DEFENSE ACQUISITION POLICY

AND

PROGRAM GOVERNANCE

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LEARNING OBJECTIVES

- **Develop a macro level view of the defense acquisition framework and how to align your program with current policy**
- **Awareness of key acquisition policies and impacts to your programs**
- **Understand how to inculcate Better Buying Power principles into your program**

THINKING DIFFERENTLY

IMPORTANT QUESTION

By Show of Hands

Who believes the majority of their job is:

a) **Oversight?**

b) **Governance?**

Oversight: [oh-ver-sahyt], noun:

3. supervision; watchful care:

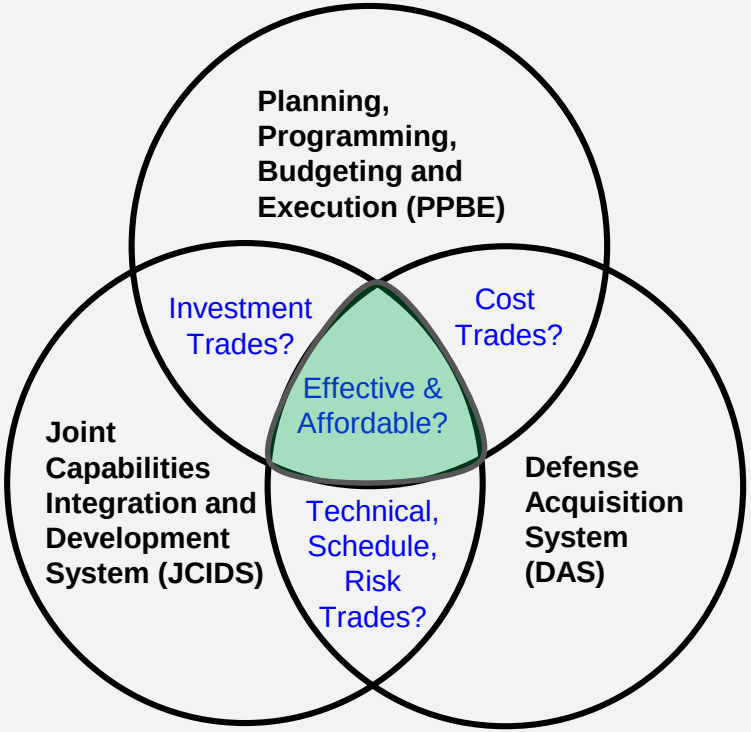
Governance: [guhv-er-n*uh* ns], noun:

1. exercise of authority; control.

2. a method or system of government or management.

BROAD ACQUISITION CONTEXT

Intersecting Processes = Big "A" Acquisition



DAS (5000.02) Intersects both the Req'ts (JCIDS) and PPBE systems*:

- Affordability goals and caps set by users, in context of expected Service/Agency or mission portfolio constraints [& business case]
- Decision point added for CDD validation [or Problem Statement]
- Full program funding in FYDP required starting at MS A
- Should Cost – opportunity capture can ease resource constraints
- New at MS C: the MDA will consider any new validated threat environments that might affect op'l effectiveness; consult requirements authority to ensure capability reqmts are current.

* Definitions from DoDI 5000.03

GENERIC PROGRAM MILESTONES & PHASES

- **A generic product acquisition structure**
- **Product-tailored models show variants of basic structure**

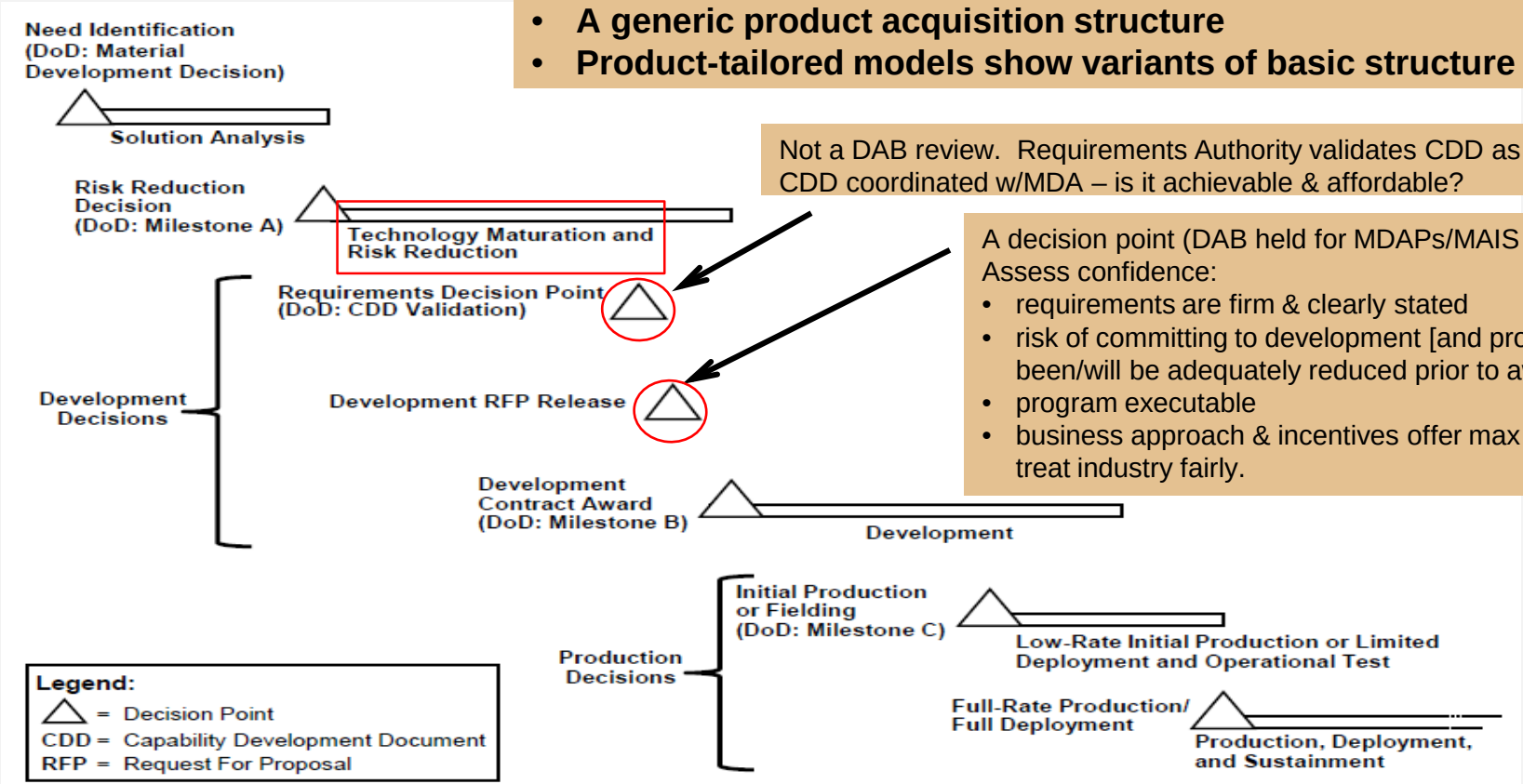


Figure 1 illustrates the sequence of decision events in a generic program.
It is not intended to reflect the time dedicated to associated phase activity.

Not a DAB review. Requirements Authority validates CDD as basis for PDR; CDD coordinated w/MDA – is it achievable & affordable?

A decision point (DAB held for MDAPs/MAIS programs)
Assess confidence:

- requirements are firm & clearly stated
- risk of committing to development [and production] has been/will be adequately reduced prior to award
- program executable
- business approach & incentives offer max gov't value, treat industry fairly.

DODI 5000.02 TOUCHPOINTS

What detailed functional policy relates to my program?
[DoDI 5000.02 , Encl 2-13]

2. Program Management
3. Systems Engineering
4. DT&E
5. OT&E
6. Life cycle Sustainment
7. Human Systems Integration
8. Affordability
9. AoAs
10. Resources and Cost
11. IT and Clinger-Cohen
12. Defense Business Systems
13. Rapid Fielding of Capabilities

PMT 400 lessons touching on areas of the Acq Process:

2. PM: Risk &Opp Mgt; Software Mgt Topics; Acq Strat; IMS; Contracting Hot Topics, Industry Panel; Understanding Industry
3. SE: Systems Eng'g; Cybersecurity; Software Mgt; Prod/Mfg
4. DT&E: Systems Engineering; Cybersecurity
5. OT&E: Test and Eval; Cybersecurity
6. Life cycle Sustainment: Product Support Updates
7. HSI: Systems Engineering
8. Affordability: Requirements; PPBE
9. AoAs: Requirements
10. Resources and Cost: Comp. of Price/Cost; Financial Mgt
11. IT & Clinger Cohen Act : Software Mgmt; Cybersecurity
12. Defense Business Systems: Software Mgmt; Cybersecurity
13. Rapid Fielding: Reqmts Mgmt; Acq Strategy

ACQUISITION-RELATED GUIDANCE

- DODI 5000.02 Operation of the Defense Acquisition System, Jan15
  http://www.dtic.mil/whs/directives/corres/pdf/500002p.pdf
- Open System Architecture Contract Guidebook for PMs, Jun 13 https://acc.dau.mil/osaguidebook
- DODI 8500.01, Cybersecurity, Mar 14 http://dtic.mil/whs/directives/corres/pdf/850001_2014.pdf
- DODI 8510.01, Risk Management Framework, Mar 14
  http://dtic.mil/whs/directives/corres/pdf/851001_2014.pdf
- Performance Based Logistics Guidebook, May 14
  bbp.dau.mil/docs/ASD(LMR)_PBL_Guidebook_May_2014.pdf
- Procedures for Cybersecurity Testing, DOT&E, Aug 14
  www.dote.osd.mil/pub/policies/2014/8-1-14_Procs_for_OTE_of_Cybersec_in_Acq_Progs(7994).pdf
- Implementation Directive for Better Buying Power 3.0, Apr 15
  http://www.acq.osd.mil/fo/docs/betterBuyingPower3.0(9Apr15).pdf
- DODI 5000.74, Defense Acquisition of Services, Jan 16
  http://www.dtic.mil/whs/directives/corres/pdf/500074p.pdf

ANOTHER IMPORTANT QUESTION (OR TWO)

From your program/functional perspective:

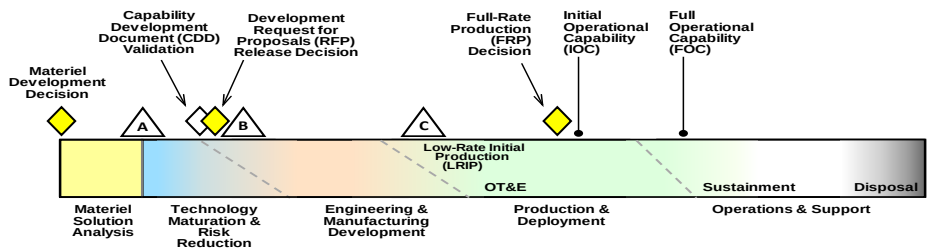
What does “program tailoring” mean?

Where’s the greatest source for tailoring recommendations?

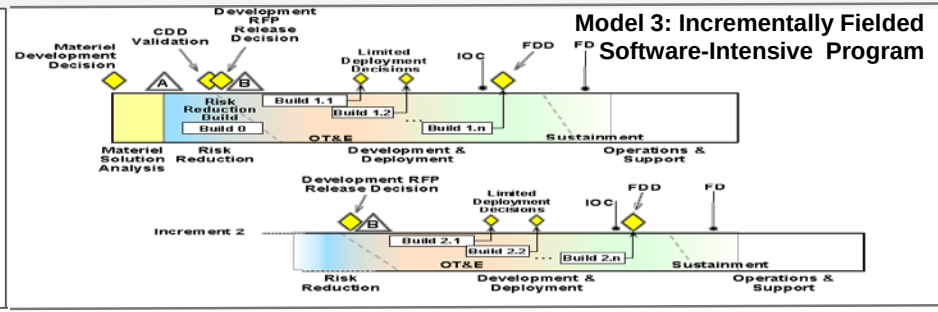
What is being tailored in YOUR program?

PRODUCT-TAILORED ACQUISITION MODELS

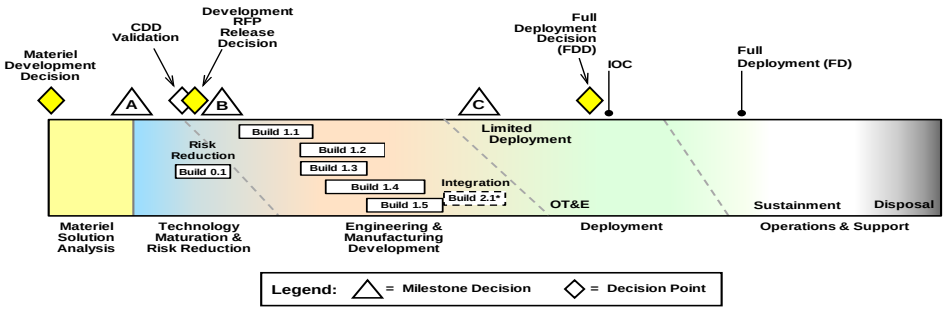
DODI 5000.02— 7 Jan 15



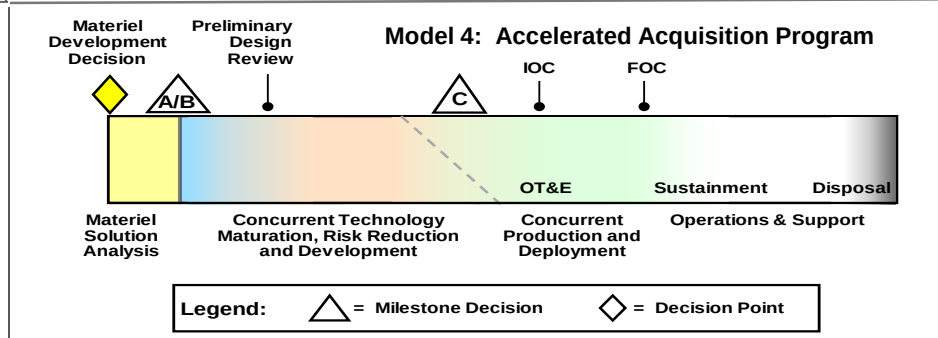
Model 1: Hardware Intensive Program



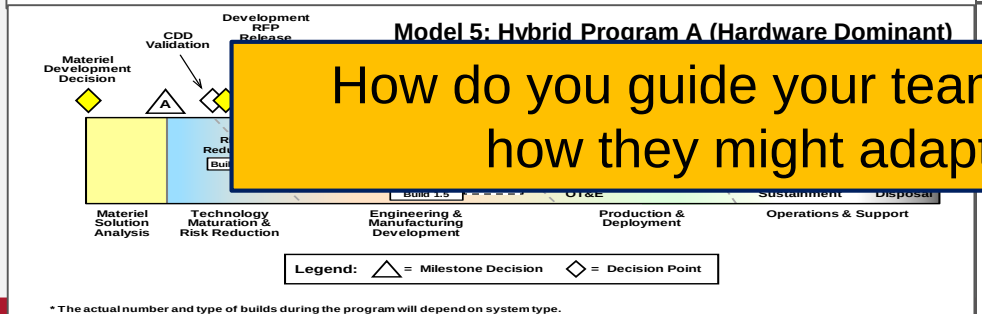
Model 3: Incrementally Fielded Software-Intensive Program



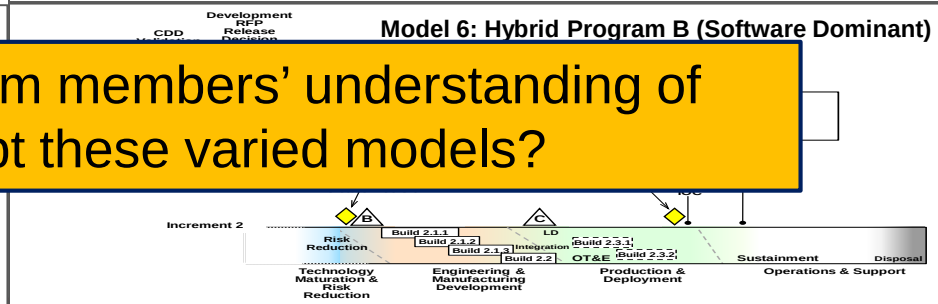
Model 2: Defense Unique Software-Intensive Program



Model 4: Accelerated Acquisition Program



Model 5: Hybrid Program A (Hardware Dominant)



Model 6: Hybrid Program B (Software Dominant)

How do you guide your team members' understanding of how they might adapt these varied models?

CRITICAL THINKING ABOUT PROGRAM STRUCTURE

Creating/executing a plan for a particular program need is often an adaptive challenge vs. a technical challenge

From your Program/Functional perspective:

- **What important factors do you need to consider in your program strategy and business approach?**

PROGRAM STRATEGY QUESTIONS TO CONSIDER

A "Zero-Based" approach to strategy and documentation

- **Requirements:**
  - *Are user reqmts clear, testable, complete?*
  - *What derived reqmts (non-functional "system shalls") do you need in the RFP [performance-based requirements doc]?*
  - *How will our strategy and process deal w/known unknowns: real life reqmts chgs/corrections; cybersecurity; obsolescence?*
  - *What incentives will drive the contractor behavior to meet performance, cost control, schedule needs?*
- **Risk and Opportunity:**
  - *What key risks (including technology) may prevent program from meeting requirements? Do program plans mitigate risk (in all its forms)?*
  - *What opportunities can be captured to drive down cost/sched, improve supportability, meet performance needs?*
- **Governance planning: the right data; timely decisions**
  - *Do CDRL items from this phase feed next milestone? Does plan cover direction (ADM) for the phase?*
  - *How will we know how we're doing? Do we have metrics to help answer:*
    - *Are we on track to affordably meet user's performance and supportability needs (actual vs. plan)?*
    - *Are risks (technical and others)/opportunities (e.g. Should Cost) being mitigated/captured to level needed for next commitment?*
- **Documentation**: *What content is needed in program plans to address driving requirements, risks, and strategy to execute/govern this program? How are requirements & strategy translated into RFP/contract?*
- **Sanity check:** *Are any elements of program approach or RFP not connected to above questions? Do they add value? Any risks or opportunities that should be addressed which impact portfolio or higher level interests and needs (corporate view)?*
- **Legal Compliance**: *Are all statutory requirements addressed [or waived]?*

PLANNING FOR KEY ACQUISITION DECISIONS

Regardless of ACAT level

- **Planning: Focus on generating right data for next decision**
- **Support your decision recommendation: Use the data**
- **Cover completion of/deviations from prior ADM direction**
- **Present issues and resolution: clearly, objectively [with data]; be transparent about "views of others"**
- **Documents: concise, program-specific plans, not boilerplate**
- **Risk/Opportunity management: at heart of the development process and Milestone decisions**
  - *Has risk (in all forms) been reduced to level needed to make next major commitment?*
  - *Are future program plans sound for mitigating risk (in all its forms)?*
  - *Are we leveraging opportunities?*

Source: adapted from Mr Frank Kendall's DAB/DAES "Onsite" presentation, July 24, 2013

ANOTHER POINT TO CONSIDER

There's often tension between maximizing <u>outcomes</u> (including affordability) and bureaucratic pressure to adhere to a <u>process</u>.

An Example…..

How could this tension have been dealt with in a more constructive way?

ONE MORE QUESTION

BPP 3.0

How can program governance include improving buying power?

BETTER BUYING POWER PRINCIPLES*

"The Principles Suggested by 24 Acquisition Experts"

Principle 1: People matter most

Principle 2: Data

Principle 3: Critical thinking

Principle 4: Controlling life-cycle cost

Principle 5: Continuous improvement

Principle 6: Incentives

Principle 7: Competition

Principle 8: Acquisition is a team sport

Principle 9: Technological superiority

Principle 10: Challenge bad policy

How are your Action Plan Initiatives nested in these principles?

* Source: "Better Buying Power Principles, What are they?", Frank Kendall, AT&L Magazine, Jan/Feb 2016

SUMMING UP

What we've talked about

- **Difference between oversight and governance**
  - YOU are in the governance business
- **Current Policy and DoDI 5000.02 focus on the "sweet spot" between PPBE, DAS, and JCIDS**
- **Tailoring a program is a team sport**
  - Bottom up and Zero Based *and*
  - Top Down/mandated
- **The Principles of Better Buying Power**

REFLECTION

Thinking about your current position:

- My role in program governance is …
- My governance role can improve acquisition strategy and increase buying power in these ways …
- Tailoring means…
- Affordability focus can drive closer integration of acquisition, requirements and PPBE processes by …

Acquisition policy merely helps inform and guide acquisition planners.
We must think critically to customize a strategy for program-unique needs.

DEFENSE ACQUISITION SYSTEM (DAS)

Policy & Guidance Resources

- **Official DoD Issuances (directives, instructions, manuals):** http://www.dtic.mil/whs/directives/corres/dir3.html
- **DODI 5000.02**: http://www.dtic.mil/whs/directives/corres/pdf/500002p.pdf
- **Defense Acquisition Portal:** https://dap.dau.mil
- **Defense Acquisition Guidebook (14 Chapters):** https://dag.dau.mil
- **Milestone Documentation ID (MDID) Tool**: https://dap.dau.mil/mdid
- **USD(AT&L) Web Site (AcqWeb):** http://www.acq.osd.mil/
- **DAU Services Acquisition Mall**: http://sam.dau.mil
- **DPAP Services Acquisition web page:** www.acq.osd.mil/dpap/sa/index.html

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on Guidebook [DAG]

Defense Acquisition Guidebook

Your Acquisition Policy and Discretionary Best Practice Guide

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Guidebook Chapters

1 DoD Decision Support Systems
2 Program Strategies
3 Affordability and Life-Cycle Resource Estimates
4 Systems Engineering
5 Life-Cycle Logistics
6 Human Systems Integration (HSI)
7 Acquiring Information Technology
8 Intelligence, Counterintelligence, and Security Support
9 Test and Evaluation (T&E)
10 Decisions, Assessments, and Periodic Reporting
11 Program Management Activities
12 Business Capability Life Cycle
13 Program Protection
14 Acquisition of Services

DAG Home | Acquisition News | Acquisition Framework | Business Systems

Acquisition Framework Models

Relevant Policy & Guidance

DoDD 5000.01 - The Defense Acquisition Systems
Interim DoDI 5000.02 - Operation of the Defense Acquisition System (Dated 11-26-2013)
CJCSI 3170.01H - Joint Capabilities Integration & Development System
JCIDS Manual - Manual For The Operation Of The Joint Capabilities Integration And Development System

Recent Policy & Guidance

Guidelines for Creating and Maintaining a Competitive Environment for Supplies and Services in the DoD Dated 22 August 2014
Actions to Improve Department of Defense Competition Dated 21 August 2014
Should Cost Management in Defense Acquisition Dated 06 August 2013
BBP 2.0 Implementation Directive Dated 24 April 2013

More >>

Recent DAG Updates

The DAG does not reflect the changes in the Interim DoDI 5000.02. Click to read more.

Milestone Requirements

System Acquisition | Business System Acquisition

Policies are developed to prevent the recurrence of bad outcomes.

HANDOUTS AND BACK UPS

BETTER BUYING POWER PRINCIPLES*

"The Principles Suggested by 24 Acquisition Experts"

Principle 1: People matter most; we can never be too professional or too competent.

Principle 2: Data should drive policy.

Principle 3: Critical thinking is necessary for success; fixed rules are too constraining.

Principle 4: Controlling life-cycle cost is one of our jobs; staying on budget isn't enough.

Principle 5: Continuous improvement will be more effective than radical change.

Principle 6: Incentives work—we get what we reward.

Principle 7: Competition and the threat of competition are the most effective incentives.

Principle 8: Defense acquisition is a team sport.

Principle 9: Our technological superiority is at risk and we must respond.

Principle 10: We should have the courage to challenge bad policy.

* Source: "Better Buying Power Principles, What are they?", Frank Kendall, AT&L Magazine, Jan/Feb 2016

DEFENSE ACQUISITION SYSTEM (DAS)

Policy & Guidance Resources

- **Official DoD Issuances (directives, instructions, manuals):** http://www.dtic.mil/whs/directives/corres/dir3.html
- **DODI 5000.02**: http://www.dtic.mil/whs/directives/corres/pdf/500002p.pdf
- **Defense Acquisition Portal:** https://dap.dau.mil
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- **DAU Services Acquisition Mall**: http://sam.dau.mil
- **DPAP Services Acquisition web page:** www.acq.osd.mil/dpap/sa/index.html

Milestone A Program Certification Still Required

Sample/Draft MEMO FOR RECORD

As required by Section 2366a of Title 10, United States Code, I have consulted with the Joint Requirements Oversight Council (JROC) on matters related to program requirements and military needs for the *(name of program)* and certify that:

(1) the program fulfills an approved initial capabilities document;

(2) the program is being executed by an entity with a relevant core competency as identified by the Secretary of Defense;

(3) if the program duplicates a capability already provided by an existing program, the duplication provided by such program is necessary and appropriate;

(4) an analysis of alternatives has been performed consistent with the study guidance developed by the Director of Cost Assessment and Program Evaluation; and

(5) a cost estimate for the program has been submitted, with the concurrence of the Director of Cost Assessment and Program Evaluation, and the level of resources required to develop and procure the program is consistent with the priority level assigned by the Joint Requirements Oversight Council.

Sample/Draft

Milestone B MDAP Program Certification
Sample/ Draft MEMORANDUM FOR THE RECORD

As required by Section 2366b of Title 10, United States Code,

(1) I have received a business case analysis for the (*name of 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 future-years defense program 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;

(D) funding is available to execute the product development and production plan under the program, through the period covered by the future-years defense program submitted during the fiscal year in which the certification is made, consistent with the estimates described in paragraph (C) for the program; and

(2) I have received the results of the preliminary design review and conducted a formal post-preliminary design review assessment, and certify on the basis of such assessment that the program demonstrates a high likelihood of accomplishing its intended mission; and

Sample/ Draft MEMORANDUM FOR THE RECORD (cont.)

SUBJECT: Milestone B MDAP Program Certification

(3) I 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, as determined by the Milestone Decision Authority on the basis of an independent review and assessment by the Director of Defense Research and Engineering; and

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

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