DEPARTMENT OF THE ARMY
WASHINGTON DC 20310

0 2 AUG 2004

MEMORANDUM OF AGREEMENT
BETWEEN
THE ASSISTANT SECRETARY OF THE ARMY FOR ACQUISITION, LOGISTICS AND TECHNOLOGY
AND
THE COMMANDER, U.S. ARMY MATERIEL COMMAND

SUBJECT: Life-Cycle Management (LCM) Initiative

1. **PURPOSE**: The purpose of this Memorandum of Agreement (MOA) is to formalize the Army's Life Cycle Management initiative. The objective of this initiative is to get products to the Soldier faster, make good products even better, minimize life cycle cost, and enhance the synergy and effectiveness of the Army Acquisition, Logistics and Technology (ALT) communities. It is intended to integrate significant elements of ALT leadership responsibilities and authority to enable a closer relationship between the Army Materiel Command (AMC) Major Subordinate Commands (MSCs) and the Program Executive Officers (PEOs). The PEOs will be able to work as an integral part of the AMC MSCs, while continuing to report directly to the Army Acquisition Executive (AAE); likewise, logisticians in AMC will have enhanced input into acquisition processes to influence future sustainment and readiness. The life cycle management initiative will provide an integrated, holistic approach to product development and system support.

2. **CONCEPT OF OPERATIONS**:

a. The concept of operation is to create Life Cycle Management Commands (LCMC) by aligning AMC systems oriented MSCs (AMCOM, CECOM, JMC, and TACOM) with the PEOs with whom they already work. The following Commands and PEOs will form the respective LCMCs:

Aviation/Missile LCMC (Formerly AMCOM)
PEO Tac Msls
PEO Aviation

Soldier/Ground Systems LCMC (Formerly TACOM)
PEO Soldier
PEO GCS
PEO CS & CSS

Communications/Electronics LCMC (Formerly CECOM)
PEO IEW&S
PEO C^3T

Joint Ammunition LCMC (Formerly JMC in AFSC)
PEO Ammo

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b. PEO STRI, PEO JCBD, PEO ASMD and PEO EIS will not be included in the LCMC construct initially. The RDECOM RDECs will be strategically and operationally linked. Alignments will be reviewed in the summer of Calendar Year 2005 and annually thereafter.

c. Additionally, the Military Deputy (MILDEP) to the Assistant Secretary of the Army for Acquisition, Logistics and Technology, ASA(ALT), will be dual-hatted as the AMC Deputy Commanding General for Acquisition and Technology (AMC DCG A&T). The dual-hatted MILDEP/AMC DCG A&T and the AMC DCG for Operations and Readiness will work closely together on issues within each individual's purview that affect the interest and mission of the other.

3. **RESPONSIBILITIES**:

a. ASSISTANT SECRETARY OF THE ARMY FOR ACQUISITION, LOGISTICS AND TECHNOLOGY/ACQUISITION EXECUTIVE. The ASA(ALT) is the AAE. The AAE's current responsibilities remain unchanged. The authority, responsibility and accountability for the development, acquisition, logistics and fielding of acquisition programs reside with the AAE. Management responsibility flows directly, without intervention, from the AAE to the PEOs to Program/Project/Product Managers (PMs).

b. COMMANDER, U.S. ARMY MATERIEL COMMAND (CDR, AMC). The CDR AMC is responsible for technology development; support to PEOs/PMs during the development, acquisition and fielding phases of the systems lifecycle; and integrated sustainment, planning, and execution. The support services that AMC provides to PEOs/PMs include technology research, development and engineering; acquisition logistics; contracting; procurement analysis; production; quality; industrial base analysis; sustainment logistics; and other support services as required.

c. MILITARY DEPUTY (MILDEP) TO THE ASA(ALT)/AMC DEPUTY COMMANDING GENERAL FOR ACQUISITION AND TECHNOLOGY (DCG, A&T). The MILDEP is the military deputy to the ASA(ALT) and will also serve as the AMC DCG for A&T. As an AMC DCG, he will monitor and direct command policy for technology and acquisition.

d. AMC DEPUTY COMMANDING GENERAL (DCG) FOR OPERATIONS AND READINESS. The responsibilities for the AMC DCG for Operations and Readiness include monitoring and directing command policy for logistics; assisting the CG in commanding subordinate units and organizations; acting as focal point for the North Atlantic Treaty Organizations for standardization and interoperability programs; acting as the Department of Defense (DoD) Executive Director for Conventional Ammunition; and acting as Command focal point for shaping AMC's future.

e. PROGRAM EXECUTIVE OFFICERS/PROGRAM MANAGERS/ PROJECT/ PRODUCT MANAGERS. The reporting chain for PEOs/PMs to the AAE is unchanged. They are responsible for, and have authority to accomplish program objectives for development, production, and sustainment to meet the user's operational needs. They will remain the single point of accountability for accomplishing program objectives through the integration of total life-cycle systems management. The PEOs remain responsible for the total life-cycle management of assigned programs. The PEOs, when delegated, exercise decision authority on milestone decisions for their programs. The PEOs will have no more than one level to the AAE and PMs will have no more than two levels to the AAE. The PMs will work closely with other LCMC elements (contracting, logistics, and industrial operations) to design and execute sustainment strategies that are both effective for the PM's system as well as synergized with larger Army sustainment concepts. The PEOs/PMs also will interface on a regular basis with LCMC Commanders, RDECOM and USASAC on technology and Security Assistance and other matters, as appropriate. Should PEOs be multi-hatted an appropriate waiver will be requested prior to assignment of any additional duty position.

f. LIFE CYCLE MANAGEMENT COMMAND COMMANDERS. The Commander, whether multi-hatted or not, is the focal point and primary responsible agent for actions across the entire life cycle of the entire groupings of systems assigned to the LCMC. The LCMC Commander also has an operational relationship with the RDECOM RDEC(s) associated with his/her LCMC for technology/engineering issues that affect the LCMC's assigned systems.

g. RESEARCH, DEVELOPMENT AND ENGINEERING COMMAND COMMANDER. The RDECOM remains a strategic partner in the LCMC concept. RDECOM provides science and engineering functional expertise to AMC LCMCs and PEO/PMs in support of their development, acquisition, sustainment and other missions.

4. **RATING CHAIN**:

Position	Rater	Intermediate Rater	Senior Raters
AMC DCG - Ops & Readiness	CG AMC		CG AMC
AMC DCG - Acq & Tech	CG AMC		AAE
LCMC CGs	AMC DCG - Ops & Readiness		CG AMC
CG RDECOM	AMC DCG - Acq & Tech		CG AMC
USASAC	AMC DCG - Acq & Tech		CG AMC
PEOs 1, 2	LCMC CGs	AMC DCG - Acq & Tech	AAE
PMs	DPEO / PEO		PEO

1. "Dual-hatted" PEOs may have different rating scheme from other PEOs and will be determined individually
2. Except PEO STRI / JCBD / ASMD / EIS

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5. **IMPLEMENTATION PLANS:** Implementation plans will be prepared for each LCMC outlining relationships, processes and reporting chains. These implementation plans will be developed no later than six months from the date of this document. Implementation plans will be developed by an IPT consisting of the Systems Support Alliance (SSA) (representatives from the MSCs), LCMC PEOs and RDECs. A Board of Directors, comprised of the MILDEP/AMC DCG A&T, the AMC DCG for Operations, the Commander, and the HQ AMC G-3, will provide reports on implementation progress to the AAE and CG AMC on a regular basis. The AAE has indicated that metrics will be established to evaluate the benefits of this arrangement.

PAUL J. KERN
General, USA
Commanding

02 AUG 2004
(Date)

Claude M. Bolton, Jr.
Assistant Secretary of the Army
(Acquisition, Logistics and Technology)

02 AUG 2004
(Date)