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ACQUISITION AND
TECHNOLOGY

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09 JUL 1999

MEMORANDUM FOR VICE CHIEF OF STAFF OF THE ARMY
VICE CHIEF OF NAVAL OPERATIONS
ASSISTANT COMMANDANT OF THE MARINE CORPS
VICE CHIEF OF STAFF OF THE AIR FORCE
ASSISTANT SECRETARY OF DEFENSE, COMMAND CONTROL AND COMMUNICATIONS
SECRETARIES OF THE MILITARY DEPARTMENTS
ATTN: ACQUISITION EXECUTIVES
DIRECTOR, FORCE STRUCTURE, RESOURCES & ASSESSMENT
DIRECTOR, PROGRAM ANALYSIS & EVALUATION

SUBJECT: Implementing Cycle Time Reduction Recommendations

One of the main areas of focus of the recently completed "Section 912" study on the Requirements and Acquisition Processes was reduction of acquisition cycle time, defined as the time from program initiation (usually a Milestone I decision) to achievement of initial operational capability. Data from the Selected Acquisition Reports show that on average it takes the Department about 11 years to complete the acquisition cycle for its major defense programs. This is too long. Long cycle times lead to higher costs and diminished military effectiveness. In today's environment of asymmetrical threats and rapidly advancing commercial technologies, our objective must and will be to achieve acquisition cycle times no longer than five to seven years.

The Requirements and Acquisition Process study addressed this issue, and based on the study recommendations, I am directing the following immediate actions:

- **The Cost of Delay**. The Department's leadership needs more visibility into the important performance and cost implications of long cycle times. Therefore, beginning immediately, analyses of alternatives used in the acquisition process should consider the benefits and detriments, if any, of accelerated and delayed introduction of military capabilities, including the effect on life-cycle costs. The Director of Systems Acquisition shall work with the offices of Strategic and Tactical Systems and Program Analysis and Evaluation to ensure that this guidance is reflected in DoD 5000.2-R with respect to the process for Analysis of Alternatives and Cost as an Independent Variable analyses.

- **Evolutionary Acquisition Policy**. The Department needs a more definitive statement of evolutionary acquisition policy. The Director of Systems Acquisition shall lead the effort to identify changes required to the DoD Directive 5000.1 and DoD 5000.2-R to identify evolutionary acquisition strategies as the preferred method of doing business. These changes shall be completed within four months. The policy should reflect an emphasis on early and rigorous technology demonstrations; mature Technologies; open systems design to facilitate flexible technology insertion; incremental improvements to match evolving requirements; and the achievement of cycle time schedule benchmarks that are 50% of the Department's historical average.

- **Use of Demonstrations**. Another key component of reducing acquisition cycle time is the broader use of demonstrations. Specifically, demonstrations shall be the preferred method of assessing and reducing concept risk, and assessing the military utility of alternative technologies. In addition, the Department must do a better job of incorporating Cost as an Independent Variable analyses, acquisition strategies, and supportability plans into the demonstration process. These actions will permit a smoother transition into the acquisition process and facilitate the development of concepts of operations and Operational Requirements Documents. Finally, we need to define a process whereby the approval of a demonstration constitutes determination of a valid mission need for further exploration. The Director, Systems Acquisition shall work with the Joint Staff and the offices of Strategic and Tactical Systems and Advanced Systems Concepts to prepare policy language for the DoD 5000.2-R. This language should be ready for incorporation within four months.

- **Analyzing the Technology Market**. The Deputy Under Secretary for Science and Technology shall enhance existing processes, such as the Technology Area Review Assessments and Joint Warfighting Science and Technology Plan, to better clarify technological opportunities that are emerging from any and all sources, including DoD laboratories, the commercial R&D community, other federal agencies, and foreign sources. The Deputy Under Secretary shall also institute an annual "S&T Readiness Conference" to identify emerging mature technologies consistent with identified materiel needs. The first conference shall be held within two months. If changes to acquisition policy are warranted, the Deputy Under Secretary shall work with the Director of Acquisition Program Integration to revise the DoD 5000.2-R.

As part of implementing the Section 912 recommendations, the Vice Chairman of the Joint Chiefs of Staff is directing changes to the requirements generation system. These changes will include the establishment of a policy that expresses military requirements in a time-phased manner, focuses on the cost the Department should be willing to pay to achieve the desired capability, and makes interoperability a key performance parameter.

Reducing long cycle times means rigorous, up-front work in the areas of threat development, technology demonstration, and requirements generation. But once acquisition programs are initiated, we must focus on the rapid achievement of the initial operational capability. By a separate memorandum, I will direct the Director, Systems Acquisition and the

Deputy Under Secretary of Defense (Acquisition Reform), working through the Defense Acquisition Policy Steering Group, to incorporate the above actions, along with actions from other studies and reviews, into DoDD 5000.1 and DoD 5000.2-R. Pending the completion of that effort, the Component Acquisition Executives and the Overarching Integrated Product Team Leaders shall work closely with Program Managers and Program Executive Officers to ensure the above actions are aggressively implemented.

J. S. Gansler

cc: Special Ass't to SecDef & Dep SecDef