



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500

December 8, 2016

MEMORANDUM FOR NAVAL INSPECTOR GENERAL

Subject: Department of Defense Office of Inspector General Report No. DODIG-2017-014,
"Acquisition of the Navy Surface Mine Countermeasure Unmanned Undersea Vehicle
(Knifefish) Needs Improvement," November 8, 2016

We are revising one page in the subject report to address an error identified after publishing. The revision is minor and does not affect the overall finding, conclusions, and recommendations presented in the original report. We are incorporating the following update to the subject report on our website at <http://www.dodig.mil/Audit/reports/index.html>.

We are revising the sentence, "Specifically, the MVCS and the launch and recovery engineering change proposal repriced the contract option for the initial production units increasing the unit cost by \$93,781." in the third paragraph of report page 18 to read "Specifically, the MVCS and the launch and recovery engineering change proposal repriced the contract option for the initial production units, increasing the cost by \$93,781." The Navy is aware of this sentence change; therefore, we are not requesting additional comments on this revision.

Please reference the attached page as a replacement page for any copy of the subject report in your possession. We revised only the page indicated and modified no other information in the report. You can access a complete revised version on our website as indicated in the previous paragraph.

If you have any questions on the revisions, please contact me at (703) 604-9077 (DSN 664-9077).


Jacqueline L. Wicecarver
Acting Deputy Inspector General
for Audit

Attachment:
As stated

The communication requirement should be measureable (quantifiable) and testable (verifiable) so a communication capability between Knifefish and the LCS can be verified. The Director further stated that the Knifefish CDD included a launch and recovery requirement. While we agree that, there is a launch and recovery primary requirement in the Knifefish CDD, the primary requirement addresses the maximum number of personnel required to launch, recover, operate, and maintain the Knifefish. In addition, the Knifefish CDD also included a system attribute identifying the sea state levels associated with Knifefish launch and recovery. However, the Knifefish CDD did not address other critical factors for delivering the launch and recovery capability, such as the speed of the LCS during operations, the time required for launch and recovery operations, or the weight of launch and recovery equipment. Like the communication interface requirement, the launch and recovery requirement should be measureable and testable so the capability can be adequately evaluated.

The 2011 JCIDS manual states that the CDD provides the operational performance attributes needed to design a proposed system and identifies the system-specific performance attributes necessary to provide the warfighter an operational capability. The manual states that each attribute should be measureable (quantifiable) and stated in testable (verifiable) terms. Furthermore, each attribute should identify a threshold (minimum) and objective (maximum) value. In addition, the "Defense Acquisition Guidebook," September 16, 2013, states that during system requirements and functional reviews, the system engineer is responsible for making sure that both explicit and derived performance requirements are defined and traceable, in both directions, between the draft CDD including primary requirements, key system attributes, and other attributes and the system performance specifications. By not fully defining the communication interface and launch and recovery requirements in the CDD, the program office issued two engineering change proposals to redesign the Knifefish vehicle, which increased contract costs by \$2.3 million.

We disagree with the Commander's comment that the engineering change proposals resulted in a \$7.8 million cost savings. Specifically, the MVCS and the launch and recovery engineering change proposals repriced the contract option for the initial production units increasing the cost by \$93,781. However, the program office has not exercised the option.

We agree with the Commander's comment that the Knifefish minehunting capabilities are not dependent on the LCS; however, if the Knifefish cannot communicate with the LCS or cannot be launched and recovered from the LCS or other ship of opportunity, it will not accomplish its primary mission of being deployed, operated, and maintained from the LCS as part of the mine countermeasure mission package.