



# DAPA Project Public Meeting Summary

*Defense Acquisition Performance Assessment*

September 20, 2005

Public Meeting Summary, Thursday, September 15, 2005, 9:00 AM – 5:00 PM

Panel and Staff Present: Ronald Kadish, Gerald Abbott, Paul Kern, Frank Cappuccio, Donald Kozlowski, Richard Hawley, Linda Brandt, Francis A'Hearn, Judy Stokley, Alfred Hutchins, Dave Patterson, Eileen Giglio, Alan Boykin

Location: Anteon Corporation  
1560 Wilson Blvd  
Arlington, VA 22209

Opening Remarks by Mr. Dave Patterson and Chairman Ron Kadish (9:00 AM)

Weapons Test & Evaluation Process (Mr. David Duma, Acting Director and Principal deputy Director, OSD-Operational Test & Evaluation)

- OT&E results as of late: systems generally more effective yet less suitable to the war fighter
- SECDEF's number 2 priority is increasing joint war fighting capability
  - Cold war to Post Cold War to War on Terrorism
- Test & Evaluation involves rigor
  - Compare data to a standard, such as Joint Capabilities Document
  - Services and JROC provide standards
  - Translating war fighting needs into contract specifications is key, very hard
- Poor prior planning is early predictor of poor operational reliability
- Development needs discipline – early discovery of problems permits fixes sooner and cheaper
- Life cycle evaluations
  - Prototyping is key
  - Demonstrate capabilities in a Joint environment during development
  - Government needs access to contractor performance data
- Evolutionary acquisition – mature technology
  - Key to successful evolutionary acquisition is discipline applied to ensure only mature technologies permitted to enter development and production increment
- Need top down investment strategy consistent with SECDEF rules
- Must institutionalize testing in joint environment
- Need common language across life cycle so all can communicate effectively
- Problems
  - Turnover rate/stability in acquisition corps
  - Declining pool of scientists, mathematicians and engineers
  - DoD doing things radically different across services
  - DoD unable to measure costs accurately
  - Responsibility for implementing “joint” things – everyone has a hand in it but no one's in charge



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## Science & Engineering Workforce (Dr. Bill Berry, Acting Deputy Under Secretary of Defense, Laboratories and Basic Science)

- Current situation
  - S&T workforce concerns
  - Existing efforts could achieve more
  - Science, technology, engineering and math (STEM) academia in decline
  - Defense industry – unsatisfied needs exist and expected to continue and increase
  - DoD has highest exposure to workforce concerns
- Goal – Thee Component Strategy
  - Create human resource systems that are competitive and reward performance
  - Engage and guide students and teachers through research, education, competitions, and practical experiences
  - Invest in world-class facilities and equipment to exploit major evolving trends in science and engineering
- Approach
  - Set STEM workforce needs among highest DoD priorities
  - Assign central responsibility and require results
  - Bring all Components on board
  - Align efforts – partnerships are critical
- Summary and requirements
  - Ensuring the US Science and Engineering workforce is an issue of National Security
  - Data, trends and reports substantiate concern and need for action
  - DoD leadership must focus on this and take action
  - At the National level, 1) DoD must raise these issues at Principal and Deputies level, 2) Cabinet level recognition and priority is mandatory and 3) no national strategy = no sustainability and marginal impact

## Research, Development and Acquisition Perspectives (Lt Gen Carol Mutter, USMC (ret))

- Most important thing for our acquisition system today is to be agile
- One specific solution would be to raise reprogramming thresholds between program elements
  - This would get some projects out of this tremendous amount of oversight and management and they could be more agile
- Stability is key – make decisions more quickly, take out some of the uncertainty, and work in partnerships with industry
- Must have oversight, controls and reporting but shouldn't be suffocating; need to have clear lines of accountability
- Must have a system that is agile and responds to a changing enemy, because the enemy is doing just that



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## US Defense Space Acquisition Problems and Potential Solutions (Dr. Pedro “Pete” Rustan, Director, Advanced Systems and Technology, NRO)

- Program Management Pendulum
  - 1957 focus: technology driven, risk management, streamlined management processes, skunkworks, budget flexibility
  - 2005 focus: requirements driven, risk averse, process driven management practices, layers of review, budget constraints
- Current situation
  - Schedule: minimum 5-7 years ATP to launch, lengthy and complicated proposals, parts availability, detailed and lengthy testing
  - Performance: extensive and detailed requirements, long satellite life requirement, and scarcity of new technology innovations
  - Cost: hundred of millions or billions of dollars per satellite, system engineering difficulties, and part survivability
  - Risk: slow schedule drives costs up, added requirements drive costs up, low risk implies no innovation, and space components small production capability
- Present approach dominated by a culture and process driven strategy:
  - Unconstrained requirements driven process
  - Low rate of new technology insertion being performed after ATP
  - Integration of multiple missions on each spacecraft
  - Mission success
  - Risk averse
- Where we need to be:
  - Cost as an independent variable (CAIV)
  - Technology opportunities to develop enhanced capabilities performed prior to ATP
  - Single or synergistic missions only integrated on each spacecraft
  - Mission success using streamlined management procedures
  - Active risk management

## Acquisition Process – What needs to be changed? (Mr. Michael Caccuitto, DoD Small Business Innovation Research (SBIR) Program)

- Acquisition Challenges
  - Consolidating industrial base – over 55 firms now embodied under 5 major contractors – tends to lead to higher prices, less innovation and higher entry barriers
  - S&T human capital problem
  - Greater need for speed and flexibility in acquisition system to address wide array of threats quickly
  - Budget pressures getting worse
    - O&M and MILPERS vs. modernization pressures
    - Procurement pressures in the out years at the federal budget level
    - Tremendous pressures coming from entitlement programs, predominantly in out years
    - FYDP R&D and S&T budgets nominally flat



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- R&D at major industrial firms lagging
- Increasing emphasis on acquisition of joint capabilities rather than service specific capabilities
- Booz Allen Hamilton Study- Analysis of Industrial Base
  - 36 % of technologies needed for most vital war fighting capabilities I future come from small businesses
- What is the SBIR Program?
  - Primary entry point for high tech small businesses into government work
  - Established in 1983 by Congress (Small Business Innovation Act)
  - Objectives are to stimulate technical innovation, increase small business access to federal R&D, and increase commercialization of these results (i.e. technology transition)
  - Mission of program is to harness and leverage small business technology innovation for the war fighter and the nation
- What does SBIR have to offer the acquisition system?
  - Flexible enough to apply and be useful at any stage in the acquisition process beyond technology development
  - Very well suited to spiral or evolutionary acquisition
  - Very flexible and responsive – not subjected to the budgeting process – constant and predictable
  - Enables evolutionary and disruptive technologies – provides vehicle for seeding innovation
  - Helps to maintain war fighting edge
- SBIR Challenges
  - Technology transition
  - Technology push
  - Requirements pull
  - Cannot generally take technologies to point where they are ready for technology insertion
  - Program activities tend to be highly risk averse – there needs to be a better balance between risk aversion and willingness to take some risk to deliver more

## Chairman Kadish's Closing Remarks

Adjourn (4:45 PM)