Meeting with HASC Air & Land Forces Subcommittee on Combat Search and Rescue Replacement Vehicle (CSAR-X) 5 Dec 07

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Briefing Agenda

- Background
- Requirements process
- Full and open competition
- Market research
- Requirements evolution
- Project on Government Oversight (POGO) assertions
- Requirements oversight process
- Mission Ready vs. Flight Ready
- Summary

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CSAR-X Background

- CSAR-X: Combat Search and Rescue (CSAR) Replacement Vehicle
  - $15B Program; 141 CSAR-X will replace 101 HH-60G CSAR helos
  - #2 acquisition priority: recapitalizes current HH-60G fleet
  - Resolves HH-60G capability and sufficiency gaps

- CSAR Mission: recover downed aircrew and other isolated personnel during military operations as well as civil Search and Rescue (SAR), emergency evacuation, disaster relief

- Only service with dedicated, theater-wide CSAR Force

- HH-60s: 16 yrs continuous combat ops

CSAR is a core Air Force mission – it is a moral and ethical imperative to rescue military personnel in hostile environments

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CSAR-X Requirements Process

- Joint Requirements Oversight Council (JROC) validated Mission Need Statement (Jan 99)
- 2 x Analysis of Alternatives completed
  - Identified possible alternatives
- Market Research of current industry capability (Mar – Nov 04)
- JROC validated service requirements (Sep 04 – Aug 05)
- Under Secretary of Defense for Acquisition, Technology and Logistics (USD/AT&L) approved service acquisition strategy (Jun 06)

JROC validated requirements have not changed since Aug 2005
Full and Open Competition

Title 10 United States Code Section 2305:
- Agencies shall specify their needs and solicit bids/proposals in a manner designed to achieve full and open competition for the procurement
- Use advanced procurement planning and market research
- Restrictive provisions or conditions shall be included only to the extent necessary to satisfy the needs of the agency or as authorized by law

Federal Acquisition Regulation (FAR) states agencies must conduct market research to determine if a commercial or non-developmental item either:
- Meets requirements
- Could be modified to meet requirements
- Could meet requirements if those requirements were modified to a reasonable extent

The FAR mandates the Agency look into the viability of requirements during market research

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CSAR-X Market Research

- Mar - Nov 04: Formal Market Research phase

- Nov 04 - Oct 05: Dialogue with industry continued through draft versions of Requirements and Acquisition documents

- Aug 05: All changes reviewed and revalidated by JROC

Market Research used to promote competition while meeting warfighter needs and providing best value to the taxpayer

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# Summary of CSAR-X Requirements Evolution During Generation Process

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Original Need</th>
<th>Modified Need</th>
<th>Rationale of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deployability*</td>
<td>Deployable via C-5 and C-17</td>
<td>Deployable via C-5 or C-17</td>
<td><strong>Nov 04:</strong> Market research indicated a potential offeror unable to meet C-5 need w/o major modifications</td>
</tr>
<tr>
<td>Combat Radius*</td>
<td>325 nm</td>
<td>275 nm</td>
<td><strong>Mar 05:</strong> Offerors identified concerns w/ meeting 325 nm radius w/ stated mission profile by user required IOC date</td>
</tr>
<tr>
<td>Payload &amp; Cabin Space (SCL)*</td>
<td>3700 lbs</td>
<td>2900 lbs</td>
<td><strong>Mar 05:</strong> Offerors identified concerns w/ meeting 275 nm radius w/ standard configuration by user required IOC date</td>
</tr>
<tr>
<td>One Engine Inoperative</td>
<td>6000' PA High Hot Day</td>
<td>4000' PA 27 C</td>
<td><strong>Mar 05:</strong> Offeror deemed requirement exclusionary for potential competition aircraft by user required IOC date</td>
</tr>
<tr>
<td>Deployability*</td>
<td>Mission Ready w/in 3 hours of arrival</td>
<td>Flight Ready w/in 3 hours of arrival</td>
<td><strong>Apr-Jun 05:</strong> Clarified aircraft status prior to releasing to ops for mission configuration. Offerors claimed language limited deployability options and &quot;mission ready&quot; open to numerous interpretations</td>
</tr>
</tbody>
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**Boeing began discussions with CSAR-X program office in Jun 05**

* KPP (Key Performance Parameter) **FOR OFFICIAL USE ONLY (FOUO)**
"AFSOC program officials improperly weakened one of the most important requirements...in order to allow Boeing to compete. In doing so they subverted the safety of service members to the parochial interests of the Pentagon and Boeing” (Executive Summary, page 1, para 1)

"...AFSOC watered down the deployability KPP (Key Performance Parameter), sneaking the change in quietly to avoid scrutiny…” (Executive Summary, page 1, para 3)
## CSAR-X Requirements Oversight Process

- Dynamic process
- Robust checks and balances
- Tiered reviews (Lieutenant Colonel though General)

<table>
<thead>
<tr>
<th>Review Level</th>
<th>Document Version</th>
<th>Requirement</th>
<th>Review Mechanism</th>
<th>Chair</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFSOC</td>
<td>Draft 1.0 to 6.0 (Oct 04 - Mar 05)</td>
<td>&quot;Mission Ready&quot;</td>
<td>High Performance Team</td>
<td>Colonel</td>
</tr>
<tr>
<td>Air Staff</td>
<td>7.0 (Mar 05)</td>
<td>&quot;Mission Ready&quot;</td>
<td>Air Force Requirements for Operational Capabilities Council</td>
<td>1 or 2 Star General</td>
</tr>
<tr>
<td></td>
<td>7.1 (Mar - Apr 05)</td>
<td>&quot;Flight Ready&quot;</td>
<td>High Performance Team</td>
<td>Colonel</td>
</tr>
<tr>
<td>Joint Staff</td>
<td>8.0 to 8.2 (May - Aug 05)</td>
<td>&quot;Flight Ready&quot;</td>
<td>Functional Capabilities Board Joint Requirements Oversight Council</td>
<td>2 Star General 3 Star General 4 Star General</td>
</tr>
</tbody>
</table>

Requirements changes reviewed and validated at multiple levels and by all DoD stakeholders

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Mission Ready vs. Flight Ready

Government discussion and continued market research (Apr – Jun 05) determined:

- "Mission ready" never defined and contained too many variables outside vendor’s control
  - Assumed to mean: ready for flight and configured with mission equipment (ammunition, weapons, defensive systems, rescue equipment, etc)
- "Flight ready" defined as "maintenance sign off of a/c log book"

- "Flight Ready" language wording change reviewed and validated:
  - Codified in 16 Aug 05: JROC memorandum (JROCM)
  - Vice Chiefs of all services coordinate on JROCM

JROC validated KPP “flight ready” language in Capability Development Document (CDD) 16 Aug 05 JROCM

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Mission Ready vs. Flight Ready

- Lockheed Martin, in a 26 May 2005 letter to the CSAR-X contracting officer, proposed:

  "Suggest the Government define the end time for the timed aircraft preparation (KPP) exercise as the term mission ready status is open to various interpretations. Recommend the end time be defined as the time when maintenance team releases the aircraft for flight"

- The Government used the offeror’s input and defined “flight ready” in the original RFP Section L, Attachment 14, Table 14-4, task 2

- The GAO’s 29 Mar 07 decision specifically addressed the Air Force’s deployability evaluation and found it to be reasonable

"Flight Ready” clarified the requirement and placed the burden to achieve on industry

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Summary

- CSAR-X followed the DoD Requirements process

- The Air Force, as mandated by Federal Acquisition Regulations, used information collected during Market Research to:
  - Promote broadest level of competition (best value to taxpayer)
  - Clarify / modify requirements (preserve warfighter equity)

- Air Force has a robust process with multiple checks and balances
  - Fully vetted: Air Force, Joint Staff, and OSD

- Requirements JROC validated Aug 05
  - Have remained constant since that time

Requirement / Acquisition processes open and transparent

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