



2012 Business Acquisition Conference

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

27 March 2012

Year in Review

- Major Programs (ACAT I): 43
 - 15 Air; 9 Ships/Subs; 10 Information and Comms; 6 Weapons Systems; 3 USMC
- Major Ship Awards since Dec 2010:
 - Awarded fixed price contracts to procure 38 ships – including options.
 - 20 Littoral Combat Ships; two Virginia Class submarines; two Zumwalt destroyers; four DDG 51 ships; three Mobile Landing Platforms; one Amphibious Transport Dock; four Joint High Speed Vessels; and two Oceanographic Research ships.
 - We will make it 40 ships before summer when we award the remaining authorized amphibious assault ship and amphibious transport dock shortly
- Aircraft Procured:
 - 227 in FY11; 225 planned in FY12
- Major Acquisition Milestones:
 - LCS Seaframe MS B; 16 Major shipbuilding key events; Formation of PEO LCS; 100th MH-60R; JSF STOVL aboard USS WASP; ACV AoA; MUOS Launch; CANES Award

Touchstones

Win the War We're In



Take Care of Our Men and Women in Uniform



Maintain our Readiness



Win the Next War



F-35, January 2012



Zumwalt, February 2012

On the Economy...

*“The most significant threat to our national security
is the debt.”*

--ADM Mike Mullen
27 Aug 2010

On the Budget...

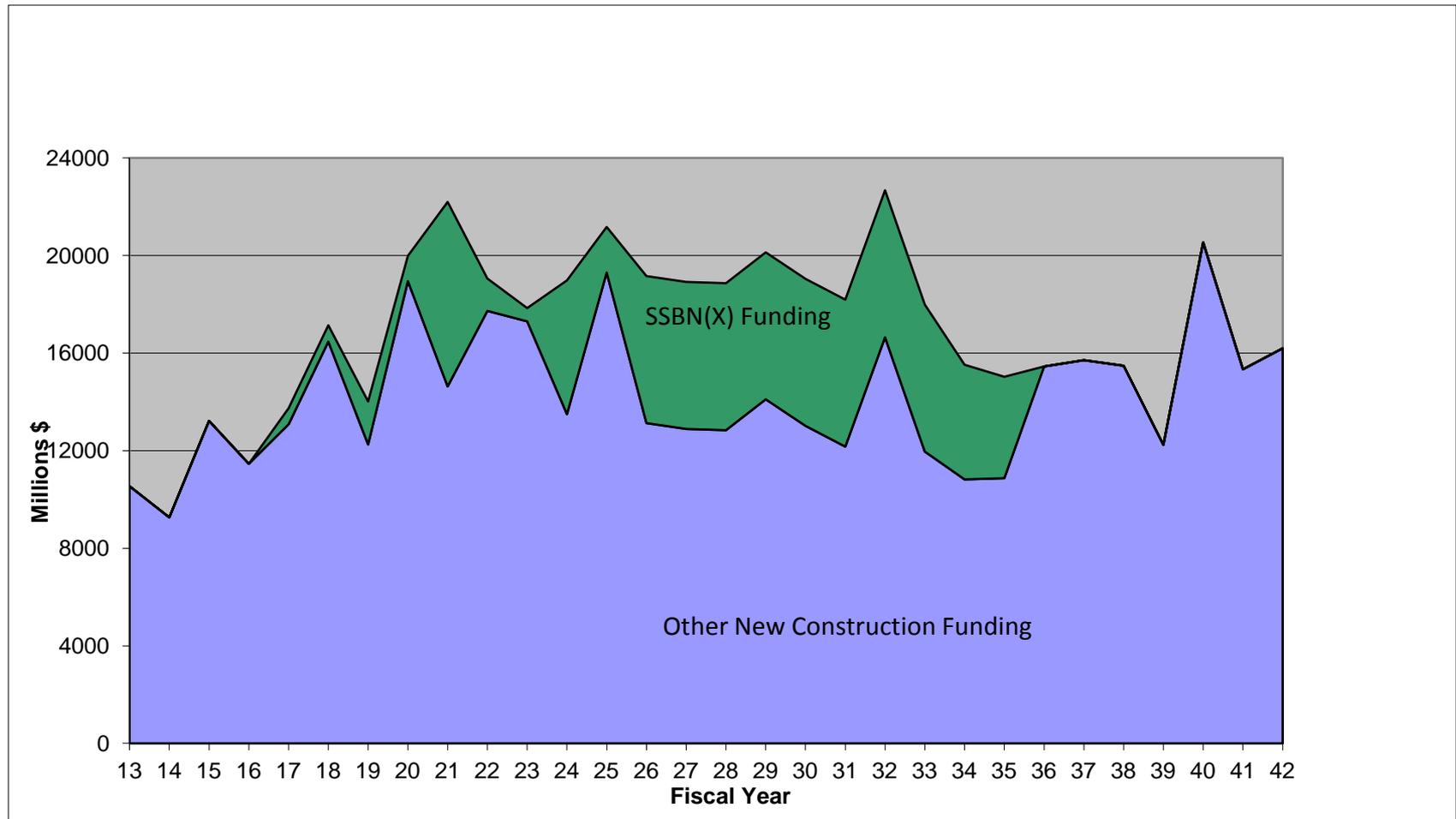
“CNO,

You can have anything you want...

You just can't have everything you want.”

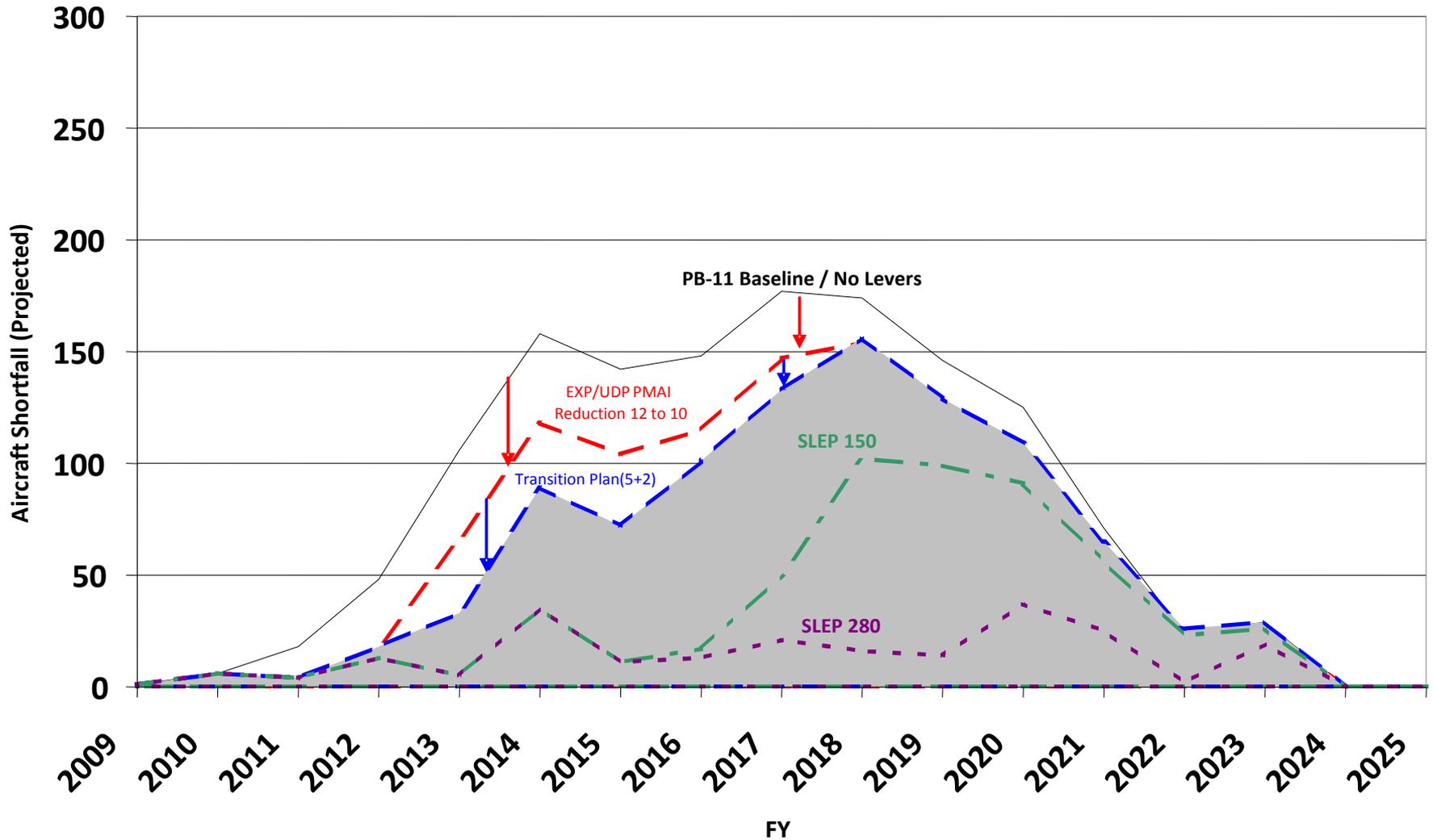
Vice Adm. Blake
2011

Annual Funding Required for Navy Long-Range Shipbuilding (FY 2013-2042)



What Keeps Me Awake at Night

DoN TACAIR Shortfall Projection



The Bottom Line

“We’re out of money. It’s time to think.”

--Sir Ernest Rutherford
Nobel Laureate Physics (1908)

On The Way We Do Business

*“All of our present efforts are not enough.
We must have more planes, more ships, more guns.
And this can be accomplished only if we discard
the notion of business as usual.”*

FDR

Arsenal of Democracy, 1942

About 'Should Cost'

There was a time when:

Gov't wrote the specs

Gov't performed the design

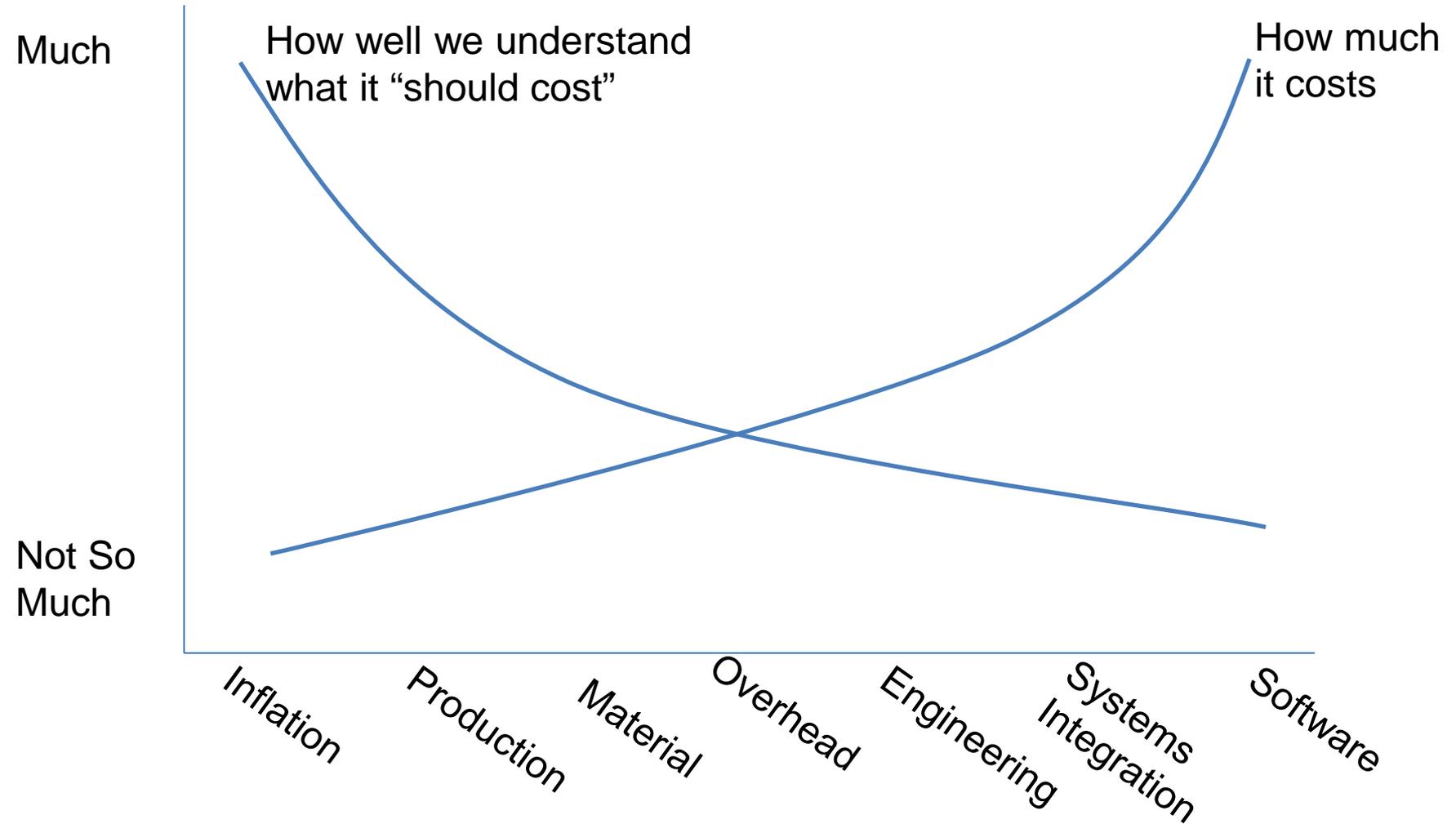
Gov't was the buyer

Gov't was the shipbuilder

Gov't was the systems integrator

Gov't knew what the thing should cost

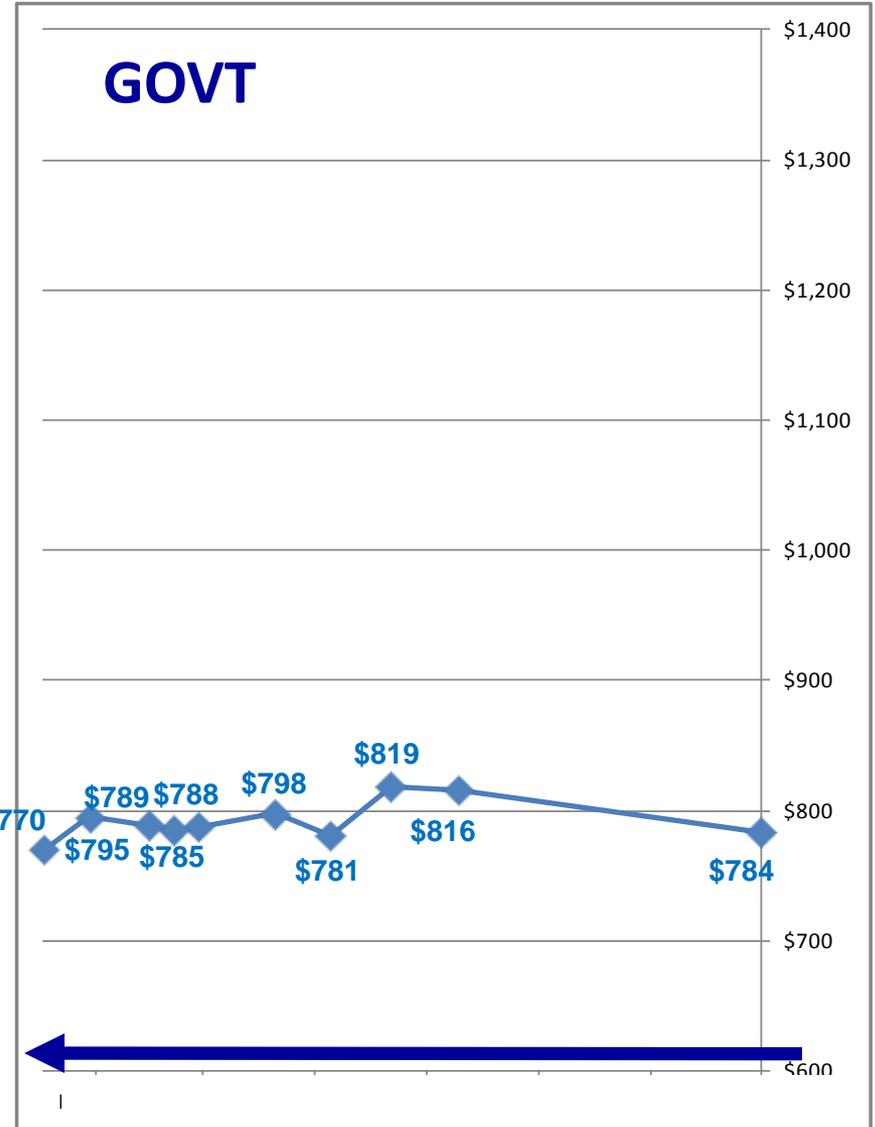
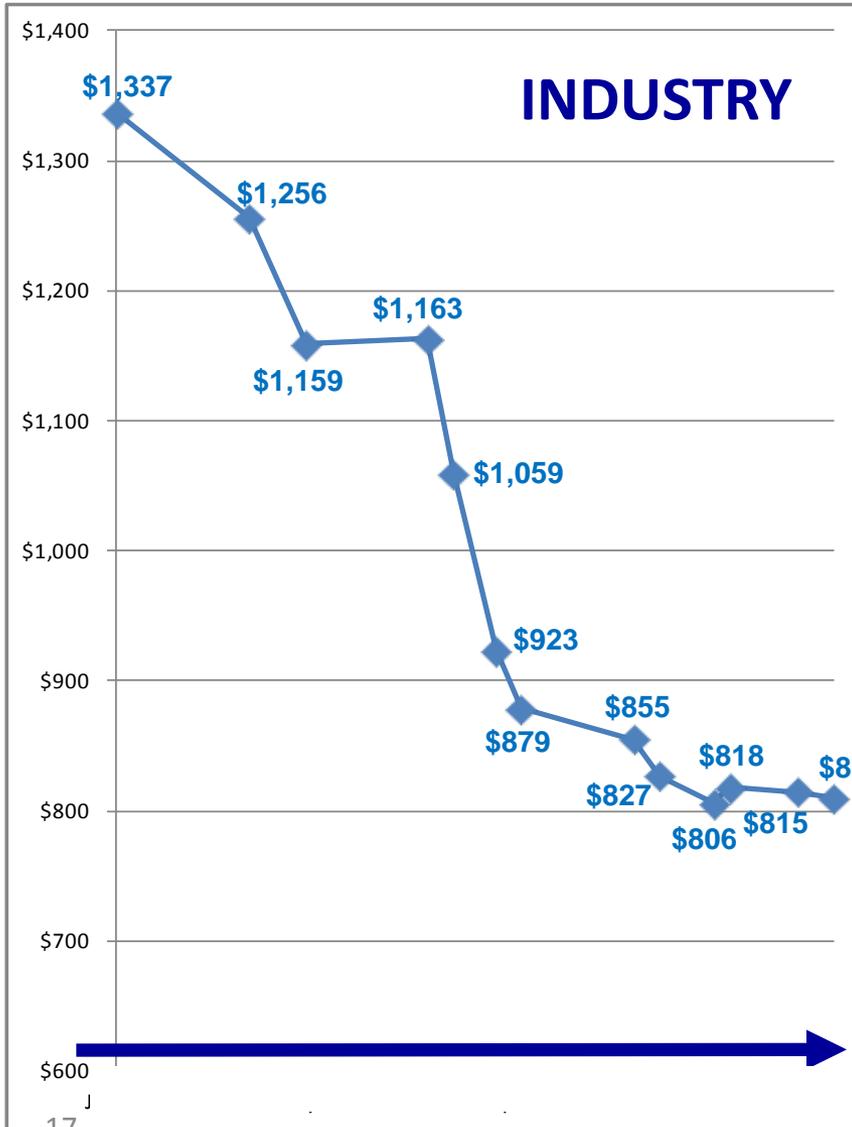
Observations



Tools in the Toolbox

- Competition
- Contract type, Terms & Conditions, Price
- Earned Value Management
- Benchmarking
- Portfolio Management
- Schedule
- Detailed Cost Data
- Historical Data

Should Cost Negotiation



On Being an Acquisition Professional

*“Anything I ever did in my life that was worthwhile,
I caught Hell for.”*

Chief Justice Earl Warren

Closing Thought

“You get what you put up with.”

Dr. Jim Colvard