

A decorative graphic on the left side of the slide consists of a series of rectangular blocks of varying heights and shades of gray, arranged in a staircase pattern that ascends from the bottom left towards the top right. The background of the slide is black, and the text is white.

# Defense Acquisition Performance Assessment Project

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# What We All Know

- There are many existing studies of Defense Acquisition
- Spotty implementation ✓
- "Rapid change" in the defense industrial base after Cold War
- Complex regulatory regime involving policies and statutes not well understood by many in leadership positions
- However, the DoD procurement system is the best in the federal government

FAA  
NOA

*basely understood - annual Fest for P.M. - SAC - ORI many would fall to day*  
*larger supplier*  
*difficult for (Acq) - efforts / foreign or all*

*Whatever the ill of DoD still the best policy - end of production of other agencies matter*

*method by which you let contract*

*- A+P rarely coincide w/ didn't understand the contract & what people think the program is*

# Themes

- Human element in the acquisition process ✓
- **STABILITY** and **ACCOUNTABILITY** in program requirements and budgeting - *Theme in Adm*
- Shrinking defense industrial base -
- The *will* and discipline to fix the problem

\* No ads to recruit sci & engineers



# The Human Element

- The DoD system does not work well without strong, experienced leadership at the top! *Enoford*
- Obtaining experienced leadership is becoming more difficult *- work w/ Congress to recruit people re senior act job*
- Need an educated and experienced government and industry workforce to execute the complex government acquisition process
- Both Government and Industry workforce "aging" and increasingly "fragile" – not understood by many in Congress *Shoppers = problem - not solution*
- DoD must focus more resources on developing replacements for aging workforce – industry will do its part!

2nd Term = big gaps

Political appointments no experience

Labor Dept!

If DoD does its work! attract young people = > Contracts

Cannot do w/ people AF engaged industry in discussion re too hard to administer to incentive contract AF didn't

# Stable Requirements

*fluff*  
*easy to do*  
*understood*

- To do what?
- Cold War – Post Cold War – War on Terrorism
- War on Terrorism vs. Emerging Threats
- Paradigm – Strategy – Plan
- Lacking a clear framework, modernization will be the bill payer for growth in O&M and Personnel

*presumption*

# Defense Industrial Base

*Defense  
Civil Assets  
Space*

- Current sales growth and profitability is misleading

- Growth in defense spending is expected to slow and possibly decline as competition for funding for domestic needs increases and the Iraq War slows

- A new business model is needed (Nov 2002 Report of the Commission on the Future of the U.S. Aerospace Industry, Chapters 4 & 7)

*almost  
nothing  
implemented*

- Stimulate flow of capital into the industry through increased Government investment and innovative policies

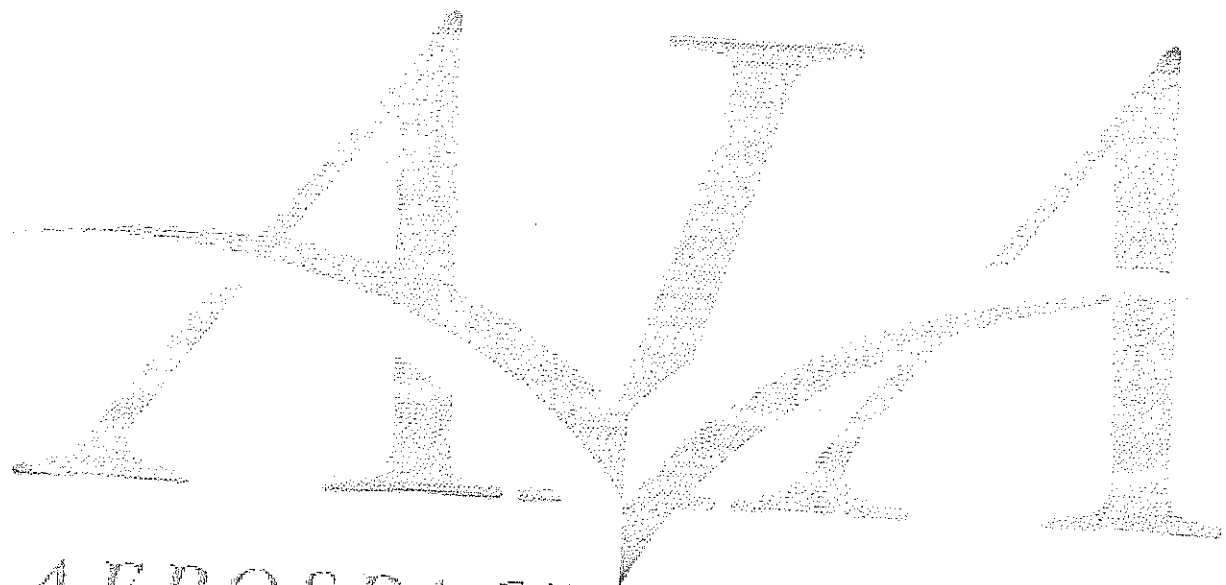
*Rumor  
Capital*

- \*  Policies should address mergers and acquisitions, procurement and budgeting policies, research and development investments, technology transition, international sales, and workforce development

# Commit to Improving the Process

- Will and discipline are required to implement the necessary fixes
- Collaborate early with industry during the program planning cycle
- Commit to stability
  - Start with existing programs
    - Baseline and don't trade out year cost growth for short term savings

*Ask Congress to help*



AIA

AEROSPACE INDUSTRIES  
ASSOCIATION