



NDIA 29th Annual Test and Evaluation Conference

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July 23, 2014



Overview

- Testing in the Acquisition Environment
 - Interim Update to DoDI 5000.02
- Better Buying Power 2.0
 - Improving the Professionalism of the T&E Workforce
- Industry Partnerships
 - ICOTE
- Budgetary Challenges



DoD Instruction 5000.02

“Operation of the Defense Acquisition System”

- Decrease emphasis on “rules” and increase emphasis on process intent and thoughtful program planning
- Shift developmental testing and evaluation *left* to inform Milestone B and Milestone C decisions
- Provide program structures and procedures tailored to the dominant characteristics of the product being acquired and to unique program circumstances, e.g., risk and urgency
- Enhance the discussion of program management responsibility and key supporting disciplines
- Institutionalize changes to statute and policy since the last issuance of DoD Instruction 5000.02 in 2008



Better Buying Power 2.0

A Guide to Help You Think

Achieve Affordable Programs

- Mandate affordability as a requirement
- Institute a system of investment planning to derive affordability caps
- Enforce affordability caps

Control Costs Throughout the Product Lifecycle

- Implement “should cost” based management
- Eliminate redundancy within warfighter portfolios
- Institute a system to measure the cost performance of programs and institutions and to assess the effectiveness of acquisition policies
- Build stronger partnerships with the requirements community to control costs
- Increase the incorporation of defense exportability features in initial designs

Incentivize Productivity & Innovation in Industry and Government

- Align profitability more tightly with Department goals
- Employ appropriate contract types
- Increase use of Fixed Price Incentive contracts in Low Rate Initial Production
- Better define value in “best value” competitions
- When LPTA is used, define Technically Acceptable to ensure needed quality
- Institute a superior supplier incentive program
- Increase effective use of Performance-Based Logistics
- Reduce backlog of DCAA Audits without compromising effectiveness
- Expand programs to leverage industry’s IR&D

Eliminate Unproductive Processes and Bureaucracy

- Reduce frequency of OSD level reviews
- Re-emphasize AE, PEO and PM responsibility and accountability
- Eliminate requirements imposed on industry where costs outweigh benefits
- Reduce cycle times while ensuring sound investment decisions

Promote Effective Competition

- Emphasize competition strategies and creating and maintaining competitive environments
- Enforce open system architectures and effectively manage technical data rights
- Increase small business roles and opportunities
- Use the Technology Development phase for true risk reduction

Improve Tradecraft in Acquisition of Services

- Assign senior managers for acquisition of services
- Adopt uniform services market segmentation
- Improve requirements definition/prevent requirements creep
- Increase use of market research
- Increase small business participation
- Strengthen contract management outside the normal acquisition chain – installations, etc.
- Expand use of requirements review boards and tripwires

Improve the Professionalism of the Total Acquisition Workforce

- Establish higher standards for key leadership positions
- Establish stronger professional qualification requirements for all acquisition specialties
- Increase the recognition of excellence in acquisition management
- Continue to increase the cost consciousness of the acquisition workforce – change the culture



Budgetary Challenges

- No sequestration in FY 2015
 - DoD portion of FY2015 President's Budget complies with Budget Control Act (sequestration)
- **HOWEVER ...** the Department faces difficult budget challenges as part of the FY2016-2020 PBR
 - Risk of sequestration
 - Remaining effects of continuing resolutions and Government shutdown