



Implementation of Weapon Systems Acquisition Reform Act (WSARA) of 2009 (Public Law 111-23, May 22, 2009)

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Weapon Systems Acquisition Reform Act (WSARA) of 2009

▶ Department Supports Acquisition Reform

- *The Department remains committed to improving its requirements and acquisition management practices to deliver the needed capability at acceptable performance levels and rates—and to be better stewards of the taxpayer's dollar.*

▶ “Help” from the Hill. . .

- **Weapon Systems Acquisition Reform Act (WSARA) of 2009**
 - Enacted as Public Law 111-23 on May 22, 2009



Weapon Systems Acquisition Reform Act (WSARA) 2009

- ▶ **WSARA Content – Three Major Categories**
 - Organizational/Personnel Changes
 - Acquisition Policy & Process Changes
 - Congressional Reporting Requirements



Organizational/Personnel Changes

- ▶ ***Creates Director, Cost Assessment & Program Evaluation***
 - Requires Senate Confirmation
 - Establishes two Deputies
 - Deputy Director, Cost Assessment
 - Deputy Director, Program Evaluation

- ▶ ***Creates Director, Developmental Test & Evaluation***
 - Appointed by SECDEF

- ▶ ***Creates Director, Systems Engineering***
 - Appointed by SECDEF

- ▶ ***Creates Senior Official for Performance Assessment & Root Cause Analysis***
 - Appointed by SECDEF



Acquisition Policy & Process Changes

▶ Requirements Formulation

- JROC must seek & consider input from combatant commanders on joint requirements.
- Cost, Schedule, & Performance Tradeoffs must be considered in establishing requirements.
- JROC must set an Initial Operational Capability schedule objective for each requirement.

▶ Acquisition Strategies

- Must include the option for competition, at the prime and subcontract levels throughout the lifecycle.
- Must ensure primes' "make or buy" decisions give "full and fair consideration" to qualified sources other than themselves for major subsystems and components.
- Competitive prototyping (at system or subsystem level) is required prior to a Milestone B (Engineering & Manufacturing development) decision. May be waived if unaffordable or in the interest of national security.



Acquisition Policy & Process Changes (continued)

▶ Amends Milestone A certification process

- Invokes a “Nunn-McCurdy”-like review; documentation must be provided to Congress.
- Milestone Decision Authority (MDA) must review the program and consider termination if 25% over the original **cost or schedule target** prior to MS B.

▶ Amends Milestone B certification process

- Mandates that a Preliminary Design Review & Assessment be conducted prior to MS B approval.
- Annual review by MDA required for programs receiving waivers of any of the MS B certification criteria; must continue until all criteria are met & status must be flagged in all budget documentation for Congress.

▶ Retroactively applies Milestone certification criteria for programs that received MS approvals prior to enactment of the certification requirements (2366a & 2366b, respectively)

- Post-MS A programs that have not yet received MS B approval
- Post-MS B programs that have not yet received MS C approval



Acquisition Policy & Process Changes (continued)

▶ Amends Critical Cost Growth Reporting (Nunn-McCurdy) process:

- Root cause analysis required for program; presumes termination with justification to Congress.
- If program is not terminated, but restructured,
 - a certification and root cause analysis must be submitted to Congress;
 - most recent MS rescinded; and
 - a new MS approval must be granted. (New contractual actions are prohibited prior to new MS approval unless the MDA grants an exception to allow the restructure, without unnecessarily wasting resources.)
- Requires a report of all funding changes resulting from the cost growth, including reductions to other programs.



Congressional Reporting Requirements

▶ Director, Cost Assessment & Program Evaluation

- Annual report assessing previous year's cost estimation activities.
- One time report on findings and recommendations on establishing Major Defense Acquisition Program (MDAP) operating and support cost baselines

▶ Director, Developmental Test & Evaluation & Director, Systems Engineering

- Joint annual report on specified MDAP-related activities. (First report must include information from one time DT&E and SE resource planning/implementation report to be submitted by the Military Departments and Defense Agencies.)

▶ Official for Performance Assessment & Root Cause Analysis

- Annual activities report.

▶ Director, Defense Research & Engineering

- Annual assessment on technological maturity of critical technologies of MDAPs

▶ Earned Value Management

- Congressional report requirement amended—four elements added to study originally directed by previous NDAA.



WSARA Implementation Challenges

▶ Increased Workload Requirements

- Increased Number of Independent Cost Estimates
- New Requirement for continuous cost monitoring of MDAP Costs
- New Requirement for Performance Assessments & Root Cause Analyses to be conducted
- New Annual Congressional Reporting Requirements
- “Retroactive” MS A & B Certification Reviews (to be conducted in less than a year timeframe)

▶ Organizational/Personnel Issues

- Current “on-board” strengths inadequate to execute increased workload in specified timeframes
- Lead time for identifying “right skill set” candidates and completing hiring activities is problematic
- Organizational upheaval due to restructure necessary to establish four new directed positions and properly staff them.

▶ Numerous Instances of Ambiguous (“Fuzzy”) Language

- Working with OSD General Counsel to establish interpretations
- May require dialogue with the Hill; perhaps legislative proposals



WSARA Implementation Status

- ▶ **WSARA Statutory Direction Effective on date signed (May 22, 2009)**
 - Implementation on programs real-time as they come up for review
 - Retroactive certification process underway

- ▶ **Draft “Directive-Type” Memo for Implementation of Acquisition Policy & Process Changes**
 - In formal review (SD-106 process)

- ▶ **Organizational/Personnel Changes in work**
 - New D,T&E & D,SE positions aligned with D,DR&E
 - Performance Assessment & Root Cause Analysis function currently “under construction”
 - D, CPAE initial implementation approved—support structure in work (DEPSECDEF performing duties of D, CAPE until political appointee confirmed.)



BACKUP



MS A Certification Requirements

The Milestone Decision Authority must Certify that:

1. The program has an approved Requirements Document (i.e., an Initial Capabilities Document)
2. The program is being executed by an entity with a relevant core competency
3. If the program duplicates a capability already provided, the duplication is necessary and appropriate
4. ***An analysis of alternatives has been performed consistent with study guidance developed by the Director, Cost Assessment and Program Evaluation***
5. A **Cost Estimate** has been submitted ***with the concurrence of the Director, Cost Assessment and Program Evaluation*** and is consistent with the priority of the program assigned by the JROC



MS B Certification Requirements (1 of 2)

The Milestone Decision Authority must:

(1) Certify receipt of a business case for the program and certify on the basis of the analysis that:

(A) the program is affordable when considering the ability of the Department of Defense to accomplish the program's mission using alternative systems;

(B) **appropriate trade-offs among cost, schedule, and performance objectives have been made to ensure that** the program is affordable when considering the per unit cost and the total acquisition cost in the context of the total resources available during the period covered by the FYDP submitted during the fiscal year in which the certification is made;

(C) reasonable cost and schedule estimates have been developed to execute, **with the concurrence of the Director of Cost Assessment and Program Evaluation**, the product development and production plan under the program; and

(D) funding is available to execute the product development and production plan under the program, through the period covered by the FYDP submitted during the fiscal year in which the certification is made, consistent with the estimates described in subparagraph (C) for the program.



MS B Certification Requirements (2 of 2)

The MDA must also:

(2) Certify the receipt of the results of the preliminary design review and the conduct of a formal post-PDR review assessment and certify on the basis of such assessment that the program demonstrates a high likelihood of accomplishing its intended mission; and

(3) Further certify that:

(A) appropriate market research has been conducted prior to technology development to reduce duplication of existing technology and products;

(B) the Department of Defense has completed an analysis of alternatives with respect to the program;

(C) the Joint Requirements Oversight Council has accomplished its duties with respect to the program pursuant to section 181(b) of Title 10, including an analysis of the operational requirements for the program;

(D) the technology in the program has been demonstrated in a relevant environment **based upon an independent review and assessment by the DDR&E;** and

(E) the program complies with all relevant policies, regulations, and directives of the Department of Defense.