DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
ACQUISITION LOGISTICS AND TECHNOLOGY
103 ARMY PENTAGON
WASHINGTON, DC 20310-0103

SAAL- ZB

DEC 15 2017

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Implementing Acquisition Streamlining and Cultural Change

1. In recent years, Congress provided legislation with a goal to improve the acquisition process, encourage program flexibility, and provide more responsibility to Military Services. Consequently, the Secretary of the Army and the Chief of Staff, Army have directed improvements in our acquisition process to increase the Army's ability to provide timely capabilities to Soldiers, while remaining fiscally responsible.

2. This congressional legislation provides an opportunity to begin reshaping and improving the agility, synchronization, and responsiveness of our Army's acquisition enterprise. Our commitment to providing Soldiers the best capabilities to fight and win today and in the future remains as strong as ever, and with the new authorities given to us by Congress, we have the chance to instill significant and lasting change. We cannot miss this opportunity.

3. Effective immediately, this memorandum and the enclosed guidance begin implementation of necessary acquisition streamline and culture change initiatives aimed at improving the ways the Office of the Assistant Secretary of the Army, Acquisition, Logistics and Technology, Program Executive Officers (PEOs), and Project Managers (PMs) do business through:

a. Buying Down Risk – leveraging recent legislative provisions enabling "Middle Tier" acquisition and rapid prototyping and fielding of innovative system components or technologies.

b. Acquisition Category (ACAT) Agility – creating an ACAT Level IV which aligns authority with risk.

c. Empowerment – broadening delegation of Milestone Decision Authority for selected ACAT II, and ACAT III & IV programs to PEOs.

d. Smart Contracting – leveraging commercial item procurement and Other Transaction Authority.

e. Streamlining Documentation – incorporation of Simplified Acquisition Management Plans (SAMP).

4. Information on the specific initiatives and guidelines for PMs are in the following enclosures. Unless rescinded, this serves as an interim policy memorandum and will remain in effect until incorporated in the next revision of the appropriate administrative publications including, but not limited to AR 70-1, Army Acquisition Policy, 16 June 2017.

5. The point of contact is COL Joseph A. Capobianco, 703-571-0981, joseph.a.capobianco.mil@mail.mil.

Jeffrey S. White
Acting Assistant Secretary of the Army
(Acquisition, Logistics, and Technology)

7 Encls

1. 809 Panel Implementation
2. Improving Commercial Item Procurement
3. Leveraging Middle Tier Acquisition program authority
4. Establishing ACAT IV programs within the Army
5. Mandating use of Simplified Acquisition Management Plans
6. Working with DUSA(TE) and ATEC to streamline testing
7. Executing a Mobile Training Team to all ACC PARCs

DISTRIBUTION:
Deputy Assistant Secretary of the Army (Acquisition Policy & Logistics)
Deputy Assistant Secretary of the Army (Defense Exports & Cooperation)
Deputy Assistant Secretary of the Army (Plans, Programs & Resources)
Deputy Assistant Secretary of the Army (Research & Technology)
Deputy Assistant Secretary of the Army (Procurement)

Deputy for Acquisition & Systems Management

Executive Director, System of Systems Engineering & Integration

COMMANDER
U.S. Army Training and Doctrine Command
U.S. Army Materiel Command
U.S. Army Test and Evaluation Command

Program Executive Officer:
Ammunition
Assembled Chemical Weapons Alternatives

(CONT)
DISTRIBUTION: (CONT)
Aviation
Combat Support and Combat Service Support
Command, Control and Communications (Tactical)
Enterprise Information Systems
Ground Combat Systems
Intelligence, Electronic Warfare and Sensors
Missiles and Space
Simulation, Training and Instrumentation
Soldier

Joint Program Executive Officer, Chemical and Biological Defense

CF (w/encl):
Vice Chief of Staff, Army
Assistant Secretary of the Army (Financial Management and Comptroller)
Assistant Secretary of the Army (Installations, Energy and Environment)
Assistant Secretary of the Army (Manpower and Reserve Affairs)
General Counsel
Deputy Under Secretary of the Army
Chief Information Officer/ G-6
Director, Small Business Programs
Deputy Chief of Staff, G-1
Deputy Chief of Staff, G-2
Deputy Chief of Staff, G-3/5/7
Deputy Chief of Staff, G-4
Deputy Chief of Staff, G-8

IMPLEMENTING RECOMMENDATIONS OF THE SECTION 809 PANEL

Background: Congress addressed a fundamental problem with the way the Department of Defense (DoD) procures capability for defense in the 2016 National Defense Authorization Act (NDAA) Section 809. This section highlights that DoD procurement is "From another era, one in which the global strategic landscape was entirely different. Today the United States' ability to maintain technological, military, and economic superiority is being challenged because its adversaries are rapidly modernizing their militaries with an eye toward exploiting U.S. vulnerabilities and negating traditional U.S. advantages. DoD has not fully adjusted to the pace of this environment, nor has it adjusted to a marketplace that bears no resemblance to that of just a few decades ago." (Section 809 Panel Interim Report, Executive Summary). The nation's strategic needs must drive the business model, not the other way around.

Congress stood up an 809 Panel to make recommendations to address how the DoD can consistently buy what it needs in a timely and cost-effective manner, specifically commercial items, information technology, services, weapon systems, or the full range of tools and equipment on which warfighters depend. The panel recommended five interim focus areas in their first interim report, provided verbatim below. These recommendations are not law, but are a framework based on the intent of the law in Section 809.

1. Adapt at the Speed of a Changing World: The United States is operating in a global environment that is more fluid, more interconnected, and faster evolving than at any point in history. To adapt to this reality, the acquisition process must be agile enough to respond to rapidly evolving threats, and fast enough to develop and deliver new capabilities within the arc of emerging threats.

2. Leverage the Dynamic Defense Marketplace: The defense industrial base has changed, and to maintain technological advantage, DoD increasingly must leverage the commercial marketplace. To be successful in this broader marketplace requires a fundamental change in the DoD–commercial relationship. DoD must become an attractive customer with which commercial firms want to do business. This need requires DoD to be a more sophisticated buyer that is responsive to market dynamics, company interests, and the greater economic landscape.

3. Allocate Resources Effectively: The U.S. military faces multiple threats posed by increasingly capable adversaries and uncertain domains of warfare. It also contends with constrained defense budgets. To more effectively and efficiently allocate resources, DoD must better align and coordinate how it sets requirements, budgets, and acquires what it needs, to include not only major weapon systems, but also the services and low-dollar items that make up more than half of DoD contract spending.

4. Simplify Acquisition: Some of the regulations and statutes governing defense acquisition are outdated or no longer applicable and should be amended or repealed to

make the system more effective and efficient, and expand the number of companies willing to do business with DoD.

5. Enable the Workforce: The current acquisition laws and regulations are overly complex, difficult to understand and implement, and contain requirements that result in people making suboptimal decisions and being risk-averse. DoD needs an acquisition system that is simple, understandable, and executable by people operating in an environment that empowers and incentivizes them to make decisions that lead to positive outcomes.

Direction: ASAALT/PEO and PM leadership must monitor and understand the emerging findings of the Section 809 panel. Over the next year, Section 809 recommendations focusing on Commercial Procurements and how this frame work applies to Enterprise Business Systems are expected to be released. Procurement of Services and relatively low dollar items which make up more than half of the DoD contract spending will also be addressed by the panel. While the Section 809 Panel's final report will not be released until January 2019, these areas of research and others will result in recommendations that are scheduled for publication in additional interim reports.

These focus areas and initiatives have Congressional advocacy, momentum from the 809 Panel, and provide a frame work to both streamline acquisition and culturally change the way ASA(ALT) procures capability. Understanding, participating, evaluating, and adopting the applicable Section 809 recommendations will ensure the Army is aligned with Congressional Intent and is able to leverage the 809 Panel's streamlining of the acquisition process. The 809 Panel recommendations will ultimately reduce constraints and provide tools for flexibility in acquisition.

Note to Reader: At the time of publication of this enclosure, the final results and recommendations from the Section 809 panel have not been completed. The Army should anticipate Congress will issue statutory direction concerning the adoption of some or all of the Panel's recommendation as well as OSD issuing implementing guidance or policy.

Improving Commercial Item Procurement

Study and report out on the committee results on Commercial Procurements and identify the definition of Commercial Item and suggested rules for expeditious procurement of same.

Background:

The Department of the Army (DA) procures commercial items (supplies and services) readily available in the commercial marketplace to meet many of its requirements. The commercial item statutory definition includes items customarily used by and sold (or offered) to the general public, including supplies and services with minor modifications. Relying on the commercial marketplace, when appropriate, enables the DoA to take advantage of market innovations and reduces acquisition costs.

Recent legislation strengthened the preference for commercial supplies and services. Congress introduced a number of provisions related to commercial item acquisitions, including provisions intended to ensure DoA procures commercial items in lieu of military standards and specifications where practicable. To aid in procuring commercial items, Defense Procurement and Acquisition Policy (DPAP) published two draft sections of the Department of Defense's (DoD's) Guidebook (Part A and Part B) for Acquiring Commercial Items and have begun the process of implementing statutory commercial item language through changes to the Defense Federal Acquisition Regulation Supplement (DFARS). DFARS changes implementing statute take one year or more to complete; the timeline is driven by statutory requirements to obtain public comment and follow a highly regulated process that involves the Office of Federal Procurement Policy. Earlier implementation of pending regulatory changes requires DPAP approval as a deviation. Deviations are rarely approved because they circumvent statute. A summary of NDAA sections related to the acquisition of commercial items can be found on the ASA ALT website: https://spcs3.kc.army.mil/asaalt/portal/ASCI/SitePages/Home.aspx.

Direction:

The acquisition community maximizes the use of the flexibilities prescribed in FAR Part 12—Acquisition of Commercial Items to the maximum extent practicable. This is consistent with Congressional intent and the benefits can be readily achieved. Benefits derived by acquiring commercial items follow:

(A) Contracting officers can use streamlined solicitation procedures, which can reduce the time needed to solicit offers.
(B) Contracting officers are required to use fixed-price contracts to buy commercial items, though the FAR also allows for the use of other contract types under certain circumstances.

(C) FAR Cost Accounting Standards and certified cost or pricing data do not apply to commercial procurements. This alleviates one potential barrier to entry for non-traditional firms wanting to do business with the Army.

Leveraging Middle Tier and Prototyping Acquisition program authority

Background: NDAA 2016 Section 804 is a Congressional mandate to encourage "Middle Tier" prototyping acquisition program authority. Implementing guidance from OSD is pending. The end state is getting weapon systems into Soldier's hands faster. The Congressional effort also includes DoD Rapid Prototyping Funds that the services can leverage. Army acquisition leadership must increase understanding of NDAA 2016 Section 804 and future NDAA references to "middle tier" acquisition as it relates to Rapid Prototyping and Fielding. Section 804 offers two acquisition pathways, one for rapid prototyping and one for rapid fielding.

(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. Recommend the five year time frame begin with contract award and stop with First Unit Equipped (FUE). The guidance for Prototyping includes:

(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; *(Note: this provision is expected to be repealed upon enactment of NDAA 2018.).*

(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.

(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.

The general instructions for 804-like efforts call 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. The guidance for Fielding, which is nearly identical to Prototyping includes:

(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.

804 provides guidance for the STREAMLINED PROCEDURES, specifically;

(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.

Rapid Prototyping Funds. The law mandates that the Secretary of Defense establish a "Department of Defense Rapid Prototyping Fund" that provides 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. For 2017 that fund had roughly $100M in RDT&E.

Direction:

PEOs and PMs should evaluate emerging capability or nascent programs of record against the criteria of Section 804.

If that program or capability development fits the criteria for "middle tier" as described above, then the PEO/PM should pursue one of the two acquisition pathways for rapid prototyping or rapid fielding and aggressively employ the streamlined procedures authorized in Section 804 and described above. Additional information and example guidance is provided on the ASAALT Acquisition Reform portal at: https://spcs3.kc.army.mil/asaalt/portal/ASCI/SitePages/Home.aspx.

Leveraging Development, Prototyping, and Deployment of Weapon System Components or Technology Acquisition program authority

Background: NDAA 2017 Section 806 is a Congressional mandate to include development, prototyping, and deployment of weapon system components or technology. The Service Acquisition Executive (SAE) selects project efforts through a merit based selection process focused on innovative and cost effective prototypes. Section 806 offers two acquisition pathways for development, prototyping, and deployment focused on weapon systems components or technology insertion. This focuses on commercial items and technologies, separate from acquisition programs of record.

Section 806 requires that the Secretary of each military department shall establish an SAE oversight board or identify a similar existing group of senior advisors for managing prototype projects for weapon system components and other technologies.

Section 806 also requires that each oversight board or similar group involve the following members:

- Expertise in requirements, research and development, test and evaluation, acquisition, sustainment, or other relevant areas within the military department concerned.
- Awareness of technology development activities and opportunities in the DoD, industry, and other sources.
- Awareness of component capability requirements of major weapon systems, to include scheduling and fielding goals.

The oversight board will issue a strategic plan every three years that prioritizes the capability and weapon system component portfolio areas for prototype projects based on assessments of:

- High priority warfighter needs.
- Capability gaps or readiness issues with major weapons systems.
- Opportunities to incrementally integrate new components into major weapon systems based on commercial technology efforts that are expected to mature in the next three years.
- Opportunities to reduce O&S costs.

There are several Congressional notifications required when leveraging Section 806 authorities through the service acquisition office. The notifications focus on individual project initiation and testing over six month periods.

There are funding and time limits associated with Section 806 authorities. The funding for these efforts should not exceed $10M or can increase to $50M with Secretary of the Army (SA) approval and congressional notification. The effort should conclude within

two years of initiation. If the timing goes beyond that timeframe, then the effort could possibly be reframed as a Section 804 effort.

Direction:

PEOs and PMs should evaluate PoRs and new efforts against the criteria of Section 806. If that program or capability development fits the criteria for weapons system component or technology insert as described above, then the PEO/PM should recommend the effort to the SAE oversight board for execution and leverage the rapid development, prototyping, and technology insert pathways to streamline the effort. Additional information and example guidance is provided on the ASAALT Acquisition Reform portal at: https://spcs3.kc.army.mil/asaalt/portal/ASCI/SitePages/Home.aspx.

Framework	NDAA 16 Section 804	NDAA 16 Section 804	NDAA 17 Section 806
Focus	Rapid Prototyping (Innovative Tech)	Rapid Fielding (Proven Tech)	1. Development 2. Prototyping 3. Deployment WPN Sys Components & Tech
Army Board / Process	Yes – Merit Based	Yes – Merit Based	Yes – Merit Based Oversight (3) Yr Strat Plan
Reporting	PM Direct Report SAE	PM Direct Report SAE	
Time Constraints	NTE (5) Years	Begin Production within (6) months and complete fielding within (5) years of approved requirement	Completed within (2) years of initiation
End State	Rapid Field Prototypes New Capabilities	Field Production Quantities of New or Upgraded Systems	Integrate new components based on 1. High Priority WF Needs 2. Gap with Readiness Issues 3. Incrementally integrate new components / tech 4. Reduce O&S costs
Demonstrated Environment	Operational	Operational	Relevant
Streamlining	Approved Requirement within (6) months of initiation	Approved Requirement within (6) months of initiation	
Exemptions	JCIDS Manual DoD Directive 5001.01	JCIDS Manual DoD Directive 5001.01	
Funding	DoD Rapid Prototyping Fund ($100M/Annually)	DoD Rapid Prototyping Fund ($100M/Annually)	Work within R-Forms / Budget Docs
Funding Limits	NA	NA	NTE $10M NTE $50M with SA Approval & Congressional Notification

Comparison of Section 804 – Rapid Prototyping and Fielding with Section 806 Prototyping Components and Technology Insertion

Establish ACAT IV programs within the Army

Background: The Army will implement use of the Acquisition Category (ACAT) IV designation. This will give PMs who are closer to program facts the ability to manage and resolve issues. It better aligns authority and responsibility, and frees up decision resources for higher visibility programs.

Direction: If a new program meets the following guidelines, the cognizant PM will recommend to the Milestone Decision Authority (MDA) that the program be designated and delegated as an ACAT IV:

- The new program does not meet the criteria for ACAT III and is estimated to require an eventual total expenditure in FY 2014 constant dollars for RDT&E of less than $100 million, or procurement of less than $400 million; these funding thresholds are guidelines, not mandatory.

- The ACAT should be based on an assessment of cost, overall program risk, complexity, combat impact, and visibility. Programs should be of relatively low risk and complexity to be considered for designation as an ACAT IV.

- Programs having critical safety or mission impacts should in most cases remain ACAT III's. Urgent acquisitions (defined in DoDI 5000.02 Enclosure 13 and AR 70-1) and efforts described as "non-ACAT" that have not executed a Materiel Development Decision (MDD) but are expected to be established as programs designated ACAT III (or below) may be good candidates for ACAT IV designation.

The AAE is ultimately responsible for the Army's MDA delegation/designation process. DoDI 5000.02 describes dollar thresholds and sets policy for MDA assignment for ACAT I through ACAT III. The dollar values used to determine ACAT are based in statute and represent estimates of expected total program expenditures. Current ACAT dollar value thresholds in 2014 constant dollars are: ACAT I - RDT&E > $480 million; Procurement >$2.79 billion; ACAT II - RDT&E > $185 million; Procurement > $835 million. ACAT III – RDT&E < $185 million; Procurement < $835 million. There is no statutory requirement for ACAT IV levels, and DoDI 5000.2 neither requires nor prohibits its use.

Unless a program is designated "special interest", the AAE may delegate MDD and MDA to a PEO for ACAT III and below programs. Normally, MDD authority will not be further delegated, however PEOs with AAE delegations of MDA are authorized to designate programs as ACAT IV and to further delegate MDA for ACAT IV programs to Project Managers at Colonel or the civilian equivalent rank. The cognizant PM should submit to the PEO a request for ACAT IV designation and MDA delegation for acquisition efforts that meet the guidelines above. Step by step guidance is provided on

the ASAALT Acquisition Reform portal at:
https://spcs3.kc.army.mil/asaalt/portal/ASCI/SitePages/Home.aspx.

Mandate use of Simplified Acquisition Management Plans

Background: SOCOM has successfully used Simplified Acquisition Management Plans (SAMPs) as a key documentation tool. A single document streamlines concurrent staffing without shortchanging reviewer time and empowers PMs to use program documentation that makes sense for their program. A SAMP contains key program information in one place and allows stakeholders to review their functional areas in the right context while avoiding redundant sections spread across multiple documents and potential for conflicting descriptions. SAMPs also shorten documentation development which has become a cottage industry.

Direction: New ACAT III programs and selected ACAT II programs delegated to PEOs default to using SAMP unless the needs of the program dictate otherwise. All ACAT IV programs must use a SAMP.

A SAMP is the primary document that describes a program's overall strategy. It describes the management framework, provides a vehicle for obtaining required statutory and regulatory approvals, and for documenting waivers. The SAMP serves as the formal Acquisition Strategy for programs that do not require a separate Acquisition Strategy (AS) in accordance with the DFAR. In addition to the acquisition strategy, the Systems Engineering Plan (SEP), risk management, test strategy, and contract execution approaches are integrated into the SAMP. Some programs may require separate documents. If so, these documents should be referenced in the SAMP with final conclusions, recommendations, or summaries incorporated where appropriate.

Current policy allows the use of SAMPs. AR 70-1 states the minimum essential documentation for Army acquisition programs regardless of ACAT are:

(1) A validated, approved, and documented capability requirement.
(2) A documented AS (includes SEP, Program Protection, cyber security).
(3) A documented estimate of life cycle cost and affordability.
(4) A documented plan for Test & Evaluation.
(5) A documented plan for sustainment.
(6) Documented program cost objectives.

and states, "program documents may be combined to reduce the number of documents and to simplify document generation, management, and use." The SAMP should combine and simplify document requirements as needed by the PM and agreed to by the MDA. Program SAMPs must, however, meet statutory and regulatory requirements for each milestone and at other decision points during the acquisition process in compliance with DoDI 5000.02.

Specific supporting documentation required in any program must be the result of a tailoring process between the PM and MDA. **Common sense, sound business practice, applicable laws and regulations, and the time constraints of the requirement itself must be fully considered in the tailoring process.** Some information is required by statute and must be addressed as dictated by law. The bulk of the information however, is required by regulation and can be tailored at the MDAs

discretion. Additional guidance and example SAMPs are provided on the ASAALT Acquisition Reform portal at:
https://spcs3.kc.army.mil/asaalt/portal/ASCI/SitePages/Home.aspx.

Work with DUSA(TE) and ATEC to streamline testing

Background: The current paradigm for operational testing is outdated. In an increasingly complex environment, where getting new capabilities to field is paramount, testing practice has grown more costly, time-consuming, and risk averse. Operational testing and evaluation should not be used as a final pass or fail test event, but all during development phases to identify operational problems early. With the increasing use of commercial items, PM's need to be able to leverage commercial certifications, testing, and standards (e.g. IEEE, U.L, ASME, etc.) instead of costly and time-consuming re-test to validate the "last 5%" of capability. Commanders must be given clear, relevant information about the capabilities and limitations of equipment, so the Commander can make choices based on the operational and technical risks.

Direction: PMs must begin now to work aggressively with the test community to better plan and streamline tests and to find new ways to collect and report relevant data on system capabilities and limitations to Commanders so they can judge operational risk.

Test Planning - Each PM will work with ATEC to instill a continuous process of information gathering and decision making to inform the operational test and evaluation community of the capabilities of systems in development.

- PM test strategies must integrate developmental and operational testing and evaluation with early user participation to find issues and fix them earlier when they are easier and cheaper to solve. This is consistent with industry practice, deemphasizing "inspecting defects out" in place of integrated development processes and "building quality into" a product.
- Finding Soldiers to man events is a challenge, particularly when an event slips or accelerates. The PM must work with FORSCOM and TRADOC to manage Soldier involvement. Use CTC rotations/home station training events for operational tests. Develop an Army policy that supports resourcing soldiers for tests needed within 180 days to support accelerated fielding. Investigate the use of non-deployable soldiers and employing soldiers from the Warrior Transition Command.
- PEOs & PMs use the T&E Efficiencies checklist < https://apps.aep.army.mil/ALLP/ > when developing a test plan.
- Streamlining documentation: number of WIPT signatures on TEMP being reduced/ eliminated, keep TEMP at strategy level and not detailed test plans, TM verifications with sampling methodology & civilians supporting them.
- Encourage ATEC to work with CSA on requirements changes prior to OT. ATEC can provide feedback to user community at each stage of the process to better understand not just the system under test, but the requirement itself and how this plays into the critical operational issues (COIs).
- All sources of data, including that from vendors, should be used to evaluate capabilities. Some of this new approach is captured in the materiel process improvement EXORD on a common database for previous tests.
- Find less resource intensive ways to collect needed test data.

- Allowing a Commander to accept equipment for a first unit equipped and continuing data collection while fielded is a good example of a workaround.
- Improve transition of test knowledge from S&T to PoR. Raise ATEC understanding of technologies when standards, working group exist already to leverage e.g. Army Reliability and Maintainability WG for analyzing the lower point on Reliability Growth Curve.
- Use the T&E WIPTs to tailor strategies, identify test challenges and adapt designs and program strategies to address them. Manage user expectations of what is possible to test and at what cost. Negotiate to "right-size" the test strategy and agree on the critical requirements to test; use the AROC to confirm.
- Streamline testing by differentiating between new system OT & block improvement OT.
- LRIP quantities sufficient to field FUE with a procurement decision point post FUE (i.e., buy more OR improve).

Test Data and Risk Management – Work with ATEC and user on methods to better quantify and accept risk when fielding systems that may be short of 100% validation

- Adopt a culture change in the amount of testing, to include where on the reliability growth curve (for FUE), required before a Commander can determine the risks of fielding the equipment.
- Think beyond pass/fail mentality. Be prepared to explain and accept test failures. The decision to field ultimately comes down to balance of risk for the Soldier. Does this system do everything or most of what the user wanted it to? Is it better than what they currently have? What is the impact to the Soldiers' current tactics, techniques, & procedures? Balance the risk with obtaining the best knowledge/ capabilities for our Soldiers.
- Use the T&E WIPTs to ask the hard questions: are all planned resources really needed to obtain enough data to provide to the risk takers & decision makers? Work together, early on (empower T&E WIPTs). Working relationships over lifecycle of program. Outcome understood by all and achievable
- Consider risks and manage as a team, Inform leaders of capabilities and limitations to frame risk trade space. Question the status quo, don't allow the answer of we've always done it this way.
- Need to think through to obtain less resource intensive tests and faster data to decisions. Maintain a culture where materiel developers, testers, and requirements personnel are on the same page for providing a Soldier the best available equipment in a reasonable timeframe.

ASA(ALT) is working with DUSA(T&E) and ATEC on a number of these and other improvements to Army Test and Evaluation. While this working is ongoing, lean forward to apply as many of the above guidelines as possible in your programs

Execute a Mobile Training Team to all ACC PARCs that educates, tutors, mentors, and demos the use of Other Transaction Authorities

Execute a Mobile Training Team to all ACC PARCs that educates, tutors, mentors, and demonstrates the use of Other Transaction (OT) Authorities to the workforce in order to expand opportunities for PARCs to execute these transactions under the legislatively provided provisions vice executing Federal Acquisition Regulation (FAR) based contracts which are pragmatic and lethargic.

Background:

OTs are valuable tools that enhance the Department of the Army's ability to access technology from non-traditional defense contractors. OTs for Prototype Projects are acquisition instruments that are not subject to Federal laws and regulations governing procurement contracts. OSD AT&L issued an Other Transaction Guide for Prototype Projects that provide a framework to consider when structuring an OT agreement for a prototype project.

Benefits derived from the use of 10 U.S. Code 2371b flexibility are:

(A) Follow-on production FAR based contracts or OT agreements can be entered into under this section for a prototype project.
(B) Follow-on production FAR based contracts or OT agreements may be awarded to participants in the transaction without the use of competitive procedures if competitive procedures were used for the selection of parties for participation in the transaction and the participants in the transaction successfully completed the prototype projects in the transaction.
(C) Authorizes follow-on production items to be provided to another contractor as Government-furnished equipment.

Direction:

As stated in Appendix 2: OT Guide for Prototype Projects, ACC-New Jersey is designated as the Army's Contracting Center of Excellence for OT for prototype projects. ACC-New Jersey subject matter experts are in the process of creating a mobile training team and preparing a training plan that will provide training and demos on how to execute OT agreements. The training will also encompass train the trainer sessions. After approval by AMC Headquarters, a copy of the training plan will be submitted to the ODASA(P).