**FY16 NDAA Section 804**

**SEC. 804. MIDDLE TIER OF ACQUISITION FOR RAPID PROTOTYPING AND RAPID FIELDING.**

(a) GUIDANCE REQUIRED. Not later than 180 days after the date of the enactment of this Act, the Under Secretary of Defense for Acquisition, Technology, and Logistics, in consultation with the Comptroller of the Department of Defense and the Vice Chairman of the Joint Chiefs of Staff, shall establish guidance for a ‘‘middle tier’’ of acquisition programs that are intended to be completed in a period of two to five years.

(b) ACQUISITION PATHWAYS. The guidance required by subsection (a) shall cover the following two acquisition pathways:

(1) RAPID PROTOTYPING. The rapid prototyping pathway shall provide for the use of innovative technologies to rapidly develop fieldable prototypes to demonstrate new capabilities and meet emerging military needs. The objective of an acquisition program under this pathway shall be to field a prototype that can be demonstrated in an operational environment and provide for a residual operational capability within five years of the development of an approved requirement.

(2) RAPID FIELDING. The rapid fielding pathway shall provide for the use of proven technologies to field production quantities of new or upgraded systems with minimal development required. The objective of an acquisition program under this pathway shall be to begin production within six months and complete fielding within five years of the development of an approved requirement.

(c) EXPEDITED PROCESS.

(1) IN GENERAL. The guidance required by subsection (a) shall provide for a streamlined and coordinated requirements, budget, and acquisition process that results in the development of an approved requirement for each program in a period of not more than six months from the time that the process is initiated. Programs that are subject to the guidance shall not be subject to the Joint Capabilities Integration and Development System Manual and Department of Defense Directive 5000.01, except to the extent specifically provided in the guidance.

(2) RAPID PROTOTYPING. With respect to the rapid prototyping pathway, the guidance shall include—

(A) a merit-based process for the consideration of innovative technologies and new capabilities to meet needs communicated by the Joint Chiefs of Staff and the combatant commanders;

(B) a process for developing and implementing acquisition and funding strategies for the program;

(C) a process for cost-sharing with the military departments on rapid prototype projects, to ensure an appropriate commitment to the success of such projects;

(D) a process for demonstrating and evaluating the performance of fieldable prototypes developed pursuant to the program in an operational environment; and

(E) a process for transitioning successful prototypes to new or existing acquisition programs for production and fielding under the rapid fielding pathway or the traditional acquisition system.

(3) RAPID FIELDING. With respect to the rapid fielding pathway, the guidance shall include—

(A) a merit-based process for the consideration of existing products and proven technologies to meet needs communicated by the Joint Chiefs of Staff and the combatant commanders;

(B) a process for demonstrating performance and evaluating for current operational purposes the proposed products and technologies;

(C) a process for developing and implementing acquisition and funding strategies for the program; and

(D) a process for considering lifecycle costs and addressing issues of logistics support and system interoperability.

(4) STREAMLINED PROCEDURES. The guidance for the programs may provide for any of the following streamlined procedures:

(A) The service acquisition executive of the military department concerned shall appoint a program manager for such program from among candidates from among civilian employees or members of the Armed Forces who have significant and relevant experience managing large and complex programs.

(B) The program manager for each program shall report with respect to such program directly, without intervening review or approval, to the service acquisition executive of the military department concerned.

(C) The service acquisition executive of the military department concerned shall evaluate the job performance of such manager on an annual basis. In conducting an evaluation under this paragraph, a service acquisition executive shall consider the extent to which the manager has achieved the objectives of the program for which the manager is responsible, including quality, timeliness, and cost objectives.

(D) The program manager of a defense streamlined program shall be authorized staff positions for a technical staff, including experts in business management, contracting, auditing, engineering, testing, and logistics, to enable the manager to manage the program without the technical assistance of another organizational unit of an agency to the maximum extent practicable.

(E) The program manager of a defense streamlined program shall be authorized, in coordination with the users of the equipment and capability to be acquired and the test community, to make trade-offs among life-cycle costs, requirements, and schedules to meet the goals of the program.

(F) The service acquisition executive, acting in coordination with the defense acquisition executive, shall serve as the milestone decision authority for the program.

(G) The program manager of a defense streamlined program shall be provided a process to expeditiously seek a waiver from Congress from any statutory or regulatory requirement that the program manager determines adds little or no value to the management of the program.

(d) RAPID PROTOTYPING FUND.

(1) IN GENERAL. The Secretary of Defense shall establish a fund to be known as the ‘‘Department of Defense Rapid Prototyping Fund’’ to provide funds, in addition to other funds that may be available for acquisition programs under the rapid prototyping pathway established pursuant to this section. The Fund shall be managed by a senior official of the Department of Defense designated by the Under Secretary of Defense for Acquisition, Technology, and Logistics. The Fund shall consist of amounts appropriated to the Fund and amounts credited to the Fund pursuant to section 828 of this Act.

(2) TRANSFER AUTHORITY. Amounts available in the Fund may be transferred to a military department for the purpose of carrying out an acquisition program under the rapid prototyping pathway established pursuant to this section. Any amount so transferred shall be credited to the account to which it is transferred. The transfer authority provided in this subsection is in addition to any other transfer authority available to the Department of Defense.

(3) CONGRESSIONAL NOTICE. The senior official designated to manage the Fund shall notify the congressional defense committees of all transfers under paragraph (2). Each notification shall specify the amount transferred, the purpose of the transfer, and the total projected cost and estimated cost to complete the acquisition program to which the funds were transferred.