



Soldier Protection System Cancelled by PEO Soldier?

US Army's PEO Solider has cancelled a key request for one of the most ambitious Solider Protection upgrades in decades – or has it?

That was the question on the lips of many concerned contractors when a letter went out in late April from the Contracting Officer at the Aberdeen Proving Grounds stating that several portions of the Soldier Protection System (SPS) solicitation had indeed been cancelled.

SPS has been one of the most ambitious solicitations for foot-soldier protection gear in nearly a decade. The original RFP was issued by PEO Soldier, Product Manager Soldier Protective Equipment in October of 2012. With its roots firmly in the defunct Future Warrior and Land Warrior Programs, SPS was intended to be a multi-year program that has already pitted several well-known commercial development teams against one another in order to develop the ultimate in an integrated combat suit that would improve both battlefield protection and situational awareness.

The system was to be comprised of six distinct, but ultimately integrated units: Integrated Head Protection System, Transition Combat Eye Protection, Torso Protection, Individual Soldier Sensor System, Vital Torso Protection and Extremity Protection. According to the language of the RFP, "The goal of the SPS is to provide Soldiers with modular, scalable and mission tailorable protection to reduce weight and increase mobility while optimizing protection."

Contractors were invited to reply to the RFPs for any or all of the components. When those letters were received by solicitors, it seemed that another program had fallen victim to Sequestration, and that SPS had been cancelled in its entirety.

The news had been taken as "all bad" by contractors and their subs and affiliates, who had already spent millions of R&D dollars and countless man-hours to answer the complicated RFPs for SPS. However, a spokesperson for PEO Soldier clarified that Product Manager Soldier Protective Equipment was only withdrawing the RFPs for the Extremity Protection System (EPS) and Torso Protection System (TPS) modules of SPS. In a statement released to the press PEO Solider said, "The cancellation will allow writing of new Requests for Proposals that will contain language and industry incentives to encourage greater creativity in developing protection solutions and broader industry participation in the program."

Which means that the remaining four RFPs for: the Integrated Head Protection System, Transition Combat Eye Protection, Vital Torso Protection and Individual Soldier Sensor System, while likely

in jeopardy, remain open. A recent check of the FBO solicitations site verifies that these are still active. The language used by PEO Solider also means that the Army is not closing the door on this program, or the need for this equipment, but is reevaluating said needs, and will hopefully for the contractors involved, reissue a modified RFP.

Cancellations of projects and withdrawal of RFPs may be par for the course for military contractors and DoD partners. However, in these tough times with the industry facing monumental budget cuts over the next decade, many smaller sub-contractors and their affiliates can ill afford these kinds of false starts. Still, contractors that put a lot of time and effort into the first round, can only sit back and hope that PEO Soldier does indeed reissue new requirements, and when they do they are still solvent enough to pick up the ball again, if they are to have any hope of recouping what they have already put in.

Forced Budget Cuts

This seeming "cancellation" of the SPS Program is just one example of the effect of the forced budget cuts, also known as the Sequester, that went into place March 1st, 2013, could be having on the defense industry. Cuts in modernisation programs not only put soldiers' lives at risk, they have devastating effects on an already hurting economy. And it's not just small sub-contractors who are feeling the pinch. Since the beginning of the year, Lockheed Martin has laid off more than 300 workers. It has also offered a lump-sum voluntary separation program to workers with 25 years or more of service.

Since Congress failed to reach an agreement to end Sequestration by the March 27th deadline, the forced spending cuts remain in effect, "severely impacting" defense contractors, which, according to House Democrats, in turn negatively impacts the entire economy.

On May 15th House Democrats released a report based on Congressional Budget Office data, that stated defense and domestic sequestration cuts are on pace to "reduce economic growth at an annual rate of 0.6 percent and cost about 750,000 jobs in 2013." The report went on to say, "This is the biggest back-to-back reduction in defense spending since the post-Korea drawdown in 1954. The decline in defense spending has been cited by many economists as the largest drag on broader economic growth." ■