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AN ANALYSIS OF THE UNITED STATES SPECIAL OPERATIONS COMMAND'S ACQUISITION PROCESS TO DETERMINE ITS COMPLIANCE WITH ACQUISITION REFORM INITIATIVES OF THE PAST DECADE

by

John F. Couture

December 1996

Principal Advisor: Sandra M. Desbrow

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The United States Special Operations Command (USSOCOM) is a vital component of our nation's defense that is called upon daily to accomplish a wide variety of unique and challenging missions throughout the world. A critical element of USSOCOM's success is its ability to acquire the finest equipment available to achieve these missions. This research analyzes USSOCOM's acquisition process to determine its level of success at delivering this equipment, and focuses primarily on its ability to incorporate acquisition reform initiatives of the past decade into the process. In developing this analysis, the following areas are discussed: the roles and missions of USSOCOM, acquisition reform initiatives of the past decade beginning with the Packard Commission, the findings and recommendations of the USSOCOM Acquisition Process Action Team Report and the acquisition process at USSOCOM.

Based on the research conducted, it is clear that, overall, USSOCOM has done a superb job incorporating reform initiatives into its acquisition process. Areas determined to be non-compliant relate primarily to the concept of empowerment of the Program Executive Officers (PEO). Recommendations for correcting these weaknesses include giving PEOs the authority to execute reprogramming and realignment in accordance with established legal thresholds.

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John F. Couture
Lieutenant Commander, United States Navy
B.S., Florida Southern College, 1985

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of the requirements for the degree of

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December 1996

Author: _____
John F. Couture

Approved by: _____
Sandra M. Desbrow, Principal Advisor

_____
Linda E. Wargo, Associate Advisor

_____
Reuben T. Harris, Chairman
Department of Systems Management

ABSTRACT

The United States Special Operations Command (USSOCOM) is a vital component of our nation's defense that is called upon daily to accomplish a wide variety of unique and challenging missions throughout the world. A critical element of USSOCOM's success is its ability to acquire the finest equipment available to achieve these missions. This research analyzes USSOCOM's acquisition process to determine its level of success at delivering this equipment, and focuses primarily on its ability to incorporate acquisition reform initiatives of the past decade into the process. In developing this analysis, the following areas are discussed: the roles and missions of USSOCOM, acquisition reform initiatives of the past decade beginning with the Packard Commission, the findings and recommendations of the USSOCOM Acquisition Process Action Team Report and the acquisition process at USSOCOM.

Based on the research conducted, it is clear that, overall, USSOCOM has done a superb job incorporating reform initiatives into its acquisition process. Areas determined to be non-compliant relate primarily to the concept of empowerment of the Program Executive Officers (PEO). Recommendations for correcting these weaknesses include giving PEOs the authority to execute reprogramming and realignment in accordance with established legal thresholds.

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I. INTRODUCTION

The United States Special Operations Command (USSOCOM) is a vital component of our nation's defense that is called upon daily to accomplish a wide variety of unique and challenging missions throughout the world. A critical element of USSOCOM's success is its ability to acquire the finest equipment available to achieve these missions. This research analyzes USSOCOM's acquisition process to determine its level of success at delivering this equipment, and focuses primarily on its ability to incorporate acquisition reform initiatives of the past decade into the process.

A. RESEARCH QUESTIONS

1. Primary Research Question

Do USSOCOM acquisition procedures comply with the intent of reform initiatives of the past decade?

2. Secondary Research Questions

a) What are the findings, recommendations and requirements of the acquisition reform initiatives of the past decade, including the Packard Commission, Defense Management Review (DMR), Defense Acquisition Workforce Improvement Act (DAWIA), National Performance Review (NPR), Federal Acquisition Streamlining Act (FASA), Office of the Secretary of Defense (OSD) Acquisition Process Action Team (A-PAT) Report, Federal Acquisition Reform Act (FARA) and Best Value Contracting?

b) What were the principal recommendations of the USSOCOM A-PAT Report?

c) Are the recommendations of the USSOCOM A-PAT Report being implemented effectively?

d) Are the findings and recommendations of the OSD and USSOCOM A-PAT Reports similar? If not, identify the differences.

e) If USSOCOM is not fully complying with the intent of acquisition reform, what changes should be made to the acquisition process to implement reform initiatives?

C. SCOPE OF THESIS

This study is being conducted to determine the extent of USSOCOM's compliance with acquisition reform initiatives of the past decade by reviewing the findings, recommendations and requirements of the Packard Commission, DMR, DAWIA, National Performance Review, FASA, OSD A-PAT Report and FARA as well as providing information on the updated DoD 5000 series, "Best Value" contracting and the Single Process Initiative.

In formulating a determination of USSOCOM's compliance, key features of the acquisition reform initiatives listed in the previous paragraph and USSOCOM's A-PAT Report will be listed and discussed, and USSOCOM's acquisition process from the generation of a Mission Need Statement through each of a programs milestone's will be reviewed.

The duties and responsibilities of the different organizations and individuals associated with the acquisition process will also be discussed, including the Special Operations Acquisition Center (SOAC), Military Deputy to the Acquisition Executive (MDAE), Special Operations Acquisition Executive (SOAE), Program Executive Officers (PEOs), Program Managers (PMs), System Acquisition Managers (SAMs), USSOCOM's Directorates and the Special Operations Components. The thesis will also discuss the criteria USSOCOM utilizes for determining if an acquisition program will be managed "in-house" or by one of the Services.

This in-depth look at the acquisition process will provide the means necessary to determine if USSOCOM is incorporating acquisition reform initiatives into its acquisition

process and to provide opinions and recommendations on USSOCOM policies that are not consistent with the intent of acquisition reform.

C. METHODOLOGY

1. Data Gathering

This research was accomplished by reviewing literature associated with acquisition reform initiatives, USSOCOM acquisition directives and the USSOCOM A-PAT Report. This information summarizes the changes that have occurred in Defense acquisition in the past decade and was used to evaluate the acquisition procedures in place at USSOCOM today. A substantial amount of information was also gathered by conducting interviews with individuals associated with USSOCOM's acquisition process, including members of the SOAC, headquarters directorates and the Components.

2. Analysis and Recommendations

Analysis is included in the primary and secondary research question responses, focusing on how well USSOCOM's acquisition process complies with the intent of acquisition reform initiatives. Recommendations are provided for those areas of the acquisition process that do not comply with the intent of acquisition reform.

D. CHAPTER OUTLINE

The chapter outline is as follows:

- **Chapter I: Introduction**--Discusses the objective of this research, the research questions, the chapter outline and the expected benefits of the study.
- **Chapter II: USSOCOM Information**--Discusses the roles and missions of USSOCOM and SOAC and provides USSOCOM's annual budget.
- **Chapter III: Acquisition Reform Initiatives**--Presents reform initiatives of the past decade from the Packard Commission until the present.
- **Chapter IV: USSOCOM Acquisition PAT Report**--Reviews USSOCOM's A-PAT Report, including the findings, recommendations and procedures for implementing the changes into USSOCOM's acquisition process.

- **Chapter V: USSOCOM's Acquisition Process**--This chapter describes the current acquisition process at USSOCOM, including the roles and responsibilities of key individuals and organizations involved in the process.
- **Chapter VI: Analysis and Recommendations**--Responses to the primary and secondary research questions form the basis of the analysis and recommendations included in this chapter.

F. BENEFITS OF STUDY

This thesis provides an objective view of the acquisition process at USSOCOM based on the research conducted. It highlights where USSOCOM is highly successful implementing acquisition reform initiatives and also discusses those areas that are determined by the author to be non-compliant with the intent of acquisition reform. The findings and recommendations contained herein can be reviewed by key personnel involved in the acquisition process and implemented if they believe the recommendations will improve USSOCOM's acquisition process.

II. UNITED STATES SPECIAL OPERATIONS COMMAND INFORMATION

A. INTRODUCTION

The United States Special Operations Command (USSOCOM) is one of nine unified commands in the U.S. military's combatant command structure and is the centerpiece of an effort by Congress in the mid-1980's to improve the ability of the United States to conduct special military operations. Activated on April 16, 1987, USSOCOM is responsible for training, equipping and maintaining approximately 47,000 Special Operations Forces (SOF) in a ready state of support of the contingency plans developed by the five geographically oriented unified commands (USEUCOM, USCENTCOM, USPACOM, USACOM, and USSOUTHCOM). The legislation which activated USSOCOM also created the position of Assistant Secretary of Defense (Special Operations and Low Intensity Conflict) [ASD (SO/LIC)] and a separate major force program for special operations (MFP-11).[1]

The creation of USSOCOM, headquartered at MacDill Air Force Base in Tampa, Florida, rectified a gap that had existed in the method used to equip special operations forces. USSOCOM has both combat and material development proponency for "Special Operations (SO) -peculiar" items used by its assigned forces, and budget responsibility for Research, Development, Technology and Evaluation (RDT&E) and procurement of such items. The period 1987-92 was designated as the "crosswalk" phase to transfer these functions and budgets from the Services to USSOCOM. In FY 92, USSOCOM assumed full Program Objective Memorandum (POM) responsibility for the acquisition of SOF peculiar items.[2]

The remainder of this chapter will describe the organization of USSOCOM forces, present USSOCOM's budget and describe the Special Operations Acquisition Center (SOAC).

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[1] Douglas W. Lessley, *Special Operations and the Soldier System: Critical Acquisition Issues*, Masters Thesis, Naval Postgraduate School, Monterey, California, March 1992, pp. 75-76.
[2] Ibid., p. 76.

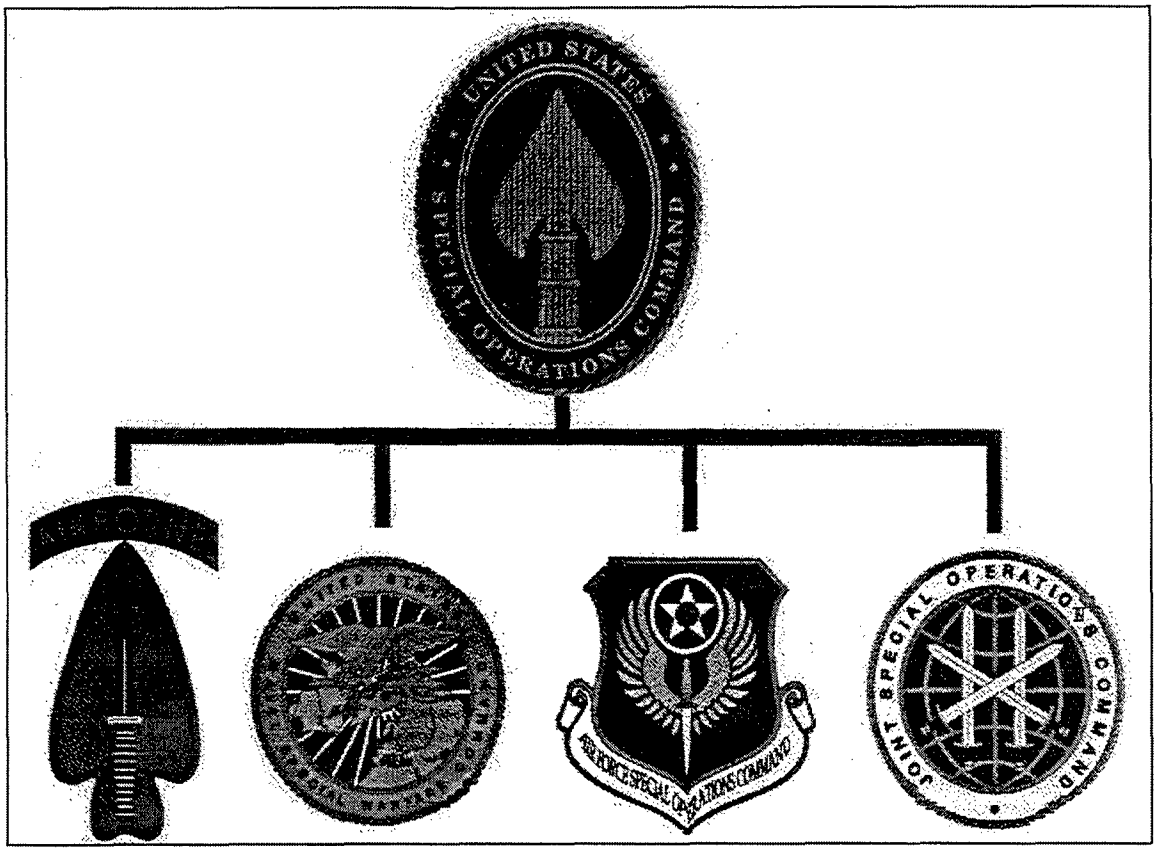

Figure 2.1: U.S. SOF Organization (USSOF 1996 Posture Statement, p. 33)

B. ORGANIZATION

The Commander in Chief of USSOCOM (USCINCSOC) is a four star General Officer with two distinct roles. In his capacity as a supporting CINC, he provides trained and ready SOF to the geographic CINCs. In his role as a supported CINC, the USCINCSOC must be prepared to exercise command of selected special operations missions when directed by the National Command Authorities.[3] USSOCOM's four component commands, United States Army Special Operations Command (USASOC), Naval Special Warfare Command (NAVSPECWARCOM), Air Force Special Operations Command (AFSOC) and Joint Special Operations Command (JSOC), are represented in Figure 2.1.

[3] United States Special Operations Forces 1996 Posture Statement, p. 1.

The geographic CINCs are responsible for determining the forces necessary to accomplish the missions within their areas of responsibility. Their requirements provide the guidance used to develop capabilities and structure of SOF, which consists of four Component commands and various theater assets which are vital to the geographic CINCs. [41]

1. Component Commands

a) U.S. Army Special Operations Command (USASOC)

Headquartered at Fort Bragg, North Carolina, USASOC is responsible to USSOCOM for the readiness of Ranger, Special Forces, special operations aviation, civil affairs and psychological operations units.[5]

b) Naval Special Warfare Command (NAVSPECWARCOM)

Naval Special Warfare (NSW) forces are organized to support naval and joint special operations within the theater unified command. Located in Coronado, California, NAVSPECWARCOM is responsible to USSOCOM for the readiness of those NSW forces, which include sea-air-land (SEAL) teams, SEAL delivery vehicle teams, and special boat squadrons and units.[6]

c) U.S. Air Force Special Operations Command (AFSOC)

AFSOC, located at Hurlburt Field, Florida, is composed of three special operations wings, two special operations groups and a special tactics group. AFSOC is responsible to USSOCOM for the readiness of those organizations.[7]

d) Joint Special Operations Command (JSOC)

JSOC is a joint headquarters designed to study special operations requirements and techniques. Established in 1980, it is located at Fort Bragg, North

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[4] Ibid., p. 2.
[5] Ibid., p. 3.
[6] Ibid.
[7] Ibid.

Carolina, and is the standing joint special operations task force responsible for missions planning, training, tactics and equipment development.[8]

2. Theater Assets

a) Theater Special Operations Commands (TSOCs)

These commands serve as the geographic CINCs' sources of expertise in all areas of special operations. They normally exercise operational control of SOF (except civil affairs and psychological operations) within each geographic CINCs area of responsibility. Although USCINCSOC provides funding and personnel for the TSOCs, each SOC commander reports to the geographic CINC. [9]

b) Civil Affairs (CA) and Psychological Operations (PSYOP) Support to Geographic CINCs

CA and PSYOP are SOF principal missions. USSOCOM provides forward deployed CA and PSYOP support to the geographic CINCs to accomplish planning and coordination for forward presence, peacetime support, contingency and wartime operations. Currently, SOF's only PSYOP group in the active component force structure is the 4th PSYOP Group (Airborne).[10]

C. BUDGET

Although SOF requires only 1.3 percent of DoD's budget and represents 1.4 percent of the military manpower, it provides the National Command Authorities a highly trained, rapidly deployable force capable of supporting national military objectives throughout the world.[11]

The SOF budget request for FY 97 was approximately $3.06 billion, a $180 million reduction from the FY 96 budget. Of the five appropriations that make up the budget, only MILPERS funding increased. The remaining portions of the budget each

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[8] Ibid.
[9] Ibid.
[10] Ibid., p. 4.
[11] Ibid., pp. Foreword and p. 1.

decreased with the largest percentage and actual dollar reduction occurring in the Procurement appropriation. Table 2-1 presents SOF Budget figures for FY 96 and FY 97.

Appropriation	FY 96	FY 97
MILPERS*	$1,338.6	$1,382.8
O&M	1,078.0	1,053.0
Procurement	613.0	454.3
RDT&E	147.8	122.4
MILCON	60.5	45.0
Totals	$3,237.9	$3,057.5

* Funded in the MILPERS accounts of the Military Departments

Table 2-1: SOF Budget ($Million)(USSOF 1996 Posture Statement, p. 71)

1. MILPERS

Funding for military personnel represents the largest portion of the budget, requiring approximately $1.4 billion (46%) of the amount requested for FY 97. MILPERS covers the pay account requirements for all active duty, reserve and National Guard included in USSOCOM's manpower strength, which increased from 46,397 in FY 96 to 46,511 in FY 97. This funding request represents an increase of approximately $45 million over FY 96.[12]

2. O&M

The Operations & Maintenance portion of the budget includes civilian pay, services for maintenance of equipment, real property and facilities, fuel, consumable supplies, spares and repair parts for weapons and equipment.

The O&M budget is broken down into three budget activities; Operating Forces, Training and Administrative (see Table 2-2). The Administrative portion of the O&M budget (BA 4) provides resources for operation and maintenance costs to support SOF

[12] Ibid., p. 71.

peculiar acquisition programs being developed or procured. The funding is executed by the Special Operations Acquisition Center (SOAC) and includes funding for civilian program management and general contract support for SOAC to include support equipment, facilities, SOAC civilians and associated SOAC management costs. It also funds acquisition program management, engineering and logistical support for SOF tactical evaluation acquisition programs.[13]

Budget Activity	FY 96	FY 97
Operating Forces	$1,005.2	$962.3
Training	32.1	35.5
Administrative	40.7	55.2
Totals	$1,078.0	$1,053.0

Table 2-2: O&M Budget ($Million)(USSOF 1996 Posture Statement, p. 71)

3. Procurement

The FY 97 Procurement budget (see Table 2-3) allocates funds for mobility, ammunition, communications, intelligence and miscellaneous programs. **Mobility** programs include funds for completion of major aircraft programs such as the C-130 Modification Program, and maritime procurement programs such as the MARK V Special Operations Craft (SOC) and the MK 8 MOD 1 Seal Delivery Vehicle (SDV). The **ammunition** budget is used to procure munitions for training, operations and war reserve stocks and is broken down into two programs; Ordnance Acquisition and Ordnance Replenishment. **Communications** programs develop and procure unique SOF command, control and communications (C3) equipment. Examples of communications programs include the SOF Tactical Assured Connectivity System (SOFTACS) and the Special Mission Radio System. **Intelligence** programs deliver systems that ensure effective, timely processing and distribution of intelligence data to deployed SOF. This portion of

[13] Ibid., p. 72.

the budget includes enhancements to the SOCRATES intelligence support system and procurement of the SOF Intelligence Vehicle. Items funded under the **miscellaneous** portion of the procurement budget include Small Arms and Weapons, Psychological Operations (PSYOP) equipment and the SOF Planning and Rehearsal System (SOFPARS).[14]

Program	FY 96	FY 97
Mobility	$322.5	$232.8
Ammunition	62.3	30.5
Communications	33.3	26.6
Intelligence	25.7	19.8
Miscellaneous	169.1	144.5
Totals	$613.0	$454.3

Table 2-3: Procurement ($Million)(USSOF 1996 Posture Statement, p. 72)

4. RDT&E

The FY 97 Research, Development, Test and Evaluation budget (see Table 2-4, next page) will be used primarily to improve current systems, components and subsystems utilized by SOF. The majority of the RDT&E funding is directed towards the Tactical Systems Development Program which develops and tests selected specialized equipment to meet SOF-unique requirements. Projects currently receiving RDT&E funding include the Aviation Advanced Systems Development Project, the Surface Craft Advanced Development Project and the Aircraft Defensive Systems Project.[15]

5. MILCON

The purpose of the MILCON budget is to provide both new and replacement facilities for SOF. Significant facilities in the FY 97 MILCON budget include the SOF

[14] Ibid., pp. 72-76.
[15] Ibid., p. 76.

Advanced SEAL Delivery System Facility at Pearl Harbor, Hawaii and the SOF Company Operations and Supply Complex at Fort Bragg, North Carolina.[16]

Program	FY 96	FY 97
Tech Base Development	$4.0	$4.1
Adv. Tech Development	15.1	7.9
Intelligence Systems	2.8	1.3
Medical Technology	1.8	1.9
SOF Enhancements	16.2	23.2
Tactical Sys. Development	107.9	83.9
Totals	$147.8	$122.4

Table 2-4: RDT&E ($Million)(USSOF 1996 Posture Statement, p. 76)

D. SPECIAL OPERATIONS ACQUISITION CENTER (SOAC)

Title 10 United States Code (USC), Sec 167 provides USCINCSOC with Head of Agency acquisition authority and responsibility to develop and acquire special operations peculiar equipment for forces assigned to USSOCOM, and SOF assigned to unified combatant commands other than USSOCOM. It also designates him as the Senior Procurement Executive (SPE) for USSOCOM. USCINCSOC appointed a full-time USSOCOM Acquisition Executive (SOAE) who has authority, responsibility and accountability for all acquisition management functions and materiel programs within USSOCOM. In addition, the SOAE is delegated all allowable Head of Agency and Head of Contracting authority as the SPE. The SOAC, which is directed by the SOAE, serves as USSOCOM's focal point for all SO acquisition policies, procedures, activities, programs, projects and information.

The SOAC manages approximately one hundred fifteen acquisition programs and over 85 designated procurement efforts, technology development projects and phase 0 studies. The management of these programs requires SOAC to interface with numerous

[16] Ibid., pp. 78-79.

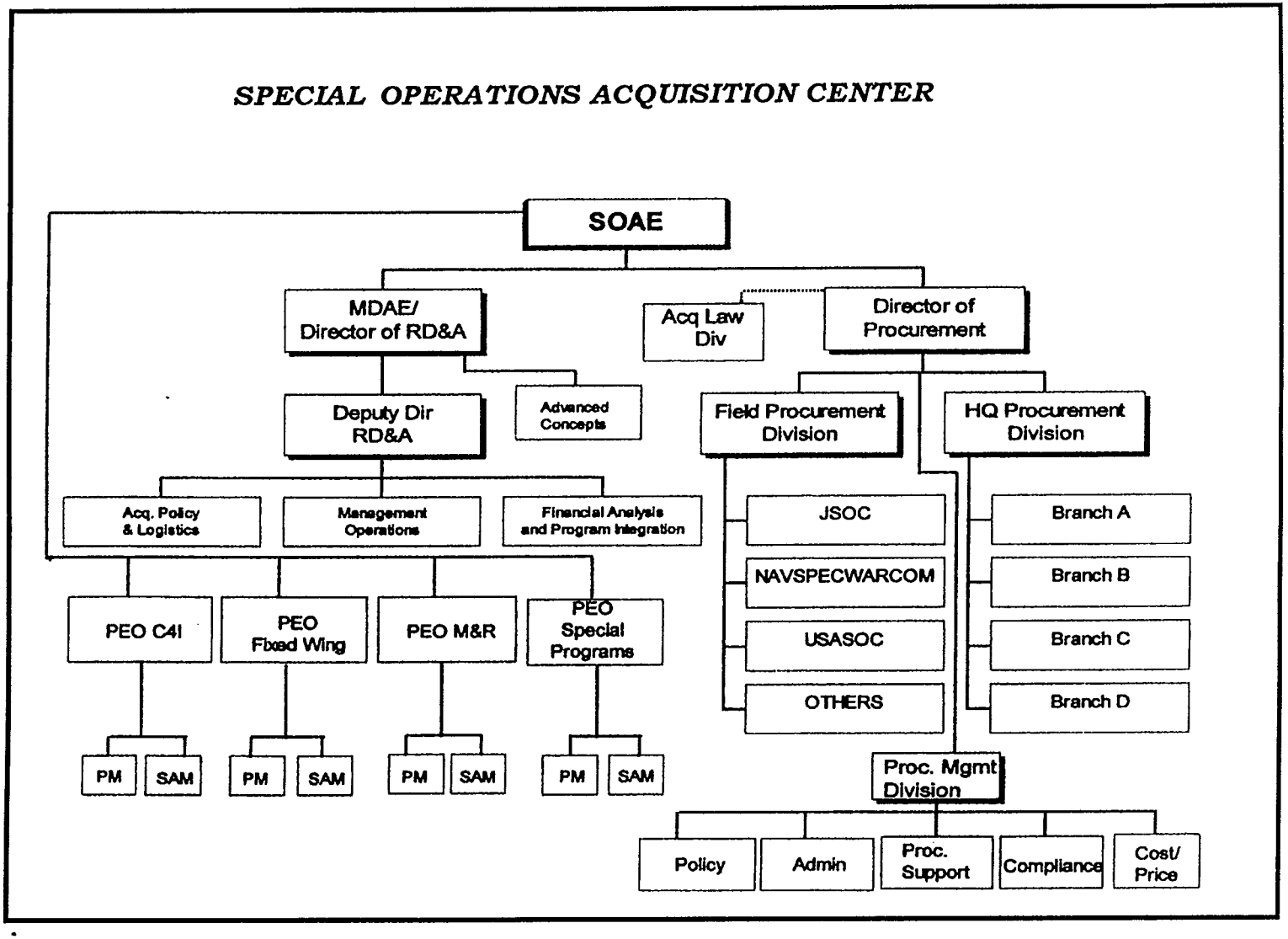

Figure 2.2: SOAC Organizational Chart (USSOCOM Directive 70-1, App B-1)

stakeholders, including the Congress, DoD, the Joint Staff, the Services and industry on a daily basis. The organization, as displayed in Figure 2-2, is broken down into the RD&A Directorate, the Procurement Directorate and four PEOs which are aligned to report directly to the SOAE.

1. Research, Development and Acquisition (RD&A) Directorate

The RD&A directorate is directed by the Military Director to the Acquisition Executive (MDAE). This component serves as an internal RD&A management support organization which provides expertise to the SOAE, PEOs, PMs and Systems Acquisition Managers (SAMs) for USSOCOM SO-peculiar programs.[17] It is broken down into the four functional divisions listed below:

a) Financial Analysis and Program Integration Division

This division is responsible for financial management within the SOAC. As such, it is closely involved throughout all phases of the acquisition process for all USSOCOM and Service-managed programs. Some of the responsibilities of this division are to:

- Manage the SOAC operating budget.
- Provide instructions and assist PEOs, PMs and SAMs with Program Objective Memorandum (POM) development and budget formulation documentation.
- Analyze acquisition POM input and budget submissions for fiscal executability. Consolidate RDT&E, Procurement and O&M narratives, exhibits and related documentation from USSOCOM and Service PMs to form the acquisition input and provide to J8 for the POM process and budget submissions.
- Advise the SOAE, as appropriate, of the fiscal aspects of realignment and reprogramming of funds within the limits authorized by Congress.

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[17] USSOCOM Directive 70-1, *USSOCOM Acquisition Management Procedures*, DRAFT, (23 September 1996), p. 18.

- Lead the effort of ensuring that Cost as an Independent Variable (CAIV) is incorporated in USSOCOM programs.[18]

b) Management Operations Division

This division is the administrative arm of the SOAC. Responsibilities include:

- Managing acquisition related training quotas and requirements and serving as the DAWIA (Defense Acquisition Workforce Improvement Act) focal point for the command.
- Providing facility, equipment and supply management for the SOAC.[19]

c) Acquisition Policy and Logistics Division

As the acquisition policy makers within USSOCOM, this division is most closely tied to ensuring acquisition reform initiatives are a part of the acquisition process at USSOCOM. Specific responsibilities include:

- Functioning as the USSOCOM focal point on the Integrated Product Team (IPT) process.
- Functioning as the Executive Secretariat for all SOABs (Special Operations Acquisition Boards) and EPRs (Executive Program Reviews) for USSOCOM managed programs and for preparing the final Acquisition Decision Memorandum (ADM) for the USSOCOM MDA.
- Establishing USSOCOM acquisition directives, policies and procedures.
- Reviewing ILSPs (Integrated Logistics Support Plans) and program related milestone documentation for compliance with DoD and USSOCOM acquisition policy for Service or agency-managed programs.
- Establishing USSOCOM policies for acquisition logistics and forming a LRG (Logistics Review Group) with appropriate members from USSOCOM

[18] Ibid., pp. 18-19.
[19] Ibid., p. 19.

and other agencies to assess, verify and report on the ILS for SO-peculiar items.

- Providing test support for USSOCOM and Service-managed programs.
- Providing staff membership to support the SOJ5/7 Requirements IPT (R-IPT), and upon transition to the SOAE, the Program IPT (P-IPT).[20]

d) Advanced Concepts and Engineering Division

This division is involved in developing long range technical planning for USSOCOM. It interacts closely with Service and other agencies' laboratory and research, development and engineering centers and provides technology and engineering expertise for the SOAE. Responsibilities include:

- Managing, overseeing and executing technology programs.
- Developing transition strategies and briefing the Military Deputy to the Acquisition Executive (MDAE) and appropriate PEO, SOJ4 (Logistics) or other agency, for permission to hand off the project to acquisition or procurement.[21]

2. Procurement Directorate

The Procurement Directorate is responsible for developing, disseminating and implementing plans, policies and procedures relating to SOF procurements. This organization solicits, negotiates and awards contracts and performs contract administration.[22] It is organized as follows:

a) Headquarters Procurement Division

This division has four branches and is the primary SOF contracting organization, responsible for executing USSOCOM contracts for weapon systems, equipment, materiel and services to meet SOF requirements. This division negotiates,

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[20] Ibid., pp. 19-21.
[21] Ibid., p. 21.
[22] USSOCOM Acquisition Management Training Course, (1996), p. 26.

awards, administers contracts and serves an advisory role to HQ staff, the SOAE and PEOs on procurement issues.[23]

b) Procurement Management Division

This division is responsible for developing and promulgating USSOCOM procurement policies and providing support to the Procurement Division by conducting compliance reviews, QA reviews and Cost/Price Analysis for procurements. The five branches of this division are: Policy, Administration, Procurement Support, Compliance and Cost/Price.[24]

c) Field Procurement Division

The Field Procurement Division manages and oversees the activities of field offices, including offices within USASOC, NAVSPECWARCOM and JSOC, which are dedicated to support the SOF organizations to which they are attached.[25]

3. Program Executive Officers (PEOs)

The four PEOs (for Maritime and Rotary Programs, Fixed Wing Programs, C4I Programs and Combat and Special Programs) are assigned by the SOAE as the centralized managers responsible for the research, development, acquisition, testing and fielding of their assigned programs. PEO responsibilities include but are not limited to:

- Assigning SAMs for Service-managed programs and recommending PMs for appointment by the SOAE for USSOCOM-managed programs.
- Providing executive guidance to PMs and SAMs assigned SO-peculiar program responsibilities.
- Serving as MDA for designated programs as delegated by the SOAE.
- Responding to congressional inquiries through the MDAE, to the SOLA (Office of Legislative Affairs), as required.
- Ensuring that PSMOAs (Program Specific Memorandum of Agreement) are developed on all Service or agency-managed programs.

[23] USSOCOM SOAC briefing conducted by the MDAE, (1996), p. 23.
[24] Ibid., p. 24.

- Reviewing execution of funds, approving realignment (below threshold reprogramming of funds) with other PEOs and preparing supporting financial documentation.
- Ensuring accurate cost data (by working with J8) and schedule data are included for POM and budget documentation for acquisition programs[26].

E. SUMMARY

This chapter briefly described the origin of USSOCOM, presented its organizational structure, provided a snapshot of its annual budget and described the roles and responsibilities of certain organizations within SOAC. Although this was only a cursory view of the makeup and mission of USSOCOM, there is sufficient information to understand the critical role that USSOCOM plays in our nation's defense. This information will contribute to the reader's understanding of USSOCOM's acquisition process which will be described in Chapter V.

[25] Ibid., p. 25.
[26] USSOCOM Directive 70-1, pp. 7-9.

III. ACQUISITION REFORM INITIATIVES

A. INTRODUCTION

The roots of acquisition reform can be traced back to 1808 when Congress created a provision entitled "Officials Not to Benefit" in order to prevent congressmen from securing contracts for friends and business associates.[27] The acquisition process has experienced numerous reforms since that time to correct problems ranging from inefficiency to overpricing. "The common theme in most acquisition reform proposals is that the system must be reorganized to emphasize outcomes rather than procedural controls, and efficiency rather than accountability."[28] Acquisition reform initiatives reviewed in this chapter are the Blue Ribbon Commission on Defense Management (Packard Commission), Defense Management Review (DMR), Defense Acquisition Workforce Improvement Act (DAWIA), National Performance Review, Federal Acquisition Streamlining Act (FASA), Office of the Secretary of Defense (OSD) Acquisition Reform Process Action Team Report, Federal Acquisition Reform Act (FARA), Single Process Initiative (SPI) and "Best Value" contracting.

The purpose of this thesis is to analyze whether USSOCOM is complying with these initiatives and to provide recommendations to any procedures that appear to be non-compliant. Analysis of USSOCOM's acquisition process and its compliance with acquisition reform initiatives is presented in Chapter VI.

B. THE PACKARD COMMISSION

1. Origin

On July 15, 1985, President Ronald Reagan established a Blue Ribbon Commission on Defense Management under Executive Order 12526. The purpose of the Commission, referred to as the Packard Commission because of its Chairman David

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[27] Beryl A. Harman, "From the Constitution to FAStA-Origins of Acquisition Reform," *Program Manager*, (September-October 1995), p. 12.

Packard, was to identify and develop solutions for structural problems which existed in national security planning and budgeting, military organization and command, acquisition organization and procedures, and Government-industry accountability.[29] Although the Packard Commission attracted wide public attention, it failed to prompt the sweeping legislative changes that many had thought possible.[30] However, each reform initiative implemented since that time has its roots in the recommendations of this Commission.

The Packard Commission analyzed acquisition organization and procedures because public confidence in the effectiveness of the acquisition system had been shaken by numerous "horror stories" such as overpriced spare parts, test deficiencies and cost and schedule overruns. These issues were particularly difficult to cope with because of record budget deficits existent at the time. The Commission formed an Acquisition Task Force (ATF) directed by William J. Perry to evaluate the defense acquisition system (focused on the acquisition of major weapon systems), determine how to improve it and to recommend changes that would lead to the acquisition of military equipment with equal or greater performance at lower cost and with less delay. Recognizing that defense acquisition represents the largest business enterprise in the world, the ATF conducted a "search for excellence" by examining Government and commercial organizations that had been most successful in acquisition, in order to find a model of excellence for defense acquisition.[31]

They found that major institutional changes were required to improve the defense acquisition process. Utilizing Deming's Total Quality Management (TQM) principles as their guide, the task force determined that a management philosophy which reduces oversight and review and encourages organizational participation in the decision making

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[28] Kenneth R. Mayer and Anne M. Khademian, "Bringing Politics Back In: Defense Policy and the Theoretical Study of Institutions and Processes," *Public Administration Review*, (March-April 1996), Vol. 56, No. 2, p. 181.

[29] President's Blue Ribbon Commission on Defense Management, *A Quest for Excellence: Final Report by the President's Commission on Defense Management*, p. xi, Government Printing Office, Washington D.C., 1986.

[30] Linda J. Gregory, "The Role of Configuration Management in the Acquisition Process," *National Contract Management Journal*, (1995), Vol. 26, No. 1, p. 33.

[31] President's Blue Ribbon Commission, p. 41.

process should be instituted. TQM supporters maintained the belief that their people want to do a good job and would work together as a team to achieve common goals. They also recognized that implementation of similar management practices within DoD was hindered because of an environment of excessive laws, regulations and oversight which had developed over several decades. In order to improve, they stressed that DoD should model its acquisition process after the successful industrial organizations which they researched, by giving acquisition personnel more authority to do their jobs, and by minimizing the laws, regulations and oversight which created the problems which were so deeply entrenched in the acquisition process.[32]

2. Recommendations

As previously noted, the ATF focused their research on major system acquisitions. Because of deeply entrenched acquisition procedures, the adversarial relationship between Government and the defense industry, and the increasing tendency of Congress to legislate management solutions, those involved in the acquisition of major weapon systems accepted the ten-to-fifteen year acquisition cycle as normal. The ATF believed that it was possible to cut the time in half through concerted action of the Executive Branch and Congress, and the full support of industry.[33]

The ATF recommended nine changes in the defense acquisition system that it felt could cut the acquisition cycle time in half. It urged the Administration and Congress to work together to implement these changes:

a) Streamline Acquisition Organization and Procedures

Due to the increasing complexity of acquisition laws, the bureaucracy of the acquisition system and the tendency of the Services to exercise policy responsibilities without necessary coordination or uniformity, policy responsibility had become fragmented. The ATF suggested that in order to streamline the acquisition organization and procedures, the establishment of unambiguous authority for overall acquisition policy, clear accountability for acquisition execution, and plain lines of command for

[32] Ibid., p. 42.

those with program management responsibilities was necessary. The ATF listed five related actions they felt were necessary to accomplish the intent of this recommendation.[34]

- The establishment by law of the position of an Under Secretary of Defense for Acquisition (USD(A)). This individual would be responsible for supervising the performance of the entire acquisition system and for setting overall policy for research and development (R&D), procurement, logistics, and testing. A Level II Presidential appointee, the new Under Secretary would be the Defense Acquisition Executive (DAE) and be responsible to the Secretary of Defense. The organization which was in existence at the time allocated acquisition responsibilities among eight senior OSD officials, including the Under Secretary of Defense for Research and Engineering, the Assistant Secretary of Defense (Comptroller) and the Inspector General.[35]
- The establishment of the position of a Service Acquisition Executive (SAE) for each Military Department, selected by the Service Secretary in consultation with the Defense Acquisition Executive (DAE). This individual would be a top-level civilian Presidential appointee and would be responsible for administering Service acquisition programs under policy guidance from the DAE.[36]
- The appointment of Program Executive Officers (PEO) by each SAE. The PEOs would be responsible for a reasonable and defined number of acquisition programs. Program Managers (PM) for these programs would report directly to their PEO.[37]
- A Government-wide recodification of Federal laws into a single, greatly simplified statute. The ATF felt that the streamlining of the defense

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[33] Ibid., p. 52.
[34] Ibid., pp. 52-53.
[35] Ibid., Appendix G, p. 67.
[36] Ibid., p. 54.
[37] Ibid.

acquisition organization had to be matched with streamlined acquisition procedures. In order to be accomplished, they urged Congress to work with the Administration to recodify Federal laws governing procurement in a single, consistent, and greatly simplified procurement statute.[38]

- The substantial reduction of acquisition personnel within DoD. With the reduction of policy and oversight envisioned by the ATF, they saw an opportunity to reduce the total number of personnel in the defense acquisition system to levels similar to commercial acquisition counterparts.[39]

b) Use Technology to Reduce Cost

Cost reduction had served as the primary motivation in the introduction of new technology to commercial products, and the ATF urged the DoD to adopt the same philosophy. By exerting greater discipline in the setting of performance requirements for new platforms, and increasing the use of technology to extend the life of existing platforms, the ATF saw the potential for substantial reductions in operations and maintenance costs, improved performance and service life extensions.

Because of the high costs and risks associated with state-of-the-art technology, the ATF determined that it should only be applied to weapon systems when the benefits outweigh the risks. The challenge facing acquisition personnel was the difficulty in obtaining reliable information with which to make the trade-off of risks and benefits.

To obtain this information, the ATF recommended building prototypes, either at the system or critical subsystem level, for all major weapon systems. They saw this as a way to substantially improve military capability, and to provide a basis for realistic cost estimates prior to a full-scale development decision. In addition, they suggested that streamlined procurement processes be employed in the early phase of R&D, and that this phase emphasize informal competition based on ideas and technologies, rather than on formal competition of cost.

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[38] Ibid., p. 55.

In short, the prototype program that they envisioned would show decision makers how well the weapon system operates in an operational environment prior to committing to full-scale development.[40] This concept is referred to today as Advanced Concept Technology Design (ACTD).

c) Balance Cost and Performance

To accomplish this recommendation, the ATF suggested a restructured Joint Requirements and Management Board (JRMB), cochaired by the USD(A) and the Vice Chairman of the Joint Chiefs of Staff. The board would play an active role in all joint programs and in all major Service programs by defining weapon requirements for development, and providing an early trade off between cost and performance.

The primary decisions of the JRMB would be the "affordability" decision and the "make-or-buy" decision. These decisions would require the JRMB to determine such things as the worth of a new military capability and to justify the need for a unique development program if it was possible instead to buy or adapt an existing commercial or military system.[41]

d) Stabilize Programs

In order to enhance program stability, the ATF urged DoD to institutionalize "baselining" for major weapon systems at the initiation of full-scale engineering development and to expand the use of multi-year procurement for high priority systems.

Prepared by the PM, the baseline agreement would describe functional specifications, cost, schedule and other factors critical to program success. This baseline agreement would be submitted through the responsible PEO and the SAE for approval by the DAE.

As long as the program could be executed within the parameters of the baseline, the PM should receive the support of the SAE and DAE. The theory was that

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[39] Ibid.
[40] Ibid., pp. 56-57.
[41] Ibid., pp. 58-59.

this arrangement would provide much-needed program stability, which would be enhanced significantly if the program received multi-year funding.[42]

e) Expand the Use of Commercial Products

Because DoD is not capable of duplicating the economies of scale possible in products serving a mass market, nor the power of the free market to select the most innovative and efficient producers, it is unlikely to manufacture products as cheaply as the commercial marketplace.

Based on this opinion, the ATF recommended that the DAE direct program managers to get a waiver before using a product made to military specifications, if a commercial counterpart existed. They also recommended that the presumption should be to buy when a "make-or-buy" decision was being made. In addition, the ATF suggested that DoD should reduce its use of military specifications when they are not needed, and to take steps to improve the use of military specifications when they are needed.[43]

f) Increase the Use of Competition

The ATF highlighted the need to focus on achieving more effective competition, modeled after the competitive procurement techniques used in industry. They recommended that Federal law and DoD regulations should allow for substantially increased use of commercial-style competition, emphasizing quality and established performance as well as price.

One piece of legislation which created confusion at the time was the Competition in Contracting Act's (CICA) requirement of "full and open competition." CICA attempted to clarify that competition involved more than just an assessment of lower price. However, the intent was obscured by the idea that full and open competition precluded the Government from establishing qualification criteria, and forced the award of contracts based on price, without regarding technical expertise or life cycle costs. This situation reinforced DoD's tendency to write detailed design military specifications rather

[42] Ibid., p. 60.

than performance specifications in order to ensure that bidders offered identical items. As a result, the intent of CICA was not realized because of a focus on the quantity rather than the quality of competition.

To incorporate truly effective competition, the ATF recommended the elimination of regulatory and legal provisions, such as those found in CICA, that were at variance with the establishment of commercial competitive practices. By doing so, they felt that DoD could greatly increase its use of truly effective competition.[44]

g) Clarify the Need for Technical Data Rights

The ATF recognized that DoD required certain rights to use technical data for products developed by its contractors in order to maintain the systems it acquired. However, industry was becoming alarmed by DoD's pursuit of unlimited rights in technical data to be used in fostering competition.

The ATF suggested that in order to foster technological innovation and private investment, DoD must recognize the balance between the Government's requirement for technical data and the benefit to the nation that comes from protecting the private sector's proprietary rights. In light of this philosophy, the ATF recommended the development of a technical data rights policy with the following principles:

> **PRINCIPLE #1** If a product has been developed with private funds, the Government should not demand, as a precondition for buying that product, unlimited data rights (except as necessary for installation, operation and maintenance), even if the Government is the only market. Should the Government plan later to seek additional (competitive) sources, the required data rights should be obtained through the least obtrusive means (e.g., directed licensing) rather than through the pursuit of unlimited rights.[45]
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> **PRINCIPLE #2** If a product is to be developed with mixed private and Government funding, the Government's rights to the data should be defined during contract negotiations. Significant private funding should

[43] Ibid., pp. 60-61.
[44] Ibid., pp. 62-63.
[45] Ibid., p. 64.

entitle the contractor to retain ownership of the data, subject to a license to the Government on a royalty-free or fair royalty basis.[46]

PRINCIPLE #3 If a product is developed entirely with Government funds, the Government normally acquires all the rights in the resulting data. To foster innovation, however, the Government should permit the rights to reside in the contractor, subject to a royalty-free license, if the data are not needed for dissemination, publication, or competition.[47]

h) Enhance the Quality of Acquisition Personnel

Having previously recommended the establishment of the position of USD(A) and comparable Service positions, the ATF focused on the need to improve the defense acquisition workforce. Significant importance was placed on enhancing the quality of the workforce by attracting new personnel and improving the training and motivation of the existing personnel.

Although a General Accounting Office (GAO) study of DoD PMs and contracting officers confirmed the importance of improving the quality of training of these critical acquisition specialties, the need to improve conditions faced by civilian acquisition personnel received the ATF's primary attention. Confronted by such issues as confusing regulations, lack of upward mobility, inaccurate evaluation systems, low pay, incompetent supervisors and limited resources, the civilian acquisition workforce was unable to lure the best college graduates and frequently lost the brightest trainees to industry.

To enhance the quality of acquisition personnel, the ATF issued the following recommendations:

- Establish business-related education and experience criteria for civilian contracting personnel.
- Establish an alternative personnel management system permitting greater flexibility with respect to the status, pay and qualifications of civilian employees.

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[46] Ibid.
[47] Ibid.

- Expand opportunities for the education and training of all civilian acquisition personnel. Such training should be centrally managed and funded.
- DoD should enhance the professional status of contract specialists (GS 1102s) by increasing the number of outside hires, conducting on-campus recruitment, mandating the use of written tests for in-service placement and promotion and establishing upward mobility programs for purchasing agents (GS 1105) and procurement clerks (GS 1106).[48]

i) Improve the Capability for Industrial Mobilization

Faced with aging industrial facilities and an increasing dependence on foreign sources for strategic raw materials, subassemblies and manufactured components, American industry essentially did no industrial planning. Contributing factors cited by the ATF included the lack of firm requirements upon which contractors could base their planning, the lack of DoD funding and DoD procurement practices which disincentivised U.S. manufacturers from modernizing their production processes.

The ATF recommended that the President establish a comprehensive national industrial responsiveness policy and that the Secretary of Defense develop surge mobilization requirements for basic wartime defense industries. DoD and SAEs would then consider this guidance in formulating their acquisition policies, and PMs would incorporate industrial surge and mobilization considerations in program execution.[49]

C. THE DEFENSE MANAGEMENT REVIEW (DMR)

1. Origin

As the sixth major study of defense acquisition over four decades, the Packard Commission was viewed by some in Congress as the latest effort to address the problems in defense procurement. As former House Armed Services Committee Chairman Les Aspin stated, "Perhaps the next executive commission on acquisition should be created, not to propose reforms, but to implement them." In June 1989, Secretary of Defense Dick

[48] Ibid., pp. 66-68.

Cheney followed through on that recommendation in his Defense Management Review (DMR). The purpose of the DMR was to implement the recommendations of the Packard Commission and to provide a framework for continued improvements in DoD acquisition practices. Key words which expressed the specific objectives of the review were: defense strength and readiness, new weapon systems at less cost and time, assured achievement of planned performance and greater public confidence in stewardship by DoD.[50] This executive-legislative branch partnership was implicitly recognized by the Senate in approving the legislation that authorized the formation of the "Advisory Panel on Streamlining and Codification of the Acquisition Laws," referred to as the Section 800 Panel.[51] The Panel was created to comply with section 800 of Public law (P. L.) 101-510, the National Defense Authorization Act for Fiscal Year 1991.[52]

2. Recommendations

The Section 800 Panel reviewed more than 600 of the 889 statutes that constituted acquisition law. The laws were categorized as to whether they should be repealed, retained, amended, sustained or deleted. In January 1993, the panel transmitted a ten-volume report to Congress calling for radical changes in DoD procurement.[53] Different sections of the report include the management framework section, the defense acquisition section and the Government-Industry Relationship section.

The management framework section delineates roles for the top ten DoD executives and groups. It highlighted the need for these individuals to integrate their efforts so that a sound, affordable defense could be achieved.[54]

In the section on defense acquisition, the DMR report expresses the need for defense acquisition to imitate the most successful commercial and Governmental acquisition practices. Recommendations included establishing clearer command channels,

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[49] Ibid., pp. 70-71.
[50] Stanley N. Sherman, *Government Procurement Management* (Germantown, Maryland, 1991), p. 166.
[51] Gregory, p. 34.
[52] Joseph A. Pegnato, "Procureosclerosis," *National Contract Management Journal*, (1995), Vol. 26, No. 2, p. 66.
[53] Ibid.
[54] Sherman, p. 166.

stabilizing programs, limiting reporting requirements and establishing small, high-quality staffs.[55]

The Government-Industry Relationship section focused on ethical behavior within the Government, and increased ethical accountability within industry.[56]

Some of the specific legislative proposals in the report included:

- Removing the ten percent minimum savings requirement for the department to use multi-year procurement.
- Establishing an alternative personnel program for civilian acquisition employees.
- Authorizing use of "best-buy" decision authority for selection of sources under competition, when no discussions were held.
- Exempting commercial product acquisitions from the unique requirements of the Government procurement system.
- Establishing an alternative personnel program for civilian acquisition programs.[57]

Additional recommendations of the DMR Report included:

- Stipulating that commercial-off-the-shelf (COTS) goods be purchased whenever possible.
- Increasing the small purchase threshold from $25,000 to $100,000.[58]
- Reducing the number of protest forums.
- Disclosing more information to unsuccessful bidders in debriefings.
- Exempting contracts below the small purchase threshold ($100,000) from most socioeconomic requirements.[59]
- Deleting warranty provisions for major weapon system guarantees.

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[55] Ibid., pp. 166-168.
[56] Ibid., p. 170.
[57] Ibid., p. 171.
[58] "U.S. Acquisition Review," *International Defense Review*, (August 1, 1994), Vol. 27, No. 8, p. 6.
[59] Pegnato, p. 66.

- Implementing a major overhaul of laws pertaining to small business and small disadvantaged business.
- Repealing the Byrd Amendment (regarding lobbying disclosure).
- Outlining a new alternative approach for dealing with technical data which focused on the Government's need to ensure reasonable life cycle costs for spare parts and other follow-on purchases.[60]

Numerous reform initiatives were based on the DMR Report, including Defense Secretary William Perry's directive to use commercial and performance based standards instead of military specification (MILSPECs) in acquisition programs. The directive requires the use of commercial specifications whenever possible and requires special waivers for those situations when MILSPECs are needed.

As stated in the DMR Report summary, the report provided a catalog of proposed changes, however, it did not guarantee that the recommendations would be accomplished. It also stated that the recommendations presented, particularly the thrusts toward streamlining management by reducing layers of review authority and adopting commercial practices, would likely bring about improvements in Government procurement if they were carried out.[61]

D. THE DEFENSE ACQUISITION WORKFORCE IMPROVEMENT ACT (DAWIA)

1. Origin

On November 5, 1990, Congress passed Public Law 101-510, known as the Defense Acquisition Workforce Improvement Act (DAWIA). The Packard Commission Report, which expressed concern over the loss of qualified acquisition personnel and the inexperience of DoD personnel at the negotiating table, was cited as a factor in the adoption of DAWIA. The act was signed into law in November 1991, and addressed numerous long-standing management weaknesses affecting acquisition programs. The intended policy outcome of DAWIA was to "...create a body of well-educated, trained,

[60] Gregory, p. 35.

and dedicated acquisition professionals. ... The effect of this legislation will be to develop an expert acquisition workforce with distinctive career paths from entry to the most senior levels."[62]

2. Recommendations

To correct the weaknesses and deficiencies in the management of DoD's acquisition workforce, 19 policies were enacted in DAWIA for implementation by the Secretary of Defense. The following is a partial listing of those policies:

- Required SECDEF to designate in regulations the positions in the DoD that are *acquisition positions*.
- Required USD(A) to manage the acquisition workforce.
- Established the position of Director of Acquisition, Education, Training and Career Development within OSD.
- Established an Acquisition Career Program Board in each military department and in OSD.
- Required SECDEF to ensure that an *Acquisition Corps* was established in each military department and in OSD.
- Designated specific acquisition positions as *critical acquisition positions* and specified that only members of the Acquisition Corps would be appointed to the critical positions.
- Specified a minimum three-year tour requirement for appointment to all critical acquisition positions.
- Required SECDEF to establish a defense acquisition university structure.

The first year that all of the DAWIA provisions were in effect was Fiscal Year (FY) 1994. This provided DoD three years to accomplish the specific requirements for education, training and experience delineated in the Act. The Act also permitted DoD officials to waive specific qualification requirements if: "(1) unusual circumstances

[61] Sherman., p. 171.

justified a waiver or (2) an individuals qualifications eliminated the need for meeting the requirement."[63]

To ensure that DoD remains in compliance with DAWIA, the Act requires the General Accounting Office (GAO) to report annually, through 1998, on DoD's compliance with the waiver provisions. It also required GAO to report on DoD's overall implementation of the Act.[64]

E. THE NATIONAL PERFORMANCE REVIEW

1. Origin

The National Performance Review (NPR) began in March 1993 when President Clinton directed Vice President Al Gore to review the Federal Government to move from "...red tape to results to create a government that works better and costs less."[65] The NPR examined budgeting, procurement and personnel systems, however procurement reform was the key element of the review.

2. Recommendations

The report accompanying the NPR, *Reinventing Federal Procurement*, looked at all levels of Government to determine where the acquisition process could be improved. The report detailed 20 initiatives, including 63 actions, intended to reform Federal procurement. Fifteen of the actions required action by the President or Office of Management and Budget to be implemented. Twenty six actions required legislative action by Congress and 22 could be implemented at the Agency level.[66] The following is a partial listing of the 20 initiatives and a sampling of their associated actions:

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[62] Roy R. Schleiden, *The Impact of the Defense Acquisition Workforce Improvement Act on the Professionalization and Training of the Marine Corps' Enlisted Acquisition Workforce*, Master's Thesis, Naval Postgraduate School, Monterey, California, December 1992, p. 21.
[63] David E. Cooper, "Acquisition Management-Fiscal Year 1995 Waivers of Acquisition Workforce Requirements," (April 15, 1996), Rpt.-Number: GAO/NSIADD-96-102.
[64] Ibid.
[65] Teri S. Snyder, *Applying the National Performance Review Procurement Reform Initiatives at the Naval Postgraduate School*, Masters Thesis, Naval Postgraduate School, Monterey, California, June 1994, p. 6.
[66] Ibid., pp. 26-27.

- Reframe Acquisition Policy by converting 1,600 pages of the FAR from rigid rules to guiding principles.
- Encourage more procurement innovation by providing new legislative authority to test innovative procurement methods.
- Expand electronic commerce for Federal acquisition by establishing a Government-wide program to use electronic commerce for Federal procurement.
- Amend protest rules by establishing a single forum within the judicial branch to consider protests and allowing penalties for frivolous protests.
- Enhance programs for small business and small disadvantaged business concerns by authorizing civilian agencies to conduct small disadvantaged business set-asides.
- Foster reliance on the commercial marketplace by changing laws to facilitate buying commercially available items.
- Lower costs and reduce bureaucracy in small purchase through the use of purchase cards.
- Authorize a two-phase competitive source selection process and multiyear contracts.
- Encourage "best value" procurement.
- Reform information technology procurement by increasing delegation of authority to individual agencies.[67]

The initiatives, which had similarities to the Section 800 Panel recommendations, were expected to create a more responsive, efficient and innovative procurement system. If all initiatives were enacted, the report estimated five year savings in excess of $22 billion, with first-year savings expected to reach $5 billion. The following sections demonstrate that many of the recommendations of the NPR and Section 800 Panel were codified into law.

[67] Ibid., pp. 26-33.

F. THE FEDERAL ACQUISITION STREAMLINING ACT (FASA)

1. Origin

On October 13, 1994, FASA was signed into law by President Clinton. The legislation streamlined the Federal Government's $200-billion-a-year acquisition system and changed the way the Government performs contracting actions.

2. Recommendations

The centerpiece of this legislation was Title VIII, which contains provisions that significantly change the way the Federal Government purchases commercial items in order to increase the Government's reliance on those items. Related provisions also changed the way price negotiations were to be conducted in commercial item acquisitions. The new provisions reduced the burden on companies selling commercial items to the Government and simplified the requirements of Government officials purchasing those items.[68] FASA also sought to: (1) streamline the procurement process for high-volume, low value acquisitions; (2) improve access by small business to Government contracting opportunities; (3) improve the bid protest procedures; and (4) extend Truth in Negotiations Act (TINA) requirements to civilian agencies and raise to $500,000 the threshold for submitting certified cost or pricing data under that act.[69]

A further description of these provisions is as follows:

a) Acquiring Commercial Items

FASA strongly stated the Government's preference for buying COTS items. To encourage the private sector to sell to the Government, the statute provided a broader definition of commercial items and eliminated numerous statutory requirements for purchasing those items. The goal of the changes was to simplify the procurement process for companies who do not ordinarily sell to the Government.[70]

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[68] Ron R. Hutchinson, "A Practical Guide to the New Commercial Item Provisions Contained in S 1587, the Federal Acquisition Streamlining Act of 1994," *Federal Contracts Report*, (October 10, 1994), 62 FCR 13 d19.

[69] David M. Nadler, "Understanding the Federal Acquisition Streamlining Act," *Computer Digest*. Article downloaded off of the Internet. Date of article's publication not provided.

[70] Ibid.

b) Simplified Acquisition Threshold

FASA also raised the simplified acquisition threshold from $25,000 to $100,000. This change was significant because over 90 percent of annual Federal procurement transactions are below $100,000. This issue was strongly contested by the small business community because they anticipated fewer opportunities to compete on Government acquisitions. In consideration of small business, the Act reserves all acquisitions between $2,500 and $100,000 exclusively to small business. One of the stipulations of this provision was that the threshold could not exceed $50,000 until the agency became FACNET (Federal Acquisition Computer Network) certified.[71] The statute also encouraged the use of credit cards for purchases below $2,500.

c) Protests and Claims

FASA required that prospective contractors who are not selected for award be debriefed within five days and told why their offer was not accepted. The statute also reduces the time period for bringing suit in the United States Federal Claims Court from 12 months to 90 days after receiving a contracting officer's final decision on a contract claim.[72]

d) Small Business Procedures

The statute required that civilian agencies, as well as DoD, set-aside certain contracts to ensure that five percent of Federal contracts are awarded to small disadvantaged businesses. FASA also created a five-percent women-owned business contracting goal.[73]

e) Truth in Negotiations (TINA)

FASA raised the TINA threshold for submitting cost or pricing data from $100,000 to $500,000. It also extended TINA's application to civilian agencies as well as

[71] Ibid.
[72] Ibid.
[73] Ibid.

DoD. The purpose of raising the threshold was to reduce the risk of inaccurate cost or pricing data submissions and to lessen the contractor's burden of compiling such data.[74]

Although FASA addressed some of the fundamental issues affecting the procurement process, it did not completely streamline it. The Under Secretary of Defense for Acquisition Reform created several process action teams (PATs) to consider additional aspects of acquisition reform, and additional legislation was forwarded to Congress soon after FASA's passage.

G. OFFICE OF THE SECRETARY OF DEFENSE (OSD) ACQUISITION PROCESS ACTION TEAM REPORT

1. Origin

In February 1994, Secretary of Defense William Perry issued a memorandum entitled *Acquisition Reform: A Mandate for Change*. In it he concluded that "DoD must reduce the cost of the acquisition process by the elimination of activities that, although being performed by many dedicated and hard working personnel, are not necessary or cost effective in today's environment." He stressed the need to institute a process where decision making is made across organizational structures by Integrated Product Teams (IPTs) and a "...shift from an environment of regulation and enforcement to one of incentivized performance."[75]

In order to accomplish this goal, Secretary Perry chartered a Process Action Team (PAT) to "...develop...a comprehensive plan to reengineer the oversight and review process for systems acquisition, ...to make it more efficient and effective, while maintaining an appropriate level of oversight."[76] The final report of the PAT, entitled "Reengineering the Acquisition Oversight and Review Process," provided a roadmap that would bring about the needed changes. The report included the team's vision, objectives, methods for measuring success, 33 recommendations and an overview of

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[74] Ibid.

[75] Paul G. Kaminski, "Reengineering the Acquisition and Review Process," (April 28, 1995), p. 1.

[76] *Reengineering the Acquisition Oversight and Review Process*, Volume I, Office of the Secretary of Defense, (December 9, 1994), p. vi.

their results. Because several secondary thesis questions pertain to this report, it will be presented more thoroughly than the previous reform initiatives discussed in this chapter.

2. Vision

Developed collaboratively by the OSD PAT members, their vision statement was geared toward ensuring that every element of the reengineering they were tasked to develop moved them where they wanted to go. Their vision reads as follows: "To have a modernized oversight and review process, hard-linked to the national military strategy, responsive to the priorities of the warfighting Commanders-in-Chief, sensitive to costs and characterized by mutual trust, flexibility, teamwork and common sense."[77] For the purpose of the PAT report, the PAT adopted the following definitions for "oversight" and "review":

- **Oversight**: The continuous process of evaluating program execution between decision points. Examples include program status reporting, compliance auditing and inspecting. At any point in the oversight process, the decision maker (from PMs through the DAE) may decide to do nothing, to intervene or to directly [sic] ask for additional information.
- **Review:** The discrete process of gathering and evaluating information. Examples include milestone reviews and other program decision reviews.

3. Objectives

In order to attain the SECDEF's goal of a reengineered acquisition process, the OSD PAT developed nine objectives that they wanted the reengineered acquisition process to accomplish. The objectives, all of which pertain to the oversight and review process, are as follows:

a) Help field what the warfighter needs when he needs it.

The basic premise is that the reengineered process should facilitate getting quality products faster, better and cheaper.[78]

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[77] Ibid., p. vi.
[78] Ibid., p. 2.

b) Demand accountability by matching managerial authority with responsibility.

The PAT felt that the reengineered process should allow the lowest level possible in the executing chain to make decisions and that those individuals be held accountable for their decisions. Additionally, they stated that individuals outside the executing chain should not be authorized to either make or delay decisions.[79]

c) Promote flexibility and encourage innovation based on mutual trust, risk management and program performance.

The basic premise in this objective is that those closest to the information are competent and trustworthy enough to make reasonable decisions, therefore the processes should be readily tailorable based on such factors as program risk and total dollar value.[80]

d) Foster constant teamwork among everyone who is a stakeholder.

Teamwork is developed by sharing a common goal of optimizing the product to be delivered to the warfighter. This objective was developed to ensure that the reengineered processes foster teamwork.[81]

e) Actively promote program stability.

This objective recognizes the disruptive nature of delayed decisions and decision revisits on acquisition programs. It states that oversight and review processes should only delay or undo decisions in those circumstances where a delayed decision is prudent or where previous decisions were fatally flawed.[82]

f) Balance the value of oversight and review with its costs.

This objective is geared towards ensuring that the time, dollar, manpower and opportunity costs of the oversight and review processes are clearly outweighed by the added value to the decision maker.[83]

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[79] Ibid.
[80] Ibid.
[81] Ibid.
[82] Ibid.
[83] Ibid.

g) Emulate the best practices of successful commercial companies and successful Government ventures.

Reflecting the recommendation of the *Packard Commission Report*, the purpose of this objective was to ensure that the reengineered oversight and review processes used those successful practices as their benchmark.[84]

h) Preserve the public trust.

This objective calls for developing reengineered oversight and review processes that generate public confidence in the management of public funds.[85]

4. Measuring Success

The PAT felt that an essential element of the reengineering process was to develop some ambitious, quantifiable goals which they described as "stretch" goals. These goals, which serve the purpose of translating Secretary Perry's mandate into something measurable, were also developed to focus managerial attention on the important issues and form the basis for the reengineering process. The PAT believed that implementation of their 33 recommendations would contribute to aggregate progress of each of the goals. They found no metrics at either the macro or individual program level, to periodically measure the cost or value of oversight and review. They felt that a small set of key metrics at the macro level was critical toward measuring progress toward the reengineered system mandated by Secretary Perry. The "stretch" goals described below serve as the basis of the metrics. Although the PAT believed the goals represented a significant challenge, they felt they were realistic in that they were achievable within five years or less.[86]

a) Reduce the percentage of programs with Acquisition Program Baseline Breaches to no more than five percent.

The PAT's position was that if the oversight and review processes were in control, a breach should be a rarity.[87]

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[84] Ibid., p. 3.
[85] Ibid.
[86] Ibid., p. vi.
[87] Ibid.

b) Reduce cycle time by 50 percent.

This goal is directly related to getting material to the warfighter faster. Progress toward this goal reflects a more effective method of balancing requirements and the time it takes to achieve them, improved risk management and more stabilizing of program budgets.[88]

c) Reduce the number of people in the acquisition oversight and review process by 50 percent.

Achieving this goal requires organizations to focus on the added value of activities within their organizations. Those activities that add the least value must be eliminated as part of the reengineering process. Moving toward this goal directly increases efficiency and reduces direct and opportunity costs.[89]

d) Reduce the average cost of a milestone review by 50 percent.

The most substantial costs associated with milestone reviews are indirect costs--particularly opportunity costs. Because program offices do not hire people temporarily to prepare milestone documentation, the program offices compensate by maintaining an overstaffed workforce or diluting the work on concurrent activities. A substantial decrease in aggregate milestone costs will indicate a big step toward increased efficiency and effective use of the work force.[90]

5. Recommendations

The PAT developed 33 recommendations to achieve a reengineered oversight and review process. Of those, seven were related to the oversight process and eight to the review process. The remaining eighteen recommendations did not fit neatly into the oversight or review categories but are key features of the reengineered process.

To keep the PAT report modular and to help follow-on implementation teams move out on the Secretary's adopted recommendations, a second volume containing separate implementation plans for each recommendation was developed. Although each

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[88] Ibid., p. vii.
[89] Ibid.
[90] Ibid.

of the 33 recommendations has some influence on USSOCOM's acquisition process, the eight that are described below are most relevant to their organization.

a) Oversight process recommendations

- The PAT recommends that the Defense Acquisition Executive (DAE) and Component Acquisition Executive's (CAE) institutionalize the use of Integrated Product Teams (IPT) lead by PEO-qualified leaders to provide advice to them and to help the PM.[91]

The use of multidisciplinary, integrated staffs would help establish a product oriented focus, rather than a functional issues focus. Although many contractors and Government program offices had made significant progress shifting toward IPTs, Component's headquarters and OSD remained functionally oriented. The PAT felt that a shift to IPTs would give individuals that had been vested with some integration responsibility the stature and accountability they needed to resolve issues and make decisions.[92]

- The PAT recommends that the DAE adopt a new, more continuous oversight process on an electronic information net, face-to-face communication with the PM and the decision makers... For programs requiring more information, the decision makers may tailor in additional requirements, as appropriate.[93]

The availability of electronic information technology facilitates the reporting of routine oversight information on a near real time basis. The PAT viewed the use of existing electronic tools as a way to accelerate the oversight reporting process, with less labor and lower costs.[94]

b) Review process recommendations

- The PAT recommends an immediate transition to the three milestone process for all ACAT I programs with an evolutionary transition over the next year to the less than ACAT I programs.[95]

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[91] *Reengineering the Acquisition Oversight and Review Process*, Volume II, Office of the Secretary of Defense, (December 9, 1994), p. 8.
[92] Ibid.
[93] Ibid., p. 12.
[94] Ibid.
[95] Ibid., p. 17.

The three milestone process recommended by the PAT would align the MDA with the importance of the decision being made and provide for delegation of other in-phase decisions to lower levels.

The PAT expected resistance within the acquisition and budgeting community and anticipated that the Component user communities would resist the CJCS role in assigning priorities that would impact resource allocation. Despite these barriers, the PAT's opinion was that placing the Need Validation and follow-on Concept Exploration responsibilities with the user would more properly align the requirements decision with the users. In addition, the PAT felt that the three milestone process would reduce the number of program reviews and reduce the decision making timeline for in-phase decisions.[96]

- The PAT recommends that there be only one formal review before a milestone decision meeting. The CAE will chair that review. An IPT comprised of users, OSD and Component staffs, as well as program office staff will prepare for the meeting. The product team leader should be the product-focused OSD Oversight IPT leader. The leader's responsibilities are to accomplish all prerequisite activities and to resolve issues within the IPT.[97]

The milestone review process was sequential and prone to delays. This recommendation utilizes the recommendation to adopt IPTs at headquarters staffs to replace the sequential decision-making process with a single meeting. Recognizing that preparation for a milestone meeting remained a complex undertaking, the PAT felt that functional staffs should have the flexibility to use whatever processes were appropriate to prepare for the decision meeting. Implementing this recommendation would reduce hand-offs, steps and opportunities for delay, identify a process owner (IPT leader) and mitigate the "us versus them" mentality inherent in Component reviews.[98]

- The PAT recommends that CAEs review the unique documentation imposed on Defense acquisition programs by their Component or sub-

[96] Ibid.
[97] Ibid., p. 19.
[98] Ibid.

Components. These executives should eliminate all Component documents that satisfy a unique requirement.[99]

Implementing this recommendation would require CAEs to scrub their internal documentation and streamline, revise or delete unnecessary requirements. Because of the well established constituencies within Component HQ staffs, the PAT anticipated that supporters of these documents would be reluctant to make any changes.[100]

c) Other recommendations

- The PAT recommends that the Defense Resources Board adopt, for ACAT I programs, the affordability process that the report describes. This process would apply at program milestones as well as during budget and bill paying phases.[101]

This recommendation depends on the Joint Requirements Oversight Council (JROC), acting as a representative of the CJCS, to resolve interservice disputes and make timely, unambiguous decisions on program priorities. The PAT also stated that the Comptroller would have to accept a role as executor of budget decisions rather than initiator of them. Although implementing this recommendation would require certain individuals in power positions to cede power, the PAT predicted a more timely and robust decision process which enabled the joint warfighting community to establish priorities.[102]

- The PAT recommends that the DAE direct that contractor past performance be elevated to a dominant factor in all source selections not later than July 1, 1995. In rare instances where this may be inappropriate, the CAE may approve a waiver.[103]

Shifting business to contractors that demonstrate superior performance represented a potential for significant resource savings to the PAT, specifically through a reduction in Government oversight. They also anticipated that implementing this recommendation lead would to a long-term increase in the competitiveness of US

[99] Ibid., p. 62.
[100] Ibid.
[101] Ibid., p. 64
[102] Ibid.
[103] Ibid., p. 69.

industry, enhance teamwork between Government and industry and result in higher quality products a cheaper price.[104]

- The PAT recommends that all acquisition programs, regardless of ACAT classification, be aligned in the PM-PEO-CAE chain, wherein the PEO is a full time acquisition manager and reports directly to and receives guidance from the CAE.[105]

Realigning all acquisition programs under PEOs would provide a clear, simplified chain of command for all acquisition managers and allow lower ACAT programs to be aligned organizationally more directly with higher ACAT programs they support. Despite these advantages, the PAT anticipated that material commands would be reluctant to surrender management control of their acquisition programs and would resist the loss of acquisition funds under their control.[106]

6. Overview of Results

The key features of the PAT's reengineered process model were consistent with the Packard Commission Report and addressed virtually every important aspect of the acquisition oversight and review process. According to the PAT, those key features would ensure that the reengineered model would:

- Forge a three milestone process.
- Trim milestone decision documents and activities.
- Collapse the number of formal pre-milestone meetings to one.
- Institutionalize IPTs to do oversight and review.
- Align program accountability and reporting.
- Centralize the affordability decision by placing it into the warfighters hands.
- Consolidate the oversight and review process for joint programs and those programs requiring substantial inter-service harmonizing.
- Revitalize the acquisition program baseline (APB).

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[104] Ibid.
[105] Ibid., pp. 73-74.
[106] Ibid., p. 74.

- Strengthen PM experience, tenure and selection requirements.[107]

The value of this report can be measured by the changes that have taken place since it was published in December 1994. The most significant of those changes are reflected in the update of the DoD 5000 series of documents, which separate mandatory acquisition policies and procedures from discretionary practices. These updates establish the guiding principles for all defense acquisition and help create an acquisition system that capitalizes on the strengths of all participants in the acquisition process.

H. THE FEDERAL ACQUISITION REFORM ACT (FARA)

1. Origin

Signed into law by President Clinton on February 10, 1996, FARA was originally enacted as part of the FY 1996 Defense Authorization Act. It is applicable to civilian agencies as well as DoD. According to Colleen A. Preston, the Deputy Under Secretary of Defense for Acquisition, "the total impact of the measures in this year's Defense Authorization Act is as large as that of the FASA. This is a very important step in acquisition reform."[108] Previously, Secretary of Defense William Perry stated that the legislation "moved us much further along to the reengineered acquisition system that we must have to meet our 21st Century needs."[109] A few of the provisions in FARA are listed in the section below.

2. Provisions

a) Brooks Act Repealed

The 1965 Brooks Act gave all Federal information technology (IT) acquisition and management authority to the General Services Administration (GSA). This law led to inefficiencies in the purchase of IT and meant that many DoD computers were obsolete by the time they were delivered. Repeal of the Brooks Act avoided the obsolescence problem and eliminated the exclusive authority of the General Services

[107] *Reengineering*, Volume I, pp. 4-6.
[108] "New Changes in Legislation Big as FASA '94 for AR," *Acquisition Reform Today*, (March-April 1996), p. 3.
[109] Ibid.

Board of Contract Appeals (GSBCA) to handle IT bid protests. All protests are now being handled by the GAO.[110]

b) Efficient Competition

The Act permitted contracting officers to limit the number of bidders in the competitive range in order to promote efficiency. This authority enables agencies to expedite the procurement process, and allowed bidders, which had no chance of receiving the award, to save time and money by being removed sooner in the process.[111]

c) Post-Employment

FARA amended the procurement integrity law to focus on the improper disclosure of contract award information. Post employment restrictions were made simpler and clearer, applying across the Government to officials in procurements above $10 million. The law enhances the attractiveness of Federal service because individuals could be more certain of their legal and ethical obligations should they decide to work in the private sector.[112]

d) Simplified Procedures for Certain Commercial Purchases

For a three-year period, commercial items up to $5 million in contract value can be purchased under simplified procedures. This includes an exemption from publishing the opportunity in the Commerce Business Daily (CBD) and elimination of the requirement to hold the solicitation open for at least 30 days.[113]

e) Broader Definition of Commercial Services

The definition of the term "commercial services" is expanded to include services sold based on "market" as well as catalog prices.[114]

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[110] Ibid.
[111] Ibid.
[112] Ibid.
[113] "House Drops Repeal of Full and Open Competition," *Small Business Press Set Aside Alert*, (August 14, 1995), No. 17, Vol. 3; ISSN 1068-5715.
[114] "Summary of Key Provisions in the Federal Acquisition Reform Act of 1996," Acquisition Reform Page, www.acq-ref.navy.mil/farsum.html,. p. 2.

f) Efficient Competitive Range Determinations

This enables contracting officers to limit the number of proposals in the competitive range if they determine that the number of proposals that would otherwise be included in the competitive range exceeds the number at which an efficient competition can be conducted.[115]

Although some of the significant legal difficulties associated with Government contracting were reduced by this act, "the changes brought about will be more evolutionary than revolutionary. The certification reductions accomplished under FARA are best viewed as part of an ongoing trend to reduce or eliminate unnecessary Government contract certifications."[116]

I. OTHER INITIATIVES

1. Best Value Contracting

Best value is a process used in competitive, negotiated contracting to select the most advantageous offer by evaluating and comparing factors in addition to cost or price. The intent is to award to the contractor that will give the Government the greatest or best value for its money. It is the preferred source selection methodology, following the issuance of Executive Order 12931 on December 13, 1994, which directed executive agencies to "place more emphasis on past performance and promote best value rather than simply low cost in selecting sources for supplies and services."[117]

Best value assesses many factors including past performance, ability to meet contract schedule, life cycle costs, maintainability and product improvement, just to name a few. Determining which best value criteria to apply for a particular procurement rests with the acquisition agent/buyer in conjunction with the user.[118] From an acquisition

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[115] Ibid., p. 1.
[116] John B. McDaniel and O. Kevin Vincent, "Statute Eases Certification Standards," *The National Law Journal*, (May 27, 1996), p. B7.
[117] "Best Value," Acquisition Reform Page, www.acq-ref.navy.mil/turbo/arp13.html, p. 1.
[118] Janice M. Menker, "Best Value Contracting: Debunking the Myth," *Program Manager*, (September-October 1992), pp. 17-18.

reform perspective, the changes PMs are expected to integrate into their existing process are matters of degree which:

- Allows greater offeror proposal flexibility.
- Assumes greater risk in tech/cost tradeoffs.
- Expands the use of best value into areas other than cost reimbursable R&D and systems acquisitions.
- Encourages greater tailoring of source selection factors/subfactors.[119]

2. Single Process Initiative (SPI)

In December 1995, Secretary of Defense William Perry promulgated his policy on Single Process Initiative (SPI). The intent of the initiative is to eliminate the use of different processes or specifications for similar operations within a contractor's facility which exist as a result of differing requirements in various contracts. SPI applies to all contracts and is implemented using a "block change" modification approach. This 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. Administrative Contracting Officers (ACOs) are responsible for managing the SPI effort in the facilities to which they are assigned.[120]

Perhaps the most unique feature of SPI is the urgency that SECDEF and the Under Secretary of Defense for Acquisition and Technology (USD(A&T)) placed on getting it implemented as quickly as possible. The underlying purpose for the urgency is that the savings related to SPI can not be achieved until contracts are changed. Once this is accomplished, the result will be more efficient, consistent and stable processes, simplified contract administration for the contractor and the Government and significant savings for the taxpayer.[121]

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[119] "Best Value," p. 2.
[120] "Department of Defense Announces Policy on Single Process Initiative," *News Release*, Office of Assistant Secretary of Defense (Public Affairs), (Dec 8, 1995), No. 647-649.
[121] Ibid.

3. Update of DoD 5000 Documents

Reference was made in the section on the OSD Acquisition Process Action Team Final Report/Implementation Plan about the influence the OSD A-PAT had on changing the DoD 5000 documents. That influence is apparent in the executive summary from OSD discussing the DoD 5000 updates which states "the intent of the DoD 5000 revision is to define an acquisition environment that makes DoD the smartest, most responsive buyer of the best goods and services, that meet our warfighters' needs, at the best dollar value over the life of the product." [122]

The update accomplishes the following objectives:

- Incorporates FASA and the institutionalization of Integrated Product Teams.
- Separates mandatory policies and procedures from discretionary practices.
- Responds to the perception that the acquisition policy documents have become too complex by significantly reducing the length and complexity of the 5000 documents and by making them available on-line for the first time.
- Integrates for the first time acquisition policies and procedures for both weapon systems and automated information systems.[123]

The major themes of the update seem to be a direct reflection of the acquisition environment that the Packard Commission envisioned ten years earlier. The first theme, **teamwork**, stresses the importance and advantages of using all interested parties in the acquisition process. This is accomplished through the use of Integrated Product Teams (IPTs) which are designed to maximize overall performance, not just the performance of individual functional areas. The second theme, **tailoring**, is intended to give the Milestone Decision Authority (MDA) the ability to apply common sense and sound business management practices to the acquisition process. This theme urges MDAs to promote flexible, tailored approaches to oversight and review based on mutual trust and the program's size, risk and complexity. The primary intent of the third theme,

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[122] Paul Kaminski, Philip Coyle and Emmett Paige, Jr., "Memorandum for the Defense Acquisition Community; Update of the DoD 5000 Documents," Office of the Secretary of Defense, (Mar 15, 1996), p. 1.

[123] Ibid., p. 2.

empowerment, is to balance responsibility with authority, not to reduce responsibility. This is accomplished by reducing mandatory procedures and encouraging prudent risk management. The fourth theme, **Cost as an Independent Variable (CAIV),** is difficult for many organizations to define and apply. The intent of the theme is to urge decision makers to consider the cost and performance trade-offs they are willing to accept when developing a system. Increasing the use of **commercial products** in DoD acquisition is the fifth theme of the DoD 5000 series update. This practice not only reduces DoD's reliance on MILSPECs but also provide the means to take advantage of the technological advances occurring in the commercial sector today. The final theme, **best practices,** implies taking the best practices of commercial and Government activities when developing acquisition strategies. DoD 5000.2-R contains a simplified and flexible management process based on these practices to serve as a guideline.[124]

J. SUMMARY

As previously stated, the purpose of this thesis is to review acquisition reform initiatives from the Packard Commission until the present, and to analyze whether the acquisition process at USSOCOM complies with those initiatives. This chapter presented those initiatives, however, the Packard Commission and OSD Acquisition Reform Process Action Team Report were described in greater detail than the others.

The reason for this approach was to document fully the vision that the members of the Packard Commission, specifically the Acquisition Task Force (ATF), had for improving the acquisition process. When reading the summaries of the subsequent reform initiatives, the reader should agree that the Packard Commission's Report served as the genesis for all acquisition reform that has occurred in the past decade, and that each of the nine changes to the defense acquisition system (i.e. (1) streamline acquisition organization and procedures; (2) use technology to reduce cost; ... (9) improve the capability for industrial mobilization) recommended by the ATF were addressed in subsequent reform initiatives.

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[124] Kaminski, Coyle and Paige, pp. 2-3.

An interesting discovery made while researching this chapter was that the Chairman of the Packard Commission's ATF was William Perry, the current Secretary of Defense. It makes sense that he has been so proactive in the acquisition reform arena the past four years. The ideas and directives that he issued in: (1) *Acquisition Reform: A Mandate for Change*; (2) *Acquisition Reform*; and (3) *Specifications and Standards-A New Way of Doing Business*, mirror many of the recommendations of the ATF that he chaired a decade ago.

The OSD Acquisition Reform Process Action Team Report was also thoroughly discussed because of the direct influence that it had on the March 1996 DoD 5000 updates. In addition, the OSD report is the only reform initiative, other than the Packard Commission, that reviewed the entire acquisition process within DoD. The information found in the OSD report will be useful when USSOCOM's acquisition process is discussed in Chapter V and analyzed in Chapter VI.

Most of the reform initiatives discussed in this chapter have been incorporated into today's acquisition culture. The *Ten Guiding Principles of Acquisition Reform*, developed by Ms. Colleen Preston, Deputy Under Secretary of Defense for Acquisition Reform, reflects that cultural change and effectively summarizes the contents of this chapter. Those principles are:

1. **Empower people to manage—not avoid risk**
   - Delegate authority and reward results.
   - Encourage innovation by issuing guidance not rules.
2. **Operate in Integrated Product Teams**
   - Replace functional stove pipes with integrated program teams.
   - Manage with early insight on program issues, rather than after-the-fact oversight.
   - Resolve issues at the lowest possible level.
   - Partner and team with industry.
3. **Reduce cycle time by 50%**
   - Tailor the process to the specific acquisition.
   - Structure so that fewer people are involved and the need for coordination is reduced.
4. **Reduce cost of ownership**
   - Manage overall life cycle cost not just initial acquisition cost.
   - Treat cost as an independent variable

- Make cost performance trade-offs early in the acquisition process.

5. **Expand the use of commercial products and processes**
   - Begin dialogue with industry early in requirements development process.
   - Give priority to customary commercial practices.
6. **Use Performance SPECs and non-Government Standards**
   - Use performance SPECs as the preferred choice for all programs.
   - Use non-Government standards when performance SPECs are not practical.
   - Use MILSPECs/STDs only as a last resort with an appropriate waiver.
7. **Issue solicitations that reflect the quality of a world class buyer**
   - Write cohesive statements of work that specify "what" not "how."
   - Maximum use of FACNET and simplified acquisition procedures.
   - Coordinate in advance to gain mutual understanding of requirements and capabilities.
8. **Procure goods and services with "Best Value" techniques**
   - Reduce the time and cost of making the award.
   - Use past performance as a key factor.
   - Debrief offerors promptly and openly to avoid misunderstanding and protest.
9. **Test and Inspect in the least obtrusive manner to add value to the process or product**
   - Make testers/evaluators value added team participants from the start.
   - Achieve quality with statistical process control rather than with end item inspection.
   - Take advantage of contractor testing.
10. **Manage contracts for end results**
    - Focus on the customer and the product or service required.
    - Aggregate contracts and acquisition phases to benefit from stable contractor operations.
    - Operate on the basis of trust and tailor oversight to estimated performance risk.
    - Acquire technical data rights only to the extent necessary for breakout and spares procurement.

IV. UNITED STATES SPECIAL OPERATIONS COMMAND ACQUISITION PROCESS ACTION TEAM PAT REPORT

A. INTRODUCTION

Chapter II presented the origin, roles, mission and organization of USSOCOM. In addition, it described SOAC's (Special Operations Acquisition Center) role in the acquisition of SO-peculiar items for SOF (Special Operations Forces). In Chapter III, acquisition reform initiatives of the past decade were presented. The primary intent of acquisition reform is to streamline the acquisition process to ensure that the warfighter receives the highest quality equipment at the best possible price in a timely manner. The Packard Commission Final Report was described in detail because it served as the basis for all acquisition reform initiatives that followed it. The OSD A-PAT was also thoroughly reviewed because of the significant impact that it has had on the acquisition oversight and review process within DoD, reflected in the rewrite of the DoD 5000 in March 1996. The purpose of this chapter is to summarize the contents of the February 1996 USSOCOM Acquisition Management Process Action Team (A-PAT) Final Report/Implementation Plan, including the charter, the problems the A-PAT identified in the USSOCOM acquisition process and the recommendations of the A-PAT. The contents of this report/implementation plan are crucial because many of the A-PAT recommendations have been implemented into USSOCOM's acquisition process, which is the focal point of this thesis.

The USSOCOM A-PAT was comprised of 12 members (eight civilians and four military), including representatives from the SOAC Investment Division (SD-I); SOAC Policy Division (SD-P); PEO, Maritime and Rotary (PEO-MR); Directorate of Procurement (SOKO); Small and Disadvantaged Business Utilization (SOSB); Command Engineering (SOEN); Directorate of C4I (J6); Directorate of Resources Comptroller Division (J8-C); Directorate of Resources Program (J8-P); USASOC; AFSOC and

NAVSPECWARCOM. In addition, the board was led and directed by the Director of the Operations Review Board.[125]

B. ORGANIZATION OF REPORT

The A-PAT Final Report/Implementation Plan of the A-PAT includes an executive summary, implementation plans for their recommendations and annexes which include the A-PAT charter, the acquisition process problems identified by the A-PAT, inputs from the Services and flow charts reflecting the USSOCOM acquisition process. This section will provide specific details of the A-PAT charter, the problems the A-PAT identified in the acquisition process, the recommendations of the A-PAT and the subsequent decisions made by the EQB on those recommendations. It closes out with a brief summary of the issues that the A-PAT identified but were unable to address.

1. A-PAT Charter

The charter for the A-PAT, which met from 6 July 1995 to 5 November 1995, was signed by the USCINCSOC, General Wayne A. Downing, on 5 July 1995. The purpose of the A-PAT, as stated in paragraph (1) of the charter, was to "...improve the HQ USSOCOM Acquisition Management Process."[126] In order to accomplish this task, the charter directed the A-PAT to flow chart the existing acquisition process, including headquarters directorates, USSOCOM Components and Service materiel developers. It also directed the A-PAT to identify process and policy changes required to improve the process and to flow chart the reengineered acquisition process. In addition, the PAT was required to submit an implementation schedule and recommend metrics which could be used to measure the process of their recommended changes.

The charter also listed specific problems identified by the Executive Quality Board (EQB) which led to the establishment of the USSOCOM A-PAT. A summarized list of those problems follows:

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[125] USSOCOM A-PAT Final Report/Implementation Plan, (Feb 19, 1996), p. 29.
[126] Ibid., Annex A, p. 1.

- The interfaces required in the acquisition process between the headquarters staff, Component commands and the acquisition staff were unclear.
- The supplier/customer relationship between the Board of Directors and SOAC needed to be clarified.
- The transition of materiel systems from acquisition to sustainment and/or evolutionary upgrade needed clarification.
- The specific supplier/customer relationship between the SOJ8 (Programmers and Comptrollers) and SOAC needed to be improved to reduce redundancy, clarify responsibilities, realign manpower and streamline the process.
- The funding methodology and oversight of Service-managed programs.
- The involvement of directorate and staff functions that interface with the acquisition process needed to be identified, defined, quantified and considered as part of the process.
- The role of headquarters staff personnel on IPTs needed to be clarified.[127]

2. Acquisition Process Problems Identified by the A-PAT

The four phases of the A-PAT were process definition and process problem identification, process problem refinement and identification of causes, solution exploration with options for each major interface identified in the charter and final report preparation and implementation of Executive Quality Board (EQB) decisions.[128] During the first phase of the process, A-PAT members identified dozens of perceived problems with the USSOCOM acquisition process. Using TQL techniques, the list was consolidated and prioritized into a list of 17 problems which was representative of all that had been discussed.[129] The bulletized list of the 17 problems identified and briefed to the EQB is as follows:

- SOSD-I, J8-CI have overlapping roles.
- PEO vs. Assessment Director role in financial management in execution year.

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[127] Ibid., Annex A, pp. 2-3.
[128] Ibid., p. 1.
[129] Ibid., p. 29.

- Perceived duplication of responsibilities between PEOs, Financial Analysts and SOSD-IF.
- SOAC perceives over zealous staff interference with acquisition functions.
- Division of funding authority/responsibility is unclear throughout the acquisition process.
- Degree of oversight in managing funds in year of execution is unclear.
- Out-of-cycle funding process is broken.
- Inadequate control in Service-managed, Service MDA programs.**
- User out of loop while making acquisition decisions.
- Staff lacks "teamwork" mentality.
- Failure to meet OSD obligations and outlay goals.
- Transition system of Mission Need Statement (MNS) to acquisition is undefined.
- Acquisition strategies do not adequately address long term sustainment.
- Improper routing of direct procurement actions.**
- Cancellation process for programs is unclear or undefined.
- Inaccurate planning and budget estimates lead to unexecutable programs.
- Sub-optimal distribution of manpower within SOAC.[130]

** **Problems were not addressed because of time constraints.**

In addition to the 17 listed, the A-PAT identified two other process areas that required further analysis. They are:

- The roles of the C4I (J6) and Acquisition Executive (AE) in the acquisition of certain systems.
- Establishment of a policy to oversee the expenditure of MFP-11 O&M funds by the Components on equipment and equipment support.[131]

[130] Ibid., Annex B, pp. 2-3.
[131] Ibid., pp. 3-4.

3. A-PAT Recommendations

The A-PAT developed and briefed their recommendations to the EQB in four distinct areas; Requirements Interface and J8/SOAC Interface, both of which contained multiple recommendations, and Assessment Director/AE Interface and Component/AE Interface. In the A-PAT Final Report/Implementation Plan, each recommendation included a discussion, the EQB decision and the mechanics of implementation. The A-PAT determined that the recommendations they provided could potentially resolve all but two of the 17 problems which they originally briefed to the EQB. Those problems, which were not resolved because of time constraints, are annotated on the list above. The remainder of the chapter will focus on the recommendations made by the A-PAT to the EQB. The recommendations in the first three areas were adopted by the EQB and an alternative course of action was decided for the Component/AE Interface recommendation.

a) Requirements Interface Implementation Plan

The A-PAT developed four recommendations to improve the requirements interface process within USSOCOM. The flow chart in figure 4.1 displays the requirements interface process after the implementation of the A-PAT recommendations (the sections highlighted in gray reflect the additional steps in the process).

(1) Implementation of USSOCOM Integrated Product Teams (IPTs)

(a) Discussion

The primary benefit of an IPT is that it brings the major stakeholders of programs together to make decisions as a team rather than as individuals. In addition, they involve HQ staff more closely with the user submitting the document. A central theme of acquisition reform is streamlining the acquisition process. IPTs accomplish this not only by potentially reducing the time it takes for involved stakeholders to concur on program decisions, but also because they facilitate flexibility, innovation and tailoring within the program. To ensure that key players are involved early

RECOMMENDED J5/AE INTERFACE PROCESS

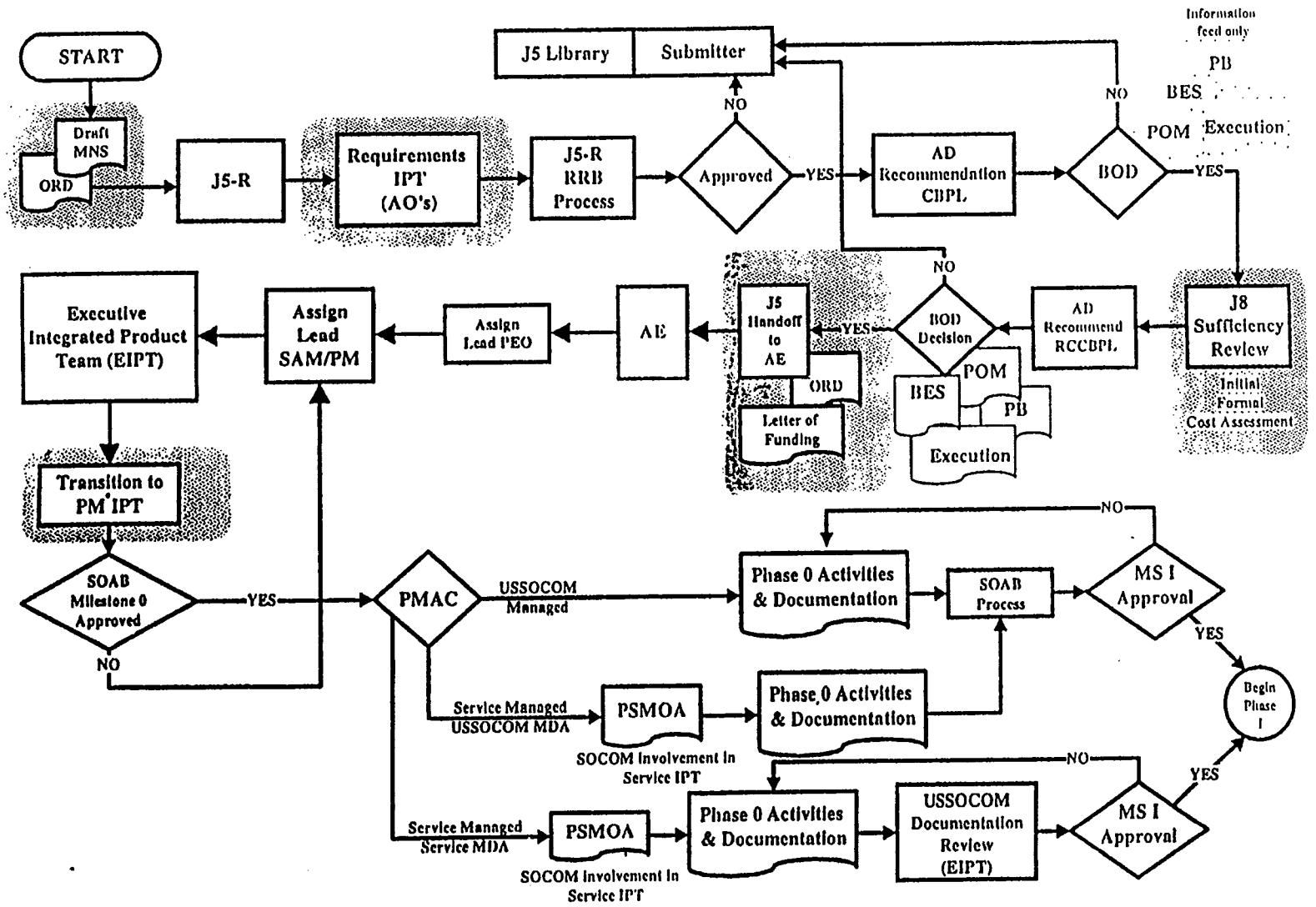

Figure 4.1: J5/AE Interface Process (USSOCOM A-PAT Report, p. 11.)

in the process, A-PAT recommended the formation of IPTs upon receipt of an Operational Requirements Document (ORD) or a Mission Need Statement (MNS).[132]

(b) EQB Decision

The EQB concurred with the recommendation to form IPTs upon receipt of a requirements document.[133]

(c) Mechanics of Implementation

Upon receipt of a requirements document, J5 Requirement (J5-R) appoints a Program Requirements Officer (PRO) to establish and lead a working level Requirements IPT (R-IPT). Once the requirement is sufficiently defined, receives a favorable recommendation from the Requirements Review Board (RRB) (Chapter V will describe the responsibilities of the RRB) and is approved by CINCSOC, the requirement is forwarded to the Special Operations Acquisition Executive (SOAE) for entry into the acquisition system. Once accepted, the IPT lead is handed off to the SOAC and is referred to as a Program IPT (P-IPT), lead by either a Systems Acquisition Manager (SAM) (if Service managed) or PM (if USSOCOM managed).[134]

The size of the R-IPT is based on the scope of the project being initiated. Members of the R-IPT include but are not limited to USSOCOM J-Staff personnel, including the Comptroller and Logistics staffs, Service representatives and User representatives. Additionally, the R-IPT is advised by the Assessment Directors, who provide priority within the scope of the Capabilities Based Program List (CBPL) and potential for inclusion in the Resource Constrained Capabilities Based Program List (RCCBPL) (Chapter V will describe the purpose of the CBPL and RCCBPL). Prior to converting over to a P-IPT, the R-IPT develops a command position relative to the goals and objectives of the USSOCOM Strategic Planning Process (SPP) (Chapter V will discuss the SPP), confirms that non-material solutions do not exist, recommends joint

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[132] Ibid., p. 5.
[133] Ibid.
[134] Ibid.

applicability and refine the requirement using the results of studies and trade-off analysis. Establishment of IPTs was scheduled for 1 March 1996.[135]

(2) USSOCOM Encourage the Use of an ORD Where Practical for Command Review/Approval of a Materiel Need.

(a) Discussion

Because many USSOCOM requirements can be satisfied using non-developmental (NDI), commercial-off-the-shelf (COTS) or Government-off-the-shelf (GOTS) items, the A-PAT determined that an ORD, rather than a MNS, would be the appropriate requirement document to submit when those items are available. Adopting this practice would put USSOCOM in line with acquisition reform and DoD direction. Benefits of adopting this procedure include more accurate cost estimates and funding profiles and a reduction in the amount of documentation required of MNS/ORD authors.[136]

(b) EQB Decision

The EQB agreed that ORDs should be used as the requirement submission document when the solution to the materiel deficiency is an NDI, COTS or GOTS item.[137]

(c) Mechanics of Implementation

Beginning 1 March 1996, requirement sponsors were encouraged to submit ORDs to J5-R to define requirements and initiate programs when those requirements could be satisfied using NDI, COTS or GOTS items. The ORD should include the special operations forces (SOF) mission area and tasks that can be approved, explain the alternatives that were reviewed and describe the process used to develop performance requirements. The remaining portion of the ORD is written using the format provided in USSOCOM Directive 70-2.[138]

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[135] Ibid., pp. 5-6.
[136] Ibid., p. 7.
[137] Ibid.
[138] Ibid., p. 8.

(3) Cost Analysis of Newly Identified Requirements

(a) Discussion

Prior to transitioning a requirement to the SOAE, a more detailed examination of costs was necessary. Therefore, the A-PAT recommended that the Directorate of Resources Comptroller Division (J8-C) validate the costs for the Board of Directors (BOD) (Chapter V will describe the responsibilities of the BOD) prior to submitting the program for approval on the RCCBL.[139]

(b) EQB Decision

The EQB concurred with this recommendation and directed that the cost verification by J8-C occur after the requirement has been validated by the RRB and approved by CINCSOC, each of which occur prior to approval by the BOD and inclusion on the RCCBPL.[140]

(c) Mechanics of Implementation

The J8-C Investment Branch (J8-CI) will be required to perform initial verifications of cost estimates prepared by ORD sponsors. As a member of the R-IPT, a J8-C Cost branch (J8-CC) cost estimator then performs a sufficiency review that addresses the completeness, reasonableness, consistency and documentation of the ORD on a J8-CC sufficiency review form. To assure timely acceptance of ORD estimates, J8-CC works with ORD sponsors prior to their initial submittal. ORDs which contain insufficient estimates are returned to the sponsors for revision. This process was implemented on 1 March 1996.[141]

(4) Requirements (J5) to Acquisition (AE) Process

(a) Discussion

Recognizing the need to formalize the J5-R to SOAE requirement hand off process, the A-PAT recommended that a program entering the

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[139] Ibid.
[140] Ibid., pp. 8-9.
[141] Ibid., p. 9.

acquisition process should already be validated and approved, prioritized, costed, funded and contain specific start guidance.[142]

(b) EQB Decision

The EQB concurred that requirements handed off by the Directorate of Plans, Policy and Strategic Assessment (J5/7) to the SOAC should meet the criteria listed in sub-paragraph 4 (a).[143]

(c) Mechanics of Implementation

Effective 1 March 1996, ORDs and MNSs which have completed the requirements generation, review and approval processes are passed from the J5/7 to the SOAE along with a memorandum that summarizes the recommendations of those processes. As a minimum the memorandum includes recommendations for joint applicability, the sponsoring Commander's priority, placement on the USSOCOM RCCBPL, sufficiency of the cost estimates and additional guidance from CINCSOC and/or the BOD.[144]

b) J8/SOAC Interface Implementation Plan

The A-PAT developed three recommendations to improve the J8/SOAC interface.

(1) J8-CI Matrixed Budget Support to PEOs

(a) Discussion

The A-PAT recommended the matrixing of four Investment Budget Analysts from the J8-C Investment Branch (J8-CI) to SOAC. This recommendation was based on workload surveys, interviews with SOAC management and process work flow reviews. The intent of this recommendation was to improve the relationship between the J8 and SOAC, eliminate unnecessary checking, expedite the

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[142] Ibid.
[143] Ibid., pp. 9-10.
[144] Ibid., p. 10.

funds distribution process and include J8 in the day-to-day management of the acquisition programs.[145]

(b) EQB Decision

The EQB concurred with the recommendation and directed the placement of a Budget Analysts within each PEO organization. These individuals remain under the control of the J8 for personnel purposes, but are located in the PEO work area an appropriate amount of time to handle the workload.[146]

(c) Mechanics of Implementation

The matrixed Budget Analysts (GS 12/13 or O-4/5) were in place by 1 March 1996 and are responsible to the PEO for the following:

- Advising the PEO on status of availability and execution of funds and areas of interest or concern by the Under Secretary of Defense Comptroller (USD C) or the USSOCOM staff.
- Assisting in the reconciliation of accounting records, resolving accounting problems and processing documentation through J8-C, SOKO and the Defense Accounting Office (DAO).
- Conducting final quality reviews of all documentation to minimize review required by J8-C.

As stated previously, the Budget Analysts remain assigned to the J8-C for personnel purposes, however, the PEOs do provide letters of input to the rating official.[147]

(2) Removal of SD-I from PA/MIPR/AF Form 9 Processing

(a) Discussion

The A-PAT recommended eliminating the SOAC Investment Division's (SOAC/SD-I) responsibility for processing Program Authorization (PA), Military Interdepartmental Purchase Request (MIPR) and Purchase Request

[145] Ibid., p. 15.
[146] Ibid.
[147] Ibid., p. 16.

(PR)(AF Form 9) documents. They anticipated that the PEO Financial Analyst/J8-CI Budget Analyst arrangement would produce quality documents that could be processed directly through J8-C channels without additional assistance, thus enabling SD-I to perform enhanced analytical and integration functions for the AE.[148]

(b) EQB Decision

The EQB concurred with this recommendation, citing anticipated productivity increases and improvements in the review/approval process.[149]

(c) Mechanics of Implementation

Effective 1 March 1996, PEO Financial Analysts, in collaboration with their matrixed Budget Analysts, began processing, reviewing and coordinating the distribution of AF Form 9's, MIPRs and PAs.[150]

(3) Team Approach on All Collateral Financial Duties

(a) Discussion

The A-PAT determined that a number of overlaps occurred in the financial processes that SD-I, J2, J3, J4, J5 J6 and J8 participated in. Those processes are: POM Submissions, Budget Submissions, Reprogramming Actions, Fund Rescissions, Program Budget Decision (PBD) Reclames and Execution Analysis. They recommended developing a team concept to improve these processes, agreeing that each of them is "owned" by these organizations at different points and that the process "owner" at any particular point should serve as the team leader.[151]

(b) EQB Decision

The EQB concurred with the teamwork approach recommended by the A-PAT and directed that principals from both J8 and AE work concurrently to ensure the successful implementation of the process.[152]

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[148] Ibid., p. 17.
[149] Ibid., p. 18.
[150] Ibid.
[151] Ibid., pp. 18-19.
[152] Ibid., p. 19.

(c) Mechanics of Implementation

Effective 1 March 1996, J8 became responsible for assisting the SOAC by providing the expertise to complete the POM and budget exhibits for the acquisition team. The following table was developed to determine team membership on each of the processes:

Acquisition Process*	Team Members
POM Submissions	SOAC, J8-P, J4, J8-C, J5-AD
Budget Submissions	SOAC, J8-C, J4
Reprogramming Actions	SOAC, J8-C, J5-AD
Fund Rescissions	SOAC, J5-AD, J8
PBD Reclames	SOAC, J8
Execution Analysis	SOAC, J8-C, J5-AD

* J2 and J6 are team members when their interests are effected.[153]

c) Assessment Director/AE Interface Implementation Plan

(1) Funding Authority in Year of Execution and Budget Years

(a) Discussion

Because of significant problems related to the duplication and conflict of assigned roles in the acquisition processes, the A-PAT recommended a clearer definition of the Assessment Directors (AD) role, including the establishment of parameters for AD involvement.[154]

(b) EQB Decision

The EQB decided that PEOs would be empowered to make funding moves without AD approval, as long as criteria acceptable to the AE and J5 are met. In all cases however, the AD is informed. If the criteria are not met, ADs will assess and make recommendations for a BOD decision. If the adjustment is for less than $5

[153] Ibid.
[154] Ibid., p. 21.

million, the EQB authorized the J5 unilateral approval of the adjustment without the BOD's approval.[155]

(c) Mechanics of Implementation

Beginning 1 March 1996, PEOs were empowered to realign and/or reprogram funds among approved, funded programs on the RCCBPL, without prior coordination of the J5, if the change met the following criteria:

- The total increase to any program is less than $5 million in any execution or budget year, per fiscal year.
- There is less than a six-month slip or acceleration in any of the affected programs.
- There is no change in the BOD approved total inventory objective.
- There is no effect on manpower.
- There is no breach of performance threshold.

Funding changes that effect programs that are not funded on the RCCBPL, or do not meet the above criteria, require J5/7 coordination.[156] The flow charts in Figures 4.2 and 4.3 reflect the fund realignment decision process.

d) Component/AE Interface Implementation Plan

(1) Component Acquisition Manpower to USSOCOM

(a) Discussion

The management of the Major Force Program 11 (MFP-11) investment account was consolidated by CINSOC at HQ USSOCOM under the AE. This prompted the A-PAT to study the option of moving the USASOC and AFSOC positions which were responsible for managing their component's MFP-11 accounts to HQ USSOCOM.

[155] Ibid.
[156] Ibid.

AD INVOLVEMENT IN BUDGET & EXECUTION YEAR FUNDING

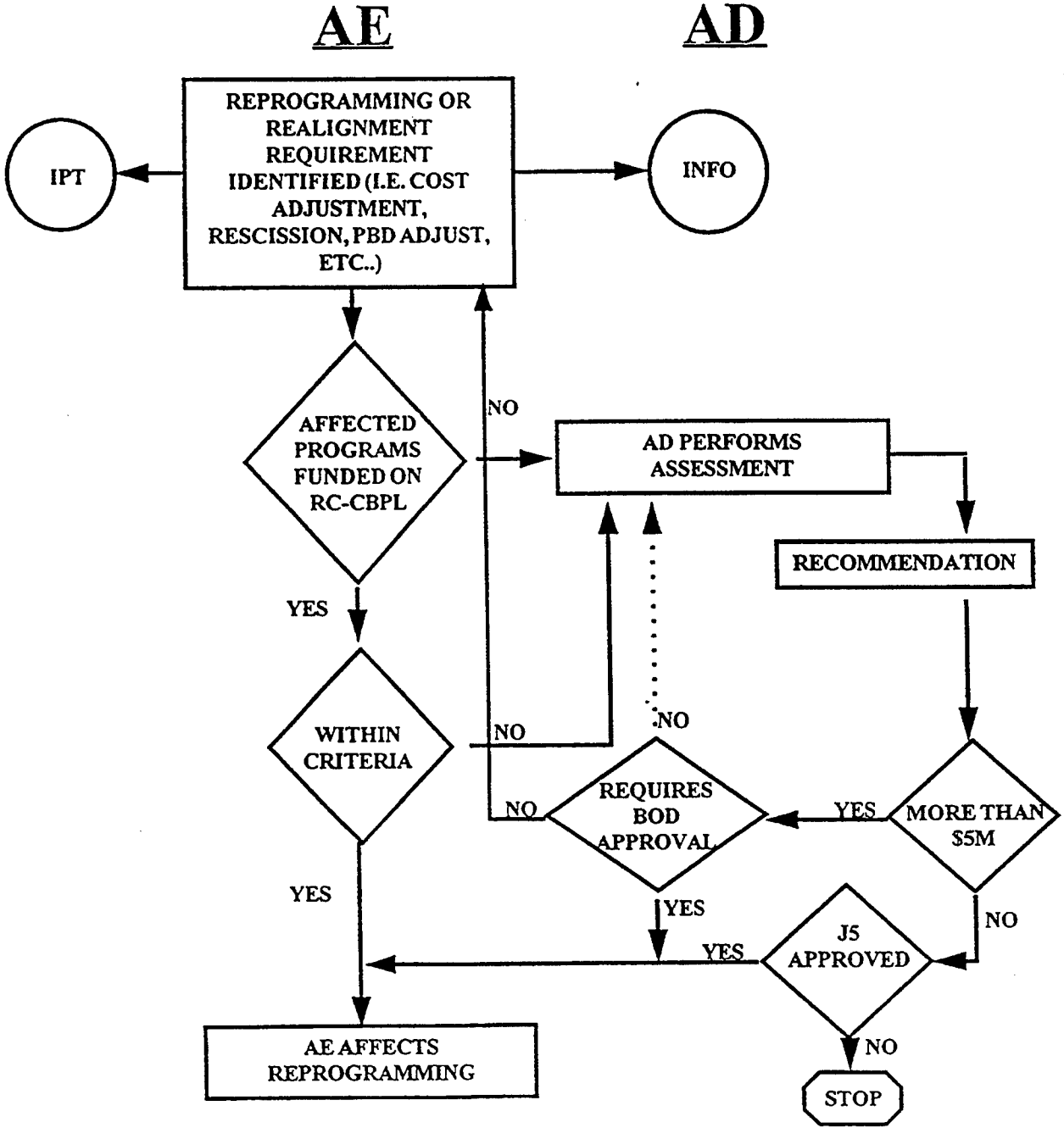

Figure 4.2: Funding Matrix (USSOCOM A-PAT Report, p. 23)

AE DECISION THRESHOLD CRITERIA

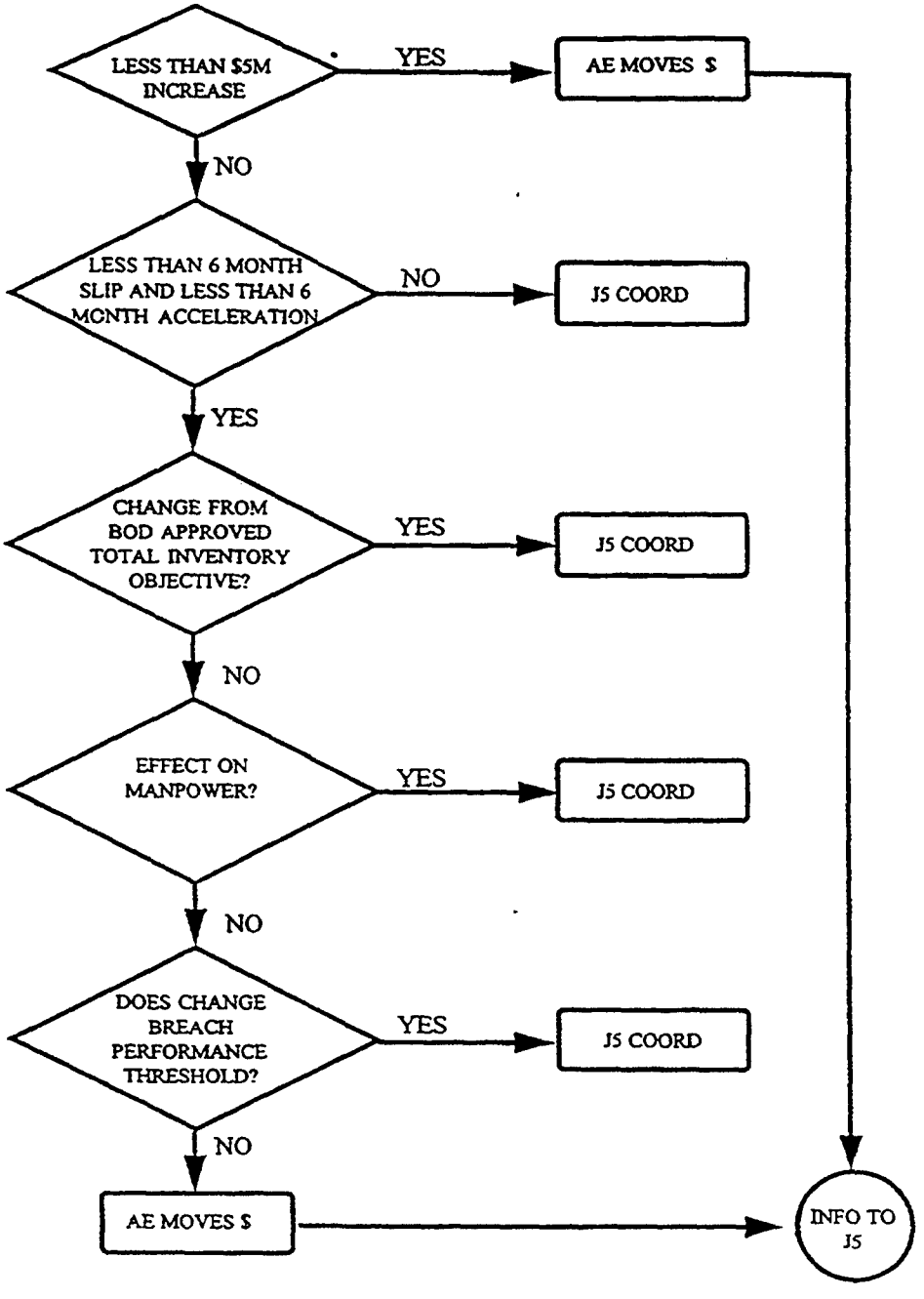

Figure 4.3: Funding Matrix (USSOCOM A-PAT Report, p. 24)

Historically USSOCOM's acquisition organization has dealt with unattained manpower goals. The 88 personnel provided when the organization originally stood up fell well short of the 130 requested. The majority of the personnel (77) were assigned to the SOAC (previously referred to as the Special Operations Research, Development and Acquisition Center (SORDAC)). Today there are 118 acquisition positions (32 Military, 86 civilian) at USSOCOM.[157]

The A-PAT originally recommended not to move any component acquisition manpower to HQ USSOCOM. This decision was based on A-PAT briefings with the components who argued that these individuals were primarily subject matter experts (SMEs) who also served as focal points for non MFP-11 programs, and were too critical to lose to HQ.[158]

(b) EQB Guidance

Knowing that the sizes of the USASOC and AFSOC acquisition organizations had not changed since USSOCOM began to centrally manage the MFP-11 investment account, the EQB reasoned that those Components should provide some acquisition related staff to HQ USSOCOM to perform Systems Acquisition Manager (SAM) duties for the AE. They directed the A-PAT to work with the SOAC and J5 manpower to determine the number of personnel and methodology for accomplishing the manpower shift. Three recommendations were briefed to the EQB based on subjective analysis of the research the A-PAT had conducted:

- Move eight positions from USASOC Deputy Chief of Staff, Resources Integration (DCSRI) and AFSOC Directorate of Plans, Policies and Programs (XPQ) to the headquarters, reprioritize with HQ USSOCOM for an additional six positions and POM for the remaining eight slots.
- Move eight positions from USASOC and AFSOC and Program Objective Memorandum (POM) for the remaining 14.

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[157] Phone interview between Ms. Christa Ward, SOSD, USSOCOM, Tampa, Florida and author 26 November 1996.
[158] Ibid., pp. 25-26.

- Move all acquisition positions from USASOC and AFSOC to HQ USSOCOM.[159]

(c) EQB Decision

The EQB rejected each of the three recommendations based on the subjective nature which they were developed. Instead, they directed the AE to promulgate policy which defines the acquisition roles of HQ USSOCOM and the Components, and directed J5 to conduct an expedited manpower study of the component acquisition organizations and the AE. The EQB's intent was to develop an objective basis for moving component acquisition positions to HQ USSOCOM, and an objective basis to enter any remaining AE manpower deficits into the FY 1998 POM.[160]

(d) Mechanics of Implementation

The AE and J5 were directed to finish their assigned tasks as soon as possible in order to compute AE manpower requirements into the FY 1998 POM.[161]

4. Unaddressed Issues

a) How USSOCOM Oversees Service Managed Programs

The Military Deputy to the Acquisition Executive (MDAE) and one of the PEOs briefed the A-PAT and advocated more autonomy and a more stable funding environment for the Service program manager (PM). The MDAE felt that incorporating these recommendations would negate the requirement to move component acquisition personnel to USSOCOM. Citing poor cost, schedule and performance results of Service managed SOF programs, stemming from lack of Service priority and flag level visibility, the A-PAT rejected the concept. Additional problems cited by the A-PAT, including resistance by the Service PMs to provide acceptable memoranda of agreements (MOAs) (Chapter V will describe MOAs), Acquisition Program Baselines (APBs) and regular program reports, reinforced their position and actually led the A-PAT to recommend

[159] Ibid., pp. 26-27.
[160] Ibid., p. 27.

increasing scrutiny of Service-managed programs. Their recommendations include that the AE retain milestone decision authority (MDA) over more Service-managed programs and that the AE increase ties with Service flag officers at program management organizations. Because this issue required a more in-depth review, the A-PAT recommendations were not briefed to the EQB.[162]

b) Acquisition and Oversight Processes of Intelligence Systems

Although the management and financial oversight of Intelligence systems acquisitions such as SOCRATES and ASOCNET were provided by the AE, other systems, such as SCAMPI and the Command Local Area Network (LAN), were being acquired, enhanced, operated and maintained under J6 management. Despite J6 management, the AE remained fiscally accountable for the execution of those funds. The A-PAT recommend a follow up study to deconflict the situation.[163]

c) Development of a Command O&M Policy

When Congress raised the minimum threshold for purchases requiring procurement funds to $100,000, a difficult situation was made even worse. Because components could legally purchase equipment using O&M dollars, O&M purchases already exceeded USSOCOM's investment funds. The A-PAT felt that USSOCOM needed an O&M policy to ward off deterioration of standard obligation and CINCSOC control, but because they lacked time and the issue was beyond their charter, no recommendations were provided.[164]

C. SUMMARY

This chapter summarized the contents of the USSOCOM Acquisition Management Process Action Team (A-PAT) Final Report/Implementation Plan. It includes specific direction the A-PAT received in its charter, the problems which the A-PAT identified, eight recommendations they briefed to the EQB to improve the

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[161] Ibid.
[162] Ibid., pp. 33-34.
[163] Ibid., p. 34.
[164] Ibid.

Requirements, J8/SOAC, Assessment Director/AE and Component interfaces in the acquisition process and important issues which require additional attention. The intent of each of these recommendations was to streamline and improve USSOCOM's acquisition process. In the next chapter, the process will be described and we will see how the A-PAT recommendations and acquisition reform initiatives of the past decade have been incorporated.

V. UNITED STATES SPECIAL OPERATIONS COMMAND ACQUISITION PROCESS

A. INTRODUCTION

The primary purpose of this thesis is to review the acquisition process at USSOCOM and to analyze whether the process follows the intent of acquisition reform initiatives from the past decade. In addition, recommendations to improve USSOCOM's acquisition process will also be provided. Chapter III listed and provided background on the major reform initiatives and Chapter IV listed the recommendations provided by the USSOCOM A-PAT to streamline and improve USSOCOM's acquisition process. The purpose of this chapter is to describe the existing acquisition process.

Throughout Chapter IV, a number of terms which were contained in the recommendations of the A-PAT were annotated "Chapter V will provide further description." Since each of these terms are associated with the acquisition process, they will be described in the first section of this chapter. The second section describes the responsibilities of USSOCOM Components and HQ Directorate staffs in the acquisition process and the third section will describe USSOCOM's acquisition process. Rather than simply being a rewrite of USSOCOM Directive 70-1, *USSOCOM Acquisition Management Procedures*, this section will summarize the key points and provide sufficient details to formulate an opinion on USSOCOM's compliance with acquisition reform initiatives. Those opinions, and any recommendations to make USSOCOM more compliant with acquisition reform initiatives are presented in Chapter 6.

B. KEY TERMS/CONCEPTS IN THE USSOCOM ACQUISITION PROCESS

1. Acquisition Program Baseline (APB)

USSOCOM programs utilize the APB described in DoD 5000.2-R. Developed during Phase 0 and reviewed and updated throughout the program acquisition life cycle, they contain performance, schedule and cost information and contribute to program stability. Program baselines and changes for USSOCOM managed programs are made by the USSOCOM Milestone Decision Authority (MDA), while the Service MDA and the

SOAE or USSOCOM PEO must jointly approve baselines and changes for Service-managed programs. All proposed baseline changes are coordinated with J3, J4 and J5/7.[165]

2. Program Specific Memoranda of Agreement (PSMOA)

When a Service or agency agrees to manage a SO-peculiar acquisition program, a PSMOA between USSOCOM and that activity is drafted. As the name implies, PSMOAs are tailored to meet the needs of specific programs, however, they each specify such information as program roles and responsibilities, the MDA and the program's acquisition category (ACAT). PSMOAs can also be used for USSOCOM managed programs to acquire additional functional support from developing activities, laboratories and test agencies.[166]

3. Strategic Planning Process (SPP)

Strategic Planning is one of four core processes at USSOCOM. The others are Operations Support, Resourcing and Acquisition. The objective of the Strategic Planning Process is "to provide a list of capabilities-based programs, over a range of constraints, that allows POM decision makers to satisfy SOF mission needs and proactively guide the development of SOF resources in the future."[167] The SPP generates products which serve as the foundation for developing the USSOCOM POM, including the USSOCOM Prioritized-Required Capabilities List (P-RCL), USSOCOM Strategic Planning Guidance (SPG), Capabilities Based Program List (CBPL) and the Resource Constrained Capabilities Based Program List (RCCBPL).[168]

4. Requirements Generation System (RGS)

The USSOCOM RGS establishes procedures and assigns responsibilities for identifying, documenting, validating and approving SO-peculiar equipment and materiel requirements that may require an acquisition program. USSOCOM Directive 70-2, *Requirements Generation System, Special Operations-Peculiar Equipment and Materiel,*

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[165] USSOCOM Directive 70-1, pp. 27-28.
[166] Ibid., p. 27.
[167] USSOCOM Acquisition Management Training Course, pp. 50-51.

integrates and implements the provisions of the DoD 5000 documents and the policies and procedures of the CJCSI Memorandum of Policy (MOP) 77, *Requirements Generation System*, and describes the system as it operates within USSOCOM.[169] USSOCOM's RGS is diagrammed in Figure 5.1.

5. Board of Directors (BOD)

The USSOCOM BOD is the decision making body for the SPP. The BOD is comprised of the USCINCSOC, Assistant Secretary of Defense/Special Operations Low Intensity Conflict (ASD/SO-LIC) and the commanders of AFSOC, USASOC, NAVSPECWARCOM and JSOC. They continually review and evaluate materiel requirements within the SPP to establish capability priorities and allocate resources.[170]

6. Capabilities Based Program List (CBPL)

The CBPL is generated by the Assessment Directors (ADs) and is the prioritized list of each O&M, Procurement and RDT&E funding requirement within USSOCOM.[171]

7. Resource Constrained Capabilities Based Program List (RCCBPL)

The RCCBPL is basically the same as the CBPL however it reflects those programs that will be funded based on USSOCOM's total obligational authority. [172]

8. Planning, Programming and Budgeting System (PPBS) Acquisition Management Information System (PAMIS)

PAMIS is a database that serves as the mainstay of the oversight system utilized by SOAC that consolidates USSOCOM acquisition program information for the SOAE, USCINCSOC and DoD. Updated monthly, it includes program assessments, schedules

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[168] USSOCOM Directive 70-2, *Requirements Generation System, Special Operations-Peculiar Equipment and Materiel*, (21 June 1996), p. 4.
[169] Ibid., p. 2.
[170] Ibid.
[171] Phone interview between LTC Bob Sobey, USA, USSOCOM, Tampa, Florida and author, 25 November 1996.
[172] Ibid.

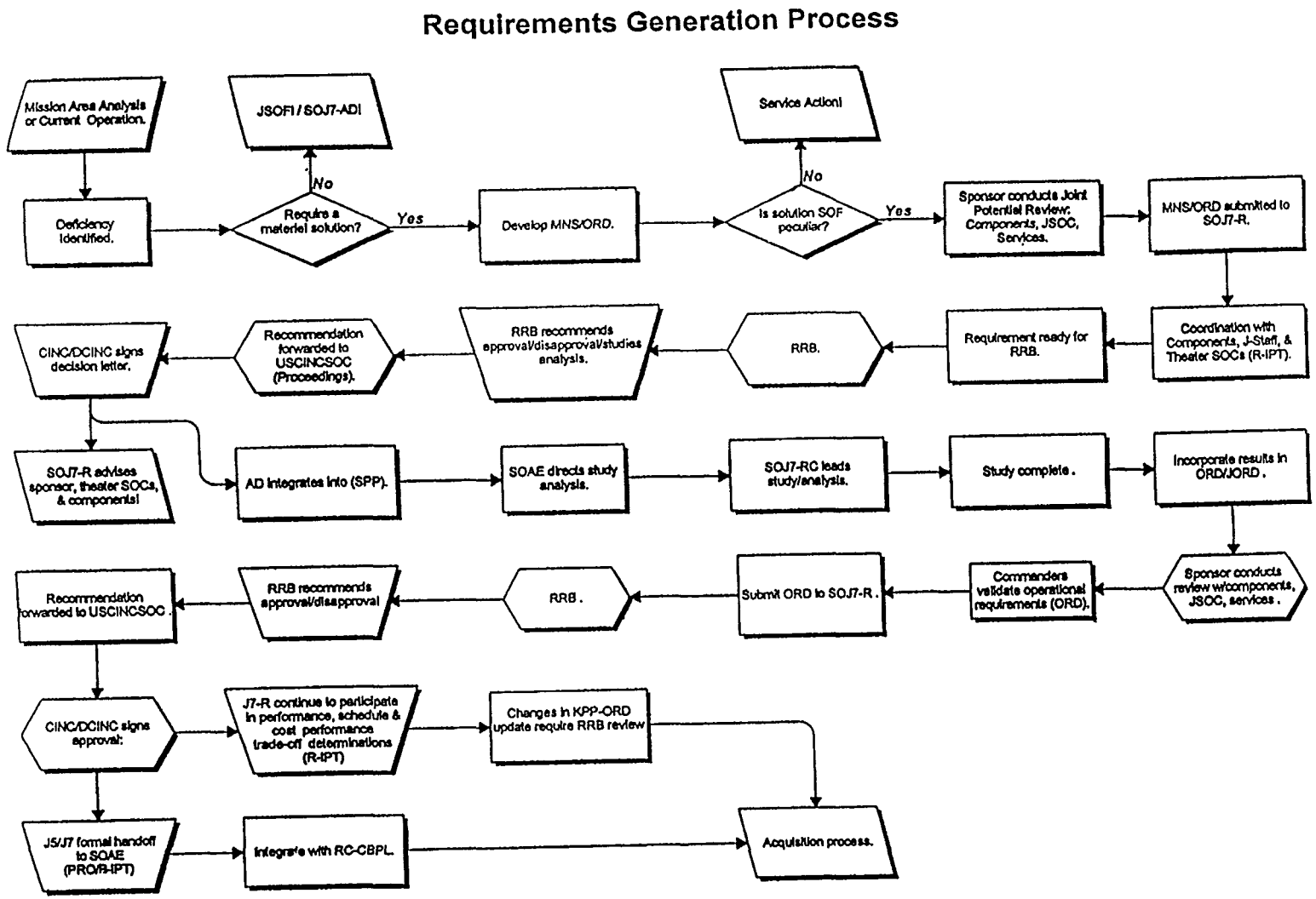

Figure 5.1: USSOCOM Requirements Generation Process (USSOCOM Dir 70-2, App. J-2)

and budgets of every USSOCOM acquisition program. Specific information found in the PAMIS database includes the program ID, program title, SAM/PM name, analyst name, acquisition organization, proponent (e.g., AFSOC), ACAT (acquisition category), program type (e.g., acquisition program, evolutionary acquisition and designated procurement) and the PEO.

9. Special Operations Acquisition Board (SOAB)

The SOAB is a formal body comprised of the Component Commanders (as required), USSOCOM Directors (described later in this chapter) and the SOAE (as the MDA) that advises the MDA through periodic review of program status and progress at milestone decision points. The Military Deputy to the Acquisition Executive (MDAE) or PEO may serve as the SOAB Chairman and MDA if delegated by the SOAE. It is the forum for milestone decision reviews when the MDA resides at USSOCOM, for Executive Program Reviews (EPRs) when the MDA resides elsewhere and for EPRs of USSOCOM and Service-managed programs between milestone decision points. A SOAB milestone review is held for all ACAT IC and ACAT II programs. In addition, milestone reviews for ACAT III and IV programs are conducted by a convening SOAB using a streamlined review process. For ACAT ID programs, an EPR is held several months prior to the Defense Acquisition Board (DAB), the decision making forum for ACAT ID programs. This review is necessary to establish the USSOCOM inputs into the milestone decision process. The results of SOAB reviews are presented to the MDA for consideration.[173]

10. Requirements Review Board (RRB)

The RRB meets quarterly to review and develop USSOCOM's positions on mission needs and operational requirements, modernization strategies, technology strategies and Component and JSOC Commanders' priorities relative to mission utility in consonance with the SPP. To assist in developing these positions, the RRB charters both R-IPTs and Special Study Groups. The RRB is comprised of the J5/7 as the RRB

[173] USSOCOM Directive 70-3, *Special Operations Acquisition Board Procedures*, (25 June 1993), p. 3.

Chairman, USSOCOM Deputy Directors of J2, J3, J4, J6, J7 and J8, USSOCOM Directors of SOAC and the Command Oversight Review Board (CORB), Theater SOC (TSOC) Commanders or their designated representatives and associate members from J1 and J7.[174]

11. Program Management Allocation Criteria (PMAC)

Since the organization of USSOCOM, determining the best way to provide management oversight of acquisition programs has continually been an issue. As discussed in previous chapters, the SOAE has the option of managing programs in-house using SOAC resources or designating a Service or agency to manage the program. This is done through a program specific memorandum of agreement (PSMOA) between USSOCOM and the designated Service. The PSMOA describes the responsibilities, procedures and relationships of USSOCOM and the Service or agency throughout the life of the program.[175]

A PMAC study is accomplished by the PEO as early as possible during Phase 0 to determine if an acquisition program should be managed by the Services or USSOCOM. If Service management is recommended and then approved by the SOAE, the PSMOA is developed.[176]

The PMAC study process is based on the recommendations of a 1993 USSOCOM staff study which convened to determine what evaluation criteria should be used to determine if USSOCOM should manage an acquisition program. The study team developed its recommendations based on the following assumptions and facts:

a) Assumptions

- USSOCOM will program manage "in-house" by exception.
- USSOCOM is willing to assume more risk by streamlining the acquisition process to meet operational requirements.

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[174] USSOCOM Directive 70-2, pp. B1-B2.
[175] Sherry Angleton, Bob Batchelor, Mark Rabinowitz, Charlie Stevens and Larry Wheeler, USSOCOM Staff Study, Program Management Allocation Criteria (PMAC), (December 1993), p. 1.
[176] USSOCOM Directive 70-1, p. 26.

- USSOCOM will not manage ACAT I programs "in-house."
- USSOCOM will not manage a program "in-house" unless there is value added by doing so.
- USSOCOM will not manage full developmental programs "in-house" (this is precluded by available resources).

b) Facts Bearing on the Issue

- USCINCSOC, as Head of Agency (HOA), is responsible for the development and acquisition of SO-peculiar equipment, materiel, supplies and services. Title 10, US Code, does not preclude USSOCOM from managing acquisition programs.
- Every SOF acquisition program is unique.
- SOAC is not resourced to manage acquisition programs.
- USSOCOM program management requires external support.
- The Services are not always responsive to SO-peculiar requirements and acquisition management procedures.
- Most SO-peculiar acquisitions are relatively low cost, low risk, NDI type programs.
- USSOCOM materiel requirement priorities are different than the Services.
- USSOCOM has the capability to streamline the acquisition process because of collocation of key decision makers and less staff layering than is found in the Services acquisition systems.[177]

c) Allocation Criteria

The allocation criteria recommendations of the study team were incorporated into USSOCOM Directive 70-1. Figure 5.2 is the decision matrix used for a PMAC study. If the result of the matrix is greater than zero, the recommendation to the SOAE would be for the Service to manage the program. If it less than zero, the recommendation would be to manage the program in-house. The critical feature of this

[177] USSOCOM PMAC Staff Study, pp. 3-4.

PMAC - NOTIONAL CASE

RADIO SYSTEM

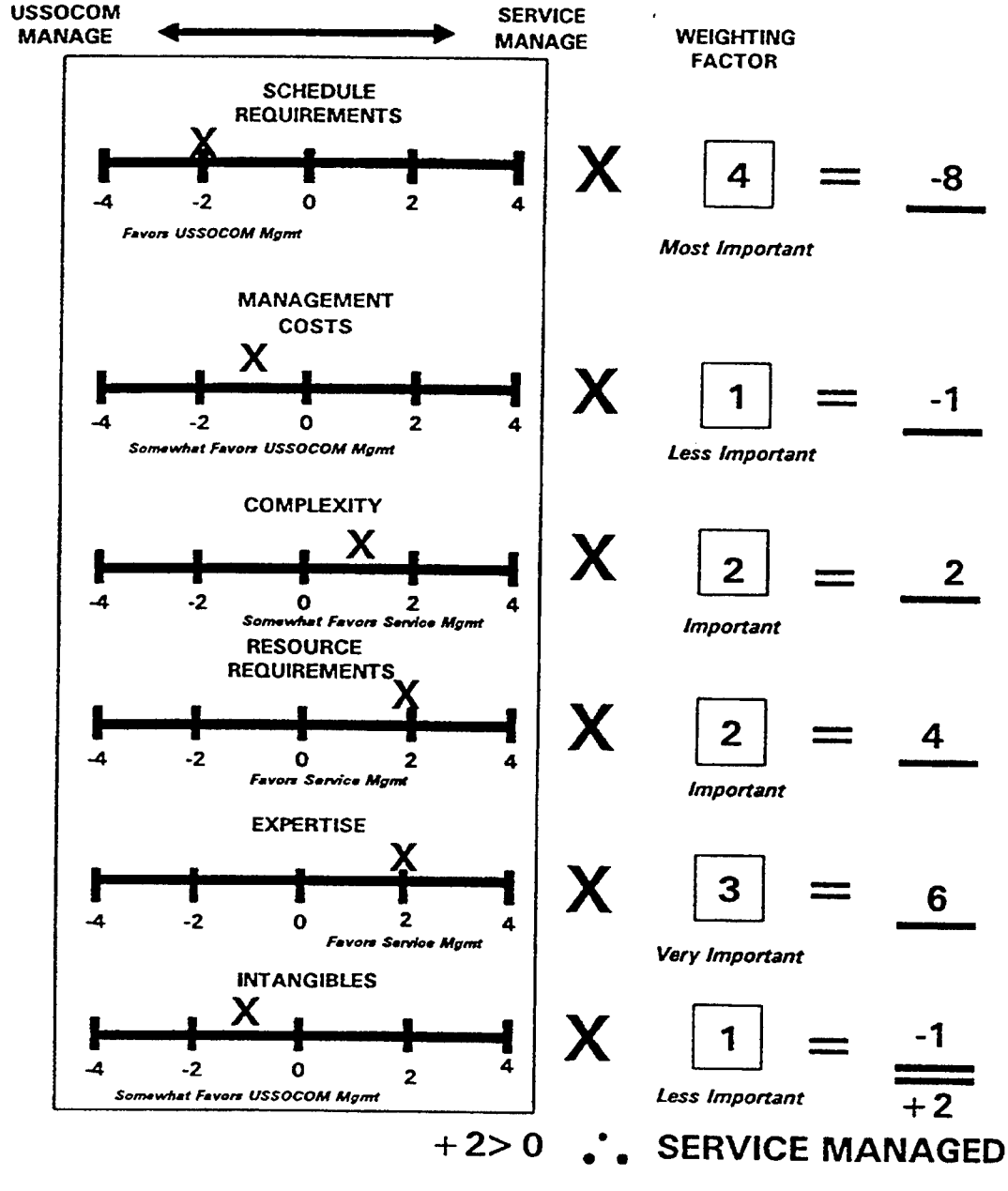

Figure 5.2: PMAC Matrix (USSOCOM Dir 70-1, App G-2)

matrix is the weighting factor assigned to each criteria by the PEO. Although precise values for each of the allocation criteria are difficult to assess,[178] the PEO conducting the PMAC study will have the experience and program knowledge necessary to make a decision in the best interest of USSOCOM and the Service in question. A brief description of the criteria is as follows:

- **Schedule Requirements:** Is the delivery schedule compressed? Can/will the Service meet this schedule?
- **Management Costs:** Are Service management and overhead costs reasonable? Can USSOCOM manage cheaper?
- **Complexity:** Is the program very complex from a management perspective or does the technical complexity require special consideration?
- **Resource Requirements:** What are the manning and facilities requirements?
- **Expertise:** Is the required expertise in SOAC or in the Service/agencies?
- **Intangibles:** Are there any other program-unique elements to consider (e.g., joint program, multi-national or Congressional Interest)?[179]

12. Milestone Decision Authority (MDA)

The MDA is the individual designated in accordance with criteria established by the Under Secretary of Defense for Acquisition and Technology to approve entry of an acquisition program into the next phase.[180] The MDA for USSOCOM programs depends on the ACAT and the activity that manages the program (i.e., USSOCOM or Service-Managed). Figure 5.3 describes ACAT thresholds and shows the MDA for USSOCOM and Service-managed programs. It is important to understand that when MDA is with the Service, the program office within the Service (e.g., NAVSEASYSCOM for some Navy managed programs), not the USSOCOM Component (USASOC, NAVSPECWARCOM, AFSOC and JSOC) will execute MDA responsibilities for the program. In addition, the SOAE is the MDA for all Milestone 0 decisions.

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[178] Ibid., p. 6.
[179] USSOCOM Directive 70-1, p. G-1.
[180] USSOCOM Directive 70-2, p. GL-4.

ACQUISITION CATEGORIES
AND
MILESTONE DECISION AUTHORITY

		USSOCOM-Managed		Service-Managed	
ACAT	Selection Criteria	Designation Authority	MDA	Designation Authority	MDA
MDAP I D	Designated by the Under Secretary of Defense for Acquisition and Technology (USD (A&T)). Estimated by the USD (A&T) to require an eventual total expenditure for RDT&E of more than $355 million in FY96 constant dollars or, for procurement, of more than $2.135 billion in FY96 constant dollars.	DAE	DAE	DAE	DAE
I C	Same as ACAT I D	DAE	SOAE	DAE	CAE
MAIS I AM	Designated by the Assistant Secretary of Defense for Command, Control, Communications and Intelligence (ASD (C3I)). Estimated by the ASD (C3I) to require program costs for any single year of $30 million in FY96 constant dollars, total program in excess of $120 million in FY96 constant dollars, or total life cycle costs in excess of $360 million in FY96 constant dollars.	ASD C3I	OSD CIO	ASD C3I	OSD CIO
I AC	Same as ACAT I AM	ASD C3I	SOAE	ASD C3I	DOD Component CIO
Major System II	Designated by the DOD Component Head. Estimated by the USD (A&T) to require an eventual total expenditure for RDT&E of approximately $140 million in FY96 constant dollars or, for procurement, of approximately $645 million in FY96 constant dollars.	USCINCSOC	SOAE	DOD Component Head	CAE
III	All other acquisition programs defined as those that do not meet the requirements of ACAT I, I A or II	SOAE	SOAE, or if delegated, to lowest appropriate level	DOD Component Head	CAE, or if delegated, to lowest appropriate level

Figure 53: ACAT/MDA Matrix (USSOCOM Dir 70-1, App. A-1)

13. Urgent Deployment Acquisitions

Occasionally a requirement surfaces that is so urgent it must be fielded immediately. This type of requirement is submitted as a Combat MNS. Once the Combat MNS is approved by USCINCSOC and passed to the SOAE, a PEO or one of the Services materiel developers is selected to acquire and field the requirement.[181] Since this is an out of cycle requirement, funding is provided by shifting funds out of existing programs (which are subsequently reimbursed). Once the ADs approve the funding shifts recommended by the SOAC, a program authorization is signed.

C. ACQUISITION ROLES AND RESPONSIBILITIES

Chapter II described the SOAC organization and summarized the roles and responsibilities of the SOAE, the RD&A and Procurement Directorates and the PEOs. The purpose of this section is to describe the role of other key personnel and organizations involved in USSOCOM's acquisition process.

1. Assistant Secretary of Defense for Special Operations and Low Intensity Conflict (ASD(SO/LIC))

ASD (SO/LIC) serves an oversight role in USSOCOM's acquisition process. To facilitate this role, ASD (SO/LIC) is a member on the USSOCOM BOD, RRB, EIPT and SOAB and is involved in the POM process.[182]

2. Military Deputy to the Acquisition Executive (MDAE)/Director of RD&A

Chapter II described the responsibilities of the RD&A Directorate, comprised of the Advanced Concepts, Acquisition Policy and Logistics, Management Operations and Financial Analysis and Program Integration Divisions. The Director of RD&A is also the MDAE, and as such is Chairman of the Executive Integrated Product Team (E-IPT) and serves the vital role of resolving issues and coordinating actions with Service Acquisition Executive staffs, PEOs and materiel developers. The MDAE/RD&A Director is also responsible for managing the Advanced Concepts Division which oversees technology

[181] USSOCOM Directive 70-1, p. 27.
[182] USSOCOM Directive 70-1, p. 11.

development projects for USSOCOM. The three other divisions in the RD&A Directorate are managed by the Deputy Director of RD&A.

Additional responsibilities of the MDAE/Director of RD&A include establishing PAMIS policies, procedures and maintenance objectives, conducting annual (or as required) Program Management Reviews (PMRs) and Financial Execution Reviews on all acquisition and technology development programs and supporting the PPBS by coordinating with the PEOs, J8 (Directorate of Resources) and the Assessment Directors (ADs) to ensure accurate cost and schedule data are included for POM and budget documentation for acquisition programs.[183]

3. Deputy Director RD&A

In addition to managing the Acquisition Policy and Logistics, Management Operations and Financial Analysis and Program Integration Divisions, the Deputy Director of RD&A has many responsibilities associated with PAMIS, including data administration, establishing business rules and priorities, maintaining the operating instruction and coordinating SOAC participation in the use and maintenance of the system. The Deputy Director also represents or participates with the SOAE or the PEOs at industry, Service and DoD conferences to develop plans affecting assigned acquisition responsibilities for USSOCOM equipment and manages SOACs manning/personnel strength requirements.[184]

4. Program Managers (PMs)

Program Managers have full authority, responsibility and accountability for the execution of assigned USSOCOM acquisition programs within their approved APBs (Acquisition Program Baselines). As noted earlier, PMs are assigned based on the organization that is responsible for managing a particular acquisition program. When USSOCOM manages a program, the PM is assigned by the SOAE based on recommendations from the MDAE or PEOs. In-house PMs are provided functional support throughout the acquisition process by SOAC. When the Services are responsible,

[183] Ibid., pp. 6-7.

Service MDAs assign the PM. These PMs report directly to the developing Service commander or PEO, or if designated, the SOAE or USSOCOM MDA or a USSOCOM PEO. Responsibilities of USSOCOM PMs and direct reporting PMs include but are not limited to:

- Coordinating with J3 (Directorate of Operations), J5/7 (Directorate of Plans, Policy and Strategic Assessments) and the Components to ensure that the operational requirements of their systems are being met.
- Chartering Program-IPTs (P-IPTs) and requesting support from USSOCOM directorates and staff for all in-house programs.
- Developing, coordinating and committing to an APB and reporting all potential and actual APB breaches to the USSOCOM PEO and MDA.
- Developing and coordinating milestone documentation and conducting all other program related actions in preparation for SOABs, EPRs and Executive IPTs (E-IPTs).
- Providing J8, through the SOAC, program documentation for USSOCOM POM and budget submittals.[185]

5. System Acquisition Managers (SAMs)

SAMs are USSOCOM unique individuals responsible to the USSOCOM PEO for managing and reporting on programs that have a designated Service PM. Specific responsibilities include but are not limited to:

- Assisting Service PMs with program documentation to ensure it is coordinated with appropriate USSOCOM offices.
- Validating the accuracy and consistency of Service PM documentation submitted for Milestone Decisions as well as POM and budget inputs.
- Developing and coordinating PSMOAs (Program Specific Memorandums of Agreement) for their acquisition program.

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[184] Ibid., p. 7.
[185] Ibid., pp. 9-10.

- Participating as a member of the Requirements IPT (R-IPT) and then assuming leadership of the P-IPT after the program formally transitions from J5/7 to the SOAE. In this capacity, SAMs lead pre-milestone 0 and Phase 0 activities.
- Identifying budget shortfalls or excesses to the PEO, initiating realignment or below threshold reprogramming of funds with PEOs and preparing supporting documentation for submission to J8 (Comptroller).
- Maintaining awareness of Service or agency initiatives related to their assigned programs.[186]

6. Program Requirements Officer (PRO)

A PRO is assigned by J7 Requirements (J7-R) upon receipt of a requirements document (MNS/ORD) and is responsible for leading the working level R-IPT until the requirement is sufficiently defined, recommended by the RRB and approved by USCINCSOC. The PRO retains the lead of the R-IPT until the requirement is handed off to the SOAE.[187]

7. Assessment Directors (ADs)

The five ADs (Strike, Engagement, Mobility, C4I and Support) are responsible for providing objective assessments of SOF mission area capabilities to USCINCSOC. Their mission is to "...note imbalances and recommend solutions that improve capability (mission effectiveness) and optimize resource expenditures while maximizing interoperability for joint and combined operations."[188] As advisors to the R-IPT, they provide a program's priority in the CBPL and its potential for inclusion in the RCCBPL.[189]

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[186] Ibid., pp. 10-11.
[187] Ibid., p. 24.
[188] USSOCOM Acquisition Management Training Course, p. 52.
[189] USSOCOM Directive 70-1, p. 24.

8. Component Commands

The primary users of the systems procured by USSOCOM, Component commands identify capabilities and deficiencies regarding a specific threat and are key players in the Requirements Generation Process managed by the Directorate of Plans, Policy and Strategic Assessments (J5/7). In conjunction with the Services and the SOAE, Component commanders identify, review, validate and submit SO-peculiar MNSs and/or ORDs for USSOCOM approval. They also provide user inputs to the test planning process and are involved in the acquisition decision making process through their membership on IPTs and the SOAB. [190]

9. USSOCOM Directorates

a) Directorate of Personnel (J1)

Responsibilities of the J1 include assisting the J5/7 in planning personnel requirements for new systems and for providing staff membership to support both Requirement and Program IPTs.[191]

b) Directorate of Intelligence (J2)

The J2 provides intelligence, counterintelligence and security support for new systems, provides representatives for Requirements and Program IPTs and manages all General Defense Intelligence Program (GDIP) initiatives for USSOCOM. The J2 also develops user requirements in conjunction with J5/7 for intelligence acquisition programs.[192]

c) Directorate of Operations (J3)

The J3 provides staff membership for both Requirements and Program IPTs and appoints the USSOCOM Chief, Operational Test and Evaluation (OT&E) who establishes OT&E procedures and supports the acquisition process by overseeing all SOF OT&E. Other responsibilities of the OT&E include but are not limited to:

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[190] Ibid., p. 12.
[191] Ibid.
[192] Ibid., pp. 12-13.

- Integrating training requirements for new equipment.
- Preparing independent OT&E assessments for USCINCSOC and the MDA at milestone reviews.
- For USSOCOM-managed programs and Service-managed programs where USSOCOM retains MDA, providing a recommendation in conjunction with J4 for materiel release to the MDA prior to the delivery of the first production item.[193]

d) Directorate of Logistics (J4)

In addition to providing membership for Requirements and Program IPTs, the Directorate of Logistics (J4) is responsible for establishing logistics policy for USSOCOM acquisition programs. Specific responsibilities include:

- Participating in the development of requests for proposals (RFPs), Statements of Work (SOW) and contract data requirements lists (CDRLs) for USSOCOM acquisition programs.
- Co-chairing the acquisition to sustainment transition conferences for USSOCOM acquisition programs.
- Participating in Acquisition Logistics Review Groups (LRGs) and Integrated Logistics Support Management Teams (ILSMTs).
- Managing the Special Operations Forces Support Activity (SOFSA) logistics support activities.[194]

e) Directorate of Plans, Policy and Strategic Assessments (J5/7)

The J5/7 directs USSOCOM's SPP and the RGS as described in USSOCOM Directive 70-2. In this capacity, the J5/7 provides the continuity needed to ensure the equipment being acquired satisfies both current and future SOF requirements. Specific responsibilities in the USSOCOM acquisition process include:

[193] Ibid., pp. 13-14.
[194] Ibid., pp. 14-15.

- Appointing a PRO from each functional area (weapons, support/survive, mobility and communications) that is responsible for monitoring all acquisition programs from a users perspective.
- Identifying and planning for the effect that USSOCOM acquisition programs will have on USSOCOM's manpower and force structure.
- Coordinating with PEOs and the Directorate of Procurement (SOKO) during PMAC studies.
- Producing USSOCOM's CBPL and RCCBPL.
- Approving up to $5 million of program funding adjustments that do not meet the criteria for SOAE unilateral approval.
- Providing ADs to serve as IPT advisors.[195]

f) Directorate of Command, Control, Communications, Computers and Information Systems (J6)

The J6 is USSOCOM's proponent for C4I systems. Their responsibilities in the acquisition process include:

- Developing user requirements, in conjunction with J5/7 for C4I systems.
- Providing advice to the SOAE on communications technology.
- Providing representatives for Requirements and Program IPTs.[196]

g) Directorate of Resources (J8)

The J8 is the staff proponent for programming, budgeting and executing USSOCOM's MFP 11 accounts. This directorate develops USSOCOM's POM and Budget Estimate Submissions (BES) and then presents and defends those documents following submission to OSD. The J8 provides membership to the Requirements and Program IPTs and also has the following responsibilities in USSOCOM's acquisition process:

- Establishing both POM and budget policy, guidance and preparation instructions.

[195] Ibid., pp. 15-16, 26.

- Managing the distribution and reprogramming of USSOCOM's appropriations.
- Performing Sufficiency Reviews of program cost estimates prior to Milestone 0 and at each subsequent milestone and for preparing and presenting affordability assessments at those milestone reviews.
- Providing matrixed personnel from the J8 Investment Budget Branch (J8-CI) to support the PEOs and Advanced Concepts Technology Division.[197]

h) Other Participants

Other organizations that are involved in the acquisition process at USSOCOM include the Staff Judge Advocate, who serves in an advisory role to many of the key players involved in the process, the Command Surgeon (SOSG) for SO-peculiar medical equipment and supplies and the Office of Legislative Affairs (SOLA) who serves as the prime interface between Congress and the SOAE for acquisition matters.[198]

D. ACQUISITION MANAGEMENT PROCESS

1. Introduction

Within DoD and USSOCOM, fielding a new weapon system requires the interaction of three major decision systems: (1) Requirements Generation System (RGS); (2) Planning, Programming and Budgeting System (PPBS) and (3) Acquisition Management System. Figure 5.4 reflects that interaction. Up to now, this chapter has discussed requirements generation activities and the PPBS, described the roles and responsibilities of the individuals and organizations involved in USSOCOM acquisition and described many unique features of the USSOCOM acquisition process, including PMAC studies, the BOD and SAMs. This section will describe the different phases and milestones of the acquisition process at USSOCOM which are in compliance with the DoD 5000 series of regulations.

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[196] Ibid., p. 16.
[197] Ibid., pp. 16-17.
[198] Ibid., p. 17.

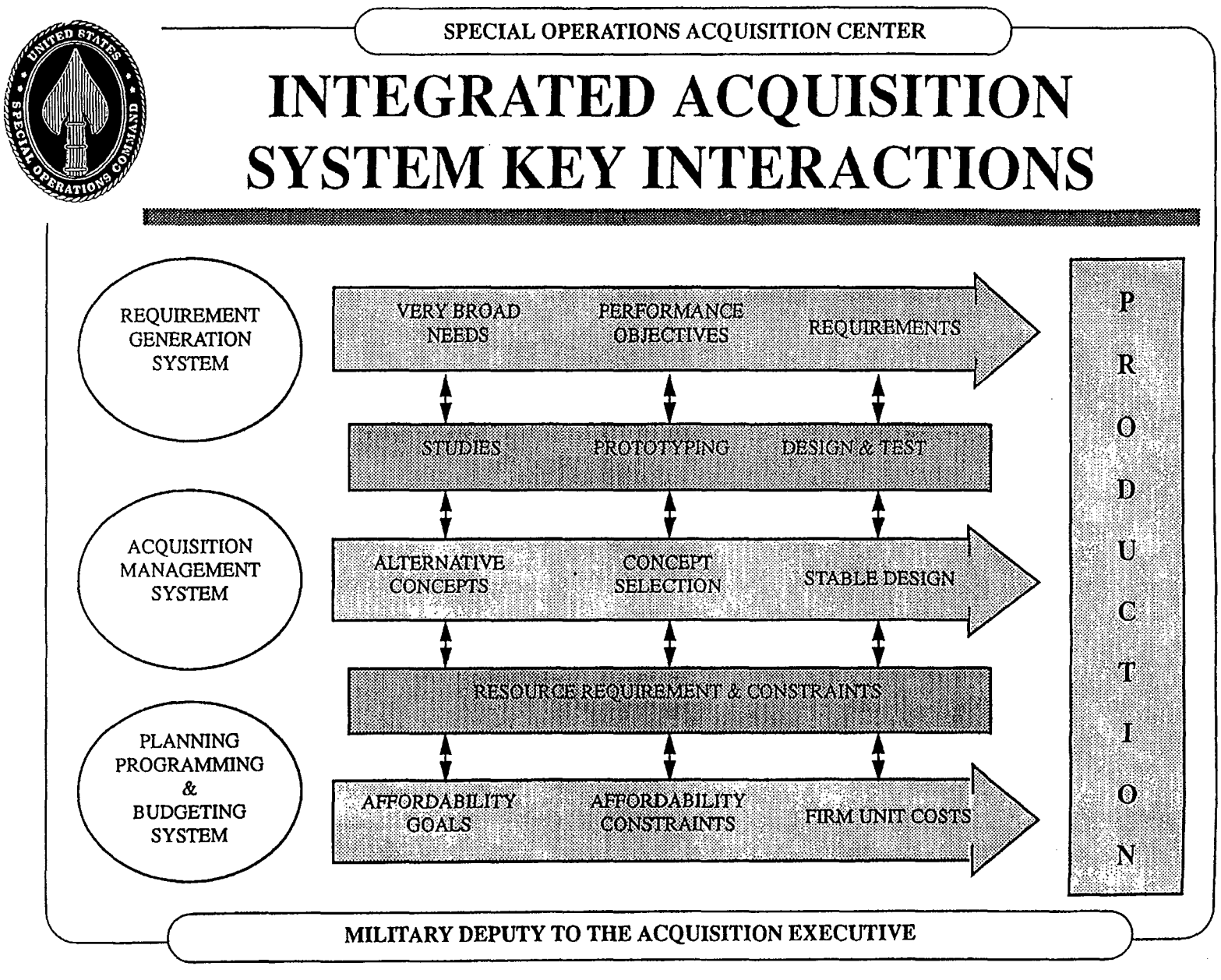

Figure 5.4: Acquisition Interaction Matrix (MDAE Brief, p. 3)

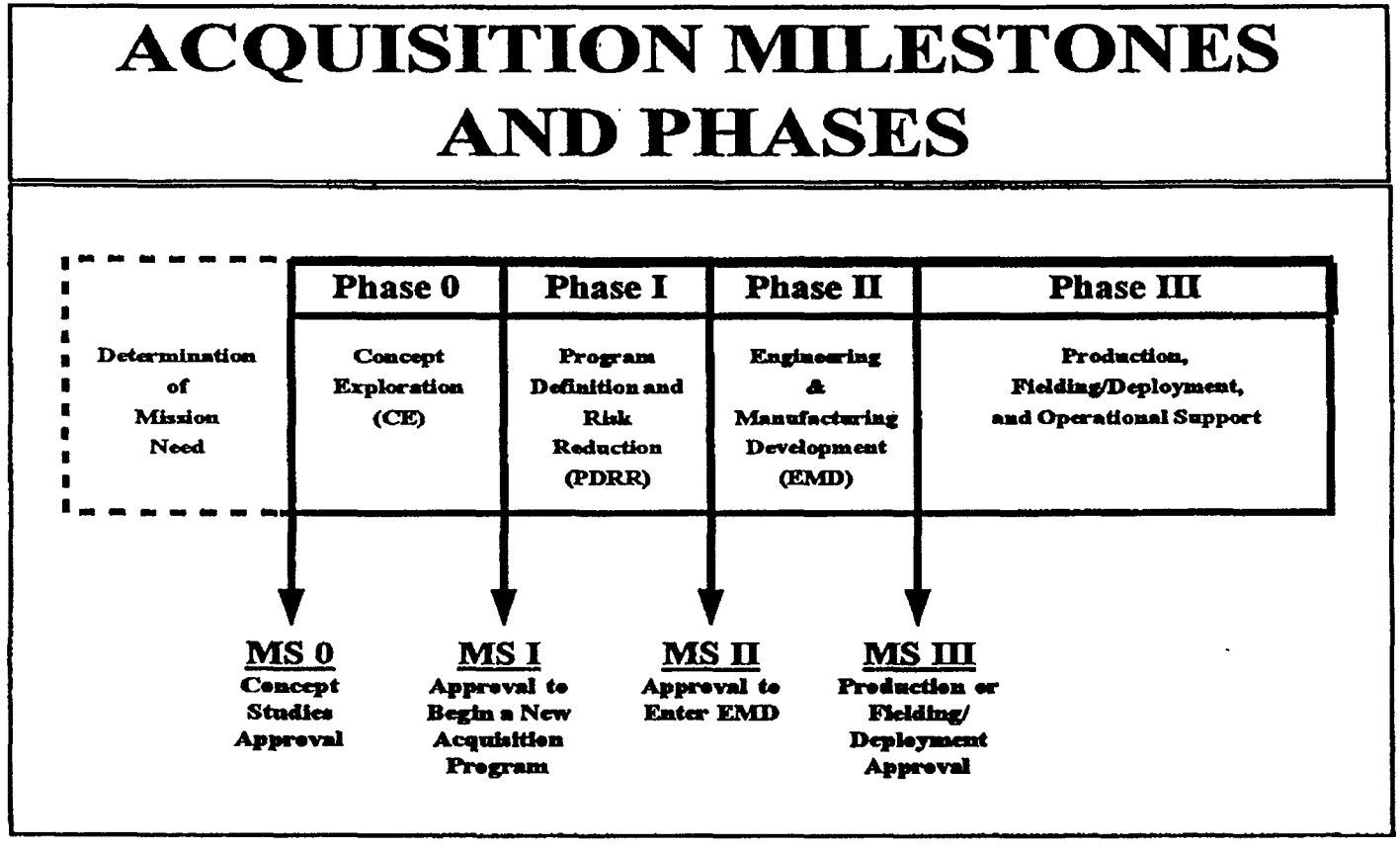

Figure 5.5: Acquisition Milestones and Phases (Class notes fm MN 4301, NPS Monterey)

2. Acquisition Milestones and Phases

USSOCOM uses the three-phase process described in the DoD 5000.2R for SO-peculiar equipment acquisitions (see Figure 5.5). The acquisition process begins when the MNS or ORD formally transitions from the J5/7 to the SOAE, who assigns the appropriate PEO to develop recommendations for the conduct of phase 0 activities and to develop the Milestone 0 package. The SOAE is the MDA for all Milestone 0 decisions.[199]

a) Pre-Milestone 0 Activities

This is the period following receipt of the MNS/ORD from J5/7 prior to the Milestone 0 decision. After the SOAE selects a PEO for the materiel requirement, that PEO assigns a SAM who is responsible for preparing the program for Milestone 0. Tasks which SAMs are required to accomplish during this period include identifying the funding which will be required for the program, developing concept alternatives with the user and command resource sponsors and developing program documentation including the draft Acquisition Decision Memorandum (ADM) for Milestone 0.[200] This process up through Phase 1 is shown in Figure 5.6.

b) Phase 0 (Concept Exploration and Definition) Activities

Following the SOAE's Milestone 0 decision, the last of the three major decision systems in the acquisition process, the **acquisition management process**, begins. A PMAC study is conducted as early as possible during this phase to determine if the program should be USSOCOM-managed or delegated to a Service or agency. If Service management is approved, the PSMOA will begin to be developed and the Service or agency is included as a member of the P-IPT throughout the remainder of Phase 0. The PRO coordinates with the SAM and functional specialists from USSOCOM to define the materiel alternatives capable of satisfying the mission need.[201] The materiel alternatives, in order of preference, are as follows:

- Use or modification of an existing U.S. military system.

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[199] Ibid., p. 26.
[200] USSOCOM Acquisition Management Training Course, p. 112.
[201] USSOCOM Directive 70-1, p. 26.

ACQUISITION PROGRAM INITIATION

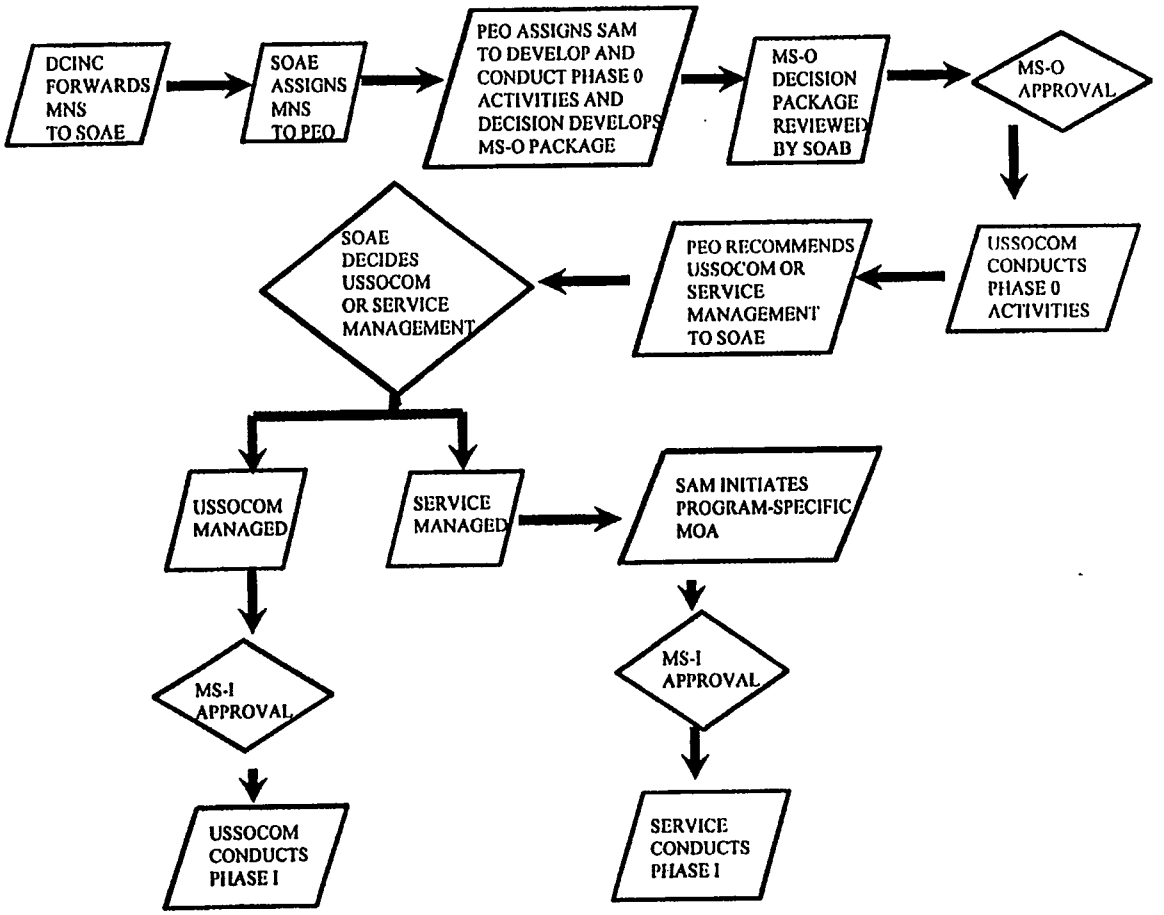

Figure 5.6: Program Initiation Matrix (USSOCOM Acqn Mgmt Training Course, p. 110)

- Use or modification of existing commercially developed or allied system (NDI approach).
- Cooperative R&D program with one or more allied nations.
- New Joint-Service program.
- New Service-unique development program.[202]

Additionally, an acquisition strategy which defines the interrelationship between management, technical, resource, force structure, logistics, testing and business aspects of the program is developed. With the acquisition strategy and selected alternative defined, the next step in Phase 0 is the establishment of the Acquisition Program Baseline (APB). For USSOCOM-managed programs, the APB and changes are approved by the USSOCOM MDA. For Service-managed programs, APBs and changes are jointly approved by the Service MDA and the SOAE or USSOCOM PEO.[203]

The Milestone I ADM for exiting Phase 0, when approved by the MDA, formally establishes the program and documents the ACAT whether it will be USSOCOM or Service-managed. It also approves the proposed acquisition strategy and APB, identifies affordability constraints associated with the program and establishes quantitative exit criteria for Phase I (Program Definition and Risk Reduction).[204]

c) Phase I (Program Definition and Risk Reduction)

The objectives of Phase I, formerly referred to as Demonstration and Validation (DEM/VAL), are to improve the definition of the systems critical design characteristics, develop the information necessary to support a Milestone II decision and to refine program cost, schedule and performance objectives established in the APB. Accomplishments which are expected during this phase include identifying major cost, schedule and performance trade-offs (refers to the cost as an independent variable (CAIV) approach), refining the acquisition strategy (if necessary) to identify issues such as risk management approaches and Low Rate Initial Production (LRIP) quantities, updating

[202] USSOCOM Acquisition Management Training Course, p. 115.
[203] USSOCOM Directive 70-1, pp. 27-28.
[204] USSOCOM Acquisition Management Training Course, p. 125.

life-cycle cost (LCC) assessments, programming adequate resources (people and funds) to support the program and proposing the exit criteria for Phase II (Engineering and Manufacturing Development).[205]

The Milestone II ADM approves the acquisition strategy, CAIV objectives, APB, LRIP quantities and exit criteria for Phase II.[206]

*d) **Phase II (Engineering and Manufacturing Development)***

The objectives of this phase are to translate the most promising design approach into a producible, supportable and cost-effective system, validating the manufacturing and production processes during LRIP and demonstrating the system's capabilities through operational testing. During this phase the program office will once again determine a refined acquisition strategy and system cost estimate, update LCC assessments and annual funding requirements and program the necessary resources for production, deployment and support requirements.[207]

The Milestone III ADM will determine if the system is ready for production based on a variety of criteria including design maturity, test results, production capability and funding availability.[208]

*e) **Phase III (Production and Deployment/Operations and Support)***

During this phase the goal of the program office is to establish a stable, efficient production and support base and achieve an operational capability that satisfies the mission need. During the operation and support portion of this phase, follow-on operational and production testing is accomplished to confirm and monitor the quality and performance of the system and to assess the potential need for modifications.[209]

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[205] DoD Regulation 5000.2R, *Major Defense Acquisition Programs (MDAPs) and Major Automated Information System (MAIS) Acquisition Programs*, (March 15, 1996), p. 4.
[206] Ibid.
[207] Ibid.
[208] Ibid.
[209] Ibid., p. 5.

E. EXAMPLES OF USSOCOM ACQUISITION PROGRAMS

Prior to providing an analysis of USSOCOM's acquisition process in the next chapter, I will describe three examples of USSOCOM programs which conform with acquisition reform initiatives: Directional Infrared Countermeasure (DIRCM) missile defense system; Mark V Special Operations Craft (MK V SOC); Naval Special Warfare Rigid Inflatable Boat (NSW RIB); and Flight Data Recorders for USASOC MH47E and H60K aircraft. I will also briefly discuss the USSOCOM variant of the V-22 Osprey aircraft, referred to as the CV-22, and focus on one of the challenges USSOCOM encountered with this Service-managed program.

1. Directional Infrared Countermeasure (DIRCM)

DIRCM is a missile defense system deployed on USSOCOM's AC/MC-130 aircraft fleet which enhances the survival capability of the aircraft against currently deployed infrared missiles. The system also possesses growth capability to handle future generations of anti-aircraft missiles. The program is managed in cooperation with the United Kingdom Ministry of Defence (UK MoD), which owns the DIRCM $300 million missile defense contract. USSOCOM leverages a $175 million portion of the contract to develop, produce, install, field and sustain 59 DIRCM systems on its aircraft. USSOCOM is also responsible for managing program-wide developmental testing, necessitating the establishment of Program Management Offices (PMOs) in both the United States and the United Kingdom.[210]

As a way to integrate and control its extended acquisition organization, the DIRCM PMO at USSOCOM established two Integrated Product Teams. The first, the Group A Aircraft Integration IPT, was established in August/September 1995 and focuses on facilitating contractor aircraft integration performance. Its members include representatives from key stakeholder organizations: Secretary of the Air Force Acquisition Command; Air Force Materiel Command Aeronautical Systems Center and Air Logistics Center; developmental and operational test organizations; the using

command (AFSOC); and the contractors, Northrup Grumman and Chrysler. The second, the U.S. Program Office IPT, was established in November/December 1995 after assessing the success of the first IPT. The purpose of this IPT is to manage the U.S. DIRCM acquisition phases (as discussed in the previous section) by controlling program cost, schedule, system performance, quality, risk and sustainment factors. This IPT includes one representative from each of the functional elements, an advisor from selected stakeholder organizations and a representative from the U.K.[211]

The success of the DIRCM program is reflected in their receipt of the David Packard Excellence in Acquisition Award, which recognizes the best DoD acquisition IPTs from the Army, Navy, Air Force, USSOCOM, Defense Logistics Agency and the Ballistic Missile Defense Organization. Specifically, the DIRCM program was recognized for meeting critical and time-sensitive acquisition objectives for a cooperative acquisition effort with the United Kingdom. The award also cited cost savings resulting from the cooperative agreement, innovative test procedures and streamlining of IPT management.[212]

2. Mark V Special Operations Craft (MK V SOC)

The MK V SOC is used by Navy SEALS (Sea, Air, Land) and Special Boat Units for missions such as medium-range insertion/extraction and limited coastal patrol and interdiction. It is a high performance combatant craft with a range in excess of 600 nautical miles and top speeds that exceed 50 knots. The MK V is configured to deploy on a U.S. Air Force C-5 Galaxy transport aircraft, and together with its trailer, prime mover and support equipment can be delivered to any location in the world in less than 48 hours. In addition, the MK V can be brought from air transport to combat ready configuration in 24 hours.[213]

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[210] Alan Childress, CWO4, USA, USSOCOM, "U.S. Special Operations Command-A "Customer-Led" IPT Success Story," *Program Manager*, (May-June 1996), p 10.
[211] Ibid., pp. 11-14.
[212] "David Packard Excellence in Acquisition Awards Named," *Federal Department and Agency Documents*, (May 3, 1996), Ref. No. 258-96, p. 2.
[213] Scott R. Gourley, "Immediate Impact for SEAL Missions," *Janes Defence Weekly*, (May 29, 1996), pp. 29-30.

The MK V is a streamlined USSOCOM-managed acquisition program that used non-traditional acquisition processes and off-the-shelf technology to move from concept to operation in just three years. The first two MK V SOC, priced at approximately $4 million apiece, were delivered to NAVSPECWARCOM only 18 months after the contract was awarded to Halter Marine Industries of New Orleans, Louisiana. NAVSPECWARCOM will eventually receive a total of 20 MK Vs.[214] When the program originated in 1992, the Naval Sea Systems Command (NAVSEA) was chosen to manage it. Not long after this decision was made, NAVSEA informed USSOCOM that delivery of the first operational unit would take approximately seven years. This was unacceptable to USSOCOM, leading to the removal of NAVSEA from the program and the creation of the MK V SOC Program Office at USSOCOM, the first major acquisition program undertaken by the SOAC.[215] The substantial difference in concept to operation time frames (four years) is testimony that incorporating acquisition reform initiatives into the acquisition process does enable the acquisition community to deliver quality equipment to the warfighter without excessive lead times.

3. Naval Special Warfare Rigid Inflatable Boat (NSW RIB)

The NSW RIB is a 36' C-130 aircraft transportable vessel that is capable of maintaining a 27-knot cruising speed while carrying a variable payload of 3,200 pounds, which includes a squad of eight SEALs and two Combat Rubber Raiding Craft (CRRC) with outboard motors. They will replace a variety of 24'-33' RIBs that have in use by Special Boat Units since 1987 that have been singularly unable to achieve NAVSPECWARCOM requirements.[216]

Only 16 months after the NSW PMO stood up at USSOCOM, three test article (prototype) RIBs from Intermarine in Savannah, Georgia, United States Marine in Slidell, Louisiana and Willard Marine in Anaheim, California were delivered to USSOCOM to

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[214] Ibid.

[215] Phone interview between Mr. Dale Freeman, Booz, Allen, Hamilton representative, MK V Program Office, USSOCOM, Tampa, Florida and author, 12 December 1996.

[216] Chris Paddock, CDR, SC, USN, USSOCOM, "The Newest SOCOM Boat Program is Alive and Well on MacDill," *SOAC Newsletter*, (December 1996), Vol. 1, No. 1, pp. 5-6.

begin Developmental and Operational Testing (DT/OT). This DT/OT period will extend over a five-month period and involve personnel from two Special Boat Units, two SEAL teams, Air Force personnel, Government laboratory representatives and contractor support personnel. After DT/OT finishes in April 1997 and approval from the MDA (in this case the SOAE) for Milestone III A is received, a Low Rate Initial Production (LRIP) contract option for four RIBs will be awarded to the winner. A Test Article (prototype) Refurbishment contract option will be concurrently awarded to the winner to refurbish its test article to "production representative" condition for independent testing by the Navy Operational Test and Evaluation Force (OPTEVFOR). After a successful OPTEVFOR evaluation and a favorable Milestone III B decision (two Milestone III decisions represent a tailored approach to the acquisition process used by USSOCOM) by the SOAE, a Full Rate Production contract option for 16 RIBs, scheduled for delivery in FY 1998, will be exercised. A total of 70 RIBs are required by NAVSPECWARCOM to meet Full Operational Capability.[217]

A sample of some of the acquisition reform initiatives implemented for the NSW RIB include:

- Using a tailored ORD to permit the use of a modified non-developmental item (NDI). This was accomplished through a steady dialogue between NAVSPECWARCOM and the RIB Program Office.
- Issuing one solicitation for the entire acquisition which included the basic contract for test article construction, a Cost Plus Fixed Fee (CPFF) option for test article refurbishment and Firm Fixed Price (FFP) options for the entire LRIP and Full Rate production periods.
- Employing an Executive IPT concept, consisting of "empowered" representatives of SOAB members (listed earlier in the chapter). This paved the way for a "paper" Milestone II decision, meaning that the MDA approved entering into Phase II without convening a SOAB.

[217] Ibid., pp. 1-2.

- Conducting a two-step evaluation process which incorporated a preliminary evaluation to eliminate offerors who did not stand a reasonable chance of award, thus saving time and money for both USSOCOM and industry.
- Referencing only three MILSPECs and MILSTDs for guidance.
- Combining DT/OT into one phase.
- Issuing an indefinite pricing schedule which permits effortless quantity adjustments (between one and twenty-four) in response to budget increases/decreases as determined by Congress.
- Issuing the solicitation, amendments and question responses on the electronic bulletin board (the first at USSOCOM to use).[218]

4. Flight Data Recorders for the MH47E and H60K Aircraft

A superb example of how quickly an urgent USSOCOM requirement can be satisfied is the delivery of flight data recorders to USASOC for their MH47E and H60K aircraft. In March 1996, a USASOC MH47E aircraft crashed. Because the aircraft cockpit gauges were digital, they were of little value to the crash investigators who were unable to determine the cause of the crash. Since all of USASOC's MH47E and H60K aircraft were equipped with the same digital cockpit displays, USASOC submitted a Combat MNS citing the need to have flight data recorders installed on all of these aircraft. This type of recorder would have contained the information investigators needed to determine the cause of this crash and which could have been used to prevent similar incidents from occurring.

Within 19 days of the accident, a Combat MNS for a NDI Flight Data Recorder had been submitted by USASOC and approved by USCINCSOC, funding had been arranged and the program authorization had been signed. The contract was written at USSOCOM and as of November 1996, flight data recorders for all of USASOC's MH47E and H60K aircraft had been delivered.[219]

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[218] Ibid., pp. 2-3.
[219] LTC Sobey phone interview.

5. CV-22 Osprey

The CV-22, a tiltrotor aircraft, is the SOF variant of the USMC MV-22 Osprey which is designed to perform long-range infiltration, exfiltration and resupply missions for SOF personnel. Development of the aircraft, which is designed and produced as a joint effort by the team of Bell Helicopter Textron of Forth Worth, Texas and Boeing Helicopter, Philadelphia, is directed by the Naval Air Systems Command's PMA-275, the joint program office which manages the program on behalf of the Marines, the Navy and USSOCOM. A total of 50 aircraft are scheduled to be procured by USSOCOM between 2003 and 2010.[220]

In March 1996, USCINCSOC threatened to wrestle control of the CV portion of the V-22 program away from PMA-275 because he felt that under the Navy's plan USSOCOMs aircraft would not be delivered on time or in a mission capable configuration. This threat was prompted by a set of "unacceptable" options presented to USSOCOM which would "delay CV-22 major design activity until FY 1997, cap the program at $550 million in RDT&E for FY 1996 and move critical sub-systems to later product improvements." NAVAIR was accused by USCINCSOC of using a "disproportionate percentage" of CV-22 funds in FY 1996 and FY 1997 to offset inflation adjustments and to pay other program bills.[221]

At issue was the difference between the $550 million the Air Force Special Operations Command estimated would be required for CV RDT&E and the $750 million estimated by the Bell-Boeing team. The contractors bid was based on requirements defined and expanded after the 1994 Defense Acquisition Board (DoD equivalent of USSOCOM's SOAB) and not finalized until April 1995. A Department of the Navy official placed blame on the Air Force Special Operations Command, stating that they expected "unconstrained requirements growth that they don't have to pay for." The issue became even more complicated because Loral, a company which has accomplished

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[220] "Special Operations Command Threatens Hostile Takeover of CV-22," *Tactical Technology*, (March 20, 1996), Vol. 6, No. 6., p. 1.
[221] Ibid., pp. 1-2.

integration work on other special operations aircraft, suggested through service and industry sources that it could accomplish the job for less than $400 million.[222]

The issue was eventually resolved and PMA-275 retained control of USSOCOM's portion of the V-22 funding. The program has entered the Engineering and Manufacturing Development (EMD) phase and the price for the CV-22 RDT&E, including the contract and Government Furnished Equipment (GFE), totaled $560 million.

F. SUMMARY

This chapter has defined the terms and concepts that are unique to USSOCOM's acquisition process, described the roles and responsibilities of the components, directorates and key personnel in that process and described the core activities that must be accomplished in the milestones and phases of an acquisition program.

The final section was written to shift from merely summarizing USSOCOM and DoD directives and reform initiatives of the past decade to writing about actual USSOCOM programs that are attempting to incorporate those initiatives. It provides the reader with examples of USSOCOM and Service-managed programs, and in the case of the CV-22 Osprey, reflects the challenges with which USSOCOM must cope with when a Service program office is not providing an acceptable level of program support.

The final chapter will provide an analysis of USSOCOM's acquisition process and determine if it follows the intent of acquisition reform initiatives of the past decade. This analysis will be based on answers to the primary and subsidiary thesis research questions presented in Chapter I and will incorporate results of interviews conducted with personnel associated with the USSOCOM acquisition process. The final chapter will also provide recommendations to improve those areas of the USSOCOM acquisition process that have been determined to be in non-compliance with reform initiatives.

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[222] Ibid., p. 2.

VI. ANALYSIS, RECOMMENDATIONS AND CONCLUSION

A. INTRODUCTION

This final chapter will utilize the information provided in Chapters II through V not only to facilitate answering the primary and secondary research questions, but also to serve as the primary source for developing my recommendations and follow-on thesis topics concerning the acquisition process at USSOCOM.

B. RESEARCH QUESTONS

1. Secondary Research Questions

a) What are the findings, recommendations and requirements of the acquisition reform initiatives of the past decade, including the Packard Commission, Defense Management Review (DMR), Defense Acquisition Workforce Improvement Act (DAWIA), National Performance Review, Federal Acquisition Streamlining Act (FASA), OSD Acquisition Process Action Team Report, Federal Acquisition Reform Act (FARA) and Best Value Contracting?

Chapter III was dedicated to answering this question therefore this discussion will focus on specific reform initiatives which have been incorporated into USSOCOM's acquisition process.

The programs described at the end of Chapter V each reflect the emphasis that is being placed on streamlining the acquisition process at USSOCOM. Although the discussion on the NSW RIB Program contained the largest number of specific initiatives, the success of the other programs (DIRCM, MK V SOC and Flight Data Recorders for USASOC aircraft) can be attributed to the incorporation of acquisition initiatives introduced in Chapter III of this thesis. The DIRCM Program Office, for example, was not only highly successful in implementing IPTs, but was also able to satisfy the requirement by coordinating with the United Kingdom's Ministry of Defense. As noted in Chapter V, coordinating with an allied nation to satisfy requirements is preferred over developing a joint or Service-unique program, and is

consistent with the emphasis on utilizing NDI, COTS and GOTS equipment whenever possible. The rapid delivery and success of the MK V SOC can also be attributed to the streamlined acquisition processes utilized for the program, including the use of off-the-shelf technology and performance specifications. Finally, the rapid delivery of the flight data recorders to USASOC reflects USSOCOM's ability to streamline and tailor the acquisition process to satisfy the needs of the user. Once again, the use of non-developmental equipment paved the way for this requirement. More importantly though is the fact that a streamlined plan had already been developed to handle urgent requirements such as this. In addition, LTC Sobey, the SAM for the MH47E and H60K aircraft, noted that the matrixed Budget Analyst from J8-CI played an important role in coordinating the funding for this program. This requirement alone reflects the importance and value of the matrixed support from J8-CI.

An excellent indication of USSOCOM's commitment to incorporate reform initiatives into the acquisition process is the recent creation of an acquisition reform database within SOAC's Procurement Directorate (SOKO-K). In the report, SOKO-K tracks the major contracts written in-house and annotates whether they comply with the reform areas which they have chosen to monitor. During an interview with Mr. Ralph Roe, the Chief of the Policy Branch within SOKO (SOKO-M), he stated that the database was developed using recent major reform initiatives, including FASA and FARA, and is intended to provide SOAC's leadership with a snapshot in time of how SOKO is applying reform initiatives to major contracts. Since the acquisition environment is constantly changing, the database is not set in stone. Rather, it was established on the premise that additional changes in acquisition laws and regulations will occur, and to be a useful tool now and in the future, the database must be adaptive.[223] Some of the reform areas and the specific initiatives being monitored within those areas include:

- Streamlined acquisition of commercial items.

[223] Phone interview between Mr. Ralph Roe, SOKO-M, USSOCOM, Tampa, Florida and author, 4 December 1996.

⇒ Use of market research.

⇒ Use of contractor's customary commercial practices.

⇒ Use of simplified procedures for procurements of commercial items with a value less than $5 million.

⇒ Agency needs were stated in terms of functions to be performed, performance required and essential interfaces.

- Debriefing and other contract changes.
  - ⇒ New open and frank debriefing process used for unsuccessful offerors.
  - ⇒ Significantly limited number of proposals in the competitive range.
  - ⇒ Awarded without discussions to save administrative costs.
  - ⇒ Included past performance and quality as mandatory evaluation factors.
- Past performance data-evaluation and reporting.
  - ⇒ Past performance data acquired from both Government and non-Government sources.
  - ⇒ Past performance evaluations being performed in accordance with FAR requirements.
  - ⇒ Past performance evaluated as a significant factor on competitively negotiated contracts in accordance with FAR requirements.
- Truth in Negotiations Act (TINA) and related changes
  - ⇒ Contracting Officer used one of the five exceptions to cost or pricing data.
  - ⇒ Head of Contracting Authority (HCA) waiver of cost or pricing data was obtained.
- Other streamlining areas being tracked.
  - ⇒ Use of IPTs.
  - ⇒ Use of Draft RFPs/SPEC to draw comments from industry.
  - ⇒ Use of contractor conferences.
  - ⇒ Streamlining of Milestone documentation.

⇒ Use of NDI, COTS and GOTS equipment.

⇒ Use of oral presentations.

Another example of USSOCOM's acquisition streamlining effort is the recent creation of a SOAC web page (http://157.202.202.2/). The web page describes SOAC, is linked to Federal acquisition bulletin boards and the Acquisition Reform Network, and most importantly, lists procurement opportunities that exist at USSOCOM. The page is currently under construction but it does contain the solicitations for the Special Operations Forces Support Activity (SOFSA) and Systems Engineering and Technical Assistance (SETA) contracts. These contracts are briefly described later in the chapter.

USSOCOM's compliance with Defense Acquisition Workforce Improvement Act (DAWIA) requirements is also noteworthy. Of the 118 acquisition positions, 110 (93 percent) are either Level II or III certified. This high qualification rate can be attributed to an effective training program within SOAC. In addition, the close proximity of USSOCOM's Acquisition Executive expedites the certification of USSOCOM's personnel.[224]

Two additional examples of acquisition streamlining efforts within USSOCOM are the use of Evolutionary Acquisition (EA) strategies and Technology Development Programs.

An EA strategy, by definition, is utilized "...when it is anticipated that achieving the desired overall capability will require the system to evolve during development, manufacture or deployment."[225] Based on the same concept as pre-planned product improvement, "this strategy should be considered for systems where requirements refinements are anticipated or where a technology risk or opportunity discourages immediate implementation of a required capability."[226] This type of strategy accommodates three of the major themes in the updated DoD 5000 series of regulations.

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[224] Ms. Christa Ward phone interview.
[225] USSOCOM Acquisition Management Training Course, p. 143.
[226] USSOCOM Directive 70-1, p. 23.

First, regardless whether an IPT is formed, the success of this strategy hinges on the ability of the users, developers, logisticians and testers to work together as a team. Second, adopting an EA strategy reflects a commitment to tailor the acquisition process rather than using the traditional Milestones and Phases described in Chapter V. And finally, an EA strategy is designed to take advantage of the latest technological advances available in the commercial market.

Technology Development Programs, managed by the Military Deputy to the Acquisition Executive (MDAE), include advanced technology developments which demonstrate the technological, performance and cost advantages of COTS technology. These programs are unique in that a SOF Technology Base Project Development Definition Document, rather than a MNS or ORD, is the basis to initiate a SOF technology.[227] Current technology programs within USSOCOM include the Tactical Exploitation of National Capabilities (TENCAP) program, the Explosive Ordnance Disposal/Low Intensity Conflict (EOD/LIC) program and the Medical Technology Development Program.[228]

b) What were the principal recommendations of the USSOCOM A-PAT Report?

Chapter IV contains the response to this question. Additionally, the recommendations are summarized in the ensuing question.

c) Are the recommendations of the USSOCOM A-PAT Report being implemented effectively?

Developing an answer to this question involved contacting USSOCOM acquisition personnel and asking them to provide their opinions on the status and success of the implementation process. Since there are multiple A-PAT recommendations, a simple yes or no response to this question would not suffice, therefore, the implementation status of each recommendation is discussed below.

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[227] Ibid., pp. 23-24.
[228] USSOCOM Acquisition Management Training Course, p. 119.

(1) Requirements Interface Implementation Plan

(a) Implementation of USSOCOM IPTs

Based on the A-PAT recommendation, the EQB decided that IPTs would be formed by J7-R upon receipt of a requirements document. In practice, this decision was difficult to implement because the personnel requirements to establish R-IPTs for every requirements document could not be met. As a result, R-IPTs are formed when the complexity and magnitude of the requirements document warrant doing so. This procedural change was spearheaded by the J7-R and will be reflected in the updated version of USSOCOM Directive 70-1 (USSOCOM Acquisition Management Procedures).[229]

The final section of Chapter V highlighted three highly successful USSOCOM managed programs (DIRCM, MK V SOC and NSW RIB) that have benefited from the IPT philosophy. It is important to note that the DIRCM IPTs were created prior to the USSOCOM A-PAT recommendation. Those involved with the DIRCM program felt that the use of IPTs would be the best means of overcoming challenges and ensuring the success of their program. Additional USSOCOM-managed programs that are utilizing IPTs include the SOFSA contract, a $1.2 billion agreement which provides logistics support for SOF unique equipment, and the SETA contract, a $100 million contract that provides USSOCOM and Service program managers for SOF acquisitions support for all phases of the acquisition cycle from pre-milestone zero concept studies to post milestone three fielding.

(b) Use of ORDs in Lieu of MNS

The A-PAT recommendation accepted by the EQB was that USSOCOM would encourage components, and other requirements sponsors, to use an Operational Requirements Document (ORD) in lieu of a Mission Needs Statement (MNS) when the solution to a materiel deficiency is a non-developmental (NDI), commercial-off-the-shelf (COTS) or Government-off-the-shelf (GOTS) item.

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[229] Phone interview between LTCOL Saier, USAF, USSOCOM, Tampa, Florida and author, 9 December 1996.

To date, the components submitting requirements have not adopted this philosophy. This can be attributed to the recent nature of this recommendation and a culture within the requirements community throughout each of the components that is content with the current process (of drafting a MNS that is separate from the ORD). The updated USSOCOM Directive 70-1 will describe this policy and should increase the use of ORDs as the initial requirements document; however, the ultimate success of this recommendation is dependent on a cultural change in the component's requirements communities.[230]

(c) Cost Analysis of New Requirements

The A-PAT recommendation to accomplish cost verifications of requirements documents is being accomplished as directed by the EQB. Mr. Alan Bussey, one of three Cost Analysts assigned to J8-CC, stated that the J8-CC representative on the R-IPT is tasked with accomplishing the sufficiency review for that requirement. Sufficiency reviews are also completed prior to milestone decisions. When R-IPTs are not formed (as discussed previously), the J8-CC still conducts sufficiency reviews but the requirement is channeled to them differently.[231]

(d) Requirements (J5) to Acquisition (AE) Transition Process

The success of this implementation was best summed up by LTC Bob Sobey, USA, the SAM for the MH-47E and MH-60K, when he stated that SOAC "...is no longer receiving ORDs that are not funded."[232] As a result, PEOs, PMs and SAMs are able to devote their efforts and resources on funded programs rather than focusing on programs that may or may not ultimately receive funding.

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[230] Ibid.

[231] Phone interview between Mr. Alan Bussey, J8-CC, USSOCOM, Tampa, Florida and author, 9 December 1996.

[232] LTC Sobey phone interview.

(2) J8/SOAC Interface Implementation Plan

(a) J8-CI Matrixed Budget Support to PEOs

Each individual contacted within SOAC stated that the relationship between J8 and SOAC has improved since the USSOCOM A-PAT, but that there is still room for improvement. According to MAJ Mark McNabb, Senior Financial Analyst in the SOAC Investment Division (SOAC/SD-I), "the A-PAT forced people to look at things differently (i.e., the J8/SOAC interface) and has made working together easier...Now that we are committed, finding the most efficient way of using the manpower is the challenging part."[233]

The implementation plan called for the assignment of four Budget Analysts (BA) from J8-CI to each of the four PEOs, with the matrixed BA for the Special Programs PEO splitting his/her time with the Advanced Concepts and Engineering Division. Various interviews revealed that the success of the matrixing concept hinged on the ability of the PEO's and their financial staff to communicate their requirements to their matrixed BA and the Chief of the Budget Investment Branch (J8-CI). An example of a successful matrixing effort exists within the PEO M&R organization. Their open lines of communication enabled them expedite the funding of two emergent programs (i.e., Battle Dress System (BDS) and Flight Data Recorders for the MH47-E and H-60K) that would have been extremely difficult to accomplish without the support of their matrixed BA.[234]

Just as important as maintaining open lines of communication is the existence of specific job requirements for the matrixed BA's. LTCOL O'Brien, the J8-CI, stated that a USSOCOM A-PAT after action report noted the need for a matrixed BA job description. This is currently being developed[235] and once it

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[233] Phone interview between MAJ Mark McNabb, USAF, USSOCOM, Tampa, Florida and author, 25 November 1996.

[234] LTC Sobey phone interview.

[235] Phone interview between LTCOL Pat O'Brien, USAF, J8-CI, USSOCOM, Tampa, Florida and author, 9 December 1996.

is finalized, should further improve the working relationship that exists between SOAC and J8.

(b) Removal of SOAC/SD-I from PA/MIPR/AF Form 9 Processing

Following USSOCOM's A-PAT, SD-I is no longer involved in PA/MIPR/AF Form 9 processing, therefore it is in compliance with the recommendation. Their involvement is no longer required because the PEOs Financial Analysts combined with the matrixed J8-CI support ensure that documents can be processed through J8-C with minimal review.

Although the SD-I division is no longer processing PA/MIPR/AF Form 9, implementation of the Program Budgeting Accounting System (PBAS) (directed by the OSD Comptroller for all DoD agencies) following the A-PAT has kept SD-I involved in the process of passing spending authority. In this capacity, SD-I is not checking the accuracy of financial documentation. Rather, they are supporting the SOAE by acting as the source through which spending authority for RDT&E, Procurement and procurement related O&M funds is passed to the PEOs. Since PBAS was instituted following the A-PAT, its involvement in the PBAS process has no bearing on its compliance with the A-PAT recommendation. It is included in this section to document the current involvement of SD-I.

(c) Team Approach on All Collateral Financial Responsibilities

This recommendation involved implementing a teamwork approach on a variety of financial issues including POM and budget submissions, reprogramming actions, fund recissions and program execution analyses.

This team approach is currently in place and its success can be measured by the improved level of communication that exists between all parties involved. The lack of trust between acquisition and Comptroller personnel has given way to an increased level of understanding that has expedited these processes. Although

adversarial relationships remain, the approach recommended by the A-PAT has had a positive impact.

(3) Assessment Director/AE Interface Implementation Plan

(a) Funding Authority in Year-of-Execution and Budget Years

The Executive Quality Board decided that PEOs would be empowered to realign/or reprogram funds among programs on the RCCBPL without prior coordination with the J5 (Directorate of Plans, Policy and Strategic Assessment) if the total increase to any program is less than $5 million in any execution or budget year if there is: less than a six month slip or acceleration in any of the effected programs, no change to the BOD-approved total inventory objective, no effect on manpower and the acquisition program baseline is not breached.

This recommendation has been implemented, but the primary issue that requires attention concerns the authority that the USSOCOM PEOs should have. In accordance with Title 10, United States Code (10 USC), PEOs are authorized to annually realign or reprogram up to $3.99 million in RDT&E funds and $9.99 million in Procurement funds. By requiring J5/7 and AD approval for funding adjustments in excess of $5 million, the USSOCOM acquisition process places constraints on PEOs that should not exist according to 10 USC. In addition, this policy does not appear to provide PEOs the flexibility necessary to manage their programs and does not recognize the responsibility and authority inherent to a PEO.

d) Are the findings and recommendations of the USSOCOM A-PAT similar with those found in the OSD A-PAT Report? If not, identify the primary differences.

The findings and recommendations of the A-PATs are as different as the two charters which established them. Where the OSD A-PAT set out to "...develop...a comprehensive plan to reengineer the oversight and review process for systems

acquisitions...,"[236] the USSOCOM A-PAT was chartered "...to improve the HQ USSOCOM Acquisition Management Process."[237] This focus on internal improvement reflects USSOCOM's belief that comprehensive changes similar to those recommended by the OSD A-PAT were not required. This basic difference in philosophy then provides the answer to this question.

Despite the basic differences between the two A-PATs, it is worthwhile to focus attention on the objectives of the OSD A-PAT described in Chapter III and to ask if the USSOCOM A-PAT should have attempted to accomplish more. The first objective of the OSD A-PAT was to "help field what the warfighter needs when he needs it."[238] Comments received during recent interviews with Mr. Bill Chadwick, a commercial contractor that works with the JSOC J8-R and who previously served as Chief of USASOC's Systems Integration Division while on active duty, and Mr. O. D. Knight, the current Chief of USASOC's System Integration Division, lead the researcher to believe the components feel this objective is not being met. During interviews, Mr. Chadwick and Mr. Knight each conveyed that USSOCOM's Requirements Generation process slows down the process of providing equipment to the warfighter. Specific comments such as "...USSOCOM treats $200 thousand programs like $100 million dollar programs"[239] and "...USSOCOM exerts excess control over the Requirements Generation System...By trying to make all programs joint, USSOCOM ends up creating larger requirements,"[240] reflect their frustration with the process. Although the success of an acquisition program is mutually dependent on the Requirements Generation System (RGS), Acquisition Management System and Planning, Programming and Budgeting System (PPBS), modifying the RGS was not included in the USSOCOM A-PAT charter and therefore was not addressed. Nonetheless, the issue deserves further attention because

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[236] *Reengineering*, Vol. 1, p. vi.
[237] USSOCOM A-PAT Final Report/Implementation Plan, App. A, p. 1.
[238] OSD A-PAT, Volume 1, p. 2.
[239] Phone interview between Mr. O.D. Knight, USASOC, Fort Bragg, North Carolina and author, 25 November 1996.
[240] Phone interview between Mr. Bill Chadwick, JSOC, Fort Bragg, North Carolina and author, 25 November 1996.

the perception of the JSOC and USASOC representatives is that USSOCOM's RGS is too rigid and should be more responsive to their requirements. Additionally, Mr. Chadwick noted that the Components are hindered by the requirement to provide price and quantity information with their MNS/ORD. Since the primary intent of these documents is to identify the requirement, in his opinion it is unnecessary to require the Components to provide this information upon submission of the MNS/ORD.

Another objective of the OSD A-PAT was to "promote flexibility and encourage innovation based on mutual trust, risk management and program performance."[241] The basic premise of this objective was that those closest to the information are competent and trustworthy enough to make reasonable decisions. Mr. Chadwick and Mr. Knight both stated that milestone decision authority (MDA) should be delegated to the Services more often. A similar opinion was voiced by a representative of AFSOC when they commented on the USSOCOM A-PAT: "let Service PMs manage programs--less micro management..."[242] These comments pertain to this objective because those closest to the requirement (i.e., the Services) feel that they should have the opportunity to manage more of the programs. Because of time constraints, this issue was not fully addressed by the USSOCOM A-PAT. Despite the time constraints, the A-PAT did "...strongly recommend increased scrutiny of Service-managed programs by proposing that the AE retain MDA over more Service-managed programs...."[243] This recommendation is contrary to the opinions of the components and requires additional review. One would question then why the Component's A-PAT representatives allowed the A-PAT to go to print with this recommendation.

A third objective of the OSD A-PAT was to "demand accountability by matching managerial authority with responsibility."[244] One of the purposes of this objective was to ensure that individuals outside of a program's executing chain should not be authorized to either make or delay program decisions. This objective relates to the

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[241] OSD A-PAT, Volume 1, p. 2.
[242] USSOCOM A-PAT Final Report/Implementation Plan, App. E., AFSOC comments.
[243] Ibid., p. 33.
[244] OSD A-PAT, Volume 1, p. 2.

process addressed during the USSOCOM A-PAT and subsequently implemented, which requires USSOCOM PEOs to receive J5/7 and AD approval to reprogram and realign program funds. As discussed in the previous section, this requirement appears to be contrary to 10 USC and it is not consistent with the intent of this OSD A-PAT objective. In the researchers opinion, an individual who is capable of managing multiple programs should be entrusted to make reprogramming decisions that he/she is legally authorized to do and that are that are in the best interest of USSOCOM.

In Chapter IV, eight of the OSD A-PAT's 33 recommendations were discussed because of their relevance to USSOCOM's acquisition process. Of the ones listed, the only recommendation which SOAC appears to be in non-compliance with is the recommendation that all acquisition programs, regardless of ACAT classification, be aligned in the PM-PEO-AE chain. Based on information gathered during interviews with USSOCOM personnel, SOAC currently reflects a PM-PEO-MDAE-AE alignment. By adding the MDAE to the reporting alignment, the clear, simplified PEO-AE chain of command envisioned by the OSD A-PAT is not currently in place. Although the author is unable to delineate the MDAE's specific role in this alignment, this issue merits discussion because of the frequency in which it was raised during interviews and because it is contrary to the OSD A-PAT's recommendation.

e) If USSOCOM is not fully complying with the intent of acquisition reform, what changes should be made to the acquisition process to implement reform initiatives?

The response to this question is found in the recommendations section of this chapter (Section C).

2. Primary Research Question

Do USSOCOM acquisition procedures comply with the intent of acquisition reform initiatives of the past decade?

The objective of discussing the secondary research questions to open this chapter was to present the background information needed to support a response to this question.

The research shows there are numerous instances where USSOCOM is doing an outstanding job incorporating reform initiatives into their acquisition process. In fact, this organization appears to be at the forefront of acquisition reform streamlining. The examples cited in this thesis, including the overwhelming success of the MK V SOC and NSW RIB Programs, the implementation of many of USSOCOM's A-PAT recommendations, the improved working relationship between the J8-C and SOAC, the Procurement Directorate's development of an acquisition reform database and SOAC's responsiveness to the Combat MNS for flight data recorders, give credence to this claim. Many other examples of acquisition streamlining efforts within USSOCOM may have been overlooked, but the message should be clear that the USSOCOM acquisition process is constantly evolving and improving because of its ability to incorporate acquisition reform initiatives.

Despite all of the positive examples of USSOCOM's compliance with acquisition reform initiatives, there are a few areas in its acquisition process that appear to be non-compliant. These specific include of non-compliance include the Component's (JSOC and USASOC) perception that the RGS is too rigid and unresponsive, the required involvement of the ADs for the reprogramming and realignment of funds exceeding $5 million and the reporting alignment (PM-PEO-MDAE-AE) which exists within the SOAC. In all likelihood, events that have transpired throughout the brief history of USSOCOM and SOAC form the basis for these policies and business practices, therefore it would be naive to state, based on the research conducted in the past few months, that they must be changed. It would be beneficial, however, if the parties involved establish a dialogue on these topics to determine if changes to the current acquisition process need to occur.

The most significant factors contributing to USSOCOM's ability to integrate reform initiatives into their acquisition process are the relatively small size of the organization (compared to the Services) and the close proximity of the headquarters and SOAC. Having all of the key decision makers from the Requirements Generation System (RGS), Planning, Programming and Budgeting System (PPBS) and Acquisition

Management System located on MacDill AFB within a ten minute walk from each other creates a level of familiarity that does not exist within the Services. Because of these factors, USSOCOM has greater flexibility in managing their acquisition programs resulting in the use of innovative and progressive acquisition techniques.

Another reason USSOCOM has successfully implemented reform initiatives is that it has recognized that a streamlined process must be used to ensure its warfighters are delivered the advanced systems and equipment they need to perform their missions. The MK V SOC scenario presented earlier is an excellent case in point. Confronted with an unacceptable estimated first article delivery schedule of at least seven years, USSOCOM established the MK V SOC Program Office clearly out of necessity. Recognizing that the use of traditional acquisition techniques would slow down the process and result in a similarly unacceptable delivery schedule, the MK V SOC Program Office tailored the program and applied streamlined acquisition approaches that had never been attempted at USSOCOM. The success of this program paved the way for the establishment of the NSW RIB Program Office, which applied the lessons learned from the MK V to create an even more streamlined and successful program.

The advantages noted previously which have enabled USSOCOM to successfully streamline its acquisition process are also the primary factors contributing to the areas identified as being non-compliant. Because of USSOCOM's size and the close proximity of decision makers, the level of oversight and review over the PEOs from the J5/7, the J8, and the MDAE, is much greater than what would exist if the organizations were established in separate locations. The disadvantages associated with the additional oversight and review by no means outweigh the advantages discussed in the previous paragraphs, but they clearly do not comply with the intent of acquisition reform initiatives involving the theme of empowerment.

C. RECOMMENDATIONS

Based on the findings and analysis included in this thesis, the following recommendations are provided.

- To facilitate addressing the empowerment issue, the leadership within SOAC and the Directorates should determine which oversight and review practices they would eliminate if their organizations were not in such close proximity.

Following this recommendation will encourage the senior leadership within USSOCOM to confront the challenges they would face if they were not within walking distance of each other. Because of the financial and logistical constraints of being in separate locations, something would have to change. This type of analysis will identify and eliminate unnecessary oversight and review procedures, enhancing the acquisition process at USSOCOM.

- Allow PEOs the flexibility to manage their programs by granting them the authority to execute reprogrammings and realignments in accordance with legal thresholds (RDT&E, $3.99 million; Procurement, $9.99 million).

Acceptance and incorporation of this recommendation would provide PEOs with a level of authority, which is currently restricted, commensurate with their responsibilities.

- Develop a new charter for PEOs that more thoroughly describes their authority, responsibility, organizational relationships within USSOCOM and operating relationships with the Components and Services.

Clarifying roles and responsibilities in a new charter would help to resolve both internal and external conflicts. Appendices (1) and (2) contain the charters for USSOCOM's Maritime and Rotary Wing PEO and NAVSEASYSCOM's Undersea Warfare PEO, respectively. This recommendation does not endorse the creation of identical NAVSEA and USSOCOM charters, but it does suggest that the existing USSOCOM charter could be improved by providing a level of guidance and direction similar to what is found in the Undersea Warfare PEO charter.

- Create a Table of Organizational Equipment (TOE) for USSOCOM which specifies the equipment the Components are authorized and expected to have to accomplish their missions.

This recommendation is provided by Mr. Bill Chadwick, the representative from JSOC referenced earlier in the chapter, and is geared towards resolving the

Component's perception that USSOCOM's RGS needs to be streamlined. By listing all of the equipment that USASOC, for example, is authorized to carry on a TOE, USASOC could simply submit an addendum to the original MNS/ORD if that item (e.g., night vision goggles) is on the TOE. This would save the time and resources associated with development of a MNS and ORD and contribute to a streamlined process.

- Collect the top five recommendations from each of USSOCOM's acquisition personnel describing how USSOCOM could be doing a better job of incorporating acquisition reform initiatives into the process. Use those inputs to develop a top ten list which will serve as the agenda for a portion of the Acquisition Reform Stand Down scheduled for March 1997.

The majority of the interviews conducted ended with this question. Examples of responses received, besides the subjects already discussed, included recommendations to work closer with Independent Operational Test and Evaluation Activities throughout the acquisition process, to keep more of the programs "in-house" and to change the requirement to conduct legal reviews for all procurements from over $100 thousand as it currently exists to over $500 thousand. By collecting the inputs prior to the March 1997 Acquisition Reform Day and incorporating them into the agenda, the attendees are more apt to take a personnel interest in the discussion.

D. RECOMMENDED THESIS TOPICS

The following are suggested topics for further research in this area:

- Document and analyze the challenges USSOCOM faces with Service-managed programs. Compare and contrast successful and unsuccessful programs.
- Determine the resources (financial and personnel) that would be required to create and maintain a Table of Organizational Equipment (TOE) for USSOCOM and determine the impact it would have on streamlining the acquisition process.

- Review USSOCOM's Technology Development Programs to determine how effective they are at providing SOF personnel with the newest and best technology available.
- Reviews USSOCOM's Program Management Allocation Criteria (PMAC) including the opinions and recommendations of USSOCOM, Component and Service acquisition representatives.
- Conduct a case study of USSOCOM's Special Operations Forces Support Activity (SOFSA) and Systems Engineering and Technical Assistance (SETA) contracts which reviews the streamlined acquisition processes they incorporated and the advantages and disadvantages that were experienced.
- Conduct a case study on the MK V SOC and NSW RIB which includes the history behind each program. Determine if NAVSEA would utilize the lessons learned from USSOCOM's program offices to manage future acquisition of a similar size and scope.

E. CONCLUSION

This final chapter has provided responses and analyzed the primary and secondary research questions presented in Chapter I, provided recommendations to correct processes which are not compliant with acquisition reform initiatives and listed potential thesis topics related to USSOCOM and acquisition reform. This chapter has shown that USSOCOM is at the forefront of implementing reform initiatives into the acquisition process and that the non-compliant areas which appear to exist can be resolved by reducing the level of oversight and review within the organization.

APPENDIX A. USSOCOM PEO CHARTER

By direction of the President of the United States through National Security Decision Directive 219, and by my appointment as Special Operations Acquisition Executive, I hereby appoint

Captain Bud Sawyer, USN
as
Program Executive Officer
for
Special Operations - Maritime and Rotary

As Program Executive Officer, you will perform as the Special Operations centralized manager for assigned materiel acquisition programs.

You will, as the responsible management official, provide executive direction, guidance and management for the development, acquisition, testing and fielding of Special Operations Forces programs.

You will place primary management emphasis on cost estimating, planning, programming budgeting, program integration, interoperability and risk reduction.

Unless sooner terminated, this appoint will be in effect as long as the Program Executive Officer is assigned.

Signed

Gary L. Smith

APPENDIX B. NAVSEASYSCOM PEO CHARTER

CHARTER FOR THE PEO FOR UNDERSEA WARFARE

Encl: 1) Programs Assigned to PEO for Undersea Warfare
2) Organizational Relationships
3) PEO for Undersea Warfare Organization

1. Purpose: This document covers the background, scope, authorities and responsibilities, and operating relationships for the Program Executive Officer (PEO) for Undersea Warfare.

2. Background: The Secretary of Defense approved the Department of the Navy (DON) plans for implementation of the Defense Management Report, and the Secretary of the Navy, by memorandum dated 31 January 1990, directed DON implementation. The PEO for Surface Ship ASW Systems was established as part of this implementation. In July 1992, a decision was implemented to realign functions between the Naval Sea Systems Command (NAVSEA) and its affiliated PEOs and Direct reporting Program Managers (DRPMs) and to form the PEO for Undersea Warfare. This decision was based on a desire to capitalize on the potential synergy from the combination of all significant ASW and anti-torpedo weapons under a single manager. The PEO for Undersea Warfare replaced the PEO for Surface Ship ASW Systems and consolidated other related activities previously managed by the PEO for Submarine Combat and Weapons Systems and NAVSEA. In 1995 a decision was made to realign functions between NAVSEA and its' affiliated PEOs and DRPMs. This action resulted in the realignment of selected ASW efforts from NAVSEA to PEO(USW). Specifically the Surface ASW Systems Division was transferred to PEO(USW). PEO(USW) retains authority for those programs transferred in July 1992.

SECNAVINST 5400.15A of 26 May 1995 provided recognition of CNO's responsibility for matters pertaining to in-service support by having the PEO's report to the CNO through COMNAVSEASYSCOM for these aspects of their assigned responsibilities.

3. System Description: The PEO for Undersea Warfare is responsible for ASW hardware and software components, subsystems, and systems involved in: target surveillance, detection, classification, and localization; data processing and display; weapon control and related computer subsystems; weapons, countermeasures, launchers, tubes, unmanned (remote and tethered) undersea vehicles, handling and stowage equipment; related communication and command and control; and support and training equipment.

4. Scope: The PEO for Undersea Warfare is assigned life cycle responsibility and management accountability for all delegated programs. New programs may be assigned by ASN (RD&A). The current primary programs are:

a. Submarine Launched ASW Weapons, including Torpedo MK 48 (in-service and FMS), MK 48 ADCAP, and ADCAP Mods
b. Surface and Air Launched ASW Weapons, including Torpedo MK 50 (in-service), Torpedo MK 46 (in-service and FMS) and Lightweight Hybrid Torpedo and Vertical Launch ASROC (in-service)
c. Near and Long Term Mine Reconnaissance Systems, MK 30 Mod 1 and Mod 2 Targets, and MK 39 Expendable Mobile ASW Training Target
d. Surface Ship ASW Combat Systems, including AN/SQQ-89(V), AN/SQQ-34 Carrier ASW Module, AN/SQS-53A EC16, AN/SQS-56, AN/WQC-6 Acoustic Communications, MK-116 UFCS and KINGFISHER
e. US and Joint US/UK Surface Ship Torpedo Defense Systems, including SLR-24, SLQ-25, MSTRAP and Launched Expendable Acoustic Devices
f. Navy Signal Processors including, AN/UYS-1(V), AN/UYS-2A(V) and Successor COTS-based Systems
g. Submarine Regional Warfare System including AN/WLY-1 and Expendable Mobile and Stationary Countermeasures
h. Undersea Warfare Advanced Systems and Technologies

Funding identification associated with these programs is contained in enclosure (1).

5. Authorities and Responsibilities:

a. The PEO for Undersea Warfare has acquisition and in-service support responsibility and management accountability for all assigned programs. The PEO is responsible for assuring that assigned programs are conducted within the technical, funding, schedule, and supportability constraints approved by the decision authority. The Navy Acquisition Executive (NAE) may delegate milestone decision authority to the PEO as appropriate.

b. The PEO has chartering authority for assigned PMs. The PEO will vest PMs with the authority, accountability and resources necessary to manage PEO approved program plans and budgets for the development, production, introduction and in-service support of assigned systems. The PEO will keep the PM charters current.

c. The PEO will direct all program activities financed in Operations and Maintenance; Research, Development, Test and Evaluation; and Procurement appropriations that are allocated by NAVCOMPT to the NAVSEA Comptroller for the PEO. This responsibility includes coordinating with and providing direction, as appropriate, to the NAVSEA Comptroller for allocating budget adjustments, authorizing below threshold

reprogrammings (BTR), resolving funding issues, and preparing budget submissions, justifications and reclamas. Nothing herein supersedes NAVSEA Comptroller responsibilities for appropriate administration of funds including, but not limited to, reviews for compliance with 31 USC 1301(a) and 31 USC 1517 and in accordance with NAVCOMPINST 7102.2C.

d. Programmatically the PEO will serve as a focal point for intensified management attention for all assigned programs. The PEO will ensure that the programs are proceeding on a sound business and technical basis and act as the PM's interface with the NAE, NAVSEA, and other organizations in matters other than routine.

e. The PEO will serve as the integrating agent of the assigned PMs for functional support. The PEO will ensure that standardization, commonality, configuration management, design for logistics support, risk identification and mitigation, critical item testing and top level planning for acquisition phase transitions, are all incorporated into and made an integral part of the development process.

f. The PEO is responsible for all necessary certifications and approvals pertaining to assigned programs. This includes Certification of Executability, Readiness for OPEVAL, Logistics Readiness, Configuration Audits and Production Readiness Certifications, and all similar actions. The PEO will chair the Acquisition Review Board for assigned programs and will coordinate the development of Test and Evaluation Master Plans. The PEO will ensure Safety Certifications are obtained recognizing the chartered NAVSEA, NAVAIR, MARCORP and other SYSCOM responsibilities for submarine/surface ship/air platforms, explosives and diver safety.

g. The PEO is responsible for the development and approval of Acquisition Plans and an Acquisition Strategy for assigned programs. The PEO, in coordination with the NAVSEA Procurement Contracting Officer (PCO), is also responsible for the development and execution of contracting strategies. Unless otherwise specified by higher authority, the PEO will act as Source Selection Authority (SSA) for contract awards for all assigned programs. SSA redelegation will be in accordance with the applicable SECNAV guidance.

h. The PEO has responsibility for all personnel in the PEO, including assigned PMs, as follows:

(1) Military - The PEO approves the assignment of all military personnel to the PEO and has fitness report responsibility for these individuals. The PEO is responsible for training (including ethics) and career development.

(2) Civilian - The PEO is responsible for managing personnel resources within assigned manpower controls and has the related classification authority. The PEO, or designated representative, is the selecting official for civilian positions. The PEO is responsible for performance appraisals, merit pay, awards and honors, training (including ethics), and career development.

i. The PEO is the focal point for Foreign Technology Transfer and Foreign Military Sales (FMS) for all assigned programs, operating under the guidance and direction of the NAE.

j. The PEO is responsible for systems integration of assigned systems with operating platforms.

k. The PEO is responsible for administration of the organization, including security, travel, internal working procedures, working hours, overtime/compensatory time, and all similar items.

l. The PEO is responsible for ensuring that organizational operations, fiscal and contractual matters are conducted with integrity and the highest ethics.

m. The PEO will exercise technical decision authority over assigned programs, with technical assistance provided by NAVSEA. As required, technical support may be provided by other SYSCOMS.

n. The PEO will jointly develop plans with NAVSEA and other appropriate commands for the transition of programs into and out of the PEO organizational structure.

o. The PEO is responsible to the CNO/CMC via COMNAVSEA for in-service support of assigned programs.

6. Relationship to Chartering Authority: The PEO for Undersea Warfare reports directly to the ASN(RD&A).

7. Operating Relationships: Enclosure (2) depicts top level organizational relationships and is consistent with the provisions of SECNAVINST 5400.15A.

a. ASN(RD&A): The PEO for Undersea Warfare reports directly to the NAE and is responsible to the NAE for successful management of assigned programs. In discharging this responsibility, the PEO coordinates his efforts with other ASN(RD&A) offices.

b. CHIEF OF NAVAL OPERATIONS: The Chief of Naval Operations (CNO) is responsible for establishing military requirements, planning and conducting operational test and evaluation, supporting the conduct of development test and evaluation,

formulating budget and program plans for SECNAV approval, and for fleet support. The PEO will be responsive to CNO in the exercise of these responsibilities. CNO does not have directive authority in research, development, and acquisition matters.

c. NAVSEA: NAVSEA is designated as the support SYSCOM for the PEO for Undersea Warfare. The support that the PEO receives from NAVSEA is defined in an Operating Agreement signed by the PEO and COMNAVSEA and approved by the NAE. In brief, all elements of NAVSEA will provide support to the PEO in order for the PEO to successfully execute the assigned mission. NAVSEA will act as the host for the PEO/PMs and the PEO will be collocated with NAVSEA to enable optimum working relationships. A designated contracting officer and legal representative will support each major program per the requirements of applicable DoD and SECNAV guidance. NAVSEA's Warfare Centers, and where appropriate Warfare Centers under the command of NAVAIR or SPAWAR, will provide support to the PEO and the assigned Program Managers in uniquely assigned mission and leadership areas as prescribed in their respective Warfare Center Charters. The PEO will ensure that work is assigned to the appropriate Center based on these mission and leadership areas.

d. OTHER PEO/DRPMs/SYSCOMs: The PEO will coordinate with related programs in other PEO/DRPM/SYSCOM offices that interface with assigned systems and ensure that the systems are properly integrated. The PEO will execute MOAs in this area, as necessary.

e. DEPARTMENT OF DEFENSE (DOD) AND CONGRESSIONAL: The PEO will interface with DOD and Congressional Offices under the direction, authority, and guidance of the NAE consistent with SECNAV policy and guidance provided by the Office of Legislative Affairs.

8. Staffing and Organization: Enclosure (3) is the PEO for Undersea Warfare organization

9. Charter Review: The PEO will review this Charter annually and will provide recommendations for change to the NAE. Enclosures (1) through (3) will be revised as required to reflect any significant program deletions or additions during this review. The PEO will also periodically review and revise the "Data Sheets" in the NAVSEA Headquarters Organizational Manual for each of their subordinate Program Management offices.

10. Exceptions: Executive Order 12344, statutory prescribed by P.L. 98-525 (42 U.S.C. 7158, note), establishes the

responsibilities and authorities of the Deputy Commander, Nuclear Propulsion Directorate (SEA 08) over all facilities and activities which comprise the Program, a joint Department of Energy (DOE)/Navy organization. These responsibilities and authorities include all technical and logistical matters related to naval nuclear propulsion. Nothing in this Charter supersedes or changes these responsibilities an authorities. Accordingly, the Deputy commander, Nuclear Propulsion Directorate will be consulted in all matters pertaining to, or affecting, nuclear propulsion plants and associated nuclear support facilities.

Submitted by:

Timothy E. Douglass
Program Executive Officer,
for Undersea Warfare

12/20/95
Date

VADM George R. Sterner
Commander Naval Sea Systems Command

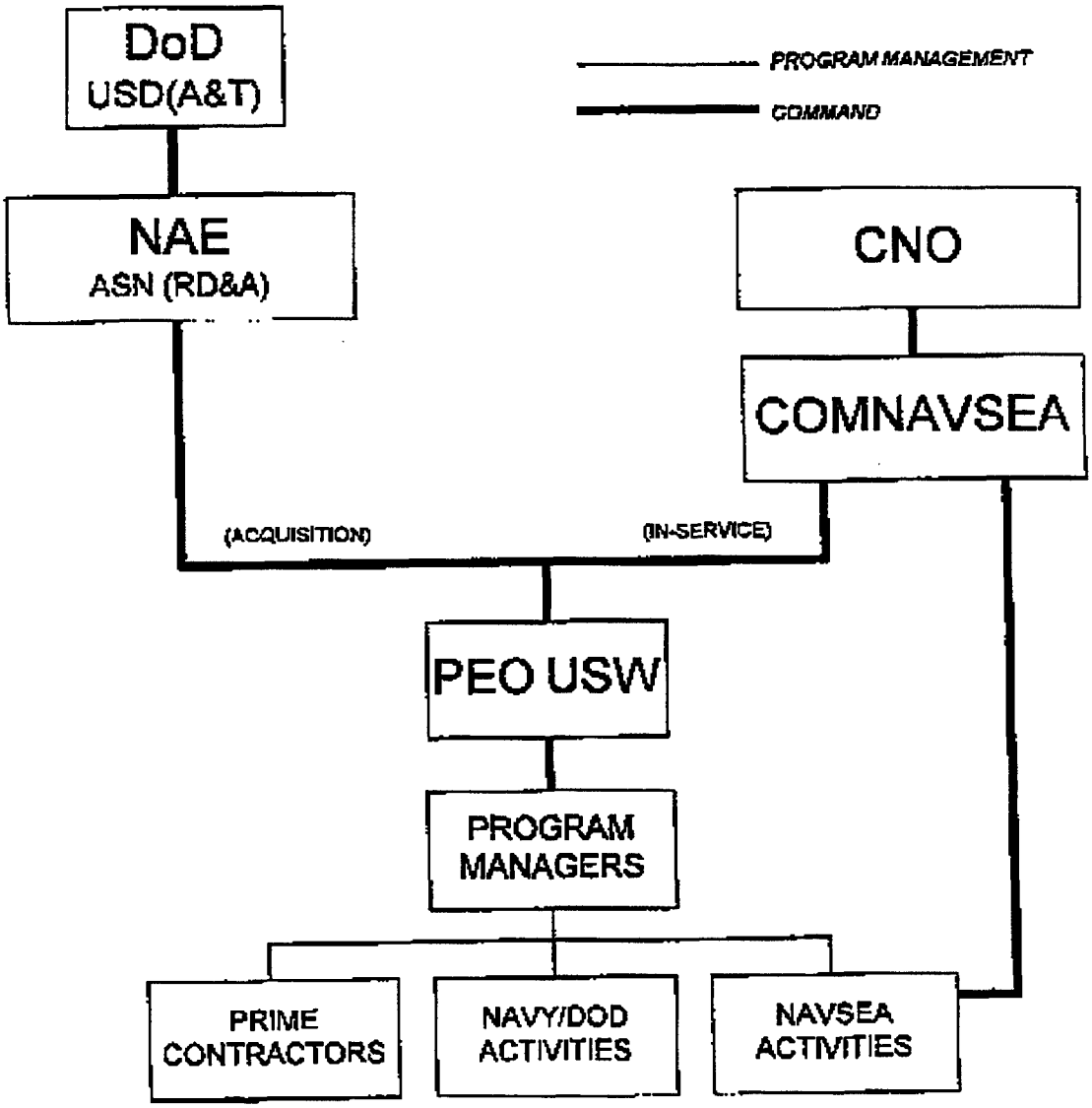
12/15/95
Date

Approved:

John W. Douglass
Assistant Secretary of the Navy
Research, Development and Acquisition

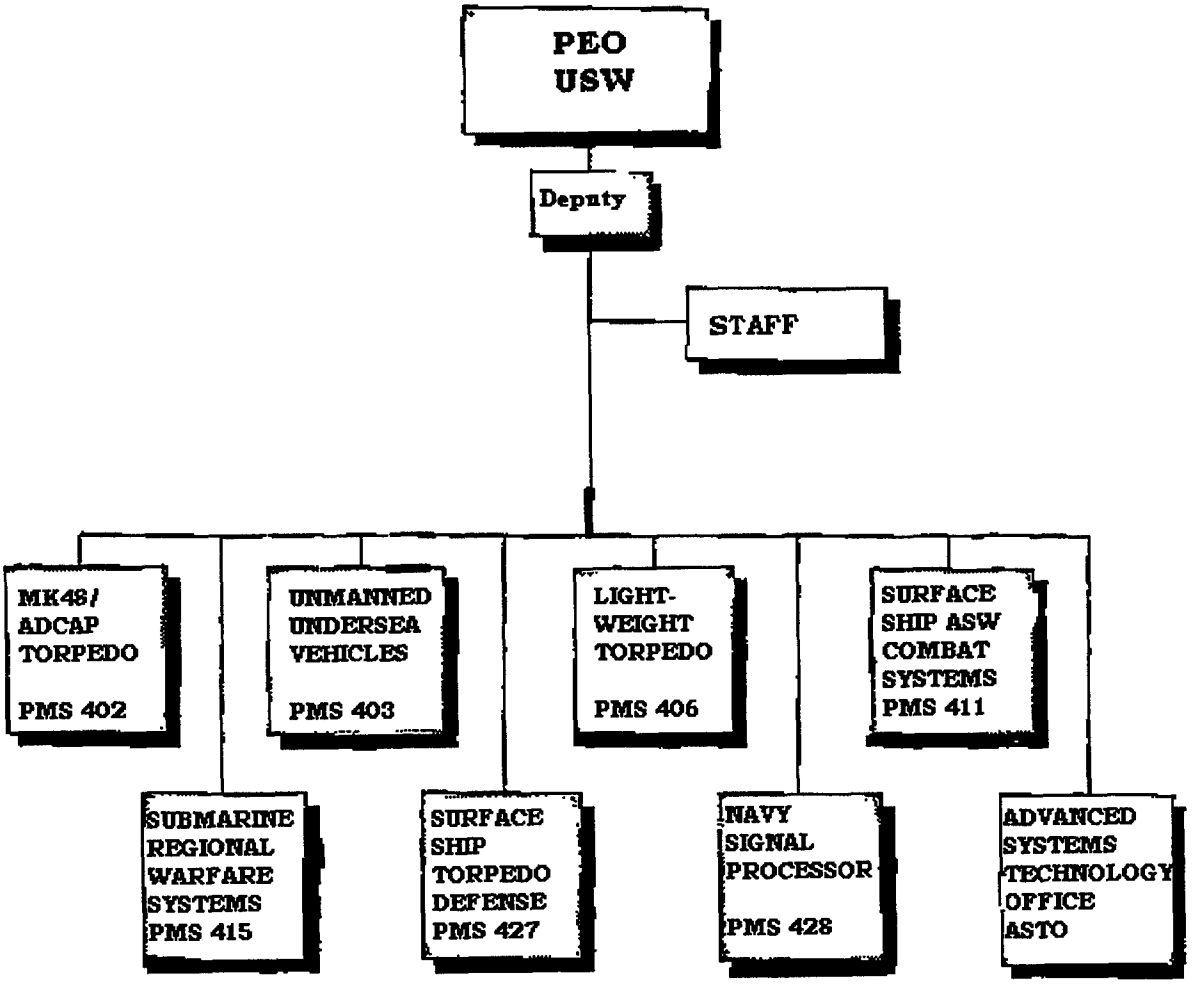
FEB 05 1996
Date

PEO USW
ORGANIZATIONAL RELATIONSHIPS



Enclosure (2)

PEO FOR UNDERSEA WARFARE (PEO USW)



Enclosure (3)

APPENDIX C. LIST OF ACRONYMS

ACAT	Acquisition Category
ACO	Administrative Contracting Officer
AD	Assessment Director
ADM	Acquisition Decision Memorandum
AE	Acquisition Executive
AFSOC	Air Force Special Operations Command
A-PAT	Acquisition Process Action Team
APB	Acquisition Program Baseline
ASD (SO/LIC)	Assistant Secretary of Defense (Special Operations and Low Intensity Conflict)
ATF	Acquisition Task Force
BA	Budget Analyst
BOD	Board of Directors
C4I	Command, Control, Communications, Computers and Information Systems
CA	Civil Affairs
CAIV	Cost as an Independent Variable
CBD	Commerce Business Daily
CBPL	Capabilities Based Program List
CICA	Competition in Contracting Act
CORB	Command Oversight Review Board
COTS	Commercial-off-the-Shelf
DAB	Defense Acquisition Board
DAE	Defense Acquisition Executive
DAO	Defense Accounting Office
DAWIA	Defense Acquisition Workforce Improvement Act
DIRCM	Directional Infrared Countermeasure
DMR	Defense Management Review
DOD	Department of Defense
DT	Developmental Testing
EA	Evolutionary Acquisition
EIPT	Executive Integrated Product Team
EQB	Executive Quality Board
FA	Financial Analyst
FACNET	Federal Acquisition Computer Network
FAR	Federal Acquisition Regulation
FARA	Federal Acquisition Reform Act
FASA	Federal Acquisition Streamlining Act
FY	Fiscal Year
GAO	General Accounting Office

GOTS	Government-off-the-Shelf
GSA	General Services Administration
GSBCA	General Services Board of Contract Appeals
HCA	Head of Contracting Authority
HOA	Head of Agency
HQ	Headquarters
ILSP	Integrated Logistics Support Plan
IPT	Integrated Product Team
J1	Directorate of Personnel
J2	Directorate of Intelligence
J3	Directorate of Operations
J4	Directorate of Logistics
J5/7	Directorate of Plans, Policy and Strategic Assessments
J6	Directorate of Command, Control, Communications, Computers and Information Systems
J8	Directorate of Resources
JROC	Joint Requirements Oversight Council
JSOC	Joint Special Operations Command
LCC	Life Cycle Cost
LRG	Logistics Review Group
LRIP	Low Rate Initial Production
MDA	Milestone Decision Authority
MDAE	Military Deputy to the Acquisition Executive
MFP-11	Major Force Program-11
MILCON	Military Construction
MILPERS	Military Personnel
MILSPEC	Military Specification
MIPR	Military Interdepartmental Purchase Request
MK V SOC	MK V Special Operations Craft
MNS	Mission Needs Statement
MOA	Memorandum of Agreement
MOP	Memorandum of Policy
NAVSEA	Naval Sea Systems Command
NAVSPECWARCOM	Naval Special Warfare Command
NDI	Non-Developmental Item
NPR	National Performance Review
NSW RIB	Naval Special Warfare Rigid Inflatable Boat
NSW	Naval Special Warfare
O&M	Operations and Maintenance
OPTEVFOR	Operational Test and Evaluation Force
ORD	Operational Requirements Document
OSD	Office of the Secretary of Defense

OT	Operational Testing
PA	Program Authorization
PAMIS	PPBS Acquisition Management Information System
PAT	Process Action Team
PBAS	Program Budgeting Accounting System
PBD	Program Budget Decision
PEO	Program Executive Officer
P-IPT	Program-Integrated Product Team
PM	Program Manager
PMAC	Program Management Allocation Criteria
PMO	Program Management Office
POM	Program Objective Memorandum
PPBS	Planning, Programming and Budgeting System
PRO	Program Requirements Officer
PSMOA	Program Specific Memorandum of Agreement
PSYOP	Psychological Operations
RCCBPL	Resource Constrained Capabilities Based Program List
RD&A	Research, Development and Acquisition
RDT&E	Research, Development, Test and Evaluation
RGS	Requirements Generation System
R-IPT	Requirement-Integrated Product Team
RRB	Requirements Review Board
SAE	Service Acquisition Executive
SAM	Systems Acquisition Manager
SD-I	SOAC Investment Division
SD-P	SOAC Policy Division
SDV	SEAL Delivery Vehicle
SEAL	Sea-Air-Land
SECDEF	Secretary of Defense
SETA	Systems Engineering and Technical Assistance
SOAB	Special Operations Acquisition Board
SOAC	Special Operations Acquisition Center
SOAE	Special Operations Acquisition Executive
SOF	Special Operations Forces
SOFSA	Special Operations Forces Support Activity
SOFTACS	Special Operations Forces Tactical Assured Connectivity System
SOKO	Directorate of Procurement
SORDAC	Special Operations Research, Development and Acquisition Center
SPE	Senior Procurement Executive
SPG	Strategic Planning Guidance
SPI	Single Process Initiative

SPP	Strategic Planning Process
TENCAP	Tactical Exploitation of National Capabilities
TINA	Truth in Negotiations Act
TOE	Table of Organizational Equipment
TQM	Total Quality Management
TSOC	Theater Special Operations Command
USACOM	United States Atlantic Command
USASOC	United States Army Special Operations Command
USCENTCOM	United States Central Command
USCINCSOC	Commander in Chief Special Operations Command
USD (A&T)	Under Secretary of Defense (Acquisition and Technology)
USEUCOM	United States European Command
USPACOM	United States Pacific Command
USSOCOM	United States Special Operations Command
USSOUTHCOM	United States Southern Command

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9. Headquarters, Joint Special Operations Command 1
J8-R (Chadwick)
PO Box 70239
Ft. Bragg, North Carolina 28307

10. Headquarters, United States Army Special Operations Command 1
DFDI (Mr. Knight)
Ft. Bragg, North Carolina 28307

11. LCDR John F. Couture 3
2962 Country Woods Lane
Palm Harbor, Florida 34683