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## 2005 Annual Report - Acquisition Research Program

Greene, James B.

Monterey, California. Naval Postgraduate School

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## ACQUISITION RESEARCH PROGRAM

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### **2005 ANNUAL REPORT**

**25 October 2005**

**by**

**James B. Greene, RADM, USN (ret.)**

**Acquisition Chair**

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Prepared for: Naval Postgraduate School, Monterey, California 93943



ACQUISITION RESEARCH  
GRADUATE SCHOOL OF BUSINESS & PUBLIC POLICY  
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NPS Acquisition Research Program  
Attn: James B. Greene, RADM, USN, (Ret)  
Acquisition Chair  
Graduate School of Business and Public Policy  
Naval Postgraduate School  
555 Dyer Road, Room 332  
Monterey, CA 93943-5103

Tel: (831) 656-2092  
Fax: (831) 656-2253  
e-mail: [jbgreene@nps.edu](mailto:jbgreene@nps.edu)

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# I. OVERARCHING PHILOSOPHY OF THE CHAIR

The operating forces of the US military have a long history of looking to the past for lessons learned when developing strategies for the future. The challenge is to meld these lessons learned with evolving technology and world events to produce a coherent and executable framework for success for future military operations. In achieving this end state, the process followed is important. The emerging strategy should be developed in a free and open forum that invites innovation and debate while maintaining intellectual rigor. An approach such as this would also be of value to the business processes of the DOD. Specifically, the DOD acquisition system would benefit from an ongoing dialogue among practitioners, scholars and students of the process. The faculty of the Graduate School of Business and Public Policy (GSBPP) at the Naval Postgraduate School (NPS) is particularly well positioned to make a major contribution to such a dialogue. Additionally, the students enrolled in the MBA program stand to gain immensely from participation in these discussions via their MBA projects.

A full spectrum of research is envisioned for the faculty and students of the GSBPP and collaborating partners ranging from scholarly efforts published in relevant peer reviewed journals to articles in acquisition related periodicals and more application oriented student projects. This range of research will contribute to the dialogue of the DOD acquisition community, be an important element in the continued accreditation of the GSBPP and ground the future DOD acquisition workforce in the issues of the day.





## II. 2005 OVERVIEW

2005 marked “the coming of age” of the Acquisition Research Program. By every measure, the program grew and matured. While the data presented in section **IV. Metrics** gives specifics, the number of projects and products more than doubled over 2004, funding available increased over 30%, and faculty participation was up 50%. Of special significance was the increased involvement of tenured track faculty, from eight to twenty one, in acquisition research. Much of this progress can be attributed to the increased stability of the program. Funds were readily identifiable and available to allow faculty to count on them when formulating their work plans for the coming year. A formalized research proposal and solicitation process was established by the Associate Dean of Research in the Graduate School of Business and Public Policy (GSBPP) which greatly enhanced communication about the program and encouraged participation. As the year ended and research program planning began for 2006, it was apparent that interest in the program had spread throughout the faculty and future program growth would be constrained only by financial resources. Similar remarks could be made about student involvement and participation.

The program has also made a major contribution to maintaining the relevancy of faculty and instructional materials. Researcher opportunities provided by the Chair offer significant benefits to researchers: (1) provision of funding saving researchers “marketing” time; (2) ties with sponsor POCs thus assuring DOD relevant research; (3) assistance with final formatting, editing and publishing thus relieving researchers from the “non-intellectual” aspects of their research. Each of these is a substantial benefit but the growing connectivity between researchers and sponsors is paying large dividends to all concerned. New, relevant instructional materials emerge out of almost all research products and this has a positive impact on all students. Sponsors receive substantial help/insight with the business issues of the day. Faculty are “refreshed” in DOD relevant subject matter and students are better prepared to enter the acquisition work force.



The highlight of the year was the Second Annual Acquisition Research Symposium. Focused by the theme “Acquisition Research: The Foundation for Innovation”, thirty seven (37) papers were presented during the two day event to an audience of over 200 faculty, students, scholars, industry and DOD officials. The inaugural plenary session was led by Dr. Jacques Gansler, former Under Secretary of Defense (Acquisition, Technology and Logistics), and presented a strong case for increased funding and support for acquisition research. The keynote address, commencing the second day’s events, was delivered by The Honorable John Young Jr., Assistant Secretary of the Navy (Research, Development & Acquisition) who challenged the audience to assist in solving the pressing acquisition issues of the day. The symposium was characterized by active dialogue among all participants and stimulated the formation of future collaborative research partnerships. The Third Annual Symposium is scheduled for 17-18 May 2006 in Monterey.



### III. RESEARCH PROGRAM GOALS/PROGRESS

Through the combined efforts of the faculty, students and the Acquisition Chair, the Acquisition Research Program is designed to achieve the goals noted below. 2005 contributions toward achieving each goal are as noted.

#### 1. **Position NPS as a recognized leader in defense acquisition research.**

Since inception, the program's efforts have resulted in over 50 published works on a variety of important acquisition topics, including performance based logistics, contingency contracting, total ownership costs, contract close-out, strategic sourcing, competitive sourcing, and many others as noted in Appendix A.

A key feature of the program is the annual Acquisition Research Symposium, the first of which was held in May 2004 with the Hon. Jacques Gansler, former Under Secretary of Defense, as the keynote speaker. The May 2005 research symposium was a two-day event with approximately 200 attendees and a program that featured 37 papers and presentations. The Hon. John Young Jr., Assistant Secretary of the Navy (Research, Development, and Acquisition) was the keynote speaker. Institutions represented at these symposia include University of Maryland, Harvard University, University of California, University of San Diego, Florida Atlantic University, University of Texas, Texas A&M, Arizona State University, University of New Mexico, and RAND Corp.

This forum provides a unique opportunity for meaningful dialogue among senior DOD officials, acquisition scholars, practitioners and students on acquisition issues of the day. The focus of the conference is on quality of participants, not quantity, and the continued and increased participation by the thought leaders of the DOD acquisition community and processes are





a strong indicator that NPS is indeed becoming recognized as a leader in defense acquisition research.

**2. Establish NPS acquisition research as an integral part of policy-making for Departments of Defense and Navy officials.**

The Acquisition Research program grew substantially in 2005 both in terms of products and faculty/student involvement. With this growth came a significant expansion in the breadth and depth of research. Accordingly, research products were produced and are available to inform a wide variety of policy areas that are currently under development. These include, among others, Open Architecture (OA), Spiral Development, Radio Frequency Identification (RFID), Knowledge Value Analysis (KVA) and Real Options Analysis (ROAn). In addition, since all work is presented at the annual Acquisition Symposium, attended by DOD, other government agency and industry officials, the opportunity exists for substantial dialogue and follow-up. This has resulted in the engagement of NPS faculty with government/industry officials as new acquisition policy and processes are developed. In particular, the Open Architecture research being accomplished is making a significant contribution to the evolving business practices which will implement OA. Other examples include: Senior Lecturer John Dillard's invited participation in the production of the Center for Strategic and International Studies report entitled "*Beyond Goldwater-Nichols*" based on his research work in 2004; a leading defense company's interest in the conclusions of Assistant Professor Aruna Apte's work "*Optimizing Phalanx Weapon System Life-Cycle Support.*" All research accomplished is published in full text on the Acquisition Research Program website allowing ready access by any and all parties interested in the DOD acquisition process.



**3. Create a stream of relevant information concerning the performance of DOD Acquisition policies with viable recommendations for continuous process improvement.**

The annual stream of research products from the acquisition research program has reached sizable proportions. With over 50 publications and papers published in 2005, a significant contribution has been made to the body of literature on the DOD acquisition process. The complete text of each product is available on our web site allowing for wide dissemination and access. Further, faculty researchers have in many cases given multiple presentations featuring their research work thereby increasing exposure to a broader audience. The majority of research work spotlights particular DOD acquisition processes, procedures or emerging initiatives, analyzes current status, and provides recommendations or alternatives for consideration. The success of faculty in having numerous acquisition research based articles selected for publication in peer reviewed or practitioner journals is a strong indicator that program products are indeed relevant. The stream of articles based on research accomplished in 2005 is expected to continue to grow.

**4. Prepare the DOD workforce to participate in the continued evolution of the defense acquisition process.**

This is perhaps the most important goal of the Acquisition Research Program. It is directly related to NPS' overarching goal of providing a DOD relevant graduate education program to future DOD and government officials. The synergy between research conducted and course content delivered has been impressive. Case studies and reports that are products of the research program are being utilized in numerous GSBPP courses thus assuring that course materials and faculty are refreshed and relevant to current practice. The number of students engaged in acquisition research for their MBA project continues to grow dramatically. These



students have the benefit of being able to apply their newly acquired acquisition skills to real world issues. They not only get visibility in the DOD acquisition community but their product is often of great use to the sponsor in developing acquisition policy and processes. The students represent all branches of the Armed Services and the breadth of their research is characterized by a sampling of titles: *“Air Force Commodity Councils: Leveraging the Power of Procurement”*, *“Navy Acquisition via Leasing; Policy, Politics and Polemics with the Maritime Prepositioned Ships”*, *“Department of the Navy Procurement metrics Evaluation”*. By any measure, the Acquisition Research Program is enhancing the development of the future acquisition work force.

**5. Collaborate with other universities, think tanks, industry and government in acquisition research.**

In 2005, contact and collaboration with other universities and think tanks in acquisition research expanded significantly. Over twenty (20) universities/think tanks participated in the second annual Acquisition Research Symposium as a result of a focused effort to create a Virtual University Consortium. The resulting dialogue and emerging collaborative research efforts are expected to bring new scholar and practitioner thought to the business issues facing the DOD. The Acquisition Chair continued to sponsor research at the University of Maryland and this effort will continue in 2006. Sponsored research was also initiated at Arizona State University. The collaborative effort with the University of Maryland produced the report *“A Strategy for Defense Acquisition Research”* which could significantly effect our future acquisition research efforts. Delivered at the annual symposium by Dr. Jacques Gansler, it proposed a substantial, OSD sponsored, acquisition research program, built on the foundation of the NPS model, which would leverage both DOD resources as well as the broader academic community such as our Virtual University



Consortium partners noted above. At year end, the concept seems to be finding favor among OSD officials.

#### IV. METRICS

<b>Metric</b>	<b>FY03</b>	<b>FY04</b>	<b>FY05</b>	<b>FY06 Program***</b>
<b># of Projects</b>	8	23	51	51
<b># Faculty</b>	9 (2 T* / 7 L**)	24 (8 T* / 16 L**)	35 (21 T* / 14 L**)	44 (30 T* / 14 L**)
<b># Students</b>	6	20	26	30
<b>Funding</b>	\$96 K	\$1.1 M	\$1.5 M	\$1.8 M
<b>Publications</b>	7	16	26 (5 Journal)	30
<b>Papers Presented</b>		12	24	25

\* T=tenured faculty  
 \*\* L=lecturer faculty  
 \*\*\* Projected





## APPENDIX A:

### FY 2003 - 2005 Sponsored Acquisition Research Products

#### Acquisition Case Series

[UMD-CM-05-019](#) Improving Readiness with a Public-Private Partnership: NAVAIR's Auxiliary Power Unit Total Logistics Support Program, William Lucyshyn, [Rene Rendon](#), Stephanie Novello, July 2005

[UMD-CM-05-018](#) The Naval Ordnance Station Louisville: A Case Study of Privatization-in-Place, William Lucyshyn, Stephanie Novello, August 2005

[NPS-CM-04-008](#) Privatization of the Naval Air Warfare Center, Aircraft Division, Indianapolis, William Lucyshyn, Visiting Senior Research Scholar, University of Maryland, [Jeffrey Cuskey](#) and Jonathan Roberts, University of Maryland, July 2004

[NPS-PM-04-010](#) The Army Seeks a World Class Logistics Modernization Program, William Lucyshyn, Visiting Senior Research Scholar, University of Maryland, [Keith F. Snider](#) and Robert Maly, Graduate Research Assistant, University of Maryland, June 2004

[NPS-CM-03-005](#), Contract Closeout (A), [David V. Lamm](#), September 2003

#### Sponsored Report Series

[UMD-AM-05-021](#) A Strategy for Defense Acquisition Research, Jacques S. Gansler, William Lucyshyn, August 2005

[UMD-CM-05-020](#) Contractors in the 21st Century "Combat Zone", Richard Dunn, April 2005

[NPS-PM-05-017](#) Department of the Navy Procurement Metrics Evaluation, Christopher G. Brianas, Lieutenant, USN, MBA Project, June 2005

[NPS-CM-05-015](#) Joint Contingency Contracting, MAJ Ellsworth K. Johnson III, USA, CAPT Bryan H. Paton, USMC, CAPT Edward W. Threat, USA, Lisa A. Haptonstall, MBA Project, June 2005

[NPS-CM-05-013](#) Update of the Navy Contract Writing Guide Phase III, LCDR Brett M. Schwartz, LCDR Jadon Lincoln, LCDR Jose L. Sanchez, LT Leslie S. Beltz, MBA Project, June 2005

[NPS-PM-05-012](#) The Raven Small Unmanned Aerial Vehicle (SUAV), Investigating Potential Dichotomies between Doctrine and Practice, Major Glenn E. Jenkins, Acquisition Corps, USA, Major William J. Snodgrass Jr., Acquisition Corps, USA, MBA Project, June 2005



[NPS-FM-05-009](#) Budgeting for National Defense Acquisition: Assessing System Linkage and the Impact of Transformation, [Lawrence R. Jones](#), [Jerry McCaffery](#), Kory L. Fierstine, Commander, United States Navy, June 2005

[NPS-LM-05-008](#) A Decision Support Model for Valuing Proposed Improvements in Component Reliability, [Keebom Kang](#), [Kenneth Doerr](#), [Michael Boudreau](#), Uday Apte, June 2005

[NPS-PM-05-007](#) Determining the Best Loci of Knowledge, Responsibilities and Decision Rights in Major Acquisition Organizations, [John T. Dillard](#), [Mark E. Nissen](#), June 2005

[NPS-AM-05-006](#) Navy Acquisition Via Leasing: Policy, Politics, and Polemics with the Maritime Prepositioned Ships, [Joseph G. San Miguel](#), [John K. Shank](#), [Donald E. Summers](#), April 2005

[NPS-CM-05-003](#) Commodity Sourcing Strategies: Supply Management in Action, [Rene G. Rendon](#), January 2005

[NPS-CM-04-019](#) Contractor Past Performance Information (PPI) In Source Selection: A comparison Study of Public and Private Sector, [CDR Roger Lord](#), December 2004

[NPS-PM-04-017](#) The New Joint Capabilities Integration Development System (JCIDS) and Its Potential Impacts upon Defense Program Managers, [David Matthews](#), December 2004

[NPS-LM-04-014](#) Optimizing Phalanx Weapon System Life-Cycle Support, [Aruna Apte](#), October 2004

[NPS-AM-04-013](#) Business Case Analysis and Contractor vs. Organic Support: A First-Principles View, [Raymond \(Chip\) Franck](#), September 2004

[NPS-LM-04-006](#) Measurement Issues in Performance Based Logistics, [Ken Doerr](#), [Donald R. Eaton](#), [Ira Lewis](#), June 2004

[NPS-CM-04-004](#) Update of the Navy Contract Writing, Phase II, MBA Team, June 2004

[NPS-CM-04-002](#) Marine Corps Contingency Contracting MCI, MBA Team, December 2003 [Revised Manual](#)

[NPS-CM-04-001](#) Update of the Navy Contract Writing, Phase I, MBA Team, December 2003

[NPS-CM-03-006](#), Auto-Redact Toolset for Department of Defense Contracts, [Ron B. Tudor](#), September 2003

[NPS-AM-03-004](#), Reduction of Total Ownership Cost, [Michael W. Boudreau](#) and [Brad R. Naegle](#), September 2003

[NPS-AM-03-003](#), Centralized Control of Defense Acquisition Programs: A Comparative Review of the Framework from 1987 – 2003, [John T. Dillard](#), September 2003



[NPS-CM-03-001](#), Transformation in DOD Contract Closeout, MBA Professional Report, June 2003, MBA Team

## **Working Paper Series**

[NPS-AM-05-010](#) From Market to Clan: How Organizational Control Affects Trust in Defense Acquisition, [Roxanne V. Zolin](#), [John T. Dillard](#), June 2005

[NPS-AM-05-005](#) Cost as an Independent Variable (CAIV): Front-End Approaches to Achieve Reduction in Total Ownership Cost, [Michael Boudreau](#), June 2005

[NPS-AM-05-002](#) The Yoder Three-Tier Model for Optimizing Contingency Contracting Planning and Execution, [Elliott Cory Yoder](#), December 2004

[NPS-AM-05-001](#) Engagement versus Disengagement: How Structural & Commercially-Based Regulatory Changes have Increased Government Risks in Federal Acquisitions, [Elliott Cory Yoder](#), November 2004

[NPS-CM-04-016](#) An Analysis of Industry's Perspective on the Recent Changes to Circular A-76, LCDR Brett Stevens, SC, USN, October 2004

[NPS-CM-04-012](#) Air Force Commodity Councils: Leveraging the Power of Procurement, 1 ST Lt Beth Rairigh, US Air Force, September 2004

[NPS-CM-04-011](#) Using Metrics to Manage Contractor Performance, [R. Marshall Engelbeck](#), September 2004

[NPS-LM-04-009](#) Improving the Management of Reliability, [Donald R. Eaton](#), August 2004

[NPS-AM-04-007](#) The Impact of Software Support on System Total Ownership Cost, [Brad R. Naegle](#), July 2004

[NPS-LM-04-003](#) Enablers to Ensure a Successful Force Centric Logistics Enterprise, [Donald R. Eaton](#), April 2004

[NPS-CM-03-002](#), Transformation in DOD Contract Closeout, Christopher Parker and Michael Busansky, June 2003

## **Acquisition Symposium Proceedings**

[NPS-AM-05-004](#) Acquisition Research: The Foundation for Innovation, May 2005

[NPS-AM-04-005](#) Charting a Course for Change: Acquisition Theory and Practice for a Transforming Defense, May 2004





## Technical Reports

[NPS-GSBPP-03-003](#), Centralized Control of Defense Acquisition Programs: A Comparative Review of the Framework from 1987 – 2003, [John T. Dillard](#), September 2003

[NPS-GSBPP-03-004](#), Reduction of Total Ownership Cost, [Michael W. Boudreau](#) and [Brad R. Naegle](#), September 2003

## Presentations, Publications and External Forums

Rendon (2005) *Commodity Sourcing Strategies: Supply Management in Action*, was accepted and published by the National Contract Management Association (NCMA) in its 2005 edition of the Journal of Contract Management as *Commodity Sourcing Strategies: Processes, Best Practices, and Defense Initiatives*.

Doerr, Lewis & Eaton (2005) “*Measurement issues in Performance Based Logistics*,” Journal of Public Procurement V 5(2), pp. 164-186.

Eaton, Doerr & Lewis (In Press), “*Performance Based Logistics: A Warfighting Focus*,” U.S. Naval Institute Proceedings.

Doerr, Eaton & Lewis (2004), “*Performance Based Logistics*,” Presented to the International Defense Acquisition Resource Management Conference, Capellen, Luxembourg.

Kang & Doerr (2005) Workshop: Metrics and Performance Evaluation in Performance Based Logistics, workshop at the Future Naval Plans & Requirements Conference, San Diego, CA October , 2005.

Boudreau & Naegle (2005), “[Total Ownership Cost Considerations in Key Performance Parameters and Beyond](#),” Defense Acquisition Research Journal V 38 (2), pp. 108-121.

Boudreau, Naegle (2005) Workshop: Setting up Acquisition for Total Life Cycle Supportability Performance, presented at the Institute for Defense and Government Advancement Conference: Total Life Cycle Systems Management, Arlington VA

Kang, Doerr, Apte & Boudreau, “*Decision Support Models for Valuing Improvements in Component Reliability and Maintenance*”, Submitted to the Journal of Defense Modeling and Simulation in July 2005 for possible publication. Currently the article is being reviewed by referees.

Franck (2005), “*Business Case Analysis and Contractor vs. Organic Support: A First-Principles View*” presented at the Western Economic Association International Annual Conference, San Francisco, 5 July 2005.

Dillard, J. and Nissen, M.E., “*Computational Modeling of Project Organizations under Stress*,” in review.

Dillard (2005), “*Centralization of Defense Acquisition Programs*” accepted for publication Defense Acquisition Research Journal.



Nissen, M.E. and Dillard, J., "*Computational Design of Public Organizations*," in review.  
IS4710 - Qualitative Methods. This research-seminar course has integrated the results of the FY05 Dillard-Nissen research into the students' course project.

[April 3 - 7, 2004](#), "Centralized Control of Defense Acquisition Programs" [IAMOT 2004](#) - New Directions in Technology Management: Changing Collaboration Between Government, Industry and University, [John T. Dillard](#)

[25 November 2003](#), "Centralized Control of Defense Acquisition Programs: A Comparative Review of the Framework from 1987 – 2003", BPP Research Colloquium, [John T. Dillard](#)

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