



DEPARTMENT OF THE AIR FORCE  
HEADQUARTERS UNITED STATES AIR FORCE  
WASHINGTON D.C. 20330-1070

NOV 08 2004

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Program Executive Officer (PEO) Realignment - Phase II

On 23 Jul 03, SECAF and CSAF Memorandum, *Organization for Acquisition*, prescribed a division of responsibilities and authority for managing weapon systems across their life cycle. We are implementing this direction in a two-phase effort titled, *Program Executive Officer (PEO) Realignment*, which is governed by Programming Plan (PPlan) 04-01, dated 30 Jan 04. This memorandum documents our decisions regarding the portfolio transfer process, the list of programs transferring to sustainment, and directs formation of a Policy Integrated Process Team (IPT) to institutionalize the transfer process.

A White Paper (Atch 1), outlining the agreements for acquisition, sustainment, and services reporting and accountability, provides baseline terminology with models depicting reporting chains. As a general rule, when a program nears completion of the production and deployment phase, it will normally move from acquisition to sustainment. This is the sustainment transfer point. The transfer status of all weapon systems and services programs in a PEO portfolio will be reviewed annually. The PEO and Air Logistics Center (ALC) will apply the factors outlined in the transfer process model and provide a coordinated recommendation on the phasing of the systems from acquisition to sustainment (Atch 2).

Fifty programs (Atch 3) are approved for transfer from the acquisition phase to the sustainment phase. For programs transferring to an ALC, the respective PEO and ALC will develop detailed Transition Plans (T-Plans) documenting the terms and agreements by 15 Jan 05. T-Plans are to be signed by the PEO and ALC Center Commander and copies provided to HQ AFMC/XP. We expect these programs to complete the transfer process from acquisition to sustainment NLT 1 Oct 05.

At our direction, a Policy IPT will be formed immediately and is charged with developing acquisition, sustainment, and services implementation policy, and a monitoring process for annual reviews. The Policy IPT will be chaired by SAF/AQX with AF/IL and AFPEO/CM, and HQ AFMC/LG/XP/XR as team members. SAF/AQ will invite other participants as needed.

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Assistant Secretary of the Air Force  
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GREGORY S. MARTIN  
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Attachments:

1. White Paper, 13 Sep 04
2. Transfer Model
3. Programs transferring to sustainment

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WHITE PAPER  
ON  
TRANSFER OF PROGRAM MANAGEMENT  
13 Sep 04

1. **PURPOSE.** This paper outlines the agreements for acquisition, sustainment, and services reporting and accountability developed in Phase II of the PEO Realignment. Additionally, models have been developed to help implement this effort and to show that it is compliant with DoDD 5000.1 which requires that no more than two levels of review exist between the Program Manager (PM) and the Milestone Decision Authority.

2. **DEFINITIONS/RESPONSIBILITIES.**

2.1 System Program Manager (SPM) – Designated individual with responsibility for and authority to accomplish program objectives for development, production, and sustainment to meet the user's operational needs. For platforms/programs in the acquisition phase, the SPM is accountable for cost, schedule, and performance and is the DoDD 5000.1 Program Manager (PM). Depending on the phase of the system (acquisition or sustainment), the SPM will normally reside at either a Product Center or Air Logistics Center (ALC). If a program is in acquisition, the SPM will be at a Product Center and will be supported by a System Support Manager (SSM) normally located at an ALC. If a program is in sustainment, the SPM will normally reside at the appropriate ALC or other sustainment location and will be supported by a Development System Manager (DSM) normally located at a Product Center. In all cases, except for Acquisition Category (ACAT) 1D programs, the SPM is the supported commander. In those few exceptions, the SPM is the Wing Commander in order to comply with DoDD 5000.1, which requires only two intermediate levels of reporting between the "PM" and the Milestone Decision Authority, who in the case of ACAT ID programs is USD(AT&L).

2.2 System Support Manager (SSM) – The individual normally at an Air Logistics Center (ALC) responsible for the sustainment portion of a weapon system's life cycle and who supports an SPM located at an AFMC Product Center when a program is in the acquisition phase. The SSM is a supporting commander.

2.3 Development System Manager (DSM) – The individual normally at an AFMC Product Center responsible for the acquisition portion of a weapon system's life cycle and who supports a System Program Manager (SPM) normally located at an ALC. The DSM is a supporting commander, but for the purpose of DoDD 5000.1 compliance is designated as the PM for the acquisition portion of a weapon system in sustainment.

2.4 Project Manager – The designated individual with responsibility for and authority to accomplish program objectives for development, production, and sustainment of a subsystem to meet the user's operational needs.

2.5 Product Group Manager (PGM) – The individual ultimately responsible for decisions and resources for overall product group management. The single face to the customer responsible for all cost, schedule, performance aspects of the product group along with the sustainment elements.

2.6 Public Law 107 Applicability – 10 USC 2330 and SAF/AQ memorandum dated, 3 Jun 03, requires all service acquisitions be managed as weapons systems. Air Force policy requires all Air Force service acquisitions greater than \$100M, OMB A-76 studies with more than 300 full-time equivalents (FTEs), or special interest acquisitions to be managed by the AF Program Executive Officer for Combat and Mission Support (AFPEO/CM) unless specifically assigned in another PEO's portfolio. Program Managers and Contracting Officers must screen all new and follow-on acquisitions for applicability under the statute and policy.

3. The model in Figure 1 depicts the reporting chain for programs in acquisition. When a program is in acquisition the SPM is normally located at a Product Center. A Program Management Directive (PMD) is issued by Headquarters Air Force to provide program management direction to the SPM. Continual collaboration and guidance transpires between the supported SPM and the supporting SSM. The SSM informs the SPM of all sustainment activities but takes direction on sustainment matters from the ALC/CC. When a new capability requirement is identified, the PMD will be utilized as the trigger mechanism. The developmental activities are worked through the acquisition chain, but collaboration between the SPM and SSM is essential to ensure overall program management integration.

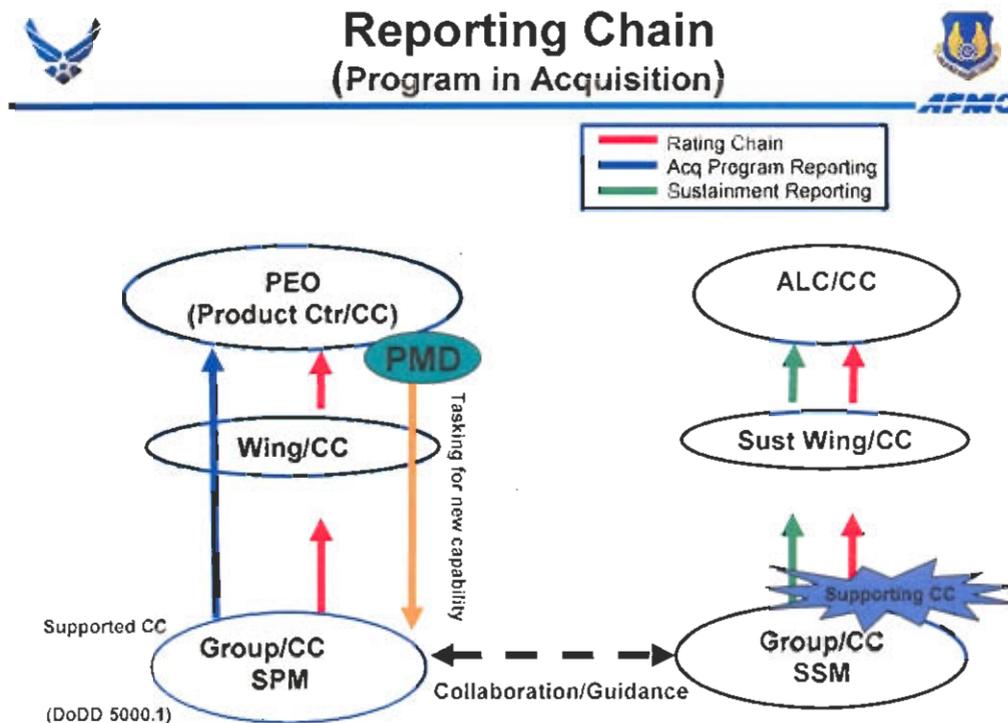


Figure 1. Reporting Chain for Programs in Acquisition

4. The model in Figure 2 depicts the reporting chain for programs in sustainment. When a program is in sustainment the SPM is normally located at an ALC. Continual collaboration and guidance transpires between the supported SPM and the supporting DSM. PMDs are required for programs in acquisition and are generally discontinued once a program enters sustainment. If the program PMD is still active, new capability requirements may be incorporated into the active PMD. If a PMD no longer exists for the program, HAF may issue a new PMD to direct the new capability requirement. The DSM executes the acquisition activity directed by HAF and informs the SPM of acquisition and development activities. The DoDD 5000.1 acquisition reporting is accomplished through the PEO structure.

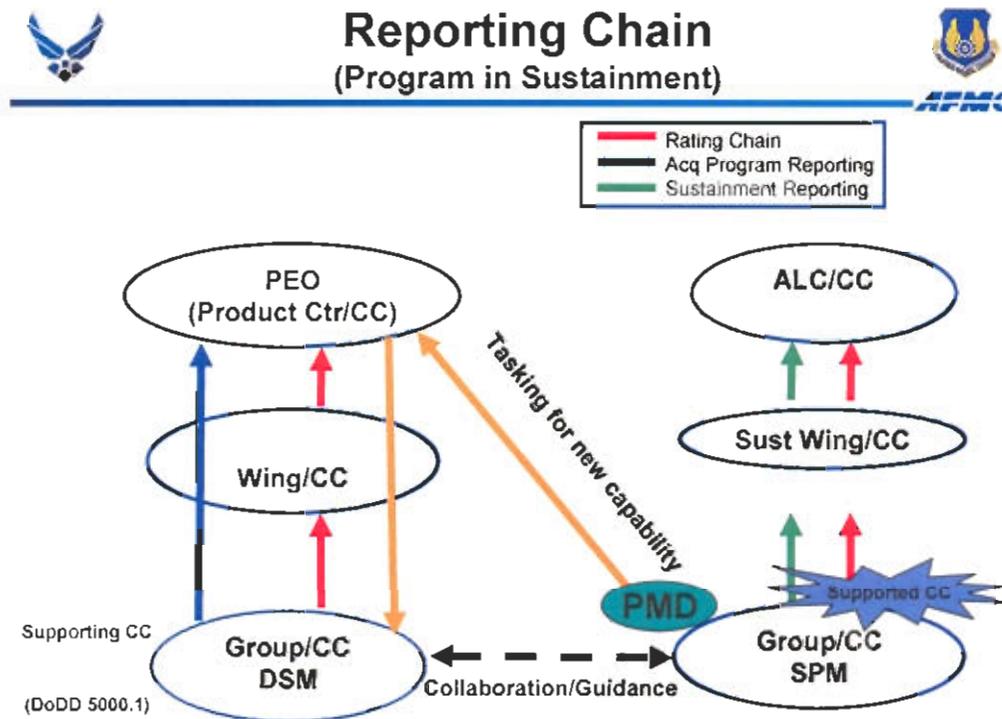
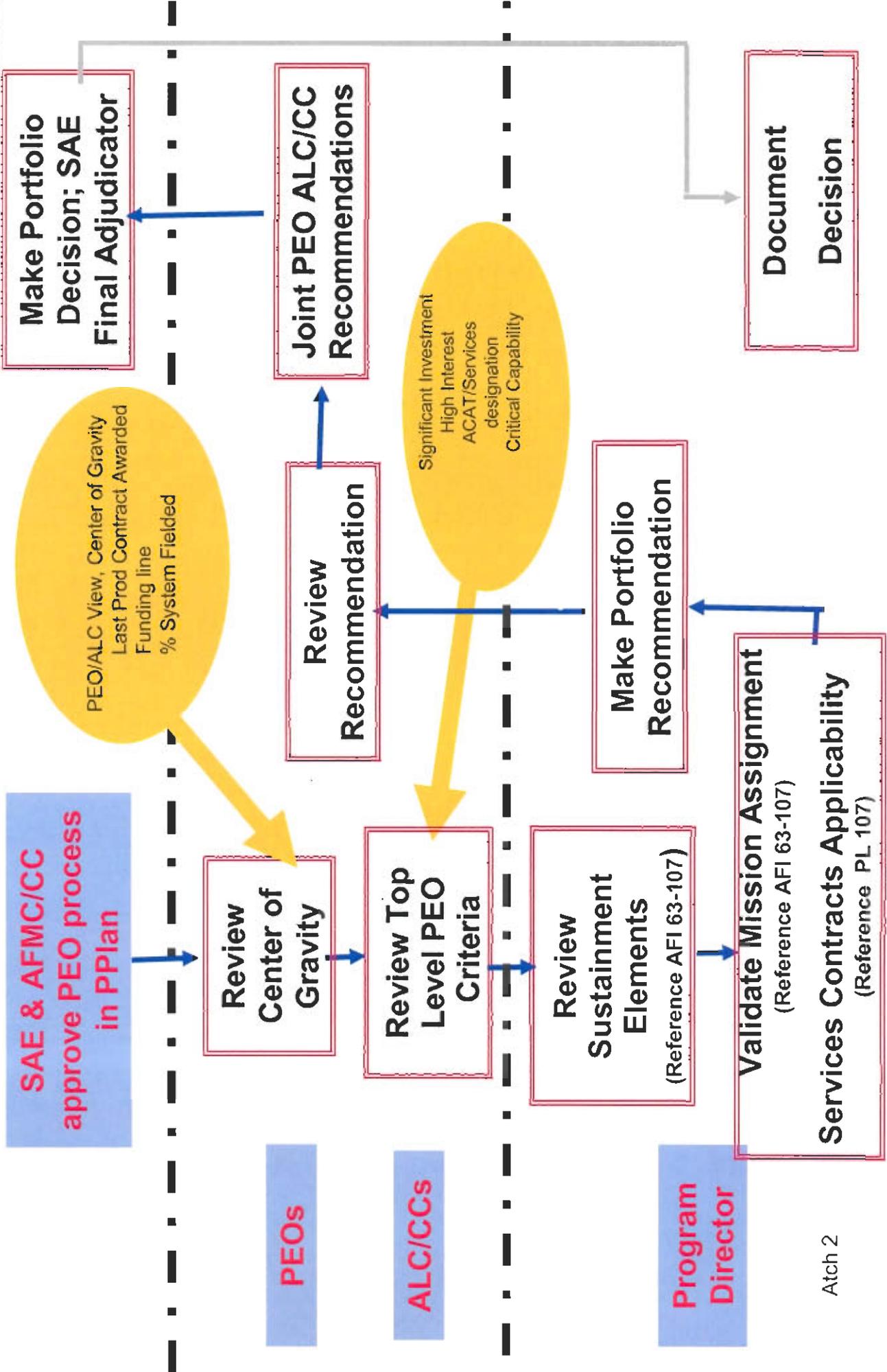


Figure 2. Reporting Chain for Programs in Sustainment

5. In all cases, the SPM is the single face to the customer for their respective systems. Funding will flow to and from the Center designated with SPM responsibility. The SPM, in turn, will transfer funding to the DSM to accomplish developmental activities.



# Portfolio Transfer Process



## Programs Transitioning from Acquisition to Sustainment

<u>ACAT</u>	<u>Program Description</u>	<u>PEO</u>	<u>Gaining Location</u>
ACAT II	AC-130U Gunship	PEO/AC	WR
ACAT II	F-15 Eagle	PEO/AC	WR
ACAT III	Halvorsen	PEO/AC	WR
ACAT II	Tunner	PEO/AC	WR
ACAT IC	B-1 Bomber	PEO/AC	OC
ACAT II	F-16 Fighting Falcon	PEO/AC	OO
ACAT III	U-2 (Senior Year Aircraft and Sensors)	PEO/AC	WR
ACAT II	BRU-57 Smart Racks	PEO/WP	WR
Non	Electronic Attack Payload System	PEO/WP	WR
Non	Gulf Range Drone Control System	PEO/WP	OO
ACAT III	Vector Doppler Scorer	PEO/WP	WR
ACAT III B-2	Deployable Shelters (B-2 Support Equipment)	PEO/WP	OC
ACAT III	Collectively Protected Expeditionary Latrine	PEO/WP	WR
ACAT III	Joint Alaskan Range Upgrade/ Alaskan Air Combat Training System	PEO/WP	OO
ACAT III P4	Refurbishment Contract	PEO/WP	OO
Non	Range Instrumentation Tech Support Software	PEO/WP	OO
ACAT IC	Joint Stand Off Weapon	PEO/WP	OO
ACAT III	Air-to-Ground Missile-142 (Have Nap)	PEO/WP	OO
ACAT III	Advanced Cruise Missile	PEO/WP	OC
ACAT III	Air Launched Cruise Missile/ CALCM Test Instrumentation Kit	PEO/WP	OC
ACAT III	Conventional Air Launched Cruise Missile Joint Test Instrumentation Kit	PEO/WP	OC
ACAT II	Air-to-Ground Missile-130	PEO/WP	OO
ACAT III	Enhanced Guide Bomb Unit-28	PEO/WP	OO
ACAT III	LASER Guided Weapon Systems (GBU-10, 12, 24, & 27)	PEO/WP	OO
ACAT III	Small Arms/Aircraft Guns/SOF Guns	PEO/WP	WR
ACAT III	Subscale Target (BQM 343A)	PEO/WP	WR
ACAT III	Subscale Target (MQM 107E)	PEO/WP	WR
N/A	Air Sovereignty Operations Center (FMS)	PEO/C2&CS	ESC
ACAT III	Air Traffic Control & Landing Sys	PEO/C2&CS	OC
ACAT III	Counter Drug Surveillance and Control	PEO/C2&CS	OC
ACAT III	Flightline Security Enhancement Program	PEO/C2&CS	ESC (CPSG)
ACAT III	Multimedia Message Manager	PEO/C2&CS	ESC
ACAT III	Tactical Automated Security System	PEO/C2&CS	ESC (CPSG)
ACAT III	Weapons Storage Area/ Advanced Entry Control System	PEO/C2&CS	ESC (CPSG)
ACAT III	Battle Mgt Sys BCS- AE WS	PEO/C2&CS	OO
ACAT II	Battle Mgt Sys BCS-CRC	PEO/C2&CS	OO
ACAT III	E-4 National Airborne Operations Center	PEO/C2&CS	OC
N/A	Peace Shield (FMS)	PEO/C2&CS	ESC
N/A	Air Force Technical Data Support Enterprise	PEO/C2&CS	ESC (MSG)
ACAT III	Command Management System	PEO/C2&CS	ESC (MSG)
ACAT II	Defense Messaging System-Air Force	PEO/C2&CS	ESC (SSG)
ACAT III	Desktop Management	PEO/C2&CS	ESC (MSG)
ACAT III	Interim Work Information Management Sys	PEO/C2&CS	ESC (SSG)
ACAT III	Security Forces Management Information	PEO/C2&CS	ESC (SSG)
ACAT III	AFMC Win 2000/Active Directory	PEO/C2&CS	ESC (MSG)
Non	Core Automated Maintenance System	EO/C2&CS	ESC (SSG)
Non	Cargo Movement Operations System	PEO/C2&CS	ESC (SSG)
ACAT IAC	Global Transport Network Current System	PEO/C2&CS	TRANSCOM
Non	Keystone	PEO/C2&CS	ESC (MSG)
Non	Stock Control System	PEO/C2&CS	ESC (MSG)