4

DEFENSE ACQUISITION MANAGEMENT ORGANIZATIONS

Background

Packard Commission

The 1985-86 President's Blue Ribbon Commission on Defense Management was chaired by former Deputy Secretary of Defense David Packard, and involved a comprehensive review of the overall defense acquisition process. Reporting to the President in mid-1986, the Packard Commission recommended creation of a single position responsible for acquisition and establishment of a streamlined reporting chain from the Program Manager (PM) to the milestone (acquisition) decision authority (MDA) within the Department of Defense (DoD) (the Under Secretary of Defense for Acquisition and Technology (USD(A&T)). President Reagan approved the Commission's recommendations, and he directed their implementation via National Security Decision Directive (NSDD) 219 in 1986.

Defense Management Review (DMR)

A follow-on assessment of defense acquisition management was initiated by President Bush in 1989. The DMR reiterated the Packard Commission findings. One of the major recommendations from the Packard Commission and the subsequent DMR was to streamline the PM's reporting chain. The resultant *four-tier* reporting chain provides for no more than two levels of management oversight between the PM and the MDA, for all acquisition programs. The specific reporting chain for

any particular program is a function of the program's size and acquisition category (ACAT) (discussed later in this chapter).

This structure provides a clear line of authority running from the USD(A&T) through full time component acquisition executives (CAEs) and full time Program Executive Officers (PEOs) to the individual PMs of Major Defense Acquisition Programs (MDAPs). The services have chosen somewhat different approaches for implementing this policy. For Automated Information Systems (AISs), the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD(C^3I)), as the DoD's Chief Information Officer (CIO), serves as the acquisition executive (AE), or MDA. In this capacity, the AE makes decisions and establishes acquisition policies and procedures unique to AISs.

The reporting structure for ACAT ID (MDAPs) and ACAT IAM (MAIS acquisition programs) is illustrated in Figure 4-1.

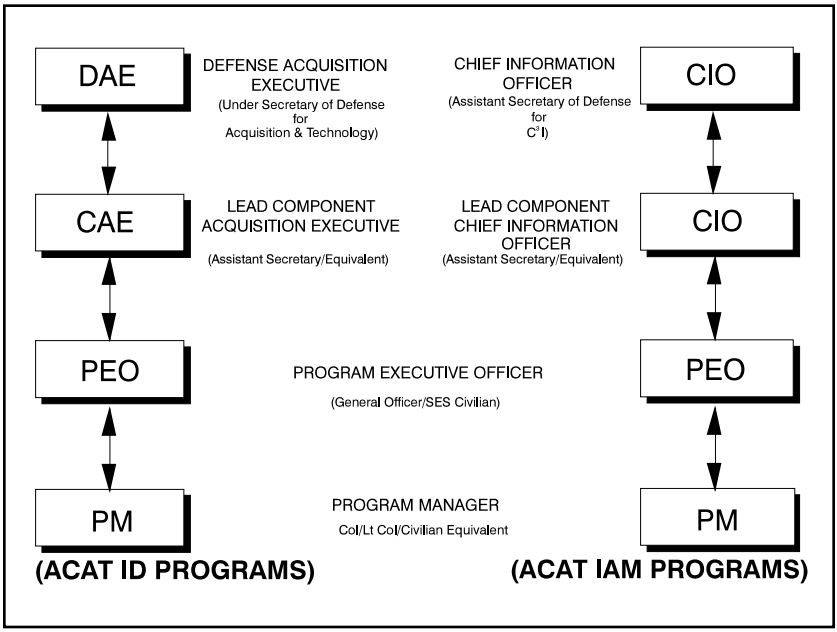

Figure 4-1. DoD Acquisition Authority Chain

PEOs

The position and function of the PEO was established in 1986, based on the Packard Commission report. The Army took the lead in creating the PEO structure, shortly after the Packard Commission findings were released. There have been some refinements of the Army's PEO structure since 1987, and the Army currently has nine PEOs, and two direct-reporting Program Managers (DRPMs) who report directly to the Army Acquisition Executive (AAE). The Navy implemented the PEO structure in 1986 by dual-hatting its Systems Command (SYSCOM) Commanders as PEOs for assigned programs. In order to comply with the 1989 DMR, the Navy now has nine PEOs independent from the SYSCOMs, and three DRPMs. The Air Force, like the Navy, had originally dual-hatted its Product Center Commanders as PEOs. In order to comply with the DMR, the Air Force subsequently established six PEOs (separate from the Product Center structure).

Service (Component) Acquisition Executives (SAEs/CAEs)

The senior official in each service responsible for acquisition matters under the Service Secretary is the SAE, also known as the CAE. The SAE in the Army is the Assistant Secretary of the Army for Research, Development, and Acquisition (ASA(RD&A)). The Navy's (and Marine Corps') AE is the Assistant Secretary of the Navy for Research, Development, and Acquisition (ASN(RD&A). In the Air Force, the SAE is the Assistant Secretary of the Air Force for Acquisition (ASAF(A)). The SAE's role is similar to that of the Defense Acquisition Executive (DAE) at the Office of the Secretary of Defense (OSD) level (see Figure 4-1). The SAE reports to the Service Secretary administratively and to the DAE for acquisition management matters. Each SAE also serves as the Senior Procurement Executive (SPE) for their military department. In this capacity, they are responsible for management direction of their respective service procurement system, in-

cluding implementation of unique procurement policies, regulations, and standards. Other DoD components, including the Defense Information Systems Agency (DISA) and the United States Special Operations Command (USSOCOM), also have CAEs who make acquisition decisions for their component's programs.

Both MDAPs destined for review/approval by the USD(A&T) and other programs reviewed by the services follow the same basic management oversight process, but the final decision authority is at a lower level for the latter programs. Similarly, less than MAIS acquisition programs follow an oversight process that parallels that of the Major Automated Information System Review Council (MAISRC), but decisions for these programs are made at a lower level. For other than MAISs (for which the ASD(C^3I) is the MDA), the DoD Component CIO serves as the MDA.

USD(A&T)

Title 10, United States Code (USC), §133 established the position of Under Secretary of Defense for Acquisition (USD(A)). The 1994 National Defense Authorization Act subsequently changed the USD(A) title to USD(A&T). The USD(A&T) serves as both the principal acquisition official to the DoD and the principal acquisition advisor to the Secretary of Defense (SECDEF). The USD(A&T) serves as the DAE for the department, and as the SPE for the agencies that report directly into the OSD staff. For acquisition matters, the USD(A&T) takes precedence over the Secretaries of the Services and ranks number three within the DoD (directly below the SECDEF and Deputy SECDEF). The USD(A&T) is the DoD AE for MDAPs. This person is responsible for establishing acquisition policies and procedures for weapons systems acquisition programs.

The **USD(A&T)** also:

- Supervises the entire DoD acquisition system,
- Chairs the Defense Acquisition Board (DAB),
- Develops acquisition program guidance and ensures compliance with established acquisition policy and procedures,
- Serves as National Armaments Director and SECDEF representative to the Four Power Conference,
- Administers the Defense Acquisition Executive Summary (DAES) and the Cost/Schedule Control Systems Criteria (C/SCSC) systems, and
- Establishes policy for the training and career development of acquisition personnel.

Other key players within the USD(A&T) organization include:

- *Principal Deputy USD(A&T):* Serves as chief advisor to USD(A&T), acts in the USD(A&T)'s absence, oversees the DAB and DAES functions, and other issues related to systems acquisition.
- *Director, Defense Research and Engineering (DDR&E):* Principal advisor to the USD(A&T) for scientific and technical matters. Responsible for oversight of DoD basic research, exploratory development, and advanced development.
- *Director, Test, Systems Engineering, and Evaluation (DTSE&E):* Responsible for developmental test and evaluation (DT&E) policies and procedures, systems engineering (SE) policies, and the Foreign Compara-

tive Testing (FCT) program.

- *Deputy Under Secretary of Defense for Advanced Technology (DUSD(AT)):* Manages Advanced Concept Technology Demonstration (ACTD) efforts.

- *Deputy Under Secretary of Defense for Acquisition Reform (DUSD(AR)):* Responsible for identifying and implementing ways to streamline the acquisition process. Also responsible for the education and training of acquisition personnel.

- *Deputy Under Secretary of Defense for Environmental Security (DUSD(ES)):* Responsible for oversight of all environmental issues associated with defense acquisition, to include compliance, cleanup, conservation, and pollution prevention. Also responsible for environmental technology development.

- *Assistant Secretary of Defense for Economic Security (ASD(ES)):* Responsible for industrial base policy, dual use technology, international programs, base realignment and closure, reinvestment, and economic adjustments.

- *Deputy Under Secretary of Defense for Logistics (DUSD(L)):* Oversees logistics, transportation, Continuous Acquisition Life Cycle Support (CALS), and resource management issues.

- *Deputy Under Secretary of Defense for Space (DUSD(Space)):* Provides policy guidance and oversight concerning development of integrated space architectures consistent with the National Military Strategy (NMS), the Defense Planning Guidance (DPG), and fiscal guidance.

Other officials which report to the USD(A&T) include:

- Executive Director, Defense Science Board (DSB),
- Director, Special Programs,
- Director, Small and Disadvantaged Business Utilization Program (SDBUP),
- Assistant to the Secretary of Defense for Atomic Energy (ASD(AE)),
- Director, Ballistic Missile Defense Organization (BMDO), and
- Director, Defense Logistics Agency (DLA).

In addition to these offices, there are several other DoD organizations that play a critical role in defense acquisition management. These are briefly discussed below.

ASD(C^3I): As the CIO for DoD, serves as the Department's AE for MAIS acquisition programs and establishes acquisition policies and procedures unique to AISs.

Director, Operational Test and Evaluation (DOT&E): Responsible for DoD operational and live fire test and evaluation (LFT&E) policy and procedures. Analyzes results of operational test and evaluation (OT&E) conducted on MDAPs and reports to the SECDEF, the USD(A&T), and the Senate and House Committees on Authorizations and Appropriations as to whether test results indicate the system is operationally effective and suitable. Also monitors and reviews the results of DoD LFT&E activities.

Defense Resources Board (DRB): As the DoD's principal resource management organization, the DRB plays a major role in the Planning, Programming, and Budgeting System (PPBS) (see Chapter 7). It reviews the service and defense agency Program Objectives Memoranda (POMs) and conducts program execution reviews. Chaired by the Deputy Secretary of Defense, key members of the DRB include the USD(A&T); Un-

der Secretaries of Defense for Policy (USD(P)) and the Comptroller (USD(C)); the Director of Program Analysis and Evaluation (DPA&E); and the DDR&E.

Joint Requirements Oversight Council (JROC): The role of the JROC has increased significantly as a result of the DMR. The JROC reviews MDAPs (and selected MAIS programs) at each milestone prior to the DAB (or MAISRC), and are primarily concerned with requirements and performance baseline issues. The JROC allows the users (including unified commands) direct access into the DoD acquisition process. The JROC is chaired by the Vice Chairman of the Joint Chiefs of Staff (VCJCS) and includes the following members:

- Vice Chief of Staff, U.S. Army (VCSA);
- Vice Chief of Staff, U.S. Air Force (VCSAF);
- Vice Chief of Naval Operations (VCNO); and
- Assistant Commandant, U.S. Marine Corps (ACMC).

In addition to his role as Chairman of the JROC, the VCJCS also serves as Vice Chairman of the DAB.

Cost Analysis Improvements Group (CAIG): The CAIG is an ad hoc group chartered by the DPA&E. Its function is to provide an assessment, prior to each milestone review of MDAPs, of the program life cycle cost (LCC) estimate, and the service independent cost estimate.

ACATs, IPTs, the DAB, and the MAISRC

ACATs

Defense acquisition programs are grouped into one of six ACATs based principally on their dollar value and MDA as illustrated in Figure 4-2.

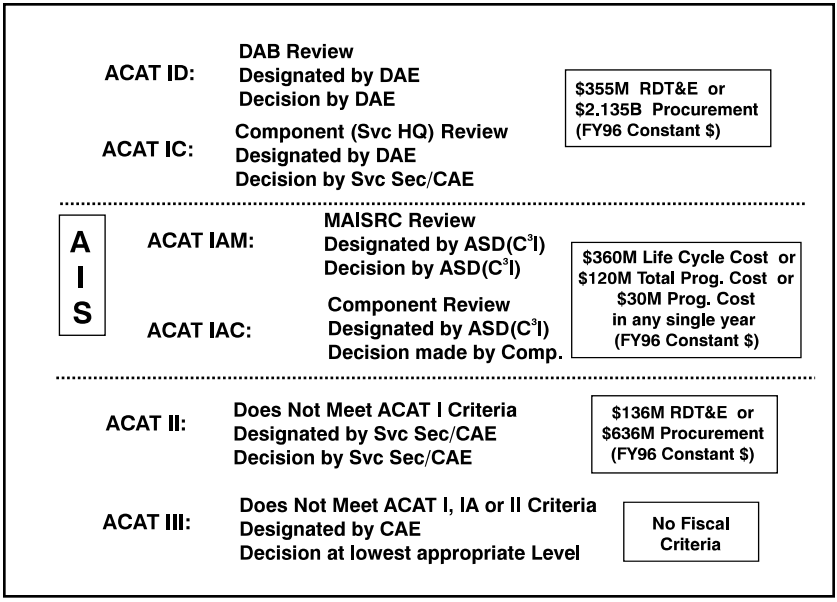

Figure 4-2. Acquisition Categories (ACATs)

ACAT I programs are MDAPs. There are two subcategories of ACAT I programs:

- *ACAT ID*, for which the MDA is the USD(A&T). The "D" refers to DAB . Sponsoring service/defense agencies first review/approve ACAT ID programs. Forward movement of the program involves review by the appropriate Overarching Integrated Product Team (OIPT) and the DAB. The DAE makes the final decision.

- *ACAT IC*, for which the MDA is the DoD component head, or if delegated, the CAE. The "C" refers to Component. Initially, services and defense agencies review their respective ACAT IC programs. The corresponding SAE or CAE makes the final milestone decisions.

ACAT IA programs are MAIS acquisition programs. The "A" distinguishes major AIS acquisition programs from MDAPs. There are two subcategories of ACAT IA programs:

- *ACAT IAM*, for which the MDA is the ASD(C^3I). The "M" refers to MAISRC. First reviews of the ACAT IAM programs occur by the sponsoring service/agency. Next, the Information Systems OIPT and MAISRC, respectively, review the programs. Final decision authority lies with the DoD CIO (ASD(C^3I)).

- *ACAT IAC*, for which the MDA is the DoD Component CIO. The "C" refers to Component. Initially, service and defense agency levels review the ACAT IAC programs. The component CIO makes the final milestone decisions.

ACAT II programs are those programs that do not meet the criteria for an ACAT I program but do meet the criteria for a major system. The MDA for these programs is the CAE (or SAE). The management oversight and review process for these programs is similar to that of the ACAT IC programs discussed above.

ACAT III programs are those programs that do not meet the criteria for ACAT I, ACAT IA, or ACAT II programs. The MDA is designated by the CAE and shall be at the lowest appropriate level. Milestone decisions for these programs *may be made at the SAE* level, but most of these programs are reviewed (and decisions are made) at the Systems Command (Navy and Marine Corps), Major Subordinate Command (Army), or Product or Air Logistics Center (Air Force) level. Some ACAT III programs may be assigned to a PEO for milestone/program decisions. This category also includes less than major AISs.

IPTs

Integral to the defense acquisition oversight and review process are IPTs. Their purpose is to facilitate decision making by making recommendations based on timely input from the entire team. IPTs are composed of representatives from all appropriate functional disciplines working together to build successful programs and enabling decision makers to make the right decisions at the right time. Each IPT operates under the following broad principles:

- Open discussions with no secrets;
- Qualified, empowered team members;
- Consistent, success-oriented, proactive participation;
- Continuous "up-the-line" communications;
- Reasoned disagreement; and
- Issues raised and resolved early.

For ACAT ID and ACAT IAM programs, there are generally two levels of IPTs above the program office—an OIPT and Working-Level IPTs (WIPTs). The following paragraphs discuss the roles and responsibilities of these IPTs in the defense acquisition process.

OIPTs: Each MDAP (ACAT ID) is assigned to an OIPT for management oversight. The primary role of the OIPT is to provide strategic guidance and to help resolve issues early as a program proceeds through its acquisition life cycle. OIPTs for ACAT ID programs are led by the appropriate OSD official[2]; the Deputy Assistant Secretary of Defense (C^3I Acquisition) will designate the OIPT Leader for each ACAT IAM program. OIPT members include the PM, the PEO, component staff, USD(A&T) staff, the Joint Staff, and other OSD principals

[2] Typically the Director of Strategic and Tactical Systems, the Assistant Deputy Under Secretary of Defense (Space and Acquisition Management), or the Deputy Assistant Secretary of Defense (C^3I Acquisition).

(e.g., Comptroller, PA&E, CAIG, DOT&E, etc.) or their representatives involved in oversight and review of a particular ACAT ID or ACAT IAM program. The OIPT will normally convene two weeks in advance of an anticipated review by the DAB or the MAISRC to assess information and the recommendations being provided to the MDA. The OIPT Leader, in coordination with the appropriate CAE, makes a recommendation to the MDA as to whether the anticipated review should go forward as planned.

There are four broad categories of OIPTs—Space Systems, Weapons Systems, C^3I Systems, and Information Systems. The first three categories support the DAB and the Information Systems OIPT supports the MAISRC.

WIPTs: The WIPTs meet as required to help the PM plan program structure and documentation and resolve issues. The leader of each IPT is usually the PM or the PM's representative. Specific roles and responsibilities of all WIPTs include the following:

- Assist the PM in developing strategies and in program planning, as requested by the PM.
- Establish an IPT plan of action and milestones.
- Propose tailored document and milestone requirements.
- Review and provide early input to documents.
- Coordinate WIPT activities with the OIPT members.
- Resolve or elevate issues in a timely manner.
- Assume responsibility to obtain principals' concurrence on issues, as well as with applicable documents or portions of documents.

DAB

The DAB is the DoD's senior-level forum for advising the USD(A&T) on critical issues concerning ACAT ID programs. It is the name given to the life cycle decision-making process through which major programs proceed from requirements and concept definition through production and deployment. The DAB provides the formal oversight/management mechanism for many MDAPs. It replaced the former Defense Systems Acquisition Review Council and Joint Requirements Management Board review processes. Formal meetings may be held at each milestone (for ACAT ID programs) to review accomplishments of the previous life cycle phase and assess readiness to proceed into the next phase. Typical issues addressed at the DAB include cost growth, schedule delays, technical threshold breaches, supportability issues, acquisition strategy, threat assessment, test and evaluation highlights, cooperative development/joint service concerns, manpower evaluation, and operational effectiveness and suitability. The DAB is *issue-oriented*, and the result of a DAB review is a go or no-go decision from the USD(A&T), which is documented in an Acquisition Decision Memorandum (ADM). Approximately one week prior to a scheduled DAB review, a DAB Readiness Meeting (DRM) is held to pre-brief the USD(A&T), VCJCS, and the other DAB participants, including the cognizant PEO(s) and PM(s). The purpose of the DRM is to update the USD(A&T) on the latest program status and to inform the senior acquisition officials of any outstanding issues. If the outstanding issues are resolved at the DRM (or if there were no outstanding issues), the USD(A&T) may decide that a formal DAB is not required and will issue an ADM following the DRM.

Note: The DAB review (and USD(A&T)'s milestone decision) only approves a program to proceed; it has no direct role in the resource allocation process, although the USD(A&T) can direct the comptroller to withhold funds from a program.

DAB members include:

- USD(A&T), Chairman
- VCJCS, Vice Chairman
- Principal Deputy USD(A&T)
- CAEs or SAEs - Army, Navy, Air Force
- USD(C)
- Assistant Secretary of Defense (Strategy and Requirements)
- DPA&E
- DOT&E
- DAB Executive Secretary
- OIPT Leader
- PEO
- PM

The DAB (as a review body) reviews about 50 MDAPs (ACAT ID); another 50 or so ACAT IC programs are managed at the CAE or SAE level.

MAISRC

The MAISRC is the DoD's senior level forum for advising the ASD(C^3I) on critical decisions concerning ACAT IAM programs. It is chaired by the ASD(C^3I) who is routinely supported by senior advisors from the OSD staff. Principal members of the MAISRC include representatives from the offices of the USD(C), the JCS, the DOT&E, the DTSE&E, the Director of Acquisition Program Integration (API), the Deputy ASD(C^3I), the user representatives, and the cognizant component CIO (or CAE, as appropriate). The decision authority for less than major AISs is the component CIO.

Each service and defense agency has its own version of the life cycle process which parallels the DAB and MAISRC processes. These parallel processes (to include the use of IPTs) are used for managing programs that do not require USD(A&T) (or

ASD(C^3I)) decisions, and for reviewing ACAT ID (or ACAT IAM) programs prior to a DAB (or MAISRC). Following is a summary of the individual service level reviews and their respective chairman (service level review authority).

Service Level Review	Chaired By
• Army Systems Acquisition Review Council (ASARC)	• ASA (RD&A)
• Air Force Acquisition Board (AFAB)	• PDASAF[3] (Acquisition)
• Program Decision Meeting (Navy)	• ASN (RD&A)
• Program Decision Meeting (Marine Corps)	• ASN (RD&A)

The reviews discussed above apply primarily to weapons systems programs, although the process for AISs is similar. For ACAT IAM programs, the MAISRC is the senior review body, and is chaired (and milestone decisions are made) by the ASD (C^3I). For ACAT IAC programs, reviews are held at the service (component) level and the MDA is the component's CIO.

[3] The Principal Deputy Assistant Secretary of the Air Force chairs the Air Force Acquisition Board, as required.