BLUEPRINT FOR
ACQUISITION REFORM

in the
U. S. Coast Guard

Assistant Commandant for Acquisition (G-A)
12 February 2007
Version 1.2
Executive Summary

This document contains the *Blueprint for Acquisition Reform* in the form of a whitepaper and Power Point presentation suitable for delivery to groups both familiar and unfamiliar with the Coast Guard acquisition structure and processes. This package is designed to layout the current state of planning for the Coast Guard’s overarching schema for acquisition reform. Integral, but not all-inclusive, to this effort is the consolidation of the Acquisition Directorate, IDS (PEO Deepwater), CG-66, CG-85 and the R&D Center into CG-9, or the reformed Acquisition Directorate which will be accomplished as Commandant’s Intent Action Order (CIAO) #1. The general plan and background are contained in the white paper, with the overarching strategy and details of the four suggested component plans contained in the Power Point (note pages). The four plans that constitute sub-components of the *Blueprint* are:

1. Organizational Leadership and Alignment (CIAO #1)
2. Human Capital
3. Policies & Processes
4. Knowledge and Information Management

The intent of the *Blueprint for Acquisition Reform* is to survey past assessments, lessons learned following project execution (hotwash), input from Defense Acquisition University and other independent sources, with the goal of cataloging specific issues that historically impede the efficient execution of acquisition projects. Following the identification of specific shortcomings, positive steps are recommended to remedy each. The cumulative effect of implementing corrective actions will be the enhancement of the Coast Guard’s ability to:

- Continue to efficiently execute asset-based “traditional” projects
- Effectively employ a governmental or commercial entity as a systems integrator for complex acquisitions
- Efficiently execute non-major acquisitions and contracts for necessary goods and services

Following the path suggested in the *Blueprint for Acquisition Reform* will yield distinct improvements in Coast Guard acquisition processes and results, but the full benefit of lifecycle systems management will not be realized until the Mission Support (CIAO #4) architecture is defined and implemented. The *Blueprint* represents a significant step forward in establishing the Coast Guard as a model mid-sized federal agency for acquisition processes, policy, workforce and functionality.

The central goal is to enhance Coast Guard mission execution through effective and efficient lifecycle systems management.
The U.S. Coast Guard Blueprint for Acquisition Reform

The USCG is a unique federal institution in its scope of constituency and customer base. To adequately perform missions, the USCG works daily with commercial entities, law enforcement organizations and military authorities around the globe. In times of threat to security or safety, the Coast Guard is the only organization capable of coordinating the wide span of forces brought to bear by Defense, Department of Homeland Security (DHS) partners, Federal, state, local governmental and other organizations in the maritime environment. As such, the USCG must deploy operational assets and command and control systems capable of operating with a diverse population of stakeholders at all levels. Through the authorities specified in the National Maritime Strategy and several other policy instruments, including Homeland Security Presidential Directives, the Coast Guard is designated the lead Federal agency for response to safety and security threats in the maritime arena.

Integrating regulatory, public safety and military functions is a critical USCG competency. Accordingly, the service acquisition enterprise must be capable of providing the unique tools and platforms required to accomplish that tasking. The strategic context within which the Coast Guard was required to achieve this integration changed dramatically following the events of September 11th 2001. Mission stability was superseded by an environment of new strategic imperatives that drove additional operational requirements. Disruption in the acquisition process followed as the USCG sought to meet the demands of new mission-generated requirements across the Integrated Deepwater System (IDS/G-D) effort, as well as in several other major Acquisition Directorate (G-A) projects. Acquisition capability lagged behind the expanded operational requirements and budget revitalization experienced post-9/11. As a result of Federal reorganization, the USCG became a key component in the Department of Homeland Security. Upon migrating from the Department of Transportation to DHS, the USCG shifted from being a Tier II to a Tier I agency in a department with a decidedly different focus. Early on, the Coast Guard recognized a need to enhance several competencies and capabilities including the ability to acquire complex systems in support of expanded mission requirements.

The Coast Guard’s current patchwork arrangement of acquisition, systems engineering, contracting, testing and logistics support has evolved over our 200 plus year history in response to emergent requirements, often driven by time-critical national priorities. In 2001, the decision was made to split the nascent IDS acquisition from the Acquisitions Directorate. The IDS acquisition was to be accomplished through a commercial integrator using a system-of-systems modality, while ongoing asset acquisitions continued through the administration of traditional contracting methods.
Within the two primary acquisition entities (G-D and G-A) staff redundancies exist that independently provide the same or similar functions. In addition to these components, the Engineering & Logistics Directorate (CG-4) which is responsible for systems engineering, maintenance and logistics support for all operational assets and physical infrastructure, executes acquisition and procurement activities for systems and facilities support. Contracting, procurement policy and resource management are split between G-ACS, in the Acquisition Directorate, and CG-85 in the Resource Directorate. Information technology-related procurement is accomplished, to a large extent, by the Command, Control, Communications and Information Systems Directorate (CG-6), although the lines for governance of information technology (IT) related acquisition are often blurred. The Assistant Commandant for Operations (CG-3) manages the acquisition of several non-major systems in concert with CG-4 and G-ACS. At the Headquarters level, governance issues continually arise due to lack of standardized systems management doctrine, cross-directorate alignment and standardized decision making tools. The current arrangement results in a lack of standardized processes, internal inefficiencies and external confusion regarding who is responsible and accountable at each step in the Coast Guard acquisition process.

Additionally, there is no accepted doctrine for the collaborative integration of requirements generation, design, acquisition, sustainment, planned obsolescence or planning for future acquisitions. In short, major systems are not managed from a lifecycle perspective. Governance of individual projects has become problematic, causing confusion within headquarters staffs and operational sponsors regarding where the responsibility for project execution lies. Meanwhile, DHS is building policy requirements for standardized, department-wide acquisition processes and investment review. DHS views the Coast Guard acquisition structure as fragmented. The Coast Guard should take a lead role in assisting with DHS developmental efforts, but must first ensure that its own internal processes, workforce and policies are aligned.

When ADM Thad Allen assumed the office of Commandant in May 2006, one of his first directives was to initiate the reform of acquisition in the Coast Guard. Initially, the task was defined as consolidating the Deepwater and Acquisition organizations within a single, more efficient and effective construct. Following a close examination of the level of acquisition capability in the Coast Guard, it became evident that a broader initiative was required. The Assistant Commandant for Acquisition (G-A) was given the mandate to develop, in concert with other stakeholders, common process, policy, structure and procedure for the service acquisition enterprise. The Coast Guard has recognized that it will never have, nor does it require, the acquisition capabilities of the Department of Defense. It must, however, build internal competencies and establish the ability to partner externally with governmental and commercial entities to continue the efficient execution of asset-based systems acquisitions, while attaining the ability to effectively employ an external integrator when appropriate. The overarching goal is to enhance mission execution through a responsive, competent and efficient acquisition organization. The plan to accomplish this capabilities enhancement is titled the **Blueprint for Acquisition Reform.**
This effort commenced with a comprehensive assessment of the current state. Numerous studies, IG reports, GAO assessments and internally generated lessons learned over the past five years cited deficiencies in systems acquisition process and structure which were considered in building the **Blueprint for Acquisition Reform**. Additionally, the plan considered features mandated in the Services Acquisition Reform Act (SARA) and department-wide expectations expressed by the DHS Chief Procurement Officer. The **Blueprint** utilizes a framework developed by the U.S. Government Accountability Office for assessing the relative health of acquisition performance in Federal agencies.

While the consolidation of Deepwater and the Acquisition Directorate, to also include elements of the Command, Control, Communications and Information Systems Directorate, the Resources Directorate and the Research and Development Center, is a major component of the **Blueprint**, the plan also encompasses actions that must be taken in concert to achieve the functionality required in today’s Coast Guard. Each cornerstone (room) in the framework has required the development of individual plans comprised of specific actions needed to enhance the overall efficiency of the enterprise. The four individual plans, attached as annexes to this document, include:

1. Organizational Alignment & Leadership (including CIAO #1)
2. Policies and Processes
3. Human Capital
4. Knowledge & Information Management

The synergies built within this combination of plans will enhance the overall competency, capability and capacity of the Coast Guard to organically acquire assets and services using traditional contracting, while facilitating the use of outside (governmental or commercial) systems integrators when warranted. The plans will result in sustainable enhancements through the development of workforce competencies, particularly in program management and contracting. New start projects will be closely reviewed to ensure adequate cost estimation, technical feasibility and risk assessment. Details of the four plans are contained in the accompanying power-point and annexes. The bottom line result of these concerted actions will be the development of the Acquisition Directorate capable of efficiently and effectively meeting the mission requirements of Coast Guard operational forces.
Blueprint for Acquisition Reform in the U. S. Coast Guard

The Way Ahead:
Phase I – CIAO 1 +
Phase II – CIAO 1 and 4 +

Assistant Commandant for Acquisition
Deepwater Program Executive Officer
12 February 2007
The Coast Guard must become the model for mid-sized Federal agency acquisition in process, workforce and capability.”

ADM Thad Allen

The Coast Guard must have the organic ability to:

• Execute major systems acquisition of required assets and services in compliance with DHS policy.
• Employ an integrator to acquire assets compliant with a Coast Guard defined systems architecture in a performance-based contract environment.
• Execute non-major acquisitions to efficiently and effectively support missions, facilities, and infrastructure.

This brief will map the Coast Guard Blueprint for Acquisition Reform. Defined as capital assets requiring lifecycle management.

With the ascendance of the Coast Guard to tier one Federal agency status, transfer to the Department of Homeland Security following the events of September 11, 2001, the ongoing acquisition of the IDS using non-traditional contracting and various other more traditional systems acquisitions, the Service acquisition enterprise has never been more challenged.

• Acquisition functions are currently accomplished by numerous staff elements (HQ & field) without common process, procedure, experience, abilities or knowledge.
• Numerous reviews and studies have cited significant deficiencies in the Coast Guard’s ability to acquire complex systems despite some notable successes.
• The acquisition budget has grown by an order of magnitude. Currently at $1.4B per FY. As currently structured, this exceeds the Coast Guard’s ability to execute.
• The Coast Guard must institute positive change to enable the execution of traditional contracting, as well as execution through a government or commercial systems integrator.
Current State – Numerous Internal Acquisition Activities

- **Acquisitions Directorate**: Asset-based systems acquisition (DoD 5000 model > CG Major Systems Acquisition Manual)
- **Deepwater Program Executive Officer (PEO)**: System of Systems performance-based acquisition using a non-governmental Systems Integrator (ICGS).
- **CG-3 (Operations Directorate), CG-1 (Human Resources Directorate), and CG-4 (Engineering and Logistics Directorate)**: Procurement of assets below the major systems threshold.
- **CG-6 (Telecommunications and Information Systems Directorate)**: Procurement of IT systems.
- **Field activities**: Acquisition of sub-systems level asset support.

*Lack of standardized structure, process and accountability*

- Various commands and staff elements procure goods and services to satisfy Coast Guard needs. This decentralized construct has resulted in an inefficient, undisciplined approach that lacks common procedures, internal controls, common financial transaction and property accountability systems.
Past Assessment Reports

- USCG-“Changes to Deepwater Plan Appear Sound and Program Management has Improved but Continued Monitoring is Warranted”, GAO-06-546/April 2006
- DHS-“Success and Challenges in DHS’ Efforts to Create an Effective Acquisition Organization”, GAO-05-173/March 2005
- USCG-“Coast Guard’s Deepwater Program needs Increased Attention to Management and Contractor Oversight”, GAO-04-380/March 2004
- USCG-“New Communications System to Support Search and Rescue Faces Challenges”, GAO-03-1111/September 2003

Common Themes

• Past assessments reveal common themes regarding shortcomings in our procurement and acquisition processes, workforce and structure.
Common Causes for Coast Guard Acquisition Performance Problems

• Inadequate definition, understanding and/or stability of requirements
• Lack of acquisition expertise in program management
• Inability to effectively manage a systems integrator
• Inability to adequately assess programmatic risk
• Lack of expertise in cost estimation
• Suboptimal contract strategy formulation
• Inadequate senior level strategic program management and oversight
• Lack of continuity in key management positions
• Lack of knowledge management and decision support systems

These shortcomings are common across government acquisition

• Throughout the catalog of studies, reports and hot-wash of recent experience, a set of common deficiencies in the Coast Guard’s ability to execute emerges. It is beneficial to identify these specific issues as the first step toward remediation.

• These shortcomings are common throughout government and commercial systems acquisition to varying degrees.

• The Blueprint defines corrective action, both short and long-term, for most of these deficiencies.
Summary of Acquisition Reform Strategic Intent

- Enhance **mission execution** by delivering integrated systems, assets and support necessary to accomplish maritime safety and security tasking.
- Become the **model for mid-size Federal agency** acquisition and procurement.
- Establish adequate **balance** between requirements generation, 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 review and process mandates.
- Develop **organic workforce competencies** (military & civilian):
  - Program Management
  - Contracting (1102 series)
  - Business/Financial Management, Lifecycle Logistics, COTR, etc.
- **Reform organization** to facilitate efficient and effective execution:
  - Policies & Processes
  - Knowledge & Information Management
  - Human Capital
  - Organizational Alignment and Leadership

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

- The Blueprint for Acquisition Reform, of which CIAO#1 is a part, is designed to achieve the specific strategic intent listed here.
- Accomplishment of these goals will start the Service on a path to effective and efficient program and contract execution in a lifecycle context.
- Full acquisition reform will only be realized through the aggregate effect of CIAO #1, CIAO #4 and the other actions identified in this plan.
• To adequately assess, identify and correct deficiencies in our acquisition architecture, we have adopted the GAO framework for assessing the health of an agency’s acquisition capability.

• Strategy for building our acquisition capabilities is based on this model.

• Note the interconnected circles in the “attic” of the “house.” This is the balance of key functions that must be achieved to facilitate efficient acquisition processes.

• The colors of each “room” reflect our own current self-assessment.
Overview

• Provides a framework illustrating what USCG intends to achieve in the area of Organizational Alignment and Leadership with an Integrated Approach to acquisition that centralizes Program Execution, Support as well as Contracting and Procurement.

• CIAO#1 and supporting initiatives accomplish these goals.

Expected Results

• Improve mission execution by delivering more effective platforms and support aligned by product lines in a lifecycle management context

• Enhance acquisition process execution by organizing internal functions to eliminate redundancies and optimally align support activities to better control cost and performance in all acquisitions.

• Provide a single-point executive leadership for the CG acquisition function

Approach

• Implementation of CIAO#1 over the next 6-24 months

• Hire SES to HCA and Deputy CAO positions

• Continue collaboration with DHS in policy formulation
• This slide depicts the end state envisioned for CIAO#1
• Program management is the “operational” arm of the acquisition structure. All other elements exist to support the Program Manager, the lynchpin function for the entire process.
• Contracting is aligned in execution and policy, both at HQ and in the field.
• The R & D Center has been incorporated into an Office of Research, Development, Test & Evaluation which will provide critical acquisition support tasks heretofore not assigned. This cell will also contribute to requirements establishment and review during the pre-acquisition phase.
• Acquisition Services exists to support the PM Division in all aspects of the process including new starts, cost estimation, risk assessment, financial management, corporate outreach, training & certification and myriad other support tasks. This structure addresses and corrects specific areas of weakness identified earlier.
• This construct provides for lifecycle management of product lines, as well as alignment with DHS for policy and oversight.
• This organization is a component part of the overarching Mission Support Organization (SYSCOM) currently under development.
Overview

- Provides a framework illustrating what USCG intends to achieve in the area of Human Capital through more effective programs to recruit, hire, retain, train and certify a core cadre of acquisition personnel in Program & Contract Management as well as in other acquisition disciplines such as budgeting, logistics, and systems engineering.

Expected Result

- Goal in this area is to recognize that quality people are an essential element for ensuring that our acquisition programs are positioned for success.

Approach to Achieving Results

- Recognize the importance of personnel continuity, particularly in key leadership positions
- Institute a robust training and certification program
- Establish a balanced workforce between civilian and military
- Develop career paths for civilian and military
- Identify key acquisition competencies and hire/develop accordingly
- Enhance professional development of existing workforce
Overview

- Provides a framework illustrating what USCG intends to achieve in the area of Policies & Processes through implementation of the updated Major Systems Acquisition Manual, instituting a more rigorous approach to identifying projects, ensuring proper accomplishment of Acquisition Program Management functions and aligning with DHS investment review policy.

Expected Results

- Policies, processes and procedures tailored to better position acquisition programs for success.

Approach to Achieving Results

- Establish common processes and effective controls across all acquisitions
- Establish integrity and discipline in project execution
- Align with DHS and DOD
- Partner with other DHS components through the JRC and Commodity Council
- Align resource requirements with an approved acquisition plan (E.G. APB>>CIP)
Overview

- Provides a framework illustrating what USCG intends to achieve in the area of Knowledge & Information Management through Lessons Learned, Performance Measurement, Knowledge Sharing, and Knowledge Management.

Expected Results

- Goal of this area is to help make individual acquisition projects more efficient and effective by sharing knowledge and information.
- Growing experience through sharing lessons learned
- Robust data centric decision making tools

Approach to Achieving Results

- Establish standard, meaningful metrics
- Facilitate data-driven decision making
- Expand the use of modeling
Key Concepts for Success
• Project management is the lynchpin for success of this reformation
• Project Managers must be empowered, the single point of authority for their programs, the strategic managers of the entire process.
• The span of control is such in the CIAO#1 structure that PM’s must be the (semi-) autonomous, trained, resourced, empowered and accountable leaders of the effort
• Project management capabilities must be “built or bought.” The Coast Guard must establish a competency development methodology for military and civilian employees.
• Properly trained and supported project managers must be the single point of accountability for successful execution.
Project Governance processes are in place and include:

**Information Flow and Approval Levels**
- Formal Investment Review Process in place for review and approval of major investments
- Validates requirements and ensures affordability
- Ensures spending supports DHS missions

**Decision Milestones**
- Project Initiation milestone (CG unique) to document mission analysis and assess preliminary affordability
- Internal (CGARC) and External (DHS JRC/IRB) milestone approval required prior to moving into next acquisition phase
- Exit Criteria have to be satisfied and satisfactory progress demonstrated at each milestone
- Investment performance reviewed annually by CG Acquisition Executive and all Stakeholders
- Both internally and externally, budget planning, review and approval tasks must be aligned to ensure adequate oversight and policy compliance, while focusing on efficient project execution.
• Critical elements and functions required for successful acquisition execution are disparate and not aligned in process
• As a result of a lack of expertise borne from experience, Project Managers do not exercise strategic management
• By default, Contract Officers assume a larger role than desired creating an imbalance in overall project management. This results in management by “line item” rather than strategic project management
• Requirements are generated, then passed to the acquiring activity without interactive review during the acquisition process
• The planning, programming and budgeting (Resources) authority does not dynamically interact with the acquisition process. Need to expand Below the Threshold Reprogramming Authority.
• R & D is not centrally connected to the acquisition process. Doing so will provide the PM with a critical set of tools.
• Although this system has produced success in medium sized, asset-based projects, its is not suitable for large, complex contract execution, particularly those involving C4I/IT requirements.
• A new, fully integrated and aligned process must be established to focus, coordinate and strategically manage projects
• All component parts must interact strategically over the life of the acquisition to most efficiently produce the required capability
• In particular, the Project Manager must be empowered to lead the whole process from a strategic perspective
• Requirements must be reviewed on a cyclical basis to revalidate through the lens of affordability and technical achievability
• Staff elements contributing to project execution must contribute to the effort, under the leadership of the designated Project Manager, in a matrix Integrated Project Team which, once chartered, will exist throughout the lifecycle of the system being acquired

• Leadership of the matrixed IPT can change as the system matures, but the core competencies represented remain in place throughout the lifecycle

• This reality can only be realized through implementation of the Mission Support (SYSCOM) structure defined in CIAO#1 & CIAO#4

• Interim steps can be taken to structure the acquisition phase IPTs in advance of the full realization of the Mission Support structure
**What the Blueprint for Acquisition Reform Yields**

**Phase I (CIAO #1 +):**
- Single Coast Guard Executive Point of Contact for Acquisition
- Standard Acquisition Processes & Doctrine
- Disciplined and Balanced Project Management
- Centralized Contracting Operations and Policy
- Systems Acquisition Using the Product Line Model

**Phase II (CIAO #1 & #4 +):**
- Product Line Management through Asset Lifecycle
- Resolved Governance of Acquisition Initiatives
- A Viable Acquisition Workforce Career Path for Military and Civilian Employees
- Enhanced Ability to Acquire at the Major and Non-Major System Levels
- Ability to Manage Systems Integrators
  - DoD or OGA
  - Commercial Contract

**Enhanced Mission Execution Through Efficient Acquisition and Lifecycle Management of Critical Assets and Capabilities**

- Implementation of this “Blueprint” will position the Coast Guard well on the road to becoming a model for mid-sized Federal agency acquisition processes, functionality and workforce.
- Although incremental results will be realized through the implementation of CIAO#1 and the Blueprint, full benefit will only be achieved when CIAO#4 is fully in place.
### Phase I & II Implementation Yields

<table>
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<tr>
<th>Problem, Issue or Concern</th>
<th>Status Quo</th>
<th>New Model</th>
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<tbody>
<tr>
<td>Aligned Acquisition Processes</td>
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<td>Governance</td>
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<td>R &amp; D Support of Acquisition</td>
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<td>Standard PM Support Functions</td>
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<td>Centralized Contracting Authority</td>
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<td>Workforce Development &amp; Cert</td>
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<td>Lifecycle Systems Management</td>
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<td>Common Acquisition Doctrine</td>
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<td>Decision Tools &amp; Internal Controls</td>
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Additional Slides/Backup
Delete Deepwater Program Manager (DPM) and elevate Domain Managers to Office Level Program Manager positions; Consolidate ILS and SOS Domains under a single Systems Integration and Logistics Manager.
Future Initiatives

- Create Acquisition Career Paths (military and civilian)
  - Project Manager Tour lengths
  - Project Manager Selection
  - Project Manager and Deputy Project Manager Hybrid Structure (Best Qualified O-6/GS-15)
  - Precepts to Promotion Boards
Blueprint for Acquisition Reform in the U. S. Coast Guard

CIAO #1: Guiding Principles

• Optimize span of control at all levels
  – Establish clear lines of governance and communication
  – Align adequate Flag and SES positions
  – Consider need to co-locate SIPO with CG-9
  – Align with enterprise architecture
  – Align processes using Product Line Manager concept
• Enable organic contracting or contract systems integration
  – Ensure capability to provide synergistic Program Mgmt & KO functions
• Support full life cycle management of assets and systems
• Provide career progression and development of workforce competency (Military & Civilian)
• Minimize disruption to existing acquisitions during org changes
  – Allocate personnel within existing resource levels (initially)
CIAO #1: Structural Considerations

- Product Line Organization aligned w/ CG-3 (Ops), CG-4 (Log/Eng), CG-6 (IT)
- Asset sustainment to be managed by “field” product line managers
- Project Management (PM) Staff Construct
  - Core PM Staff: PM, dPM, Tech Mgr, COTR, Program Analyst, KO
  - Core PM Matrix Members: Business Mgr, Logistics Mgr, Systems Engineer, Sponsor’s Representative
- PM is resourced, empowered, responsible, and accountable
  - positioned to manage workload and life cycle issues
- Improved PM career progression/succession at all levels
- Improve functional competency development in workforce
  - technical, financial, logistics
CIAO #1: Key Established Positions

AAE: Agency Acquisition Executive
- Chairs CG Acquisition Review Council (CGARC)
- DHS Investment Review Board member

CG-9: Assistant Commandant for Acquisition
- Oversees systems acquisition management process
- Ensures compliance with DHS investment review policy
- Single entity responsible for Agency-level acquisition

CFO: Chief Financial Officer
- Budgeting & Funds Management
- CFO Act compliance

HCA: Head of Contracting Activity
- Oversees all CG contracting activities
- Responsibility for all CG procurement policy and oversight
- Certification and Warranting of all procurement professionals
- Debarment Official
- Competition Advocate

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

1. Concept & Technology Development
2. Capability Development & Demonstration
3. Production & Deployment

PORD ORD 1.0 ORD 2.0 ORD 3.0

Preliminary Requirements

Cost as an Independent Variable

Design to Cost / Trade Off Analyses

Affordable
And Technically Appropriate Capabilities Delivery

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**Requirements Review Cycle**

- Preliminary (Unconstrained) Requirements
- Affordability / Technical Feasibility
- Validated Requirements
- Key Performance Parameters
- Contract Award or Modification
- KDP or Block Production
- Acceptance

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

**Key Performance Parameters**

- Affordability
- Technical Feasibility

**Contract Award or Modification**

- KDP or Block Production
- Acceptance

**Validated Requirements**

- Preliminary Requirements
- Affordability / Technical Feasibility
- Key Performance Parameters
- Contract Award or Modification
- KDP or Block Production
- Acceptance
Overview: Within the “Blueprint for Acquisition Reform,” the first cornerstone of the assessment framework focuses on Organizational Alignment and Leadership. Organizational alignment means that the acquisition function is appropriately placed within the organization and that stakeholders involved in acquisition have clearly defined roles and responsibilities. Executive leadership means that senior leaders provide support for executing the acquisition function. Executive leadership determines the relationship between the various functional departments and is key to strengthening the interaction between the agency’s management and employees.

Intent: The Acquisition Directorate will use the two elements and five critical success factors, that comprise Organizational Alignment and Leadership, to ensure proper organizational placement of the acquisition function, align stakeholder roles and responsibilities, and enhance leadership effectiveness.

Goal: The goal of organizational alignment is to ensure that the acquisition function enables the USCG to meet overall missions and needs. Clear, strong, and ethical executive leadership helps enable the USCG to work in an integrated fashion toward common goals.

Action Plan: The Acquisition Directorate will execute the following plan with completion dates and lead point of contact (POC) identified. Action Items are listed beneath each Critical Success Factor. The lead POC will track and monitor progress and brief the Executive Sponsor quarterly. This action plan will be reviewed and updated annually during the first quarter of the fiscal year.

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<thead>
<tr>
<th>Element: Align Acquisition with Agency’s Missions and Needs</th>
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<tbody>
<tr>
<td>Planned Completion</td>
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<tr>
<td>3Q FY07</td>
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<td>3Q FY07</td>
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<td>4Q FY07</td>
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| Planned Completion | Lead POC | Critical Success Factor: Organize the Acquisition Function to Operate Strategically |
| 4Q FY09 | CG-9 | Continue to move forward with establishing the single acquisition structure initiated as part of Commandant’s Intent Action Order (CIAO) #1. (Transitional Operational Capability (TOC): 1 Apr 07, Initial Operational Capability (IOC): 13 Jul 07, Final Operational Capability (FOC) 4QFY09). Ensure proper alignment with the future mission support organization CIAO #4 as well as with life cycle support. |
| 3Q FY07 | CG-9sa | Speak with one acquisition voice. Update and publish the mission and vision of the consolidated acquisition organization. |
| 4Q FY07 | CG-91/92/93 | Identify controls that assess the health of the acquisition function. |
| 4Q FY07 | CG-9283 | Update/Identify/Track/Publish outcome-oriented performance metrics for major acquisition programs related to acquisition efficiency, effectiveness, and results. Link to and demonstrate usefulness of achieving agency mission and goals. |
| 4Q FY07 | CG-9D | Develop and publish a Statement of Principles regarding acquisition throughout the USCG. |
| 4Q FY07 | CG-9 | Strengthen contracting. Incorporate the Head Contracting Activity (HCA) as part of CG-9. Hire a dedicated Senior Executive to perform the HCA function. |
### Element: Align Acquisition with Agency’s Missions and Needs (Continued)

<table>
<thead>
<tr>
<th>Planned Completion</th>
<th>Lead POC</th>
<th>Critical Success Factor: Organize the Acquisition Function to Operate Strategically</th>
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<tbody>
<tr>
<td>4Q FY08</td>
<td>CG-91</td>
<td>Centralize contracting and procurement management. Standardize policies and processes. Ensure alignment with DHS.</td>
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<tr>
<td>3Q FY07</td>
<td>CG-9D</td>
<td>Incorporate Research, Development, Test &amp; Evaluation (RDT&amp;E) as part of the CG-9 organization</td>
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<tr>
<td>4Q FY07</td>
<td>CG-9D</td>
<td>Establish and provide centralized mechanisms for acquisition support in the areas of Budget and Financial Management, Workforce Management, Logistics Management and Systems Engineering.</td>
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<tr>
<td>4Q FY07</td>
<td>CG-93</td>
<td>Establish a product line acquisition and management organization.</td>
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<tr>
<td>3Q FY07</td>
<td>CG-93</td>
<td>Identify the leadership and reporting structure for the CG-93 Process Team.</td>
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<tr>
<td>3Q FY07</td>
<td>CG-93D</td>
<td>Evaluate the appropriate number of program manager/deputy program manager positions</td>
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<tr>
<td>3Q FY07</td>
<td>CG-9</td>
<td>Investigate need to establish internal oversight staff for acquisition governance</td>
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<tr>
<td>4Q FY07</td>
<td>CG-9</td>
<td>Investigate delegation of CG Acquisition Executive Authority</td>
</tr>
</tbody>
</table>

### Element: Commitment from Leadership

<table>
<thead>
<tr>
<th>Planned Completion</th>
<th>Lead POC</th>
<th>Critical Success Factor: Clear, Strong, and Ethical Executive Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>4Q FY07</td>
<td>CG-9</td>
<td>Ensure the USCG Assistant Commandant for Acquisition is properly designated and empowered by senior leaders in the Service as well as Department of Homeland Security.</td>
</tr>
<tr>
<td>4Q FY07</td>
<td>CG-9</td>
<td>Examine existing infrastructure for providing executive leadership (e.g., Overarching Matrix Team (OMT), Coast Guard Acquisition Resource Council (CGARC), etc.) with a view to establishing an appropriate forum to promote integration and coordination among the agency’s budgetary processes and human capital, acquisition, and financial management functions.</td>
</tr>
<tr>
<td>4Q FY07</td>
<td>CG-9D</td>
<td>Review acquisition-related internal controls for sufficiency</td>
</tr>
<tr>
<td>4Q FY07</td>
<td>CG-924</td>
<td>Review and update, as necessary, the ethics code of conduct for the consolidated Acquisition Directorate.</td>
</tr>
<tr>
<td>1Q FY08</td>
<td>CG-924</td>
<td>Ensure ethics training on interacting with the contractor community is conducted by all personnel within the acquisition workforce on an annual basis.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Planned Completion</th>
<th>Lead POC</th>
<th>Critical Success Factor: Effective Communications and Continuous Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>4Q FY07</td>
<td>CG-9283</td>
<td>Expand and build upon existing USCG surveys (e.g., G-D, CG-85, etc.) to solicit views on the effectiveness of communications, effectiveness of acquisition processes, and areas needing improvement.</td>
</tr>
<tr>
<td>4Q FY07</td>
<td>CG-9283</td>
<td>Ensure processes are in place to develop, deploy and report metrics and identified internal controls.</td>
</tr>
<tr>
<td>4Q FY08</td>
<td>CG-9D</td>
<td>Continue coordination across acquisition functions to improve business processes, eliminate redundancy and inconsistency, and maximize leveraging of resources to meet common/shared requirements.</td>
</tr>
</tbody>
</table>
Annex to the Blueprint for Acquisition Reform

Action Plan for  
**Policies & Processes**  
(Executive Sponsor: CG-9D)

**Overview:** Within the “Blueprint for Acquisition Reform,” the second cornerstone of the assessment framework focuses on Policies & Processes. Policies and processes embody the basic principles that govern the way an organization performs the acquisition function. To be effective, policies and processes must be accompanied by controls and incentives to ensure they are translated into practice. Major acquisitions require special attention to promote successful outcomes.

**Intent:** Use the three elements and eight critical success factors, comprising Policies & Processes, to improve implementation of the acquisition function within the USCG.

**Goal:** The goal of effective policies and processes is to improve acquisition outcomes. Policies and processes also enhance partnering by the USCG Acquisition Directorate with other USCG organizations and raise awareness of external factors that could impact acquisitions.

**Action Plan:** The Acquisition Directorate will execute the following plan with completion dates and lead point of contact (POC) identified. Action Items are listed beneath each Critical Success Factor. The lead POC will track and monitor progress and brief the Executive Sponsor quarterly. This action plan will be reviewed and updated annually during the first quarter of the fiscal year.

### Element: Planning Strategically

<table>
<thead>
<tr>
<th>Planned Completion</th>
<th>Lead POC</th>
<th>Critical Success Factor: Partnering with Internal Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q FY07</td>
<td>CG-924</td>
<td>Conduct Requirements (Mission Needs Statement (MNS), Operational Requirements Document (ORD)) workshop with sponsors</td>
</tr>
<tr>
<td>4Q FY07</td>
<td>CG-924</td>
<td>Update Major Systems Acquisition Manual (MSAM) to reflect collaborative requirements process</td>
</tr>
<tr>
<td>4Q FY07</td>
<td>CG-924</td>
<td>Update MSAM to reflect systems program management</td>
</tr>
<tr>
<td>4Q FY07</td>
<td>CG-924</td>
<td>Update MSAM to reflect Acquisition Strategy process</td>
</tr>
<tr>
<td>4Q FY07</td>
<td>CG-924</td>
<td>Conduct Acquisition Planning workshop with sponsors</td>
</tr>
<tr>
<td>4Q FY08</td>
<td>CG-924</td>
<td>Investigate transferring DHS Investment Review Process (IRP) responsibility from CG-512 to CG-924</td>
</tr>
<tr>
<td>4Q FY07</td>
<td>CG-924</td>
<td>Document Requirements and Acquisition Planning lessons learned</td>
</tr>
<tr>
<td>4Q FY07</td>
<td>CG-924</td>
<td>Promulgate policy (i.e., Commandant Instruction 5000.9) for CG acquisition roles and responsibilities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Planned Completion</th>
<th>Lead POC</th>
<th>Critical Success Factor: Assessing Internal Requirements and the Impact of External Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>As resourced</td>
<td>CG-924</td>
<td>Baseline prior acquisition/contracting strategies of major systems for inclusion in lessons learned database.</td>
</tr>
<tr>
<td>Ongoing</td>
<td>CG-91</td>
<td>Track new or pending legislation that affects acquisition policies and processes</td>
</tr>
<tr>
<td>Ongoing</td>
<td>CG-91</td>
<td>Review Acquisition Plans (APs) with consideration of CG-wide needs (including non-majors)</td>
</tr>
<tr>
<td>Ongoing</td>
<td>CG-93</td>
<td>Monitor AP submittal with Advanced Acquisition Planning (AAP) forecasts</td>
</tr>
</tbody>
</table>

### Element: Effectively Managing the Acquisition Process

<table>
<thead>
<tr>
<th>Planned Completion</th>
<th>Lead POC</th>
<th>Critical Success Factor: Empowering Cross-Functional Teams</th>
</tr>
</thead>
<tbody>
<tr>
<td>As required</td>
<td>CG-924</td>
<td>Conduct Independent Verification &amp; Validation (IV&amp;V) cost, schedule, and performance measurement baselines for major systems</td>
</tr>
<tr>
<td>3Q FY07</td>
<td>CG-924</td>
<td>Create cross-functional team to review draft acquisition/contracting strategies for major systems</td>
</tr>
<tr>
<td>3Q FY07</td>
<td>CG-924</td>
<td>Create cross-functional team to review draft Requests for Proposals (RFPs) for major systems</td>
</tr>
</tbody>
</table>

Version 1.2, 12 February 2007
Annex to the Blueprint for Acquisition Reform

**Action Plan for**

**Policies & Processes**

(Executive Sponsor: CG-9D)

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### Element: Effectively Managing the Acquisition Process (Continued)

<table>
<thead>
<tr>
<th>Planned Completion</th>
<th>Lead POC</th>
<th>Critical Success Factor: Empowering Cross-Functional Teams</th>
</tr>
</thead>
<tbody>
<tr>
<td>As required</td>
<td>CG-93</td>
<td>Conduct cross-functional review (acquisition/contracting strategy and RFPs) for major systems</td>
</tr>
<tr>
<td>4Q FY08</td>
<td>CG-9281</td>
<td>Appropriately empower the Program Manager (PM) and Project Manager (PJM). Institute processes to demonstrate value of the PM/PJM (e.g., develop promotion board precepts, develop uniform insignia, etc.)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Planned Completion</th>
<th>Lead POC</th>
<th>Critical Success Factor: Managing and Engaging Suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annually</td>
<td>CG-91</td>
<td>Conduct training on Government and Contractor relationships</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Planned Completion</th>
<th>Lead POC</th>
<th>Critical Success Factor: Monitoring and Providing Oversight to Achieve Desired Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q FY07</td>
<td>CG-9283</td>
<td>Establish Earned Value Management (EVM) policies and processes for proper oversight</td>
</tr>
<tr>
<td>2Q FY08</td>
<td>CG-91</td>
<td>Conduct strategic review of AAPs to assess workload &amp; training requirements</td>
</tr>
<tr>
<td>3Q FY07</td>
<td>CG-91</td>
<td>Track training &amp; certification, and assignment of USCG Contracting Officer’s Technical Representatives (COTRs).</td>
</tr>
<tr>
<td>Ongoing</td>
<td>CG-9282</td>
<td>Track and communicate financial information for proper oversight</td>
</tr>
<tr>
<td>1Q FY08</td>
<td>CG-9282</td>
<td>Investigate integration of financial management and contract management systems</td>
</tr>
<tr>
<td>As required</td>
<td>CG-924</td>
<td>Monitor corrective action Remediation Plans in DHS Periodic Report</td>
</tr>
</tbody>
</table>

### Element: Promoting Successful Outcomes of Major Projects

<table>
<thead>
<tr>
<th>Planned Completion</th>
<th>Lead POC</th>
<th>Critical Success Factor: Using Sound Capital Investment Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annually</td>
<td>CG-9282</td>
<td>Ensure capital investments linked to missions</td>
</tr>
<tr>
<td>As required</td>
<td>CG-9282</td>
<td>Review Exhibit 300 submissions and Acquisition Program Baselines (APB) for link to CG/DHS missions</td>
</tr>
<tr>
<td>4Q FY08</td>
<td>CG-9282</td>
<td>Ensure all investments linked to DHS strategic goals</td>
</tr>
<tr>
<td>4Q FY08</td>
<td>CG-9282</td>
<td>Establish a position on resource/budget reform that will provide the acquisition function with the agility to respond to changing requirements as documented in APB revisions</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Planned Completion</th>
<th>Lead POC</th>
<th>Critical Success Factor: Employing Knowledge-Based Acquisition Approaches</th>
</tr>
</thead>
<tbody>
<tr>
<td>4Q FY07</td>
<td>CG-924</td>
<td>Link Project Identification phase with Capital Planning &amp; Investment Control (CPIC) process that takes into account affordability, risks &amp; priority.</td>
</tr>
<tr>
<td>4Q FY07</td>
<td>CG-924</td>
<td>Propose process for Milestone (MS) 0 review and approval to include process to verify mission analyses.</td>
</tr>
<tr>
<td>3Q FY07</td>
<td>CG-926/CG-93</td>
<td>Institute third-party independent review process for conducting programmatic assessments, determining technical maturity and verifying design stability</td>
</tr>
<tr>
<td>4Q FY07</td>
<td>CG-9283</td>
<td>Develop knowledge-based decision tools for acquisition oversight</td>
</tr>
</tbody>
</table>

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Overview: Within the “Blueprint for Acquisition Reform,” the third cornerstone of the assessment framework focuses on Human Capital. Human capital policies and practices should support an organization’s overall missions and performance goals.

Intent: Use the four elements and eight critical success factors, comprising Human Capital, to determine whether the USCG has the appropriate human capital to execute the acquisition function.

Goal: The goal of human capital is to ensure that the USCG has the right staff in the right numbers applying skills where needed to accomplish the mission effectively.

Action Plan: The Acquisition Directorate will execute the following plan with completion dates and lead point of contact (POC) identified. Action Items are listed beneath each Critical Success Factor. The lead POC will track and monitor progress and brief the Executive Sponsor quarterly. This action plan will be reviewed and updated annually during the first quarter of the fiscal year.

Element: Valuing and Investing in the Acquisition Workforce

<table>
<thead>
<tr>
<th>Planned Completion</th>
<th>Lead POC</th>
<th>Critical Success Factor: Commitment to Human Capital Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>4Q FY07</td>
<td>CG-9283</td>
<td>Expand and build upon existing Workforce Satisfaction Surveys (e.g., G-D, CG-85, etc.) to monitor human capital management performance and understand issues such as effects on the workforce from consolidation activities, press reports on employee morale and what can be done to assuage any real or perceived human capital issues. Survey results will be reported to CG9 senior leadership and shared with staff as well.</td>
</tr>
<tr>
<td>1Q FY08</td>
<td>CG-9D</td>
<td>Investigate and assess the value of establishing an Office of Acquisition Workforce Management to focus exclusively on managing all USCG Acquisition Human Capital issues including strategic workforce planning and development, training, recruiting, retention, and succession planning.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Planned Completion</th>
<th>Lead POC</th>
<th>Critical Success Factor: Role of the Human Capital Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q FY08</td>
<td>CG-9281</td>
<td>Upon completion of strategic workforce plan, develop processes to ensure right workforce is in the right place at the right time to execute planned acquisitions.</td>
</tr>
</tbody>
</table>

Element: Strategic Human Capital Planning

<table>
<thead>
<tr>
<th>Planned Completion</th>
<th>Lead POC</th>
<th>Critical Success Factor: Integration and Alignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing</td>
<td>CG-9281</td>
<td>Examine and revise functional statements at the unit and individual level to create increased understanding and alignment of functions</td>
</tr>
<tr>
<td>4Q FY07</td>
<td>CG-9281</td>
<td>Work with CG-9 managers to clarify roles and responsibilities of CG-9 acquisition positions.</td>
</tr>
<tr>
<td>Ongoing</td>
<td>CG-9281</td>
<td>Work with CG-1 to update current acquisition Position Descriptions (PDs).</td>
</tr>
<tr>
<td>2QFY07</td>
<td>CG-9281</td>
<td>Ensure alignment of newly developed Position Descriptions (PDs) with roles and responsibilities for new hires under CG-9 organization to facilitate selection process for hiring qualified acquisition personnel.</td>
</tr>
</tbody>
</table>
### Element: Strategic Human Capital Planning (Continued)

<table>
<thead>
<tr>
<th>Planned Completion</th>
<th>Lead POC</th>
<th>Critical Success Factor: Data-Driven Human Capital Decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q FY08</td>
<td>CG-9281</td>
<td>Develop and implement a comprehensive long-range Strategic Workforce Plan describing the necessary competencies of the CG-9 acquisition workforce, and the specific individual level skill sets needed to execute and sustain current and future acquisition efforts (E.g., Adjust acquisition workforce profile to adapt to changes in budget and program direction.)</td>
</tr>
<tr>
<td>2Q FY09</td>
<td>CG-9281/3</td>
<td>Implement CG-9 Workforce Management System- Automated system for capturing and analyzing key workforce data including Level of Effort (LOE) by task and function, FTE shortfall and surplus by project, workload management, training requirements and delivery, etc.</td>
</tr>
<tr>
<td>4Q FY07</td>
<td>CG-9281/3</td>
<td>Institute more robust human capital measure set including; ratio of offers to acceptances, average employee tenure, reasons for separation, training evaluation survey data, etc.</td>
</tr>
<tr>
<td>Ongoing-Beginning 2Q FY08</td>
<td>CG-9 Managers</td>
<td>Make workforce management and development decisions- hiring, reprogramming, training- using FTE and skill set needs projections and analysis derived from the Strategic Workforce Plan</td>
</tr>
</tbody>
</table>

### Element: Acquiring, Developing, and Retaining Talent

<table>
<thead>
<tr>
<th>Planned Completion</th>
<th>Lead POC</th>
<th>Critical Success Factor: Targeted Investments in People</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning 4Q FY07</td>
<td>CG-9281</td>
<td>Transition/develop specific individual skills- through training, education, and internships.</td>
</tr>
<tr>
<td>Ongoing</td>
<td>CG-9281</td>
<td>Expand and track use of current Federal programs for merit-based step/grade increases, bonuses, and recognition.</td>
</tr>
<tr>
<td>4Q FY07</td>
<td>CG-9283</td>
<td>Extend human capital database that tracks acquisition certification to include CG-9 personnel.</td>
</tr>
<tr>
<td>1Q FY08</td>
<td>CG-9281</td>
<td>As part of the Strategic Workforce Plan, work with CG-1 to implement succession planning thru workforce development to build deep bench strength of internally qualified candidates. Enhance acquisition career paths for civilian/military acquisition workforce.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Planned Completion</th>
<th>Lead POC</th>
<th>Critical Success Factor: Human Capital Approaches Tailored to Meet Organizational Needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing-Beginning 3Q FY07</td>
<td>CG-9281</td>
<td>Work with CG-1 to identify and apply creative pay, recruitment, retention and other incentives (to include direct hire authority) as allowed for under existing Federal regulations, statutes, and policies.</td>
</tr>
<tr>
<td>1Q FY08</td>
<td>CG-9281</td>
<td>Develop CG-9 Strategic Human Capital Framework and Plan of Action &amp; Milestones (POA&amp;M), detailing policy and practices to ensure the right acquisition workforce is in place at the right time to execute the acquisition mission</td>
</tr>
<tr>
<td>4Q FY08</td>
<td>CG-9281</td>
<td>Develop process for PM/PJM Screening and Selection</td>
</tr>
<tr>
<td>4Q FY08</td>
<td>CG-9281</td>
<td>Institute innovative approaches to indoctrinate and train the acquisition workforce to include mandatory entry-level training, tailored CG Training (e.g., Major Acquisition Process Training (MAPT), Flag/Executive MAPT, etc.), professional development seminars, mentorship programs, maintaining certifications and training opportunities through DAU and Federal Acquisition Institute (FAI).</td>
</tr>
</tbody>
</table>
Element: Creating Results-Oriented Organizational Cultures

<table>
<thead>
<tr>
<th>Planned Completion</th>
<th>Lead POC</th>
<th>Critical Success Factor: Empowerment and Inclusiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>4Q FY07</td>
<td>CG-93</td>
<td>Implement the CG-9 Project Manager-centric acquisition execution model</td>
</tr>
<tr>
<td>Ongoing</td>
<td>CG-924</td>
<td>Develop &amp; provide workforce training in Integrated Product Team (IPT) and Integrated Product and Process Development (IPPD) acquisition approaches</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Planned Completion</th>
<th>Lead POC</th>
<th>Critical Success Factor: Unit and Individual Performance Linked to Organizational Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing</td>
<td>CG-9281</td>
<td>Coordinate and facilitate training for effected CG-9 workforce and ensure proper implementation of MaxHR.</td>
</tr>
<tr>
<td>Ongoing</td>
<td>CG-9281</td>
<td>Facilitate ongoing MaxHR use and associated workforce management system.</td>
</tr>
</tbody>
</table>
Annex to the Blueprint for Acquisition Reform

Action Plan for

Knowledge & Information Management
(Executive Sponsor: CG-9D)

Overview: Within the “Blueprint for Acquisition Reform,” the fourth cornerstone of the assessment framework focuses on Knowledge & Information Management. Knowledge and information management refers to a variety of technologies and tools that help managers and staff make well-informed acquisition decisions.

Intent: Use the two elements and five critical success factors, comprising Knowledge & Information Management, to ensure the availability of data essential to making good acquisition decisions.

Goal: The goal of knowledge and information management is to identify opportunities to reduce costs, improve service levels, measure compliance with supplier agreements, and provide better management of service providers.

Action Plan: The Acquisition Directorate will execute the following plan with completion dates and lead point of contact (POC) identified. Action Items are listed beneath each Critical Success Factor. The lead POC will track and monitor progress and brief the Executive Sponsor quarterly. This action plan will be reviewed and updated annually during the first quarter of the fiscal year.

Element: Identifying Data and Technology that Support Acquisition Management Decisions

<table>
<thead>
<tr>
<th>Planned Completion</th>
<th>Lead POC</th>
<th>Critical Success Factor: Tracking Acquisition Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q FY08</td>
<td>CG-93</td>
<td>Implement EVM on all required acquisition projects in accordance with DHS requirements (e.g., using X-12 format, etc.)</td>
</tr>
<tr>
<td>1Q FY08</td>
<td>CG-924</td>
<td>Develop metrics to assess the effectiveness of the acquisition function for major systems</td>
</tr>
<tr>
<td>1Q FY08</td>
<td>CG-93</td>
<td>Develop a CG-9 Integrated Master Plan and Integrated Master Schedule for all projects and track status</td>
</tr>
<tr>
<td>4Q FY07</td>
<td>CG-9282/3</td>
<td>Develop Key Financial/Schedule/EVM reports and provide training for all program and project managers</td>
</tr>
<tr>
<td>4Q FY07</td>
<td>CG-9281/3</td>
<td>Revise HR metrics to include workforce training and education data and customer and employee satisfaction surveys</td>
</tr>
<tr>
<td>1Q FY08</td>
<td>CG-9281/3</td>
<td>Develop retention and recruitment metrics and strategies to monitor them</td>
</tr>
<tr>
<td>4Q FY07</td>
<td>CG-9282/3</td>
<td>Develop comprehensive financial metrics to include obligation and expenditure targets, undelivered obligations, interest, and aged commitments</td>
</tr>
<tr>
<td>1Q FY08</td>
<td>CG-9283</td>
<td>Develop data sources to track contract process metrics (e.g., Contract Information Management System (CIMS), etc.)</td>
</tr>
<tr>
<td>2Q FY08</td>
<td>CG-9282/3</td>
<td>Develop automated and flexible budgeting systems for use by all major programs and projects</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Planned Completion</th>
<th>Lead POC</th>
<th>Critical Success Factor: Translating Financial Data into Meaningful Formats</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q FY08</td>
<td>CG-9283</td>
<td>Conduct study to evaluate adapting or converting the current Deepwater Performance Measurement System (DPMS) or other existing system to establish a single Acquisition Performance Measurement System (APMS)</td>
</tr>
<tr>
<td>1Q FY08</td>
<td>CG-924</td>
<td>Implement lessons learned database</td>
</tr>
<tr>
<td>As Resourced</td>
<td></td>
<td>Establish and maintain a knowledge repository for knowledge sharing that contains links to relevant GAO Reports, Best Practices, Training Information, Checklists, Templates, Sample Acquisition Plans/Documents, current acquisition references, and modeling information.</td>
</tr>
<tr>
<td>3Q FY07</td>
<td>CG-9283</td>
<td>Integrate all three Coast Guard accounting systems into a complete data set useable by all CG-9 personnel</td>
</tr>
<tr>
<td>4Q FY07</td>
<td>CG-9282/3</td>
<td>Develop obligation and expenditure reports for each program/project manager</td>
</tr>
<tr>
<td>4Q FY07</td>
<td>CG-9282/3</td>
<td>Develop financial reports to track expenditures and interest expense</td>
</tr>
<tr>
<td>1Q FY08</td>
<td>CG-9282/3</td>
<td>Develop financial reports for external reporting</td>
</tr>
</tbody>
</table>
### Element: Identifying Data and Technology that Support Acquisition Management Decisions (Continued)

<table>
<thead>
<tr>
<th>Planned Completion</th>
<th>Lead POC</th>
<th>Critical Success Factor: Analyzing Goods and Services Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>2Q FY08</td>
<td>CG-9281/3</td>
<td>Track and analyze training spending by organization</td>
</tr>
<tr>
<td>Annually</td>
<td>CG-9283</td>
<td>Track and analyze CG-9 credit card purchases</td>
</tr>
</tbody>
</table>

### Element: Safeguarding the Integrity of Operations and Data

<table>
<thead>
<tr>
<th>Planned Completion</th>
<th>Lead POC</th>
<th>Critical Success Factor: Ensuring Effective General and Application controls</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q FY08</td>
<td>CG-9D</td>
<td>Identify need to develop, document, and/or evaluate new internal controls for acquisition functions to include contract awards</td>
</tr>
<tr>
<td>1Q FY08</td>
<td>CG-9283</td>
<td>Ensure all systems used by CG-9 have completed certification and accreditation</td>
</tr>
<tr>
<td>Ongoing</td>
<td></td>
<td>Ensure alignment of CG-9 information &amp; knowledge systems with CG-wide technologies</td>
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<table>
<thead>
<tr>
<th>Planned Completion</th>
<th>Lead POC</th>
<th>Critical Success Factor: Data Stewardship</th>
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<tbody>
<tr>
<td>annually</td>
<td>CG-9283</td>
<td>Conduct internal review to ensure CG-9 data is accurate, complete, timely and reliable</td>
</tr>
<tr>
<td>1Q FY08</td>
<td>CG-93</td>
<td>Ensure all contractors working major acquisitions for Coast Guard provide data in electronic format (i.e., X-12) directly from transactional systems</td>
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Blueprint for Acquisition Reform in the U. S. Coast Guard

The Way Ahead:
Phase I – CIAO 1 +
Phase II – CIAO 1 and 4 +

Assistant Commandant for Acquisition
Deepwater Program Executive Officer
12 February 2007
“The Coast Guard must become the model for mid-sized Federal agency acquisition in process, workforce and capability.”

ADM Thad Allen

**The Coast Guard must have the organic ability to:**

- Execute major systems acquisition of required assets and services in compliance with DHS policy.
- Employ an integrator to acquire assets compliant with a Coast Guard defined systems architecture in a performance-based contract environment.
- Execute non-major acquisitions to efficiently and effectively support missions, facilities, and infrastructure.
Current State – Numerous Internal Acquisition Activities

• **Acquisitions Directorate**: Asset-based systems acquisition (DoD 5000 model > CG Major Systems Acquisition Manual)

• **Deepwater Program Executive Officer (PEO)**: System of Systems performance-based acquisition using a non-governmental Systems Integrator (ICGS).

• **CG-3 (Operations Directorate), CG-1 (Human Resources Directorate), and CG-4 (Engineering and Logistics Directorate)**: Procurement of assets below the major systems threshold.

• **CG-6 (Telecommunications and Information Systems Directorate)**: Procurement of IT systems.

• **Field activities**: Acquisition of sub-systems level asset support.

*Lack of standardized structure, process and accountability*
Past Assessment Reports

- USCG-“Changes to Deepwater Plan Appear Sound and Program Management has Improved but Continued Monitoring is Warranted”, GAO-06-546/April 2006
- DHS-“Success and Challenges in DHS’ Efforts to Create an Effective Acquisition Organization”, GAO-05-179/March 2005
- USCG-“Coast Guard’s Deepwater Program needs Increased Attention to Management and Contractor Oversight”, GAO-04-380/March 2004
- USCG-“New Communications System to Support Search and Rescue Faces Challenges”, GAO-03-1111/September 2003

Common Themes
Common Causes for Coast Guard Acquisition Performance Problems

• Inadequate definition, understanding and/or stability of requirements
• Lack of acquisition expertise in program management
• Inability to effectively manage a systems integrator
• Inability to adequately assess programmatic risk
• Lack of expertise in cost estimation
• Suboptimal contract strategy formulation
• Inadequate senior level strategic program management and oversight
• Lack of continuity in key management positions
• Lack of knowledge management and decision support systems

These shortcomings are common across government acquisition
Blueprint for Acquisition Reform in the U. S. Coast Guard

Summary of Acquisition Reform Strategic Intent

- **Enhance** mission execution by delivering integrated systems, assets and support necessary to accomplish maritime safety and security tasking.
- Become the **model for mid-size Federal agency** acquisition and procurement.
- Establish adequate **balance** between requirements generation, 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 review and process mandates.
- Develop **organic workforce competencies** (military & civilian):
  - Program Management
  - Contracting (1102 series)
  - Business/Financial Management, Lifecycle Logistics, COTR, etc.
- **Reform organization** to facilitate efficient and effective execution:
  - Policies & Processes
  - Knowledge & Information Management
  - Human Capital
  - Organizational Alignment and Leadership
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
CREATING SINGLE ACQUISITION STRUCTURE (CIAO#1)

Integrated Approach
- Combine acquisition functionality
- Incorporate Head of Contracting Activity
- Incorporate Research, Development, Test and Evaluation
- Provide One Acquisition Voice

Centralized Program Execution
- Establish Product Line Acquisition and Management Organization
- Align with Future Mission Support Command (CIAO #4) for Lifecycle System Management

Centralized Support
- Standardized Budget and Financial Management
- Enterprise Workforce Management
- Logistics and Systems Engineering Competencies

Centralized Contracting and Procurement
- **Establish** Standard Policies
- Ensure Compliant Processes
- Align with DHS
RECRUITMENT, HIRING, AND RETENTION
- Recruit, Hire, Retain Experienced & Certified Acquisition Professionals in Program Management, Contracting and other Career Fields
- Provide Pay Incentives
- Establish Internship Program
- Utilize Direct Hire Authority
- Implement Retention Initiatives
- Establish Project Manager Screening and Selection

TRAINING AND CERTIFICATION
- Mandatory Entry-level Training for Entire Acquisition Workforce
- Tailored CG Training (MAPT, E-MAPT and Flag/SES MAPT)
- Regular Professional Development Seminars
- Establish Mentorship Program (Gray Heads)
- Enhance Acquisition Workforce Certification Program
- Establish Re-current Training to Maintain Certification
- Fully Utilize DAU and FAI Training Opportunities
Blueprint for Acquisition Reform in the U. S. Coast Guard

**Policy and Process**

**MAJOR SYSTEMS ACQUISITION MANUAL CIM5000.10**

- **Policy, Process, and Procedures for Major Systems Acquisitions**
  - Align with DHS Missions and Investment Review Process
  - Establish Knowledge-Based Decision Tools
  - Institute Collaborative Requirements Development

- **Early Project Identification Phase (new CG initiative)**
  - Link to Capital Investments, Mission and Strategic Goals
  - Verify Mission Analysis
  - Determine Affordability, Risks, and Priority
  - Require Milestone Decision (MS 0) for New Starts

- **Program Management**
  - Value Program Management (DHS PM Council/PM Uniform Insignia)
  - Conduct Independent Verification & Validation of Lifecycle Cost Estimates, Acquisition Program Baselines, and Risk Assessments
  - Utilize Third Party Programmatic Assessments & Support When Necessary
Lessons Learned Database
- Beta testing within CG - Expandable to DHS

Performance Measurement
- Use Earned Value (EV) Software
- Continue EVM Training
- Adopt Deepwater Performance Measurement System

Knowledge Sharing (CG Central and DHS PM Community Website))
- Library of GAO Reports
- Catalog Best Practices
- Share Training Information
- Publish Checklists, Templates, and Sample Acquisition Plans/Documents
- Establish Library of Current Acquisition References
- Fully Explore Modeling

Knowledge Management
- Align with CG enterprise data / decision support systems
Key Concepts for Success
Project Management Model

Project Managers must be:

- Empowered
- Autonomous
- Resourced
- Trained
- Accountable

This is key!
Blueprint for Acquisition Reform in the U. S. Coast Guard

Project Governance

DHS Investment Review Board

DHS Joint Requirements Council

Coast Guard Acquisition Review Council

Information Flow & Approval Levels

Decision Milestones

Project Initiation (CG Only)

1 2 3

CG Annual Reviews

System Maturity
Blueprint for Acquisition Reform in the U. S. Coast Guard

Project Management Balance

Current State

Desired State

Review Cycle

Requirements
Integrated Lifecycle Management

Can only be achieved through the full implementation of CIAOs #1 & #4
What the **Blueprint for Acquisition Reform Yields**

**Phase I (CIAO #1 +):**
- Single Coast Guard Executive Point of Contact for Acquisition
- Standard Acquisition Processes & Doctrine
- Disciplined and Balanced Project Management
- Centralized Contracting Operations and Policy
- Systems Acquisition Using the Product Line Model

**Phase II (CIAO #1 & #4 +):**
- Product Line Management through Asset Lifecycle
- Resolved Governance of Acquisition Initiatives
- A Viable Acquisition Workforce Career Path for Military and Civilian Employees
- Enhanced Ability to Acquire at the Major and Non-Major System Levels
- Ability to Manage Systems Integrators
  - DoD or OGA
  - Commercial Contract

*Enhanced Mission Execution Through Efficient Acquisition and Lifecycle Management of Critical Assets and Capabilities*
<table>
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<th>Problem, Issue or Concern</th>
<th>Status Quo</th>
<th>New Model</th>
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<td>Aligned Acquisition Processes</td>
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<td>Common Acquisition Doctrine</td>
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<td>Decision Tools &amp; Internal Controls</td>
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AdditionalSlides/Backup
Delete Deepwater Program Manager (DPM) and elevate Domain Managers to Office Level Program Manager positions; Consolidate ILS and SOS Domains under a single Systems Integration and Logistics Manager.
IOC JULY 2007 – Acquisition Programs (CG-93)
Future Initiatives

• Create Acquisition Career Paths (military and civilian)
  – Project Manager Tour lengths
  – Project Manager Selection
  – Project Manager and Deputy Project Manager Hybrid Structure (Best Qualified O-6/GS-15)
  – Precepts to Promotion Boards
CIAO #1: Guiding Principles

- Optimize span of control at all levels
  - Establish clear lines of governance and communication
  - Align adequate Flag and SES positions
  - Consider need to co-locate SIPO with CG-9
  - Align with enterprise architecture
  - Align processes using Product Line Manager concept
- Enable organic contracting or contract systems integration
  - Ensure capability to provide synergistic Program Mgmt & KO functions
- Support full life cycle management of assets and systems
- Provide career progression and development of workforce competency (Military & Civilian)
- Minimize disruption to existing acquisitions during org changes
  - Allocate personnel within existing resource levels (initially)
CIAO #1: Structural Considerations

- Product Line Organization aligned w/ CG-3 (Ops), CG-4 (Log/Eng), CG-6 (IT)
- Asset sustainment to be managed by “field” product line managers
- Project Management (PM) Staff Construct
  - Core PM Staff: PM, dPM, Tech Mgr, COTR, Program Analyst, KO)
  - Core PM Matrix Members: Business Mgr, Logistics Mgr, Systems Engineer, Sponsor’s Representative)
- PM is resourced, empowered, responsible, and accountable
  - positioned to manage workload and life cycle issues
- Improved PM career progression/succession at all levels
- Improve functional competency development in workforce
  - technical, financial, logistics
CIAO #1: Key Established Positions

AAE: Agency Acquisition Executive
- Chairs CG Acquisition Review Council (CGARC)
- DHS Investment Review Board member

CG-9: Assistant Commandant for Acquisition
- Oversees systems acquisition management process
- Ensures compliance with DHS investment review policy
- Single entity responsible for Agency-level acquisition

CFO: Chief Financial Officer
- Budgeting & Funds Management
- CFO Act compliance

HCA: Head of Contracting Activity
- Oversees all CG contracting activities
- Responsibility for all CG procurement policy and oversight
- Certification and Warranting of all procurement professionals
- Debarment Official
- Competition Advocate
Blueprint for Acquisition Reform in the U. S. Coast Guard

Cost as an Independent Variable

Design to Cost / Trade Off Analyses

Affordable And Technically Appropriate Capabilities Delivery
Requirements Review Cycle

- Preliminary (Unconstrained) Requirements
- KDP or Block Production
- Affordability / Technical Feasibility
- Key Performance Parameters
- Validated Requirements
- Contract Award or Modification
- Acceptance

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

Version 1.2, 12 February 2007