



DEPARTMENT OF THE AIR FORCE
WASHINGTON DC

APR 09 2003

OFFICE OF THE ASSISTANT SECRETARY

Policy Memo: 03A-005

MEMORANDUM FOR ALL PROGRAM EXECUTIVE OFFICERS
DESIGNATED ACQUISITION COMMANDERS
SINGLE MANAGERS

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

SUBJECT: Incentivizing Contractors for Better Systems Engineering

This memo supersedes Policy Memos 03A-001 and 03A-003. The fundamental messages of those two memos are unchanged; however, they are being consolidated in the interests of clarity and simplicity.

Ongoing Air Force transformation efforts strongly emphasize credible, agile acquisition processes. An immediate transformation imperative for all our programs is to focus more attention on the application of Systems Engineering (SE) principles and practices throughout the system life cycle. Programs must elevate these disciplines to a level commensurate with other programmatic considerations such as cost and schedule.

A more robust SE environment can only be achieved through joint cooperative efforts with our contractors. I am therefore directing all PEOs/DACs/Single Managers to complete the following actions by 30 April 2003 for current programs:

- a) Assess your ability to incentivize your contractors to perform robust SE, and report this information to the appropriate Milestone Decision Authority (MDA) (ACAT ID and IAM programs will report to SAF/AQ).
- b) As necessary, develop SE performance incentives appropriate to your program's life cycle phase, and insert into contractual Award Fee or Incentive Fee structures.
- c) Include status of key SE processes/practices during all future program reviews.

I am further directing PEOs, DAC, and Single Managers to ensure that disciplined SE practices receive adequate consideration in all future acquisitions, whether competitive or sole-source. This can be achieved by explicitly identifying key SE processes and practices in acquisition documentation, including Single Acquisition Management Plans (SAMP), Source Selection Plans (SSP), Requests for Proposal (RFP), Statements of Objectives (SOO), Integrated Master Plans/Integrated Master Schedules (IMP/IMS), etc.

Further, Acquisition Strategy Panel (ASP) briefings must also address significant SE areas. **SAMPs and ASPs that lack the necessary and sufficient attention to SE shall not be approved.**

We are identifying ways to improve SE throughout the acquisition process, including workforce issues such as education and training; tools such as policies, instructions, and guidance; and institutions such as the newly-chartered Center for Systems Engineering (CSE) under the Air Force Institute of Technology (AFIT). I view the Acquisition Centers of Excellence (ACE) and engineering organizations as conduits to the amassed wealth of talent and experience that exists across the Air Force, specifically Air Force Materiel Command (AFMC), Air Force Space Command (AFSPC), and their field centers.

Our continued success and future growth will be dependent upon a collaborative partnership across the acquisition community to tap the tremendous corporate knowledge and talent that resides within AFMC, AFSPC, SAF/AQRE, SAF/AQC, ACE and engineering organizations, and our industry partners. This memo represents “Increment 1” of our SE focusing efforts and we will continue to review and enhance in future increments. As such, your initial assessments do not have to be 100% solutions, but should represent baselines from which to proceed toward our transformation objectives.

I believe we are on the cusp of forging a new path – re-invigorating the basics of sound SE disciplines that have served us well on many successful programs. I can assure you that Air Force leaders are taking a strong and renewed interest in how our acquisition community addresses SE disciplines and practices, and look for your continued support and leadership in these efforts to redefine our future. Lt Col Jeff Loren, SAF/AQRE, (703) 588-7845, and Ms Tina James, SAF/ACE, (703) 253-5659, are the AQ points of contact for questions regarding this memo.



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

cc:
SAF/US
HQ USAF/IL
HQ AFMC/CC

Attachment
Acquisition and Systems Engineering Resource Information, Tools, and Documents (not all-inclusive)

ACQUISITION & SYSTEMS ENGINEERING RESOURCE INFORMATION
(Not all-inclusive)

Air Force Contracting Toolkit

<http://www.safaq.hq.af.mil/contracting/toolkit/#>

United States Air Force Acquisition Center of Excellence (SAF/ACE)

<http://www.safaq.hq.af.mil/ACE/>

AFMC Acquisition Center of Excellence (ACE) Guides and References

<https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/AE/guides.htm>

AFMC “Knowledge Now”; links to Communities of Practice (CoP) for Acquisition, Contract Management, Engineering, Program Management, others

<https://afkm.wpafb.af.mil/ASPs/CoP/Entry.asp?Filter=OO>

AFMC “AF Deskbook Samples & Examples”; additional links to CoP areas

<https://afkm.wpafb.af.mil/ASPs/deskbook/index2.asp?Filter=HR-DB&Cat=AA&Type=SE>

AFMC “AF Deskbook Common Practices”; additional links to CoP areas

<https://afkm.wpafb.af.mil/ASPs/deskbook/index2.asp?Filter=HR-DB&Cat=AA&Type=CP>

AFMC “AF Deskbook Wisdom & Advice”; additional links to CoP areas

<https://afkm.wpafb.af.mil/ASPs/deskbook/index2.asp?Filter=HR-DB&Cat=AA&Type=SE>

Excerpts from Existing Contracts - SE-related Award Fee / Incentive Fee Plan Provisions

http://www.safaq.hq.af.mil/acq_pol/SE-Incentives-Examples.shtml

Air Force SE information in Defense Acquisition Deskbook; multiple entries at

<http://deskbook.dau.mil/legacydeskbook.asp>

Critical Process Assessment Tool for Systems Engineering, SMC/AX

http://ax.losangeles.af.mil/se_revitalization/aa_functions/sysengr/Attachment/CPAT3sysengr.doc

AFI 63-1201, Assurance of Operational Safety, Suitability, & Effectiveness

<http://www.publishing.af.mil/pubfiles/af/63/afi63-1201/afi63-1201.pdf>

AFMC OSS&E Implementation Guidance

<https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/EN/enp/enpd/oss&e/guidance/guidance.htm>

Guide to Incentive Strategies for Defense Acquisitions

<http://www.acq.osd.mil/ar/doc/incentivesguide-0201.doc>

EXAMPLES OF SE TOOLS

Capability Maturity Model – Integrated (CMMI)	www.sei.cmu.edu/cmmi/models
EIA 632, “Processes for Engineering a System” also see “Overview” presentation	www.geia.org/sstc/G47/page5.htm www.geia.org/sstc/G47/632-web.pdf
ISO/IEC 15288, System Life Cycle Processes	
Requirements Management	www.incose.org/tools/tooltax.html
System Architecture	www.incose.org/tools/tooltaxs.html
Measurement	www.incose.org/tools/meassurv.html

EXAMPLES OF SE AND SE-RELATED DOCUMENTS

Configuration Management Plan
Contractor Performance Assessment Rating System (CPARS)
Integrated Master Plan (IMP)
Integrated Master Schedule (IMS)
Product Support Management Plan (PSMP)
Risk Management Plan
Source Selection Plan
System Engineering Management Plan (SEMP)
System Maturity Matrix (SMM)
Test & Evaluation Master Plan (TEMP)
Command, Control, Communications, Computers, Intelligence Support Plan (C4ISP)
Programmatic Environment, Safety, and Occupational Health Evaluation (PESHE)