

U. S. Department of  
Homeland Security

United States  
Coast Guard



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**DEPARTMENT OF HOMELAND SECURITY**

**U. S. COAST GUARD**

**STATEMENT OF**

**ADMIRAL JOHN P. CURRIER**

**ON THE**

**DHS ACQUISITION: WHO IS REALLY IN CHARGE**

**BEFORE THE**

**SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT  
MANAGEMENT, THE FEDERAL WORKFORCE  
AND THE DISTRICT OF COLUMBIA**

**COMMITTEE ON HOMELAND SECURITY  
AND GOVERNMENTAL AFFAIRS**

**U. S. SENATE**

**JUNE 7, 2007**

Good afternoon, Mr. Chairman, Ranking Member Voinovich, and distinguished members of the Subcommittee. I appreciate the opportunity to talk to you today about U.S. Coast Guard acquisition efforts.

I took over as Assistant Commandant for Acquisition in July 2005. The twenty-three months since have been a dynamic time in the world of government acquisition in general, and in USCG and DHS particularly. Our Coast Guard acquisition portfolio is now approximately \$25.8 billion of critical investments in total—or about \$1.4 billion annually—across 16 major acquisitions. Effectively managing this investment and supporting processes is critical to the Service's future to ensure we continue to fulfill our role as the lead federal agency to prevent and respond to safety and security threats in the maritime domain or for maritime homeland security.

Recently, we undertook two significant acquisition-related initiatives with the goal of enhancing mission execution through a responsive, competent and efficient acquisition organization. When Admiral Thad Allen became Commandant in May 2006, his first action order directed consolidation of previously disjointed acquisition activities under a single directorate. What began as consolidation of the Deepwater program office and our existing acquisition directorate has expanded to include the Office of Procurement Management, the Office of Research, Development, and Technical Management, the Research and Development Center and the Head of the Contracting Activity.

Several of these activities migrated to my office between December 2006 and April 2007. A larger stand-up to consolidate the remaining activities is scheduled for July 13<sup>th</sup>. At that time, Rear Admiral Gary Blore, the current Deepwater Program Executive Officer (PEO), will become Assistant Commandant for Acquisitions.

The second initiative is implementation of our *Blueprint for Acquisition Reform*, designed to address our post-9/11 acquisition capability and build upon “lessons learned” from Deepwater and other complex programs. I will discuss the *Blueprint* in more detail elsewhere in this statement, but mention it here to underscore that it is in keeping with forward-looking objectives to standardize and strengthen acquisition processes across the Coast Guard and DHS. As Assistant Commandant, I have had the opportunity to influence, and be influenced by, DHS efforts to develop effective acquisition governance, ably led by the Chief Procurement Officer (CPO), the Chief Financial Officer (CFO), the Chief Information Officer (CIO), and the Under Secretary for Management. The result is increasingly improved alignment of budget, planning, review and approval processes for acquisition activities.

### ***Effective Acquisition Governance***

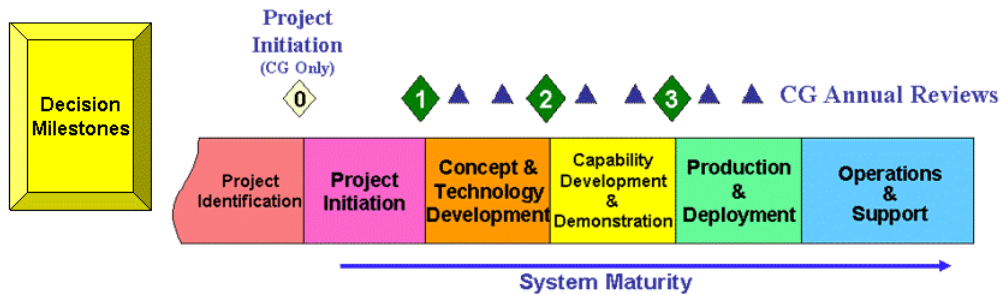
Project governance processes have been in place for major acquisitions prior to and since the standup of the Department.. These include a formal investment review process that validates requirements, ensures affordability and spending that supports DHS missions, and decision milestones to gain internal and external approvals needed to advance to follow-on phases of the acquisition program. Our internal process is under the purview of the Coast Guard Acquisition Review Council, chaired by our Agency Acquisition Executive (AAE), who is also our Vice Commandant. External review is the responsibility of the DHS Joint Requirements Council and Investment Review Board, chaired by the Deputy Secretary of Homeland Security and of which our AAE is a member. In these venues, we are able to partner with other DHS components to consider cross-functional needs and requirements.



# Blueprint for Acquisition Reform in the U. S. Coast Guard



## Project Governance



Within the Acquisition’s Directorate, we have established a joint DHS/USCG executive oversight committee for our large Rescue 21 program to help monitor the project’s cost and schedule risks. In addition to myself, committee membership includes the Coast Guard CFO, the Rescue 21 project manager, the Chief, Office of Command and Control Capabilities (the project sponsor), the DHS Director of Program Analysis and Evaluation (PA&E), and representatives of the DHS CFO, CPO and CIO. We have been meeting together quarterly since June 2006 and I believe the program has benefited from participation by both the Department and Coast Guard.

### *Evidence of Improved Governance*

I’m pleased to bring to your attention some specific examples of changes in Coast Guard business processes resulting directly from more focused governance:

- An update to our Major Systems Acquisition Manual, or MSAM, to institute a more rigorous approach to identify projects, ensure proper execution of acquisition program management functions, and align with DHS investment review policy;
- Aggressive restructuring of the Deepwater program to position the Coast Guard to assume greater system integrator responsibilities, enhance competition; pursue service-wide logistics and network architecture solutions, create depth in the acquisition workforce, improve the existing contract for the new award term, and achieve best value for the American people; and

- Increased use of comprehensive acquisition plans, business case analyses and independent, third-party reviews in decision making and program management. For instance, as part of developing the FRC-B/Replacement Patrol Boat Request for Proposal (RFP), the project manager employed a “red team” of independent subject matter experts to evaluate the draft RFP and aid in making requirements completely clear prior to its release to industry later this month. Also, the Deepwater PEO last fall leveraged the Coast Guard R&D Center to consider the risks and way ahead for unmanned aerial vehicles.

This is just a small sample of our robust acquisition process. We have also established partnerships with the Office of Naval Research, Center for Naval Analysis, Naval Sea Systems Command, Defense Acquisition University, and others.

### *A Model for Mid-Sized Federal Agency Acquisition*

In building the *Blueprint for Acquisition Reform*, we considered numerous studies, inspector general reports, Government Accountability Office (GAO) audits, and internally-generated “lessons learned” from the past five years which cited deficiencies in our systems acquisition process and structure. Additionally, we reviewed features mandated in the Services Acquisition Reform Act (SARA) and department-wide expectations expressed by the CAO and CPO. Ultimately, we settled on the “house” framework developed by GAO for assessing the relative health of acquisition performance in federal agencies.



## Blueprint for Acquisition Reform in the U. S. Coast Guard



### Acquisition Reform Framework for the USCG



Based on the standard GAO Agency Acquisition Assessment Model

Each cornerstone (room) in the framework required the development of individual plans comprised of specific actions needed to enhance the overall efficiency and functionality of our acquisition enterprise. We have developed plans to address challenges and make improvements in: organizational alignment and leadership (which includes the consolidation of acquisition activities under one directorate); policies and processes; human capital; and knowledge and information management. We are acting upon many aspects of the plans, but know it will take time to comprehensively implement the framework.

The end result of these concerted actions will be the development of an acquisition directorate capable of efficiently and effectively meeting the mission requirements of Coast Guard operational forces in the post-9/11 world—thereby protecting our nation from dangerous people, cargo and conveyances, protecting our critical infrastructure and resources, improving emergency preparedness and response, and ensuring natural maritime safety.

### ***Acquisition Reform Strategic Intent***

In concert with departmental governance, the *Blueprint* is designed to achieve the specific strategic intent outlined below:

- Enhance mission execution by delivering integrated systems, assets and support necessary to accomplish maritime safety and security tasking;
- Establish adequate balance between requirements origination, acquisition management, and resource functions;
- Equip the Coast Guard to acquire major systems using organic capability or through management of a systems integrator, when appropriate;
- Align Coast Guard acquisition and procurement policies with DHS mandates; and
- Develop organic workforce competencies for both military and civilian employees, including in program management, contracting, and business and financial management.

We desire to become the model for mid-sized federal agency acquisition and procurement in the U.S. Government, and the *Blueprint* charts the course to this end.

### ***In Summary***

The Coast Guard culture is one geared toward action, with a strong ethos of partnering to accomplish missions. The *Blueprint* fits both our cultural and functional requirements for effective mission support.

By establishing clear governance processes, clarifying agency roles and responsibilities, redefining relationships with industry to ensure proper controls, and leveraging partnerships within DHS and the Department of Defense to spend scarce acquisition dollars wisely, we are ensuring that the Coast Guard of tomorrow can remain “always ready.”

Thank you for the opportunity to appear before you today. I look forward to your questions.