

Department of Defense DIRECTIVE

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USDRE

SUBJECT:

Major System Acquisitions

References:

(a) DoD Directive 5000.1, "Major System Acquisitions," March 29, 1982 (hereby canceled)
(b) Office of Management and Budget (OMB) Circular A-109, "Major System Acquisitions," April 5, 1976
(c) "The Office of Federal Procurement Policy Act," as amended, 41 U.S.C. Sec. 401-419
(d) DoD Directive 2010.6, "Standardization and Interoperability of Weapon Systems and Equipment within the North Atlantic Treaty Organization," March 5, 1980
(e) through (i), see enclosure 1

A. REISSUANCE AND PURPOSE

This Directive reissues reference (a) to update the DoD statement of acquisition policy for major systems or major modifications to existing systems, and to implement the concepts and provisions of reference (b) and reference (c).

B. <u>APPLICABILITY</u>

The provisions of this Directive apply to the Office of the Secretary of Defense (OSD), the Military Departments, the Organization of the Joint Chiefs of Staff (OJCS), and the Defense Agencies. As used in this Directive, the term "DoD Components" refers to the Military Departments and the Defense Agencies, and the term "Military Service" refers to the Army, Navy, Air Force, and Marine Corps.

C. POLICY

1. <u>General</u>

a. It is the policy of the Department of Defense to ensure that DoD acquisition of major defense systems is carried out efficiently and effectively to achieve the operational objectives of the U.S. Armed Forces in their support of national policies and objectives, and that it meets the guidelines of reference (b).

b. Management responsibility for system acquisition programs shall be decentralized except for the decisions specifically retained by the Secretary of Defense. c. The management principles and objectives in this Directive shall also be applied to the acquisition of defense systems not designated as major.

2. Acquisition Management Principles and Objectives

a. Effective design and price competition for defense systems shall be obtained to the maximum extent practicable to ensure that defense systems are cost-effective and are responsive to mission needs.

b. Improved readiness and sustainability are primary objectives of the acquisition process. Resources to achieve readiness will receive the same emphasis as those required to achieve schedule or performance objectives. As a management precept, operational suitability of deployed weapon systems is an objective of equal importance with operational effectiveness.

c. Reasonable stability in acquisition programs is necessary to carry out effective, efficient, and timely acquisitions. To achieve stability, DoD Components shall:

(1) Conduct effective long range planning.

(2) Consider evolutionary alternatives instead of solutions at the frontier of technology; for example, preplanned product improvements (P3I) to reduce risk.

(3) Estimate and budget realistically, and fund adequately, research, development, production, logistics, and manpower for major systems.

(4) Plan to achieve economical rates of production, maintain surge capacity, and conduct realistic mobilization planning.

(5) Develop an acquisition strategy at the inception of each major system acquisition that sets forth the objectives, resources, management assumptions, extent of competition, proposed contract types, and program structure (such as, development phases, decision milestones, test and evaluation (T&E) periods, planned concurrency, production releases) and tailors the prescribed steps in the major system acquisition decision-making process to this strategy. When the acquisition strategy is approved by the DoD Component, changes shall be made only after assessment and consideration of the objectives of this Directive, and of the impact of such changes on the program.

d. To promote efficiency in the acquisition process, authority will be delegated to the lowest levels of the Component at which a comprehensive view of the progam rests. Responsibility and accountability must be clearly established. In particular, the Military Service program manager shall be given authority and resources commensurate with the responsibility to execute the program efficiently. Reviews, such as those by the Defense Systems Acquisition Review Council (DSARC), are a means to evaluate the information required for a decision which higher level authority has specifically reserved and not delegated to the program manager. Reviews will not be used to request data other than those required as a basis for higher authority decisions.

e. A cost-effective balance must be achieved among research, development, production, and ownership costs of major systems, and system effectiveness in terms of the mission to be performed.

f. Cooperation with U.S. allies in the acquisition of defense systems will be maximzed to achieve the highest practicable degree of standardization and interoperability of equipment, and to avoid duplication of effort. Mobilization requirements will be a factor considered in evaluating opportunities for international cooperation. (See DoD Directive 2010.6, reference (d)).

g. A strong industrial base is essential for a strong defense. To protect the public interest and foster competition, an ethical distance in business relationships between defense and industry must be maintained, without such buyer-seller relationship becoming adversarial. Technical collaboration with industry must be maintained to achieve major system acquisition objectives and meet technological challenges. The impact of DoD acquisition on the industrial base must also be considered both for the near term and long range implications.

3. Order of Precedence.

This Directive and DoD Instruction 5000.2 (reference (e)) are first and second in order of precedence for major system acquisitions except when statutory requirements override. All DoD issuances shall be reviewed for conformity with this Directive and reference (d) and, if in conflict, shall be changed or canceled, as appropriate. Conflicts remaining after 90 days from issuance of this Directive shall be brought to the attention of the originating office and the Defense Acquisition Executive/Procurement Executive for action.

D. DEFINITIONS

1. <u>Operational Effectiveness</u>. The overall degree of mission accomplishment of a system used by representative personnel in the context of the organization, doctrine, tactics, threat (including countermeasures and nuclear threats) and environment in the planned operational employment of the system.

2. <u>Operational Suitability</u>. The degree to which a system can be placed satisfactorily in field use, with consideration being given to availability, compatibility, transportability, interoperability, reliability, wartime usage rates, maintainability, safety, human factors, manpower supportability, logistic supportability, and training requirements.

E. PROCEDURES

1. <u>Analysis of Mission Areas.</u> As a key to a focus on planning, DoD Components, OSD, and OJCS shall conduct continuing analyses of their assigned mission areas to identify deficiencies or to determine more effective means of performing assigned tasks. From these mission analyses, a deficiency or opportunity may be identified that could lead to initiation of a major system acquisition program.

2. <u>Alternatives to New System Development</u>. A system acquisition may result from an identified deficiency in an existing capability, a decision to establish new capabilities in response to a technologically feasible opportunity, a significant opportunity to reduce the DoD cost of ownership, or in response to a change in national defense policy. Development of a new system may be undertaken only after assessment of alternative system concepts including:

a. Change in U. S. or North Atlantic Treaty Organization (NATO) tactical or strategic doctrine.

b. Use of existing military or commercial system.

c. Modification or improvement of existing system.

3. <u>Phases of the Acquisition Process.</u> There are distinct phases in the acquisition of a new system. Normally, these are concept exploration, demonstration and validation, full-scale development, and production and deployment. These phases are to be tailored to fit each program to minimize acquisition time and cost, consistent with the need and the degree of technical risk involved. For major system acquisitions, the Secretary of Defense will make the decisions described in subsection E.4., below. The Secretary of Defense decision milestones will be tailored to match the selected acquisition strategy. In keeping with the principle of controlled decentralization, the mission need determination has been incorporated into the planning, programing, and budgeting system (PPBS) and the production decision has been delegated to the DoD Component, provided that established thresholds are met. DoD Components shall adhere to this principle by delegating authority to the lowest organizational level feasible. Milestone decision points shall be identified in the acquisition strategy for each major system acquisition.

4. <u>Secretary of Defense Decisions</u>. The Secretary of Defense will make the following decisions in the acquisition of major systems:

a. <u>Mission Need Determination (Milestone 0)</u> The mission need determination is accomplished in the PPBS process based on a Component's justification of Major System New Starts (JMSNS) which is to be submitted with the Program Objectives Memorandum (POM) in which funds for the budget year of the POM are requested. The Secretary of Defense will provide appropriate program guidance in the Program Decision Memorandum (PDM). This action which completes Milestone 0 provides official sanction for a major system new start and authorizes the Military Service, when funds are available, to initiate the next acquisition phase.

b. <u>Milestone I.</u> This first Secretary of Defense major milestone decision is concept selection and entry into the demonstration and validation phase. This decision is based on a System Concept Paper (SCP) prepared by the DoD Component. The Milestone I decision is a validation of the requirement, based upon preliminary evaluation of concepts, costs, schedule, readiness objectives, and affordability. It provides authority to

proceed with the demonstration and validation phase and to develop the system sufficiently to support a Milestone II decision. A review of the acquisition strategy may be substituted for a formal Milestone I review for those programs not requiring a discrete demonstration and validation phase. The Milestone I decision shall establish thresholds and objectives to be met and reviewed at the next milestone, the acquisition strategy for the recommended concepts (including the nature and timing of the next Secretary of Defense decision point), and a dollar threshold that cannot be exceeded to carry the program through the next milestone.

c. Milestone II.

(1) The second Secretary of Defense major decision is program go-ahead and approval to proceed with full-scale development. The production decision at Milestone III is delegated to the DoD Components, provided the thresholds established at Milestone II are met. The production decision may be redelegated to the lowest level in the organization at which a comprehensive view of the program rests. The timing of the Milestone II decision is flexible and depends upon the tailored acquisition strategy approved by DoD Components and the Secretary of Defense at Milestone I.

(a) The Milestone II review will occur at the point where a program moves from demonstration and validation into full-scale development.

(b) In some cases it may be desirable to delay the Milestone II review until some additional development effort has been accomplished. The purpose is to provide a better definition of system performance, cost, schedule, producibility, industrial base responsiveness, supportability, and testing; thereby, reducing risk and uncertainty before the commitment to a major increase in the application of resources toward full-scale development is made. In the case of a delayed Milestone II decision, any fullscale development contracts entered into before Milestone II will be written so that the program can be terminated at Milestone II at least cost to the government.

(2) Whatever timing for the Milestone II review is selected in the acquisition strategy, both DoD Component and OSD reviews shall be held reasonably close so that program managers will not be required to pass the same milestone more than once. It is generally desirable to maintain design competition up to the Milestone II decision point, or beyond, if it is determined to be a cost-effective acquisition strategy.

(3) The Defense Acquisition Executive (DAE)/Procurement Executive (PE) shall advise the Secretary of Defense on all of the major milestone decisions. Normally, the DAE/PE will be assisted by the DSARC at Milestones 0, I and II.

5. <u>Directed Decisions by Higher Authority</u>. When a line official above the program manager exercises decision authority on program matters, the decision shall be documented as official program direction to the program manager, and a copy shall be provided to the DAE/PE and appropriate DSARC chair. The line official shall be held accountable for the decision.

6. <u>Designation of Major Systems</u>. The Secretary of Defense shall designate those systems that are to be managed as major systems. Normally, this shall be done when a major system new start is authorized in the PDM. The decision to designate any system as major may, after consultation with the DoD Component concerned, be based upon:

a. Development risk, urgency of need, or other items of interest to the Secretary of Defense.

b. Joint acquisition of a system by the Department of Defense and representatives of another nation, or by two or more DoD Components.

c. The estimated requirement for the system's research, development, T&E, procurement (production); and operation and support resources. A JMSNS is required for all acquisitions for which the DoD Component estimates costs to exceed \$200 million (FY80 dollars) in RDT&E funds or \$1 billion (FY80 dollars) in procurement (production) funds, or both.

d. Significant congressional interest.

7. Affordability (DSARC/PPBS Interface). Affordability, which is a function of cost, priority, and availability of fiscal and manpower resources, shall be considered at every milestone and during the PPBS process. The order of magnitude of resources the DoD Component is willing to commit, and the relative priority of the program to satisfy the need identified in the JMSNS will be reconciled with overall capabilities. priorities, and resources in the PPBS. System planning shall be based on adequate funding of program cost. A program normally shall not proceed into concept exploration or demonstration and validation unless sufficient resources are or can be programed for those phases. Approval to proceed into full-scale development or into production shall be dependent on DoD Component demonstration that resources are available or can be programed to complete development, to produce efficiently, and to operate and support the deployed system effectively. Funding availability shall be reaffirmed by the DoD Component before proceeding into production and deployment. То avoid creating program instability, funding changes shall not be introduced without assessment and consideration of the impact of these changes on the overall acquisition strategy for the major system to be acquired. Specific facets of affordability to be reviewed at milestone decision points are set forth in DoD Instruction 5000.2 (reference (e)).

8. <u>Acquisition Time.</u> Minimizing the time it takes to acquire materiel and facilities to satisfy military needs shall be a primary goal in the development of an acquisition strategy. Particular emphasis shall be placed on minimizing the time from a commitment to acquire an operationally suitable, supportable, and effective system to deployment with the operating forces in sufficient quantities for full operational capability. Commensurate with risk, such approaches as developing separate alternatives in high-risk areas; early funding to design-in reliability and support characteristics, lead time reductions through concurrency; experimental prototyping of critical components; combining phases; preplanned product improvement; additional test articles; or omitting phases, should be encouraged. When combining or omitting phases is appropriate, concurrence shall be requested from the Secretary of Defense. Administrative delays associated with briefings and reviews at various organizational levels shall be minimized.

9. Tailoring and Flexibility. The acquisition strategy developed for each major system acquisition shall consider the unique circumstances of individual programs. Programs shall be executed with innovation and common sense. To this end, the flexibility inherent in this Directive shall be used to tailor an acquisition strategy to accommodate the unique aspects of a particular program as long as the strategy remains consistent with the basic logic for system acquisition problem-solving and the principles in this Directive for business and management considerations. The acquisition strategy shall normally contemplate narrowing the number of competing alternatives to eliminte concepts no longer considered viable as the acquisition process proceeds. This narrowing of competing alternatives shall be accomplished without interrupting the remaining contracts, and need not be timed to coincide with milestone decisions. However, competition for each phase, including, when appropriate, plans for design competition in the early phases and price competition in production, shall be described in the acquisition strategy.

10. <u>Test and Evaluation</u>. Throughout the acquisition process, emphasis shall be placed upon verifying actual performance through T&E. The procedures of DoD Directive 5000.3 (reference (f)) will be integral to all systems acquisition planning and decision-making.

11. <u>Readiness</u>. Readiness goals and related design requirements and activities shall be established early in the acquisition process, and shall receive emphasis comparable to that applied to cost, schedule, and performance objectives. Logistic supportability shall be considered early in the formulation of the acquisition strategy and in its implementation. Projected or actual achievement of readiness objectives will be assessed at each milestone. (See DoD Directive 5000.39, reference (g)).

12. Documentation for

a. <u>Mission Need Determination - Justification for Major</u> <u>System New Start (JMSNS)</u>. Each major system acquisition program requires a JMSNS to be reviewed by the OSD in the POM review before the new start is included in the DoD budget submission. DoD Components shall prepare JMSNS to document major deficiencies (or opportunities for improvements) in their ability to meet mission requirements when it is planned that such deficiencies be corrected by the acquisition of a major new system or a major modification to an existing major system. Joint JMSNS shall be prepared to document major deficiencies in two or more DoD Components. OSD and the OJCS may also prepare JMSNS in response to mission area deficiencies. Joint OSD and OJCS JMSNS shall recommend a lead DoD Component to the Secretary of Defense. The JMSNS is described in DoD Instruction 5000.2 (reference (e)).

b. <u>Milestone I - System Concept Paper (SCP)</u>. The SCP provides basic documentation for use by DSARC members in arriving at a recommendation to the Secretary of Defense. The SCP is described in reference (e). The SCP will identify program alterntives based upon initial studies and analyses of design concepts; alternative acquisition strategies; expected operational capabilities; industrial base capacity; readiness, support, and personnel requirements; and cost estimates. The Test and Evaluation Master Plan (TEMP), as described in DoD Directive 5000.3 (reference (e)), will outline the T&E program.

c. <u>Milestone II (and Milestone III, if the Secretary of</u> <u>Defense's decision is required</u>) <u>Decision Coordinating Paper/Integrated</u> <u>Program Summary (DCP/IPS)</u>. The DCP/IPS summarizes the DoD Component's acquisition planning for the system's life-cycle and provides a management overview of the program. The DCP/IPS is described in DoD Instruction 5000.2 (reference (e)). The TEMP (DoD Directive 5000.3, reference (f)) will define the T&E program for the full-scale development phase.

d. <u>OSD Staff Information Requirements</u>. DoD Components' appropriate staff elements will work with the OSD staff so that OSD can maintain current visibility over matters such as cost, supportability, T&E, industrial base responsiveness, and production readiness throughout the acquisition process.

e. <u>Secretary of Defense Decision</u>. Secretary of Defense approval of the JMSNS is accomplished in the PPBS when the major system new start is approved by the Secretary of Defense in the PDM. Changes, if any, from the DoD Component approach directed by the Secretary shall be documented in the PDM. For a joint program JMSNS and all program milestones, a Secretary of Defense Decision Memorandum (SDDM) documents each Secretary of Defense decision, establishes program goals and thresholds, reaffirms established needs and program objectives, authorizes exceptions to acquisition policy and provides the direction and guidance to OSD, OJCS, and the DoD Components for the next phase of the acquisition.

F. RESPONSIBILITIES

1. The <u>Deputy Secretary of Defense (DEPSECDEF)</u> is designated the Defense Acquisition Executive (DAE) and the Procurement Executive (PE). In this capacity, the DEPSECDEF shall:

a. Be the principal advisor to the Secretary of Defense for the acquisition of defense systems and equipment.

b. Through the DSARC chair, ensure the management process, policies, and procedures for major system acquisitions are integrated and unified.

c. Monitor and ensure DoD compliance with the policies and practices in OMB Circular A-109 (reference (b)), this Directive, DoD Instruction 5000.2, Pub. L. 98-191, (reference (c)), and DoD Directive 5000.3 (reference (f)).

2. The <u>Under Secretary of Defense for Research and Engineering</u> (<u>USDRE</u>) shall be responsible for policy, review, and acquisition strategy of all research, engineering development, technology, and test and evaluation of systems covered by this Directive, and shall:

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a. Serve as a permanent member and DSARC chair for Milestone 0, I and II DSARC reviews. The USDRE may on occasion specify an alternate chair based upon the nature of the system.

b. Ensure during Milestone O, I and II DSARC reviews integration of the acquisition process and the PPBS.

c. Monitor in conjunction with the Under Secretary of Defense for Policy, the Assistant Secretary of Defense (Command, Control, Communications and Intelligence), and the Director, Program Analysis and Evaluation (PA&E), DoD Component procedures for analysis of mission areas.

d. Coordinate the review of JMSNS provided by DoD Components in the POM to determine whether major system new starts should be included in the PDM.

e. Coordinate with the Assistant Secretaries of Defense (Acquisition & Logistics), (Comptroller), (Force, Manpower and Programs), (Command, Control, Communications and Intelligence) and the Director, PA&E, the interface of the acquisition process with the PPBS.

f. The USDRE when serving as DSARC chair, shall:

(1) Ensure that the requirements and viewpoints of the functional areas are given consideration during staff and DSARC deliberations, and are integrated in the recommendations submitted through the DAE/PE to the Secretary of Defense.

(2) Ensure consistency in applying the policies regarding NATO rationalization, standardization, and interoperability (RSI) for major systems.

(3) Be delegated authority specifically to:

(a) Designate action officers who shall be responsible for the processing of the major milestone decision documentation and who shall monitor the status of major systems during the research and development phases of the acquisition process.

(b) Recommend the lead Component for multi-Service research and development programs and provide guidance as to when in the development cycle transition to single Military Service management will occur.

(c) Issue instructions and one-time directive-type memoranda consistent with DoD Directive 5025.1 (reference (h)).

(d) Obtain such reports and information, consistent with the provisions of DoD Directive 5000.19 (reference (i), as may be necessary in the performance of assigned functions.

(e) Conduct program reviews, as appropriate. Program reviews are more limited in scope than DSARC reviews, generally address

specific aspects of the program, and do not necessarily serve as a basis for a Secretary of Defense decision recommendation.

3. The <u>Under Secretary of Defense for Policy (USD(P))</u> as a permanent member of the DSARC, shall:

a. Determine whether system requirements as defined in the JMSNS are consistent with policy and planning provisions of the Defense Guidance;

b. Provide advice through the appropriate DSARC chair to the DAE/PE on the international implications, including co-production, of any new major system development;

c. Monitor in conjunction with the USDRE, the Assistant Secretary of Defense (Command, Control, Communications and Intelligence), PA&E, and the Director, DoD Component procedures for analysis of mission areas.

4. The <u>Assistant Secretary of Defense (Acquisition and Logistics)</u> (<u>ASD(A&L)</u>) shall be responsible for policy, review, and acquisition strategy for the production procurement of all systems covered by this Directive and for policy on logistics, facility construction, energy, environment, and safety for new major systems throughout their life cycle and shall:

a. Serve as a permanent member and DSARC chair for Milestone III DSARC reviews. The ASD(A&L) may on occasion specify an alternate chair based upon the nature of the system.

b. Ensure during Milestone III DSARC reviews integration of the acquisition process and PPBS.

c. Ensure that logistics planning is consistent with system hardware parameters, logistic policies, and readiness objectives.

d. Monitor DoD Component procedures for planning and providing post production support to meet system readiness objectives.

e. Coordinate with the USDRE, Assistant Secretaries of Defense (Comptroller), (Force, Manpower and Programs), (Command, Control, Communications and Intelligence), and the Director, PA&E, the interface of the acquisition process with the PPBS.

f. The ASD(A&L) when serving as DSARC chair, shall:

(1) Ensure that the requirements and viewpoints of the functional areas are given consideration during staff and DSARC deliberations, and are integrated in the recommendations submitted through the DAE/PE to the Secretary of Defense.

(2) Be delegated authority specifically to:

(a) Designate action officers who shall be responsible for the processing of the major milestone decision documentation and who shall monitor the status of major systems during the production phase of the acquisition process.

(b) Issue instructions and one-time directive-type memoranda consistent with DoD Directive 5025.1 (reference (h)).

(c) Obtain such reports and information, consistent with the provisions of DoD Directive 5000.19 (reference (i), as may be necessasry in the performance of assigned functions.

(d) Conduct program reviews, as appropriate. Program reviews are more limited in scope than DSARC reviews, generally address specific aspects of the program, and do not necessarily serve as a basis for a Secretary of Defense decision recommendation.

5. The <u>Assistant Secretary of Defense (Force, Manpower and Programs)</u> (<u>ASD(FM&P)</u>) as a permanent member of the DSARC shall:

a. Be responsible for policy on manpower planning of systems covered by this Directive.

b. Coordinate with the USDRE, ASD(A&L), ASD(C), Assistant Secretary of Defense (Command, Control, Communications and Intelligence), and the Director, PA&E, the interface of the acquisition process with the PPBS.

6. The <u>Assistant Secretary of Defense (Command, Control,</u> Communications and Intelligence) (ASD(C3I)) shall:

a. Serve as a DSARC member for those DSARC milestone reviews concerning C3I systems.

b. Coordinate with the USDRE, ASD(A&L), ASD(C), ASD(FM&P) and the Director, PA&E, the interface of the acquisition process with the PPBS.

7. The <u>Assistant Secretary of Defense (Comptroller) (ASD(C))</u>, as a permanent member of the DSARC, shall coordinate, together with the USDRE, the ASD(A&L), ASD(FM&P), ASD(C3I) and the Director, PA&E, the interface of the acquisition process with the PPBS.

8. The <u>Director, Program Analysis and Evaluation (DPA&E)</u>, as a permanent member of the DSARC, shall:

a. Monitor in conjunction with the USDRE, the USD(P), and the ASD(C3I) DoD Component procedures for analysis of mission areas.

b. Evaluate cost-effectiveness studies prepared in support of milestone decisions for major system acquisitions.

c. Coordinate with USDRE, ASD(C), ASD(A&L), ASD(FM&P) and ASD(C3I), the interface of the acquisition process with the PPBS.

9. The <u>Chairman, Joint Chiefs of Staff (CJCS)</u>, or a designee, shall be a permanent member of the DSARC.

10. Each <u>Secretary of the Military Departments</u>, or a designee, shall be a permanent member of the DSARC for major system acquisitions involving his Department.

11. The <u>Head of each DoD Component</u> shall manage each major system acquisition assigned by the Secretary of Defense, establish clear lines of authority, responsibility, and accountability, and shall:

a. Appoint a DoD Component acquisition executive to serve as the principal advisor and staff assistant to the head of the DoD Component.

b. Establish a System Acquisition Review Council (SARC) at the Component level to advise the Component head on designated acquisition programs.

c. Ensure that a program manager is assigned and that a program manager's charter is approved as soon as feasible after mission need is determined and resources are allocated in the budget.

d. Ensure that the program manager's tenure is of sufficient length to provide continuity and management stability.

e. Establish management training and career incentives to attract, retain, motivate, and reward competent program managers.

f. Provide a program manager the necessary assistance to establish a strong program office with clearly established lines of authority and reporting channels between the program manager and the head of the DoD Component. Where functional organizations exist to assist the program manager, the relationship of the functional areas to the program manager shall be established.

g. Limit reporting requirements for the program manager to the least required for effective oversight.

h. Monitor major system acquisitions to assure compliance with OMB Circular A-109 (reference (b)), this Directive, DoD Instruction 5000.2 (reference (e)), and DoD Directive 5000.3 (reference (f)).

i. Manage the program when designated lead Component for multi-Service acquisitions under the policies and procedures used by that Military Service. The program manager, program manager's office, and functional elements of each participating Service shall operate under the policies, procedures, data standards, specifications, criteria, and financial accounting of the lead Component. Exceptions, as a general rule, will be limited to those where prior mutual agreement exists, or those essential to satisfy substantive needs of the participating Services.

j. Designate a single major field agency, separate and distinct from the materiel developing and procuring commands and user representative commands, to be responsible for the conduct of operational T&E. This agency

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will report the results of its independent operational T&E directly to the Military Service Chiefs and Secretaries of the Military Departments.

12. The <u>Defense Systems Acquisition Review Council (DSARC)</u> shall advise the Secretary of Defense through the DAE/PE on milestone decisions for major systems and such other issues as the DSARC chair determines to be necessary.

13. The <u>advisors</u> to the DSARC are listed in DoD Instruction 5000.2 (reference (e)).

14. The <u>Program Manager</u> shall be responsible for acquiring and fielding (in accordance with instructions from line authority) a system that meets the approved mission need and achieves the established cost, schedule, readiness, and affordability objectives.

H. EFFECTIVE DATE AND IMPLEMENTATION

This Directive is effective immediately. Forward one copy of implementing documents to the Under Secretary of Defense for Research and Engineering within 120 days.

Billia H. Taft

William H. Taft, IV Deputy Secretary of Defense

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REFERENCES

- (e)
- (f)
- DoD Instruction 5000.2, "Major System Acquisition Procedures," DoD Directive 5000.3, "Test and Evaluation," December 26, 1979 DoD Directive 5000.39, "Development of Intergrated Logistics Support for Systems and Equipments," January 17, 1980 (g)
- DoD Directive 5025.1, "Department of Defense Directives System, (h) October 16, 1980
- DoD Directive 5000.19, " Policies for the Management and Control of (i) Information Requirements," March 12, 1976