

# Terms of Reference

## Technology Acquisition Reform

### Objective

To recommend alternative approaches to technology acquisition that could be implemented within the Department of the Navy's acquisition system.

### Background

The acquisition system used by the Department of the Navy (DON) to procure new systems including software and material is mandated by the Department of Defense (DoD). It is an industrial age system being employed in an information age. The goal of the acquisition system is to ensure that DON personnel have the best and most reliable state of the practice hardware and software available to accomplish assigned missions. Because of the complexity of modern day warfare, rate of change of technology, bottom line emphasis by commercial business, as well as regulatory restrictions both internal and external to the DoD, the acquisition system has become cumbersome and excessive.

In addition to being cumbersome the cost of administration of the acquisition system is of major concern both for government and industry alike. As a result of the cost and complexity of maintaining a unique DoD acquisition system, there are commercial companies who will not seek defense contracts. This has the potential of denying the latest technology to operational forces.

Furthermore, the cost of administration has to be measured in the currency of both money and time. The Milestone Decision Authorities must spend considerable time reviewing the necessary information and documentation to ensure that the acquisition decisions are compliant to regulations. In many cases the reviews are quickly rendered useless by changes in a program, which requires new documentation.

Finally, the Chief of Naval Operations has promulgated the strategy of *Seapower 21*. One of tenants of *Seapower 21* is to speed development of new concepts and technologies. In order for those new concepts and technologies to quickly reach the intended operating forces there must be streamlined procedures that facilitate rapid implementation.

### Specific Tasking

This NRAC study will examine current approaches to managing DON acquisition programs with a particular emphasis on technology acquisition. This study will also examine alternative approaches tested by other departments, agencies, and countries. Specifically, this NRAC study will:

- Review examples of new, emerging, and experimental technology acquisition. For example, NMCI lessons learned, CTTO lessons learned, In-Q-Tel, Army venture fund, DoD and Navy venture fund plans, UK R&D privatization.
- Investigate acquisition alternatives studied by ATL, and others.
- Recommend procedures and opportunities to streamline and improve technology acquisition subject to regulatory restrictions, identifying need for policy, procedural or regulatory changes that can expedite acquisition.