

Weapon Systems Acquisition Reform Act

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On 22 May 2009, President Barack Obama signed into law the Weapon Systems Acquisition Reform Act of 2009, a bill sponsored by Senators Carl Levin (D-MI) and John McCain (R-AZ), the chairman and ranking member of the Senate Armed Services Committee. At the White House Rose Garden signing ceremony, President Obama stated the bill will “eliminate some of the waste and inefficiency in our defense projects—reforms that will better protect our nation and better protect our troops.” He also added, “We will always give our men and women in uniform the equipment and support that they need to get the job done. But I reject the notion that we have to waste billions of taxpayer dollars to keep this nation secure.”¹

The bi-partisan bill passed unanimously in both the House and the Senate on its way to the White House and is titled “An act to improve the organization and procedures of the Department of Defense (DoD) for the acquisition of major weapon systems, and for other purposes.”² Just before signing the bill, President Obama said, “While we have a long way to go to end this waste once and for all, the legislation I am about to sign is a very important step into creating a government that is more efficient, more accountable, and more responsible to keeping the public’s trust.”

The Weapon Systems Acquisition Reform Act of 2009 contains the following provisions divided into three Titles:

Title I: Acquisition Organization

Sec.101. Establishes a director of cost assessment and program evaluation. The director is to assume the functions of the Office of Program Analysis and Evaluation, including the functions of the Cost Analysis Improvement Group. The director is required to submit an annual report on cost assessment activities to congressional defense committees no later than 10 days after the President’s Budget is submitted to Congress.

Sec.102. Establishes director of developmental test and evaluation and director of systems engineering. Requires the directors to issue joint guidance and submit a joint annual report on activities undertaken.

Sec.103. Requires a senior official responsible for performance assessments and root cause analyses for major defense

acquisition programs (MDAPs).

Sec.104. Directs assessment of technological maturity of critical technologies of MDAPs by the director of defense research and engineering.

Sec.105. Directs Joint Requirements Oversight Council (JROC) to seek and consider input from the commanders of the combatant commands in identifying joint military requirements.

Title II: Acquisition Policy

Sec.201. Requires the secretary of defense (SECDEF) to ensure that mechanisms are developed and implemented to require consideration of trade-offs among cost, schedule, and performance objectives in DoD acquisition programs. Requires the JROC to ensure trade-off consideration for joint military requirements. Requires the SECDEF to ensure that each new joint military requirement recommended by JROC has sought and considered input from commanders of combatant commands and complies with trade-off consideration requirement.

Sec.202. Directs SECDEF to ensure that acquisition strategies for each MDAP include measures to ensure competition, or option of competition, at both the prime and subcontract level throughout the lifecycle and adequate documentation of the rationale for the selection.

Sec.203. Directs SECDEF to modify DoD guidance to ensure that the acquisition strategy for each MDAP provides for competitive prototypes before Milestone B approval unless the Milestone Decision Authority (MDA) waives the requirement under certain rules. Requires comptroller general to review MDA waivers on the basis of excessive prototype costs.

Sec.204. Requires MDA, within 30 days after receiving notification from a program manager that the MDAP is experiencing cost growth or schedule delays by more than 25 percent, to submit a report to congressional defense committees that identifies the root cause of the growth or delay and appropriate acquisition performance measures for the remainder of the development of the program. The report must also include a written MDA certification stating the necessity of the MDAP or a plan for terminating the MDAP if the MDA determines that such action is in the interest of national defense.

Sec.205. Adds additional requirements for certain MDAPs.

Sec.206. Directs SECDEF, if the program acquisition unit cost or procurement unit cost of a MDAP or designated sub-program increases by a percentage equal to or greater than the critical cost growth threshold for the program or subprogram to

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determine the root cause for the cost growth and carry out an assessment in consultation with the director of cost assessment and program evaluation. After conducting the assessment, the SECDEF shall terminate the program unless the SECDEF notifies Congress the decision not to terminate.

Sec.207. Requires SECDEF to revise the defense supplement to the Federal Acquisition Regulation to provide uniform guidance to eliminate or mitigate organizational conflicts of interest in MDAPs.

Title III: Additional Acquisition Provisions

Sec.301. Directs SECDEF to commence an awards program for DoD personnel for excellence in the acquisition of products and services. Authorizes SECDEF the use of cash bonuses for the award program.

Sec.302. Amends earned value management elements of the Duncan Hunter Defense Authorization Act for fiscal year (FY) 2009.

Sec.303. Expands national security objectives of the national technology and industrial base.

Sec.304. Requires comptroller general of the US to report on costs and financial information on MDAPs.

US Air Force's Acquisition Improvement Plan

As the Weapon Systems Acquisition Reform Act was going through the legislative process, Secretary of the Air Force (SECAF), the Honorable Michael B. Donley, and Air Force Chief of Staff (CSAF), General Norton A. Schwartz, sent out a memorandum on 4 May 2009 implementing the Air Force Acquisition Improvement Plan (AIP) as "our strategic framework for the critical work of modernizing and recapitalizing our air, space, and cyber systems." The memo reemphasized the Air Force's commitment to "recapturing acquisition excellence" via the AIP, which established five goals and 33 actions to ensure "rigor, reliability, and transparency across the Air Force acquisition enterprise."³

SECAF and CSAF designated the Office of the Assistant Secretary of the Air Force for Acquisition (SAF/AQ) as the AIP implementation lead. The five AIP goals and 33 associated actions build upon lessons learned from past shortfalls in the procurement process. Designated office of primary responsibilities and office of collateral responsibilities of the goals include: Acquisition Integration (SAF/AQX); Deputy Chief of Staff, Manpower, Personnel, and Services (AF/A1); Deputy Chief of Staff, Operations, Plans, and Requirements (AF/A3/5); Deputy Chief of Staff, Strategic Plans, and Programs (AF/A8); Office of Assistance Secretary of the Air Force for Financial Management; Program Management and Acquisition Excellence Office; and commanders (CC) of Air Combat Command, Air Mobility Command, Air Education and Training Command, Air Force Special Operations Command, Air Force Materiel Command (AFMC), and Air Force Space Command (AFSPC). The five AIP initiatives and subtasks are:⁴

1. Revitalize the Air Force Acquisition Workforce

1.1 Exploit newly delegated expedited hiring authority to

fill current civilian vacancies.

- 1.2 Increase and fund military and civilian personnel authorizations, as required.
- 1.3 Fully utilize the recruitment, training, and retention funding derived from Sec. 852 of the FY 2008 National Defense Authorization Act.
- 1.4 Develop and implement recruitment and retention initiatives, including management training programs and bonuses where appropriate.
- 1.5 Increase manning priority for civilian and military acquisition positions.
- 1.6 Examine the mix of military and civilian acquisition personnel.
- 1.7 Develop a succession planning procedure for acquisition leadership in functional specialties.
- 1.8 Establish training and experience objectives as part of the career paths for each acquisition specialty.
- 1.9 Assess the acquisition workforce to determine the appropriate level of personnel needed to accomplish inherently governmental work.
- 1.10 Examine the possibility of reassigning responsibility for acquisition workforce management to AFMC as the lead command.

2. Improve Requirements Generation Process

- 2.1 Ensure acquisition involvement and leadership in support of the lead command early in the development of program requirements.
- 2.2 Require senior acquisition executive and, when applicable, AFMC/CC or AFSPC/CC to certify that the acquisition community can successfully fulfill the requirements in the capabilities development documents.
- 2.3 Require program executive officer (PEO) to coordinate request for proposal with lead requiring major command (MAJCOM)/CC or designee.
- 2.4 Carefully minimize key performance parameters and ensure all requirements are finite, measurable, prioritized, and can be evaluated during a source selection.
- 2.5 Require incremental acquisition strategies that reduced cost, schedule, and technical risk.
- 2.6 Freeze program requirements at contract award.

3. Instill Budget and Finance Discipline

- 3.1 Establish program baselines for cost, schedule and technical performance after Preliminary Design Review.
- 3.2 Identify and implement means to increase cost estimating confidence levels and establish more realistic program budgets.
- 3.3 Stabilize program funding.
- 3.4 Establish a formal review of contractor overhead costs for reasonableness.
- 3.5 Review individual contract profitability to ensure profits and award fees are comprehensively tied to cost, performance, and schedule.
- 3.6 Place renewed emphasis on contractor earned value management system.

AFSPC and its acquisition arm at Space and Missile Systems Center are closely working together on acquisition issues arising out of the Acquisition Improvement Plan to ensure smooth and streamlined processes are implemented.

4. Improve Air Force Major System Source Selection (SS)

- 4.1 Modify Air Force SS procedures to strengthen SS governance.
- 4.2 Improve SS training.
- 4.3 Require use of Multifunctional Independent Review Teams.
- 4.4 Appoint a team of the most qualified Air Force SS experts to provide on-call SS augmentation.
- 4.5 Create a designation for both civilian and military personnel records to identify individuals with competency and experience in SS procedures.
- 4.6 Review the current acquisition planning process.
- 4.7 Simplify SS process wherever possible.

5. Establish Clear Lines of Authority and Accountability within Acquisition Organizations

- 5.1 Reassess wing/group/squadron structure.
- 5.2 Explore a realignment of the rating and reporting chain for the contracting function to ensure independence of the contracting officers.
- 5.3 Reassess PEO construct and offer recommendations for improvement.
- 5.4 Assess value of re-establishing functional matrix management at the centers.

The AIP priority is to rebuild the Air Force acquisition culture so that we can regain our acquisition excellence by delivering products and services on schedule, within budget, and within legal guidelines.

AFSPC's Goal—"Deliver at the Speed of Need"

One of AFSPC five goals in its strategic plan is to "re-engineer acquisition to deliver capability at the speed of need."⁵ This goal adopts Air Force's priority to "recapture acquisition excellence" and sets it as a MAJCOM priority.⁶ During the recent AFSPC strategic planning offsite, two areas were discussed that apply directly to acquisition improvement and are impacted by the Weapon Systems Acquisition Reform Act.

First, AFSPC must "get ahead of the curve." This focus area is about maintaining our military advantage by staying ahead of the pace of change, which is exponential for technology advancement. To achieve this focus area, AFSPC must work to accelerate the pace of identifying and satisfying requirements, acquisitions and technology development.

Second, AFSPC must "bring agility, speed, and discipline to acquisition." Developing, delivering, and sustaining space and especially cyberspace systems requires a new strategy that is more agile and responsive than the "industrial age" acquisition processes and management methods used in the past. The

cyberspace domain is a contested domain, vulnerable to threats, that requires rapid detection, analysis, response, and recovery technology solutions to secure our networks.

Important to these acquisition improvement processes are the people involved. AFSPC must recruit, train, and retain America's best. Building and maintaining acquisition expertise is crucial to the acquisition process.

AFSPC and its acquisition arm at Space and Missile Systems Center are closely working together on acquisition issues arising out of the Acquisition Improvement Plan to ensure smooth and streamlined processes are implemented. Through the implementation of the Weapon Systems Acquisition Reform Act of 2009 and the Air Force's Acquisition Implementation Plan, we will recapture acquisition excellence and provide our Airmen the needed equipment on time and on cost—to fly, fight, and win in air, space, and cyberspace.

Notes:

¹ The White House Press Office, "Remarks by the President at the signing of the Weapon Systems Acquisition Reform Act," 22 May 2009.

² Public Law 111-23, "Weapon Systems Acquisition Reform Act of 2009 (S.454. enrolled as agreed to or passed by both House and Senate)," 22 May 2009.

³ SECAF, CSAF, memorandum, "Air Force Acquisition Improvement Plan," 4 May 2009.

⁴ Office of the Assistant Secretary of the Air Force (Acquisition), "Acquisition Improvement Plan," 4 May 2009.

⁵ 2009-2010 Air Force Space Command Strategic Plan, 18 May 2009.

⁶ 2008 United States Air Force Strategic Plan.



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