Portfolio Acquisition

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Portfolio Acquisition Concept

Elevate acquisition elements up to a portfolio structure for speed, agility, and an integrated capability suite.

Portfolio

A collection of programs, projects, increments, and related R&D and development efforts designed to achieve a set of strategic outcomes.
Break from a Program-Centric Model

System of Systems
Family of Systems
Net-Centric Systems

Portfolio Acquisition

Stove-piped solutions,
long cycle times,
high cost, schedule,
and performance risks

Need a model responsive to changes in operations, technologies, and budgets
Portfolio Acquisition Framework

Enterprise Management
- Strategy
- Architecture
- Governance
- Roadmap

Portfolio Structure
*An Integrated Suite of Capabilities*

Federated Inputs
- Requirements
- R&D
- Analysis

Delivery
- Operations
- and Sustainment

Budgets
Workforce
Contracting

Dynamic Resource Allocation
Portfolio Requirements

**Portfolio ICD**

Capability requirements and gaps for broad mission area

**Portfolio Requirements Backlog**

1. Requirement
2. Requirement
3. Requirement
4. Requirement

- Requirement
- Requirement
- Requirement

- Requirement
- Requirement
- Requirement

- Requirement
- Requirement
- Requirement

- Requirement
- Requirement
- Requirement

Changes in:
- Operations
- Technologies
- Threats
- Analysis

Integrated, Dynamic, Prioritized Set of Portfolio Requirements
Analysis

- Analysis of Alternatives
- Integrated cost, schedule and technical models
- Integrated risk management
- Threat assessments – operational, system, technology, services
- Optimizing investments and capability mix for mission impact

Continual, Integrated Analytical Environment to Optimize Cost, Risk, Performance, and Mission Impact
Research and Development

- Separate technology R&D from systems development
- Robust R&D will shape CONOPS and requirements
- Faster technology maturity, transition, and use of comm technology

Active R&D Community

- Gov’t Labs
- Universities
- FFRDCs
- UARCs
- Small Businesses
- Large Contractors

R&D Infrastructure

- M&S
- Experimentation
- Prototyping
- Rapid Testing

Commercial products and technologies

Suite of Mature Technologies

Next Programs or Increments

Invest in a collaborative, competitive environment to continually mature technologies and foster innovations

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Scope programs to deliver capabilities in reasonable timeframe

- **Highest Priority Requirements**
  1. Requirement
  2. Requirement
  3. Requirement

- **Program Scope**

- **Mature Technologies**
  Suite of Mature Technologies

- **Analytically Sound**

- **Weapon System**
  < 5 Years*

- **IT System**
  < 18 Months*

* MS B to IOC
Enterprise Architectures

- Integrated designs to optimize enterprise performance
- Design common standards and interfaces
- Drive use of common platforms/infrastructure and subsystems
- Maximize use of Modular Open System Architectures (MOSA)
- Establish technical governance
Strategies

- **Portfolios capstone documents**
  - Short program docs capture unique content
  - Reduce cycle times – streamline docs and reviews

- **Common, repeatable processes**
  - Ensure programs leverage best practices
  - New programs start with established framework

- **Enable broader competition and strengthen industrial base**
  - Portfolio-wide strategies beyond competing for EMD contracts
  - Leverage AT&L’s Sector-by-Sector, Tier-by-Tier (S2T2) analysis
  - Examine more dual awards, split buys, and parallel developments
Contracting

Develop active, long-term partnerships with many companies

- Portfolio level contracts reduce contracting timelines and overhead costs while increasing competition and performance
- Multiple Award IDIQ contract(s)
  - Rapid task order processes
  - Pre-negotiated terms, labor rates, metrics, and templates
  - Weigh performance on portfolio delivery orders for future awards
- Align portfolio funded R&D with IR&D to foster innovations
- Increase small business participation via SBIR, STTR, and BAAs
Roadmaps

- Long range planning and management tools
- Manage legacy system transition to an integrated capability suite
- Understand operational impacts to budget cuts, program delays
- Integrated cost, schedule, performance, and risk analysis/awareness
**Governance**

- **Shared responsibilities**
  - Ops, acquisition, budget, sustainment

- **Align portfolios**
  - Ensure same mix of programs

- **Delegate decision authorities**
  - Enable timely decisions

- **Central knowledge repository**
  - Provide transparency and insight

- **Align incentives**
  - Ensure all seek common outcomes
Budgets

- Transition to new budget model
  - PE: Portfolios
  - BPAC: Programs

- Dynamic allocation of portfolio funding to programs

- Allocate funding for portfolio R&D, analysis, and resources

- Reallocate funds based on priority, performance, budget changes

- Requires shared leadership and coordination across operations, acquisition, and budget executives
Workforce

Dynamic Staffing Model

~50% assigned to PMO for long-term to become program experts

~50% Process or Technical SMEs assigned at key points across the lifecycle to provide targeted support

- SMEs responsible for replicating best practices across programs
  - Develop/maintain guides, templates, references, processes
  - Conduct research, collaborate with SMEs across DoD, Industry
Sustainment

- Portfolio arch, designs enable strategic sustainment strategies
  - Common platforms, subsystems, and services
  - Strategic capital investments across programs

- Performance Based Logistics for mission-area capability rates

- Enterprise analysis/optimization
  - Leasing vs buying
  - Public/private partnerships
  - Resources and Facilities
  - O&S Costs
  - Competition
Portfolio Acquisition Could Address Many Better Buying Power Initiatives

- Affordability and should cost management
- Stronger acquisition, requirements, and intel partnerships
- Improve productivity of Gov’t and Industry R&D
- Increase use of prototyping, experimentation, and MOSA
- Decrease cycle times
- Create competitive environments including small business
- Strengthen organic engineering capabilities

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Portfolio Acquisition

Enable Faster Delivery of an Integrated Suite of Capabilities