

Achieving Life Cycle Capability

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Lou Kratz
Vice President
Logistics & Sustainment
Corporate Engineering & Technology

Bradd Buckingham
Senior Business Development Analyst
Logistics & Sustainment
Corporate Engineering & Technology

Agenda

- **Background**
- **Acquisition Reform Efforts**
- **Key Characteristics of Agility/Affordability**
- **Recommendations**

Background*

- **Incremental acquisition reform over past 60 years**
- **National security environment demands greater agility and affordability**
- **Key recommendations to improve DoD life cycle:**
 - **Effects-based requirements**
 - **Commercially-driven research and development**
 - **Outcome-based partnership product support**

* “Achieving Outcome-Based Life Cycle Management”,
Defense Acquisition Reform Journal, Volume 17, February 2010

Key Characteristics of Agility/Affordability

- **Effects-based requirements**
- **Commercial-like R&D**
- **Outcome-based sustainment**
- **Competitive industrial base**
- **Robust life cycle workforce**

Acquisition Reform Efforts

- **Weapon System Acquisition Reform Act of 2009**
- **Insourcing**
- **Product Support Assessment Team**
- **2010 NDAA, Section 805**
- **HASC Panel on Defense Acquisition Reform**

Study Question: Will these reform efforts enable the agility and affordability the DoD requires?

Acquisition Reform Act 2009

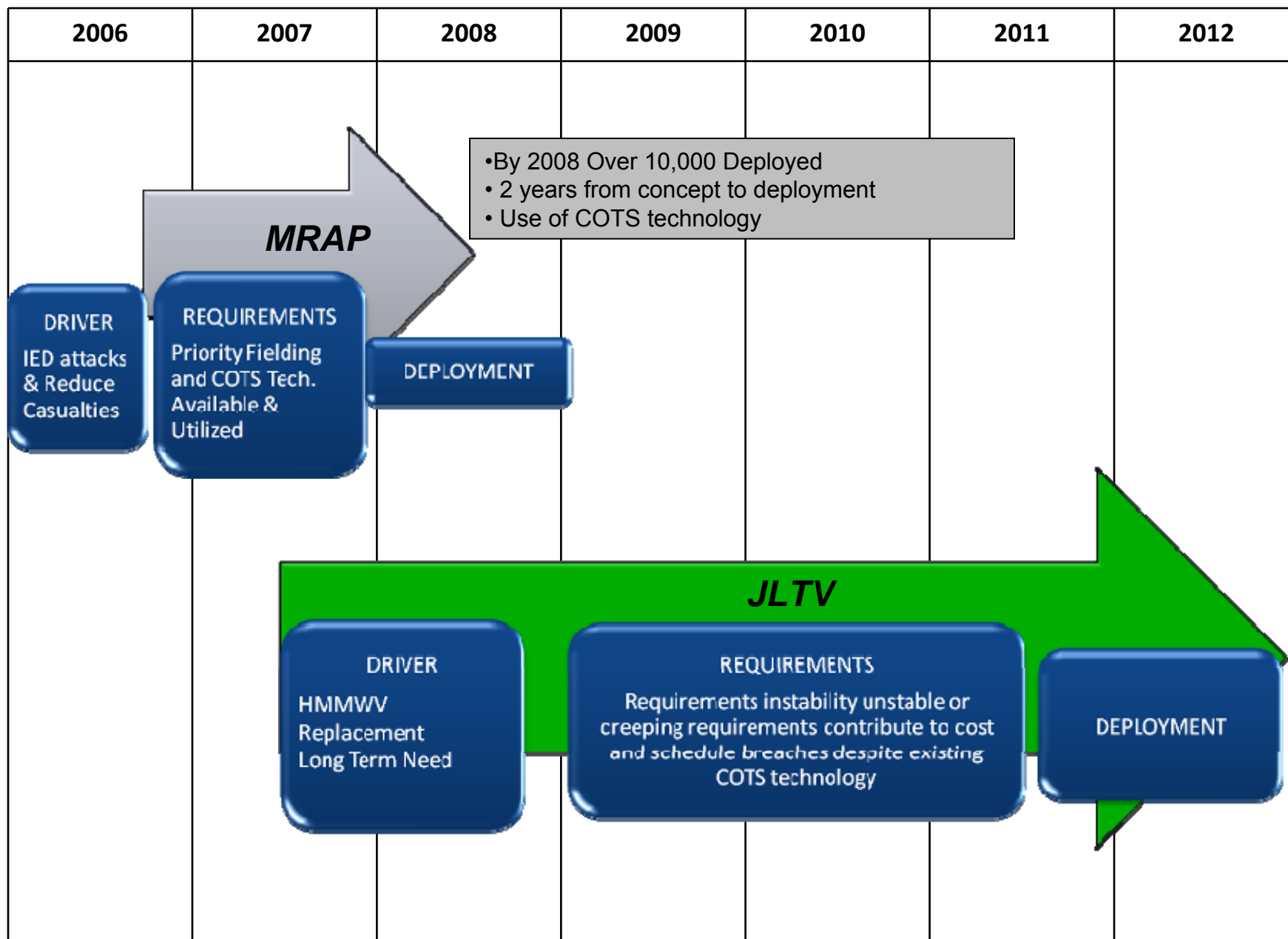
Acquisition Organization

- *System Engineering Capabilities*
- *Developmental Testing*
- *Technological Maturity Assessments*
- *Independent Cost Assessment*
- *Role of Combat Commanders*

Acquisition Policy

- *Trade-offs of Cost, Schedule and Performance*
- *Preliminary Design Review (PDR)*
- *Life Cycle Competition*
- *Nunn-McCurdy Breaches*
- *Organizational Conflicts of Interest*
- *Acquisition Excellence*

MRAP & JLTV Program Timelines



Unmanned Aerial Resupply



- Urgent USMC requirement
- Requirements driven by lift and endurance
- Competitive fly-off
- NAVAIR assessing acquisition strategy

Inourcing

- **Initial focus on critical acquisition skills**
- **Expanding to inherently governmental**
- **QDR expanded to combat support**
- **USAF expanding to sustainment support**

Insourcing

“In fact, we have initiated in-sourcing actions that replace sourced contracts with 2,500 Air Force contracts saving approximately \$970 million across FYDP”

-Michael

“Small S.A. firm wins fight to keep fed contract”

- David Hendricks
03/02/2010

the Air Force, Acquisition

services maybe sourced if a cost shows that DoD employees would do the work more effectively than the private sector contractor.”

-Deputy Secretary of Defense

“Rising DoD personnel costs have been highlighted as a so-far unchecked pressure on U.S. defense budgets”

-Robert Hale
DoD Comptroller

Product Support Assessment Team



- Balanced Government/Industry Partnerships
- Assured Outcomes and Accountability

F-22 Sustainment

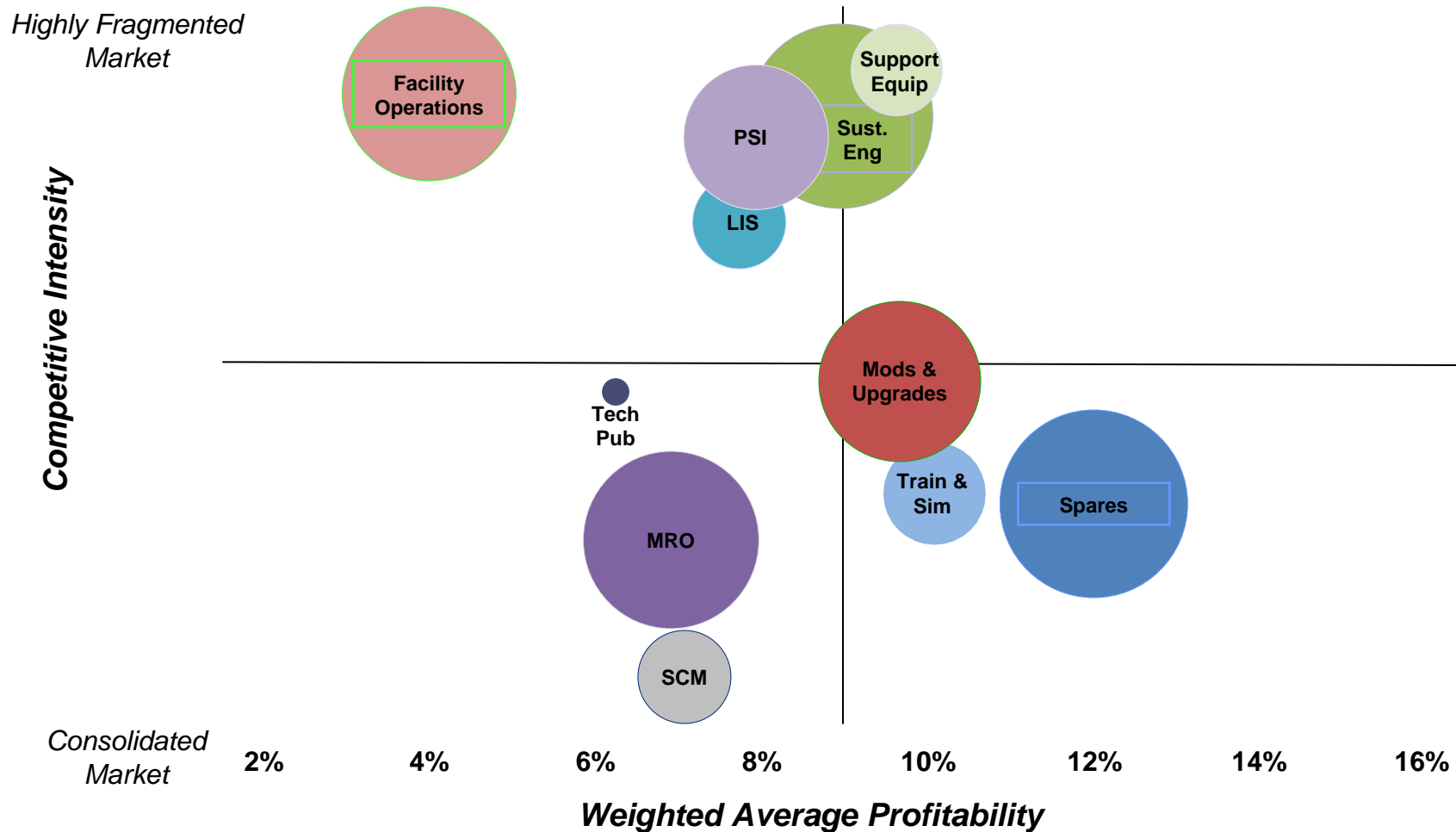


- **Outcome-based**
- **Best from Government**
- **Best from Industry**
- **Sustained Air Dominance**

2010 NDAA, Section 805

- **Stated preference for outcome-based sustainment**
- **Establishes DoD product support manager**
- **Increase competition in sustainment**
- **Further develop DOD workforce**

Competitive Product Support



Sources: FPDS; RSAdvisors Analysis

HASC Panel on Defense Acquisition Reform

- **Enhance requirements process and analytics**
- **Do not accept development timelines measured in double digits**
- **Recognize accelerated life cycle for IT acquisition (including embedded software)**
- **Achieve auditable financial systems**
- **Expand outreach to commercial/small business**

Characteristics of Agility/Affordability

Key Characteristics	WSARA	Insourcing	PSAT	Section 805	HASC Panel
Effects-based requirements	✓		✓		✓
Commercial-like R&D	-				✓
Outcome-based sustainment	-	-	✓	✓	-
Competitive industrial base	✓	-	✓	✓	✓
Enhanced DoD workforce	✓	-	✓	✓	✓

- ✓ = Positive Effect
- = Negative Effect
- = Not Addressed

Recommendations

- **Accelerate requirement process reform**
- **Strategically balance insourcing and desire for competitive industrial base**
- **Develop competitive sustainment framework consistent with NDAA, Section 805**
- **Transition fielded systems to outcome-based sustainment**