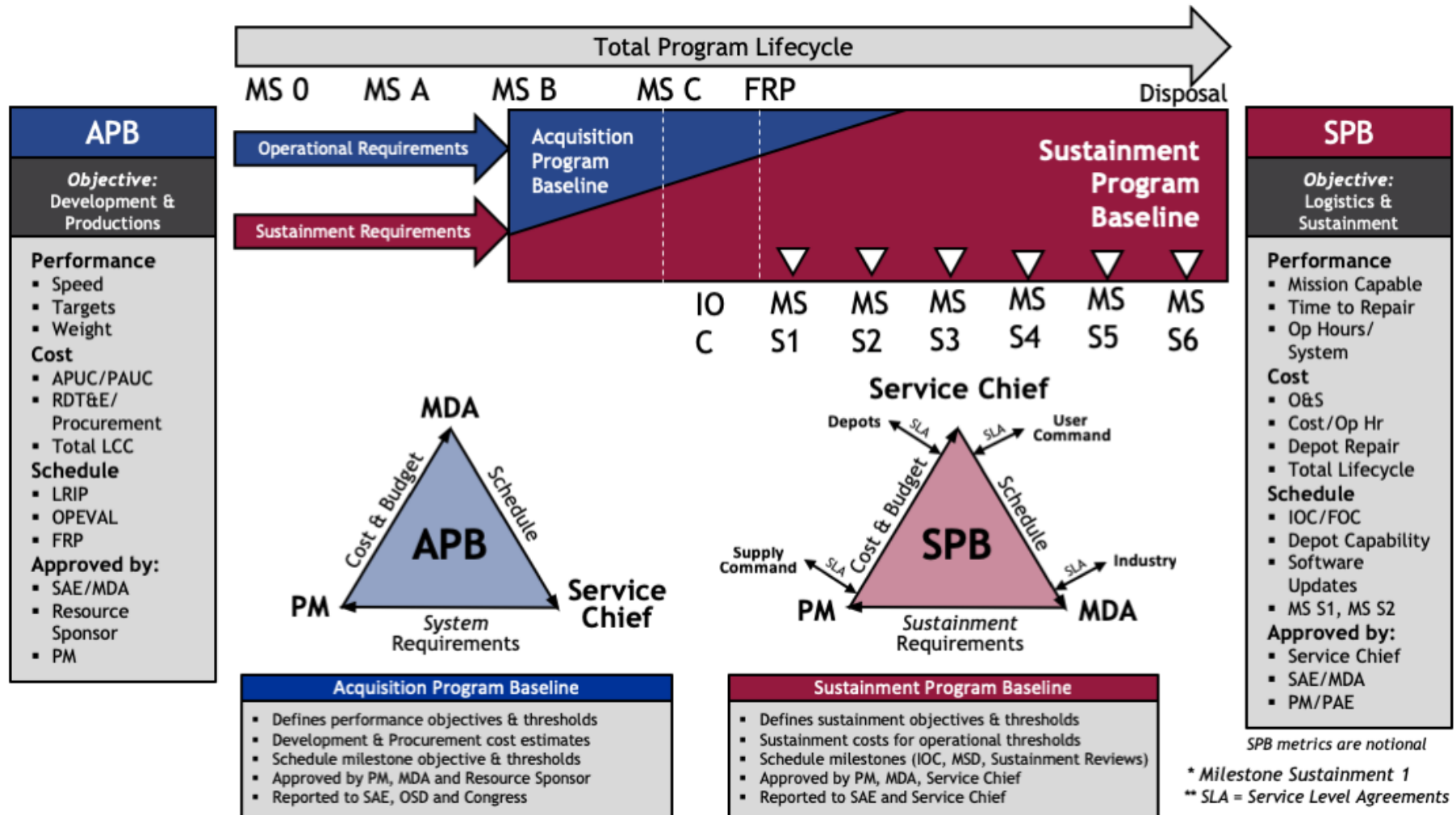
- Establish a Sustainment Program Baseline (SPB) with equal weight to the Acquisition Program Baseline (APB) to align cost, schedule, and performance through the lifecycle
- Elevate Sustainment to equal standing with Development and Procurement
- Conduct a full Industrial Base Assessment to include contractor capacity
- Develop and utilize data analytics for cost estimating, modeling, and performance metrics
- Align the defense materiel enterprise to Weapon Systems Readiness
- Develop and utilize data analytics for cost estimating, modeling, and performance metrics

Sustainment Program Baseline in the Acquisition Lifecycle

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Budget

Q&A/Discussion

Learn more on our website

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Think **BOLD**
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Backup

Panel Recommendations: Small Business Pivot - Cont'd

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- Increase Small Business Innovation Research (SBIR) funding from 3.2% to 7% of DoD extramural R&D funds
- Increase Rapid Innovation Fund (RIF) funding from \$250M to \$750M
- Initiate numerous legislative changes to enhance SBIR, RIF, and SB Technology Transfer (STTR) programs (e.g., SBIR and STTR sole-source RIF awards)
- 5% price preference for small businesses under readily available procedures
- Increase advanced payments from 15% to 20% and change regulations to make it easier to identify and approve eligible SBs
- Authorize a pilot program to permit direct contracts with independent IT consultants, increasing prime awards to these SB concerns
- Implement streamlining and simplification of DoD acquisition processes that will help level the playing field for many SBs by blunting the large business advantage of significant internal staff to perform contracting, legal, and business development functions.

Panel Recommendations: Small Business Pivot - Cont'd

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- Panel recommended a 5% price preference for SB instead of mandatory set-asides when using readily available procedures
- Set-asides would not be prohibited, they just would not be mandated
- No changes recommended to SB goals
- The Panel wants to incentivize participation from innovative small businesses that currently do not pursue DoD contracts due to:
 - Long business development cycle time
 - Extensive compliance requirements
 - Bureaucratic red tape
- To attract these types of innovative small businesses, we must make it easier to do business with the DoD
- Some small businesses that are experienced in the current system will be challenged by additional competition from non-traditional small businesses that could offer better solutions for warfighters and better value for U.S. taxpayers