

ACQUISITION REFORM **TODAY**

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Deskbook

New info source looms as AR 'best seller'

**By Jay Bishop
ODUSD(AR)**

Feedback from members of the acquisition workforce on the Defense Acquisition Deskbook has been overwhelmingly positive.

The most common comment has been that the Deskbook is a tool that's long been needed to make work easier and more effective for front-line acquisition professionals, according to Ric Sylvester, Director, Program Acquisition Strategies Improvement, and leader of the Deskbook Working Group.

The Deskbook is an automated reference tool designed to provide DoD acquisition information from all components for all components across all functional acquisition disciplines.

The Deskbook first became available May 28 in its Operational Test version. The first "production" version debuted July 31. Plans are to update it again on September 30, and quarterly after that. It contains a reference library that includes the Federal Acquisition Regulation (FAR), the Defense FAR supplement, DoD Directive 5000.1, DoD 5000.2-R, every statute and document referenced in the two 5000 documents, and a number of Service and Agency documents.

In addition, it contains structured, accessible information on discretionary practices, sample

formats and software tools, and advice and acquisition wisdom from experienced acquisition professionals on a number of acquisition topics. This section has only a small number of topics now, but will expand rapidly in subsequent versions of the Deskbook.

According to the Deskbook mission statement, it "provides the opportunity to support a basic change in acquisition culture. By organizing the information in the Deskbook's Reference Information System into Mandatory Direction, [and] Discretionary Practices and Advice categories, the [Deskbook] sends a clear message to the acquisition community that discretion and the use of judgment is a main-stream element of our business process."

Additional guidance is available via the "Ask A Professor" aspect of the Deskbook. Questions asked by members of the Acquisition Workforce will be forwarded to faculty at Defense Acquisition University schools for answers from a practitioner's point of view.

The Deskbook is available on-line and in CD format. The on-line address is <http://deskbook>.

osd.mil/deskbook.html.

Department of Defense users can get the CD by contacting the Deskbook Joint Program Office. Commercial users may obtain the CD from the Government Printing Office at a price of \$35 for a year's subscription that includes quarterly updates.

Questions regarding the deskbook may be sent to the program office via E-mail at deskbook@deskbook.osd.mil. The mailing address is DoD Acquisition Deskbook Joint Program Office, 2060 Monahan Way, Wright-Patterson AFB, OH 45433. Phone: DSN 785-0416, Commercial 513-255-0416; Fax DSN 785-4102; Commercial, 513-255-4102.

Early Data Say AR Has Great Day

Preliminary responses indicate that Acquisition Reform Day activities were successful and a positive experience for the acquisition community.

"Our success is real and visible," Dr. Paul G. Kaminski, Under Secretary of Defense for Acquisition and Technology, told a Reform Day audience in the Pentagon Courtyard. "We . . . now have a foundation in place to move to 21st century business practices."

Dr. Kaminski noted, however, that more must be done to communicate ways to accelerate reforms across the entire acquisition system "from C-17s
(Please see AR DAY, page 6)

NAVY PLAYS ITS 'ACE' FOR ACQUISITION

Acquisition Reform 'Centerpiece' says ASN Douglass

The Navy is instituting an Acquisition Center of Excellence (ACE). The objective of ACE is to reduce the cost and cycle time associated with major weapons systems acquisition by educating Program Executive Officers (PEOs), Program Managers (PMs), and other acquisition professionals on business process reengineering tools and techniques, and world class acquisition strategies.

The ACE will serve three basic functions: (1) as an interactive work place for program managers to define program objectives and develop and assess new process concepts; (2) as a virtual prototyping laboratory where DoN employs the most robust

technological advancements and world-class acquisition strategies; and (3) as an electronically accessible resource library providing information, knowledge, lessons learned, and state-of-the-art practices to our acquisition community. It will be used as a tool to encourage the collaborative synergy necessary to achieve cultural change within the Navy acquisition system/community.

The Navy's plans for the center were recently briefed to a session of the DoD Acquisition Reform Senior Steering Group. The briefing was given by Karen Sorber, director of the Center.

In a memorandum in March, John Douglass, Assistant Secretary of the Navy for Research, Development and Acquisition, said the ACE would be

"center piece" of the Navy's acquisition reform effort. "We can be justifiably proud that our efforts in reform have been extremely successful to date. . . I believe ACE will enable us to move aggressively to reengineer our business practices and achieve the cost and cycle time reductions necessary to achieve our modernization goals," the memorandum read.

Initial capabilities of the Center will include Integrated Product and Process Development techniques, business process reengineering, dynamic business simulation and a Cost as an Independent Variable tool set. It will provide "one-stop" shopping for exploration and program application of world-class practices and processes. It will act as a conduit, building relationships within Navy (e.g., between the Science & Technology and acquisition communities) and among government, academia, and industry.

To understand and harness development and learning already under way, coalitions will be created with the Office of Naval Research, Advance Research Project Agency, Defense Modeling and Simulation Office, Defense Information Systems Agency and Defense Systems Management College. The ACE will serve as a host for these coalitions to bring tools, successes and lessons learned into the Navy acquisition environment.

For additional information contact the Director of the Center of Excellence: Karen Sorber, Acquisition Reform Office, (703) 602-5506 or 5508, FAX (703) 602-5481, E-mail sorber_karen@asnrdad.acq-ref.navy.mil.

How to REACH ACQUISITION REFORM TODAY

WHAT: Send us your comments, suggestions, complaints, good news stories and notices of upcoming events. Submissions for letters to the editor section should be exquisitely brief. We'll read everything, take what you have to say to heart and print what we can in limited space.

HOW: You can reach us by phone, fax, E-mail and regular mail. Address your communications to our editorial Point of Contact, Diane McLaughlin, at:

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SINGLE PROCESS INITIATIVE SCORES

Texas Instruments Signs On For Block Changes

The Defense Department's Single Process Initiative has produced its first major integration of defense and commercial manufacturing processes at contractor facility. Block modifications affecting 770 contracts at Texas Instruments in Dallas have been signed by the contractor and the government.

The Single Process Initiative is a key element of acquisition reform, and is part of the overall DoD effort to reduce the use of defense-unique military specifications. The objective is to allow contractors with both defense-unique and commercial processes in a facility to standardize process requirements on a facility-wide basis where it makes good business sense.

Contractors are encouraged to

propose their own processes based on non-government specifications, standards, or industry best practices that meet the intent of military specifications or standards. For industry, this provides an opportunity to reengineer management and manufacturing processes to reduce cycle time and improve quality.

The thrust of the effort is to lower cost, increase quality, speed delivery and improve the competitiveness of defense contractors.

Block Change Approach

Using a "block change" modification approach, it typically involves the consolidation or elimination of multiple processes, specifications and standards in all contracts on a facility-wide basis, rather than on a contract-by-contract basis. It can also be done on a contract-wide basis, a division- or a program-wide basis.

The modifications at Texas

Instruments are for the following:

Block Change Modification ARZ998 on the use of paint and primer materials in the metals fabrication process deletes four different military specifications and substitutes Texas Instruments' single process specifications for alternative coatings. This block change modification is a result of partnering efforts by Texas Instruments and the Joint Logistics Commanders' Joint Group on Acquisition Pollution Prevention (JG-APP). It will reduce environmental emissions associated with these contracts by over 40 percent.

Block Change Modification ARZ999 on quality systems, soldering, workmanship and quality standards, inspection, encapsulation, electrostatic discharge protection, factory environment, and equipment calibration deletes 19 different military or service specific specifications and substitutes the Texas Instruments standard

Acquisition Reform Something To Brag About

Texas Instruments Defense Systems and Electronics is placing advertisements in the weekly trade publication *Defense News* in order to underscore a leadership role in Acquisition Reform. It is another sign that acquisition reform is taking hold (see story this page).

The ads equate real acquisition reform with some of history's monumental achievements. The headline reads, "They said it couldn't be done."

Under the headline in one double-page version are photographs of a Wright Brothers-era biplane, a stubby Air Force aircraft in flight, an astronaut on the moon and a meat cleaver slicing into a stack of mil specs. Under each photograph was a caption. They read, respectively, "Man will never fly," "The sound barrier

will never be broken," "Man will never land on the moon," and, finally, "Real acquisition reform? Never happen."

Beneath the row of photographs is a headline reading, "Oh, really?" In the ad copy, TI says it did not merely meet the government's acquisition reform challenge, it set the standard. The copy says that with the single process initiative, "TI has clearly established itself as the industry leader in acquisition reform, creating a 'common process factory' for its contracts. Acquisition reform -- TI is leading the way."

procedure.

(Please see SPI, Page 6)

AR PAYOFF

Open Systems Standards Cut Electronics Costs

One of the most promising elements of Acquisition Reform is a shift towards open systems standards for electronic systems.

The open systems approach can have a profound affect on the life-cycle cost of a system because it gives DoD program managers access to a widely accepted, industrial base of commercial products and processes.

The open systems concept originated in the information technology (IT) world in response to the problems inherent in giving all one's business to a single vendor of proprietary products. The customer is then locked into that one supplier who is under little pressure to reduce cost or improve and differentiate the product.

The single vendor approach also tends to limit systems design flexibility because it depends on the vendor being willing to provide the products that the customer needs. All other vendors's products are incompatible with the present system, so only a small after-market develops and options for supportability are limited.

In September 1994 the DoD Open Systems Joint Task Force (OSJTF) was formed to "sponsor and accelerate the adoption of open systems in weapons systems and subsystems electronics..." Two months later, Paul Kaminski, Under Secretary of Defense for Acquisition and Technology, directed acquisition executives in DoD to use

open systems specifications for weapons systems electronics wherever possible.

Since then, this approach has been integrated into the new DoD Directive 5000.1 and the 5000.2-R.

"The open systems approach is a smart way to do business. Program managers are hard pressed between budget constraints and the need to continually upgrade or maintain the capability of military forces. The open systems approach would offer them big benefits even if it were not DoD policy," according to H. Leonard Burke, OSJTF director.

The approach uses widely accepted, public consensus standards that any vendor can use as the basis for system design. A key advantage of the approach is the wide availability of a larger variety of compliant products. This is important because "open" but narrowly available product lines are little different in effect from the traditional DoD approach.

A misperception associated with the open systems approach is that it means using consumer grade products in military systems. The open systems approach does not imply using such products.

"All open systems designs must still meet military requirements," Burke emphasizes.

The OSJTF is currently conducting a baseline analysis of opens systems usage in DoD. The study is intended to assess awareness of the policy on and benefits of open systems, develop means to assess future progress, and

identify roadblocks to the approach. The study will also supply evidence of the benefits of the open systems approach.

The Point of Contact for the OSJTF is Lt. Col. Art Decelles at **703-578-6160** or E-Mail **decellag@acq.osd.mil**. The OSJTF Home Page can be found at **<http://www.acq.osd.mil/osjtf/>**.

Acquisition Career Manual Available

**By Charles Gainor
ODUSD (AR)**

The new version of the Acquisition Career Development Program manual, DoD 5000.52-M, is now being distributed. The manual covers career development for both civilians and military personnel in acquisition career fields.

It also covers education, training and experience certification standards for acquisition career development, descriptions of the position categories included in the acquisition career development program, certification standards for acquisition career paths, and assignment qualification for acquisition positions with statutory requirements. The manual also contains the qualifications required

READERS

for the positions of program

The views expressed by letter writers are entirely their own and do not necessarily represent the views of the Department of Defense.

manager, deputy program manager, program executive officer and contracting occupations.

Some of the key changes from the earlier version include:

- new training requirements for
(Please see Manual, Page 6)



Getting The Word To The Middle

To the Editor

From what I read and hear regarding Acquisition Reform the sentiment among upper-level decision-makers sounds wonderfully enlightened and appropriately revolutionary. The disconnect is with the middle-level and enforcement-level bureaucracy that, at each successive level, tightens, codifies, prescribes and applies ever tighter statutory straight jackets to your very best of intentions. Our purchasing department still seems to delight in reading to us the chapter and verse out of the FAR as to why we cannot do what fits the program to get the job done. As an example, we should be able to use our purchase cards to buy printed circuit boards (among other things). The details cited prohibiting this are illogical and pointless and at variance with the whole idea of FASA. It seems that in some ways a more inflexible and strident bureaucracy of uncertain and self-protecting purchasers is springing up in the wake of FASA than we have had in the past. Word must get down to the buyers to effect an alignment change of paradigm that finally allows the FASA vision to be implemented.

Skip Gorman,
Naval Air Weapons Center, China

Lake

Beltway Barrier Broken

To The Editor:

Just received a copy of your Acquisition Reform TODAY newsletter. What a great idea -- it facilitates communication "beyond the beltway" of the rapid changes in acquisition to us folks in the field.

Mary Ketelhut

Fleet and Industrial Supply Center
San Diego, CA

Intragovernment Buying Needs Help

To The Editor:

I would like to say that I am quite impressed with the pace of reforms to date and look forward to reading about accomplishments in Acquisition Reform TODAY and over the Internet.

In my program management function at NR&D (part of SPAWAR), I recently came across two acquisition cases that point out

From The Editors

Acquisition Reform TODAY welcomes communication from readers.

Every communication is read and appreciated. We regret, however, that we can print only a small number of the items we receive.

Writers wishing their messages considered for publication must include their name, agency and a daytime telephone number with their communication. Name and organization will be printed with the letter.

Letters may be slightly edited for style and space reasons.

that reforms are needed in the process for interagency acquisitions.

Case #1 -- We attempted to obtain training services from the FAA to train Navy personnel in the operation and maintenance of certain Air traffic Control equipment that is used by both the military and the FAA. We have a long history of doing this, as it is cost effective. We were attempting to use FAA in-house personnel. Our legal personnel required the preparation and approval of a D&F that had to be approved by our HQ even though the amount was less than \$25,000. This requirement is in *new* regulations issued Oct. 1, 1995, FAR 17.5. I'm sure it cost the Navy more than \$5000 to follow this regulation.

Case #2 -- We are attempting to obtain animal control services from the Department of Agriculture which is within their mission area. The estimated cost was \$5000. Again, because of the FAR, we have to prepare a D&F that will cost more than the acquisition.

I read some of the background to this regulation and it seems to me to be a "knee-jerk" reaction to some congressional hearings in 1993.

Thanks for listening.

Bill Clawson

RDT&E Division, Naval Command,
Control and Ocean Surveillance
Center, San Diego

Business Week Finally Gets It, Does AR Story

Readers had to slog through the same old stuff: references to expensive toilet seats, over specification of devil's food cake and the like, but finally a major business magazine has begun to give

Acquisition Reform its due.

The magazine is *Business Week*. In its issue dated May 27, the publication gave a page and a half to a status report on reform. Its verdict: the Department of Defense is becoming a smart buyer.

The article notes that Secretary Perry made acquisition reform a center piece of his administration.

The article said current pilot programs will save the Pentagon

billions over the next few years and, quoted Secretary Perry as predicting the savings would be, tens of billions in the future.

The article carried the headline "Attention Pentagon Shoppers" (like the famous K-Mart line) and was accompanied by an exaggerated drawing of a four-star officer with a shopping cart full of toilet seats.

Russian Reform Of Acquisition?

Acquisition Reform DoD-style may have a future in the former Soviet Union. An offer in the first edition of Acquisition Reform TODAY caught the eye of a member of the defense attache's staff in the embassy of the Russian Federation. The offer was for a computer disk containing Acquisition Reform "Source Documents". Col. A. Nekrasov called in for information, then penned a polite note asking for the disk. It was supplied.

AR DAY

(From Page 1)

to socks, from major defense acquisition programs to base procurement."

Dr. Kaminski paraphrased Winston Churchill's famous progress report on Great Britain's fight against Nazi Germany in World War II by saying, "this is not the end of our work in acquisition reform nor even the beginning of the end. I do think, though that today marks the end of the beginning."

Official responses are due back this month. A consolidated report will be provided through the Acquisition Reform Communications Center to Dr. Kaminski and to Emmett Paige Jr., the Assistant Secretary of Defense for Command, Control, Communication and Intelligence.

Acquisition Reform Day was intended to help consolidate the progress already made and prepare for future actions.

SPI

(From Page 3)

The Defense Contract Management Command (DCMC) has the lead to implement the initiative and has directed that management councils be established at all key contractor facilities. This is intended to help improve government and industry communication, and expedite implementation of single processes in facilities. A senior level OSD/Joint Service/DCMC Steering Group has been established to eliminate barriers and facilitate implementation of the common process approach.

Manual

(From Page 4)

program executive officers, program managers and deputy program managers.

- increased experience requirements for program managers of Major Defense Acquisition Programs.
- more flexibility for the components to send employees to training.
- a new position category to facilitate developing multi-function team leader positions.
- standardized acquisition experience requirements for career development in most career fields.
- increased emphasis on assignment-specific training necessary for performing specific jobs or duties in acquisition.

The manual was developed by the Director of Acquisition Education, Training and Career Development together with the Component Directors of Acquisition Career Management and the DoD Career Management Functional Boards with comments from many organizations within the Department of Defense.

It is consistent with the intent of the Defense Acquisition Workforce Improvement Act, which is to enhance the quality and

professionalism of the acquisition workforce.

DoD components are making distribution now. Additional copies can be ordered through normal publication channels.

Also, copies can be downloaded from the World Wide Web at <http://www.acq.osd.mil/dau/othrdocs.html>. Reading the downloaded document requires software called an Adobe Acrobat viewer. This free viewer may also be downloaded at this site.

USAF Speeds AR With 'Bolts'

By Capt. Barry Graham, USAF

In the Air Force acquisition community, lightning has now struck eleven times. The figurative lightning strikes are the result of an Air Force effort to "jump start" the implementation of acquisition reform in all of its programs.

The effort had its beginnings in the spring of 1995. Although reform efforts were underway and demonstrating success, only a few programs, such as the DoD Pilot and Air Force Lead Programs, were implementing reform by April 1995.

Building a lean, agile acquisition system is one of the Air Force's highest management priorities. The Air Force determined that something more was needed to make acquisition reform a reality in order to meet this high-priority goal. Thus, the Lightning Bolt was born. The Air Force Acquisition Reform Lightning Bolts are significant, focused initiatives designed to produce big changes in the way business is done.

Mrs. Druyun Hurls Bolts

Mrs. Darleen Druyun, then acting Service Acquisition Executive, issued the first eight Lightning Bolts in May of 1995. Since then three have been added. The Lightning Bolt Initiatives represented a strategy for implementing acquisition reform throughout the Air Force. The goal of the Lightning Bolts is to make acquisition reform part of the culture instead of just a passing fad.

Lightning Bolt #1, for instance, established a centralized team to review solicitation documents--implementing military specification and standard reform and other initiatives. This team is working with many of the larger

USAF Lightning Bolts



Cartoon by Acquisition reform TODAY Staff

programs and is training support teams at each of the buying centers. The objective is to train everyone to produce streamlined solicitations.

Lightning Bolt #5 fundamentally changes the way oversight and reviews conducted, and implements many of the recommendations of the OSD process action team report.

As a dramatic follow-up to the original Lightning Bolt Initiatives, SAF/AQ announced the most recent new "Bolts" on 5 March 1996.

Lightning Bolt #10 seeks to reduce acquisition cycle time, and Lightning Bolt #11 is intended to improve the Science and Technology process. Announcing the new Lightning Bolts is a recognition that, while much has been done, there is much more to do in reforming the acquisition system.

Reform Making A Difference

Air Force acquisition reform is making a difference. For example,

the C-17 program chalked up \$5.3B in cost savings and avoidance; the Joint Strike Fighter program cut contract award time in half; and the Global Positioning System program office cut its staff by 40%.

The Lightning Bolt initiatives have been a tremendous force in cultivating acquisition reform. The policies, processes, and people are being put in place to make sure these Lightning Bolts eventually reach every program in the Air Force.

Lasting Reform

The Air Force has made substantial progress in reforming its acquisition practices and culture. Lasting reform is the result of improving business practices and changing acquisition culture to make today's "acquisition reform" tomorrow's "business as usual."

Additional information about the Lightning Bolt Initiatives can be found at the Air Force Acquisition

Home Page on the World Wide Web
at www.safaq.hq.af.mil/SAFAQ/.