



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

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SAAL-PA

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Materiel Development Decision (MDD) Reviews

1. The 8 December 2008 update to Department of Defense Instruction 5000.02 established the MDD review as the formal entry point into the acquisition process and mandated an MDD review for all prospective programs. The Army will comply with this directive through the establishment of an MDD board, chaired by the Army Acquisition Executive and comprised of members representing key elements of the Headquarters Army staff.
2. All Acquisition programs are covered by this new policy and are required to be reviewed by the Army MDD board prior to being recognized as a program and entering into the acquisition process.
3. Specific implementation guidance is enclosed and will be included in the next revision of Army Regulation 70-1, Army Acquisition Policy. My point of contact for this policy is Mr. John Cason, (703) 604-7004 or e-mail: john.cason@us.army.mil.

Dean G. Popp
Army Acquisition Executive

Encls

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SUBJECT: Materiel Development Decision (MDD) Reviews

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Army Materiel Development Decision (MDD) Implementation

Assistant Secretary of the Army (Acquisition, Logistics and Technology)

Acquisition programs are established in order to provide intensive, centralized management. The Materiel Development Decision (MDD) review is the formal entry point into the acquisition management system and shall be mandatory for all new-start programs. The Army Acquisition Executive (AAE) shall chair the MDD for potential acquisition category (ACAT) II and III programs, unless delegated. The Defense Acquisition Executive (DAE) will chair MDDs for potential ACAT I and IA programs, unless delegated.

In accordance with the blanket milestone decision authority (MDA) delegation in AR 70-1 the following authorities may conduct MDD as specified:

- Commanding General, Medical Research and Materiel Command (MRMC) responsible for research, development, acquisition and logistical support for assigned medical materiel capabilities.
- Program Executive Officer (PEO) Soldier for ACAT III-level organizational clothing and individual equipment.
- Joint Program Executive Officer for Chemical Biological Defense for ACAT II and III Chemical and Biological Defense Program systems.

Results of MDDs conducted by these authorities shall be provided to the ASARC Executive Secretary, SAAL-ZSA and Director, Acquisition and Industrial Base Policy, SAAL-PA.

The basis for requesting a new materiel solution effort is an approved Initial Capability Document (ICD) or other Army approved operational or warfighting requirement (for example, Capability Development for Rapid Transition action). When the Army need for a materiel solution is identified, the Deputy Chief of Staff (DCS), G-3/5/7 for potential ACAT II/III programs or JROC for potential ACAT I/IA programs shall recommend that the appropriate MDA consider the potential materiel solutions.

For potential ACAT II/III programs, the AAE shall assign a lead PEO who will have oversight responsibility, beginning with the MDD, for each phase and review of the acquisition management system. The appropriate PEO lead will be based on the materiel gap(s) identified in the approved ICD or other capability requirement.

Army MDD Membership.

- Army Acquisition Executive – Chairman
- Designated Program Executive Office
- Deputy Chief of Staff, G-3/5/7

- Chief Information Officer/G-6
- Deputy Chief of Staff, G-8
- Assistant Secretary of the Army (Financial Management and Comptroller)
- Office of the General Counsel
- U.S. Army Materiel Command
- Deputy Under Secretary of the Army, Test and Evaluation Office (TEO)
- U.S. Army Training and Doctrine Command

Notification of the need for an MDD. The DCS, G-3/5/7 will notify the ASARC Executive Secretary that a MDD is required. The Executive Secretary will coordinate with the Deputy for Acquisition and Systems Management (DASM), SAAL-ZS; the DCS, G-3/5/7; the appropriate PEO and other parties as necessary to determine when to conduct the initial MDD review.

MDD Decisions. The MDA shall approve the AoA study guidance, determine the acquisition phase of entry, identify the initial review milestone, and designate the lead PEO. Programs may enter at any acquisition phase. The programmatic information presented in the MDD reviews shall address technological maturity and any actions necessary to meet pertinent statutory or regulatory requirements for entry at any point beyond the Materiel Solution Analysis phase.

MDD Preparation and Review Process. The MDD is conducted as a sequence of two Army MDD actions: the DASM review and the MDD. For small programs with minimal risk, the review may be conducted via paper. If no unresolved issues are presented in the DASM review, the DASM may direct that the program proceed to the AAE with a “paper” MDD.

a. DASM Review. The purpose of this review is to assess whether sufficient analysis has been conducted to hold a MDD, to identify the most appropriate MDA assignment for the program(s), to identify the appropriate milestone entry point for the program(s), to verify a funding strategy for the initial phase of the program(s), and to identify any issues that must be addressed prior to presentation of the program to the AAE. This forum is comprised of members in the organizations listed above plus ASA(ALT) representatives from Acquisition Policy and Logistics; Research and Technology; and Plans, Programs, and Resources. It will be chaired by the DASM. The DASM review shall include, at a minimum, the following information.

(1) The DCS, G-3/5/7 designee shall present the ICD, a description of the needed capability, the operational risk, the basis for determining that non-materiel approaches will not sufficiently mitigate the capability gap, the preliminary concept of operations and likely Basis of Issue. The DCS, G-3/5/7 designee will present the AoA guidance.

(2) The PEO and/or a materiel developer (MATDEV) in the PEO organization will brief appropriate programmatic information including technological maturity and expected funding requirements, and propose the acquisition phase entry point.

(3) The DCS, G-8 representative will discuss the Army funding strategy, and the ASA(FM&C) representative will discuss a strategy to fund near-term bills associated with the program, if such bills exist.

(4) The DASM Review may address additional study required to support the MDD and the potential for MDA delegation of the program by the AAE to the PEO.

(5) DASM Review Outcomes. The DASM shall inform the AAE of the DASM review results. There are three potential outcomes:

- The DASM determines that additional study is required, or all conditions for a successful MDD have not been met. The Executive Secretary shall then prepare, and the AAE shall approve, guidance to ensure that necessary information is available to support the MDD. The MATDEV and Department of the Army Systems Coordinator (DASC) must coordinate with the ASARC Executive Secretary, the G3, and any other organizations to support the satisfaction of any outstanding requirements, and preparation of the staffing package for another review.

- The DASM determines that a potential ACAT II/III program is ready for an MDD, and DASM may recommend to the AAE that the authority for the MDD be delegated to the lead PEO. The ASARC Executive Secretary shall then prepare an Acquisition Decision Memorandum for the AAE's signature, which documents the DASM review decision and includes delegation of MDA. The PEO designated as MDA shall then be responsible for program execution, beginning with a MDD.

- The DASM determines that a program is ready for an MDD at the AAE level. The MATDEV and DASC must then coordinate with the DCS, G3/5/7 and ASARC Executive Secretary to prepare for the Army MDD. The Executive Secretary captures DASM Review meeting minutes, outlining any areas that must be addressed and selects a date for the Army MDD.

b. Army- Level MDD.

(1) The Army-level MDD is chaired by the AAE and includes members from the organizations indicated above.

(2) Based on the timelines approved at the DASM Review, the ASARC Executive Secretary will coordinate with the DASM, the DCS, G-3/5/7; and the appropriate PEO to schedule the MDD.

(3) The DCS, G-3/5/7 or designee will present the ICD, the preliminary concept of operations, a description of the needed capability, the operational risk, and the basis for determining that non-materiel approaches will not sufficiently mitigate the capability gap.

(4) The DCS, G-3/5/7 will propose AoA guidance for AAE approval as part of the MDD review. After the MDD, the DCS, G-3/5/7 will submit the AoA Study Plan for AAE concurrence prior to final approval.

(5) The PEO (or appointed MATDEV) will present the planned acquisition management structure for the proposed materiel solution. The plan shall include the proposed acquisition phase entry point, funding requirements, and timeline to complete phase requirements leading to the initial milestone (for example, when planning for entry into Technology Development, present the timeline necessary to prepare appropriate statutory and regulatory documents that will lead to the Milestone B review).

c. Defense Acquisition Executive Level MDD. Potential ACAT I/IA programs will undergo an Army review prior to the DAE-level MDD. The Office of the Under Secretary of Defense (Acquisition, Technology and Logistics) directs potential ACAT I/IA new-start MDD procedures.

Army MDD Decisions. Army MDD decisions shall be documented by the Executive Secretary in an Acquisition Decision Memorandum (ADM) signed by the Army Acquisition Executive. For potential ACAT I/IA programs, the Army-level decision will be documented as a recommendation in a memorandum to the DAE.

Administrative Support.

The ASARC Executive Secretary will provide administrative support for the MDD process, coordinate with members of the MDD to schedule meetings, and publish meeting minutes.