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The Navy's Acquisition Process

"Reforming acquisition is a complex problem. It will require all hands on deck. It will require balance, persistence, compromise, vision, pragmatism, and perhaps most important, collaboration – across the department, industry, and of course, the Congress."

– **The Honorable Sean J. Stackley, Assistant Secretary of the Navy for Research, Development and Acquisition**

New acquisition governance process in place

All Navy programs must manage risks to deliver to their commitments on time, to the required level of performance and on budget. In October 2008, [SECNAVINST 5000.2D](#) formalized an acquisition review process that had been in effect since February 2008. This review, coined the 2-Pass/6-Gate review process, requires senior leadership engagement at specified significant points or gates.

- In pass one, the first three gates (reviews) are led by the Chief of Naval Operations or Commandant of the Marine Corps, with participation from senior acquisition leadership. These reviews decide if a program has valid requirements, has adequately reviewed all alternatives, appropriately defined concepts and has the necessary budget.
- In pass two, the last three gates are led by the Assistant Secretary of the Navy for Research, Development and Acquisition, with participation from senior requirements leadership. These reviews evaluate overall program health by determining if a program has adequately-defined performance specifications, has a sound acquisition strategy, can be executed within budget, balances costs with industrial base stability and monitors program progress toward production.
- In addition to the review process, every major defense acquisition program must conduct an annual Configuration Steering Board, which provides a means to identify further opportunities to reduce costs.
- The Department of the Navy also has a process to address urgent needs from Navy Component and Joint commanders. Urgent Operational Needs statements submitted by operational commanders have been used to fulfill requests for Mine Resistant Ambush Protected vehicles, Intelligence, Surveillance, and Reconnaissance capabilities, Weapons of Mass Destruction detection tools for boarding teams, and small Unmanned Aerial Systems for Naval Special Warfare operations.

The acquisition workforce

- Section 852 of the Fiscal Year (FY) 2008 National Defense Authorization Act directed DoD to establish a fund to address acquisition workforce needs including retention, recruiting and training. Based on the FY08 allocation, the Department of the Navy expects to contribute about \$714 million across the Future Years Defense Program.
- Since 1990, the Navy has reduced its uniformed and civilian workforce tasked with executing acquisition programs. Today, the bulk of the Navy's acquisition workforce is within ten years of retirement eligibility.
- The acquisition workforce supports the Maritime Strategy by delivering the future force on schedule, on budget and with the required level of capability.

Key Messages

- The Navy is improving the acquisition process to maximize return on investment and meet warfighter's requirements.
- Acquisition governance provides needed senior leader insight and engagement earlier and more often in the process.
- Successful program execution is greatly affected by stability in funding and requirements.

Facts & Figures

- Contract awards are subject to industry protest at the Government Accountability Office. In FY08, four of 109 closed contract protests were sustained, 70 were denied and the remaining protests were either dismissed or withdrawn after the Navy initiated corrective actions.
- Section 852 of the FY08 NDAA directs each service to set aside funds appropriated for other purposes.