Agile Acquisitions

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WHEN COMPLIANCE REPLACES MISSION

The missing mission-outcome mandate in government contracting

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We can prove how
the money was spent.

We can’t prove
the mission was achieved.

Keep it Simple Stupid

Government is built to enforce compliance. It is not built to require the mission.

The Bold Truth: The fix is not more metrics, which get gamed. It is tying a slice of payment, and of people's careers, to independently verified mission results.

01

THE WORDS

Four ideas we keep mixing up, and why it costs us the mission.

TERMINOLOGY

Four things we conflate

Contract type

How we split cost and performance risk. FFP, cost-reimbursement, T&M.

Performance-based acquisition

Requirements written as results and measurable standards. FAR Part 37.

Incentive structure

How we flex profit or fee. Award fee, incentive fee.

Mission-outcome accountability

Did the buy actually cause the public result? Rarely in the contract.

TERMINOLOGY

Three senses of one word: “outcome”

Output

What the vendor produces. A report, a system, hours delivered.

→

Contract outcome

A result the contract enforces. A service level, a technical target.

→

Mission outcome

The public effect it was meant to cause. Capability fielded, benefit delivered.

We are great at the first two. We are silent on the third.

A fixed price is not a mission outcome.

Price certainty is not mission certainty. You can run a flawless award, pay in full, and still not know whether the mission moved.

02

THE WIRING

Human psychology and incentives. Why this is not a govcon quirk.

The folly of rewarding A, while hoping for B.

The behaviors we reward are often the very ones we are trying to discourage.

Steven Kerr, 1975

Two laws every metric runs into

GOODHART'S LAW

"When a measure becomes a target, it ceases to be a good measure."

after Strathern, 1997

CAMPBELL'S LAW

The more an indicator drives decisions, the more it distorts and corrupts what it was meant to measure.

Campbell, 1979

Any reform built on a single number is engineering its own workaround.

And the incentives themselves backfire

“Higher incentives led to worse performance.”	Ariely et al., 2009
“A fine is a price.”	Gneezy & Rustichini, 2000
“Rewards significantly undermined intrinsic motivation.”	Deci, Koestner & Ryan, 1999

On complex, judgment-heavy work — exactly the work we buy — bigger carrots can make things worse.

IT ALREADY HAPPENED, AT SCALE

“DOD Has Paid Billions in Award and Incentive Fees — Regardless of Acquisition Outcomes.”

The title of a GAO report. Not an op-ed. (GAO, 2005)

90%

median award fee paid, whether outcomes fell short, met, or exceeded

$8B

paid in award fees across the reviewed period

$157B

obligated through award- and incentive-fee contracts

03

THE LADDER

A fix for every altitude — matched to the authority it actually needs.

THE LADDER

Three rungs, honestly labeled

RUNG 1
Do it now

Agency action, no new law

Define a small basket of mission outcomes in the plan; use prize, OTA, and performance-based payment authority you already have.

RUNG 2
Pilot + statute

Outcome escrow with independent verification

Hold back a slice, released only on a verified mission result. Fund the pilot with multi-year money so it survives fiscal-law limits.

RUNG 3
Legislation

Outcomes-informed appropriations

Budget toward results and match authority to responsibility — a Goldwater-Nichols for acquisition.

Change the humans, not just the metrics.

Judge people on the quality of their decisions, not on luck. Give a safe harbor for smart, well-documented risk. A mechanism never outlives the culture that grades its operators.

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Compliance or mission is a **choice**.

The tools exist. What is missing is the requirement, the verification, and the consequence and those are choices we can make differently.

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Let’s build the mission-outcome mandate.

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