

USAF Under Scrutiny for (More) Botched Contract Awards

Written by Nick Sanders
Friday, 11 May 2012 00:00

We have created a little bit of a tradition here on this blog, criticizing problematic government source evaluations and contract awards. For example, we took the Federal Transit Authority (FTA) [to task](#) for a case of “epic fail” for its refusal to award a contract to a Joint Venture that took two GAO bid protest decisions to straighten out. We’ve also [related](#) the problems associated with the Army’s NexGen Ground Combat Vehicle. But the target of the vast majority of our criticism has been the U.S. Air Force.

We related the sad, sad, saga of the KC-X tanker competition [over here](#). (That link takes you to the last article in a series covering the painful competition. We also had a follow-up article on cost problems incurred by the winner, Boeing.)

We also addressed perceived USAF program management failures in [this article](#), where we asserted that “...it’s inarguable that the [USAF’s] current approach to contractor and program management isn’t getting it done.”

We’ve also [pointed at](#) the USAF’s attempt to award the “Light Air Support” (LAS) contract as another example of failed source evaluation and award. In that article, we waxed nostalgic about Darlene Druyun, “The Dragon Lady” of the USAF acquisition force—who rammed decisions down the throats of subordinates and ran her fiefdom like an Empress of old, all while accepting illegal gratuities and job offers from one very large defense contractor who seemed to inexplicably benefit from her imperial decrees regarding who got which contract award.

Well, recently the USAF decided to recompet the LAS award, after terminating the initial contract awarded to Sierra Nevada Corporation and Embraer (maker of the Super Tucano aircraft), after the loser (Hawker Beechcraft Defense, maker of the AT-6 aircraft) sued the Air Force, after Hawker Beechcraft lost a bid protest at the GAO. Why? Because the Air Force leadership found “inadequate documentation” regarding the original bid evaluation and contract award decision.

What makes the Air Force’s recompet so interesting to observers is that it has decided to evaluate offers without “actually flying the two contending planes,” according to [this article](#) at AOL Defense. The article noted—

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That's a disturbing departure from best practice in a program that has already been an agony for the Air Force, with the delivery of ground-attack planes to the fledgling Afghan air force now delayed by 15 months, enough to miss not one but two 'fighting seasons' in Afghanistan. ... While they're still wading through the details, both companies expressed confusion and disappointment over the revised RFP.

The article pointed out that, by delaying first article testing until after delivery of the first production unit, the LAS program will be taking the same approach as was used by the F-35 JSF program—a strategy that Under Secretary for Defense (A,T&L) Frank Kendall publicly stated was “acquisition malpractice.”

But that's not the only issue troubling the Air Force these days. As [this Washington Post article](#) reported, the USAF's Network-Centric Solutions-2 competition has been reopened “following protests from a dozen losing bidders.”

The initial award was valued at \$6.9 Billion, but WaPo noted that it had “a total potential value of at least \$24.4 Billion.” Nine contractors were selected to receive contract awards, according to the WaPo story. The losers filed bid protests at the GAO. WaPo reported—

The companies' protests were based in part on claims that the government failed to recognize artificially low offers and did not hold meaningful discussions with bidders. It is unclear how the decision will affect the nine companies selected for the award.

In a filing, the USAF told GAO that “it had decided to reopen negotiations with all offerors in the competitive range.” This corrective action led GAO to dismiss the protests.

When the press inquired regarding the rationale behind the Air Force's decision to reopen competition, the WaPo story quoted an Air Force spokesperson as follows—

'On a competition of this magnitude, the Air Force wants to get the very best products at the best prices, and we want to have a fair and transparent competition on a level playing field. We want all the offerors to be assured that they understand what we want.'

So let's review the bidding here. (Heh.)

1.

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After a tortuous competition that saw bids from both EADS and from a Russian company, the Air Force awards Boeing the KC-X aerial tanker contract.

2.

After a competition, the Air Force awards SNC/Embraer the LAS contract, and refuses to tell the loser why it lost. The contract is almost immediately terminated, and a new competition is opened. The new competition will not include an actual performance comparison of the two competing aircraft.

3.

After a completion, the Air Force awards several companies ginormous NetCent Sol-2 contracts. The losers protest and, in response to the protests, USAF reopens the competition.

We are reminded of the old adage, "There's never time to do it right, but there's always plenty of time to do it over again." It appears to us that the Air Force is setting new lows in acquisition excellence. We wonder how the USAF keeps missing the mark, over and over, and nobody in DOD Leadership seems to know why or what to do about the problem.

Everybody makes mistakes. The goal is to learn from those mistakes and keep them from recurring. We wonder why the US Air Force seems to be unable to learn from its mistakes.