DEPARTMENT OF THE AIR FORCE
WASHINGTON DC 20330-1060

OFFICE OF THE ASSISTANT SECRETARY

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MEMORANDUM FOR SEE DISTRIBUTION

FROM: SAF/AQ
1060 AF Pentagon
Washington DC 20330-1060

SUBJECT: Interim Policy Memo on Expectation Management in Acquisition (Policy memo 03A-006, 29 April 2003)

Last April I issued a memo outlining the need for expectation management in acquisition programs and directed a joint team develop a policy for documenting it in the Program Management Directive. In November HOI 63-1, *Headquarters Air Force Guidance for Preparing Program Management Directives (PMD)*, was released and provides the procedure for attaching the Expectation Management Agreement (EMA) to the PMD. This memo will provide guidance for preparing the EMA until AFI 63-101, *Operation of the Capabilities Based Acquisition System*, is revised.

Providing the operator the capabilities needed when they are required, at the most affordable cost is the cornerstone to building credibility. Expectation management, through effective two-way communication, can provide real-time updates and supports building credibility between the acquirer and the operator. Once mutually agreed to realistic expectations are set, changes that impact those expectations, no matter what their source, must be identified and communicated to leadership. These changes, with General Officer/Senior Executive Service (SES) civilian concurrence, will drive a new agreement on expectations. Program Managers are responsible for ensuring their programs have a process for continuously managing the program cost, schedule, and performance and addressing the expectations of the operator. The Program Manager will be responsible for documenting the process and communicating the EMA roles and responsibilities to everyone involved. This process will encompass, at a minimum, an annual review between the acquisition program office and operator to assess how well the program meets their expectations. The review should address (but is not limited to) the following:

- Status of program execution against the Acquisition Program Baseline (APB)
- Status of program execution against all requirements identified in the Capabilities Document
- Other programmatic expectations identified and agreed to as significant but not found in approved program documentation
- Status of cost expectations vs. existing program cost estimates
- Status of funding expectations for successful program execution
- Any mutually agreed-to changes in expectations relating to cost, schedule and performance

- Any expectation concerns or areas of disagreement by the acquisition program office or the operator (if none, so state)

The output of the review will be an Expectation Management Agreement that documents those agreements relating to cost, schedule, performance, and funding that are not reflected in other program documentation such as the APB. The EMA does not supersede a validated requirements document or other required program documentation and does not replace the need or process for updating those documents. Any format may be used to document the agreements (e.g. meeting minutes, briefing slides, formal memo, etc.). However, General Officers or civilian equivalents representing the acquisition and operator community will sign this agreement. Signature authority may not be delegated below a General Officer or Senior Executive Service civilian. The Program Manager will work with their PEO and operator to determine who will co-sign the Expectation Management Agreements. USAF/XOR will be notified by the operator representative of any agreements that will result in, or have the potential to cause the program to result in below threshold performance on non key performance parameters. The most recent signed Expectation Management Agreement will be included as an attachment to the PMD, or appropriate appendix, at least annually and whenever there are significant changes.

If you have any further questions please contact SAF/AQXA, Policy Branch at (703) 588-7100.

MARVIN R. SAMBUR
Assistant Secretary of the Air Force
(Acquisition)

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