

## UPDATE: Palantir Wins First Round Against US Army

Written by Nick Sanders

Wednesday, 09 November 2016 00:00

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We have been following the fight between Palantir and the US Army with interest. We've written about it twice, the last time [right here](#). It's interesting because it vividly demonstrates how actions speak so much louder than words.

On one hand, SECDEF Carter is calling for more innovation, and he's practically begging Silicon Valley to give the DoD some of that sweet, sweet agile development in support of the warfighters. But on the other hand, institutions such as the US Army are rejecting Silicon Valley innovations in favor of traditional DOD development contracting in accordance with DOD Instruction 5000.02, which describes a ponderous, bureaucratic lifecycle punctuated with Milestone Decisions (gates) that open to permit movement into the next phase of the program.

So, yeah. This is a big deal because it shows that commander's intent doesn't mean boo to the bureaucrats in the field, who keep on doing what they've always done, despite statutes and regulations and leadership exhortations to the contrary.

Here's a link to a nice [summary](#) of the latest status of the Palantir fight, courtesy of DefenseNews. Palantir apparently was successful in its bid protest at the Court of Federal Claims, with the Judge verbally telling the US Army to conduct market research before choosing its acquisition strategy. As DefenseNews reported—

The judge delivered an oral ruling Monday, ordering the Army 'to go back and look seriously at whether there are in fact commercial products that can meet its needs either without modification or with some modification, but whether there are in fact commercial products, including from Palantir, that meet its needs,' ... The court upheld Palantir's central legal argument that the Army violated a 1994 law -- the Federal Acquisition Streamlining Act -- by not conducting the market research needed to determine if commercially available items could meet its needs with or without modification. ...

The lawsuit opened up a can of worms on top of what has been a lengthy controversy over whether the Army should scrap its DCGS-A program after spending more than a decade and \$3 billion to develop it and go with a commercial, off-the-shelf solution. Soldiers, in Afghanistan particularly, have repeatedly requested permission to use Palantir instead of DCGS-A, as the service continues to work out glitches and problems with its own program.

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People who do acquisition for a living might boggle a bit at the notion that the US Army would proposed to spend billions of taxpayer dollars without checking first to see if there was a cheaper, commercial, solution already available. Yet here we are.

But this is not only about a failed acquisition strategy. As we wrote in our last article on the topic—

Palantir has asserted that the Army's failure to adopt its lower-cost, better functioning product has cost casualties. If that's true, this is more than a procurement story; it's a story about failed leadership.

Let us be even more clear this time around.

If it is determined that the US Army did willfully obstruct Palantir and that it did willfully adopt an acquisition strategy to disadvantage Palantir and in violation of statutory and regulatory requirements, then SECDEF Carter should demand the resignation of those involved. If he permits his subordinates to ignore his strategic direction, then he will have zero credibility with Silicon Valley.