

File 20100621.1404: Notes from meeting with Olav Kjono:

[Cross reference to 20100628.1500 for 'nimso' aka NMSO.]

I arranged a meeting with the programme manager for Radiant Mercury, Mr Olav Kjono. He is based in San Diego, California near to the the government sponsor (U.S. Navy SPAWARSYSCEN) but was in Colorado on travel. I went into the meeting with an agenda and a list of specific questions about RM's funding relationship through Lockheed and the government sponsor, how the costs of CT&E time and effort are allocated, and the overall cost and budget of the programme. An impedance mismatch quickly became apparent in the specialised terminology of defence contracting with the government. I understand where the programme is in the systems engineering life-cycle but not in the acquisition life-cycle. The reasons why the O&M sustainment phase is fee-for-service and not fully funded can only be explained in the context of the acquisition life cycle; specifically, where the RDT&E money that is used for beta testing comes from. In the fee-for-service model, sites needing an RM system pay a combination cost of price + a 'tax' for overhead in addition to a yearly support fee, in contrast to a fully funded programme such as an aircraft acquisition where the end-users receive aircraft but pay no amount monetarily. RM is not fully funded, even for the baseline. [redact: In round numbers, the operating cost of the programme is \$20MM per year.]

The programme manager recommended that I study the acquisition life cycle training material at the Defence Acquisition University ([dau.mil](http://dau.mil)) in order to better understand the right questions to ask. I have requested access to the training and am also reading some papers by ? in the Lockheed systems engineering organisation on the subject of affordability. He encouraged me to come back and talk to him again after I have learnt the language. [Editorial note: so this is what those people on the business side of the house do. From my experience, the engineers are largely unaware of it. They know vaguely that a specialised language exists but rarely hear it, as it is considered 'business ops'. Engineers are more aware of the Federal Acquisition Regulations (FAR) because of the compliance training they receive, but FAR is controls, not acquisitions. What I discovered this week is that talking to the programme manager is impossible without the vocabulary.]

Meeting ended 1404.

## References