

# Product Support Manager's Workshop

# Innovation

*“Leading is primarily paying attention”*

The Implementation Directive for BBP 2.0 wisely admonished that,  
*“The first responsibility of the acquisition workforce is to think”*

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The government wields enormous power but sometimes that power can undermine its own goals. The Defense Department can "cancel contracts for convenience; change requirements, purchase quantities, or schedules at will; demands proprietary information even for commercial products for distribution to competitors; and, dictates contract terms and controls margins."

Conversely, a "fundamental objective of business is to seek and grow competitive advantage, while the objective of the government policy and practice is to erase it, artificially if necessary."



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# Situation

- Industry Leaders Reluctant to Engage with **Department of Defense**
  - Avoid revealing competitive position or strategy
  - Avoid appearance of improper relationship
  - Avoid Conflict of Interest that precludes opportunity pursuit
- DoD & Service Leaders Reluctant to Engage with **Industry**
  - Avoid unintended or unauthorized commitment of government resources
  - Avoid appearance of favoritism, improper relationship or communications
  - On advice of PCO / Lawyer
  - Busy doing “real work”



Marillyn Hewson  
CEO Lockheed Martin



Phebe Novakovic  
CEO GD



Ellen Lord  
CEO Textron Systems



*“A large “wall” exists currently between the Pentagon and the tech industry’s leading innovators”* - Defense Secretary Ashton Carter Aug 2015

**NATIONAL DEFENSE 8/30/2015**

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## Situation: Government Myths & Misconceptions

- Communication Meeting 1-on-1 with potential offerors is verboten
- Communication with contractors resembles lobbying
- Protests are to be avoided at all costs, even if it means limited conversation with industry. “Protest Proof” solicitations
- Industry days, APBIs and events are low value

## Situation: Industry Realities

- All companies exist to create value for their investors, and investors seek both competitive returns and stability
- “Pipelines” are used to track and rank every available opportunity based on priority or p Win and match to company core capabilities
- Uncertainty in requirements, schedule, contract vehicle, competition type will cause industry to “no bid” (PSMs miss out on solutions)
- Published Q&As reveal bidding strategy, proposed solution
- Industry Days with severely restricted comms of no value

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# Tools for Innovation

- Provide draft technical requirements to industry early and involve industry in funded concept definition
- Involve requiring agency to be involved
  - Field prototypes and do experimentation!
- Emphasize technology insertion and refresh in program planning
- Develop sustainment plan to insert new technology through mods to current platforms
  - Design weapon systems more modular so it can be more plug and play as upgrades are desired
- Employ appropriate contract types
  - Increase the use of incentive type contracts - More Award Term Incentive Contracts

“Profit is an effective tool to achieve these ends, when we use it appropriately.”

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# Affordable Material Readiness that Meets Warfighter Requirements

- Design in reliability!!!
  - Ease of repair globally and in deployed environment - think NASCAR Pit Crew
  - Prognostics and Diagnostic tools – leverage the technology already in existence
  - Embed Conditioned Based Maintenance (CBM+) requirements -- Saves lives + prevents mission failures!
- Design in modular / interchangeable components!!
  - Reducing equipment configuration for deployment in aircraft, on ships, and trains
  - Select common parts and tools – reduces the sustainment tail!
  - Interoperability with other services for similar platforms
- Reduce fuel consumption, weight and size
  - Reduces fuel demands
  - More expeditionary
- Configuration management – Document!
  - Really look at value added - hold boards to validate need
  - Minimize impact to maintenance – new parts, new tools, new training

Industry is a partner, not the enemy. Appropriate engagement with industry is essential to Government success.

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# Performance Based Logistics

- Contracts can provide improved readiness
  - Look at maturity of technology and weapon system, environment for level of repairs, density of workforce and training level on weapon system for both uniformed and depot artisans
  - Written correctly – PBLs can provide you a depth of expertise, inventory management and planning, fault analysis, and environmental impact to readiness
  - Determine what data you need to own for historical data analysis and transition planning to organic maintenance if that is in the plan at it matures
  - Incentivize to drive operating costs down and improve reliability – must share in cost reductions
- Factor in system maturity
  - Work the obsolescence plan into the over all strategy
  - Design in plan to shift to organic – parts and maintenance tech data packages, training plan for depot and uniform workforce, inventory models, forecasting planning with DLA/Inventory Control Point

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# Execution: Better Partners, Best Practices

## Engagement throughout Acquisition Process

- Include contracting officer and other competency members during vendor meetings
- **Pre-Solicitation:** Use wide range of techniques for conducting market research, including interactive communications with industry as authorized by FAR 10.002(b)(2)
  - Pre-RFP: Open Door to Product Support Managers
  - Industry Days
  - RFI releases
  - Q&As not publicized; Industry “crafts” questions
- **Draft RFP (*More controlled communication*)** with Contracting Officer
  - Q&As may or may not be published
  - Preproposal Conference may be held
- **Final RFP Solicitation:** Conduct discussions, Retain all discussion options. **Restrictions** on communications through Contracting Officer & Q&As are published
- Receipt of Proposals and Evaluation **Special rules govern** after receipt of proposals
- Special rules on information protection
- Award: Provide maximum relevant information during debriefings, rather than only minimum legally required (FAR 15.505)
- If it doesn’t say “no”... FAR Part 1.102(d), if a strategy, practice, policy or procedure is in the best interests of government and not in FAR, nor prohibited by law, EO or other regulation, then it is a permissible exercise of authority

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