Defense Acquisition Transformation

Report to Congress

John Warner National Defense Authorization Act
Fiscal Year 2007
Section 804

Secretary of Defense
March 2008

TABLE OF CONTENTS

FOREWORD

Pursuant to section 804 of the John Warner National Defense Authorization Act for Fiscal Year 2007, Public Law 109-364, I am delighted to submit to Congress our third semi-annual report on the Department's ongoing Acquisition Transformation initiatives.

In addition to many other sources of lessons learned, the Department has reviewed the underlying studies that serve as the basis for this report:

1. The "Defense Acquisition Performance Assessment (DAPA) Report" of January 2006
2. The Defense Science Board 2005 Summer Study: "Transformation: A Progress Assessment Volume I" of February 2006
3. The Center for Strategic and International Studies' Phase 2 Report, "Beyond Goldwater Nichols: U.S. Government and Defense Reform for a New Strategic Era," of July 2005
4. The 2006 Quadrennial Defense Review, issued February 6, 2006

Consistent with previous editions of this report, and for the ease of organization, the recommendations from three of these four studies have been grouped into six chapters reflective of the DAPA Report's framework – workforce, acquisition, requirements, budget, industry and organization.

One primary focus of this edition of the Section 804 report is to show the Department's commitment and accountability to thoroughly examining the recommendations made in three of the four underlying studies – the DAPA Report, the DSB Summer Study and the CSIS Phase 2 Report. To this end, this edition includes a scorecard to show how the Department adjudicated and has addressed or is addressing each of the studies' 55 major recommendations related to the Department's Acquisition Transformation efforts and initiatives.

A sense of urgency continues to move the Department to further streamline and simplify the Acquisition System with aggressive initiatives that will provide lasting solutions for predictable performance. The Acquisition, Technology and Logistics community has established a renewed push toward this end with the development of its "Source Document," a strategic vision and blueprint for the future. The Source Document extends the great success of many currently on-going transformation initiatives within the Department. I look forward to keeping the Congress informed and working with the Congress, industry and the Acquisition community to transform the Defense Acquisition System throughout the remainder of the current Administration and beyond.

JAMES I. FINLEY

INTRODUCTION

This third edition of the Defense Acquisition Transformation Report is issued in response to the semi-annual congressional reporting requirement in Section 804 of the John Warner National Defense Authorization Act for Fiscal Year 2007, Public Law 109-364.

Section 804 stipulated that, at a minimum, the semi-annual Defense Acquisition Transformation Report shall take into account the recommendations made by the following:

1. The "Defense Acquisition Performance Assessment (DAPA) Report" of January 2006
2. The Defense Science Board 2005 Summer Study: "Transformation: A Progress Assessment Volume I" of February 2006
3. The Center for Strategic and International Studies' Phase 2 Report, "Beyond Goldwater Nichols: U.S. Government and Defense Reform for a New Strategic Era," of July 2005
4. The 2006 Quadrennial Defense Review, issued February 6, 2006

These four studies were commissioned by different authorities and intended to serve different purposes within the Department of Defense (DoD). Recommendations from these studies are focused on transforming the entire spectrum of the Defense Acquisition System. This Report will focus on articulating the Department's response to three of these studies, the DAPA Report, the Defense Science Board Study and the CSIS "Beyond Goldwater Nichols" Report.

In addition to recommendations from these studies, national- and defense-level guidance is a fundamental driver of reform in the Defense Acquisition System. Accordingly, the DoD Transformation Priorities, published by the Deputy Secretary of Defense, focus the Department on delivering results through the end of the current Administration and well beyond. The DoD Transformation Priorities consist of 25 goals across four focus areas:

- Prevail in the Global War on Terrorism
- Strengthen Joint Warfighting Capabilities
- Focus on People
- Transform Enterprise Management

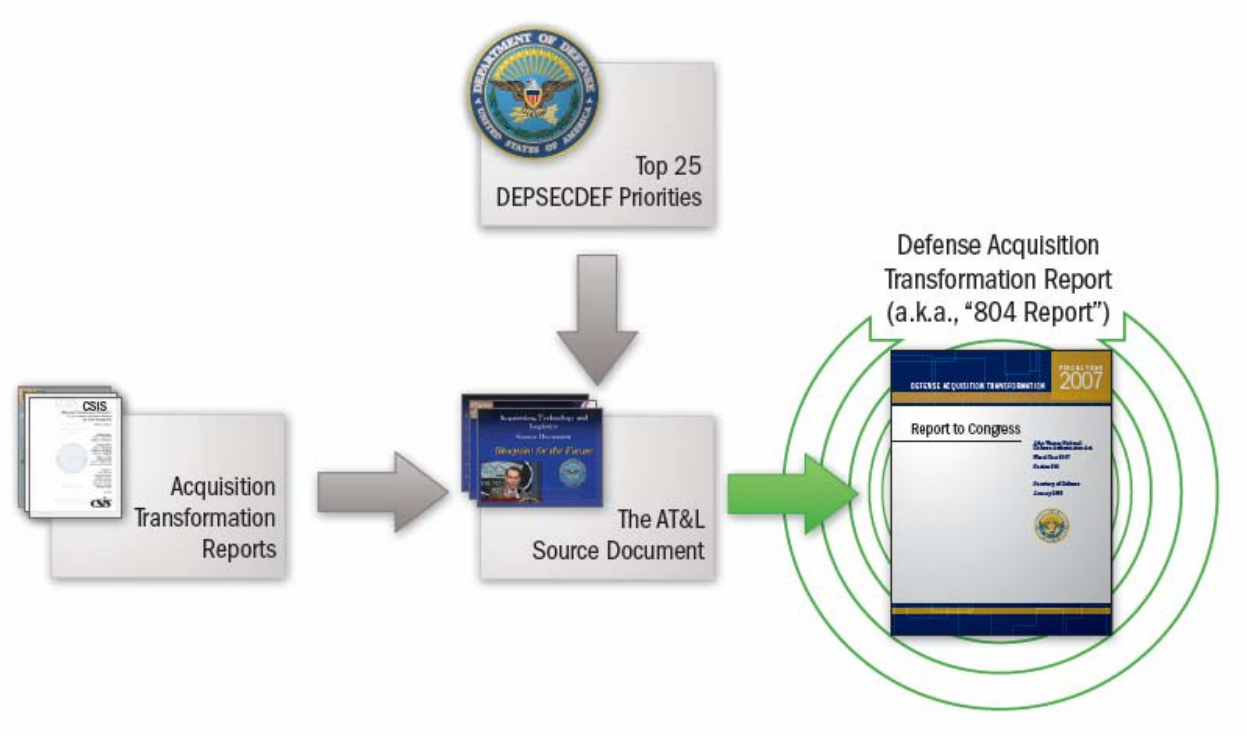
Recommendations from the studies and DoD Transformation Priorities, together, inform the strategic direction in which the Office of the Under Secretary of Defense for Acquisition, Technology and Logistics (OUSD (AT&L)) is driving the Defense Acquisition System. The Under Secretary of Defense for Acquisition, Technology and Logistics (USD (AT&L)) supported many of these recommendations and offered higher-level guidance in the AT&L "Source Document," a strategic blueprint for the future. The Source Document gives each member of AT&L a place to stand as the Department seeks to provide the strategic capabilities necessary to support the warfighter.

The Source Document contains the Acquisition System's:

- New strategic context
- Vision of the future
- Guiding principles

- Proactive approaches
- Specific goals

The Source Document recognizes that the AT&L Team is an extended enterprise and provides the means by which the Department's acquisition leadership communicates our goals to everyone on the team in a way that provides both direction and motivation. It is intended to provide a framework that gives the Defense Acquisition System a shared purpose, while shaping our way of being, thinking, and working. It is intended to be the basis by which individual goals are set, planning is done, decisions are made, and actions are taken.



Many initiatives to improve the Defense Acquisition System have been considered and implemented based on the recommendations from the section 804-specified studies, the DoD Transformation Priorities, and the AT&L Source Document. The Office of the Secretary of Defense, Joint Staff, Military Departments, Defense Agencies, and Field Offices continue to take dramatic steps to improve and refine their business and acquisition processes. The Department's continuous transformation of the Defense Acquisition System is keeping pace with changing demands and adapting to new challenges. This report highlights the Department's response to the recommendations of the above cited reports and highlights acquisition reform initiatives ongoing within the Office of the Secretary of Defense. There are many additional initiatives that are underway by the Military Departments that are not included within this report, but will be highlighted in future reports. While not all-inclusive, the Defense Acquisition Transformation Report to Congress highlights a strong cross-section of many of these initiatives.

This third edition of the section 804 Report is focused on showing our commitment and accountability to thoroughly examine the recommendations made in the three underlying studies.

Together, the studies contain a total of 55 major recommendations to improve the Defense Acquisition System as highlighted in the following scorecard:

Defense Acquisition Transformation Report to Congress: Section 804 Scorecard				
	Recommended	Implemented (Full & Partial)	Not Implemented	Under Review
WORKFORCE	8	7	1	0
ACQUISITION	11	9	1	1
REQUIREMENTS	11	11	0	0
BUDGET	6	6	0	0
INDUSTRY	4	4	0	0
ORGANIZATION	15	11	4	0
TOTAL**:	55	48	6	1

** Of the total 60, there are 5 recommendations (2 for Organization, 2 for Requirements and 1 for Industry) that are duplicated between reports. Subtracting these out, there are 55 unique recommendations when combining reports.

The remainder of this report, consistent with previous editions, is organized by chapter around the themes that emerged from the studies' recommendations: workforce, acquisition, requirements, budget, industry and organization.

Each of these chapters is broken into two parts.

1. The first part of each chapter, in table form:
   a) identifies each of the chapter's recommendations from the 55 total recommendations cited in the above scorecard
   b) states whether each recommendation was implemented (i.e., fully implemented, partially implemented, not implemented or under review)
   c) provides a description of how the Department adjudicated each of the 55 recommendations and cites current initiatives from this report that address each of the recommendations.

The second part of each chapter highlights the status and progress made on initiatives identified in the February and July 2007 editions of the reports required by section 804, and highlights new initiatives to reflect the full range of Department-wide acquisition transformation efforts.

This third section 804 Report is not all-inclusive, however, and will continue to be supplemented by congressional testimony and consultations with Congress between the biannual updates.

Workforce Chapter

The DAPA, DSB, and CSIS studies made eight recommendations that fall within the Workforce Chapter. Of those recommendations, the Department partially implemented 7 and opted not to implement 1 at this time. The following tables review each of the 8 recommendations in detail.

1) Rebuild the Acquisition Workforce
Workforce
Source Report: DAPA
Recommendation Rebuild and value the acquisition workforce, and incentived leadership.
Implementation Status Partial Implementation
Status of Recommendation The Department is updating the Civilian Human Capital Strategic Plan to include a separate section focused upon the Defense Acquisition Workforce. A new initiative, the Employee Value Proposition is being deployed to address valuing the acquisition workforce. In September 2007, the USD (AT&L) developed and presented the AT&L senior leadership team with his Strategic Source Document, which provides guidance for enhancing the Defense acquisition team. These initiatives include increased emphasis on leadership development, comprehensive workforce analysis and planning, and increased communication and knowledge sharing (DAU Living Library). In addition, the Department is launching new initiatives to increase funding for recruiting, retention, workforce development, and other workforce matters. Further, USD(AT&L) is writing weekly notes to the acquisition workforce. These notes share lessons learned and provide leadership guidance on procedures, processes and behaviors with the acquisition workforce. These notes provide a powerful training tool directly from USD(AT&L)
Initiatives The DoD AT&L Strategic Thrust, "Take Care of Our People," contains multiple initiatives: • Improve and empower the acquisition neighborhood • Establish a comprehensive, workforce analysis and decision-making capability • Develop the future acquisition workforce • Recognize and reward collaboration and results • DAU Living Library Military Departments and Defense Component workforce planning and efforts will enhance acquisition workforce capability. An overarching initiative which will contribute in this area is the USD(AT&L) push for competition & prototyping. Prototype efforts are primarily expected to reduce technical risk and inform our cost estimates and requirements realism. However, an equally important objective is that the execution of prototype efforts will develop program management and systems engineering skills in our workforce. Furthermore, the Department believes the opportunity to build and test prototypes will attract young scientists and engineers to our workforce, enhancing the depth of technical talent needed to meet our missions.

2) SAEs as 5-year Fixed Renewable Presidential Appointments

Workforce

Source Report: DAPA

Recommendation

Seek legislation establishing the Service Acquisition Executives (SAEs) as Five-Year Fixed Presidential Appointments renewable for a second five-year term. This will add leadership continuity and stability to the Acquisition System.

Implementation Status

Not Implemented

Status of Recommendation

The SAE is a political appointee and performs a critical leadership role. DoD believes this position, as such, is best served by allowing the incoming political team to select the individuals they believe are best qualified to fill these positions. This enhances the ability of the new Presidential team to implement strategic direction provided by the President and Secretary of Defense.

Initiatives

N/A

3) High-Performance Military Personnel Retention

Workforce

Source Report: DAPA

Recommendation

Seek legislation to retain high-performance military personnel in the acquisition workforce to include allowing military personnel to remain in uniform past the limitations imposed by the Defense Officer Personnel Management Act and augment their pay to offset the "declining marginal return" associated with retired pay entitlement.

Implementation Status

Partial Implementation

Status of Recommendation

Actions and plans developed in response to multiple legislative initiatives provide an adequate foundation to address this recommendation. Appropriate actions need to be completed relative to any specific requirements imposed by the Defense Officer Personnel Management Act. This initiative is in progress with a definitive strategy and hurdles to be defined in FY 2008.

Initiatives

- Section 853, “Program Manager Empowerment and Accountability,” NDAA, FY 2007
- Section 820, “Government Performance of Critical Acquisition Functions,” NDAA, FY 2007

4) White House Liaison Office Create a Talent Pool of Executives

Workforce

Source Report: DAPA

Recommendation

Request that the White House Liaison Office create a pool of acquisition-qualified, White House pre-cleared, non-career senior executives and political appointees to fill executive positions, to provide leadership stability in the Acquisition System.

Implementation Status
Partial Implementation

Status of Recommendation
The Department's candidate selection process for senior political appointments is determined by each Administration and may vary accordingly. This Adminsitration has chosen to sustain a pool of qualified candidates for consideration as vacancies for senior executive positions emerge, consistent with the intent of this recommendation.

Initiatives
N/A

5) Increase Federal Employees by Offset of Contractors

Workforce

Source Report: DAPA

Recommendation
Immediately increase the number of federal employees focused on critical skill areas, such as program management, system engineering and contracting. The cost of this increase should be offset by reductions in funding for contractor support.

Implementation Status
Partial Implementation

Status of Recommendation
Implementation of this recommendation is in progress. Various recent statutes support this recommendation and require DoD to increase the use of federal employees in critical skill areas. In May 2007, the Department expanded the definition of required Key Leadership Positions (KLPs) to include positions identified by section 820, Government Performance Of Critical Acquisition Functions, NDAA FY 2007.
As a fundamental response to this DAPA recommendation, the USD(AT&L) and the Deputy Secretary of Defense provided strong support for removal of personnel limitations from OSD, the Defense Agencies and the Service Headquarters. This is essential to providing billet relief needed to increase the number of federal employees focused on critical skill areas.
On July 27, 2007, the Department issued policy in response to section 343, NDAA FY 2006. Section 343 requires the Secretary of Defense to prescribe guidelines for ensuring consideration is given to using government employees for work that is currently performed or would otherwise be performed under DoD contracts. The Department is reviewing the recent enactment of section 324, NDAA FY 2008 which repeals section 343, NDAA FY 2006 and replaces it with similar requirements. Section 324 has more definitive and time-specific requirements that DoD must implement.

Initiatives
- Section 343, "Performance Of Certain Work By Federal Government Employees," NDAA FY 2006
- Section 820, "Government Performance Of Critical Acquisition Functions," NDAA FY 2007
- Section 851, "Requirement For Section On Defense Acquisition Workforce In Strategic Human Capital Plan," NDAA FY 2008
- Major Program Key Leadership Positions
- Defense Acquisition Workforce Development Program
- Program Manager Empowerment and Accountability

- Establish a Comprehensive Workforce Analysis and Decision Making Capability
- AT&L Workforce Review

6) Consistent Definition of Acquisition Workforce

Workforce

Source Report: DAPA

Recommendation

Establish a consistent definition of the acquisition workforce with the USD(AT&L), working with the Service Secretaries to include in that definition all acquisition-related budget and requirements personnel.

Implementation Status

Partial Implementation

Status of Recommendation

The Department has established the DAWIA count as its baseline definition for the acquisition, technology and logistics (AT&L) workforce. As a part of the "Big A" workforce, the Military Departments are identifying appropriate personnel for the new requirements training. Additionally, the Department is developing a training approach with the Comptroller community to ensure appropriate acquisition training is available. The progress on identifying appropriate personnel in the requirements and comptroller community for training will be further assessed to better understand feasible definitions for the Big A workforce.

Initiatives

- DoDI 5000.66, "Operation of the Defense Acquisition, Technology, and Logistics Workforce Education, Training, and Career Development Program"
- Establishment of the position-based, job responsibilities definition (DAWIA Count)
- Section 801, "Requirements Management Certification Training Program," NDAA FY 2006
- Comprehensive Workforce Analysis and Decision-making Capability
- Major Program Key Leadership Positions
- AT&L/Comptroller Partnership

7) Standard and Consistent Training, Education and Certification

Workforce

Source Report: DAPA

Recommendation

Establish and direct standard and consistent training, education, and certification and qualification standards for the entire acquisition workforce.

Implementation Status

Full Implementation

Status of Recommendation

The Department has initiated a competency modeling initiative to fully assess and define the critical skillsets required within each of the Acquisition workforce's core competencies. Currently, Contracting, Program Management and Life Cycle Logistics competency models have been updated and are going through subsequent validation and refinement. Competency assessments for Program Management and Life Cycle Logistics will be completed in FY08. Competency assessment for all thirteen functional

communities will be completed by FY09. Additionally, Defense Acquisition University (DAU) and the Department's Components have completed establishment of the new certification framework (Core Plus). The FY08 DAU catalog (www.dau.mil) provides detailed information on the initiative and the framework for each functional career field.

Initiatives

- Competency Management
- AT&L Core Plus Certification Framework Initiative

8) National Security Personnel System

Workforce

Source Report: DSB I

Recommendation

The SECDEF should aggressively pursue implementation of the National Security Personnel System (NSPS) to give DoD management control of the civilian HR.

Implementation Status

Partial Implementation

Status of Recommendation

The NSPS, a contribution-based performance management system, has been deployed and is meeting scheduled milestones. Employees, supervisors, and managers received classroom and on-line training to effectively support NSPS. As of November 2007, there have been over 500,000 training sessions. The Department began implementing NSPS in "spirals" in April 2006. Spiral 1.2 began in October 2006 and Spiral 1.3 in January 2007. Objectives were met as approximately 155,000 civilians were converted to NSPS in 2007. Training was delivered to facilitate employee understanding of the NSPS deployment strategy and requirements. Performance indicators for each NSPS pay schedule and pay band were made available on-line. In addition, employees were encouraged to review online training resources for assistance.

Operating in this context, NSPS has been used to evaluate employee performance and make pay adjustments based on FY07 accomplishments. The NSPS structure allowed the Department to fairly compensate employees while differentiating performance. The FY08 legislative changes and restrictions to the NSPS program have seriously degraded the Department's ability to differentiate and reward employee performance.

Initiatives

- National Security Personnel System Deployment Strategy
- National Security Personnel System Training
- NSPS execution to determine the FY07 Paypool.

RECENT INITIATIVES

The Department continues to implement the following workforce initiatives:

Strategic Thrust – "Take Care of Our People"

In the AT&L Source Document, the USD(AT&L) developed the guiding principles to operate as a neighborhood, collaborate, and develop people to strengthen the community. A great deal is expected of the AT&L team. DoD must equip everyone with the skills they need to be successful and work together across neighborhoods to ensure successful outcomes as follows:

- recruit and hire people who can become the next leaders
- lead by example, being honest and ethical in all our activities
- provide a work environment that allows all to participate productively, one that is free from harassment, discrimination, and unethical behavior
- take responsibility for growth and enhancement of our neighborhood
- use new personnel tools to measure and recognize motivated performance and results.

Status:

- The Department is updating the Civilian Human Capital Strategic Plan to include a separate section focused upon the Defense acquisition workforce. This guidance regarding civilian human resource policies, programs, and initiatives aligns with the President's Management Agenda. In September 2007, the USD(AT&L) developed and presented the acquisition leadership team with the Strategic Source Document as guidance for setting goals and specific objectives. This Strategic Thrust facilitates a common approach to execution of workforce initiatives across the DoD acquisition enterprise.
- As part of an aggressive outreach and communcations process, USD(AT&L) is writing weekly notes to the acquisition workforce. These notes share lessons learned and provide leadership guidance on procedures, processes and behaviors within the acquisition workforce. These notes provide a powerful training tool directly from USD(AT&L)

Improve and Empower the Acquisition Neighborhood

Success is defined as government representatives who act in an unbiased manner in evaluating all courses of action and who constantly attack regulations and bureaucratic impediments to more effectively and efficiently deliver value for the warfighter:

Status:

- The Department developed rapid acquisition training capabilities for high priority initiatives such as the Requirements Training and Certification Program, Rapid Acquisition, Continuous Process Improvement - Lean Six Sigma, and other initiatives described later in this report.
- In response to a gap assessment, an international career path and training program was developed for personnel supporting international programs.

- In 2007, the Department implemented a robust AT&L WebCast capability and deployed 15 learning sessions led by senior leaders addressing priority initiatives. These sessions reached over 12,000 members of the Defense acquisition community and have become a major tool for senior leader outreach.
- The USD(AT&L) deployed a new learning asset -- the Living Library at Defense Acquisition University -- to share expert knowledge and unique lessons learned on key acquisition practices such as the Configuration Steering Board, Competition & Prototyping, and other best practices. The Department plans to populate the Library with at least 10 video interviews with successful program managers and 20 lessons learned documents by June 2008.

Establish a Comprehensive Workforce Analysis and Decision-making Capability

The purpose of this objective is to improve confidence in the accuracy of workforce information reported and to develop and enable real time analysis that will be used to right-shape and right-size the DoD acquisition workforce.

Status:

- Initiatives are being deployed to accelerate improvements in the reliability, analysis, and transparency of workforce information. Component systems such as those in use by the DAU, Defense Manpower Data Center (DMDC), the Defense Civilian Personnel Data System (DCPDS), and other training-related and military systems are being integrated to improve our workforce analysis capability.
- Update business rules for workforce data interface with DMDC by January 2008 and with DCPDS by September 2008.
- Starting in February 2008, the Department will provide a comprehensive workforce analysis and publish a DoD AT&L State of the Workforce Report each year.
- Collaboration with the Military Departments and Defense agencies will establish reporting protocols to improve AT&L workforce analysis and outcomes by June 2008.

Develop the Future Acquisition Workforce

The Department defines success for developing the future acquisition workforce as follows:

- hire the best and brightest to learn and lead in the future
- attract the future workforce through our acquisition/recruiting strategies
- deploy initiatives that contribute to the development of future scientists and engineers

Status:

- The Department is actively developing its future technical workforce through various initiatives such as the Science, Mathematics and Research Transformation (SMART) Defense Scholarship Program, the National Security Science and Engineering faculty Fellows (NSSEFF) program, pre-engineering curricula modules, and Investment in Science and Engineering programs.
- An overarching initiative contributing toward development of the future acquisition workforce is the USD(AT&L) push for competition and prototyping. Prototype efforts are primarily expected to reduce technical risk and inform our cost estimates and requirements realism. However, equally important are the benefits of prototype efforts

that develop program management and systems engineering skills in our workforce. Furthermore, the Department believes the opportunity to build and test prototypes will attract young scientists and engineers to our workforce, enhancing the depth of technical talent needed to meet our challenging missions.

- Significant planning has been accomplished for expanded acquisition workforce training and development initiatives to include the "big A" community. Evolving demands and statutory mandates require capacity to deploy increased training for the requirements community, cost estimating, contingency/expeditionary contracting, test and evaluation, contract management oversight, and contract pricing.
- Current program outcomes and statutory initiatives have driven the need to both rethink and revamp our current certification approach.
- The Department is leveraging and evolving existing intern programs to position them for expansion as appropriate.
- Current examples to improve and shape the acquisition workforce include:
  - Robins Air Force Base has created a training program in partnership with Macon State College that will enable undergraduates to take three DAU contracting certification courses. The partnership with Macon State College will reduce the time required to produce fully qualified contracting officers. It also provides a ready source for recruiting the future DoD workforce.
  - The Army established the CECOM Acquisition Center Intern Institute. The Institute provides new contracting interns two months of formal in-house training by experienced senior contracting practitioners. Over the past five years, CECOM has hired 210 contracting interns with an 85 percent retention rate.
  - The Department has deployed an "Employee Value" initiative. Employee Value represents a holistic combination of all things valued by employees, including leadership, challenging experiences, training, compensation, and other incentives. This initiative will help shape future recruiting campaigns, leadership development and retention initiatives, and leadership communication strategies.

The National Security Personnel System (NSPS)

The NSPS, a contribution-based performance management system, has been deployed and is meeting scheduled milestones. NSPS requires measurable performance standards with appropriate incentives to motivate individuals to excel. Effective self assessments and evaluations emphasize individual outcomes and results achieved relative to job objectives and mission accomplishment.

Status:

- Employees, supervisors, and managers received classroom and on-line training to effectively support NSPS. As of November 2007, there have been over 500,000 training sessions.
- The Department began implementing NSPS in "spirals" in April 2006. Spiral 1.2 began in October 2006 and Spiral 1.3 in January 2007. Approximately 155,000 civilians were converted to NSPS in 2007.
- Training was delivered to facilitate employee understanding of the NSPS deployment strategy and requirements. Performance indicators for each NSPS pay schedule and pay

band were made available on-line. In addition, employees were encouraged to review online training resources for assistance.

- NSPS was used to evaluate employee performance and make pay adjustments based on FY07 accomplishments. The NSPS structure allowed us to faily compensate employees while differentiating performance. The FY08 legislative changes and restrictions to the NSPS program have seriously degraded the Department's ability to differentiate and reward employee performance.

Competency Management

The objective of the AT&L competency management initiative is to standardize, update and validate functional competency models and enable skill gap assessments. The resulting competency assessments will assist senior functional leaders in identifying critical skill gaps and defining appropriate workforce strategies. Their actions may include reallocation of resources, targeted recruitment, better retention strategies, and targeted expansion of education and training resources.

The model update and validation process includes identifying key behaviors and underlying knowledge, skills and abilities that contribute to superior performance. This multi-functional competency management initiative involves all thirteen career fields, AT&L functional leaders, component acquisition leaders, field subject matter experts, DAU representatives and competency experts.

Status:

- Contracting, Program Management and Life Cycle Logistics have updated their competency models. Each is going through subsequent validation and refinement.
- The contracting competency model was updated in June 2007 and approximately 2,300 contracting personnel from the Defense Logistics Agency and Air Force have completed the pilot assessment. Full deployment of the contracting community-wide assessment will begin Jan 2008 and a comprehensive final report will be developed and provided in October 2008.
- Competency assessments for Program Management and Life Cycle Logistics will be completed in FY08. Competency assessment for all thirteen functional communities will be completed by FY09.

Major Program Key Leadership Positions (KLPs)

Key Leadership Positions (KLPs) are positions with significant levels of responsibility and authority and are critical to the success of our programs. The KLP initiative increases attention to qualifications, tenure requirements, and succession planning for the Defense acquisition enterprise. Initial implementation included, as a minimum, Program Executive Officers (PEOs), Program Managers (PMs), and Deputy PMs (DPMs) for Major Defense Acquisition Programs, including Major Automated Information Systems (MAIS), and PEOs and PMs of significant non-major programs, including MAIS. Section 820, "Government Performance of Critical Acquisition Functions," NDAA FY 2007 established a goal for the Department to ensure that within five years after enactment, for each major defense acquisition program (MDAP) and each major automated information system (MAIS) program, the following positions are performed by

a properly qualified member of the Armed Forces or full-time employee of the DoD. The positions include (1) Program Manager (2) Deputy Program Manager (3) Chief Engineer (4) Systems Engineer and (5) Cost Estimator.

Status:

- In May 2007 the Department expanded the definition of required Key Leadership Positions (KLPs) to include positions identified by section 820 (above) and added to this list the lead senior contracting officer.
- As of this report, the Department has identified 1,053 KLPs. This initial reporting is being validated and reviewed to finalize the process of reporting, counting, and tracking KLPs.
- USD(AT&L) is placing emphasis on leadership development for the Defense acquisition team. The KLP process will facilitate this initiative.
- The Department is evolving the following processes to ensure successful implementation of the five year goal set out in section 820:
    - Continually assess KLP data received to verify accuracy and completeness.
    - Identify/update contractor personnel performing these six KLP functions (as-is KLP mapping).
    - Execute KLP transition/migration plan to military/government performance. (includes recruiting, training, and ensuring appropriate career development)
    - Component-level review of section 820 progress and submission of annual report to USD(AT&L) on August 1st.
    - Complete annual section 820 reports due to Congress through 2011.

Total Force Management

The Total Force includes active and reserve military members, civilian employees, and support contractors. Support contractors currently play an integral role as part of DoD's workforce. They provide the Department with improved agility to react quickly to changing capability requirements as situations dictate. The Department and the Components are deploying initiatives to enable organizations to better understand how, where, and to what extent support contractors should be used. The USD(AT&L) has requested the Military Departments and Defense agencies to provide information on support contractors. This data collection process is ongoing and will be used to develop strategic, data-driven workforce shaping objectives. This will improve strategic total force integration, especially with regard to support contractors filling critical workforce gaps.

Status:

- On July 27, 2007, the Department issued policy implementing section 343, "Performance of Certain Work by Federal Government Employees," NDAA FY 2006. Section 343 requires the Secretary of Defense to prescribe guidelines for ensuring consideration is given to using government employees for work that is currently performed or would otherwise be performed under DoD contracts.

- On August 30, 2007 the Deputy Under Secretary of Defense for Acquisition and Technology sent a memorandum[1] to the Military Departments, Components and Defense Agencies to request information on various topics of interest by the Contracting Integrity Panel (established pursuant to section 813 of the FY2007 NDAA) including the Capable Contracting Workforce Subcommittee to gain a better understanding of DoD's contracting out for procurement services.

Knowledge-Enabled AT&L Workforce

The Department continues to grow and sustain a Knowledge-Enabled AT&L Workforce to support the DoD Acquisition, Technology and Logistics Mission.

Status:

- The Defense Acquisition Workforce Certification Framework (Core Plus) was initiated in 2007 and has been deployed for all functional career fields. The Core Plus construct was designed to advance the DoD AT&L competency management model by providing a "roadmap" for the development of acquisition workforce members beyond the minimum certification standards required for their position[2].
- The Department is revalidating and improving current training, certification, education, and qualification standards. Focused on critical skill set gaps, both current and future, the Department is using standard competency models and competency assessments to improve workforce career development, training, and management of workforce capability.
- The Department developed the Joint Contingency Contracting (JCC) Handbook with an accompanying DVD that are being distributed across DoD via the Air Force Logistics Management Agency at Maxwell Air Force Base. An email notice was sent on 19 February recommending that all Services/Agencies (to include COCOMs) download the JCC Handbook located on the DAU Community of Practice website.
- The Contingency Contracting Training Program is in high gear as DAU conducted a JCC Pilot course in December 2007. The revised course was synchronized with the new JCC handbook and accompanying DVD. Student feedback/comments (Reserves, Active, Guard, Civilian) are very positive. Also a new Contingency Contracting booklet is well received. More hands-on applications of contingency contracting training are also being integrated in the Service Schools, War College curricula and within the Program Management and auditing communities. Finally, we are working closely with various OSD stakeholders to create innovative, targeted training for the senior warfighter--such as Kuwait Boot Camp targeted training and Djibouti/Horn of Africa targeted training.
- The USD(AT&L) is collaborating with the Joint Staff (J-8), the Comptroller, and the Components to establish consistent training and certification standards for individuals outside the acquisition community who perform critical acquisition functions. This

[1] James I. Finley, Deputy Under Secretary of Defense for Acquisition and Technology, *Panel on Contracting Integrity*, August 30, 2007

[2] The Core Certification Standards and Core Plus Development Guide provided in the DAU Catalog provides the acquisition workforce member a listing of Core Certification Standards by acquisition career field and level as well as "Core Plus" knowledge and skills that are delivered through coursework that targets functions or tasks directly related to specific types of job assignments.

initiative will enable those individuals to receive requisite acquisition training to enhance their job performance.

Fully Integrated Powerful Learning Environment

The Department provides a fully integrated powerful acquisition learning environment that engages learners at their point of need. The Department's learning strategy focuses all learning assets and resources on customer needs and stakeholder requirements, thereby providing a customer-centric approach to workforce development. The most effective methods, tools and techniques are deployed to sustain and improve workforce expertise, knowledge, and skills.

Status:

- The Department integrated acquisition learning content into continuous learning modules and communities of practice (CoPs). Two new CoPs and 99 new work spaces were established in the "Acquisition Community Connection" in 2007.
- Technology was leveraged and the following multi-year outcomes were achieved:
  - **Goal:** Student graduates over 100,000 per year
    Result: In FY07, a total of 123,791 graduates, exceeding the target by 23.8%.
  - **Goal:** Aggregate customer satisfaction for Kirkpatrick Level I surveys of learning assets greater than 5.6 (80%) on a 7-point Likert scale
    Result: In FY07, aggregate customer satisfaction score was 5.99 (85.6%), exceeding target by 0.39 (5.6%).

Rotational Assignments

A rotational assignment initiative for USD(AT&L), Military Departments, Defense agencies and AT&L to develop senior executives.

Status:

- The Department is creating a Joint Analysis Team (JAT)[3] with the Military Departments and the Human Resources community to define a coherent strategy for rotating career Senior Executive Service personnel and to develop a roadmap for government/industry exchanges by June 2008. Plans and procedures are in development to institutionalize rotating career senior executives between the Military Departments, Defense agencies, and AT&L.

Employment of Highly Qualified Experts (HQEs)

The Department is revitalizing the initiative to hire Highly Qualified Experts to help meet the Department's national security missions. These experts provide temporary (five years or less) support for short-term endeavors. The knowledge or skills these experts have are generally not available within the Department and are needed to satisfy an emerging requirement. The authority to employ HQEs is not used to provide any one person temporary employment in anticipation of a permanent appointment.

[3] Joint Analysis Teams develop and produce system analysis results and reports of timely execution of end-to-end analysis and reporting processes in accordance with appropriate standards.

Status:

- On September 12, 2007, the Under Secretary of Defense for Personnel and Readiness amended the procedures in the "Revised Policy-Employment of Highly Qualified Experts" memorandum, signed on June 27, 2006. Section G.3. of the policy was amended to permit authorization under 5 USC 9903 of a retention incentive to retain a highly qualified expert when the organization has a special need for the employee's services that makes it essential to retain the employee, and the employee would likely leave the Federal service in the absence of the incentive (e.g. employee receives an offer of employment from a private firm).
- The OUSD(AT&L), Director of Administration will complete a review during 2008 to determine ways, means and strategy to expand the use of HQEs.

Joint Forces Command (JFCOM)/DAU Collaboration

The USD(AT&L) has established a guiding principle that the AT&L team will operate as a neighborhood, collaborating and developing people to strengthen the community. An excellent example of this is the collaboration between JFCOM Joint Knowledge Development and Distribution Capability (JKDDC) Joint Management Office and the Defense Acquisition University (DAU). This partnership enabled creation of a knowledge management system for our joint forces.

Status:

- In April 2007, JFCOM unveiled an enhanced version of the Joint Knowledge Online (JKO) portal to develop and distribute joint knowledge and training to the warfighter through Web-based applications. The new portal features more than 100 courses including the Joint Individual Augmentee Training program and the Provisional Reconstruction Team Training program. JKKDC was able to achieve this milestone quicker and with less cost by partnering with DAU and choosing to use the DAU ATLAS Learning Management System.
- ATLAS launches the courseware, tracks the students, manages test scores, monitors progress, and provides certificates of completion. It also allows front-line supervisors to track student progress. As part of the ATLAS Users group, JKKDC will assist facilitating improvements in the DAU Learning Management System (LMS) via cost sharing – a win-win for the Defense Acquisition Team and the warfighter.

Acquisition Chapter

The DAPA, DSB and CSIS studies made 11 recommendations that fall within the Acquisition Chapter. Of those recommendations, the Department fully or partially implemented 10, and is reviewing 1 recommendation. The following tables review each of the 11 recommendations in detail.

1) Time Certain Development
Acquisition
Source Report: DAPA
Recommendation Direct changes to the DoD 5000 series to establish Time Certain Development as the preferred acquisition strategy for major weapons systems development programs and make schedule a Key Performance Parameter.
Implementation Status Partial implementation
Status of Recommendation The Department did not concur with the DAPA language, but did concur with it's intent. Consequently, the approach was re-titled "Time-Defined" Acquisition and implemented in the context of the Concept Decision initiative. The Time-Defined intent is achieved by selecting an approach consistent with the user need and implementing it at the Concept Decision point in the acquisition process. This effort is currently on track to meet the Apr 08 date to identify the criteria for Time Defined optimum path selection per DSD DoD Transformation priorities. In addition, the Department's initiative in competition & prototyping achieves a significant measure of the intent of this recommendation. Prototyping, in conjunction with the Congress' requirement for technology readiness certification, should allow DoD to improve control over development timelines through reduced risk, better knowledge, and technical maturity.
Initiatives • Concept Decision • Competition & Prototyping

2) Limit Spiral Development
Acquisition
Source Report: DSB I
Recommendation USD (AT&L) should recast the development/production process to limit initial spiral development to designs providing a useful increment of added military capability where there is no more than moderate risk in achieving cost, schedule, and performance goals; and grow capabilities in subsequent spirals as operational experience, technology maturation, and program experience dictate.
Implementation Status Partial Implementation
Status of Recommendation This recommendation is addressed via USD(AT&L) policy on Competition & Prototyping. The intent of the policy is to ensure that our technical capabilities, demonstrated via prototypes, are matched to our requirements, funds and program

schedule. Where there isn't a match, the requirement will either be altered or deferred to a follow-on increment.

Initiatives

- Competition & Prototyping Policy

3) Pre-Milestone A Acquisition Strategies

Acquisition

Source Report: DAPA

Recommendation

Create acquisition strategies for each program prior to Milestone A (MS A) to streamline procurement, reduce time-to-market, require formal subcontractor level competition, and tie award fees to contractor performance.

Implementation Status

Partial Implementation

Status of Recommendation

The Department is currently considering policy that would make Concept Decision mandatory and require technology maturation prior to preparing a Technology Development Strategy (TDS) in support of Milestone A. The TDS will reflect planning for the Technology Development phase that complies with the Competition & Prototyping policy. To achieve more stable and predictable programs with reduced cycle times, these activities will be facilitated by new policies on award and incentive fees -- the latter specifically linked to cost, schedule and performance outcomes.

Initiatives

- Concept Decision
- Competition & Prototyping
- Award & Incentive Fee Policy

4) Change Existing Source Selection Guidance

Acquisition

Source Report: DAPA

Recommendation

Change existing source selection guidance to enhance communication to industry. Eliminate the requirement for single competitors to share all questions or information they submitted and responses received, with all competitors, prior to issuance of the final request for proposals.

Implementation Status

Implemented

Status of Recommendation

AT&L issued policy regarding the conduct of competitive source selections. This policy specifically directs enhanced communication with industry to improve everyone’s knowledge and understanding of the process and seeks to avoid protests and misunderstandings. The Director, DPAP, also issued policy that emphasized the importance of communication in DOD's ability to conduct successful source selections. The FAR already restricts the sharing of certain information submitted by an offeror (e.g., the offeror's technical solution or any information that would compromise an offeror's intellectual property) with another offeror.

Initiatives

- AT&L Competition Policy
- AT&L direction for industry dialogue in revised CSAR-X competition
- AT&L "shadow" team reviewing and assisting KC-X source selection.

5) Risk-Based Source Selection (RBSS)

Acquisition

Source Report: DAPA

Recommendation

Submit proposed changes to the Defense Federal Acquisition Regulation Supplement (DFARS) by formalizing a risk-based source selection (RBSS) process. Replace detailed evaluations of cost proposals with an affordability determination based upon a most probable cost estimate agreed upon by industry and government.

Implementation Status

Partial Implementation

Status of Recommendation

The Department will implement policy based on the Risk-Based Source Selection (RBSS) Initiative. The business process has been designed and a pilot effort is underway with completion expected late 2008.

Initiatives

- Risk Based Source Selection

6) Milestone B at Preliminary Design Review (PDR)

Acquisition

Source Report: DAPA

Recommendation

Realign the Milestone B (MS B) decision to occur at Preliminary Design Review (PDR).

Implementation Status

Under Review

Status of Recommendation

The Department currently is reviewing a policy recommendation that would realign MS B with PDR

Initiatives

N/A

7) Require TEMP and IOTEP Pre-Milestone B

Acquisition

Source Report: DAPA

Recommendation

Direct changes to the DoD 5000 series to require the Test and Evaluation Master Plan (TEMP) and the Initial Operational Test and Evaluation Plan (IOTEP) to be completed and signed prior to Milestone B.

Implementation Status

Full Implementation / Pre-Existing Policy

Status of Recommendation

This policy is captured in DoDI 5000.2, "Operation of the Defense Acquisition System." Dated May 12, 2003

Initiatives
N/A – Pre-existing Policy

8) Progam Manager Continuity from Milestone B into Low-Rate Initial Production (LRIP)

Acquisition

Source Report: DAPA

Recommendation
Direct the Service Acquisition Executives to appoint Program Managers (PMs) to be held accountable for each baseline from Milestone B through completion of the Beyond Low Rate Initial Production report.

Implementation Status
Partial Implementation

Status of Recommendation
USD(AT&L) issued policy directing Program Management Agreements (PMAs) to establish a "contract" between the program manager and the acquisition and requirements/resource officials. PMAs will provide a documented basis to ensure a PM's annual plan is consistent with those of the organization; a common basis for understanding and accountability; specified plans are resourced and achievable; and effective communication of individual and organizational responsibilities.

Initiatives
- Program Management Agreements

9) Flexible Contracting Authorities

Acquisition

Source Report: CSIS I & II

Recommendation
Provide DoD with more flexible contracting authorities and vehicles more responsive to the operational environment.

Implementation Status
Full Implementation

Status of Recommendation
The Federal Acquisition Regulation (FAR) and Defense FAR Supplement (DFARS) have been changed to add FAR/DFARS Part 18/21B, “Emergency Acquisitions,” which provides flexibilities under current law that can be used in an emergency and facilitates expedited acquisition of supplies and services. The recent creation of the Emergency Procurement DFARS Committee is helping to develop and implement initiatives that will allow contingency contracting officers (CCOs) to perform in the most expeditious and cost effective manner possible.

Initiatives
- Emergency Procurement DFARS Committee
- Emergency Acquisition FAR/DFARS Policy

10) Expand Rapid Acquisition

Acquisition

Source Report: CSIS I & II

Recommendation

Expand and rationalize the rapid acquisition processes.

Implementation Status

Full Implementation

Status of Recommendation

The Department's joint rapid acquisition processes are being expanded and institutionalized by the Joint Rapid Acquisition Cell (JRAC). The JRAC established a community of interest among rapid acquisition stakeholders and developed an initial Joint Urgent Operational Need (JUON) application process resident on the Joint Staff Knowledge Management/Decision Support Tool. The JRAC established the JUON Working Groups, with cross-Departmental membership, to expeditiously develop solutions to validate JUONs from Combatant Commands. Specifically, the JRAC interfaces with Combatant Commanders through the Joint Staff to address unique Joint Warfighting needs.

The Rapid Reaction Technology Office (RRTO)/Combating Terrorism Technology Task Force (CTTTF) provides rapid response to operations in Iraq and other theaters in support of the Global War on Terrorism (GWOT) and accelerates the transition of high-potential science and technology projects into operationally useful products in the execution years. The office provides oversight of 9-12 month, emerging technology projects that use spiral development to facilitate rapid reaction. RRTO/CTTTF actively looks for existing Programs of Record (PORs) to transition emerging technologies. To foster transition opportunities, RRTO hosts semi annual symposia with project representatives and operational users. RRTO leverages the DoD science and technology base and those of the other Federal Departments; stimulates interagency coordination and cooperation; and provides feedback to the S&T community to guide long term developmental strategies.

In 2004, the Department initiated the Quick Reaction Fund (QRF) under the Quick Reaction Special Programs (QRSP) to demonstrate the viability of a technology within a 12 month window. The QRF funds maturation of technologies identified by Combatant Commander or demonstrates high-payoff. In both cases, any effort funded using QRF funds must complete within 12 months and be endorsed by a combatant commander/joint staff. Over the last several years, the QRF has demonstrated a wide range of technologies. These include the non-combustible oxygen generator for battlefield medicine; IR sights for gunners on the M1A1 tank; a lightweight deployable global broadcast system receiver/antenna and other technologies. Each of these is being used in combat or humanitarian relief actions worldwide.

Initiatives

- Joint Rapid Acquisition Cell
- Joint Urgent Operational Needs
- Rapid Reaction Technology Office/Rapid Reaction Fund
- Quick Reaction Fund

11) Rapid Acquisition

Acquisition

Source Report: DSB I

Recommendation

USD (AT&L) should recast the development/production process to provide a mechanism for the rapid insertion of new capabilities into forces engaged in operations to include systems engineering, funding, and acquisition support.

Implementation Status

Full Implementation

Status of Recommendation

The Joint Rapid Acquisition Cell (JRAC) / Joint Urgent Operational Need (JUON) process, jointly established, as directed by the Deputy Secretary of Defense, by the USD(Comptroller) and the USD(AT&L), responds to specific Immediate Warfighter Needs that are validated by the Combatant Commanders and the Joint Staff. It provides a mechanism for providing the Warfighter with a rapid means for identifying and getting visibility on emerging capability requirements and solutions that can be provided to the Warfighter. The Combatant Commander JUON Automated Tracking System, with development funding provided by the USD(AT&L), will provide, as an application on the Joint Staff Knowledge Mangement and Decision Support (KMDS) system, a mechanism for management of the JUON business process from JUON initiation through transition to a program of record or alternative dispostion of the delivered capability. While previously funded using either Service or dedicated Iraqi Freedom Fund supplemental war funding transfer account, future JRAC funding will include a dedicated Rapid Acquistion Fund transfer account to enable Immediate Warfighter Needs of all Combatant Commanders to be met. JUONs from Combatant Commands that cannot be immediately satisfied are provided to the appropriate Research, Development, Testing & Evaluation (RDT&E) activities for consideration and action, as appropriate. These activities include the Service, Agency, and cross Federal Agency Science and Technology processes, OUSD(AT&L) established the Rapid Reaction Technology Office (RRTO) formerly the Counter Terrorism Task Force (CTTF), the Quick Reaction Fund (QRF), the Office of Force Transformation (OFT)/Emerging Capabilities Division, Advanced/Joint Concept Technology Development processes, Foreign Comparative Test (FCT) processes, and the Technology Transition Initiative (TTI).

Initiatives

- Joint Rapid Acqusition Cell (jointly established by USD(C) and USD(AT&L))
  - Joint Urgent Operational Needs (Process established in support of the JRAC, documented in multiple Deputy Secretary of Defense Memorandums and in Chairmain of the Joint Chiefs of Staff Instruction (CJCSI) 3470.1, *Rapid Validation and Resourcing of Joint Urgent Operational Needs (JUONS) in the Year of Execution*.
  - Combatant Commander JUON Automated Tracking System (initial capability deployed on Joint Staff KMDS January 2008)
- Rapid Reaction Technology Office (RRTO)/Counter Terrorism Task Force (CTTF)
- Quick Reaction Fund (QRF)
- Office of Force Transformation (OFT)/Emerging Capabilities Division

- Advanced/Joint Concept Technology Development (ACTD/JCTD)
- Foreign Comparative Test (FCT)
- Technology Transition Initiative (TTI)

Recent Initiatives

The Department is implementing the following new acquisition transformation initiatives while also continuing progress on existing initiatives.

Configuration Steering Boards (CSBs)

Military Departments are establishing CSBs for every current and future ACAT I program in development. The CSBs will review all requirements changes and any significant technical configuration changes which have the potential to result in cost and schedule impacts to the program. Such changes will generally be rejected, deferring them to future blocks or increments. Changes may not be approved unless funds are identified and schedule impacts mitigated.

Defense Support Teams (DSTs)

While DAPA did not make a specific recommendation in this area, the true challenge for DoD is continuous acquisition execution. Acquisition is a contact sport executed by people. Sometimes, during program execution, unexpectedly difficult technical problems arise that require greater expertise or alternative perspectives than originally envisioned. DoD's Science & Technology enterprise has access to many world-class technical experts who are able to contribute valuable technical insights to acquisition programs that have run into technical hurdles. To assist both industry and DoD program managers, USD(AT&L) has directed expanded use of Defense Support Teams (DSTs) consisting of technical experts from throughout DoD's S&T enterprise willing to assist the Department in addressing our toughest program technical issues. DSTs will be used on an expanded basis, both to resolve emergent problems and to help DoD successfully execute tough programs before problems develop.

Supplementing the DSTs, the DUSD(A&T) has established a process to conduct Program Support Reviews (PSRs) on major acquisition programs. PSRs serve three purposes: (1) PSRs help Program Managers identify and mitigate risk areas within their programs (2) the PSR team provides technical insight to the Defense Acquisition Board, and (3) PSRs conduct systemic analysis of common findings across multiple programs to identify Department-wide areas for process improvement. To date, the PSR team has led or participated in 83 independent program reviews.

Program Manager Empowerment and Accountability

Recognizing the critical role program managers play in developing and fielding weapons systems, the Department has developed a comprehensive strategy to improve the performance of program managers by addressing both strategic and tactical issues associated with outcomes. This strategy will link initiatives designed to improve program manager performance to its corporate-level Acquisition Transformation initiatives, delivering accountability to all levels of the Acquisition process. If efforts to improve requirements and resource stability are not successful, the Department cannot expect program manager performance to improve, nor can it justly hold its program managers accountable. The strategy and specific initiatives are described in detail in the “Department of Defense Report to Congress on Program Manager Empowerment and Accountability” dated August 2007. While the Department is pursuing an extensive set of

specific initiatives, the Report addresses some that have already resulted in policy changes, to include:

- **Tenure Agreements and Qualifications for Program Managers**
  This policy requires written tenure agreements for program managers of Acquisition Category I or II programs, reemphasizes the expectation that the tenure period for program managers of major defense acquisition programs shall correspond to the major milestone closest to 4 years, and requires that Program Manager selection and assignment will comply with the qualification requirements established for Critical Acquisition Positions and Key Leadership Positions, including certification, experience, and training specific to the program management career field.

- **Program Management Agreements (PMAs)**
  USD(AT&L) issued policy directing Program Management Agreements (PMAs) to establish a "contract" between the program manager and the acquisition and requirements/resource officials. PMAs will provide a documented basis to ensure a PM's annual plan is consistent with those of the organization; a common basis for understanding and accountability; specified plans are resourced and achievable; and effective communication of individual and organizational responsibilities.

- **Program Manager Forums**
  The Department has established and recently held the first annual Program Manager Forum, held in conjunction with the PEO/SYSCOM conference at the Defense Acquisition University (DAU). The Program Manager Forum serves to improve the linkage between the Office of the Secretary of Defense and the program manager and provides a venue for program manager dialogue. In addition, the Department is participating in a newly established Industrial Committee for Program Management (ICPM) formed under the auspices of the National Defense Industrial Association. The ICPM will mirror similar industry-led, executive-level committees in other functional areas that invite senior government participation toward a dialogue on issues, lessons learned, and best practices with industry counterparts.

Competition & Prototyping

The USD(AT&L) has issued policy requiring competitive, technically mature prototyping. Pending and future programs will provide for two or more competing teams to produce prototypes through Milestone B, System Design and Development. The intent of this policy is to rectify problems of inadequate technology maturity and a lack of understanding of the critical program development path. This initiative will help ensure technology maturity prior to Milestone B and facilitate the ability of the Milestone Decision Authority (MDA) to certify that the technology in the program has been demonstrated in a relevant environment.

Improving Communication during Competitive Source Selection

The Department has issued several policy memorandums regarding the conduct of competitive source selections and ways to avoid protest actions. On August 24, 2007, USD(AT&L) issued a memorandum emphasizing the importance of an open, on-going detailed dialogue with each

offeror during the source selection process to enhance understanding of both the Government's requirement and the offeror's proposal, and to reduce the number of industry protests. On January 8, 2008, DPAP issued a memorandum to re-emphasize the importance of such communication and to require a briefing on protests of major competitive procurements.

Strategic Sourcing Initiative

Effective 1 October 2006, DPAP assumed functional responsibility of strategic sourcing. The Strategic Sourcing Office (DPAP/SS) was staffed and began operations in March 2007, to include the appointment of the Deputy Director, DPAP/SS. OMB issued the following strategic sourcing definition to guide Federal Agencies: "A collaborative and structured process of analyzing an organization's spend and using the information to make business decisions about acquiring commodities and services more efficiently and effectively." The first initiative of the DPAP(SS) office is to capture and understand spend patterns for acquired services from across the Defense enterprise and share those findings with Military Departments and Defense Agencies in order to identify opportunities to improve the sourcing of services.

Fuel Efficiency of Weapons Platforms

The Systems and Software Engineering organization is taking steps to develop and provide Program Executive Officers and Program Managers more tangible incentives, actionable requirements, guidance and analytical tools to make better informed decisions concerning technology investments and design decisions affecting the fuel demand of their programs without negatively impacting performance requirements. Previous studies have shown that Program acquisition organizations lack the analytic tools and the incentives to properly value and appropriately consider technology and investment alternatives that would improve the energy efficiency of fielded systems. Operational experience, emerging analysis and execution year fuel bills are identifying system fuel demands as a significant operational liability and a long term risk to capability development accounts. Despite the potential improvements to endurance, sustainability and long-term fuel costs, the short-term development costs for these technologies often deter their consideration. Improved analytic models and inducements for Program Managers and Program Executive Officers need to be created to more accurately value the long-term costs of fuel in when making trades within programs.

On-Going Initiatives

In addition to the new initiatives addressed above are a number of activities discussed in previous submissions of the Defense Acquisition Transformation Report to Congress. The sections below provide updates to those initiatives.

Capability Portfolio Management (CPM)

The Department developed the Institutional Reform and Governance (IR&G) roadmap focused on establishing a common and authoritative analytic framework, integrating core processes, and aligning governance and management functions under an integrated enterprise model. This effort included developing a Capability Portfolio Management concept for the Department's Force Development and Force Management activities.

Portfolio Management is intended to provide an enterprise-level, horizontal (cross-component) view of the Department to better balance and harmonize joint warfighter capability needs with capability development efforts and produce strategically aligned outcomes optimized for the enterprise. Four Capability Portfolios were established in the winter of 2006 as an experiment. The intent was to experiment with portfolio management in the Department's core decision processes--PPBES, evaluate and then develop an implementation plan and propose revisions to DoD policies and procedures to institutionalize the portfolio management concept and expand portfolio management across the range of all DoD capabilities using the Joint Capability Areas (JCAs) as a basis for the portfolio framework.

Status:

- Department leadership has directed the institutionalization of the four Capability Portfolio Management Experiments for the FY 2010 process and has asked for a proposal of other possible portfolios. In addition, Department leadership has asked for an established process to enable cross-portfolio trades.
- The JCA rebaselining effort is near completion. This effort established nine top-tier JCAs, which could serve as the basis for defining the other possible portfolios. The FY 2010 planning guidance--Guidance for the Development of the Force--is also near completion (scheduled for a February 2008 release) and is organized around a portfolio framework describing areas of capability risk and emphasis using the nine Joint Capability Areas (JCAs).

Concept Decision

Concept Decision is comprised of four (4) initiatives:

1) Evaluation of Alternatives (EoAs)
2) Tri-Chair Reviews
3) Time Defined Acquisition
4) Capability Portfolio Reviews

These initiatives are experimenting with and refining the acquisition processes and procedures to improve the synchronization of affordable, risk-informed, strategic investment decisions to ensure they are responsive to the prioritized Joint Warfighter needs within fiscal and schedule constraints, and at an acceptable level of strategic risk.

Evaluation of Alternatives (EoA) and Tri-Chair Reviews

The Department is conducting four Evaluation of Alternatives (EoA) pilots using a provisional set of business rules, EoA guidance/study plans, a supporting set of Tri-chair venues, and three workshops that refine the CD process, best practices, and a post CD-Review. The EoA pilots are as follows

1) Integrated Air and Missile Defense (IAMD)
2) Joint Lightweight Tactical Mobility (JLTM)
3) Global Strike Raid (GS-R)
4) Joint Rapid Scenario Generation (JRSG)

Tri-Chair Reviews are led by the Defense Acquisition Executive, Vice Chairman of the Joint Chiefs of Staff, and the Director of Program Analysis and Evaluation: They are conducted in an open and transparent manner with the Service Acquisition Executives, Service Vice Chiefs/Deputy Commandant and Office of the Secretary of Defense

Principals. Tri-Chair Reviews provide a framework to synchronize the three major Departmental processes (Requirements, Acquisition, and Programming) earlier so that senior leaders can make better informed investment decisions. The purpose of these Tri-Chair Reviews is to make a risk-informed strategic investment decision, which we expect will result in significant acquisition program stability and reduce the time it takes to field priority capabilities for the warfighter.

Time Defined Acquisition (TDA)
Time Defined Acquisition is an initiative designed to ensure that once a need is presented to the Department, the acquisition process provides an agile acquisition approach consistent with what is known about the capability required and when the customer needs it. TDA employs risk-based criteria to determine which acquisition approach should be selected to satisfy the capability requirement.

Capability Portfolio Reviews (CPR) (formally referred to as Investment Balance Reviews): CPRs provide the Defense Acquisition Executive the opportunity to make investment decision course corrections during the life cycle of the program. CPRs are being planned as follow on activities for programs that have completed Concept Decision Reviews. The CPR process will be further defined in 2008.

Status:

- Based on the timeline established in the Deputy Secretary of Defense DoD Transformation Priorities memorandum dated August 7, 2007, the Department is beginning the process to institutionalize Concept Decision.
- Since the July 2007 Section 804 Report, the Department led a Joint Lightweight Tactical Mobility (JLTM) Evaluation of Alternatives Tri-Chair Review. Based on this Tri-Chair Review, the Department learned more about the elements of the Tactical Wheeled Vehicle Strategy than it ever would have had the Department not done a Concept Decision Evaluation of Alternatives (EoA). The EoA analysis was very useful in understanding the strategic context for Joint Lightweight Tactical Vehicle (JLTV) and Mine-Resistant Ambush Protected (MRAP) Vehicle decisions, and the Department learned that more research and development was needed regarding vehicle protection.
- All Evaluation of Alternative pilots will be completed by March 2008; Time Defined Acquisition (TDA) criteria will be identified by April 2008; and CD Capability Portfolio Reviews will be complete by December 2008.

Synchronization of Existing Processes

Synchronization of existing processes involves better phasing of current decision-making meeting to provide for better decision making. It ensures the right technical and programmatic information is available to the Department's senior leadership in a timely manner. It also provides the opportunity to better leverage the information between the stakeholders.

Status:

- Four recurring meetings that have been synchronized during this reporting period are the
    - Defense Acquisition Executive Summary (DAES) Review, chaired by the Deputy Under Secretary of Defense for Acquisition and Technology

    - Joint Requirements Oversight Council, chaired by the Vice Chairman of the Joint Chiefs of Staff
    - Overarching Integrated Product Team, chaired by the Director of Portfolio Systems Acquisition
    - Product Support Reviews, chaired by the Director of Systems and Software Engineering.
- Synchronization provides unique perspectives for oversight and insight of Acquisition Category (ACAT) I programs and enables the Office of the Secretary of Defense and the Joint Staff to review over ten ACAT I programs each month in a more timely and efficient manner.

Risk-Based Source Selection (RBSS)

The Risk-Based Source Selection concept is intended to identify and quantify risk, inform requirements development and cost estimation, and improve available information to assess contractor proposals. Risk-Based Source Selection techniques enhance the quality of requests for proposal by improving technical criteria and making DoD a "smarter" buyer.

Status:

- Efforts undertaken across the Department to refine and assess the policy include:
    - Business rules designed to implement the Risk-Based Source Selection concept
    - Case study underway to assess the validity of business rules on an existing program

Award-Incentive Fee Policy

The Award-Incentive Fee Policy is meant to comply with section 814 of the FY07 National Defense Authorization Act by ensuring that award fee and incentive fee contracts awarded by the Department properly incentivize contractor performance. By standardizing policy across the department, tying incentives to acquisition outcomes, and establishing a reporting and evaluation process, this policy ensures the appropriate use of these contract types across the Department.

Status:

- The Director of Defense Procurement and Acquisition Policy (DPAP) issued two memoranda on award fee and incentives policy on April 24, 2007.
- The Proper Use of Award Fee Contracts and Award Fee Provisions memorandum issues DoD policy requiring objective criteria to measure contract performance. It designates standard performance rating levels to be used in all award fee plans, provides a range of award fee pool earned percentages associated with each of those levels, and requires a determination and finding, signed by the Head of the Contracting Activity, whenever a pure cost-plus-fixed fee contract is to be used. These policies are applicable to all solicitations issued commencing in August 2007.
- The Award and Incentive Fees Data Collection memorandum levies a requirement for the Military Departments and Defense Agencies to collect relevant data on award and incentive fees paid to contractors and to have mechanisms in place to evaluate such data on a regular basis. The first reports were submitted in October 2007 and are currently being evaluated.

- A draft interim rule is being developed to incorporate these policies into the Defense Federal Acquisition Regulation Supplement.

Acquisition of Services Policy

The Department's policy for acquisition of services ensures executive reviews at every level and implements best practices from planning through execution. There has been continued progress since the July 2007 Section 804 Defense Acquisition Transformation Report.

Status:

- The Department continues to garner lessons learned from the acquisition of services policy issued on October 2, 2006, and institutionalized in DoDI 5000.2. In addition, the Director of Defense Procurement and Acquisition Policy (DPAP) reviews proposed acquisitions of services with an estimated investment greater than $1 billion and uses this opportunity to ensure that the Department's large acquisitions of services are structured to reflect the basic tenets of DoD's new architecture for acquisition of services, e.g., maximum use of competition; clearly stated requirements; early identification of appropriate performance metrics; quality assurance/surveillance plans; incentives with metrics tied to expected outcomes, as appropriate; application of best practices; and maximum small business opportunities.

Systems Engineering Excellence

Meeting the challenge to develop and maintain warfighting capabilities, the Department has created a Systems and Software Engineering Center of Excellence and published policy guidance documents to assist the acquisition workforce in the development of systems engineering plans, education, and training. This policy guidance institutionalizes best practices, applies performance incentives, and makes systems and software engineering significant factors in the acquisition process. Inherent in this mission are continuous review and improvement of systems and software engineering processes and practices to strengthen technical planning and execution in acquisition programs. The Department has included Software Assurance as part of the Software Engineering directorate. The inclusion of software highlights the dependency of the Department's major systems on software performance as an integrated system of systems.

Status:

- In the continuing effort to provide the foundation for software and system assurance policies and practice improvement strategies to major acquisition programs, the Office of the Under Secretary of Defense for Acquisition, Technology and Logistics (AT&L)'s Software Engineering and System Assurance organization is sponsoring a series of community workshops involving the Department, Industry, and academia. During this reporting period, the AT&L team led workshops on Software Requirements, Software Risk and Cost Estimation, and Software Quality Attributes. Continuing workshops are planned in support of this initiative. The Software Engineering and System Assurance organization continued to work with Industry on system assurance and program protection initiatives. The Software Engineering and System Assurance organization completed piloting new guidance for System-of-Systems Systems Engineering during

this reporting period, and is institutionalizing best practices in support of developing and maintaining warfighting capabilities.

- The DUSD(A&T)/Systems and Software Engineering and the National Security Agency/Central Security Service have teamed to begin establishment of a Systems Engineering Research University Affiliated Research Center (UARC) to research and analyze advanced and emerging systems engineering practices and relevant technologies with the goal of ensuring consistency and systems engineering excellence throughout the acquisition cycle.
- In conjunction with the Defense Acquisition University, the Systems Engineering Center of Excellence has created new courses for systems engineers and strengthened certification requirements.
- The OUSD(AT&L) has organized support teams for program managers to conduct multi-disciplinary, cross-functional reviews of programs, focusing on engineering plans, technical issues, risks, and mitigation recommendations.
- The Systems and Software Engineering Center of Excellence provided major leadership in the Nunn-McCurdy certification process with Risk Management Assessments and Technical Mitigation Plans. This was pivotal for the Expeditionary Fighting Vehicle, the C-130 Avionics Modernization Program, and the Warfighter Information Network-Tactical program, in particular.

Revitalization of Development Test and Evaluation

Underpinning the Systems and Software Engineering Center of Excellence activity, the Department continues the revitalization of its Developmental Test and Evaluation (DT&E) efforts.

Status:

- The Office of the Under Secretary of Defense for Acquisition, Technology and Logistics established a Defense Science Board Task Force on April 30, 2007, to examine the organizational roles and responsibilities for DT&E oversight, recommend changes to established statutory and regulatory authority, and suggest improvements in DT&E to enhance the likelihood of successful Initial Operational Test & Evaluation. The Defense Science Board Task Force expects to release the final report in March 2008.
- In addition, DT&E guidance and courses continue to be reviewed and updated as the revitalization effort progresses. The Defense Acquisition University completed the review, revision and deployment of DT&E curriculum in August 2007. Program support teams are assisting program managers in developing DT&E strategies and master plans.
- The Under Secretary of Defense for Acquisition, Technology and Logistics and the Director, Operational Test and Evaluation jointly issued test and evaluation policy revisions in December 2007. The revised policies address several Department testing initiatives such as integration of developmental and operational testing, comparison of updated system capabilities to existing capabilities, data sharing, and inclusion of government developmental evaluations in acquisition milestone decisions. The policy revisions were based on a study of T&E policies and practices, which was reported to Congress in July 2007, under Section 231 of the FY2007 National Defense Authorization Act.

Continuous Process Improvement (CPI) and Lean Six Sigma (LSS)

Lean Six Sigma (LSS) has been designated as the process improvement methodology to support DoD's Business Transformation efforts because of its balanced approach and wide-range applicability. LSS combines the principles of Lean (reducing and eliminating non-value added activities) with Six Sigma (reducing variation, increasing quality) to improve process efficiency and process effectiveness. Any process, whether it be manufacturing, acquisition, logistics, information technology, administration or service can be improved by using the LSS approach. Lean Six Sigma can also be applied to design a process or conduct experimentation. The Office deployment strategy is to develop an organic capability to train, mentor and facilitate in-house capabilities which will ultimately change the culture of DoD. Using lessons learned and best practices, great progress has been made across the Office of the Secretary of Defense (OSD). The LSS methodology is challenging the status quo, advocating measurement and accountability, and providing enduring solutions to age-old problems.

Status:

- On April 30, 2007, the Deputy Secretary of Defense directed the establishment of the CPI/LSS Program Office within the Office of the Deputy Under Secretary of Defense for Business Transformation.
- Because the Military Departments and some Agencies are well into their respective deployments, the LSS Office needed to hit the ground running. The Deputy Secretary of Defense has laid out some very aggressive goals, and the LSS Office has made remarkable progress in a very short period of time. The LSS Office has developed its own Green Belt, Black Belt and Champion curriculum delivered by in-house MBB instructors. The LSS Office partnered with the DAU to leverage the existing training infrastructure. This training capability is up and running with multiple class offerings every month throughout 2008. This capability will go a long way to reaching the Deputy Secretary of Defense goal of 1% of the DoD population at the Black Belt skill level and 5% at the Green Belt level. The office infrastructure is maturing with two MBBs on staff and several MBB candidates in the hiring process from job opening announcements posted on USAJobs. Project tracking and deployment metrics are collected and presented to the Senior Steering Committee monthly as well as to the Deputy Secretary of Defense at the Defense Business Systems Management Committee (DBSMC).
- As of February 1, 2008, the LSS Office has trained over 180 Green Belts (GBs), 11 Black Belts (BBs), and nearly 100 Champions. All GB and BB student projects will result in valuable resource savings and cost avoidance to improve our support to the Warfighter. OSD's in-house capability provides ownership, saves millions of dollars and eliminates its dependence on contractor support. Within the next year, the LSS Office estimates numerous projects will be completed, students will be certified, and organizations will be investing in their own LSS deployments. All these contribute significantly to more effective and efficient DoD support to the Warfighter.
- USD(AT&L) has established enhanced Lean Six Sigma goals for the USD(AT&L) organization. Specifically, we have raised the bar to increase the number of trained employees and completed projects. The Green Belt goal has been raised from 5% to 25% and the Black Belt goal from 1% to 4%. More importantly, the outcome goal has been established for each direct report to complete 3 projects and a total of 80 completed projects throughout AT&L. These aggressive stretch goals indicate the leadership

commitment and personal involvement necessary for the desired culture change brought about by LSS.

- On December 12, 2007, the Defense Acquisition University (DAU) hosted a second webcast featuring the Principal Deputy Under Secretary of Defense for Business Transformation who moderated a live Panel WebCast on CPI-LSS Implementation Success and Challenges in DoD. Panel members included the Deputy Under Secretary of the Army for Business Transformation; the Chief Systems Engineer, Office of the Assistant Secretary of the Navy, Research, Development and Acquisition; and the Deputy Surgeon General, Headquarters, U.S. Air Force. These two interactive webcasts reached approximately 3,600 participants who submitted questions and received answers, live, during the presentation.

Restructured Defense Acquisition Executive Summary (DAES) Reviews and Defense Acquisition Management Information Retrieval (DAMIR) Shared Resources

The purpose of the restructuring effort is to ensure effective program management with predictable acquisition outcomes, consistent with user requirements, and to establish an analytical foundation. Key elements of the effort include improved assessment of risk, identifying leading metrics, and consideration of risk mitigation plans during monthly DAES reviews. This review process ensures that the Department's senior acquisition leaders have visibility into all 89 Major Defense Acquisition Programs (MDAPs) on a quarterly basis. The process facilitates input from and participation by the Senior Acquisition Executives and the Department's functional stakeholders.

DAMIR is a DoD initiative to provide enterprise visibility to Acquisition program information. The primary goal of DAMIR is to streamline acquisition management and oversight by leveraging the capabilities of a net-centric environment. DAMIR will identify the various data sources the Acquisition community uses to manage MDAP and Major Automated Information Systems (MAIS) programs and provide a unified web-based interface through which to present that information. DAMIR will enable the OSD, Military Departments, Congress and other participating communities to access information relevant to their missions regardless of the agency or where the data resides.

Status:

- This initiative continued to gain traction during this reporting period. The DAES addresses all MDAPs using open and transparent DAMIR data and directs trade-off decisions for requirements change considerations first before schedule and cost change considerations. The Department continues to work on data transparency between DAMIR in the Office of the Secretary of Defense and the acquisition management systems of the Military Departments and should complete this goal by the end of the first quarter of 2008.
- DAES reviews were conducted on 6 programs during this reporting period. These reviews provided valuable insight and corrective decision-making for performance issues and risk mitigation. In addition to these 6 programs, the Department reviewed 6 programs that reported significant cost breaches in 2007 and required a Nunn-McCurdy certification review. The Department also conducted a triage screening of all Acquisition Category I (ACAT I) programs with the objective of identifying all higher risk programs

that required immediate attention to prevent future Nunn-McCurdy breaches. Candidate programs identified by the triage were then scheduled for an immediate cycle of DAES reviews to provide deeper analysis of performance, cost, schedule and sustainment issues contributing to the risk of a future breach.

Life Cycle Management

Enterprise Weapon Systems Life Cycle Management reporting is an important Enterprise-level initiative supporting systems engineering, software engineering, test and evaluation, and logistics to enhance core competencies transformation.

Status:

- Life Cycle Management principles have been effectively integrated into Department-wide "Milestone" acquisition and sustainment processes, including readiness, outcome-based performance, and life cycle sustainment considerations. Recent initiatives include:
  - The addition of life cycle sustainment metrics (materiel availability, materiel reliability, ownership cost and mean down time) to the Defense Acquisition Executive Summary (DAES) reporting.
  - Updated DoD policy regarding Data Management Strategy (DMS) requirements prior to milestone B decision.
  - Established a pilot program to evaluate the linkage between resources and readiness outcomes using life cycle sustainment metrics.

Sustainment Excellence

Ensuring availability of warfighting capability when required is a key tenet of improving sustainment of weapons systems throughout their life cycle. Policies and processes need to be established that focus on providing the requisite level of materiel availability and reliability while minimizing the ownership cost to the Department.

Status:

- The Department formed an Acquisition, Technology and Logistics "Tiger Team" to frame strategy and programs to implement policies. The team was composed of Senior Executive Service representatives from Logistics and Materiel Readiness, Materiel Readiness and Maintenance Policy, Defense Procurement and Acquisition Policy, Acquisition and Technology, Program Analysis and Evaluation, Personnel and Readiness, Military Department Representatives, Acquisition Resources and Analysis, and the Defense Contract Management Agency. The Tiger Team drafted recommendations to
  1) align necessary policy, processes and metrics to established materiel readiness outcomes
  2) align resources to those outcomes and
  3) ensure compliance through a life cycle governance process.
- USD(AT&L) is assessing needed changes to acquisition policy and processes to further implement recommendations.

Requirements Chapter

The DAPA, DSB and CSIS studies made 11 recommendations that fall within the Requirements Chapter. Of those recommendations, the Department fully or partially implemented all 11 recommendations. The following tables review each of the 11 recommendations in detail.

1) Reform the Joint Capability Integration and Development System (JCIDS)
Requirements
Source Report: DAPA
Recommendation Replace the Joint Capability Integration and Development System (JCIDS) with the Joint Capabilities Acquisition and Divestment Plan (JCADP).
Implementation Status Partial Implementation
Status of Recommendation While DoD has no plans to replace JCIDS in the near term, we are planning to continue to simplify and streamline. Partial implementation of this recommendation is addressed through improved JROC processes and new Concept Decision and Capability Portfolio Management processes that establish better collaboration among senior leaders around strategic investment decisions including difficult divestiture decisions. The AT&L Source Document addresses specific aspects of this recommendation. The Source Document makes clear that requirements are not carved in stone and seeks to challenge and empower the DoD acquisition workforce to make trades which yield best value for the taxpayer and capability for the warfighter.
Initiatives • Joint Requirements Oversight Council • Concept Decision • Capability Portfolio Management • AT&L Source Document direction to evaluate requirements in light of cost.
Source Report: CSIS I & II
Recommendation Build a COCOM-centric process for identifying and advocating joint capability requirements that is comprised of the following elements: a) identify and prioritize short-term joint capability requirements through an enhanced Integrated Process List (IPL) process b) have the functional command take the lead on determining long-term capability needs in their respective areas c) as an interim step, create a Washington-based, JFCOM capability, headed by a three-star, to determine and advocate the longer-term joint capability needs of the regional commands d) decide after two years whether a separate Joint Capability Command is necessary for this critical function.
Implementation Status Partial Implementation
Status of Recommendation The JROC is heavily engaging with the COCOMS by having them participate in the JROC. Additionally, twice a year the JROC travels to each COCOM to better understand

warfighting needs and to provide feedback on what the JROC and the Services are doing to satisfy those needs.
(1a) The JCIDS process continues to mature. It is becoming more responsive and collaborative with the COCOMs requirements process (IPLs, and urgent needs).
(1b) This recommendation is at least partially implemented as the COCOMs evolve under recent Unified Command Plan (UCP) changes with JFCOM taking a more central role in global Command and Control (C2) and STRATCOM taking more central role in global strike, etc. The on-going Capability Portfolio Management (CPM) experiment demonstrates promise, as does the Joint Warfighting Program which increases COCOM involvement in the requirements and acquisition processes.
(1c) Recommendation specifics for 1c and 1d not currently under consideration

Initiatives

- Joint Requirements Oversight Council
- Capability Portfolio Management
- Joint Warfighting Program

Source Report: DSB I

Recommendation

The Chairman of the Joint Chiefs of Staff (CJCS) should:
a) should restructure the JCIDS to focus the JCIDS and focus the JROC on key needs to bring force capabilities together into integrated joint capabilities across the spectrum of Doctrine, Organization, Training, Materiel, Leadership, Personnel, and Facilities (DOTMLPF)
b) leave the detailed assessment of programs to other existing processes, and
c) provide for direct support to the COCOMs to analyze and assess solutions to needs offered by the Force Providers.

Implementation Status

Partial Implementation

Status of Recommendation

The essence of these recommendations is being partially implemented by increased collaboration across DoD through broader stakeholder involvement in the JROC process; by the evolving Concept Decision process elevating strategic investment decisions; by the existing Joint Warfighting Program (JWP) and the new Joint Analysis Teams (JATs) to focus on key areas of specific COCOM interest. The AT&L Source Document addresses specific aspects of this recommendation. The Source Document makes clear that requirements are not carved in stone and seeks to challenge and empower the DoD acquisition to make trades which yield best value for the taxpayer and capability for the warfighter.

Initiatives

- Joint Requirements Oversight Council
- Concept Decision
- Joint Warfighting Program
- Joint Analysis Team (JAT)
- AT&L Source Document direction to evaluate requirements in light of cost.

2) Extended COCOM Planning Annexes

Requirements

Source Report: DAPA

Recommendation

Task each of the Combatant Commanders to prepare extended planning Annexes to each of their operational and contingency plans, to be updated on a two-year cycle, that will provide a 15-year forecast of both capability gaps and excesses relative to mission requirements.

Implementation Status

Partial Implementation

Status of Recommendation

The basis of this recommendation is partially satisfied by intensified focus in the Joint Requirements Oversight Council (JROC) on longer range issues, encouraged by the Quadrenniel Defense Review (QDR) initiatives of Concept Decision (CD) and Capability Portfolio Management (CPM). These initiatives emphasize a strategic and holistic approach to defense needs. The Joint Warfighting Program (JWP) is responsive and collaborative with COCOMs and new Joint Analysis Teams (JATs) enable intense focus on key areas of COCOM/DoD interest.

Initiatives

- Joint Requirements Oversight Council
- Concept Decision
- Capability Portfolio Management
- Joint Warfighting Program

3) Operationally Acceptable Evaluation Testing Category

Requirements

Source Report: DAPA

Recommendation

Seek legislation to create an Operationally Acceptable evaluation testing category and issue new implementing instructions. Systems will be evaluated as Operationally Acceptable when their performance is not fully adequate when tested against criteria established by the Director of Operational Test and Evaluation but the Combatant Commander has determined that the system, as tested, provides an operationally useful capability and the Combatant Commander desires immediate fielding of the "as tested" capability.

Implementation Status

Partial Implementation

Status of Recommendation

The Director, Operational Test and Evaluation (DOT&E) and the Deputy Under Secretary of Defense for Acquisition & Technology (DUSD(A&T)) jointly support a requirement for DUSD(A&T) to conduct an Assessment of Operational Test Readiness (AOTR) for all ACAT ID and special interest acquisition programs. Each AOTR shall consider the risks associated with the system's ability to meet operational suitability and effectiveness goals. This new policy will be incorporated into the next update of DoD Instruction 5000.2, scheduled for release in early 2008.

Initiatives

- Operational Suitability & Effectiveness

4) Delegate Program Manager's Authority to Defer Non-KPPs

Requriements

Source Report: DAPA

Recommendation

Delegate explicit authority from the USD(AT&L) to reschedule achievement of non-Key Performance Parameter requirements to future production blocks or program spirals. Transfer this authority to the Service Acquisition Executive through the Program Executive Officers to the Program Managers. This will assist in maintaining Time Certain Development delivery requirements and will limit the time that systems are in development, thereby reducing program cost risk and enhancing the ability to meet Combatant Commander capability needs in a timely manner.

Implementation Status

Partial Implementation

Status of Recommendation

In lieu of the recommended delegation of non-Key Performance Parameter requirements the Department has chosen to use an alternative approach, the Configuration Steering Board (CSB) as a measure to control cost growth in major acquisition programs. The Department has identified a need for CSBs as a measure to control cost growth in major acquisition programs. The Military Departments will establish CSBs for every current and future Major Defense Acquisition Program in development. The CSBs will consist of broad membership and review all requirements changes and any significant technical configuration changes, which have the potential to result in cost and schedule impacts to the program. Additionally, the program managers will work on a roughly annual basis to identify a set of descoping options that reduce program cost or moderate requirements. The CD reviews synchronize acquisition, requirements and programming activities and are designed to lead to a better understanding of capability gaps, potential trade space investment decisions and fiscal limitations.

Initiatives

- Joint Requirements Oversight Council
- Concept Decision
- Capability Portfolio Management
- Configuration Steering Boards

5) Requirements Trades

Requirements

Source Report: DSB I

Recommendation

USD(AT&L) should recast the development/production process to move from requirements-based execution to judgment-based execution in order to force capability trade-offs to maintain cost and schedule as development challenges emerge and as new capability needs and opportunities are identified.

Implementation Status

Partial Implementation

Status of Recommendation

The 2008 AT&L Source Document and Strategic Implementation Plan make it clear that controlling cost is key and that program managers are empowered to engage requirements stakeholders. This is emphasized in Strategic Thrust 1: Define effective and affordable tools for the warfighter which seeks to engage the warfighting, requirements, and resourcing communities on behalf of the taxpayer, using collaboration and innovation to develop and deliver joint warfighting tools and Strategic Thrust 2: Responsibly spend every single tax dollar. The Source Document and Implementation plan along with USD(AT&L)'s weekly notes provide clear guidance and direction to the organization to abide by these priorities in executing the mission through the use of tools such as Configuration Steering Boards (CSBs) as a measure to control cost growth in major acquisition programs and Joint Analysis Teams (JATs), formed to focus on key capability areas, such as Electronic Warfare.

Initiatives

- Configuration Steering Boards (CSBs)
- Joint Analysis Teams (JATs)
- Defense Support Teams (DSTs)
- AT&L Source Document
- AT&L Strategic Thrusts in the Strategic Implementation Plan
- AT&L Notes
- Joint Requirements Oversight Council
- Capability Portfolio Management

6) Science & Technology Transition Plans

Requirements

Source Report: DAPA

Recommendation

Direct the Deputy Director for Research and Engineering to coordinate service science and technology transition plans with the appropriate military service.

Implementation Status

Full Implementation

Status of Recommendation

The Research and Engineering program in the Department is developing technologies to defeat any adversary on any battlefield. The Science and Technology (S&T) program seeks to balance investments to address known capability needs and threats of today with the potential capabilities needs and threats of tomorrow. The S&T coordination and collaboration mechanism known as Reliance has been transformed into Reliance 21 with the intent of streamlining activities, reducing overhead, and maximizing the use of information technologies. The Director of Defense Research and Engineering continues to focus Defense Support Teams on the Department's difficult technological problems and urgent needs. Component S&T programs continue to advance the state-of-the-art and sustain technological superiority. Further, USD(AT&L) has initiated an independent review of the process through a transition task force reporting to USD(AT&L)

Initiatives

- Revitalized Developmental Testing & Evaluation
- Science & Technology - Reliance 21
- USD(AT&L) Technology Transition Task Force

- Operational Suitability and Effectiveness

7) Joint Capabilities Acquisition and Divestment

Requirements

Source Report: DAPA

Recommendation

Direct the Deputy Director for Research and Engineering to actively participate in the Joint Capabilities Acquisition and Divestment process to reemphasize technology push initiatives.

Implementation Status

Partial Implementation

Status of Recommendation

This recommendation is being addressed through the increased involvement of DDR&E in JROC and Services activities, more emphasis on technology maturity prior to entering the acquisition phase, and DoD's pursuit of the Quadrennial Defense Review (QDR) initiatives of Concept Decision and Capability Portfolio Management. Recent initiatives of Configuration Steering Boards (CSBs) and Joint Analysis Teams (JATs) also provide methodologies for OSD to interact with Joint Staff and Services on technology push.

Initiatives

- Joint Requirements Oversight Council
- Concept Decision
- Capability Portfolio Management
- Science & Technology
- Configuration Steering Boards
- Joint Analysis Team

8) DDR&E as Principal Deputy

Requirements

Source Report: CSIS I & II

Recommendation

Elevate the DDR&E function to primacy in the office of the Under Secretary of Defense for Acquisition, Technology and Logistics (AT&L) to create the Under Secretary for Technology, Logistics and Acquisition Policy (TL&A), with the DDR&E as Principal Deputy.

Implementation Status

Limited Implementation

Status of Recommendation

This recommendation to a limited degree is being addressed through increased involvement of DDR&E in the Joint Requirements Oversight Council (JROC) and Military Departments' activities and more emphasis on technology maturity prior to entering acquisition phase. These efforts are supported by the Quadrenniel Defense Review (QDR) initiatives of Capability Portfolio Management and the USD(AT&L)'s recent directive to establish Configuration Steering Boards (CSBs) and Joint Analysis Teams.

Initiatives

- Expanded JROC
- Capability Portfolio Management
- Science & Technology
- Configuration Steering Boards
- Joint Analysis Teams

9)Technology Readiness Level

Requirements

Source Report: DSB I

Recommendation

USD(AT&L) and Force Providers should limit technical reach in seeking capabilities by rigorously enforcing the Technology Readiness Level process.

Implementation Status

Substantial Implementation

Status of Recommendation

This recommendation is being addressed through increased involvement of DDR&E with the JROC and the Military Departments activities and more emphasis on technology maturity prior to program initiation. On 19 September 2007, USD(AT&L) signed out a memo to the Military Departments, defense agencies and combatant commands requesting them to formulate all pending and future programs with acquisition strategies and funding to provide for two or more competing teams producing prototypes through Milestone B. Competing teams producing prototypes of key system elements will reduce technical risk, validate designs, validate cost estimates, evaluate manufacturing processes and refine requirements. These efforts will also be supported by the initiatives of Capability Portfolio Management, Configuration Steering Boards and Joint Analysis Teams. Furthermore, DoD is relying on DDR&E Technology Readiness Assessments (TRAs) for Milestone B decisions. Further, goals for the DDR&E organization seek to complete Quick Look or early TRAs well before Milestone B in order to inform development program investment decisions, guiding programs to make risk reducing investments in key technologies to ensure appropriate maturity at Milestone B. Further, USD(AT&L) has recently granted MS A decisions to programs in lieu of Milestone Bs, when a program's technology readiness did not support a Milestone B decision.

Initiatives

- Quick Look and Early Technology Readiness Assessments (TRAs)
- Expanded use of MS A decisions
- Competition & Prototyping
- Independnet DDR&E determination of Technology Readiness Levels (TRL)
- Expanded JROC
- Capability Portfolio Management
- Science & Technology
- Configuration Steering Boards
- Joint Analysis Team

10) Integration Risk and Manufacturing Readiness Levels

Requirements

Source Report: DSB I

Recommendation

USD(AT&L) and Force Providers should limit technical reach in seeking capabilities by including integration risk and manufacturing readiness in the technical assessment.

Implementation Status

Partial Implementation

Status of Recommendation

DoD is in the process of analyzing the feasibility of using Manufacturing Readiness Levels (MRL) as exit criteria for Milestone decisions. The Office of Systems & Software Engineering is currently co-sponsoring a Defense Science Board Task Force on Developmental Test and Evaluation. This DSB report is expected in February 2008. The DSB was tasked with recommending improvements in the DT&E process to improve likelihood of success in IOT&E.

Requirements for assessing manufacturability are found in DoD 5000.1 and guidance is provided in DoDI 5000.2. The program manager is required to develop an acquisition strategy that addresses the ability to cost effectively design, develop, produce, maintain, support, and restart the program, reduce technology risk, demonstrate technologies in a relevant environment, reduce manufacturing risk and demonstrate producibility prior to full-rate production. There are several requirements for assessing and demonstrating the manufacturing readiness of a system at various stages of its development. For example, industrial capability assessments are mandatory requirements at Milestones B and C.

Defense Federal Acquisition Regulation Supplement (DFARS)207.105(b)(19) specifies that, as part of the acquisition strategy, program managers must perform an analysis of the capabilities of the National Technology and Industrial Base to support the design, development, sustained production, and uninterrupted maintenance of the system. Specific contents of the industrial capability assessment include assessing the availability of essential materials, special components, tooling, and production test equipment for the sustained production of systems fully capable of meeting performance consideration of requirements for efficient manufacture during the design and production of the systems to be procured under the program. This recommendation is also being addressed through increased involvement of DDR&E with the JROC and the Military Departments activities and more emphasis on technology maturity prior to entering acquisition phase. Recent initiatives of early requirements discussions with industry are of particular help with assessing manufacturing readiness.

Furthermore, DoD is relying on DDR&E Technology Readiness Assessments (TRAs) for Milestone B decisions. Further, goals for the DDR&E organization seek to complete Quick Look or early TRAs well before Milestone B in order to inform development program investment decisions, guiding programs to make risk reducing investments in key technologies to ensure appropriate maturity at Milestone B. Further, USD(AT&L) has recently granted MS A decisions to programs in lieu of Milestone Bs, when a program's technology readiness did not support a Milestone B decision.

Initiatives

- Quick Look and Early Technology Readiness Assessments (TRAs)
- Expanded use of MS A decisions
- Competition & Prototyping
- Independent DDR&E determination of Technology Readiness Levels (TRL)
- Joint Requirements Oversight Council
- Capability Portfolio Management
- Configuration Steering Boards
- Early Requirements discussion with Industry

11) Homeland Defense and Civil Support Requirements
Requirements
Source Report: CSIS I & II
Recommendation Formalize at the SECDEF level an agreed set of DoD requirements for homeland defense and civil support so that forces can be allocated as appropriate through the Global Force Management process.
Implementation Status Partial Implementation
Status of Recommendation This recommendation is generally pursued through the Inter-Agency structure to include OSD-JROC-Military Department-COCOM collaboration on the DoD side and leveraging various established and evolving processes such as the QDR initiatives of Concept Decision and Capability Portfolio Management.
Initiatives • Joint Requirements Oversight Council • Concept Decision • Capability Portfolio Management

The Department continues to track the following requirements initiatives:

Capability Portfolio Management (CPM)

The Department developed an Institutional Reform and Governance (IR&G) roadmap focused on establishing a common and authoritative analytic framework, integrating core processes, and aligning governance and management functions under an integrated enterprise model. This effort included developing a Capability Portfolio Management concept for Department Force Development and Force Management activities.

Portfolio Management is intended to provide an enterprise-level, horizontal (cross-component) view of the Department to better balance and harmonize joint warfighter capability needs with capability development efforts and produce strategically aligned outcomes optimized for the enterprise. Four Capability Portfolios were established in the winter of 2006 as an experiment. The intent was to experiment with portfolio management in the Department's core decision processes--PPBES, evaluate and then develop an implementation plan and propose revisions to DoD policies and procedures to institutionalize the portfolio management concept and expand

portfolio management across the range of all DoD capabilities using the Joint Capability Areas (JCAs) as a basis for the portfolio framework.

Status:

- The Department's leadership has directed the institutionalization of the four Capability Portfolio Management Experiments for the FY 2010 process and has asked for a proposal of other possible portfolios. In addition, Department leadership has asked for an established process to enable cross-portfolio trades.
- The JCA rebaselining effort is near completion. It established nine top-tier JCAs, which could serve as the basis for defining the other possible portfolios.
- The FY 2010 planning guidance--Guidance for the Development of the Force--is also near completion, scheduled for a February 2008 release, and is organized around a portfolio framework describing areas of capability risk and emphasis using the nine Joint Capability Areas.

Technology Readiness Assessments (TRA)

A central acquisition process theme is that technology should be "mature" before system development begins. For technology to be considered mature, it must have been applied in a prototype article (e.g., system, subsystem, or component), tested in a relevant or operational environment, and found to have performed adequately for the intended application. This implies a need for a measure of technology maturity and for a process to ensure that only sufficiently mature technology is used. Technology Readiness Assessments are used by DoD to verify technology maturity in a rigorous fashion.
Regulatory requirements mandate Technology Readiness Assessments at Milestone B and Milestone C reviews for all acquisition programs, regardless of ACAT category. Furthermore, all MDAPs are required to conduct Technology Readiness assessments at Milestone B and at Milestone C, and corresponding Key Decision Points for space programs, and to submit those TRAs to DDR&E for review. TRAs are conducted in accordance with the DoD TRA Deskbook. At Milestone B, TRAs are used to satisfy 10 USC 2366a that requires technology in the program has been demonstrated in a relevant environment.

Source Document and Implementation Plan

The Under Secretary of Defense for Acquisition, Technology and Logistics' (USD(AT&L)) 2007 Strategic Goals Implementation Plan aligned AT&L with the defense enterprise by "flowing down" the national and defense strategic guidance, particularly the Quadrennial Defense Review, into seven organizational goals. The USD(AT&L) team used time-certain initiatives, metrics, and assigned leadership to track progress and adjust efforts as necessary. The plan was updated in March and June 2007, following tri-annual reviews. The 2008 AT&L Implementation Plan builds on the 2007 plan. It established four enterprise-level strategic thrusts: Define Effective and Affordable Tools for the Joint Warfighter 2. Responsibly Spend Every Single Tax Dollar 3. Take Care of Our People 4. DoD Transformation Priorities. The four enterprise-level strategic thrusts are, grounded in a set of guiding principles, proactive approaches, and specific initiatives/goals and metrics articulated by the USD(AT&L), and captured in this plan and the USD(AT&L) Source Document. The 2008 plan, particularly Strategic Thrust #4, was guided by the Deputy Secretary of Defense's August 2007 DoD

Transformation Priorities, the most recent statement of future defense direction. Additionally, efforts are continuing on the seven goals which have been updated.

The Source Document makes clear that requirements are not carved in stone and seeks to challenge and empower the DoD acquisition to make trades which yield best value for the taxpayer and capability for the warfighter. It includes establishing a rational, joint requirements foundation, technology maturation plan and acquisition strategy for all FY 08 new start ACAT ID programs, creating Joint Analysis Teams (JATs) to review portfolios of related programs and cross-cutting technology areas, establishing Configuration Steering Boards for all ACAT 1D programs and establishing Defense Support Teams for programs with serious technical risk or poentital for cost and schedule issues.

Quick Reaction Fund (QRF)

The QRF program focuses on breakthroughs in rapidly evolving technologies by responding to emergent needs during the execution years of the Defense budget**.** QRF projects accelerate promising research that will enable major capability enhancement or fill critical gaps in DoD acquisition programs, as well as mature technologies that are critically needed by Combatant Commanders for current operations**.**

Status:

- The program continues to invest in technologies with the potential to address disruptive, catastrophic and irregular behavior, as well as any that will provide a significant improvement to operational capabilities.
- The Joint Staff advises on validation of warfighter needs for QRF projects, some of which include:
  - Developing, integrating, and conducting stationary and on the move testing of an airbag system that will detect and defeat Rocket Propelled Grenades (RPGs).
  - Developing passive methods to reduce the temperatures inside of the High Mobility Multipurpose Wheeled Vehicles (HMMWVs) currently in use in Southwest Asia.
  - Developing an improved liquid oxygen (LOX) system that provides greater oxygen supply in a lighter package that has enhanced ballistic projection.
  - Developing a unique inflatable satellite antenna solution which packages in a single man-portable hardened case, and yet inflates to provide a two-meter class reflector.

Configuration Steering Boards (CSBs)

The Department has identified a need for CSBs as a measure to control cost growth in major acquisition programs. The CSBs will consist of broad membership and review all requirements changes and any significant technical configuration changes, which have the potential to result in cost and schedule impacts to the program. Additionally, the program managers will work on a roughly annual basis to identify a set of descoping options that reduce program cost or moderate requirements. The Military Departments will establish CSBs for every current and future Major Defense Acquisition Program in development.

Joint Analysis Teams (JATs)

Recently, the Department has set up Joint Analysis Teams (JATs), which are process teams set up to proactively engage all stakeholders and drive decisions that deliver resilient, joint, strategic capability at the lowest possible cost. The Department currently has focused on specific areas of concern identified by Combatant Commands: Electronic Warfare, Radar, Networks, Biometrics, Wheeled Vehicles, Unmanned Aircraft Systems, Identify Friend or Foe, Sensor Weapons Pairing, Joint Weapons, Integrated Air and Missile Defense, etc. An important part of the near term focus of the JATs is to provide and coordinate rationalized investment options for POM 10 decisions.

Science and Technology (S&T)

The Research and Engineering program in the Department is developing technologies to defeat any adversary on any battlefield. The Science and Technology (S&T) program seeks to balance investments to address known capability needs and threats of today with the potential capabilities needs and threats of tomorrow. The S&T coordination and collaboration mechanism known as Reliance has been transformed into Reliance 21 with the intent of streamlining activities, reducing overhead, and maximizing the use of information technologies. The Director of Defense Research and Engineering continues to focus Defense Support Teams on the Department's difficult technological problems and urgent needs. Component S&T programs continue to advance the state-of-the-art and sustain technological superiority. Three of the initiatives addressing our Science & Technologies Challenges are reported on below.

Joint Warfighting Program (JWP)

The Combatant Commands are engaged in the decision-making process for future capabilities through the JWP administered by the Under Secretary of Defense for Acquisition, Technology and Logistics (USD(AT&L)). Advanced systems and concepts invigorate Combatant Command participation in joint experimentation. Elements of the JWP assist Combatant Commands to specify operational needs and examine capability gap alternatives. The process captures lessons learned and assessments from joint contingency operations and formulates advanced joint concepts to be tested in joint experiments. The JWP is a catalyst for innovation and change supporting Defense transformation. JWP staffing includes the U.S. Joint Forces Command military staff officers in the U.S. Joint Forces Command's Joint Center for Operational Analysis. An annual task list is reviewed and approved by a Board of Directors, chaired by U.S. Joint Forces Command and includes Joint Staff/J7, the Office of the Deputy Under Secretary of Defense for Advanced Systems and Concepts, and the Office of the Under Secretary of Defense for Policy. The JWP encourages joint Combatant Commands to establish internal staff capabilities for mission needs analysis and experimentation. By empowering Combatant Command staffs to critically assess their own needs and examine viable capability gap solutions, the JWP focuses larger research and development investments, like Joint Experimentation and Joint Capability Technology Demonstrations to specific warfighter requirements. The JWP enables joint commanders to conduct limited objective experiments in theater that explore capability gaps and potential capability solutions unique to their Area of Responsibility. The JWP encourages distributed network access to advanced, centralized Joint Experimentation facilities at the U.S. Joint Forces Command in Virginia. This approach minimizes redundant

investment, strengthens the relevance of experimentation projects, and diversifies the range of solutions considered for DoD investment.

Requirements Management Certification Training Program

Section 801 of the John Warner National Defense Authorization Act for Fiscal Year 2007, requires the USD(AT&L), in consultation with the Defense Acquisition University, to develop a training program to certify military and civilian personnel of the DoD with responsibility for generating requirements for Major Defense Acquisition Programs (MDAPs), effective September 30, 2008. The Joint Staff and the Office of the Under Secretary of Defense for Acquisition, Technology and Logistics, working through the Defense Acquisition University, are developing a Requirements Management Certification Training Program for military and civilian requirements managers. Representatives of the requirements, acquisition, and resource communities have developed and prioritized the competencies of a requirements management officer.

Status:

- Initially the focus of the training program will be to ensure the requirements professionals associated with the development of requirements for MDAPs are trained. However, the Department is committed to eventually train all requirements professionals to facilitate a common understanding of requirements between the requirements managers and the acquisition community to ensure the capabilities delivered are what the Warfighters need.
- The Requirements Management Certification Program is being developed in a three tiered construct. Level I (Basic) Certification consists of the Capabilities Based Planning (CBP) Continuous Learning Module (CLM) which came online 12 October 2007. Level II (Intermediate) Certification consists of a Distance Learning Module which will be online in the 4th Quarter FY08. An additional Level III (Advanced) one week resident course is also being considered for development.
- An interim report to Congress was submitted April 17, 2007, and a final report is to be submitted not later than March 1, 2008.

Defense Acquisition Challenge (DAC)

The DAC program demonstrates a product or concept which can enhance an existing DoD acquisition at the component, subsystem, or system level. DAC funds test and evaluation of late stage technologies and commercial products for insertion into current acquisition programs. DAC minimizes or precludes Research and Development costs and time investments.

Status:

- For Fiscal Year 2008, 226 proposals were received in response to a Broad Agency Announcement and thirteen new start projects were selected for challenges supporting new and improved capabilities for armor protection, chemical–biological detection, electronic warfare and countermeasures, and support to the Special Operations Forces (SOF).
- Completed projects include an improved combat trauma patient simulation system used to train over 3,500 medics deployed worldwide; a standard advanced assembly inserted into the Marine Corps' M1A1 Main Battle Tank that increases the clarity and range of the

sight by 20 percent, enabling the tank crew to more quickly identify and engage targets; and a lightweight composites material for the Blackhawk tail cone that replaces metallic structures, enabling a 45-pound weight reduction.

Foreign Comparative Test (FCT)

The FCT program provides a mechanism exclusively dedicated to identifying and testing existing foreign equipment, munitions, and technologies for potential use by today's warfighters. FCT is similar to DAC, except that it works with allied and coalition nations and integrates mature technologies**.** Both DAC and FCT are test-to-procure programs**.**

Status:

- For Fiscal Year 2008, over 100 proposals were received from the Military Departments and Defense Agencies and sixteen new start projects were selected to leverage allied and coalition industry equipment, including improved body armor, improved munitions, and more energy efficient and cost saving training and hazardous waste recovery.
- Completed projects include fielding of a wireless portable range instrumentation system supporting Marine Corps training exercises; a superior aluminum that offers better ballistic and blast protection for armored hull type vehicles than legacy material; and improved weapon accessories that upgrade SOF M4-A1 rifles and the SOF Combat Assault Rifles.

Technology Transition Initiative (TTI)

The TTI differs from other programs for today's force in that it specifically accelerates the transition of technologies from the DoD S&T base formal acquisition programs. A project may not be provided funds under the TTI authority for more than four years and Component cost sharing is required. For the Acquisition Executive, TTI identifies and moves developmental technology to a formal acquisition program for fielding or directly to procurement if the technology is fully mature.

Status:

- Eleven projects have been selected for execution in FY 2008. The selected projects address several critical enhancements identified by Department leadership. Furthermore, they are ready to transition to acquisition programs of record and subsequent operational use.
- Four projects successfully transitioned in FY 2007. Noteworthy among them is the Command Post of the Future (CPoF) Server Consolidation. TTI accelerated the merger and integration of CPoF, Joint Automated Deep Operations Coordination System (JADOCS), and Army Battle Command System (ABCS) server software by at least one year, driving an initial battle command server consolidation focused-activity that will expedite the elimination of additional hardware in the field.

Joint Rapid Acquisition Cell (JRAC)

One way the Department supports emerging field requirements is through the Joint Urgent Operational Needs (JUONs) process. The Joint Rapid Acquisition Cell (JRAC) is the single point

of contact within the Office of the Secretary of Defense (OSD) for meeting immediate joint warfighter needs, tracking the timeliness of these actions, and facilitating coordination with other government agencies. The goal of the JRAC is to respond to immediate joint warfighter needs within 120 days, although some materiel solutions may extend up to two years. The JRAC also supports the exercise of the Rapid Acquisition Authority (RAA) section 806 of Public Law 107-314, as amended by section 811 of Public Law 108-375, "Response to Combat Emergencies." Use of this authority is limited to an aggregated amount of not more than $100 million during any fiscal year. Using this authority, in the circumstances defined by the statute, the designated service official can waive laws, policies, directives, and regulations dealing with establishment of requirements, research, development, testing and evaluation, and procurement, other than those imposing criminal or civil penalties, to acquire critical equipment. The RAA's goal is to award a contract within 15 days.

Status:

- The JRAC continues to ensure that the joint and immediate needs of the Combatant Commands are expeditiously reviewed, validated, funded, fielded, and sustained. As of December 2007, the JRAC had supported 32 projects valued at $441.8 million, including Human Terrain Teams, improved Intelligence, Surveillance and Reconnaissance systems and the deployment of a variety of non-lethal capabilities for use in crowd control and to disperse human shields used by terrorists in attacks. The JUONs from Combatant Commands that cannot be immediately satisfied are provided to the appropriate Military Departments or Defense Agencies for consideration and action, as appropriate.
- The Department's joint rapid acquisition processes are being expanded and institutionalized by the JRAC. The JRAC has established a community of interest among rapid acquisition stakeholders, and has developed an initial JUON process application for use by the Combatant Commands and Joint Staff and that will be maintained on the Joint Staff Knowledge Management/ Decision Support Tool.
- The JRAC has established JUON Working Groups, with cross-Departmental membership, to expeditiously develop solutions to JUONs received from Combatant Commands. Additionally, Joint Rapid Acquisition Workshops have been hosted annually to bring senior level stakeholders from across DoD into the planning process for improving and implementing rapid acquisition processes.
- The JRAC continues to refine the JUON process, which provides the Joint Warfighter with a rapid means for identifying emerging capability requirements, and getting visibility on solutions that can be quickly inserted into the operating forces.

Status:

- Progress has been achieved tuning this program to Combatant Command needs. The Department is continuing these efforts in FY08.

Defense Adaptive Red Team (DART)

The Defense Adaptive Red Team was established by the Deputy Under Secretary of Defense for Advanced Systems and Concepts**.** The Red Team challenges conventional needs and solutions**.** Employing subject matter experts, focus groups, expert investigations, and war gaming analyses, the Red Team develops innovative and resilient concepts for conducting joint and coalition operations**.** Technology Feeder Support subsidizes joint experimentation by major geographic

and functional Combatant Commands. In many cases, Technology Feeder Support is the main funding source for joint experimentation undertaken by Combatant Command headquarters staffs. This activity permits developing complementary operational employment concepts and validates the usefulness of the demonstration capability. It also funds the incremental cost of including technology-based demonstrations in joint experiments.

Status:

- The DART mission is complete. The DART function is being transitioned into the Military Departments under the Joint Warfighting Program (JWP).

Test and Training Collaboration

The Department has enhanced outreach and increased collaboration between the test and training communities. The Test Resource Management Center (TRMC) is collaborating with the Deputy Under Secretary of Defense for Readiness (DUSD(R)) on a number of key fronts. DUSD(R) appointed a representative to the Test and Evaluation Strategic Planning Working Group to facilitate long range planning for common range modernization interests. In return, TRMC participates in the DUSD(R) Training Transformation Joint Integrated Process Team to oversee planning for joint training. The Under Secretary of Defense for Acquisition, Technology and Logistics, the Director of Operational Test and Evaluation, and the Under Secretary of Defense for Personnel and Readiness provided guidance in a memo entitled "Test and Training Interdependency Initiative" to the Military Departments which directed an interdependent approach between test and training developmental efforts to minimize fiscal outlays and achieve test/training mission synergies. The outcome of this approach will be to create a single, more realistic and cost effective operational training and test environment. The first application of the test and training interdependent approach is focused on the development of airborne instrumentation suitable for both test and training applications; this effort will leverage ongoing programs and legacy capabilities.

Status:

- In FY07, the Central Test and Evaluation Investment Program (CTEIP) initiated the Common Range Integrated Instrumentation System (CRIIS) project. CRIIS will take the first steps in realizing the Office of the Secretary of Defense's (OSD) vision of achieving airborne test and training interdependence. CRIIS will enhance range instrumentation and will support the testing of a variety of land, sea, and air platforms. The procurement of the CRIIS based upon the interdependency guidance referenced above is on track. The program office received oral presentations from prospective bidders in December 07, with contract award forecasted for 23 May 08.

Revitalization of Developmental Test and Evaluation (DT&E)

Underpinning the Systems and Software Engineering Center of Excellence activity, the Department continues the revitalization of its DT&E efforts. The Office of the Under Secretary of Defense for Acquisition, Technology and Logistics tasked the Defense Science Board review to examine the organizational roles and responsibilities for DT&E oversight, recommend changes to established statutory and regulatory authority, and suggest improvements in DT&E to improve the likelihood of successful Initial Operational Test and Evaluation.

Status:

- The Defense Science Board Task Force expects to release the final report in February 2008
- DT&E guidance and courses continue to be reviewed and updated as the revitalization effort progresses and program support teams are assisting program managers in developing strategies and master plans. The Defense Acquisition University completed the review, revision and deployment of DT&E curriculum in August 2007.

Joint Mission Environment Test Capability (JMETC)

The Department has developed a corporate approach to testing, enabling customers to rapidly develop and test warfighting capabilities in a joint context**.** Adequate Testing of joint system acquisitions and net-centric capabilities is required for successful milestone decisions for capabilities with joint mission requirements. Testing in a joint environment is a Department Policy that requires all programs, regardless of Acquisition Category to demonstrate their joint capability early and throughout their respective development cycles. The Joint Mission Environment Test Capability (JMETC) program will provide testers and developers a robust nation-wide distributed engineering capability to "Test like we fight."

Status:

- To date, the Joint Mission Environment Test Capability (JMETC) demonstration events have accomplished their baseline objectives to operate effectively with other legacy solutions**.** Within the last year, the JMETC completed four of five prototype demonstrations, with the following results:
    - Baseline products have proven their technical maturity
    - Test products save time and money
    - Joint National Training Capability is compatible with JMETC
    - JMETC meets the requirements established by the warfighter
- JMETC conducted two distributed test events in July and September of FY07. The first event, Integral Fire 07, was a partnership between JMETC, DOT&E's Joint Test and Evaluation Methodology (JTEM), JFCOM's Joint Interoperability Test Command (JSIC), and Air Force Integrated Collaborative Environment (AF-ICE). JMETC linked two existing "networks" (or enclaves) to the JMETC network and, through the JMETC network, brought eight laboratories to the test. JSIC tested digital Joint Close Air Support equipment and tactics. JTEM tested the test planning processes and methodologies they developed. The Air Force tested Warplan Warfighter Forwarder. This is the first known example of linking three enclaves to conduct multiple tests on the same integrated network in the same timeframe. Additionally, the network was up and running within 90 days after the requirements were defined – something that would have taken over 9 months previously.
- In the second event, JMETC reused the Integral Fire laboratories, along with three additional labs, to permit the Interoperability Test and Evaluation Capability Project (InterTEC) to test their command and control test instrumentation tools developed to prove out the interoperability of command and control systems. This test began six weeks after the end of Integral Fire and used much of the same infrastructure. This represents a

significant savings to the department when compared to older capabilities where the four customers would have, likely, duplicated networks and infrastructure.

Joint National Training, Testing, and Experimentation

The 2008-2010 DoD lists of priorities issued by the Secretary of Defense include the need to strengthen U.S. Combined and Joint Warfighting capabilities to "implement joint national training, testing, and experimentation." The operational test and training communities require similar capabilities for their respective missions. Within the training community, the Joint National Training Capability (JNTC), overseen by the Under Secretary of Defense (Personnel and Readiness) (USD(P&R)) and managed by U.S. Joint Forces Command, Joint Warfighting Center has worked to facilitate closer collaboration between testers and trainers. The Test Resource Management Center (TRMC) has established a liaison cell within the JNTC Joint Management Office. This direct link facilitates communications and convergence in areas of investments, business practices, and system assessments, as well as assists in the implementation of an interdependent approach to meeting warfighter needs.

Status:

- The Department is building on the FY07 progress in FY08. USD(P&R) and the TRMC, in partnership with U.S. Joint Forces Command, are working to improve test and training capabilities in the areas of instrumentation; opposing forces equipment, live, virtual, and constructive capabilities; communications technologies; and knowledge management tools. Some implementing efforts include the Net-Enabled Command Capability program, the Information Operations Range, the Joint Rapid Distributed Data Base Development Capability, and the Joint Advanced Training Technologies Laboratory.
- The TRMC is collaborating with the Office of the Deputy Under Secretary of Defense for Readiness (DUSD(R)) on a number of key fronts. DUSD(R) appointed a representative to the T&E Strategic Planning Working Group to facilitate long range planning for common range modernization interests. In return, TRMC participates in the DUSD(R) Training Transformation Joint IPT that oversees planning for joint training infrastructure.
- In September 2006, a Tri-signature memo signed by USD(AT&L), USD(P&R), and the D,OT&E entitled "Test and Training Interdependency Initiative" outlined a plan to pursue a corporate investment strategy to achieve test and training mission synergies.
- In FY07, the Central Test and Evaluation Investment Program (CTEIP) initiated the Common Range Integrated Instrumentation System (CRIIS) project. CRIIS will take the first steps in realizing the Office of the Secretary of Defense's (OSD) vision of achieving airborne test and training interdependence. CRIIS will enhance range instrumentation and will support the testing of a variety of land, sea, and air platforms.

Operational Suitability and Effectiveness

Risks associated with the Department's ability to meet testing for operational suitability and effectiveness goals are being addressed by the Deputy Under Secretary of Defense for Acquisition & Technology. The criteria to determine what is Operationally Effective, Operationally Acceptable and Operationally Suitable during Initial Operational Test and Evaluation reviews are being considered and applied to Independent Assessments for

Operational Test Readiness for all Acquisition Category ID and special interest programs. The new policies are to be incorporated in an update of DoD Instruction 5000.2 planned for early 08.

Status:

- The Director, Operational Test and Evaluation (DOT&E) and the Deputy Under Secretary of Defense for Acquisition & Technology (DUSD(A&T)) jointly support a requirement for DUSD(A&T) to conduct an Assessment of Operational Test Readiness (AOTR) for all ACAT ID and special interest acquisition programs. Each AOTR shall consider the risks associated with the system's ability to meet operational suitability and effectiveness goals. This new policy will be incorporated into the next update of DoD Instruction 5000.2, scheduled for release in early 2008.

Centers of Excellence

Transformation activities within the Department have necessarily exposed many important centers of excellence that had not previously been connected. These activities include Experimentation, Developmental Test and Evaluation, Operational Test and Evaluation, Research and Development, Modeling and Simulation and Science and Technology and have now been connected where it makes sense to do so, producing the supporting infrastructure and associated funding to rapidly provide better framed capabilities to the warfighter.

Early Discussion of Requirements with Industry

Improved communication and coordination between the Department and industry is critical to program success to enable better alignment of strategic plans and industry investments in technology, people, and production capacity. The Department has aggressively reacted to this need and specifically established a capability-based requirements development process with industry through the annual Joint Integrated Air and Missile Defense Summit which enables early discussions of requirements and potential solutions with our industry partners.

Cooperative Research and Development Agreements (CRADAs)

The Department is actively considering how to use CRADAs between DoD and major defense contractors as a vehicle to allow scenario information sharing, cooperative analysis reviews, and joint alignment of IR&D activities. Linkage among resources, performance, capabilities, and strategy is a strategic goal.

Coalition Capability Integration and Transformation

Coherent communication and in context coordination between the Department and potential coalition/interagency partners is critical to future political and military success to enable better tactical integration and interoperability. Key to enabling coalition capability is effective integration into US Forces and constructive transformation of partner capability to assure appropriate mission level, warfighter interoperability. Recently, the Department has established a Coalition Capability Development Framework (CCDF) with the specific aim of better enabling coherent coalition interaction into and out of the Department's Capability Management

processes. This initiative is already demonstrating direct benefit across the acquisition cycle. Leveraging off this success, the Department plans to proactively engage all stakeholders and focus near term efforts on very close partner warfighter capability integration/transformation and to coordinate rationalized investment options for POM 10 decisions and beyond.

Improved Joint Requirements Oversight Council (JROC)

The JROC, chaired by the Vice Chairman of the Joint Chiefs of Staff, is an advisory body to the Chairman of the Joint Chiefs of Staff. The JROC advises the Chairman on the validity of mission needs and develops recommended joint priorities for validated needs.

- The JROC advice concerning validation of performance objectives and thresholds supports the Defense Acquisition Board.
- The JROC performs an enhanced assessment of proposed capabilities and weapon systems by considering not only the Key Performance Parameters, but also technology, cost, and schedule risks**.** These assessments and the resulting advice serve to ensure that warfighter needs are realistic and that cost and schedule risks are reasonable**.**

Status:

- The JROC continues to achieve greater involvement with the Combatant Commands throughout the requirements process by using the Integrated Priority Lists (IPLs) as the starting point for a series of assessments that result in the identification of a list of most pressing military issues and a prioritized list of capability gaps for each Joint Capability Area (JCA).
- This year, over 75 percent of the JROC meetings included one or more Combatant Command flag officer representative. Additionally, twice a year the JROC travels to each Combatant Command to understand better warfighting needs and to provide feedback on what the JROC and the Military Departments are doing to satisfy those needs.

Budget Chapter

The DAPA, DSB and CSIS studies made six recommendations that fall within the Budget Chapter. Of those recommendations, the Department fully or partially implemented all six recommendations. The following tables review each of the six recommendations in detail.

1) Tranform PPBE
Budget
Source Report: DAPA
Recommendation Transform the Planning, Programming and Budgeting process.
Implementation Status Limited Implementation
Status of Recommendation The Department is continually working to transform and improve the Planning, Programming and Budgeting process partially through implementation of the below recommendations in the Budget chapter, as well as initiatives highlighted throughout this report.
Initiatives N/A

2) Stable Program Funding Account
Budget
Source Report: DAPA
Recommendation Establish a separate Stable Program Funding Account to mitigate the tendency to stretch programs due to shortfalls in the Department of Defense non-acquisition accounts that ultimately increase the total cost of programs.
Implementation Status Full Implementation
Status of Recommendation A Capital Account Pilot Program has been established to stabilize funding.
Initiatives • Capital Account Pilot Program

3) Maintain Stable Funding
Budget
Source Report: DSB I
Recommendation USD(AT&L) should recast the development/production process to intensify efforts to maintain stable funding.
Implementation Status Full Implementation
Status of Recommendation Capital Account Pilot Program - pilot program technologies must be at TRL 6. As importantly, USD(AT&L) has established a goal for the acquisition team to fully fund programs to an independent cost estimate and to fully engage the DoD programming and

budget process. It is AT&L policy and the acquisition team's goal to intensify efforts to maintain stable funding.

Initiatives

- Capital Account Pilot Program
- Requirement for independent cost estimates and full funding for acquisition programs.
- AT&L Notes
- AT&L Source Document

4) Maintain Stable Funding

Budget

Source Report: DAPA

Recommendation

Reduce substantially the incidence of reducing program funding or procurement quantities to solve budget year shortfalls to significantly enhance program funding stability.

Implementation Status

Partial Implementation

Status of Recommendation

Capital Account Pilot Program - Service/OSD agreements to exempt program from funding adjustments during the pilot term. For all other programs, the Defense Acquisition team will seek to the maximum extent possible to avoid program funding cuts which de-stabilize programs. Further, the acquisition team will seek to trade requirements as a method to avoid cost growth or deal with funding cuts.

Initiatives

- Capital Account Pilot Program
- Configuration Steering Boards
- AT&L Source Document
- AT&L Strategic Thrusts in Strategic Goals Implementation Plan

5) Management Reserve

Budget

Source Report: DAPA

Recommendation

Create a Management Reserve in the Stable Program Funding Account by holding termination liability at the Service level. Availability of a Management Reserve will substantially reduce the impact of unexpected technical distortion during program execution and thus stabilize the contract management and execution process.

Implementation Status

Limited Implementation

Status of Recommendation

Capital Account Pilot Program – the Military Departments are encouraged to establish a management reserve.

Initiatives

- Capital Account Pilot Program

6) Adjust Program Estimates to Reflect High Confidence
Budget
Source Report: DAPA
Recommendation Adjust program estimates to reflect "high confidence" -- defined as a program with an 80 percent chance of completing development at or below estimated cost -- when programs are baselined in the Stable Program Funding Account.
Implementation Status Full Implementation
Status of Recommendation Capital Account Pilot Program funding levels have been agreed to by Service and OSD as executable. For all other programs, USD(AT&L) policy requires a high confidence independent cost estimate and full funding of that estimate for programs to proceed with execution against the full program scope. Alternately, programs must be de-scoped to match the budgeted level.
Initiatives • Capital Account Pilot Program • AT&L Source Document • AT&L Strategic Thrusts in the Strategic Goals Implementation Plan

The Planning, Programming, Budgeting and Execution System is the primary process through which the Department allocates resources. Decisions are based on national interests and future warfighting needs. The following initiatives provide examples of how DoD continues efforts to align its budget authority to strategic results in a meaningful way.

AT&L Source Document and Strategic Thrusts within the Strategic Goals Implementation Plan

The AT&L Source Document provides common principles, approaches, and goals for the extended acquisition team. It communicates the USD(AT&L)'s vision and priorities to provide direction and motivation, the strategic context in which we are working, the vision of the future, guiding principles, proactive approaches, and specific goals. The Source Document has four strategic thrust areas: Define Effective and Affordable Tools for the Joint Warfighter, Responsibly Spend Every Single Tax Dollar, Take Care of Our People, and DoD Transformation Priorities. Each strategic thrust has a guiding principle, desired outcomes, and specific initiatives with metrics or steps against which the Department can measure progress. The guiding principles define expected behavior of the AT&L team. The initiatives, when accomplished, will contribute to realizing the desired outcomes.

Translated to budget implications, the acquisition team is expected to: 1) constantly identify opportunities to deliver greater enterprise efficiencies, 2) continuously reduce costs to the Defense Enterprise, 3) initiate programs that are born joint, interoperable, and affordable, and 4) manage programs with discipline and accountability. Most importantly, each member of the acquisition team has been charged to invest each tax dollar as if it were their own.

Authoritative Information Sources

The Department has established authoritative information sources to support improved decision-making and provide accurate cost and acquisition data to the planning and acquisition communities by consolidating acquisition and financial databases. The emphasis is on data integrity in a net-centric, authoritative environment and comprehensive, transparent management information to advance data-driven decisions.

Status:

- Research and Engineering (R&E) Portal: Improves data collection standardization to add detail to R&E life cycle data and widen user access to the broader Science and Technology community. This portal continues development and improvement in order to provide an information gateway for the R&E community, current and historical R&E information, including all Defense Technical Information Center data resources, and R&E planning documents, financial databases, and other R&E resources

- Defense Acquisition Management Information Retrieval (DAMIR): DAMIR streamlines acquisition management reporting by creating a net-centric environment that enables data transparency across the Department. DAMIR is using spiral development to leverage existing Component systems and technology to exploit volumes of data and evolve as the enterprise meets new business challenges. The recent release of DAMIR version 3.0 provides full web-services data exchange with the Military Departments' Acquisition Information Systems (AIS)and adds data entry capability for the Selected Acquisition Report (SAR) and Acquisition Program Baseline (APB), allowing the early retirement of the legacy Consolidated Acquisition Reporting System (CARS). DAMIR 3.0 provides users with the capability to drill down to relevant data, organize data collection, and facilitate managers' proactive ability owing to timeliness and depth of data analysis. The system enables users to customize the way they search, view information, and display previously unavailable combinations of information electronically. It also provides workflow and collaboration capabilities. DAMIR continues to be a major player in supporting the Department's transformation efforts such as the Service Oriented Architecture (SOA) proof-of-concept and the earned value Central Repository (CR) prototype. The plan is for DAMIR to provide a complete life cycle view of Major Defense Acquisition Program (MDAP) and Major Automated Information System (MAIS) programs for program management oversight.

- Executive Capability-based Analytical Framework Initiative, "Kaleidoscope:" Creates an interactive, collaborative interface to allow users flexibility, efficiency, and ease to view and process data and models with standard web browsers; enables a more disciplined management process to deliver enhanced, data-rich assessments, and empirically-valid methodologies. Products will be used to evaluate acquisition and resource requirements for capabilities; focusing on improving the accuracy, timeliness, and integrity of acquisition data across the Enterprise

- Technology Security Export Licensing System: Provides an automated internal export licensing review and approval process to export DoD technology for license application data

Data Improvement

There are several key ongoing initiatives in the Department to improve the data described above.

Status:

- The Department continues to integrate improved data quality, information assurance, and authoritative source requirements into Weapon Systems Life Cycle Management systems; establish Enterprise-wide Research and Development, Test and Engineering, and Procurement definitions and business rules; establish Defense Acquisition Management Information Retrieval web services to pull standardized program funding to populate Selected Acquisition Reports (SARs), "Track to Budget," and other resource sections; and align resource data in the SARs with other resource data in the President's budget

Capital Accounts

The Department established Capital Accounts in the Fiscal Year 2008 President's budget as a financial initiative designed to provide stable budgeting and to institutionalize accountability for acquisition programs at all levels of program responsibility. Three programs were proposed as Capital Accounts in the budget.

Status:

- The general business rules and agreements for each program have been developed and will take effect upon signature by all appropriate OSD and Service Principals. The three pilot programs are:

    - The General Funds Enterprise Business System (Army) will be provided with $125 million over a three year research and development period to produce the Army's new core financial management system for administering its General Funds.
    - The Joint High Speed Vessel Program (Navy/Army) will be provided with $1.5 billion over a seven year System Development and Demonstration to provide Combatant Commanders with high speed intra-theater sealift mobility.
    - The Combat Search and Rescue Block 0 Program (Air Force) will be provided with $790 million over a three year research and development period for a new aircraft to recover downed aircrew and personnel. Execution of this pilot has been deferred pending resolution of the protest of the contract award.

Wide Area Workflow (WAWF)

WAWF is a secure real-time web-based DoD Enterprise system for electronic invoice submission, receipt, acceptance, processing, and reporting. It matches invoices with a contract to authorize payment. WAWF enables electronic submission of invoices, government inspection and acceptance documents to support the Department's goal to move to a paperless acquisition process.

Status:

- There is a Defense Federal Acquisition Regulation Supplement (DFARS) case in process to make WAWF the mandatory method for submitting vendor invoices electronically. The Air

Force and Defense Contract Management Agency (DCMA) have already implemented the use of WAWF; the Army and Navy plan to fully implement its use in FY 2008.

Item Unique Identifier (IUID)

Item unique identification (IUID) provides for marking personal property items with a machine-readable Unique Item Identifier (UII), which is a set of globally unique data elements. The UII is used in functional automated information systems to value and track DoD items through their life cycle. The Department maintains a registry of items marked with UIIs, which provides accurate and accessible unique identification and pedigree information about these items. This information is used to ensure accurate acquisition, repair, and deployment of items is efficient and effective.

Status:

- DoD Directive 8320.03, Unique Identification (UID) Standards for a Net-Centric Department of Defense, signed March 2007
- DoD IUID Registry is fully operational with over 2.4 million items registered from more than 900 contractors including 470 small businesses
- NATO Standardization Agreement, Unique Identification of Items, Ratified September 2007
- Major Enterprise Resource Planning (ERP) providers are enabling the Unique Item Identifier as the globally unique serial number for both Defense and Industrial users in their Core product
- DFARS Interim Rule for electronic traceability of Government Furnished Property using the IUID Registry was published September 2007

Defense Logistics Management System

In addition, efforts are underway for Defense Logistics Management System compliance to facilitate integration and interoperability between acquisition, finance, and logistics systems.

Status:

- Accomplishments to date include:
  - Providing vendors with the capability to submit miscellaneous payments via Electronic Data Interchange (EDI) and Secure File Transfer Protocol (SFTP)
  - Allowing Receiving Reports (RRs) for Fast Pay invoices, to include initial creation, as part of a Commercial Invoice and Receiving Report, and from a Fast Pay invoice via web, SFTP, and EDI
  - Adding the capability within Wide Area Workflow to record property transfers between two DoD activities
  - Providing a recall capability for documents in the pay office history folder that have a status of “processed,” “suspended,” “my invoice,” and “paid,” up until the time the documents are archived
  - Provide the capability for users to enter Contract Line Items ranging from 9900 to 9999 and Sub Line Items ranging from 9900AA to 9999ZZ on RRs and invoices that are going to the Standard Automated Materiel Management System or Business System Modernization system

Standard Financial Information Structure (SFIS)

The SFIS is a comprehensive data structure that supports requirements for budgeting, financial accounting, cost/performance, and external reporting across the DoD Enterprise.

Status:

- A common DoD financial language, the SFIS was incorporated in plans for emerging financial management systems, as well as certification requirements for existing systems. New General Funds financial reporting capabilities for the Army and six Defense Agencies were delivered to enable tens of millions of transactions per month to be posted to the corporate general ledger.

Joint Worldwide Intelligence Communication System (JWICS)

The Defense Intelligence Agency (DIA) is aggressively pursuing areas in which Intelligence Community acquisition organizations can achieve a JWICS capability to comply with DoD acquisition and contract reporting requirements.

Status:

- DIA Acquisition Executives are engaging representatives of the Defense Business Transformation Agency to assist them. They are also working with the Director of Defense Procurement and Acquisition Policy to identify a standard set of aggregate contract data reported by all members of the Intelligence Community and develop a methodology or system by which this data can easily be assembled and reported; and replicate selected DoD contracting capabilities available in the Non-classified Internet Protocol Router Network environment (e.g., Central Contractor Registry, Past Performance Information Retrieval System) to the JWICS environment

In addition to the initiatives described above, the Department continues to conduct detailed reviews of Major Defense Acquisition Programs from the requirements, acquisition, and budgeting perspectives through the improved Defense Acquisition Executive Summary process and the Nunn-McCurdy certification process, required by section 2433 of Title 10, United States Code. Persistent, detailed reviews ensure that program execution problems are detected earlier, and corrective steps can be taken to get programs back on track.

Pursuing the accomplishments referenced in this chapter will improve comprehensive identification, collection, reporting, and validation of authoritative financial information. These initiatives will provide more accurate cost data and reporting of overall Enterprise financial information and improve program acquisition performance measurement efficiencies and governance processes. Transformation of financial management will resolve funding issues prior to official financial disclosures. Improvement of authoritative financial information will provide accurate budget and cost data and enhance support to the warfighter. Reducing financial ambiguities provides greater oversight transparency.

Institutional Reform and Governance (IR&G) Roadmap

Linking this strategy to outcomes and focusing on strategic choices improves the analytic framework and provides business transparency. The IR&G Roadmap is the guideline to improve the Department's ability to establish effective decision-making frameworks and processes. It also seeks to delineate decision-making responsibilities and enables senior leaders to focus on strategic choice and empower management.

Status:

- The IR&G Roadmap Team is developing a capability portfolio framework for the DoD decision process by grouping activities into a set of Joint Capability Areas (JCAs) enabling alignment of strategy to outcomes. These JCAs are moving senior decision-makers toward an integrated and transparent culture for operational and investment matters. The Institutional Reform and Governance efforts include:
  - Establishing the Quadrennial Defense Review as the source of the strategic goals and outcomes for performance assessment, aligning initial objectives to these goals to be used to monitor performance in each decision lane
  - Developing performance metrics that support goals and objectives for each decision lane to monitor performance and accountability
  - Establishing a decision management paradigm/overarching framework that enables the Department to align strategy to outcomes based on a capability portfolio framework
  - Establishing an integrated management information strategy that formally aligns and leverages independent data efforts across the Office of the Secretary of Defense, the Joint Staff, and the Components to improve data integration, transparency, and agility

Industry Chapter

The DAPA, DSB and CSIS studies made four independent recommendations that fall within the Industry Chapter. Of these recommendations, the Department fully implemented four. The following tables review each of the five recommendations in detail.

1) Industry Roundtables
Industry
Source Report: DAPA
Recommendation Establish regular roundtable discussions hosted by the Deputy Secretary of Defense with executives from industry to share Joint Capabilities Acquisition and Divestment plans and align industry and defense strategic planning.
Implementation Status Full Implementation
Status of Recommendation AT&L held its first roundtable discussion on March 14, 2007 as "AT&L Industry Day". The roundtable panel included 12 CEO-level participants from major prime contractors and the Aerospace Industries Association (AIA). The roundtable was organized into two sessions, the first with the Service Acquisition Executives and the second with the Deputy Secretary, USD(AT&L) and the VCJCS. The second roundtable with the Deputy Secretary and senior industry officials is in the planning process.
Initiatives • Outreach to Industry Strategic Plan • AT&L Industry Day

2) Blue Ribbon Panels
Industry
Source Report: DAPA
Recommendation Establish a Blue Ribbon panel of owners of large and small businesses that are not traditional defense suppliers to create an aggressive set of recommendations with accompanying implementation plans to eliminate the barriers for them to do business with the government.
Implementation Status Full Implementation
Status of Recommendation The Department has held one roundtable event and is planning another hosted by DUSD(A&T) in January 2008. • Non-Traditional Suppliers - January 10, 2008. Participation included a Blue Ribbon panel of 15-20 industry representatives from large business (>$1 billion annual revenues) that choose not to do business with the US Government, or that do little business with the US Government. • Small Companies/Niche Suppliers - event will include participation by a Blue Ribbon panel of 15-20 industry representatives from businesses with less than $100 million annual revenues. Event will be structured for wide participation from all industry segments such as manufacturing, construction, facilities and supply, R&D,

engineering services, management support, professional and administrative services, information system design, transportation and logistics, and equipment service and maintenance (aircraft, ship, ground vehicle, electronic, other).

Initiatives

- Outreach to Industry Strategic Plan

Source Report: DSB I

Recommendation

USD(AT&L) should renew efforts to remove barriers that prevent the entry of non-traditional companies to the Defense business and Defense access to commercial technology, attacking the myriad rules, regulations, and practices that limit the use of OTA, Part 12, and other programs to reach beyond traditional defense companies.

Implementation Status

Partial Implementation

Status of Recommendation

The Department is expanding its dialog with industry to identify barriers to entry, and Department business practices that discourage industry participation in the Defense Enterprise. In addition, the Department has established Civil-Military Integration (CMI) as the integrating principle for Department interaction with industry. USD(AT&L) initiated a technology transition task force. A key objective of this task force is to review impediments to the Department's access to innovative commercial technologies and to improve the ability of businesses which are not traditional defense suppliers to work with the Defense Department.

Initiatives

- Outreach to Industry Strategic Plan
- Civil-Military Integration of the Industrial Base
- Technology Transition Task Force
- USD(AT&L) Weekly Notes

3) Reduce LSIs

Industry

Source Report: DAPA

Recommendation

Direct changes to the DoD 5000 series by the USD(AT&L) to require government insight and favor formal competition over make/buy decision for major subsystems where a Lead System Integrator acquisition strategy is involved. The trend toward Lead System Integrator acquisition strategies is reducing subcontractor opportunities to compete, and impact the viability of the vendor base.

Implementation Status

Full Implementation

Status of Recommendation

The Director, Defense Procurement and Acquisition Policy issued policy on January 18, 2007, on the limitations on contractors acting as lead system integrators and completed the report on Lead System Integrators as required by section 805 of the National Defense Authorization Act of Fiscal Year 2006, as amended by section 807 of the National Defense Authorization Act for Fiscal Year 2007. USD(AT&L) issued a memorandum on September 19, 2007 requiring competition & prototyping through milestone B for Defense programs. Implementation policy is currently under development and will

include roundtable discussions with industry.

Initiatives

- Competition & Prototyping

4) Simplify Export Control Process

Industry

Source Report: DSB I

Recommendation

USD(AT&L) should undertake work that is focused towards greater integration of DoD, global defense, and commercial supply chains, to include a) undertaking a renewed effort to reform/simplify export controls and dramatically shorten the munitions list, and b) dramatically shorten the export license process -- set an achievable response standard and enforce it.

Implementation Status

Full Implementation

Status of Recommendation

The Department actively engaged in negotiations leading to the U.S.-UK Defense Trade Cooperation Treaty and the U.S. - AUS Defense Trade Cooperation Treaty. Department personnel are continuing to work on detailed implementation procedures. Office of the DUSD(Industrial Policy) commissioned a study, "Export Controls and the U.S. Defense Industrial Base" (IDA), to examine the quantitative and qualitative effects of current export controls on U.S. Industry (completed January 2007). Study findings are being used to inform continuing work and discussions on export controls. Further, USD(AT&L) has chartered key acquisition team members to undertake a review of the International Agreement and Technology Transfer and Foreign Disclosure processes and apply lean six sigma principles to these processes to improve efficiencies and reduce timelines.

Initiatives

- Civil-Military Integration
- Defense Trade Cooperation Treaties Implementation
- Technology Transfer and Disclosure Integrated Product Team
- Lean Six Sigma
- Process Reviews of Project Agreements and Licensing

Civil-Military Integration of the Industrial Base

Civil-Military Integration (CMI) is the integrating principle for the Department's industrial policies towards and cooperation with industry. CMI is the process of facilitating the acquisition of commercial or commercially derived items by, in part, merging the defense industrial base and the larger commercial industrial base through the use of common technologies, processes, labor, equipment, material, and facilities to meet both defense and commercial needs. It encompasses, to the maximum extent feasible, designing system and component specifications to commercial standards, buying commercial items directly, leveraging commercial industry whenever possible and creating defense-unique industrial capabilities and products only when absolutely necessary.

Civil-Military Integration is the process of merging the defense industrial base and the larger commercial industrial base by, in part, using common technologies, processes, labor, equipment, material, and facilities to meet both defense and commercial needs.

CMI leverages the competitive pressures of the commercial marketplace to the benefit of the Department of Defense by reducing costs, speeding acquisitions, reducing development risk, increasing access to leading-edge commercial technology, and enhancing DoD's ability to secure increased production. The competitive nature of the commercial marketplace places a premium on meeting customer expectations resulting in innovation and business agility. This is especially true of leading-edge technology sectors but also holds for long-established industry leaders or niche areas where there are only a few or a sole source supplier. Unmet needs in the commercial market create incentives and opportunities for competitors.

Status:

- Promoting procurement of commercial items is not a new initiative. It is a reemphasis of standing - but not fully implemented - Congressional and Department policy. The preferred DoD acquisition method is the procurement of commercial items. 10 U.S.C. 2377 mandates that the Department procure commercial items to the "maximum extent practicable."
- DoD Directive 5000.1 (E1.1.18.1) states that the procurement or modification of commercially available products, services, and technologies, from domestic or international sources, is the preferred acquisition strategy and is to be considered before any other alternative.

The CMI initiative expands upon the program-level benefits of procuring commercial items and addresses recommendations from previous acquisition reform studies. CMI is a Department wide effort to “design in” commercial products, remove barriers which discourage or prevent commercial businesses from participating in the Defense enterprise, and reduce incentives created by export control restrictions for innovative companies to move research and development and manufacturing facilities off shore. Therefore, the Department actively discourages creation of defense-unique industrial capabilities unless commercial facilities and products cannot meet DoD requirements.

Relying more heavily on commercial items or on products produced with a predominantly commercial supply chain benefits the Department. Competitive pressure, economies of scale, and more widely distributed research and development costs reduce end item costs to the Department. In addition, commercial supply chains often provide additional production capacity options for surge production over defense-unique production facilities “right-sized” to a program’s anticipated production rates. The most recent example is the Mine Resistant Ambush Protected (MRAP) vehicle program. The ramp up to full rate production of around 1200 vehicles per month in less than a year is beyond anything seen since World War II on a system of comparable complexity. Industry’s rapid response to a critical warfighting need was possible only because the MRAP vehicles were designed with components primarily from the commercial

heavy truck industry. In fact, production bottlenecks have surfaced primarily for defense-unique items like armor steel and military specification tires. These have been largely mitigated for the MRAP program through changes to specifications to allow use of commercial grade steel and through direct, personal intervention with sub-tier suppliers to make capital improvements to production facilities.

Status:

- In July 2007, production capacity of tires for MRAP class vehicles was less than 1,000 tires per month. Through the efforts of several DoD organizations and the tire manufacturers, MRAP vehicle tire capacity was increased in January 2008 to about 17,000 tires per month with the addition of Goodyear as a second source and the addition of more tire molds at both Michelin and Goodyear.
- When the MRAP program began, compliant domestic sources were able to produce about 8,400 tons of specialty steel per month. The Department now has access to about 20,900 tons per month of armor steel plate and thin gauge, quenched and tempered steel.

The Department is committed to fostering CMI and expanding industry participation in the Defense enterprise by addressing barriers to accessing commercial markets such as domestic source restrictions. Domestic source restrictions, including the Specialty Metals Restriction in 10 U.S.C. 2533b, can lead to the creation of inefficient and uneconomical defense-unique industrial capabilities. In order to be fully compliant, Department suppliers, who might otherwise use their existing commercial production lines and supply chains, must establish parallel production lines, supply chains and inventory control systems, all at additional cost and without any attendant benefits in product performance. The National Defense Authorization Act for Fiscal Year 2007 provided the Department the flexibility to waive the specialty metal restrictions contained in 10 U.S.C. 2533b by issuing Domestic Non-Availability Determinations (DNADs) when appropriate. In fact, to ensure sufficient steel for MRAP applications the Department has invoked various exceptions to domestic source restrictions.

Status:

- On May 22, 2007, the Navy Acquisition Executive formally determined that an exception to 10 U.S.C. section 2533b applied to MRAP vehicles supporting ongoing contingency operations.
- On Oct 26, 2007, the Director, Defense Procurement and Acquisition Policy, approved a Class Deviation, Waiver of Specialty Metals Restriction for Acquisition of Commercial Off-the-Shelf (COTS) Items. This policy listed the specialty metals restriction in 10 U.S.C. 2533b as a statute that is inapplicable to the acquisition of COTS items, in accordance with 41 U.S.C. 431. On November 8, 2007, a final rule to the Defense Federal Acquisition Regulation Supplement (DFARS) was published in the Federal Register, implementing this COTS exception. The effect of this DFARS regulation is that the specialty metals domestic source restrictions of 10 U.S.C. 2533b do not apply to specialty metals contained in COTS items offered to the Government.

The conference report for the National Defense Authorization Act for Fiscal Year 2008, which was not signed by the President, made significant changes to 10 U.S.C. 2533b. The changes would include a new exemption for most COTS items that differs from the DFARS rule and deletion of language that implicated the Anti-deficiency Act thus eliminating the potential for

DoD representatives to be charged with criminal penalties if they accept non-compliant material. The new provisions would also expand the exception for electronic components and contain a new market basket exception for commercial derivative military articles and fasteners. However, many of the new provisions are extremely complex and would be burdensome and inefficient to implement. Section 804 of the conference report for the National Defense Authorization Act for Fiscal Year 2008, for example, would narrow the definition of the term "required form" in the domestic non-availability exception to the specialty metals restriction in 10 U.S.C. 2533b such that it means only mill products, such as slab, plate, and sheet. Section 804 would also prohibit the term's application to end items or to their components at any tier. In addition, the specialty metal restrictions would now applied to DoD procurements of commercial off-the-shelf (COTS) items. These changes would eliminate the usefulness of the domestic non-availability exception. The Department is continuing to evaluate the effects of any such revisions to 10 U.S.C. 2533b on its ability to procure the weapons systems and supplies needed by the Warfighter.

Defense Trade Treaties' Implementation / Export Control

Competitive pressure in both commercial and some defense markets has resulted in supply chains that are global in nature. The Institute for Defense Analyses (IDA) recently analyzed the extent to which the U.S. defense industrial base has been affected by export control regulations. IDA found that a host of problems with the export control system create competitive disadvantages for U.S. firms which, over time, could contribute to an erosion of U.S. firms' market position and technological leadership. Some of these problems include the unilateral nature of many U.S. controls; the large backlog and long processing times for International Traffic in Arms Regulations (ITAR) cases; the potential "ITAR-tainting" of commercial products resulting in DoD not being offered the most advanced commercial products, and the off-shoring of research and development, restricted access to foreign talent because of "deemed export" rules, and an increased delivery risk to foreign customers if they use U.S.-controlled items, which encourages them to "design out" U.S. components.

In general, IDA found that the current U.S. export control system appears to be out of step with today's world of global manufacturing, technology development, and capital flows, where industrial enterprises are increasingly distributed globally and becoming intensely interactive throughout their supply chains. It found that inhibiting these international business relationships makes enterprises more insular and less responsive to customers, and can encourage advanced technology and manufacturing investment to take place overseas.

To promote interoperability and defense-related collaboration with our close allies, the Department also has actively engaged in the development and implementation planning for the U.S.-UK Defense Trade Cooperation Treaty and the U.S.-Australian Defense Trade Cooperation Treaty. The treaties establish an expedited export control process with our closest trading partners for covered programs.

Expanded Dialogue with Industry

In order to foster CMI, achieve greater transparency and improve Department business practices, the Department maintains an active dialogue with industry. In addition to the discussions occurring daily at every level of the acquisition community, the Department's industry outreach and communications strategy is accomplished through regularly held events such as "Industry

Days" and functional and executive roundtable events. These events also implement recommendations from the Defense Acquisition Performance Assessment (DAPA) report through sustained collaboration with the Department's industry partners.

Status:

- An executive-level roundtable with larger non-traditional defense suppliers was held January 10, 2008 with the Deputy Under Secretary of Defense (Acquisition & Technology) as host for the event held in conjunction with the Council on Competitiveness. A second roundtable event with niche area suppliers and small businesses is also planned. These discussions focus on identifying opportunities for the Department to become a more attractive customer. Areas of discussion include: opportunity awareness, work specification, contract size, oversight, billing practices, general government contracting requirements, and other barriers to entry.
- The Department also is in the planning stages for a CEO-level forum as a follow-on to the successful "AT&L Industry Day" hosted by the Deputy Secretary, the Under Secretary of Defense (AT&L) and the Vice Chairman of the Joint Chiefs of Staff.

Competitive Subcontracting

The interests of the Department are usually best served by maintaining competitive markets for required products and services. The presence of a sufficient number of capable suppliers, at both the prime and sub-tier levels, fosters competition and innovation vital to meeting DoD's future warfighting requirements. The Department, specifically the Office of the Deputy Under Secretary for Industrial Policy, continually monitors the competitive landscape, including important sub-tier suppliers, and recommends adjustments to acquisition strategies when necessary.

The Department conducted a survey in 2006 on the use of Lead System Integrators for major system acquisitions. It established that very few of the Department's contracts met the definition of a Lead System Integrator, as defined by Congress in the 2006 National Defense Authorization Act. For those functioning as prime contractors, only three programs met the definition. For those functioning as support contractors, adequate protections had been implemented to ensure that the government always retains responsibility for determining the performance requirements for the system as a whole. In general, the Department prefers to keep prime contractors responsible for the selection and management of subcontractors as they determine the best technical solutions to meet the Government's need, which we strive to state in terms of performance requirements.

Status:

- Contracting rules for most major weapons system acquisitions already require competitive subcontracting by prime contractors to the maximum practical extent. The "Competition in Subcontracting" clause applied to cost-reimbursable contracts requires the selection of subcontractors on a competitive basis.
- Certain contracts are required to include the "Subcontracts" clause, which establishes certain responsibilities for the contracting officer to consent to particular subcontracts before they are awarded. The effect of consent to subcontract is to ensure that the terms of the subcontract are consistent with the terms negotiated for the prime contract, and that

the government's interests will be adequately protected during performance of critical subcontracts. Thus, appropriate clauses are generally included in contracts with the Department's prime contractors to encourage competition in subcontracting.

Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Programs

The Department continues to tap the power of small businesses as a source of innovation for the warfighter through the SBIR and STTR Programs, respectively funded at $1.2 billion and $132 million in fiscal year 2007. Both programs fund small businesses to study the feasibility of technology concepts (Phase I) to develop further proposals that meet particular program needs (Phase II). STTR provides a vehicle tailored to fund small businesses partnered with not-for-profit research institutions, primarily universities. Principal program challenges are ensuring both investment in the right technologies and timely development and transition of these into systems supporting the warfighter today and tomorrow.

Status:

- To address these challenges, the Department has implemented the authority to establish Commercialization Pilot Programs (CPPs) in the Army, Navy and Air Force. These initiatives are tailored to identify opportunities to effect rapid transition of technology to address high priority warfighter requirements.
- The Department is also updating both DoD Instruction 5000.2 and the Defense Acquisition Guidebook to provide the acquisition community with improved guidance on leveraging the SBIR and STTR Programs as sources of innovation to address program needs.
- In August 2007, the Department provided support to a second "Beyond SBIR Phase II: Bringing Technological Edge to the Warfighter" conference. This centerpiece event, to enable the transition of SBIR-funded technologies, was attended by over 600 representatives from industry and government. It provided a venue for providers of technology solutions to network with buyers and developers of defense systems to increase market awareness and facilitate partnership development. We anticipate this will be a recurring event that will grow in size, scope and impact.

The Mentor-Protégé Program

This is a great success story of an innovative approach to improve the marketplace for small and disadvantaged businesses. The Program provides small and disadvantaged business concerns with assistance that is designed to enhance their capabilities and innovative technologies to perform as prime and subcontractors under DoD contracts in support of the Warfighter's needs. As a result, the program has increased achievement of small business subcontracting goals, enhanced capabilities for procurement opportunities, established long-term business relationships that benefit the DoD and introduced innovative technology in support of the warfighter.

Status:

- Since the Program's inception in 1991, nearly 1,000 mentor-protégé agreements have been forged. As a result, participating small business concerns have met critical Department wartime needs by providing innovative technology including: environmental

remediation, ruggedized radar and sonar displays, thermal batteries for smart-air to-air weapons, biometrics, corrosion engineering, advanced circuit boards, metal component manufacturing, unmanned ground vehicles and advanced operational net-centric and intelligence software.

- Over the past four years small businesses that have participated in the Mentor-Protégé Program have been awarded more than 1% of all DoD awards, almost 5% of all DoD small business awards and 12% of all small disadvantaged business awards.

Service-Disabled Veteran-owned Small Business Program

On October 20, 2004, President George W. Bush signed Executive Order 13360 to strengthen opportunities in Federal Contracting for service-disabled veteran –owned small businesses. It instructed agencies to implement section 15 (g) of the Small Business Act (15 U.S.C.644(g)), that requires the President to establish goals of not less than 3% for service-disabled veteran-owned small businesses. The Executive Order directed all executive agencies to develop a strategic plan to carry-out the law and to pursue the contracting and subcontracting goals. Prior to the Executive Order and the Department of Defense Strategic Plan, the amount of contracts awarded to Service-Disabled Veteran-owned Small Businesses was approximately $200 Million.

On May 10, 2005, the Acting Under Secretary for Acquisition, Technology & Logistics, the Honorable Michael Wynne, signed a five-year Department of Defense Strategic Plan with six objectives to reach the Department's goal under the statutory goals of not less than 3% of the total value of all prime contracts and of subcontract awards. As part of the strategy, DoD participated in the planning and implementation of the First Annual National Veterans and Service-disabled Veterans Business Conference in June of 2005. DoD also participated in the 2nd Annual National Veterans Business Conference in June of 2006 and the 3rd Annual Conference, where Deputy Under Secretary for Acquisition & Technology, the Honorable Dr. James I. Finley, delivered the keynote luncheon address to some 1,200 attendees. In addition, DoD organized a Veterans Doing Business with the Department of Defense conference in December of 2006, where Dr. Finley again delivered the keynote address.

During 2007, policy statements were issued by the Secretary, the Under Secretary of Defense (Acquisition, Technology & Logistics), the Director for Defense Procurement and Policy and the Director for Small Business Programs, highlighting the priority placed on the Service-Disabled Veteran-owned Small Business program. The Deputy Under Secretary of Defense (Acquisition & Technology) held meetings with various Veterans Service Organizations for input and feedback on initiatives. Most recently on November 5, 2007, Deputy Secretary Gordon England keynoted the Inaugural Service-disabled Veteran-owned Small Business Achievement Awards Ceremony at the Pentagon Conference Center where three categories of award recipients were recognized; outstanding Service-Disabled Veteran-owned Small Businesses, successful DoD acquisition officials who advanced the objectives of the DoD Strategic Plan, and large prime DoD contractors that met or exceeded the 3% subcontracting goal.

Status:

- Since the implementation of the DoD Strategic Plan for Service-Disabled Veteran-owned Small Businesses, the amount of prime contracts awarded to Service-Disabled Veteran-owned Small Businesses has grown from a pre-plan $200 Million to $1.6 Billion in FY 2006.

Organization Chapter

The DAPA, DSB and CSIS studies made 15 recommendations that fall within the Organization Chapter. Of those recommendations, the Department fully or partially implemented 11 and opted not to implement 4 at this time. The following tables review each of the 15 recommendations in detail.

1) Realign and Streamline
Organization
Source Report: DAPA
Recommendation Realign authority, accountability and responsibility at the appropriate level and streamline the acquisition oversight process.
Implementation Status Full Implementation
Status of Recommendation The Department is constantly committed to addressing this recommendation – always seeking to streamline processes to achieve the optimal enterprise performance. USD(AT&L) has directed a broad range of initiatives which seek to shift the enterprise to greater authority and accountability. Configuration Steering Boards scale to provide the program manager a forum for socializing changes that improve affordability and executablility. The AT&L Strategic Thrusts include goals for reducing the length of acquisition documents and the time required to process documents. The AT&L requirement for acquisition team members to fully engage the PPBS process creates an avenue for program managers to ensure they are funded to execute their responsibilities or alternately descope their programs to match reduced budget levels. Currently, one of the Department's pilot initiatives attemtping to realign authority, accountability and responsibility is the Concept Decision, an initiative comprised of four (4) components: Evaluation of Alternatives (EoA), Tri-Chair Reviews, Time Defined Acquisition, and Capability Portfolio Reviews. These initiatives are experimenting with and refining the acquisition processes and procedures to improve the synchronization of affordable, risk-informed, strategic investment decisions to ensure they are responsive to the prioritized Joint Warfighter needs within fiscal and schedule constraints, and at an acceptable level of strategic risk. All Evaluation of Alternative pilots will be completed by Mar 08; Time Defined Acquisition (TDA) criteria will be identified by Apr 08; and CD Capability Portfolio Reviews will be complete by Dec 08.
Initiatives • Concept Decision • Tri-Chair Reviews • Time-Defined Acquisition • Evaluation of Alternatives • Capability Portfolio Reviews • Synchronization of Processes

2) 4-Star Systems Command

Organization

Source Report: CSIS I & II

Recommendation

Restore the authority of the Service Chiefs over the execution of acquisition programs.

Implementation Status

Not Implemented

Status of Recommendation

The Beyond Goldwater-Nichols study team recommended that acquisition Program Managers (PMs) and Program Executive Officers (PEOs) should report to the Service Chiefs. The Department is currently taking no action to implement this specific recommendation but has taken steps to ensure accountabilty through the use of Program Management Agreements (PMAs) and Configuration Steering Boards (CSBs). Each of these is designed to ensure clear communication on program expectations and an expectation that PMs are to execute programs within funding thresholds.

Initiatives

- Program Management Agreements
- Configuration Steering Boards

Source Report: DAPA

Recommendation

Direct the Army and Air Force Chiefs of Staff, and the Chief of Naval Operations to establish Four-Star Systems Commands for Acquisition that report to the Service Chiefs of Staff, the Chief of Naval Operations and the Service Acquisition Executives. These Systems Commands will align the acquisition workforce, including requirements and acquisition budget personnel, by establishing appropriate certification requirements based on formal training, education and practical experience. They will direct and manage the preparation of Service Materiel Solution proposals and advocate for the future technology requirements of the Military Departments.

Implementation Status

Not implemented

Status of Recommendation

This recommendation parallels the CSIS I & II recommendation (above) to restore the authority of the Service Chiefs over acquisition programs. As stated above, the Department currently is taking no action to implement this specific recommendation but has taken steps to ensure accountabilty through the use of Program Management Agreements (PMAs) and Configuration Steering Boards (CSBs).

Initiatives

- Program Management Agreements
- Configuration Steering Boards.

3) Clear Responsibility and Accountability

Organization

Source Report: DSB I

Recommendation

The SECDEF should restructure the acquisition process to give Force Providers civilian and military leadership clear responsibility and accountability through the Service chain

of authority for delivering approved capabilities.

Implementation Status
Full Implementation

Status of Recommendation
This recommendation is implemented and continually improves. The Joint Staff, OSD and Service Headquarters ensure oversight and accountability to the Administration and Congress is achieved through the Joint Requirements Oversight Council (JROC), Service Requirements Oversight Councils (Service ROCs), Concept Decisions, Defense Acquisition Boards (DABs), and the annual Planning, Programming, Budgeting and Execution (PPBE) cycle budget drills. These entities combine to ensure oversight and accountability on capability developers, force providers, industry, etc. These measures / initiatives are constantly being redesigned as new challenges arise and new business process ideas evolve. Configuration Steering Boards (CSBs) are chaired by Force Providers and intended to make them more responsible and accountable for delivering capability consistent with the approved program baseline. They accomplish enhanced program stability and improved program predictability by preventing changes to requirements that could extend schedule and increase cost. The CSB policy is published and currently being implemented by the "force providers". The language will be institutionalized in DoDI 5000.2.

Initiatives
- Configuration Steering Boards
- Concept Decision
- Time-Defined Acquisition
- Capability Performance Reviews
- Early Sharing of Requirements Data with Industry

4) SAEs and UnderSecs to EX Level 3

Organization

Source Report: DAPA

Recommendation
Elevate both the Service Acquisition Executives and the Under Secretaries of all the Military Departments to Executive Level 3.

Implementation Status
Not implemented.

Status of Recommendation
This recommendation is currently under review to assess feasibility, impact and appropriate executive level.

Initiatives
N/A

5) Milestone B Accountability to Service Acquisition Executives

Organization

Source Report: DAPA

Recommendation
At Milestone B, assign accountability for overseeing day-to-day execution and integration of programs to the Service Acquisition Executives and through them to the

Four-Star Acquisition Systems Commands, Program Executive Officers and Program Managers.

Implementation Status
Partial Implementation

Status of Recommendation
With the exception of the four-star acquisition systems commands, the DAPA recommendaton reflects current Department policy. Service Acquisition Executives (SAEs) are accountable for day-to-day execution and integration of programs and through them to the Program Executive Officers (PEOs) and Program Managers (PMs). The Department has issued policy on Program Management Tenure and Acountability that includes creation of a Program Management Agreement (PMA). The PMA reinforces the expectation that the PM, service acquisition officials, and service resource/requirements officials are to establish achievable annual operating plans and have the responsibility to execute their approved program. The Department also has directed the establishment of SAE-chaired Configuration Steering Boards (CSBs) to review requirements changes and technical configuration changes that could drive cost and schedule impacts. This also reinforces the expectation that the Military Departments, from SAEs to PMs, are accountable for executing their programs within cost. Elements of the intent of this recommendation are best implemented by the Defense Acquisition Executive (DAE) and Service Acquisition Executives (SAEs) exerscising their authorities by only signing contracts that yield appropriate value for the taxpayer. The DAE and SAE-led acquisition teams constantly evaluate requirements against technology readiness, cost, industry capability, and alternative concepts of operations. Thes reviews should include engagement with the requirement sponsors. These collaborative activities should yield balanced programs of reasonable cost, schedule, risk and requirements. These principles are articulated in the AT&L Source Document and the Strategic Thrusts of the Strategic Implementation Plan.

Initiatives

- Program Management Agreements
- Configuration Steering Boards
- AT&L Source Document
- Stratetgic Thrusts of the AT&L Strategic Implementation Plan

6) AT&L Full Member of JROC

Organization

Source Report: DAPA

Recommendation
Designate the USD(AT&L) a full member of the Joint Requirements Oversight Council and delegate authority to the USD(AT&L) to budget and program for newly created Stable Program Funding Account.

Implementation Status
Partial Implementation

Status of Recommendation
The Joint Requirements Oversight Council (JROC) comprises a body of military expertise that is chaired by the Vice Chairman of the Joint Chiefs and represented by the Vice Chiefs of each military Service, and provides independent, military advice and recommendations to the Chairman of the Joint Chiefs of Staff on military requirements.

With this as its primary function, the JROC seeks advice from representatives from across the Department of Defense, including representatives from the Office of the Under Secretary of Defense for Acquisition, Technology & Logistics (OUSD(AT&L)) and the Under Secretary of Defense for Comptroller (OUSD(C)). The JROC chartering CJCSI recently has been amended to identify and invite both the USD(AT&L) and the USD(C) as advisors. While the JROC relies upon the advice of these important civilian leaders, establishing their role as permanent voting members would run counter to the council's principal purpose of providing independent military advice regarding warfighter requirements.

Initiatives

- Expanded Joint Requirements Oversight Council

7) COCOM Deputies on JROC

Organization

Source Report: CSIS I & II

Recommendation

To build a truly joint, demand-oriented JROC, replace the Service Vices with the COCOM Deputies and add civilian representatives.

Implementation Status

Not Implemented

Status of Recommendation

The Joint Staff has made a concerted effort to increase Combatant Command (COCOM) involvement in the Joint Requirements Oversight Council. This year, over 75 percent of the JROC meetings included one or more COCOM flag officer representatives. Additionally, twice a year the JROC travels to each COCOM to understand warfighting needs and to provide feedback on what the JROC and the Military Departments are doing to satisfy those needs. The JROC continues to achieve greater involvement by the COCOMs throughout the requirements process by using their Integrated Priority Lists (IPLs) as the starting point for a series of assessments that resulted in the identification of a list of most pressing military issues and a prioritized list of capability gaps for each Joint Capability Area (JCA).

Initiatives

- Expanded Joint Requirements Oversight Council
- COCOM Site Visits
- Integrated Priority Lists

8) Materiel Solution Development Process

Organization

Source Report: DAPA

Recommendation

Assign responsibility to establish and operate a Materiel Solution Development Process to the USD(AT&L), the process should be responsive to the capability needs of the Combatant Commands as identified in a new time-phased and fiscally-informed Joint Capabilities Acquisition and Divestment Plan.

Implementation Status

Partial Implementation

Status of Recommendation
This recommendation is partially implemented through the evolving Joint Requirements Oversight Council (JROC) process that brings more and more Combatant Command (COCOM) influence into the deliberations and advisory role, the Joint Rapid Acquisition Cell (JRAC) and the Office of the Secretary of Defense's (OSD's) Joint Concept Technology Demonstration (JCTD) program. The JRAC continues to ensure that the joint and immediate needs of the Combatant Commands are expeditiously reviewed, validated, funded, fielded, and sustained. As of November 2007, the JRAC has supported 32 projects valued at $438 million. Additionally, the AT&L team has used Joint Analysis Teams (JATs) to review portfolio areas such as biometrics, energy and sensor and weapons pairing in great detail. These reviews have led to budget process engagement, joint program plans, and technology development and demonstration roadmaps. The appropriate COCOM representatives have been included in all Joint Analysis Team reviews.

Initiatives
- Expanded Joint Requirements Oversight Council
- Joint Analysis Teams
- Capability Performance Reviews
- Joint Rapid Acquisition Cell
- Joint Urgent Operational Needs
- Integrated Priority Lists
- Joint Concept Technology Demonstration
- Quick Reaction Fund
- Counter Terrorism Task Force

9) Disestablish IPTs

Organization

Source Report: DAPA

Recommendation
Disestablish the Acquisition Integrated Product Teams in the Office of Under Secretary of Defense for Acquisition, Technology and Logistics, and replace the current oversight process with a small staff, focused on decision-making to support joint programs.

Implementation Status
Full Implementation

Status of Recommendation
The Integrating Integrated Product Teams have been disestablished. In their stead, the Department uses focused issue teams to resolve specific concerns. The Department has taken steps to optimize the Overarching Integrated Product Team and Defense Acquisition Board process including the use of streamlined documentation and common formats.

Initiatives
- Synchronization of Existing Processes
- DAB Optimization

10) More Contracting Reps in Theater
Organization
Source Report: CSIS III
Recommendation DoD should place more trained contracting technical representatives in theater and provide other oversight mechanisms to ensure cost effective and efficient implementation of support contracts.
Implementation Status Partial Implementation
Status of Recommendation The Director, Defense Procurement and Acquisition Policy, issued a policy letter on December 6, 2006, directing organizations to ensure that a properly trained Contracting Officer Representative (COR) is designated for contracts for services in support of DoD requirements before contract performance begins, and that properly trained CORs are identified on active contracts for services in support of DoD requirements. Further, there is a web based training module for COR's entitled, "COR with a Mission Focus" at www.dau.mil. Although the policy letter applies to all contracting activities, the Gansler Commission reported that COR's still were not being properly trained prior to deployment and consequently, ill prepared to execute their contract management duties. It also found that the Defense Contract Management Agency (DCMA) is not currently positioned to perform all expeditionary contract administration functions and does not serve as a center-of-excellence for expeditionary contract management, citing inadequate resources--people and money--as the main cause. DCMA has put into place a plan to assist in the contract oversight mission. DCMA will deploy 100 personnel to Iraq/Afghanistan beginning 15 December with ingress complete by 31 December 2007. This is in addition to the 97 personnel deployed in theater to support LOGCAP/AFCAP. Current planning is to have 150 additional personnel deployed in February/March 2007. Further, the Defense Acquisition University is currently relooking at their COR training to ensure it is sufficient and covers and identified weaknesses in its content.
Initiatives N/A

11) Joint Logistics Command
Organization
Source Report: DSB I
Recommendation The SECDEF should create a Joint Logistics Command: - Responsible for global end-to-end supply chain, - That includes the TransCom mission, DLA, Service logistics and transportation commands as components to JLC with: a) regional Combatant Commanders retaining operational control of the flow of in-theatre logistics, and b) Program Managers retaining responsibility for lifecycle logistics support plan and configuration control.
Implementation Status Partial Implementation
Status of Recommendation

There is no consideration being given to creation of a joint logistics command of the scope recommended by the DSB and CSIS. In 2003 the Secretary designated Commander, USTRANSCOM as the DoD Distribution Process Owner (DPO) to collaborate with the stakeholders of the Joint Deployment and Distribution Enterprise Community of Interest (JDDE COI) to improve the DoD physical distribution system. Additionally, the Department has established a Logistics capability portfolio. DUSD (L&MR), the JCS J4, ADUSD (Transportaiton Policy) will lead this portfolio and work with a broad range of stakeholders. This logistics portfolio management process will potentially yield many of the benefits which were being pursued under this recommendation.

Initiatives

- DoD Directive 5158.04, "United States Transportation Command"
- DoD Instruction 5158.06, "Distribution Process Owner."
- Logistics Capability Portfolio Manager

Source Report: CSIS I & II

Recommendation

Fuse the logistics and transportation functions into an integrated U.S. Logistics Command (USLOGCOM)

Implementation Status

Not Implemented

Status of Recommendation

As stated in response to the similar DSB Report recommendation above, there is no consideration being given to creation of a joint logistics command of the scope recommended by the DSB and CSIS. In 2003 the Secretary designated Commander, USTRANSCOM as the DoD Distribution Process Owner (DPO) to collaborate with the stakeholders of the Joint Deployment and Distribution Enterprise Community of Interest (JDDE COI) to improve the DoD physical distribution system.

Initiatives

- DoD Directive 5158.04, "United States Transportation Command"
- DoD Instruction 5158.06, "Distribution Process Owner."

12) Integrated Logistics Information System

Organization

Source Report: DSB I

Recommendation

The USD(AT&L) should:
- Lead the work to create an integrated logistics information system, and
- Appoint an external advisory board of relevant industry experts to assist in guiding this effort.

Implementation Status

Partial Implementation

Status of Recommendation

DoD is pursuing integrated Log systems where they make sense (e.g., DAAS, IGC). DoD is ensuring integrated logistics systems capabilities via the Investment Review Board process. The scope and complexity of logistics processes across the Military Departments and the Joint forces preclude development of a single, integrated logistics system which

would be larger and more complex than any commercial fielding.
Additionally, the Department has established a Logistics capability portfolio management process will potentially yield many of the benefits which were being pursued under this recommendation.

Initiatives

- Investment Review Board
- Logistic Capability Portfolio Manager

13) Systems Engineering at JFCOM

Organization

Source Report: DSB I

Recommendation

USD(AT&L) should establish the systems engineering capability at USJFCOM to support the regional COCOM need for support in applying net-enabled infrastructure and services.

Implementation Status

Partial Implementation

Status of Recommendation

USD(AT&L) has addressed this recommendation primarily through direction to key Programs of Record, which when implemented, will provide the net-centric infrastructure for the warfighter. As part of the Defense Acquisition Board reviews for status and milestone decisions on programs, such as the Army WIN-T, the JTRS various efforts, and key satellite terminal programs, the USD(AT&L) has tasked the Joint Network Operations (JNO) Capability Portfolio Manager(CPM)with the various aspects of systems engineering review and analysis to inform his decision-making. The JNO CPM is a pilot effort aimed at integrating, synchronizing, and engineering (cost, performance and schedule) the capabilities of interdependent Programs of Record. The JNO CPM has assembled, at his level, the requisite systems engineering resources to ensure informed acquisition decisions. The JNO CPM accomplishes this role through broad involvement of systems engineering expertise from the various Programs of Record, the USD (AT&L) Systems and Software Engineering (SSE) Directorate, and other OSD and FFRDC elements.

Future efforts may be required on a case basis at JFCOM, and through the Military Departments for systems engineering of tactical and operational support for COCOMs, dealing with current and legacy systems integration. This role has traditionally been supported, with mixed results, by the Military Departments through their PEO and PM systems engineering organizations. COCOMs, through the Joint Urgent Operational Need (JUON) process are increasingly addressing their requirements for net-centric point solutions of mixed legacy systems interoperability and enhancement, e.g. Iridium phone enhancement. USD(AT&L) elements are active participants in the systems engineering review and, as appropriate, acquisition of these solutions.

Initiatives

- Systems Engineering Center of Excellence

14) Integrated DOD Business Management Information System

Organization

Source Report: DSB I

Recommendation

The SECDEF should address the need for an integrated DoD business management information system by:
- Designating USD(AT&L) as the lead organization to manage acquisition of all new business process support systems.
- Ensuring that these systems are network-enabled to provide the shared information and collaborative planning essential to a complex, adaptable enterprise.
- Maintaining the integrity of COTS systems, adjust the business processes accordingly, and adapt appropriate interfaces.
- Hiring experienced key people to lead the Department effort and outsource the balance.

Status of Recommendation

Partially Implemented

Implementation Status

- The USD (AT&L), as the Defense Acquisition Executive (DAE) for all defense business systems, has full responsibility for supervising the performance of the DoD Acquisition System. Additionally, per a memorandum issued in May 2007, the USD (AT&L) will exercise acquisition oversight of Major Automated Information Systems (MAIS) business systems under the Business Capability Lifecycle (BCL) initiative, which incorporates the functional expertise of the Investment Review Boards (IRB) and Defense Business Systems Management Committee (DBSMC).
- DoD has taken several steps to move toward a network-enabled environment that provides shared information and collaborative planning for the management of defense business systems. To guide the interoperability of these systems, the Business Enterprise Architecture (BEA) – which includes activities, processes, data standards, business rules, operating requirements, and information exchanges – was established for the Department's Business Mission Area (BMA). Ultimately, the BEA's purpose is twofold: (1) it provides the rules, principles, standards, and best practices that designated programs/systems/services must comply with in order to facilitate interoperability; and (2) it provides enterprise-level rules and processes that enable senior leadership in the Department's BMA governance structure to make better investment decisions. The certification to the BEA, a critical component of the Investment Review Board (IRB) and Defense Business Systems Management Committee (DBSMC) process, is used at each level of investment review to assess whether business investments support DoD Enterprise priorities and requirements. All defense business systems with modernization costs of $1 million or greater are required to comply with the BEA in order to receive IRB/DBSMC certification approval, or be in violation of the Anti-Deficiency Act (ADA). By enforcing BEA compliance, DoD is creating an avenue for system interoperability by enabling the IRBs and the DBSMC to look across all programs with a specific capability and make educated investment decisions.

  To further enhance and mature DoD's information technology infrastructure and promote standardization of processes, procedures, and data, DoD developed the BMA Federation Strategy and Roadmap, now at version 2.4. This strategy provides the framework that will guide the DoD Business Core Mission Area towards

implementing the linkage of the Service, Component, and Program architectures to the BEA and ultimately to the Net-Centric architecture of the DoD Global Information Grid (GIG). The federation of the BMA architecture is the foundation for the delivery of interoperable business services throughout DoD.
In bringing the BEA and the BMA Federation Strategy and Roadmap together, the objectives of the latest release of the BEA (Release 5.0 and later), has begun to focus on the core tenet of Net-Centricity, that is the production, publishing, mediation and discovery of authoritative data to support Warfighter Decision Making. Focusing on a common business vocabulary within the BMA will ensure that systems and services are network-enabled to provide shared information and collaborative planning.

- Transforming DoD's business operations requires a rapid flow of information across multi-level system and organizational boundaries to support the joint warfighter. To this end, as DoD pushes toward the use of more commercial off-the-shelf (COTS) solutions it faces a greater need to integrate those solutions with each other and with existing systems.
  Since more than half of the Department's COTS solutions are Enterprise Resource Planning systems (ERPs) – applications that provide an integrated suite of Information Technology (IT) applications that support the operations of an enterprise, including financial management, human resources management, and operations – the Business Transformation Agency (BTA) provides assistance with the transformation of Component-specific ERP systems into an interoperable set of service delivery capabilities by aligning them with DoD-wide BEA standards. This close coordination enables the Components to reduce the costs of configuring COTS technology within and across their organizations by leveraging years of ERP and COTS implementation expertise. The desired outcome is rapid adoption of DoD-wide information and process standards and the elimination of burdensome processes that hinder the successful, more rapid deployment of ERP capabilities within the Components.
  An additional resource for maintaining the integrity of COTS systems is the Department's Enterprise Risk Assessment Methodology (ERAM), which plays a critical role in successful business system implementation for IT business solutions that are designated as Major Automated Information Systems (MAIS). ERAM is the Department's methodology for identifying program risk early in the development lifecycle and recommending risk mitigation strategies, thereby providing valuable insight to the program offices as they implement their systems.
- DoD is engaged in human capital management activities at multiple levels. At the highest level, the DoD *Human Capital Strategy* is defined in the *2006 Quadrennial Defense Review*. Implementation activities to support the DoD *Human Capital Strategy* are underway and are led and managed by OUSD (P&R).
- The Department is committed to building a significant robust and organic capability to manage and oversee its transformation efforts. For example, in February 2006, the first permanent BTA Director was selected, providing a constancy of leadership and a focus for Enterprise-wide decision making across the Department. Additionally, using the Congressional special hiring authority for highly qualified experts (HQEs), BTA has created a complementary workforce composed of career civilians, term-appointed civilians, military members and contractors who have collectively contributed to our continuing progress in assuring standardization and mitigating the risk associated

with large business systems implementations across the DoD.
Initiatives • Business Capability Lifecycle • Enterprise Risk Assessment Methodology • Business Mission Area (BMA) Federation Strategy and Roadmap

15) USD (Management)
Organization
Source Report: CSIS I & II
Recommendation Establish an USD(Management) that would manage all the commercial-like defense agencies, as well as any programs currently being managed by OSD, and be responsible for OSD management and administrative activities. Create an Office of Implementation & Execution Review (I&ER) and put it under the new USD(M).
Implementation Status Partial Implementation
Status of Recommendation In response to this recommendation and the management demands of the Department, the Secretary of Defense issued a Directive on September 18, 2007 designating the Deputy Secretary of Defense as the Department's Chief Management Officer, empowering the Deputy Secretary with the following authorities: 1) Ensure Department-wide capability to carry out the strategic plan of the Department of Defense in support of national security objectives 2) Ensure the core business missions of the Department are optimally aligned to support the Department's warfighting mission 3) Establish performance goals and measures for improving and evaluating overall economy, efficiency, and effectiveness and monitor and measure the progress of the Department 4) Develop and maintain a Department-wide strategic plan for business reform
Initiatives • Deputy Secretary of Defense as Chief Management Officer

Equally important to having a high performing, agile, ethical workforce is to have effectively structured organizations in which individuals function. The commitment of senior leadership in the Department of Defense to manage dynamic organizations is demonstrated by a keen focus on organizational structures that foster enhanced accountability and leadership at all levels. Merging acquisition functions through transformation of Defense business processes creates an acquisition life cycle management environment that enables efficiency, flexibility, and innovation. Transformation is accomplished through a variety of organizational structures to include governance, leadership, communication, information sharing, investments, oversight, continuous process improvements, and performance assessments. The functional initiatives that follow have been established to accomplish this goal.

Individual strategic plans based on performance priorities are required to be provided to the Deputy Secretary of Defense from all the Components during Fiscal Year 2007 addressing the following issues:

- Transforming enterprise management
- Focusing on people – military and civilian
- Improving effectiveness and efficiency
- Assigning senior leaders to horizontally integrate communication efforts for key Defense issues
- Defining communication roles, responsibilities, relationships, and doctrine by preparing DoD strategic communication directives
- Organizing and equipping communication capabilities

The Department continues to track the following organizational initiatives:

Deputy's Advisory Working Group (DAWG)

The DAWG, chaired by the Deputy Secretary of Defense, with senior members of the Joint Staff, the Office of the Secretary of Defense, and the Service staffs, reshapes the Defense Enterprise and makes it more agile and responsive to the warfighter by taking a hard look at the Department's business practices and methodologies. The DAWG provides oversight for program implementation and cross-cutting, high-leverage issues seeking program efficiency and effectiveness. The group evolved from a series of intense senior leadership meetings in conjunction with the Quadrennial Defense Review (QDR) that occurred from November 2004 to March 2006. These leadership meetings provide candid and comprehensive discussions on a wide variety of topics among senior leaders from the Office of the Secretary of Defense, Joint Staff, and the Military Departments. With the release to the Congress of the QDR in February 2006, the Deputy Secretary and the Vice Chairman directed that senior leadership meetings continue to monitor implementation of the QDR and track efforts to institutionalize these initiatives.

Logistics Capability Portfolio Management

The 2006 QDR provided new direction for accelerating the transformation of DoD by focusing more on managing like capabilities across the enterprise to improve interoperability, minimize capability redundancies and gaps, and maximize capability effectiveness rather than managing individual stove-piped programs. DoD's approach for achieving that goal is to develop integrated and highly effective capability portfolio management (CPM). The Deputy Secretary of Defense has formalized Logistics as one of first four areas for capability portfolio management and has designated USD(AT&L) the civilian lead for the Portfolio.

The Logistics CPM has developed an overarching strategic vision for future logistics capabilities. The Logistics CPM consists of seven areas that combine to integrate and improve end-to-end Logistics first across DoD components, agencies, and global industry partners; then with other federal agencies and alliances or coalitions in order to achieve better outcomes for joint warfighters. A Logistics Capability Area Manager is assigned to each one of the seven areas: Supply, Maintain, Deployment/Distribution, Operational Contract Support, Engineering, Logistics Services, and Force Health Protection. DoD Components, working in tandem with the Logistics Capability Area Managers, will map initiatives and key programs of record to goals and objectives and will review the way in which Logistics Portfolio capabilities are managed, allocated, and used.

Lean Six Sigma (LSS)/Continuous Process Improvement (CPI)

LSS is an important part of the Department's CPI effort. A disciplined improvement methodology incorporating Industry best practices, LSS has been endorsed by DoD leadership as the means by which the Department will become more efficient in its operations and more effective in its support of the warfighter. By focusing on becoming a "lean" organization, DoD will eliminate waste, improve quality, and put its resources and capital to the best use.

On April 30, 2007, the Deputy Secretary of Defense instructed the Office of the Deputy Under Secretary of Defense for Business Transformation to create a DoD CPI/LSS Program Office that would leverage the CPI Senior Steering Committee to drive DoD-wide CPI/LSS activities. Currently, the CPI/LSS Program Office is collecting and consolidating baseline CPI/LSS information from all DoD organizations, developing a standardized metrics reporting system, coordinating LSS training for Office of the Secretary of Defense (OSD) and Military Departments personnel, working with the appropriate organization to incorporate CPI/LSS into individual employee performance objectives, and has initiated work on a number of OSD process improvement initiatives.

This DoD-wide focus on CPI, applying LSS, is resulting in numerous individual success stories, that show the value of CPI. The Military Departments have been particularly forward-thinking in their application of LSS. Some recent initiatives and accomplishments are reflected in the following chart.

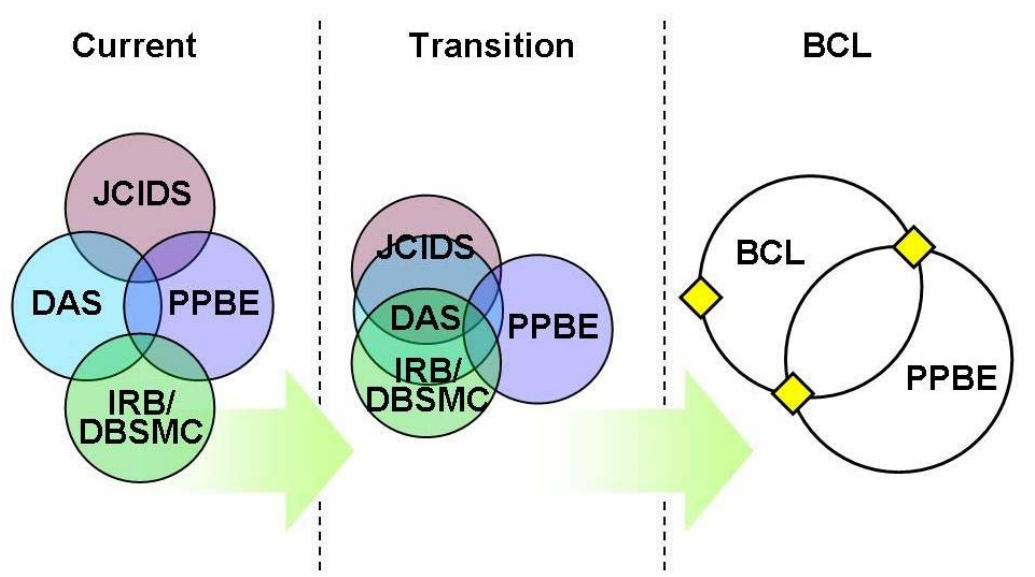
Organization	Lean Six Sigma Initiative
Deputy Secretary of Defense	• Achieved a reform of the end-to-end clearance process efficiently delivering high-assurance clearances at the lowest reasonable cost • Conducted a review of the three primary DoD Technology Transfer and Disclosure processes to improve intra- and inter-process performance in developing and issuing DoD-level technology transfer and disclosure policy • Reviewed and improved the efficiency and effectiveness of the flow of correspondence within and across DoD • Improved the coordination process for DoD Questions for the Record responses to Congress
Under Secretary of Defense for Acquisition, Technology and Logistics	• Championed an LSS project to eliminate the Integrating Integrated Product Team as a standard course of action in preparation for all Defense Acquisition Board reviews as a non-value added effort in acquisition documentation • Signed out a memorandum implementing the recommendations on June 28, 2006
Army	• Established Deputy Under Secretary of the Army for Business Transformation in October 2005 to drive LSS programs • Completed 848 of 3788 LSS projects and trained 201 LSS "black belts" and 877 "green belts" • Reduced the tank-servicing backlog from 85 tanks to 0 in a six-month period by Army Materiel Command, via the Fort Knox Unit Maintenance Activity, by applying LSS to increase throughput
Navy	• Collaborated with the American Society of Quality to develop a Navy LSS black belt certification • Supported 750 to 800 Navy personnel currently working on LSS "black belts" • Improved the contract close-out process by the Naval Air Systems

	Command, saving the Navy more than $1 million in 2007, with the potential for even greater savings in the future
Air Force	• Through AFSO21, the Air Force has aggressively developed its organic workforce and certified 13 Master Black Belts (Level 3) and 121 Black Belts (Level 2). Within the Air Force acquisition workforce, there are 1 Master Black Belt, 90 Black Belts, and 125 Green Belts. • Decreased the turn for C-17 aircraft time from three hours and 15 minutes to two hours by the Air Force Smart Operations 21 using LSS techniques • Reduced the flow time for inspections of the MH-53J Pave Low helicopter by 43 percent by the 58th Maintenance Squadron resulting in cost savings, increased capacity, and improved team morale

Improvement is not a matter of doing more with less, but rather eliminating non-value added activities in exchange for customer-focused outputs at lower cost.

Business Capability Lifecycle (BCL)

In May 2007, DoD took steps to set the stage for the implementation of BCL, a holistic approach to solving business problems and delivering business capabilities to the warfighter in a compressed timeframe. BCL requires functional sponsors to rigorously define problems before beginning a solution analysis, and institutionalizes enterprise management of business capabilities by consolidating requirements, acquisition, and compliance to BEA oversight into a single governance process. BCL will unify reporting requirements for the Defense Acquisition System (DAS) 5000-series policies, the Chairman of the Joint Chiefs of Staff Instruction (CJCSI) 3170, and the IRB Concept of Operations (CONOPS) for presentation to the DBSMC and IRB governance bodies. The envisioned outcome of the transition phase will include functional interoperability between BCL and Planning, Programming, Budget and Execution (PPBE) to provide a more streamlined decision process and more efficient program execution. (See figure 1 below.)

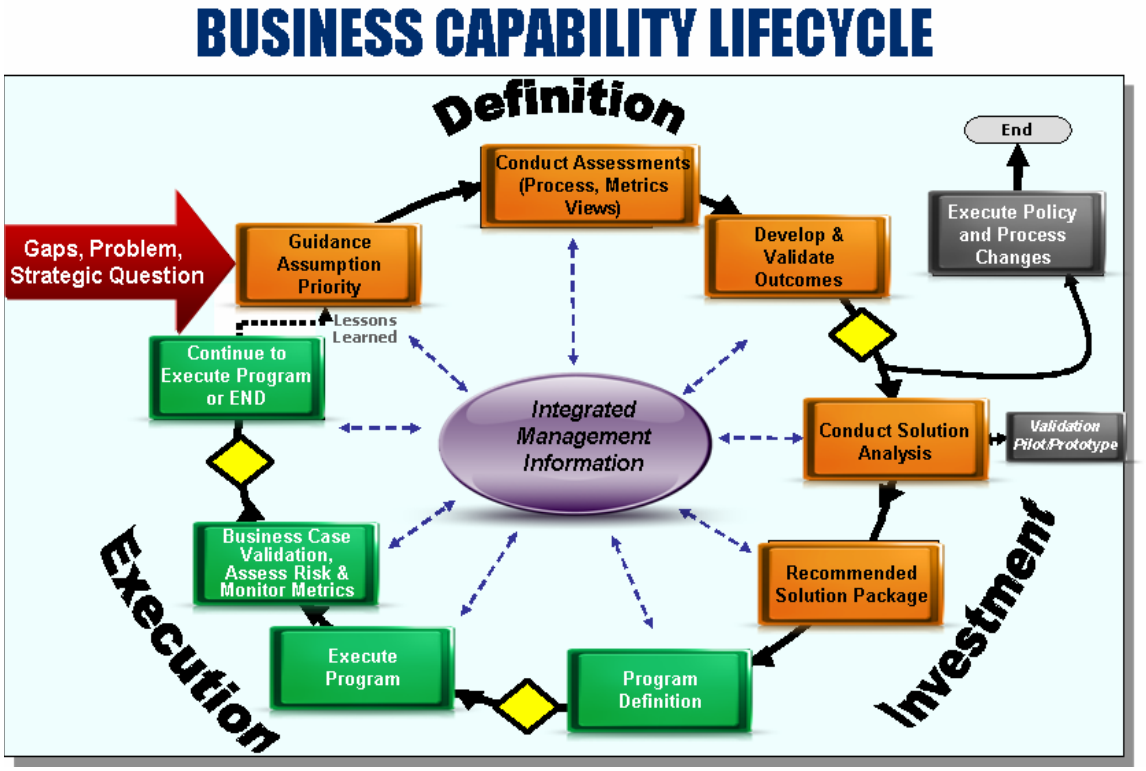


BCL shifts the Department's focus to thoroughly examining business problems and considering all possible solutions to determine if an investment in a business system is necessary or if the capability gap may be addressed with a non-materiel option, such as a policy change. BCL

places accountability for each stage of the process at the appropriate levels, ensuring that the proper upfront due diligence is conducted and the most robust information is provided to Department decision-makers. Under BCL rules, programs are required to deliver initial operational capability into the hands of the users within 24 months (12-18 months of contract award) or the business case will not be approved.

BCL has three phases:

- Definition: Identify the root cause of the problem and determine holistic solutions and recommend the solution scope, objectives, metrics, and intended outcomes for presentation to the relevant IRB.
- Investment: Conduct a detailed analysis of alternatives and document and recommend a solution, augmented by acquisition and contracting strategy in a business case.
- Execution: Develop and field the capability and revalidate the business case at each key program event for the program to continue on cost, on schedule, and within performance parameters.



At each phase of the BCL process the business case is presented to the relevant IRB and the DBSMC for endorsement to proceed to the next phase. ERAM assessments are conducted during the Investment and Execution phases, based on specific program events. If there are scope problems or cost increases, the business case is revalidated and presented to the IRB and DBSMC for decision.

Since its announcement in May 2007 via a memorandum from the USD (AT&L), the Department has achieved significant milestones as it implements the BCL process.

- In July 2007, the USD (AT&L) issued guidance on the management of MAIS defense

business programs pending approval of BCL policy and procedures.

- In October 2007, the first Problem Statement under the BCL process was presented to and approved by the Financial Management IRB. That same month, the first milestone decision under BCL was addressed. The BCL is now being used for Milestone Decision A activities.
- To date, the Department has completed six ERAM assessments in support of the BCL process. These ERAM assessments have aided Milestone Decision Authority (MDA) and IRB decision making processes by identifying internal and external program risks early in the program lifecycle.

Led by the Office of Business Transformation and the Business Transformation Agency (BTA), the BCL process continues to be matured and integrated throughout the Department.

Enterprise Risk Assessment Methodology (ERAM)

ERAM is a collaborative assessment focused on identifying and resolving risk as early as possible at any point in the Major Automated Information System (MAIS) program lifecycle. ERAM is an important part of the Business Capability Lifecycle process, providing periodic independent reviews. ERAM engages accountable, functional sponsors within the Business Mission Area, the system program office, experts from the acquisition community, and advisors from the Business Transformation Agency. An ERAM team reviews existing program documentation and conducts face-to-face interviews that span the program stakeholder community, from top-level managers to system users. With this information, the team evaluates program risk and quickly delivers a risk mitigation plan addressing seven key areas: 1) People, 2) Strategy, 3) Technology, 4) Scope/Requirements, 5) Process, 6) External, and 7) Contracts.

Business Mission Area (BMA) Federation Strategy and Roadmap

Specific areas covered in the Federation Strategy and Roadmap include:

- **BMA Architecture Federation and Compliance Mechanisms** – How tools and procedures enable the DoD to identify gaps in capability delivery and manage architecture compliance to specific business rules, policies and procedures contained within the BEA;
- **BMA Business Operating Environment (BOE)** – How to drive and stay on the path to rapidly assemble and catalog reusable business services, decompose monolithic applications into business services, and re-compose these services into new business processes and services in support of changing business priorities;
- **Governance of Service Delivery across the Business Enterprise Service Lifecycle** – How to govern the transition from the current state enterprise to a Business Operating Environment that manages the service lifecycle and allows for the directed and self-promoted identification of services as candidates for enterprise-wide business services;
- **Consistent Approach to Service Oriented Architecture (SOA) through Communications and Outreach** – How to create a durable, coherent transition to a transformational infrastructure by identifying, leveraging and nurturing appropriate stakeholder communities; and

- **BMA Federation Roadmap** – How to implement near term business services under the evolving DoD Enterprise Service capabilities provided by the Defense Information Systems Agency (DISA).

Defense Business Systems Management Committee (DBSMC)

The DBSMC is a governance body that was established in February 2005 and is chaired by the Deputy Secretary of Defense. The DBSMC meets monthly to oversee end-to-end Defense business transformation and to ensure that it is aligned to the priorities of the joint warfighter. The DBSMC convenes under the personal direction of the Deputy Secretary of Defense to establish and assess business priorities. A strategic action taken by the Deputy Secretary and the DBSMC came from the recognition that in order to effectively drive change at the Enterprise level of the organization, there needed to be a permanent piece of the institution staffed by resources with the requisite skills who could be held accountable for specific elements of the overall transformation effort. To that end, it was two years ago that the Department established the 17th and newest agency in the DoD: the Business Transformation Agency (BTA).

Investment Review Boards (IRBs)

IRBs report to the DBSMC and certify that investments at $1 million and above are aligned with Enterprise transformation objectives and standards. The BTA facilitates the standardized investment review process on behalf of newly established IRBs, and supports the DBSMC on specific tasks resulting from its monthly meetings. Component-level business transformation is the responsibility of the respective Component leadership. Component information technology investments are managed by Component leadership and are overseen by DoD Enterprise-level governance.

Strategic Communication Integration Group

In accordance with the Quadrennial Defense Review, the concept of operations for strategic communication was established by the Strategic Communication Integration Group to recommend, coordinate, and oversee communication initiatives and plans from the Office of the Secretary of Defense, Joint Staff, Combatant Commanders, and Military Departments. Representatives of other U.S. Government Departments and Agencies are invited to participate as appropriate. Additionally, a Process Management Team was established to employ communication and management approaches that organize and synchronize the various activities required to implement the Quadrennial Defense Review Strategic Communication Execution Roadmap. Essential to accomplishing the Roadmap is the implementation of Department-wide cultural and organizational change while simultaneously integrating and synchronizing action across the Department's global Enterprise. This two-pronged approach, driving synchronized action while promoting real organizational and cultural change, is the path that will make Strategic Communication execution a reality.

Tiered Accountability

An important organizational concept for Defense business transformation is tiered accountability. This strategic concept enables business transformation to occur concurrently at

multiple levels (or tiers) – DoD Enterprise, Component, and program – with accountability at each level. It requires each tier in the DoD organizational hierarchy to focus on those requirements that are relevant for that specific tier, and leave the responsibility and accountability for other elements of business management and execution to other tiers in the organization. Tiered accountability in the Department of Defense encompasses the broad area of policy setting, the detailed establishment of process and data standards, as well as the ultimate execution of business operations.

Business Enterprise Architecture (BEA)

One example of tiered accountability can be found in the way in which the Department now defines and documents business requirements through its BEA, which is the enterprise architecture for the Department's Business Mission Area. As part of the tiered accountability strategy, BEA development focuses on the process, data, and system elements truly required to enable Enterprise-wide information aggregation and system interoperability. By focusing the BEA on those elements specifically needed for Enterprise-level transformation, the Department has improved the likelihood that that layer of requirements will be implemented, while at the same time providing flexibility to the Components to implement improvements to their own processes and data standards as needed to satisfy their unique missions.

Rationalizing the Enterprise

In an effort to rationalize the IT-enabled capabilities that support business activities across the DoD, the BTA is evaluating its existing portfolio of systems with a focus on determining whether a DoD Enterprise-level system or a Component-level system makes the most sense for maximizing the effectiveness of each capability and improving business operations - known as Rationalizing the Enterprise. To enable structured, informed decisions about implementing capabilities at the right levels (tiers) and areas of the Department and to help guide decision makers during the process, the BTA has established a Business Enterprise Rationalization Framework and has begun to use the framework by analyzing its own BTA-managed Enterprise solutions and formulating recommendations.

Enterprise Transition Plan (ETP)

The publication of the ETP every six months for the past two years has provided the Department the means to describe its strategy for achieving its Enterprise and Component priorities. The establishment of the ETP is one of the improvements cited by the Institutional Reform and Governance Roadmap (put in place by the QDR and discussed earlier in this section). As another example of tiered accountability, the ETP provides a roadmap for the Department's business transformation and contains time-phased milestones, performance metrics, and resource needs for systems that are part of the Business Enterprise Architecture and other Component architectures. Plans and progress are tracked to formally establish milestones and measurements to improve business capabilities. The ETP also includes a retirement schedule for legacy systems to be replaced by systems in the targeted environment. Each September, the BTA publishes the ETP, which provides the starting point against which the Department measures progress during the fiscal year and the March Congressional Report reflects that progress.

Business Enterprise Priorities

At the Enterprise level, the Department has organized its activities around six Business Enterprise Priorities that are described in the ETP and represent focused efforts and investment, through which the Department can deliver clear, measurable, near-term results. The Business Enterprise Priorities, along with their primary goal, are:

- Personnel Visibility – provide accurate, timely and readily available personnel information (including data on military, civilians, contractors, and coalition resources supporting the operation) to decision makers.
- Acquisition Visibility – bring transparency to critical information supporting full lifecycle management of the Department's processes that deliver weapon systems and automated information systems.
- Common Supplier Engagement – simplify and standardize the methods that DoD uses to interact with commercial and government suppliers in the acquisition of catalog, stock, as well as made-to-order and engineer-to-order goods and services.
- Materiel Visibility – provide users with timely and accurate information on the location, movement, status, and identity of unit equipment, materiel and supplies, greatly improving overall supply chain performance.
- Real Property Accountability – provide the warfighter and CBMs access to near-real-time secure, accurate and reliable information on real property assets, and environment, safety, and occupational health sustainability.
- Financial Visibility – enable more efficient and effective decision making throughout the Department and assistance in satisfying the DoD-wide effort to achieve financial auditability.

Acquisition Visibility (AV) Business Enterprise Priority

The AV Business Enterprise Priority is closely tied to Defense acquisition transformation. AV is defined as achieving timely access to accurate, authoritative, and reliable information supporting acquisition oversight, accountability, and decision making throughout the Department for effective and efficient delivery of warfighter capabilities. The strategy for achieving AV involves establishing Service-Oriented Architecture (SOA) governance and delivery mechanisms within the Defense acquisition business community. The essence of the AV strategy is straightforward: permit the various DoD communities to continue to operate their own heterogeneous respective systems, but standardize and regulate their external interfacing in a way that makes transparent, timely, and accurate data available to senior Defense acquisition decision makers. AV's goal and strategy fully support the responsibilities, scope, objectives, and business transformation requirements of the Weapon Systems Lifecycle Management (WSLM) Core Business Mission, which encompasses the Defense acquisition business processes that deliver weapon systems and automated information systems. WSLM addresses management of the full lifecycle—from concept through disposal—including requirements, concept refinement, technology development, production and deployment, operations and support, and disposal.

Joint Task Assignment Process (JTAP)

A JTAP is being established to centrally coordinate and oversee joint mission assignments. The JTAP serves to verify that sufficient resources and management authorities are identified prior to assigning joint tasks. The Director of Administration and Management is responsible for developing the process.

Army's Business Mission Area

The Army's Business Mission Area goals align with overall Army priorities, guiding the transformation of Army business practices and prioritization of Information Technology (IT) investments. The judicious application of metrics enables the Army to measure accomplishment of objectives:

- Increase Situational Awareness – establish an Enterprise-wide operating picture and data framework for optimal decision-making
- Improve Asset Accountability – create an integrated financial environment and a deployable financial management system
- Enhance and Leverage Army Enterprise-wide Synchronization – coordinate DoD, Joint Staff, and Army initiatives to align people, processes, and technologies
- Improve IT Investment Strategy – certify system investments and conduct IT Portfolio Management

Defense Intelligence Agency's Strategic Plan

The Defense Intelligence Agency recently established a Strategic Investment Oversight Council to review requirements proposed for inclusion in the Future Years Defense Plan to ensure they are aligned with the National Intelligence Strategy and the Defense Intelligence Agency's Strategic Plan. The Strategic Investment Oversight Council review and analysis of investments is conducted as part of the Intelligence Program Budget Process and is intended to ensure that requirements have appropriate funding and infrastructure support and can be accomplished in accordance with an approved acquisition strategy.

Institutional Reform and Governance (IR&G) Roadmap

The IR&G Roadmap established by the Quadrennial Defense Review is designed to streamline and improve the Department's governance, resulting in robust capabilities for the warfighter. This plan encompasses processes, tools, data, and organizations to enable strategic decision-making and execution. The IR&G Roadmap focuses on implementing a portfolio-based approach to Defense planning, programming, and budgeting to establish a common and authoritative analytical framework linking strategic decisions to execution, integrating core decision processes, and aligning and focusing the Department's governance and management functions under an integrated Enterprise model.

CONCLUSION

To transform the Defense Acquisition System the community must be both vigilant and flexible. Institutionalizing change, especially cultural change, and staying on a continuous improvement course requires standards and discipline. Standardizing the processes applicable to major defense acquisition programs will create program stability and predictability, as well as reduce unintended risk and cost growth.

Highlights of the current initiatives to which the Department is committed include an enhanced environment with career incentives for the workforce, new acquisition policies, procedures and tracking systems, time-definite fixed phases for requirements and programs, Capital Budgeting, warranted Test and Evaluation Plans, contract costs at most probable cost, healthy competition in the industrial base, and accountability throughout the system.

Many recommendations for change are under review and are being considered for implementation. Change is not possible without expectations and leadership. Invigorating the acquisition community with incentives and discipline will provide a clear understanding of how to bring predictability and stability to the Department of Defense Acquisition System. Collaboration and cohesion among all the parties, across the full spectrum of the Acquisition System will result in getting the right systems at the right time and place into the hands of the warfighter.

WEBSITE LINKS

Acquisition Community Connection / Acquisition Community of Practice
https://acc.dau.mil/CommunityBrowser.aspx

Acquisition of Services http://www.acq.osd.mil/dpap/

Advanced Distributed Learning http://www.adlnet.gov/

Air Force Portal https://www.my.af.mil/faf/FAF/fafHone.jsp

Air Force Probability of Program Success http://www.afmc.af.mil/news/story.asp?id=123020393

Air Force Smart Operations 21 http://www.af.mil/library/smartops.asp

Army Materiel Command http://www.amc.army.mil/LEAN/page.aspx?id=0

Army's Business Mission Area http://www.defenselink.mil/dbt/priorities_army.html

Army's Performance-Based Logistics https://acc.dau.mil/CommunityBrowser.aspx?id=46453

AT&L Human Capital Strategic Plan http://www.dau.mil/workforce/hcsp.pdf

AT&L Strategic Goals Implementation Plan
http://www.acq.osd.mil/goals/Strategic%20Goals%20Implementation%20Plan.pdf

Atlas Pro http://www.dau.mil/dlst/eorient/virtualCampus/B030005.htm

Award and Incentive Fees Data Collection Memorandum
http://www.acq.osd.mil/dpap/policy/policyvault/2007-0712-DPAP.pdf

Award Fees and Incentives Policy https://acc.dau.mil/awardandincentivefees

Beyond Goldwater-Nichols http://www.csis.org/isp/bgn/

Block Approach for Space Acquisition http://www.afspc.af.mil/news/story.asp?id=123047864

Business Capability Life Cycle http://www.defenselink.mil/dbt/manage_bcl.html

Business Enterprise Architecture
http://www.defenselink.mil/dbt/products/2007_BEA_ETP/index.html

Business Enterprise Priorities http://www.defenselink.mil/dbt/priorities_beps.html

Business Transformation Congressional Report (March 2007)
http://www.defenselink.mil/dbt/products/2007_BEA_ETP/etp/Data/March_07_ETP_CR.pdf

Capability Integration Boards https://akss.dau.mil/dag/Guidebook/IG_c1.3.asp

Capability Portfolio Management https://acc.dau.mil/CommunityBrowser.aspx?id=117813

Capital Accounts https://acc.dau.mil/CommunityBrowser.aspx?id=108122

Civilian Human Capital Strategic Plan
www.defenselink.mil/prhome/docs/**civilian**strat_**plan**7_9.pdf

Concept Decision http://www.dau.mil/conferences/presentations/2006_PEO_SYSCOM/gen-session/T-1045-Durham.pdf

Continuous Process Improvement https://acc.dau.mil/CommunityBrowser.aspx?id=22426

Contract Management System https://acc.dau.mil/CommunityBrowser.aspx?id=38175

Defense Acquisition Board Review https://akss.dau.mil/dag/Guidebook/IG_c10.2.asp

Defense Acquisition Board / Integrated Process Team Memorandum
http://acquisition.navy.mil/rda/content/download/3970/18227/file/Krieg%206-28-06SuspenseofIIPTs.pdf

Defense Acquisition Executive Summary https://akss.dau.mil/dag/GuideBook/IG_c10.9.4.asp

Defense Acquisition Management Information Retrieval http://www.acq.osd.mil/damir

Defense Acquisition Performance Assessment http://www.acq.osd.mil/dapaproject/

Defense Acquisition Workforce Improvement Act
http://www.dod.mil/execsec/adr95/appendix_f.html

Defense Adaptive Red Team http://www.acq.osd.mil/dsb/reports/redteam.pdf

Defense Business Systems Management Committee
http://www.defenselink.mil/dbt/manage_entities.html

Defense Intelligence Agency's Strategic Plan http://www.dia.mil/thisisdia/strategicplan.htm

Defense Science Board Review www.acq.osd.mil/dsb/reports.htm

Defense Science Board Summer Study http://www.acq.osd.mil/dsb/reports/2006-02-DSB_SS_Transformation_Report_Vol_1.pdf

Defense Science Board Task Force http://www.acq.osd.mil/dsb/reports/2005-03-MOAO_Report_Final.pdf

Deputy's Advisory Working Group
http://hqinet001.hqmc.usmc.mil/dmcs/Routine%20Reports%20&%20Meetings/DAWG%20101.ppt

DoD Directive 5000.52 http://www.dtic.mil/whs/directives/corres/html/500052.htm

DoD Instruction 5000.2 https://akss.dau.mil/dag/DoD5002/Subject.asp

Enterprise Risk Assessment Methodology http://www.defenselink.mil/dbt/faq_eram.html

Enterprise Transition Plan (September 2006) http://www.defenselink.mil/dbt/products/Sept-06-BEA_ETP/index.htm

Enterprise Weapon Systems Life Cycle Management
http://www.dau.mil/conferences/2006/documents/May%209%200945_04%20Nemetz.pdf

February 2007 Defense Acquisition Transformation Report
http://www.acq.osd.mil/documents/804Reportfeb2007.pdf

General Funds Enterprise Business System http://www.gfebs.army.mil/

Institutional Reform and Governance Roadmap
www.defenselink.mil/dbb/pdf/**Governance**%20Final%20Report.pdf

Integrated Capability Portfolios
http://www.dtic.mil/futurejointwarfare/strategic/jca_tor9apr07.doc

Investment Review Board
http://www.defenselink.mil/dbt/products/investment/IRB_CONOPS_29-AUG-2006.pdf

Item Unique Identifier http://www.acq.osd.mil/dpap/UID/attachments/2007-0527-ATLcomplete.pdf

Joint Air-to-Ground Missile Program
http://armedservices.house.gov/pdfs/JointALSPEF032207/Castellaw_Testimony032207.pdf

Joint Automated Deep Operations Coordination System http://www.defense-update.com/products/a/adocs.htm

Joint High Speed Vessel Program http://www.globalsecurity.org/military/systems/ship/jhsv.htm

Joint Knowledge Online Portal http://www.jfcom.mil/about/fact_jdl.htm

Joint Mission Environment Test Capability
http://www.ndia.org/Content/ContentGroups/Divisions1/Systems_Engineering/JMETC%20Briefing%20for%20the%20Joint%20Strike%20Fight%20PMO.pdf

Joint National Training Capability http://www.jfcom.mil/about/fact_jntc.htm

Joint Rapid Acquisition Cell https://acc.dau.mil/jra

Joint Requirements Oversight Council http://www.dtic.mil/doctrine/jel/cjcsd/cjcsi/5123_01a.pdf

Joint Task Assignment Process http://www.acq.osd.mil/dsb/reports/2004-08-EJFC_Phase_II_Final.pdf

Joint Warfighting Program http://www.jfcom.mil/about/jwfc_history.htm

Lean Six Sigma https://acc.dau.mil/CommunityBrowser.aspx?id=140520

Life Cycle Management https://acc.dau.mil/CommunityBrowser.aspx?id=17655

Major Defense Acquisition Program https://akss.dau.mil/dag/DoD5000.asp?view=document&doc=2

National Security Personnel System http://www.cpms.osd.mil/nsps/

National Security Space http://www.acq.osd.mil/nsso/

Navy Lean Six Sigma https://www.nipo.navy.mil/nipo/lss_at_IPO

Organization Definition http://en.wikipedia.org/wiki/Organization

Paperless Government Furnished Property http://www.acq.osd.mil/dpap/UID/attachments/july05meetingminutes/DCMA%20WAWF%20Update.ppt

Performance-Based Logistics https://akss.dau.mil/dag/guidebook/IG_c5.3.asp

Performance Learning Model http://www.dau.mil/plm/plm.asp

Planning, Programming, Budgeting and Execution System http://www.dod.mil/comptroller/icenter/budget/ppbsint.htm

Proper Use of Award Fee Contracts and Award Fee Provisions Memorandum http://www.acq.osd.mil/dpap/policy/policyvault/2007-0197-DPAP.pdf

Proper Use of Award Fee Contracts and Award Fee Provisions Memo http://www.acq.osd.mil/dpap/policy/policyvault/2007-0197-DPAP.pdf

Purview http://www.acq.osd.mil/damir/faq.htm#q2

Quadrennial Defense Review http://www.defenselink.mil/qdr/

Requirements Management Certification Training Program https://acc.dau.mil/CommunityBrowser.aspx?id=146390

Research and Engineering Portal http://www.dtic.mil/dtic/REPortal.pdf

Risk-Based Source Selection http://www.acq.osd.mil/dpap/policy/policyvault/2006-1243-AT.pdf

Service-oriented Architecture www.**army**.mil/escc/erp/soa.htm

Sharable Content Object Reference Model http://www.adlnet.gov/scorm/

Small Business Innovation Research Program http://www.acq.osd.mil/osbp/sbir/index.htm

Small Business Mentor-Protégé Program http://www.acq.osd.mil/sadbu/mentor_protege

Small Business Technology Transfer Program http://www.acq.osd.mil/osbp/sbir/index.htm

Standard Financial Information Structure http://www.defenselink.mil/dbt/sfis_resources.html

System Metric and Reporting Tool http://www.defenselink.mil/dbt/products/Sept-06-BEA_ETP/bea/iwp/definitions2_systementity_386471.htm

Technology Feeder Support http://www.acq.osd.mil/dsb/reports/2007-04-Summer_Study_Strategic_Tech_Vectors_Vol_IV_Web.pdf

Technology Security Export Licensing System http://www.defenselink.mil/dbt/products/March_2007_BEA_ETP/etp/App_E/QuadCharts/USXPORTS_Chart.html

Tiered Accountability www.defenselink.mil/dbt/faq_bea.html

Wide Area Workflow https://wawf.eb.mil/

ACRONYM LIST

AAE: Army Acquisition Executive

AC: Acquisition Contract

ACAT: Acquisition Category

ADL: Advanced Distributive Learning

AMC: Army Materiel Command

AOTR: Assessment of Operational Test Readiness

AT&L: Acquisition, Technology and Logistics

BCL: Business Capability Life Cycle

BEA: Business Enterprise Architecture

BMA: Business Mission Area

BTA: Business Transformation Agency

CMS: Contract Management System

CPI: Continuous Process Improvement

CSIS: Center for Strategic and International Studies

DAB: Defense Acquisition Board

DAC: Defense Acquisition Challenge

DAE: Defense Acquisition Executive

DAES: Defense Acquisition Executive Summary

DAMIR: Defense Acquisition Management Information Retrieval

DAPA: Defense Acquisition Performance Assessment

DAU: Defense Acquisition University

DAWG: Deputy's Advisory Working Group

DAWIA: Defense Acquisition Workforce Improvement Act

DBSMC: Defense Business Systems Management Committee

DIA: Defense Intelligence Agency

DMDC: Defense Manpower Data Center

DT&E: Developmental Test and Evaluation

DUSD (A&T): Deputy Under Secretary of Defense for Acquisition and Technology

DUSD(R): Deputy Under Secretary of Defense for Readiness

EDI: Electronic Data Interchange

ERAM: Enterprise Risk Assessment Methodology

ETP: Enterprise Transition Plan

FCT: Foreign Comparative Test

GFP: Government Furnished Property

GIG: Global Information Grid

IBR: Investment Balance Review

ICP: Integrated Capability Portfolio

IIPT: Integrating Integrated Product Team

IR&G: Institutional Reform and Governance

IRB: Investment Review Board

IT: Information Technology

IUID: Item Unique Identifier

JMETC: Joint Mission Environment Test Capability

JNTC: Joint National Training Capability

JRAC: Joint Rapid Acquisition Cell

JROC: Joint Requirements Oversight Council

JTAP: Joint Task Assignment Process

JWICS: Joint Worldwide Intelligence Communications System

JWP: Joint Warfighting Program

LCM: Life Cycle Management

LOA: Line of Accounting

LSS: Lean Six Sigma

MDAP: Major Defense Acquisition Program

NGA: National Geospatial-Intelligence Agency

NSC: Natick Soldier Center

NSPS: National Security Personnel System

OSD: Office of the Secretary of Defense

OT&E: Operational Test and Evaluation

PBL: Performance-Based Logistics

PDR: Preliminary Design Review

PLM: Performance Learning Model

PM: Program Manager

PMA: Program Management Agreement

PoPS: Probability of Program Success

QDR: Quadrennial Defense Review

QRF: Quick Reaction Fund

R&E: Research and Engineering

RAA: Rapid Acquisition Authority

RBSS: Risk-Based Source Selection

RR: Receiving Report

S&T: Science and Technology

SAR: Selected Acquisition Report

SCORM: Sharable Content Object Reference Model

SES: Senior Executive Service

SFIS: Standard Financial Information Structure

SFTP: Secure File Transfer Protocol

SMART: System Metric and Reporting Tool

SPRDE: Systems Planning, Research, Development and Engineering

TIMS: Training Information Management Database

TRMC: Test Resource Management Center

TTI: Technology Transition Initiative

USD(AT&L): Under Secretary of Defense for Acquisition, Technology and Logistics

VIN: Vehicle Identification Number

WAWF: Wide Area Workflow

WMD: Weapon of Mass Destruction