



ACT-IAC Presentation to the DoD Advisory Panel on Streamlining and Codifying Acquisition Regulations – PART II

June 30, 2017

ACT-IAC

The American Council for Technology-Industry Advisory Council (ACT-IAC):

- **non-profit, public-private partnership whose mission is to improve government through the effective, efficient, and innovative application of technology.**
- **trusted, objective and ethical forum where government and industry executives communicate, collaborate and learn as equal partners.**

On March 9, 2017, ACT-IAC presented recommendations to the Advisory Panel. The Panel requested specific suggestions for implementing those recommendations. This presentation addresses that request.

Note: ACT-IAC's recommendations address acquisition of general purpose information technologies and related products and services. They are not intended to apply to weapons systems or other complex acquisitions.

ACT-IAC Objectives & Conclusions

ACT-IAC objectives in participating in this process.

- **Create a defense acquisition process that supports – and does not impede --mission achievement and operational performance.**
- **Provide recommendations that will result in better use of taxpayer dollars and contribute to a stronger national defense.**

ACT-IAC concurs with and endorses the framework set forth by the Section 809 panel in its interim report.

- **Adapt at the speed of a changing world**
- **Leverage the dynamic defense marketplace**
- **Allocate resources effectively**
- **Simplify acquisition**
- **Enable the workforce**

ACT-IAC also endorses the Panel’s challenge to “Think Bold”. ACT-IAC’s recommendations are presented in that spirit.

ACT-IAC Recommendations – Part II

- 1. Don't reinvent what already exists - leverage existing regulations and departmental best practices.**
- 2. Apply industry best practices on how to buy.**
- 3. Advocate efficient competition and clearly assign acquisition roles and decision authority.**
- 4. Engage with industry early and often in the acquisition process - identify best practices, acquire market intelligence and avoid missteps.**
- 5. Expand training and professional development for procurement professionals to include new subjects and sources.**

Recommendation 1 - *Don't reinvent what already exists* **- *leverage existing regulations and departmental best practices***

Use the most efficient acquisition process possible. Do not apply processes developed for complex weapons systems to general purpose IT.

- **Establish a policy that general purpose IT shall be off-the-shelf and procured from commercial sources in accordance with FAR Parts 8.4; 12; 13 and 16.505. Exceptions must be approved by an official at a very senior level.**
- **Identify key components in DoD who have done innovative and exceptional work on acquisition and highlight their accomplishments for other activities (examples are DISA DITCO, SCOTT AFB (Encore Contracts)).**
- **Require that DoD use GSA schedules to the extent possible. Bring GSA contracting officers into DoD to train procurement officials on how to take full advantage of alternative acquisition methods.**

Recommendation 1 (continued)

Make the Better Buying Power initiative a reality. Designate appropriate officials in each component to implement its recommendations and maintain department-wide scorecards on performance.

- **Require the establishment of acquisition teams that include program managers and other key functions for every acquisition over \$5 million.**
- **Create a community of acquisition professionals and related competencies using collaborative technologies and social media to provide a forum for exchanging ideas.**
- **Establish a departmental awards program to recognize and reward innovative ideas and significant accomplishments in the acquisition arena.**

Provide mechanisms for industry to provide feedback to the department on the quality and effectiveness of acquisitions

- **Provide feedback to industry on sound, objective, FAR-based reasons for important acquisition decisions.**

Recommendation 2 - *Apply industry best practices on how to buy*

Apply techniques used by industry including shared services and category management.

- Take IT acquisitions out of the DOD 5000 acquisition process (except as embedded as end item within weapons systems) – just use RFQ's for commercial purchases.
- Create a competitive environment by permitting components to offer acquisition support services on a reimbursable basis and permit other components to choose from among alternative sources.
- Extend the Simplified Acquisition Process by delegating procurement authority to the lowest possible level consistent with the price and complexity of the acquisition.
- Establish accountability for milestone slippage and measure the impact of slippage by its effect on mission or program performance.

Recommendation 2 (continued)

Require that the reform plans, to be submitted later in 2017 by the components, include a description of how shared services, category management and other industry best practices will be applied.

Integrate IT requirements and testing responsibilities from the beginning for higher levels of iteration.

- **Mandate a Lean Methodology or Agile Practice First policy as an IT program or project approval priority, to include the participation of certified practitioners.**

Fully implement FITARA by applying the FITARA maturity model developed by ACT-IAC.

Recommendation 3 - *Clearly assign acquisition roles and decision authority while promoting efficiency*

Assign clear roles and decision authority.

- **Mission/program leaders should have final decision authority based on a “mission first” policy. Ensure the acquisition process enhances, and does not hinder, mission performance and outcomes.**
- **Contract and legal officials should be responsible only for determining and defending the appropriate procurement method, not the selection decision.**

De-layer guidance in accordance with simplified procurements and authorities (e.g., reduce guidance for basic commodity purchases to the minimum necessary).

- **Reduce or eliminate time-consuming, procurement-delaying, repetitive market research (RFIs, DRFPs) used to avoid risk with no clear planning.**

Recommendation 3 - continued

Establish and mentor pilot acquisition teams for all Major and Joint Commands that apply collaboration and apply and improve model acquisition templates.

- **Empower Mission and Program Managers to be accountable for integrating the other decision elements to mitigate risks, ensure simplified IT acquisition best practices, and include industry forums.**
- **Provide Joint Acquisition Team training including access to, utilization of, and contribution to recommended acquisition best practices, methods, tools and templates.**
- **Requirements definition should be a team activity with all key acquisition team functions participating to assess wants versus needs.**
- **Permission to proceed and authority to operate should depend on evaluation of the level of participation and placement of the decision authority.**

Develop metrics to measure the effect of changes on improving acquisition results, monitor metrics, and adapt future practices based on results.

Recommendation 4 - Engage with industry early and often in the acquisition process - identify best practices, acquire market intelligence, and avoid acquisition missteps

Require program and procurement officials to engage in external collaborative activities with civilian agencies and the private sector through appropriate non-profit associations and other venues.

- **Include a requirement to engage industry in the performance metrics of program and procurement officials.**
- **Participate in outside forums such as the Defense Entrepreneur Forum (DEF) that include defense and industry exchanges on best ideas and products.**
- **Use reverse industry days and similar initiatives to expose defense procurement officials to industry offerings and best practices.**

Recommendation 4 – Continued

Require that a go/no go decision to proceed with an acquisition includes a consideration of the degree of real industry engagement.

Promote Industry engagement and dialogue by clarifying what is and what is not a conflict of interest (ethical rules of engagement).

- **Review the OCI Mitigation Process to identify and share detailed, best practice examples for writing OCI determination and mitigation.**

Encourage DoD components and employees to take advantage of objective fora such as ACT-IAC where it is possible to communicate and collaborate with a diversity of functions and organizations from both government and industry

Recommendation 5 - *Expand training and professional development for procurement professionals to include new subjects and sources*

Enhance professional development opportunities.

- **Provide On-the-Job Training and Joint Duty Assignments that emphasize due diligence, lessons learned, and applied experience.**
- **Establish a collaborative community of procurement officials within the department to provide for the sharing of knowledge, best practices, and innovative solutions.**
- **Establish collaborative learning expectations to include periodic peer discussions and buddy networks.**
- **Include participation in relevant external associations and organizations in individual development plans.**
- **Embed GSA acquisition professionals in DOD and leverage initiatives such as the Warriors to Workforce (W2W) with the VA.**

Recommendation 5 - continued

Establish an Acquisition Market Place as a best practice repository (content) and global acquisition innovation gateway/exchange (contact) for professionals (similar to GSA's Acquisition Gateway).

- **Acquisition team training and utilization of recommended Acquisition Market Place (AMP), to include an expectation of their interaction and contribution levels.**

Identify, train and learn as acquisition teams that are inclusive of the relevant functional areas (program, finance, contracts, legal) utilize current DPAP tools, templates, documents - <http://dodprocurementtoolbox.com>.

Develop training that emphasizes improving Mission responsiveness and maturing Customer Service.

- **Include Customer Experience expectations in acquisition training (discovery and intake, stakeholders, surveys, customer profiles, etc.).**

FINAL RECOMMENDATION - *Establish a temporary Acquisition Reform Office*

In order to implement acquisition reforms effectively, it is recommended that the department establish an office within the Office of the Secretary to oversee implementation. The office should:

- **Be of limited size (no more than 20 individuals) with representatives from major functions.**
- **Have the authority to review existing acquisition processes and policies throughout the department.**
- **Establish and implement a goal to reduce Departmental policies and procedures on acquisition by 50%.**
- **Report directly to the Secretary.**
- **Be disbanded at the end of one year 18 months.**

ACT-IAC Recommendations – Part I

In its March 2017 presentation to the Commission, ACT-IAC offered the following recommendations:

CHANGE HAS TO BE FUNDAMENTAL – NOT INCREMENTAL

Acknowledge that merely “streamlining and codifying” regulations will not significantly improve defense acquisition – also need to address process, workforce, stakeholder engagement, culture and other key factors

Recommend a strategy built upon the following principles:

- Simplify – get back to basics
- Don’t pay to build what already exists
- Encourage innovation and agility
- Educate and incentivize the workforce
- Require a team approach to acquisition
- Encourage more communication and collaboration

Additional Information

These recommendations were produced by ACT-IAC through its collaborative process that brings together government and industry executives who share a vision of a more effective, efficient, and innovative government.

The working group was composed of representatives from government and industry who engaged in their personal capacity and not as a representative of a particular organization. Key contributors were:

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