THE ASSISTANT SECRETARY OF THE NAVY
(RESEARCH, DEVELOPMENT AND ACQUISITION)
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WASHINGTON DC 20350-1000

FEB 23 2012

MEMORANDUM FOR THE CHIEF OF NAVAL RESEARCH
COMMANDER, NAVAL AIR SYSTEMS COMMAND
COMMANDER, NAVAL SEA SYSTEMS COMMAND
COMMANDER, SPACE AND NAVAL WARFARE SYSTEMS COMMAND
NAVAL FACILITIES AND ENGINEERING COMMAND
COMMANDING GENERAL, MARINE CORPS SYSTEMS COMMAND

SUBJECT: Use of In-House Engineering and Technical Resources

Ref: (a) SECDEF letter releasing Department of Defense Strategic Guidance "Sustaining U.S. Global Leadership: Priorities for 21st Century Defense", 5 Jan 2012
(b) SECNAV Memorandum for Department of the Navy Acquisition of 10 October 2008

Reference (a) established the overarching strategic direction for the Department of Defense (DoD) including the imperative to sustain innovation and investment at an appropriate level, especially in a constrained fiscal environment. This strategic imperative requires focused stewardship of the Department's intellectual capital for acquiring the complex systems required by the warfighter.

The Department must always have the ability to: (1) understand military problems in technical terms, (2) know who has the potential to solve those problems, and (3) verify a correct solution technically when it is offered. The Department of Navy (DoN) has historically made deliberate and measured investments to ensure that ability within the organic workforce these inherently governmental functions. Reference (b), SECNAV 2008 memorandum for Department of Navy (DoN) Acquisition, which affirmed the need to establish and maintain an in-house technical capability essential to understanding the technical-cost tradespace of acquisition remains relevant today.

Today's most pressing challenge in Acquisition is delivering the required capability needed by our Sailors and Marines --- more affordably. To do so requires a significant technical understanding of the complex systems the Department is acquiring. DoN Scientists and Engineers are key to providing that understanding. The Office of Naval Research (ONR), Laboratories, Systems Commands (SYSCOMS), Warfare and Systems Centers are the principal sources of in-house technical knowledge.

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During this time of strategic and budget refocus, the Department must maximize its return on the investment of in-house technical capability and facilities. Consequently, I am directing the Program Executive Officers (PEOs) and their Program Managers to look, first, to in-house Naval Laboratories, Warfare and Systems Centers for Pre-MSB technical work that would improve the Department's technical product, and cost knowledge. It is especially important that DoN Scientists and Engineers perform or participate significantly in these functions in the early stages of research and development (R&D). Examples include: engineering work in support of AoAs, in-house prototyping, experimentation, scale-model testing, and reducing program risk via subsystem development and testing. These taskings serve to emphasize hands-on work rather than administrative or oversight functions.

This directive should be viewed as complimentary to the role of our Industry, University Affiliated Research Center (UARC), and Federally Funded Research and Development Center (FFRDC) partners. The taxpayer expects the government to have capable private sector technical peers who understand the systems the Department develops and acquires.

Sean J. Stackley

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