DEPARTMENT OF THE AIR FORCE
OFFICE OF THE CHIEF OF STAFF
UNITED STATES AIR FORCE
WASHINGTON, D.C. 20330

REPLY TO
ATTN OF:

SUBJECT: Acquisition Streamlining Initiatives

TO: AFSC/CC AFLC/CC AFCC/CC

1. Attached is the SAF/AL memorandum which establishes the Air Force Acquisition Executive System (AFAES). This is the initial step in implementing the acquisition management recommendations of the Packard Commission and National Security Decision Directive (NSDD-219).

2. The AFAES concept paper sets out responsibilities that will structure the communications process for day-to-day program management and oversight. Direct communication within the AFAES between the AFAE and the PEOs and Program Directors is a vital element of the acquisition system. AFAES is not intended to replace existing responsibilities for resource management within the chain of command. In accordance with SAF direction, resource allocation decisions and program direction will be through the Air Force corporate structure. Your Program Directors and Program Executive Officers (PEOs) must assure communications effectively support the AFAES concept. Dr. Cooper plans to meet with you and the PEOs this month to discuss management responsibilities under the AFAES.

3. As stated in the memorandum, it is vitally important to maintain strong user involvement in our major system acquisitions. You should ensure the operating Commands are appropriately represented in the program offices. Additionally, please develop Command plans to fully implement the AFAES, as requested, and keep AF/RD appraised of your progress toward this objective.

4. I share the view that these initiatives provide the Air Force a significant opportunity to improve the acquisition system and I solicit your full support in implementing them.

LARRY D. WELCH, General, USAF
Chief of Staff

1 Atch
SAF/AL Memo, 1 Jan 87

DEPARTMENT OF THE AIR FORCE
WASHINGTON, D.C. 20330-1000

OFFICE OF THE ASSISTANT SECRETARY

1 JAN 1987

MEMORANDUM FOR AF/CC

SUBJECT: Acquisition Streamlining - ACTION MEMORANDUM

The Secretary of the Air Force has approved our initiatives to streamline the acquisition system and asked me to implement them. The purpose of this memorandum is to establish the Air Force Acquisition Executive System (AFAES), and designate initial Executive Programs and Program Executive Officers.

The AFAES is a management system which places responsibility and authority for program management at the lowest appropriate organizational level while assuring adequate visibility to senior decision makers. It is characterized by short, direct lines of communication, reduced staff involvement and simplified procedures. It applies to all acquisition programs. A concept paper describing the system and the roles of our senior acquisition officials is at Attachment 1.

The Acquisition Executive will exercise direct oversight of a selected number of Executive Programs that are representative of the acquisition efforts of the Air Force Systems Command (AFSC), Air Force Logistics Command (AFLC), and Air Force Communications Command (AFCC). The list of Executive Programs and their Program Executive Officers is at Attachment 2. We will begin to manage them under the AFAES immediately. Therefore,

a. Program Directors and PEOs will respond directly to the Acquisition Executive on matters pertaining to the management of Executive Programs.

b. Program Directors of the Executive Programs will submit a monthly program status letter -- a brief "how goes it" and discussion of progress, problems and issues. Letters will be submitted directly to the Acquisition Executive through the PEO to arrive not later than the 10th of each month. We will provide a format for these letters in the near future.

c. Senior acquisition officials will reduce the number of reviews required for decision briefings. While it is not possible to put strict restrictions on the number of briefings required of the Program Director, every effort needs to be made to reduce the seemingly endless stream of briefings currently imposed on them. Normally, the Program Director should not be required to present more than two briefings at this headquarters prior to briefing the AFAE. Staff recommendations will be advisory. The PEO will assure that the corporate Air Force structure is consulted, as necessary, to support the Program Director's recommendations.

d. Major resource allocation decisions will continue to be made by the Air Force corporate structure. Once programs are approved, the Acquisition Executive will oversee the execution process and assure that resource issues are brought to the corporate structure.

To obtain maximum benefit from the AFAES, we also must apply the concept to non-executive programs. Please direct AFSC, AFLC and AFCC to implement the AFAES concept within their command. Have them provide an action plan to my focal point, Mr. Daniel Rak, within 90 days. He and his staff are available to work with your action officers during this implementation period.

As we implement the AFAES, it is important that we maintain strong user involvement in our development programs. Therefore, please ensure that the using commands are represented in major program offices, for example, TAC should have an individual present in the ATF office.

During the next several months, we will evaluate the AFAES assessing its impact on the Executive Programs and the effectiveness of our Program Executive Officers. The AFSC, AFLC and AFCC Commanders should similarly evaluate the system within their commands. We look forward to their comments.

To focus our organization on the difficult job of weapons acquisition, the Secretary has directed that two organizational realignments take place. Please take immediate action to transfer responsibility for Wilford Hall Medical Center to Air Training Command. Transfer the Air Force Satellite Control Facility and host base responsibility for Onizuka Air Force Station to Air Force Space Command upon completion of the data systems modernization program.

The Secretary also asked me to implement the appropriate recommendations of our Acquisition Streamlining Panel. The Executive Summary of their report, Streamlining the Air Force Acquisition System, is at Attachment 3. Mr. Rak will lead the implementation activity. While I have accepted the Panel's recommendations (some 90 in all), I have done so with the understanding that they will be reviewed in detail before final implementation. Over the next several months we will be staffing the various recommendations.

These initiatives are a major step forward in our efforts to streamline the acquisition system. Both the Secretary and I believe these efforts will significantly improve our capability to place operationally suitable weapon systems in the field faster and cheaper.

Tom

THOMAS E. COOPER
Assistant Secretary
Research, Development
and Logistics

Chief,
I will meet with the acquisition commanders and PEO's in the near future to discuss management responsibilities under the AFAES. I am confident our transition to the new system will be a smooth one.
Happy New Year!
Tom

5 Attachments
1. AFAES Concept Paper
2. Executive Programs and PEOs
3. Executive Summary
4. SAF/AL Memo, 23 Dec 86
5. SAF Memo, 24 Dec 86

CONCEPT PAPER

THE AIR FORCE ACQUISITION EXECUTIVE SYSTEM

The **Air Force Acquisition Executive System (AFAES)** is a management system which applies to all acquisitions and is designed to improve the process of developing and procuring quality weapon systems. Acquisition is a broad range of activities including science and technology; system design, development, production, test and evaluation, deployment; modification and life-cycle support. The AFAES is under the direct supervision of the Air Force Acquisition Executive (AFAE). The system is characterized by short, direct lines of communications, reduced staff interactions and simplified procedures. An underlying principle of the AFAES is to place program management authority and responsibility at the lowest appropriate level while providing adequate visibility to the AFAE.

The AFAE will provide direct oversight of selected programs referred to as **Executive Programs.** Key positions in the AFAES include the AFAE, the Commanders of the Air Force acquisition commands, Program Executive Officers (PEO), and Program Directors (PD). Essential responsibilities of each of these positions with respect to the AFAES in general and Executive Programs in particular are outlined below. The management principles identified for Executive Programs shall be employed for all programs as appropriate.

Air Force Acquisition Executive

The Secretary of the Air Force has appointed the Assistant Secretary of the Air Force for Research, Development and Logistics (SAF/AL) as the AFAE in accordance with DoD Directive 4245.1, Military Department Acquisition Management Officials. As outlined in the Secretary of the Air Force Order No. 100.1, dated 27 May 1977, SAF/AL is "...responsible for conceptual efforts on new programs and for direction, guidance, and supervision over all matters pertaining to the formulation, review and execution of plans, policies, and programs relative to..." the broad range of acquisition activities. In conjunction with the above, the AFAE will be responsible for all matters pertaining to Air Force acquisition including:

a. Supervising the overall Air Force acquisition system.

b. Designating the Executive Programs and Program Executive Officers (PEO).

c. Providing direct oversight of the Executive Programs and controlling and limiting the involvement of the various staffs.

d. Chairing the Air Force Systems Acquisition Review Council (AFSARC).

e. Representing the Air Force on the Joint Requirements Management Board (JRMB).

The commanders of the acquisition commands will assist the AFAE and will maintain direct oversight of those programs that have not been designated as Executive Programs.

Program Executive Officer

The **Program Executive Officer** is responsible for implementing the guidance and direction of the AFAE, on Executive Programs. For Executive Programs in AFSC, PEOs will normally be Product Division commanders although other individuals, including the AFSC Commander, may be designated as a PEO. For Executive Programs in AFLC, PEOs will normally be the Air Logistics Center commanders although other individuals, including the AFLC Commander, may be designated as a PEO. For Executive Programs in other major commands, the AFAE will designate PEOs as appropriate. The PEO will:

a. Review the acquisition strategy and program baseline.

b. Approve (as appropriate) management plans, financial documents, and reports.

c. Ensure program direction is implemented.

d. Allocate resources (people and facilities) under his control to Executive Programs and interface with the resource allocation process on the program's behalf.

e. Control and limit the involvement of the various staff offices.

f. Resolve or refer to the AFAE programmatic issues requiring the attention of senior management.

g. Establish and maintain direct communications with the AFAE.

Program Director

The **Program Director** is the single individual responsible for executing the program. He will:

a. Develop the acquisition strategy.

b. Plan the program, to include developing a management approach, providing budgetary estimates and alternatives, establishing a program schedule, developing contracting strategies and structure, etc.

c. Accomplish Executive Programs within the direction and guidance provided by the AFAE and the PEO.

d. Conduct the day-to-day management of the program.

e. Communicate with the PEO and AFAE on program matters.

Commanders of the Air Force Acquisition Commands

The **Commanders of Air Force acquisition commands** are responsible for developing and implementing acquisition policy and managing acquisition programs in coordination with the AFAE. Specifically they will:

a. For Executive Programs, select Program Directors with the concurrence of the AFAE.

b. Allocate command resources for all programs and support activities.

c. Ensure that all command organizations provide necessary support to ensure program success while controlling and limiting the involvement of the various staff offices.

d. Provide assistance to the AFAE on program strategies, plans, and issues on all Executive Programs.

e. Provide direct oversight of all other programs.

f. Communicate with the AFAE on acquisition policies and issues as well as individual programs as required.

g. Assure that AFAE direction is implemented through the Air Force command structure.

h. Assure that all user requirements are given proper recognition in the system development process.

i. Provide direction, as necessary, to meet the above responsibilities.

EXECUTIVE PROGRAMS AND PROGRAM EXECUTIVE OFFICERS

PROGRAM	PEO
NASP	AFSC/CC
AMRAAM	AD/CC
ATF, C-17, SRAM II, & B-1B	ASD/CC
PEACEKEEPER & SMALL ICBM	BMO/CC
JSTARS	ESD/CC
MILSTAR & BOOSTERS	SD/CC
SCIENCE & TECHNOLOGY	AFSC/DL
SPARES PROGRAM	AFLC/CC
F-111	SMALC/CC
C-135	OCALC/CC
ISA/AMPE	AFCC/CC

Report of the

Acquisition Streamlining Panel

EXECUTIVE SUMMARY

7 November 1986

BACKGROUND

In response to the reports of the President's Blue Ribbon Commission on Defense Management (the Packard Commission) and National Security Decision Directive 219, the Secretary of the Air Force chartered the Assistant Secretary of the Air Force (Research, Development and Logistics) to study the acquisition system and identify improvements which enhance the Air Force's capability to develop, produce and field high-quality, operationally-suitable and cost-effective weapon systems.

The Assistant Secretary formed a panel of experts representing the Secretariat and Air Staff supported by members of the Air Force Systems Command (AFSC) and the Air Force Logistics Command (AFLC). The panel was tasked to examine the functions of the various staffs and the staffs' interaction with the program management structure, and to recommend ways to streamline the acquisition system by eliminating ineffective or inefficient practices and cumbersome procedures, and by consolidating, reducing or eliminating acquisition functions performed by the Secretariat, Air Staff and Major Command headquarters.

The panel organized five teams and examined the acquisition system from both functional (bottom-up) and organizational (top-down) perspectives. The functional analysis addressed processes, practices and procedures in four broad areas: requirements, program management, contracting and logistics. The organizational analysis focused on staff interactions both within and among the three staff levels. The teams' recommendations, some 150 in total, were submitted to the panel, evaluated and consolidated into those reported here. To assure the analysis achieved a balanced view of the acquisition system, the panel interviewed ten present or past senior acquisition officials. The results of these interviews corroborated the panel's findings.

THEMES

Several basic acquisition management principles provided the framework for analysis and served as themes to guide panel deliberations. They are:

a. Responsibility for system acquisition should be decentralized except for decisions specifically retained by the Air Force Acquisition Executive. The Secretariat is responsible for civilian oversight of the acquisition process. The Secretariat's and the Air Staff's role is policy formulation, program direction, and staff oversight.

b. Authority should be delegated to the lowest organizational level at which a comprehensive view of a program rests.

c. Accountability should be clearly established and enforced.

d. Influence of the various acquisition management disciplines, particularly the "advocacies" and "special interests," should be balanced and appropriate to the program's stage of development.

FINDINGS

Based on its detailed analyses and collective experience, corroborated by the testimony of the expert witnesses, the panel concluded that the current acquisition system deemphasizes the early phases of the acquisition process, focuses oversight on near-term issues, fosters inappropriate staff involvement at the expense of accountability, and contributes to program instability by perpetuating marginally effective programs. In specific terms:

a. The requirements process tends to define system solutions rather than document mission deficiencies or operational needs and inhibits trade-offs. Examination of a range of solutions, the legitimate activity of the concept exploration phase of the acquisition process, is often performed outside the acquisition system. Solutions which are not in the tradition of the requiring organization tend to be preempted.

b. Oversight is narrowly focused. Concentrated on immediate problems and near-term solutions usually associated with individual program contract actions, oversight does not adequately address program initiation and concept development, or the broader issues of overall acquisition strategy and long-range planning.

c. Accountability for performance is not sufficiently emphasized. The acquisition system tends to create parallel organizations or processes rather than demand performance from the responsible organizations and individuals.

d. Staffs are inappropriately engaged in program management activity. Staff actions which occur and are often duplicated at each level of the acquisition organization hinder program execution, confound accountability, and divert management attention and resources from the primary task.

e. Instability continues to adversely effect sound program management. Program review and major milestone decisions are not effectively linked to the resource allocation process. The

planning, programming and budgeting system operates parallel to, not in conjunction with, the acquisition system and produces long-term plans for acquisition investment which often lack consistency and realism. Short-term decisions driven by forces extraneous to the acquisition process result in instability, program stretchout and unnecessary cost.

A NEW ORDER

These findings reflect an acquisition system characterized by duplication, instability and inefficient decision-making. While many of the problems contributing to these findings eminate from outside the Air Force, there are steps we can take to significantly improve the system. To this end the panel proposes a re-order of our acquisition system based on the newly defined Air Force Acquisition Executive System, revisions to the acquisition process and changes in management approach.

The new order envisions centralized acquisition policy development and oversight, decentralized execution, delegation of authority to the lowest responsible level consistent with effective oversight, management by exception, regular communication with a full and open flow of information up and down the chain of responsibility, and accountability for individual performance.

The recommendations outlined in the next section, taken collectively, will encourage the specification of affordable systems requirements, enhance management oversight, create a more stable environment for program management, and permit effective decision-making by fewer people in less time. We believe, with these changes, the average time to acquire a weapon system can be shortened by two to three years and the acquisition work force reduced some 15 to 20 percent.

RECOMMENDATIONS

The panel's recommendations, presented in three broad categories, establish the Air Force Acquisition Executive System (AFAES), revise the acquisition process and modify the management approach. Specific rationale and detail are provided in the body of the report and the appendix.

The Air Force Acquisition Executive System:

a. Appoint the Air Force Acquisition Executive (AFAE). The Assistant Secretary of the Air Force (Research, Development and Logistics) [SAF/AL] has been appointed the AFAE. In that capacity, he supervises the Air Force acquisition system, exercises direct oversight of selected programs, appoints Program Executive Officers, chairs the Air Force Systems Acquisition Review Council

(AFSARC), and represents the Air Force on the Joint Requirements and Management Board (JRMB).

b. Designate Executive Programs. Executive programs are those over which the AFAE exercises direct oversight. They are select program chosen because of their national significance, large resource commitment or management complexity.

c. Appoint Program Executive Officers. The Program Executive Officer (PEO) maintains an effective program management environment and assures program objectives are achieved. He is the program manager's principal advisor and link to the acquisition Commander and AFAE. The PEO reviews or approves program plans and strategies, allocates resources, facilitates communication, and controls staff interaction with the program management team.

d. Retain Commander involvement. The Commanders of the acquisition commands manage the acquisition system in coordination with the AFAE. They develop and implement acquisition policy, allocate command resources, advise and assist the AFAE on executive programs and provide direct oversight of all other programs under their command.

The Acquisition Process:

a. Adopt a long-term view of acquisition investment.

(1) Create a long-term acquisition investment plan produced and updated in conjunction with other long-range planning activities including mission area analyses, investment roadmaps, and AFSC's Vanguard.

(2) Use the acquisition investment plan to guide critical decisions and resource allocations, e.g., JRMB and AFSARC decisions; SAF guidance; and the Five Year Defense Plan and Extended Planning Annex.

(3) Establish an office of development planning and resources within SAF/AL to manage investment strategy and resource integration activities.

b. Restructure the process for determining and validating operational needs.

(1) Orient the Statement of Operational Need (SON) toward mission deficiencies rather than system solutions.

(2) Delegate authority to validate SONs to the operating commands.

(3) Transfer responsibility for administrative processing of SONs to AF/XO. Eliminate the Requirements Assessment Group and discontinue the Requirements Review Group (RRG) review of new SONs.

c. Discipline the process for initiating new acquisition programs.

(1) Assure a validated SON accompanies each Program Decision Package (PDP) documenting a program new start.

(2) Emphasize the "Milestone 0" decision. Submit the Justification for Major System New Start (JMSNS) with supporting PDP and SON (only the PDP and SON for less than major programs) for AFAE review prior to entry in the Planning, Programming and Budgeting System (PPBS).

d. Systematically evaluate alternative solutions during the concept exploration and demonstration and validation phases.

(1) Foster competition among alternative solutions.

(2) Encourage requirements trades within and among alternative solutions to optimize system capability with development constraints.

(3) Focus the decision to select an alternative solution for further development (Milestone I and II) on need satisfaction and program affordability. Cancel programs which do not satisfy these criteria.

(4) Institute a process for reviewing, validating, documenting and updating requirements trade-offs. Charter a group to oversee this requirements analysis and trade-off process. Document maturing requirements and operational concepts in a new document -- the System Operational Requirements Document (see paragraph f.(4) below).

e. Improve planning and oversight of weapon system support.

(1) Identify the AFLC System Program Manager (SPM) before the weapon system completes full scale development. Require the SPM and Program Manager to closely coordinate the transfer of program management responsibility to AFLC.

(2) Hold the program office responsible for initial support of the system until design stability is achieved and organic support capability is established.

(3) Extend the AFAES concept to weapon system support. Manage individual weapon systems or significant logistics efforts (for example, spares) as executive programs and appoint the Air Logistics Center Commander PEO.

(4) Consolidate PEM responsibility for modifications in either AF/RD (for Class V modifications requiring research and development) or AF/LE (for all Class IV modifications and Class V modifications not assigned to AF/RD).

f. Improve weapon system development and support decisions through an interrelated set of strategies and plans. The basic, top-level program plans include the Acquisition Strategy, Program Management Directive, Program Management Plan, System Operational Requirements Document, Requirements Correlation Matrix, Program Baseline, and Weapon System Master Plan.

(1) Create an Acquisition Strategy which is a comprehensive plan to achieve program objectives. The Acquisition Strategy anticipates significant management issues and documents basic program decisions. It addresses the threat, need, objectives, constraints, cost, funding, schedule, risk management and contracting approach. Prepare the initial strategy following Program Decision Memorandum (PDM) signature. AFAE approval of the initial Acquisition Strategy authorizes funds release. Update the Acquisition Strategy in response to significant program changes or, at the minimum, to support milestone decisions. Use the Acquisition Strategy as the prime oversight tool.

(2) Direct program execution using the Program Management Directive (PMD). Restrict program direction to defining or describing the job -- "What to do," versus "How to do it." Eliminate "boilerplate" and repetition of policy provided in regulation. Hold PMD coordination to the absolute minimum.

(3) Use the Program Management Plan (PMP) to document the management approach for integrating the functional activities necessary to develop and field the weapon system (organization and staffing). Prepare the initial PMP upon receipt of formal program direction. Update the PMP in response to significant program changes. Submit the initial PMP and updates for PEO approval.

(4) Create a System Operational Requirements Document (SORD) which documents maturing system requirements. Prepare the initial SORD for each alternative solution prior to Milestone I and update the SORD for subsequent milestones.

(5) Create a Requirements Correlation Matrix (RCM) to document the relationship between system requirements, the development specifications, and the operational test and evaluation criteria. Attach the RCM to the SORD. Eliminate the Baseline Correlation Matrix.

(6) Strengthen the baseline process. The Program Baseline is an agreement between the Program Manager and his

acquisition executive regarding expected performance, i.e., program cost, schedule and technical content. It reflects both overall acquisition investment and individual program strategy and is a fundamental tool for establishing program stability. It guides the program decision and resources allocation processes. Some programs should be cost capped and fenced in the PPBS. Submit the initial baseline with the updated SORD and RCM for AFAE approval at Milestone II.

(7) Create a Weapon System Master Plan (WSMP) to document the total system support requirements for the weapon system life-cycle after Program Management Responsibility Transfer (PMRT). The initial WSMP is prepared during the FSD phase and approved prior to Milestone III. Submit the WSMP for approval by the AFLC PEO to whom program management responsibility will be transferred.

The Management Approach:

a. Improve methods for providing management information and performance feedback to the AFAE.

(1) Establish a monthly Program Manager's Status Letter to the AFAE for executive programs.

(2) Develop a set of management indicators to track performance and identify conditions requiring more detailed reporting.

(3) Restructure the program review process to replace SAFPAR and LOGPAR briefings with milestone and program reviews as described in DoDD 5000.1. Use program reviews to resolve issues or present information to senior executives. Limit program review prebriefs to the PEO, acquisition Commander, Air Force Council, and AFAE.

b. Streamline source selection planning and delegation activities.

(1) Conduct the Business Strategy Panel (BSP) meeting under the chairmanship of the PEO. Assure appropriate headquarters staff participation in BSP activities.

(2) Recommend the Source Selection Authority (SSA), the Source Selection Advisory Council (SSAC) chairman, and the SAF/AL representatives to the SSAC as an outcome of the BSP. Submit this recommendation over PEO signature direct to the AFAE.

(3) Review and coordinate the Source Selection Plan only through the SSAC members.

(4) Maintain a master schedule of source selection activities at MAJCOM level.

(5) Delegate authority to approve Acquisition Plans to the PEO.

c. Delegate contracting approval and waiver authority to the lowest appropriate organizational level.

(1) Authority to award in face of protest from AF/RDC to HQ AFLC and HQ AFSC for protests against award of their respective contracts.

(2) Authority to defer contract payments from SAF/FM to HQ AFLC and HQ AFSC.

(3) Authority to request voluntary refunds for spares and support equipment from AFLC/CC and AFSC/CC to Air Logistics Center and Product Division Commanders.

(4) Authority to request other voluntary refunds from SAF to AFLC/CC and AFSC/CC.

(5) Authority to approve multi-year initial findings, validations and recurring costs from AF/RDC to HQ AFLC and HQ AFSC.

(6) Authority to use the organizational conflict of interest clause from HQ AFLC and HQ AFSC to contracting officers.

(7) Authority to waive use of the organizational conflict of interest clause from SAF to AF/RDC.

(8) Authority to waive or tailor MIL-STD-1567 from SAF/FM to the PEO.

d. Control staff interactions with program offices. Staff interaction with program offices must be controlled by the principal executives of the AFAES. The AFAE, acquisition Commanders and PEOs ensure that the briefings and reports required of program offices and the inspections and audits of their performance are necessary and appropriate.

(1) Establish a plan for major program briefings which minimizes the number of presentations. Submit the plan for AFAE approval. Task the PEO to control changes.

(2) Consolidate the reports submitted by program offices into the minimum set necessary for effective oversight.

(3) Change management's view of program inspections and audits. Stress consultation rather than compliance. Reinforce the original charter and functions of the Program Management Assistance Group (PMAG). Eliminate the AF/IG System Acquisition Management Inspection (SAMI) and AFSC/IG program inspections.

(4) Coordinate scheduling of significant program briefings, inspections and audits to avoid overlap and duplication. Publish the schedule and task the PEO to control changes. Limit visits by other DoD personnel to program offices and contractor facilities.

e. Consolidate responsibility for acquisition policy.

(1) Develop a single integrated policy for weapon system acquisition. Document the integrated policy in a pyramidal set of regulations written to levels of detail variously appropriate for senior manager, middle managers, and technicians.

(2) Establish an office of acquisition policy within SAF/AL to manage the policy-making function and evaluate policy effectiveness. Integrate, in this office, the acquisition policy functions of the SAF and Air Staff including such activities as the competition, streamlining and reliability/maintainability advocates.

f. Consolidate management of the science and technology base programs.

(1) Establish science and technology as a single Executive Program within the context of the AFAES and appoint the DCS/Science and Technology (HQ AFSC/DL) Program Executive Officer.

(2) Consolidate the science and technology base program into a limited number of broad technology areas. Publish a roadmap for each area which integrates the technology efforts in the area and provides rationale for funding. Link these roadmaps with the acquisition investment plan.

(3) Designate the Commander of each technology center [Air Force Wright Aeronautical Laboratory, Rome Air Development Center, Space Technology Center, Air Force Armament Laboratory, Aerospace Medical Division] "Program Manager" for specific technology areas responsible to the PEO.

(4) Establish a single integrated office of science and technology reporting to the SAF/AL to participate in the development of the science and technology base program and to provide oversight based on the technology area roadmaps. Use periodic program reviews and other performance feedback to replace individual technical program plan reviews.

(5) Assign Program Element Monitors (PEMs) for Basic Research (6.1), Exploratory Development (6.2), and Advanced Development (6.3a) programs to HQ AFSC/DL.

(6) Delegate reprogramming authority within the 6.1, 6.2 and 6.3a budget activities to the PEO.

g. Restructure the SAF and Air Staff acquisition functions in accordance with the Goldwater-Nichols Act.

(1) Integrate the acquisition functions of SAF/AL and AF/RD (exclusive of SON responsibility). Consider integrating the acquisition functions performed by SAF/FM, SAF/MI, AF/SC, AF/LE, AF/XO, AF/IN, AF/SG, and AF/PR into the restructured SAF/AL.

(2) Maintain independent oversight capability by retaining a small group of technical advisors in the SAF/AL staff.

(3) Create a new position within SAF/AL equivalent to the Principal Deputy title Director of Acquisition. The Director of Acquisition should be a 3-star position responsible for directly managing the acquisition staff.

(4) During integration, orient the AF/RD weapon system directorates toward mission areas. Suggested mission areas include strategic, tactical, airlift/special operations forces, space, command, control, communications and intelligence, and electronic warfare. AF/RDC, AF/RDX, and AF/RD-D should be restructured based on the recommendations to consolidate responsibility for acquisition policy, consolidate management of science and technology, and create a new office of development planning and resources.

IMPLEMENTATION

Successful implementation of these recommendations depends on several key elements. First, the recommendations must be directed by the Secretary and supported by senior leadership in both the civilian and military staff. Second, the recommendations must be translated into policies, directives and regulations. A senior official should be given the responsibility for publishing the recommendations and ensuring that the necessary changes to the system and process are accomplished. Third, personnel reductions complementary to the streamlining must be accomplished. Recommendations which reduce time and people are identified in the body of the report.

CONCLUSION

The panels recommendations are designed to make an already effective system more effective and efficient. A consequence of these recommendations for a new order will be, it is hoped, the development of quality weapons in a shorter time at lower cost. While the panel believes these recommendations, if adopted, are a good start toward greater efficiency and effectiveness, they must be considered only as a start. Because of the dynamism of this discipline and the extraneous forces by which it is constantly beset, the acquisition community itself must conduct continuing self-evaluation and self-improvement.

DEPARTMENT OF THE AIR FORCE
WASHINGTON, D.C. 20330-1000

OFFICE OF THE ASSISTANT SECRETARY

DEC 23 1986

MEMORANDUM FOR THE SECRETARY OF THE AIR FORCE

SUBJECT: Acquisition Streamlining - ACTION MEMORANDUM

Pursuant to your memorandum of 10 July 1986, I established two panels to examine our acquisition system. The results of their work were briefed to you on 26 November 1986.

The Acquisition Streamlining Panel conducted a comprehensive evaluation of our acquisition system, developed the Air Force Acquisition Executive System (AFAES) and prepared a report and recommendations for streamlining actions.

The AFAES concept paper (Attachment 1) describes a management system that complies with National Security Decision Directive 219. It establishes short, direct lines of communication between the Air Force Acquisition Executive and Program Directors, yet makes best use of our established acquisition structure. It applies to all programs and provides for direct oversight of a select number of Executive Programs by the Acquisition Executive.

The Streamlining Panel's report, Streamlining the Air Force Acquisition System, presents a set of recommendations to improve the acquisition system. The Executive Summary from that report is at Attachment 2.

The Support Functions Panel evaluated the organizations within Air Force Systems Command to determine which organizations were essential to the acquisition process and which organizations might be transferred to other Air Force commands. A brief summary of the Panel's findings and recommendations are included in Attachment 3. We await your decision regarding which organizations should be transferred from AFSC to other commands.

We also looked at reorganization under the Goldwater-Nichols Act. I believe a consolidated acquisition organization such as is notionally shown in Attachment 4 will continue to provide independent civilian oversight of the acquisition system, maintain a professional military staff component, advise the corporate structure, and support the Chief. I also believe we should achieve the reductions the law requires, 15 percent in our staffs and 10 percent in the acquisition commands' management headquarters, by 1 October 1987 - a year earlier than required. By doing so, we will enhance the benefits of the streamlining recommendations.

Tom

THOMAS E. COOPER
Assistant Secretary
Research, Development
and Logistics

DEPARTMENT OF THE AIR FORCE
WASHINGTON, D.C. 20330

OFFICE OF THE SECRETARY

DEC 2 4 1986

MEMORANDUM FOR SAF/AL

SUBJECT: Acquisition Streamlining - ACTION MEMORANDUM

I was pleased to receive your briefing on our initiatives to improve the Air Force's acquisition system. The Air Force Acquisition Executive System (AFAES) achieves our objective of improving communications and decision making while maintaining our proven acquisition command structure. The Executive Summary of the Acquisition Streamlining Panel's report lays out a good game plan for achieving substantive system improvements. I want to press forward with these initiatives and ask you to take the following actions:

a. Implement the Air Force Acquisition Executive System.

b. Designate Executive Programs and Program Executive Officers.

c. Implement the recommendations of the Acquisition Streamlining Panel, as you deem appropriate, with coordination of appropriate staff elements.

d. Take immediate action to transfer responsibility for Wilford Hall Medical Center to Air Training Command. Transfer the Air Force Satellite Control Facility and host base responsibility for Onizuka Air Force Station to Air Force Space Command upon completion of the data systems modernization program.

While I'm not prepared to make a final decision on staff reorganization or headquarters staff reductions, I understand your view that our acquisition organization should continue to provide independent civilian oversight of the acquisition system, maintain a professional military acquisition staff component, provide advice to the corporate structure and support to the Chief. I will consider these views as I evaluate options.

These actions are a major step forward in our efforts to implement the recommendations of the Packard Commission, National Security Decision Directive 219, and the Goldwater-Nichols legislation. When completed, they will significantly improve acquisition management and our capability to place operationally suitable weapon systems in the field faster and cheaper.

E. C. Aldridge, Jr.
Secretary of the Air Force