

Driving Contracting To Serve the Warfighter

Shay Assad, Director of Defense Procurement and Acquisition Policy

Shay Assad assumed his position as director of defense procurement and acquisition policy (DPAP) on April 3, 2006. He is responsible for all acquisition and procurement policy matters in the Department of Defense. Assad talked with *Defense AT&L* during the summer about his role as the principal advisor to senior leadership on acquisition strategies for major weapon systems programs, automated information systems programs, and services acquisitions; how 9/11 has changed the face of contracting; and the creation of a contracting competency model to define the competencies required for contracting professionals to perform their jobs.

Q *It has been just over a year since you were sworn in as the director of defense procurement and acquisition policy. Can you tell us the major duties and responsibilities of your position?*

A As the director of DPAP, I am responsible for all acquisition and procurement policy matters in the Department of Defense. I serve the role as advisor to the under secretary of defense for acquisition, technology and logistics, the deputy under secretary of defense for acquisition and technology, as well as the Defense Acquisition Board on acquisition and procurement strategies for all major weapon systems programs, major automated information systems programs, and services acquisitions.

I also advise senior DoD leaders on competition, source selection, multiyear contracting, warranties, leasing, and all international contracting matters.

As I told the Senate Committee on Armed Services last January, our acquisition team oversees the Department's purchases of items and services worth an average of \$300 billion annually, a volume of business unmatched by any other procurement organization in the world.

I am confident that the competency-based human capital strategy we are executing will enable us to right-shape an agile contracting workforce for the future.



The contracting functions that we perform are not trivial. Our contracting professionals require unique and significant skill and expertise to do their jobs. We continue to work every day to improve the service we provide to our men and women in uniform protecting our freedom around the world.

Q

From the unique perspective of the principal advisor to the under secretary of defense as you've just described, how has the current pace of operations and the need for ongoing, rapid deployment affected contracting strategies? Can the continued "surge" mentality be supported? How is your department working to manage the increased pace?

A

We have created the Joint Rapid Acquisition Cell to process urgent warfighter needs for acquisition. We endeavor to get product into the hands of our warfighters as quickly as possible with a team that's dedicated to shepherding the requirements throughout the process. We established the Joint Improvised Explosive Devices Office to work the IED issue. We amended the Defense Federal Acquisition Regulation Supplement at Part 218 to concentrate all the capabilities a contracting officer can use in an emergency. We're providing training for people involved in contingency contracting.

Q

You've said that our industry partners provide essential support to the deployed military forces that enables our forces to focus on their core mission. Industry has been providing support in many areas, including operating as private security firms in deployed regions. Has the global war on terror changed the relationship between the DoD and industry? What's being done to ensure that relationship remains strong?

A

The relationship hasn't changed. It is strong. I meet regularly with the different associations to hear what their issues are and what I can do to help. Open communication is the key to a strong partnership, and we work hard to keep those lines open and working.

Q

Contingency contracting is an area that has changed dramatically since 2001, largely in response to reconstruction efforts in Iraq and domestic natural disasters such as Hurricane Katrina. Can you talk about what new programs and initiatives are being developed in this area?

A

Emergency contracting has risen to the forefront in both interest and importance in the United States since September 11, 2001. Lessons learned on emergency con-

tracting operations supporting Operation Iraqi Freedom and Hurricane Katrina relief have emphasized the need for expanded contingency contracting policy. The Defense Department recognizes that its contracting practices are being performed under very trying circumstances. Despite the barriers and criticisms, the needs of the warfighter are being met—as are the needs of those who help during emergency relief operations—in the most expeditious and cost-effective manner possible.

My staff and I are working on many fronts to ensure that contingency contracting needs across the world are being met. As such, I have two main goals: the first is to provide timely, streamlined policy and regulations along with standard training; the second is to ensure lessons learned and best practices are built into new policy.

I recently returned from a trip to Iraq, where I met with the courageous men and women who are positively impacting the lives of many people and are ultimately helping to rebuild a nation. One young man, Commander Phil Murphy-Sweet, proudly showed me the work he had been doing with the Iraqi Security Forces and told me how he had extended his tour so he could finish what he had started. Sadly, shortly after my return, I watched while our honor guard laid him to rest in Arlington Cemetery. He lost his life after an IED exploded inside the convoy in which he was traveling. Events like these strengthen my resolve to get these heroes the tools they need to do their jobs, so we can bring them home safely to their families.

Q

You spoke recently about a new competence modeling tool that will help gauge the capabilities of the acquisition workforce and determine what areas need strengthening or realignment. The model will be used to assess individuals' capabilities and training, and for a high-level view of Service and departmental procurement capabilities. Can you tell our readers more about how this model will operate? When might we expect to learn results and feedback? How might it benefit the individual acquisition professional?

A

We just completed a five-month effort to define the integrated behaviors and underlying knowledge, skills, and abilities that define superior job performance for our contracting workforce. The result of this joint effort with the military departments, defense agencies, and the Defense Acquisition University is a contracting competency model that defines the competencies required for our contracting professionals to perform their jobs.

We are now working to deploy this model across the entire DoD contracting workforce over the next year. It's a major undertaking and will be the first time the Depart-

Shay Assad

Director of Defense Procurement and Acquisition Policy

Shay Assad assumed his position as director of defense procurement and acquisition policy (DPAP) on April 3, 2006. As the director of DPAP, he is responsible for all acquisition and procurement policy matters in the Department of Defense. He serves as the principal advisor to the under secretary of defense for acquisition, technology and logistics, deputy under secretary of defense for acquisition and technology, and the Defense Acquisition Board on acquisition/procurement strategies for all major weapon systems programs, major automated information systems programs, and services acquisitions. Assad also serves as the department's primary change agent for the implementation of strategic sourcing for goods and services. He is responsible for procurement/sourcing functional business process requirements in the Department's Business Enterprise Architecture, Enterprise Transition Plan. Assad is DoD's advisor for competition, source selection, multiyear contracting, warranties, leasing, and all international contracting matters.



Before assuming this position, Assad was the assistant deputy commandant, installations and logistics (contracts), Headquarters Marine Corps, Washington, D.C. He had held the position as the Marine Corps' senior civilian contracting official since June 2004.

Upon graduating with distinction from the U.S. Naval Academy in 1972, Assad served two tours of duty aboard U.S. Navy destroyers and won recognition as Outstanding Junior Officer, Fifth Naval District. He then served as a naval procurement officer at the Naval Sea Systems Command, where he was responsible for the negotiation and administration of the Aegis Weapons Systems engineering and production contracts.

In 1978, Assad began working for the Raytheon Company. Between 1978 and 1994 he served in several increasingly responsible contract management positions in Raytheon's largest Electronics and Missile divisions, gaining extensive experience in defense, commercial, and international contracting. In 1998 he was promoted to executive vice president and served as the chief operating officer and subsequently, as the chairman and chief executive officer of Raytheon's Engineering and Construction business. Assad retired from the Raytheon Company in 2001 and established a small business primarily providing consulting and retail services.

ment has attempted to assess its entire 26,000-strong contracting community. The competency assessment will allow the Department to assess the workforce in terms of size, capability, and skill mix, and to develop a comprehensive recruiting, training, and deployment plan to meet the identified capability gaps at both the organizational and individual employee level.

Q

There is continued concern about the aging workforce, and escalating fears of a loss of corporate knowledge. How do you feel these models might help with the recruiting and retention of the AT&L workforce? What else is being done to manage the workforce?

A

Our contracting competency model will enable us to identify and address capability gaps in the contracting workforce both today and in the future. We can then target those gaps through education, training, professional development, improved contracting tools, and the addition of resources, where needed, through recruitment and retention.

Education and training will be refreshed to improve skills and abilities of the workforce. We have modernized training for the contracting workforce in all aspects: certification training, continuous learning, and performance support and knowledge management. We are expanding the use of knowledge management and Web-based performance support resources so the workforce can always be engaged in learning and quickly apply best practices as they perform in the workplace.

Our contracting competency model and the consistent definitions of competencies and work that it provides across all DoD components will serve as the common language to facilitate these practices. I am confident that the competency-based human capital strategy we are executing will enable us to right-shape an agile contracting workforce for the future.

Q

In October, 2006, the Office of Cost, Pricing, and Finance was re-established within your office. What was the impetus behind recreating this office? How is it influencing defense procurement?

A

The impetus for recreating this office was a concern that the Department was not maximizing its abilities when negotiating contract prices. Over the previous five years, there had been a trend to decrease the Department's emphasis on the cost and pricing function.

The re-established Office of Cost, Pricing, and Finance is reversing this trend through the pursuit of a number of



There had been a trend to decrease the Department's emphasis on the cost and pricing function. The re-established Office of Cost, Pricing, and Finance is reversing this trend through the pursuit of a number of initiatives.

initiatives, including reinvigorating the cost and pricing skills within DoD; ensuring the appropriate use of award/incentive fees; and ensuring efficiency in the structuring of payment provisions.

In January of this year, the CPF office hosted a workshop for price analysts to re-invigorate the pricing function within DoD. The event was so well-received that in July, CPF will be hosting a workshop of approximately 300 price analysts to discuss best practices and address the key issues facing the working-level pricer.

With CPF leading the way, we are confident that the Department will maximize its cost and pricing skills to assure the negotiation of fair and reasonable contract prices.

Q *Ethics continue to be a priority in the defense acquisition and contracting worlds. What kinds of programs and training are in place to ensure that ethical conduct is an integral part of the system?*

A We want to instill ethical behavior as a core value of our workforce. So when senior officials within the Department have an opportunity to address the workforce, they frequently take that opportunity to emphasize not only their own personal commitment to ethical conduct but also their expectation that an ethical culture will permeate our organization.

The military departments and defense agencies, the Defense Acquisition University, and the Standards of Con-

duct Office offer a variety of ethics training programs, and their materials are updated annually. Our ethics training programs are largely compliance-based, emphasizing right behavior from wrong according to laws, regulations, and policies. We are working to translate this knowledge into valued-based behavior, where our acquisition workforce shares a personal commitment to ethical conduct in their work.

For example, the under secretary for acquisition, technology and logistics [at the time of the interview, Ken Krieg] is leading the way with his fiscal year 2007 AT&L Implementation Plan. The first of seven goals in this plan is a high-performing, agile, and ethical workforce. One way to achieve this is to make ethical performance standards part of the objectives of our performance plans.

At the direction of Congress, the Department established a Panel on Contracting Integrity earlier this year to take a holistic view of the areas of vulnerability in the defense contracting system that allow fraud, waste, and abuse to occur. The panel is led by Dr. James I. Finley [*deputy under secretary of defense for acquisition and technology*] and consists of 22 senior executives in procurement and acquisition from across the Department.

The panel will submit their first report to the secretary of defense and the congressional defense committees at the end of this year. The report will contain a summary of the panel findings and recommendations for any changes needed to the system of administrative safeguards and disciplinary actions to ensure accountability for any



From Our Readers

PBL Lessons Learned

I very much liked the article “Top Ten PBL Lessons Learned” by Ron Klein, Tim Stone, and Mike Murphy in the May-June 2007 issue of *Defense AT&L*. It was particularly helpful to me in a current task I have of assessing the logistical aspects of the software sustainment on the Joint Strike Fighter. I trust the authors are aware that JSF is planning to rely heavily on PBL.

I particularly liked the authors’ point about understanding the difference between cost and logistics, and finding the optimal solution. I also really liked lesson 10, and the summary of how hard change is, especially in the government.

Thanks to the authors for a great article and sharing their expertise with *Defense AT&L* readers!

Al Kaniss

Naval Air Systems Command

Risk Identification

I enjoyed reading Douglas J. Bragdon’s excellent article on the importance of risk identification in the risk management process in the May-June issue. Mr. Bragdon’s point that the identification process is not a one-shot effort is well taken; identification has to be a continuous process as technical risks continue to surface throughout the acquisition process. I’m recommending to the DAU risk management knowledge project officer that the article be included as part of the risk management community of practice in the DAU Acquisition Community Connection (ACC).

Bill Bahnmaier

President, DAU Alumni Association

violations of appropriate standards of behavior in contracting.

Q

Strategic Sourcing has been defined as the “collaborative and structured process of analyzing an organization’s expenditures and using the information to make business decisions about acquiring commodities and services more effectively and efficiently.” The data generated through strategic sourcing are expected to provide more transparency and accountability, and allow for the development of organizational efficiencies. How is this initiative operating today?

A

The Department of Defense, as the largest purchasing organization in the world, spent approximately \$300 billion to purchase goods and services in fiscal year 2006. We treat sourcing as a strategic function because it is vital to the success of our efforts to provide reliable, responsive, and cost-effective capability and support to the warfighter.

Strategic sourcing provides the department the ability to leverage regional and DoD-wide spend opportunities; optimize productivity and improve force development opportunities, and strategically acquire and manage services. Through strategic sourcing, the DoD ensures the most efficient and effective manner of buying products and services that are necessary to support the warfighter.

Q

How has the increasing emphasis on joint logistics and programs changed the way your Department operates?

A

I believe the most important thing we are doing is providing cradle-to-grave policy emphasis to logistics planning and long-term sustainment.

Our policies are being revised to ensure that logistics planning is a vital, early consideration in the development of joint program requirements and the identification of alternatives to satisfy those requirements. In that context, we are increasing our emphasis on policy not only to the acquisition of capability, but also to the long-term cost of ownership. To that end, Mr. Krieg initiated a pilot program in April to develop the most efficient business practices to incorporate the fully burdened cost of energy into acquisition decisions. We will be required to consider, at the earliest stages of development, the cost of energy for all tactical systems as a key component of the cost associated with operating and owning a given capability.

Q

Mr. Assad, thank you for your time.