



FY12 – A period of Turbulence

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Agenda



- ⦿ What We Are
- ⦿ A Brief Look-Back
- ⦿ FY12 – Legal & Procurement Difficulties
- ⦿ FY13 and Beyond

What We Are

- An Innovation Center and Partnership to spur performance improvement in the National Small Arms arena
- Over 100 industry and academe partners coupled to the Services through the Joint Service Small Arms Program Office and a wide sweep of relevant Product Management Offices
- Other Transaction Agreement (OTA) based acquisition

What We Are



- ⦿ In operation since FY05.
- ⦿ Developments to date include:
 - Light weight stainless steel cartridge cases
 - Luminescent tracer projectiles
 - Advances in weapon system modeling
 - Foundational efforts done in grenade munitions and fire control concepts transitioned to 6.3.
 - Benchmark supplier-driven technology assessment in response to a comprehensive user capability needs list

What We Are

- Foundational to this relationship is enhanced customer-supplier dialogue
 - Semi-annual *interactive* member meetings
 - Muddy Boots
 - Muddy Brains
 - Business oriented topic subject matter expert talks
 - Predictable business cycle centered on three annual solicitation venues
 - Request for Project Proposal (near-term, funded)
 - Request for Business Development Proposal (mid to long term, unfunded)
 - White Papers (mid to long term, unfunded)

A Brief Look Back

- Progress and impact have been uneven during the first eight years of operation.
 - Establishment of a predictable business cycle
 - Maintenance of a predictable procurement cycle
- Through a joint customer-supplier six sigma process study, a highly relevant business cycle developed.
- This cycle underlined the importance of the foundational procurement cycle contribution

A Brief Look Back

- FY05 Procurement cycle averaged 127 days from proposal receipt to award
- Subsequent years saw a steady erosion of that performance to over 360 days in FY09
 - Army's burden of SW Asian operations (capacity)
 - Baby Boomer retirements (capacity)
- Solution: Find an interim alternate procurement venue until the above factors lessened

A Brief Look Back

- FY10 to FY12 procurement mission reassigned to the Department of Interior's National Business Center Sierra Vista Office via an Interagency Agreement
 - Former Army Procurement Office
 - Wide spread OSD/Service/DARPA technology support history
 - Lower administrative costs than alternate in-house (ARDEC) Other Transaction Agreement Model
- FY10 and FY11 performance:
 - 78 day average award cycle (from receipt of Proposal)
 - Approximately 1/3 administrative costs

FY12 – Legal and Procurement Difficulties



- Stable and predictable NSAC processes resulted in decision to expand annual JSSAP business activity by at least 3 fold.
- Required Departmental review and approval per statute
- Formal request transmitted in July 2011 while FY12 procurement was in process
- OGC Army challenges DoI/NBC authority to award section 845 Prototype Authority

FY12 – Legal and Procurement Difficulties



- DoI Solicitor General aggressively asserts legitimate authority based on 2003 legislation
- Advances detailed position defending this statutory authority in December 2011
- Department of Defense still reviewing this position as of this current conference
- Plan B – alternate FY12 procurement avenues
 - Other Army
 - DARPA
 - Other Service

FY12 – Legal and Procurement Difficulties



- Ultimate FY12 decision – one time award by Defense Ordnance Technology Consortium for FY12 NSAC technology programs
- Developmental schedules impacted by this delay will result in no formal FY13 RPP.

FY13 and Beyond



- ⦿ Indications that current impasse will be resolved in the near to mid term by congressional action regarding statutory authority
- ⦿ Critical issues apart from the above resolution involve the following:
 - Administrative costs
 - Capacity/Priority

FY13 and Beyond



- Administrative Costs: Small Arms Technology Base budgets are relatively modest – alternatives that double or triple USG costs have real and substantial impacts
- Capacity/Priority: A return to the FY07 to 09 unpredictable and lagging procurement cycle clearly does not support an innovation program focused on the goals of the underlying Other Transaction Agreement legislation

FY13 and Beyond



- ⦿ Factors affecting the go-forward planning:
 - Legislative actions
 - Costs
 - Capacity
 - Industry/Academe partner perspectives