TECHNOLOGY DEVELOPMENT STRATEGY

[or]

ACQUISITION STRATEGY

FOR

[PROGRAM NAME]

[Sample Outline]

20 April 2011

International Involvement is addressed in paragraph 10

Version 1.0, 04/20/2011

PROGRAM NAME

SUBMITTED BY:

_____ _____
Date

wwwwwwwwwwwwwwwwwwwww

Program Manager, *program name*

CONCURRENCE:

_____ _____
Date

xxxxxxxxxxxxxxxxxxxx

Program Executive Officer (PEO)

_____ _____
Date

yyyyyyyyyyyyyyyyyyyyy

DoD Component Acquisition Executive (CAE)

APPROVAL:

_____ _____
Date

zzzzzzzzzzzzzzzzzzzzzzz

Under Secretary of Defense (Acquisition, Technology and Logistics) (or as applicable)

[Note: Include a Table of Contents]

1. Purpose. State the reason the program strategy (i.e., the Technology Development Strategy or the Acquisition Strategy) is being prepared or updated (e.g., milestone review, full rate production decision, change in strategy, etc.).

2. Capability Need

2.1. Summarize the requirement. Indicate the key operational and sustainment requirements for this system (i.e., the time-phased capability requirements as described in the Initial Capabilities Document, Capability Development Document, and/or Capability Production Document). Highlight system characteristics driven by interoperability and/or joint integrated architectures, capability areas, and family- or system-of-systems.

2.2. Summarize the expected operational mission of this program. Identify the user and summarize the user's Concept of Operations (CONOPS). Indicate how the program fits into current and future integrated architectures.

2.3. Summarize the threat assessment in relation to the capabilities or operational concepts the system will support (see the applicable System Threat Assessment document for details). Specify which elements of the threat (if any) are not yet fully defined, and which elements of the threat (if any) will not currently be countered by the system capabilities or CONOPS. Include a projected plan/schedule to define and counter the remaining threat elements.

2.4. If this is a Technology Development Strategy, summarize the Net-Centric Data Strategy, as required by DoD Directive 8320.02. At subsequent milestone decisions, summarize the Net-Centric Data Strategy in the Information Support Plan.

2.5. Include an Operational View (OV)-1 Illustration. (See example in Figure 1, below.)

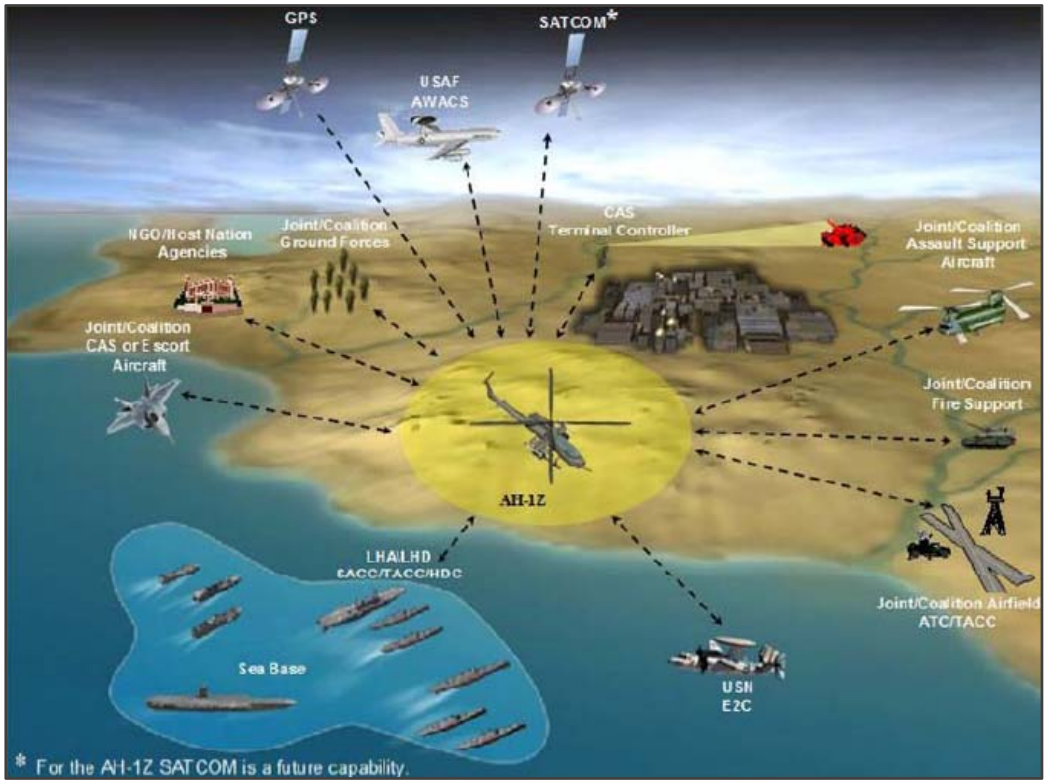


Figure 1. Example OV-1 Illustration

2.6. For Milestone B, provide a reference design concept for the product showing major subsystems and features (one or more drawings as needed to describe or illustrate the expected features of the product; see the example in Figure 2).

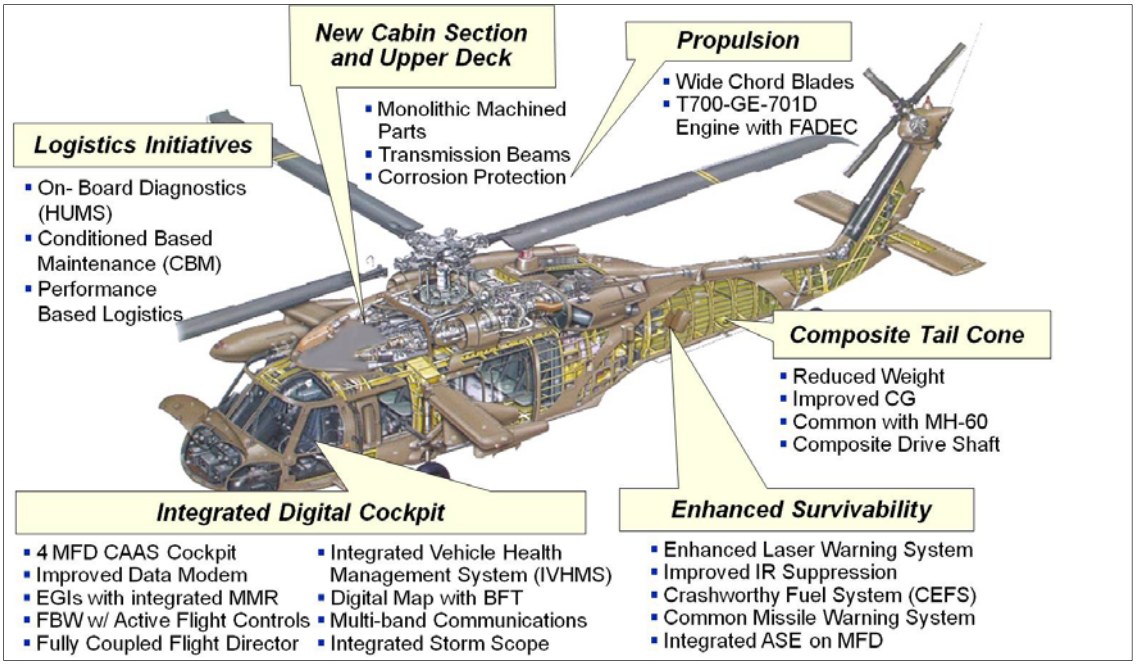


Figure 2. Sample Drawing of the Reference Design Concept

3. Acquisition Approach. Indicate whether the program strategy will be evolutionary or single step to full capability. Note: If this program employs an evolutionary acquisition approach, this strategy will primarily apply to the current increment, while occasionally addressing some topics in the context of the overall program.

3.1. If this program employs an evolutionary acquisition approach, summarize the cost, schedule, and performance drivers for the increment under consideration, and the plan to transition from the initial increment to later increments.

3.2. Specify any unique program circumstances, such as transitioning from a technology project, selection as a special interest program, etc.

3.3. Indicate whether this program will replace an existing system, is a modification to an existing system, or is a new capability.

3.4. Indicate whether this is a New Start program. Verify that the appropriate Congressional notifications have been completed for a New Start. (Reference DoD 7000.14-R, *DOD Financial Management Regulation*, Volume 3, Chapter 6 for guidance on new start determinations.)

3.5. Indicate whether this is a joint program. If so, specify the joint nature and characteristics of the program. Identify the Service(s) or DoD Components involved, state the key Service-specific technical and operational differences in the end item deliverables, and provide the principal roles and responsibilities of each DoD Component in the management, execution, and funding of the program.

3.6. If this is a Technology Development Strategy, identify the feasible technical approaches for developing the approved materiel solution, the impact of prior acquisitions on those approaches, and any related preceding effort.

3.7. If this strategy supports the Milestone B or C decision, in a table showing quantity per year, indicate the total planned production quantity and provide the LRIP quantity. Summarize the Low-Rate Initial Production (LRIP) plan. If the planned LRIP quantity exceeds ten percent of the total planned production quantity, provide the justification. (Not applicable to software-intensive programs without production components.)

4. Tailoring

4.1. Consistent with statutory and federal regulatory requirements, the Program Manager (PM) and Milestone Decision Authority (MDA) may tailor the phases and decision points to meet the specific needs of the program. If tailoring is planned, state what is being proposed and why.

4.2. List all requests for either regulatory policy waivers or waivers permitted by statute. Include a table similar to notional Table 1.

WAIVER REQUESTS					
Requirement to Be Waived	**Type: Regulatory or Statutory**	**Granting Authority**	**Rationale**	**Required by [date or event]**	**Status**

Table 1. Notional Table of Program Waiver Requests

5. Program Schedule

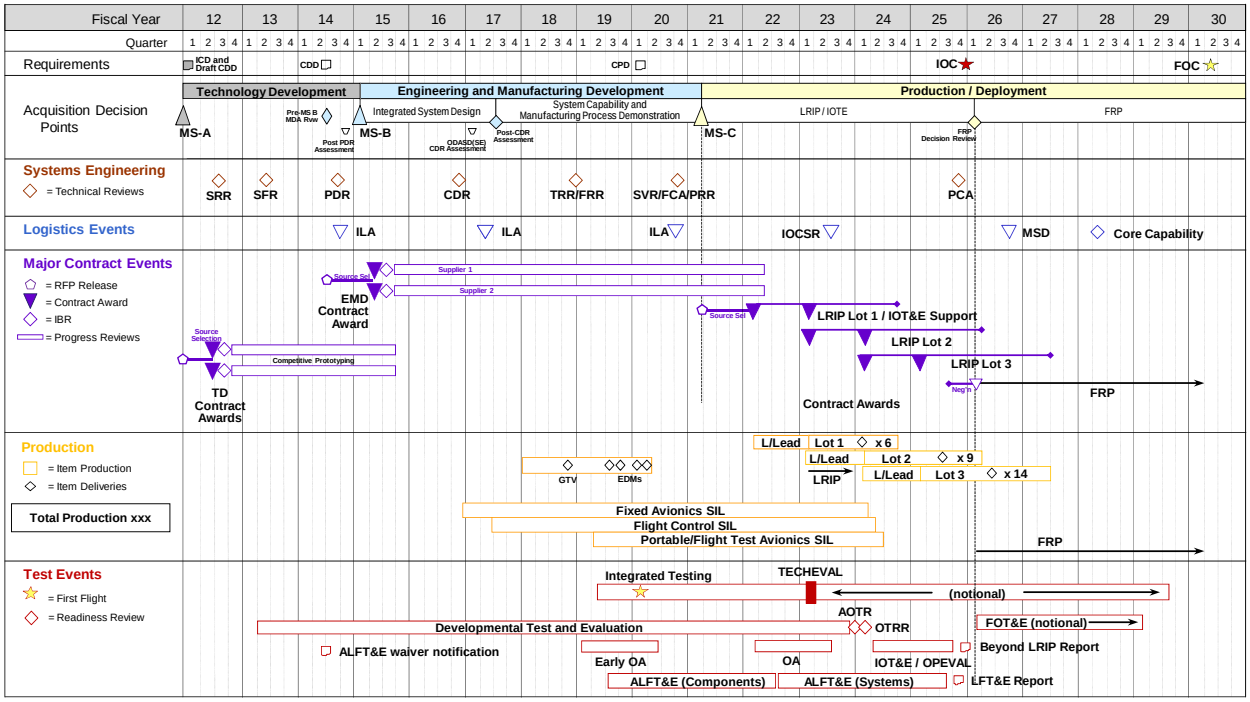
5.1. Provide a detailed graphic illustrating program milestones, phases, and events. Depicted events will vary by program, but will minimally include key acquisition decision points; principal systems engineering and logistics activities such as technical reviews and assessments; planned contracting actions such as request for proposal (RFP) release, source selection activity, and contract awards; production events and deliveries; and key test activities. (Figure 3 is a notional depiction of the expected level of detail. For example, contract details will vary with the contracting approach and the plan for competition and multiple suppliers; the use of options, re-competes, and/or new negotiated sole source; etc.)

5.2. Indicate the basis for establishing delivery or performance-period requirements. Explain and justify any urgency if it results in concurrency of development and production or constitutes justification for not providing for full and open competition.

5.3. Summarize the analysis justifying the proposed program schedule (list analogous programs or models used to derive schedule).

5.4. Briefly discuss the activities planned for the phase following the milestone (or other decision event) for which approval is sought.

Figure 3. Notional depiction of the Integrated Schedule for Program



AOTR: Assessment of Operational Test Readiness
ALFT&E: Alternative Live Fire Test & Evaluation
CDR: Critical Design Review
EDM: Engineering Development Model
EMD: Engineering & Manufacturing Development
FCA: Functional Configuration Audit
FOT&E: Follow-On Operational Test & Evaluation
FRP: Full Rate Production
FRR: Flight Readiness Review
GTV: Ground Test Vehicle
ILA: Integrated Logistics Analysis
IOCSR: Initial Operational Capability Supportability Review
IOT&E: Initial Operation Test & Evaluation
LFT&E: Live Fire Test & Evaluation
LRIP: Low-Rate Initial Production
MDA: Milestone Decision Authority
MSD: Material Support Date
OA: Operational Assessment
OASD(SE): Office of the Assistant Secretary of Defense (Systems Engineering)
OPEVAL: Operational Evaluation
OTRR: Operational Test Readiness Review
PCA: Physical Configuration Audit
PDR: Preliminary Design Review
PRR: Production Readiness Review
SFR: System Functional Review
SIL: Systems Integration Lab
SRR: System Requirements Review
SVR: System Verification Review
TD: Technology Development
TECHEVAL: Technical Evaluation
TRR: Test Readiness Review

5.5. Interdependencies. Specify programmatic interdependencies with other programs. Discuss the relationship of the interdependencies with program activity on the critical path. If any memorandums of agreement are required to formalize these relationships/interfaces, list them in the format presented in Table 2. Identify the interface (i.e., the system this product interfaces with); the agency that owns the other system; the authority (e.g., PEO, CAE, delegated PM) responsible for controlling the interface (i.e., the individual who can set the requirement; direct the solution to the interface issue; and direct who provides the funding for the solution); the required by date; and the impact if not completed.

REQUIRED MEMORANDA OF AGREEMENT				
Interface	**Cooperating Agency**	**Interface Control Authority**	**Required By Date**	**Impact if Not Completed**

Table 2. Notional table of Required Memoranda of Agreement

5.6. If using an evolutionary acquisition approach with concurrent increments, state the relationship between the milestones and activities in one increment to those in the other increment(s). Include criteria for moving forward to subsequent phases of the same or other increments.

6. Risk and Risk Management

6.1. Summarize the approach used to identify, analyze, mitigate, track, and control performance/technical/manufacturing cost, schedule, sustainment, and programmatic risk throughout the life of the program.

6.2. List and assess any program interdependency issues that could impact execution of the acquisition strategy. If the program is dependent on the outcome of other acquisition programs or must provide capabilities to other programs, the nature and degree of risk associated with those relationships should be specified. Summarize how these relationships and associated risk will be managed at the PM, PEO, and DoD Component levels.

6.3. List the key program technologies, their current technology readiness levels (TRL), the basis for including a technology (e.g., available alternative or low-risk maturation path) if it is below the TRL 6 benchmark for Milestone B, and the key engineering and integration risks. NOTE: Key technologies should include those technologies that are part of the system design and those associated with manufacturing the system.

6.3.1. If conducted, summarize the results of the Technology Readiness Assessment.

6.3.2. Summarize technology maturation plans and risks for each key technology, engineering risk, and integration risk identified.

6.3.3. Briefly explain how the program‘s strategy is appropriate given the maturity of the system technology and design.

6.4. If the strategy is for the Technology Development Phase:

6.4.1. Identify alternate technologies that could be employed if a technology chosen for the system does not achieve the maturity necessary to incorporate it into the baseline system design and define their impact on system performance and cost.

6.4.2. Identify the specific prototyping activities that will be conducted during Technology Development and specify how those activities and any others planned for Engineering and Manufacturing Development will be used to reduce program cost, schedule, and/or performance risk.

6.5. Identify the principal programmatic risks (e.g., staffing, resources, infrastructure, industrial base, etc.) and summarize mitigation plans, including key risk-reduction events.

6.6. Identify any risks that have been deferred to future increments. Explain why these risks were deferred and whether any residual risks remain in this increment.

6.7. The acquisition strategy at the Full-Rate Production/Full Deployment Decision Review should identify principal manufacturing (if applicable)/sustainment/operational risks, and summarize mitigation plans, to include key risk reduction events.

7. Business Strategy

7.1. Competition Strategy. Explain how a competitive environment will be sought, promoted, and sustained throughout all program phases.

7.1.1. Summarize the competition strategy for the upcoming phase

7.1.2. In situations where head-to-head competition is not possible, explain how dissimilar competition or other competitive approaches will be used

7.1.3. Indicate how the results of the previous acquisition phase impact the competition strategy for the approaching phase

7.1.4. Indicate how the competition strategy facilitates execution of the acquisition strategy

7.2. Market Research. Summarize the research conducted and the results of market research. Indicate the specific impact of those results on the various elements of the program. Summarize

plans for continuing market research to support the program throughout development and production. Market research information provided in the strategy should be sufficient to satisfy the requirements of 10 United States Code (USC) 2366a and 10 USC 2366b. For more information, see Federal Acquisition Regulation (FAR) Part 10, *Market Research*, and Defense Federal Acquisition Regulation Supplement (DFARS) section 210.001).

7.3. Advance Procurement. Indicate whether advance procurement of long lead items is planned. List highest dollar value items. The Technology Development Strategy/Acquisition Strategy must clearly indicate the intention to employ advance procurement. NOTE: The MDA must separately and specifically approve advance procurement if authorization is sought prior to the applicable milestone decision. See Defense Acquistion Guidebook (DAG) Chapter 2 for additional information.

7.4. Sustainment Strategy. The details of program sustainment planning are included in the Life Cycle Sustainment Plan, which will be prepared and approved as a separate document. This portion of the strategy should:

7.4.1. Specify the contracting strategy to provide product support throughout the system life cycle. The sustainment strategy should reflect the Maintenance or Support CONOPS and consider: impacts to system capability requirements; responsiveness of the integrated supply chains across government and industry; maintaining long-term competitive pressures on government and industry providers; and providing effective integration of weapon system support that is transparent to the warfighter and provides total combat logistics capability.

7.4.2. State the assumptions used in determining whether contractor or agency support will be employed, both initially and over the life of the acquisition, including consideration of contractor or agency maintenance and servicing (see FAR Subpart 7.3), support for contracts to be performed in a designated operational area or supporting a diplomatic or consular mission (see FAR section 25.301); and distribution of commercial items.*

** Note: Items marked with an asterisk (*) in this section are not required for the Technology Development Phase or Technology Development Strategy.*

7.4.3. Provide an overview of the sustainment-related contract(s) including how the integrated product support package will be acquired. The discussion should provide:

7.4.3.1. The performance measures being used (including the extent to which it is traditional transaction based/process focused and performance-based/outcome focused);

7.4.3.2. The portion of the system covered with the associated sustainment-related functions;

7.4.3.3. How the support concept ensures integration with other logistics support and combat support functions to optimize total system availability while minimizing cost and the logistics footprint;

7.4.3.4. How the product support strategy will ensure the selection of best value support providers, maximize partnering, and advocate integrated logistics chains in accordance with DoD product support objectives;

7.4.3.5. How manpower and spares will be optimized;*

7.4.3.6. Efforts to ensure secure and integrated information systems across industry and government that enable comprehensive supply chain integration and full asset visibility;*

7.4.3.7. Dedicated investments needed to achieve continuous improvement of weapon system supportability and reduction in operating costs;

7.4.3.8. How performance expectations (as defined in performance agreements) will be compared to actual performance results (post Milestone C);*

7.4.3.9. If Interim Contract Support (ICS) is planned, the ICS requirements, approach, and a plan to transition to normal sustainment support.*

7.4.3.10. If the strategy includes contractor logistics support (CLS), indicate how CLS contract flexibility will support the sustainment concept;* and

7.4.3.11. How the program will ensure product support integration throughout the system life cycle.

7.5. Major Contract(s) Planned. For each contract with an estimated total value greater than $100 million dollars ($40 million dollars if during the Technology Development Phase), including all options:

7.5.1. Provide a table (see example Table 3) that identifies the purpose, type, value, performance period, and deliverables of the contract.

MAJOR CONTRACTS					
Contract	**Purpose**	**Type**	**Value**	**Performance Period**	**Major Deliverables**

Table 3. Notional Table of Major Contracts

7.5.1.1. Specify what the basic contract buys; how major deliverable items are defined; options, if any, and prerequisites for exercising them; and the events established in the contract to support appropriate exit criteria for the phase or intermediate development activity.

7.5.1.2. Identify the contract type(s) and period(s) of performance. The acquisition strategy shall provide the information necessary to support the decision on contract type. (See FAR Part 16 and Section 818, Public Law (P.L.) 109-364 for additional direction.)

7.5.1.3. Address the alignment of the contract with the overarching acquisition strategy and the competition strategy.

7.5.1.4. Indicate whether a competitive award, sole source award, or multiple source development with down select to one production contract is planned.

7.5.1.5. If expecting to use other than full and open competition, cite the authority and indicate the basis for applying that authority, identify source(s), and explain why full and open competition cannot be obtained.

7.5.1.6. Indicate how subcontract competition will be sought, promoted, and sustained throughout the course of the acquisition. Identify any known barriers to increasing subcontract competition and address how to overcome them.

7.5.1.7. Specify breakout plans for each major component or sub-system as well as spares and repair parts.

7.5.1.8. Assess the comparative benefits of awarding a new contract vice placing a requirement under an existing contract. (10 USC 2306, 10 USC 2304.)

7.5.1.9. If planning to award a new indefinite delivery contract, indicate how many contracts are planned to be awarded. If a single award is planned, explain why multiple awards are not feasible. Indicate the ordering period.

7.5.1.10. Undefinitized contracts. Indicate if an undefinitized contract will be awarded and provide the rationale. Identify steps to avoid using an undefinitized

contract, and list the planned incentives to motivate the contractor to achieve timely definitization.

7.5.2. Provide the planned contract incentives:

7.5.2.1. Provide the specific incentive structure. Indicate how the incentive structure will motivate contractor behavior resulting in the cost, schedule, and performance outcomes required by the government for the contract and the program as a whole.

7.5.2.2. If more than one incentive is planned for a contract, the strategy should explain how the incentives complement each other and do not conflict with one another.

7.5.3. Summarize the financial reporting that will be required by the contractor on each contract, including requirements for Earned Value Management.

7.5.4. Identify the source selection evaluation approach (e.g., Trade-off or Lowest Price Technically Acceptable) and briefly summarize planned procedures (10 USC 2305).

7.5.4.1. Highlight the considerations influencing the proposed source selection procedures. Indicate how these may change from phase to phase.

7.5.4.2. State the timing for submission and evaluation of proposals. Identify the criteria that will be used to select the winning bidder. Indicate how those criteria reflect the key government goals for the program.

7.5.5. Sources

7.5.5.1. List the known prospective sources of supplies or services that can meet the need. Consider required sources of supplies or services (see FAR Part 8), and sources identifiable through databases including the government-wide database of contracts and other procurement instruments intended for use by multiple agencies available at https://www.contractdirectory.gov/contractdirectory/.

7.5.5.2. Based on results of market research, identify the specific opportunities for:

- small business,
- veteran-owned small business,
- service-disabled veteran-owned small business,
- HUBZone small business,
- small disadvantaged business, and
- women-owned small business concerns, and

specify how small business participation has been maximized at both the direct award and subcontracting levels (see FAR Part 19).

7.5.6. Contract Bundling or Consolidation

7.5.6.1. If the contract is a bundled acquisition (consolidating two or more requirements for supplies or services, previously performed under smaller contracts, into a single contract that is likely to be unsuitable for award to a small business), indicate the specific benefits anticipated to be derived from bundling. Reference FAR section 7.107, *Acquisition Planning*. (15 USC 644)

7.5.6.2. If applicable, identify the incumbent contractors and the contracts affected by the bundling.

7.5.6.3. Per DFARS section 207.170, if the acquisition strategy proposes consolidation of contract requirements with an estimated total value exceeding $6 million, provide: (1) the results of market research; (2) identification of any alternative contracting approaches that would involve a lesser degree of consolidation; and (3) a determination by the senior procurement executive that the consolidation is necessary and justified.

7.5.7. Subcontracting Plan / Small Business Participation. When FAR Subpart 19.7 applies, the acquisition strategy should establish maximum practicable individual socio-economic subcontracting goals, meaningful small business work, and incentives for small business participation.

7.5.7.1. Outline planned award evaluation criteria concerning small business utilization in accordance with FAR Subpart 15.3, and DFARS Subpart 215.3 regarding source selection; and

7.5.7.2. Summarize the rationale for the selection of the planned subcontract tier or tiers.

7.5.7.3. Indicate how prime contractors will be required to give full and fair consideration to qualified sources other than the prime contractor for the development or construction of major subsystems and components.

7.5.8. Identify any special contracting considerations: list any unique clauses or special provisions (e.g., any contingent liabilities (i.e., economic price adjustment or business base clauses, termination liability, etc.)) or special contracting methods (see FAR Part 17) included in the contract; list any special solicitation provisions or FAR deviations required (see FAR Subpart 1.4).

7.5.9. Identify any planned use of government-furnished special test equipment, unique tooling, or other similar contractual requirements.

7.5.10. Specify how testing and systems engineering requirements, including life-cycle management and sustainability requirements, have been incorporated into contract requirements.

7.5.10.1. Identify the engineering activities to be stated in the RFP and required of the contractor to demonstrate the achievement of the reliability and maintainability design requirements.

7.5.10.2. Provide a table (see example Table 4) to specify how the sustainment key performance parameter thresholds have been translated into reliability and maintainability design and contract specifications. Table 4, as presented here, is a sample. The actual format of this table may be varied to suit the nature of the procurement or to add additional requirements. The reliability threshold is often expressed as Mean Time Between Failure (MTBF). Use the appropriate life units (e.g., hours, cycles, etc.). "MTTR" is "mean time to repair;" "N/A" may be entered if an item is not applicable.

Reliability and Maintainability Requirements		
Parameter	**Threshold**	**Contract Specification Requirement**
Reliability (e.g., MTBF)		
Maintainability (e.g., MTTR)		

Table 4. Reliability and Maintainability Requirements

7.5.11. Indicate whether a warranty is planned, and if so, specify the type and duration; summarize the results of the supporting Cost Benefit Analysis. (See FAR Subpart 46.7 and DFARS Subpart 246.7.)

7.5.12. If this strategy is for Milestone C or later, indicate whether the production program is suited to the use of multiyear contracting (10 USC 2306b). Indicate any plans for multiyear contracting and address compliance with 10 USC 2306c and Office of Management and Budget (OMB) Circular A-11.

7.5.13. Indicate whether leasing was considered (applies to use of leasing in the acquisition of commercial vehicles and equipment) and, if part of the strategy, economically justify that

leasing of such vehicles is practicable and efficient and identify the planned length of the lease.

7.5.14. Modular Contracting (Major IT Programs only). Quantify the extent to which the program is implementing modular contracting (41 USC 434).

7.5.15. Payment. Identify financing method(s) planned and whether these provision(s) will be flowed down to subcontractors. Indicate if early progress payments will be traded off for lower prices in negotiations.

7.5.16. Provide any other pertinent information that may enhance understanding of the contracting strategy.

7.6. Technical Data Rights Strategy (formerly the Data Management Strategy). Summarize the Technical Data Rights strategy for meeting product life-cycle data rights requirements and to support the overall competition strategy. Include:

7.6.1. Analysis of the data required to design, manufacture, and sustain the system as well as to support re-competition for production, sustainment, or upgrade. The strategy should consider, but is not limited to, baseline documentation data, analysis data, cost data, test data, results of reviews, engineering data, drawings, models, and Bills of Materials (BOM);

7.6.2. How the program will provide for rights, access, or delivery of technical data the government requires for the system's total life cycle sustainment. Include analysis of data needs to implement the product support life cycle strategy including such areas as materiel management, training, Information Assurance protection, cataloging, open architecture, configuration management, engineering, technology refreshment, maintenance/repair within the technical order (TO) limits and specifically engineered outside of TO limits, and reliability management;

7.6.3. The business case analysis calculation, conducted in concert with the engineering tradeoff analysis, that outlines the approach for using open systems architectures and acquiring technical data rights;

7.6.4. The cost benefit analysis of including a priced contract option for the future delivery of technical data and intellectual property rights not acquired upon initial contract award; and

7.6.5. Analysis of the risk that the contractor may assert limitations on the government's use and release of data, including Independent Research and Development (IRAD)-funded data (e.g., require the contractor to declare IRAD up front and establish a review process for proprietary data).

7.7. Contract Management

7.7.1. Contract administration. Summarize how the contract(s) will be administered. Include how inspection and acceptance corresponding to the work statement's performance criteria will be enforced (see FAR Part 42).

7.7.2. Priorities, allocations, and allotments. When urgency of the requirement dictates a particularly short delivery or performance schedule, certain priorities may apply. If so, specify the method for obtaining and using priorities, allocations, and allotments, and the reasons for them (see FAR Subpart 11.6).

8. Cost and Funding

8.1. Investment Program Funding and Quantities. Provide a copy of the program's "Investment Program Funding and Quantities" Chart (see Figure 4), with a current "as of date." A template and instructions for the development of this chart are provided at: https://extranet.acq.osd.mil/dab/what_funding_chart.html (login with password or Common Access Card required).

Pre-OIPT/OIPT/DAB Funding Chart version PB12	**Program Funding & Quantities,** as of mm/dd/yyyy										
($ in Millions / Then Year)	**Prior**	**FY10**	**FY11**	**FY12**	**FY13**	**FY14**	**FY15**	**FY16**	**FY12-16**	**To Comp**	**Prog Total**
RDT&E											
Prior $ (PB 11)	106.4	6.7	8.3	17.2	7.1	0.0	0.0	0.0	24.3	0.0	145.7
Current $ (PB 12)	106.4	5.0	4.2	1.2	6.9	16.9	7.1	3.0	35.1	0.0	150.7
Delta $ (Current - Prior)	0.0	(1.7)	(4.1)	(16.0)	(0.2)	16.9	7.1	3.0	10.8	0.0	5.0
Required $	110.0	7.0	8.1	17.0	7.0	0.0	5.0	10.0	39.0	0.0	164.1
Delta $ (Current - Required)	(3.6)	(2.0)	(3.9)	(15.8)	(0.1)	16.9	2.1	(7.0)	(3.9)	0.0	(13.4)
Should Cost $	108.2	6.5	7.9	16.0	6.5	0.0	4.9	8.6	36.0	0.0	158.6
Delta $ (Current - Should Cost)	(1.8)	(1.5)	(3.7)	(14.8)	0.4	16.9	2.2	(5.6)	(0.9)	0.0	(7.9)
PROCUREMENT											
Prior $ (PB 11)	0.0	128.3	133.2	145.2	133.5	0.0	0.0	1.0	279.7	1707.8	2,249.0
Current $ (PB 12)	0.0	89.6	135.2	104.6	90.0	94.0	93.7	87.0	469.3	1606.7	2,300.8
Delta $ (Current - Prior)	0.0	(38.7)	2.0	(40.6)	(43.5)	94.0	93.7	86.0	189.6	(101.1)	51.8
Required $	0.0	130.0	131.8	144.0	133.0	0.0	0.0	27.0	304.0	1700.0	2,265.8
Delta $ (Current - Required)	0.0	(40.4)	3.4	(39.4)	(43.0)	94.0	93.7	60.0	165.3	(93.3)	35.0
Should Cost $	0.0	123.2	130.3	135.6	133.0	2.3	0.0	26.1	297.0	1525.3	2075.8
Delta $ (Current - Should Cost)	0.0	(33.6)	4.9	(31.0)	(43.0)	91.7	93.7	60.9	172.3	81.4	225.0
O&M											
Prior $ (PB 11)	53.3	3.5	3.8	14.5	2.3	1.6	0.0	2.0	20.4	0.0	81.0
Current $ (PB 12)	71.4	4.2	1.9	0.9	4.3	14.2	5.2	5.0	29.6	0.0	107.1
Delta $ (Current - Prior)	18.1	0.7	(1.9)	(13.6)	2.0	12.6	5.2	3.0	9.2	0.0	26.1
Required $	78.3	12.0	8.0	7.0	3.0	2.5	0.0	5.0	17.5	0.0	115.8
Delta $ (Current - Required)	(6.9)	(7.8)	(6.1)	(6.1)	1.3	11.7	5.2	0.0	12.1	0.0	(8.7)
Should Cost $	77.2	10.8	6.9	6.8	2.9	2.4	0.0	4.2	16.3	0.0	111.2
Delta $ (Current - Should Cost)	(5.8)	(6.6)	(5.0)	(5.9)	1.4	11.8	5.2	0.8	13.3	0.0	(4.1)
TOTAL											
Prior $ (PB 11)	159.7	138.5	145.3	176.9	142.9	1.6	0.0	3.0	324.4	1707.8	2475.7
Current $ (PB 12)	177.8	98.8	141.3	106.7	101.2	125.1	106.0	95.0	534.0	1606.7	2558.6
Delta $ (Current - Prior)	18.1	(39.7)	(4.0)	(70.2)	(41.7)	123.5	106.0	92.0	209.6	(101.1)	82.9
Required $	188.3	149.0	147.9	168.0	143.0	2.5	5.0	42.0	360.5	1700.0	2545.7
Delta $ (Current - Required)	(10.5)	(50.2)	(6.6)	(61.3)	(41.8)	122.6	101.0	53.0	173.5	(93.3)	12.9
Should Cost $	185.4	140.5	145.1	158.4	142.4	4.7	4.9	38.9	349.3	1525.3	2345.6
Delta $ (Current - Should Cost)	(7.6)	(41.7)	(3.8)	(51.7)	(41.2)	120.4	101.1	56.1	184.7	81.4	213.0
QUANTITIES											
Prior (PB 11)	0	552	575	681	587	0	0	3	1271	0	2,398
Current (PB 12)	0	445	450	467	376	382	379	355	1959	0	2,854
Delta $ (Current - Prior)	0	(107)	(125)	(214)	(211)	382	379	352	688	0	456
Required Qty	0	440	445	450	376	382	379	332	1919	0	2,804
Delta Qty (Current - Required)	0	5	5	17	0	0	0	23	40	0	50

Figure 4. Example "Investment Program Funding and Quantities" Chart

8.1.1. If the chart reflects funding shortfalls, indicate how they will be addressed and state the programmatic impact if they are not.

8.1.2. If the program is jointly funded, provide a separate chart reflecting the funding contributions required of each joint participant.

8.1.3. Provide and briefly explain funding support from the Working Capital Fund.

8.1.4. If multiple program increments are in progress, funding will be tracked separately for each increment (e.g., for subsets of the program that will be subject to a separate Acquisition Program Baseline). Provide separate charts for each increment.

8.2. Cost. Indicate the established cost goals for the increment and the rationale supporting them.

8.2.1. If a Technology Development Strategy, indicate the Affordability Target that has been established for the program (initially, average unit acquisition cost and average operational support cost per unit). The affordability target should be presented in the context of the resources that are projected to be available in the portfolio(s) or mission area(s) associated with the program under consideration. For new start programs, provide the quantitative analytical basis for determining that the resources expected to be available in the portfolio/mission area can support the program under consideration. Employ a graphic to illustrate.

8.2.2. Acquisition strategies for ACAT I programs will specify (no more than one page) how the procurement rate and schedule were set, with reference to Economic Order Quantity (EOQ) and the affordability target set at Milestone A, as adjusted at Milestone B.

8.2.3. "Should Cost"

8.2.3.1. Provide "Should Cost" targets in the Program Funding Chart (Figure 4).

8.2.3.2. Summarize the application of should-cost analysis to the acquisition. Identify the should-cost initiatives that have been planned for the program. Specify how the associated "should cost targets" will be used as a basis for contract negotiations and contract incentives, and to track contractor, PEO, and PM performance.

8.2.4. Explain how the cost management approach adequately considers funds management. Identify any contingent liabilities (award fee, special incentives, economic price adjustment, business base clauses, termination liability, etc.) planned for or associated with the program. Identify which contingent liabilities have been funded. Summarize the plan to obtain approval for any unfunded contingencies (see DFARS 217.171.a.(4) and 217.172.(e)).

8.2.5. For acquisitions of Federal Information Processing resources with expected costs greater than $100 million, identify the key outcome performance measures. Indicate the tracking system that will be used to measure and report on selected outcome performance measures.

8.2.6. Summarize plans to control program costs, specifically Program Acquisition Unit Cost, Average Procurement Unit Cost, and Life-Cycle Cost. List and describe cost control tools and processes.

8.2.7. Summarize the process to update estimates (e.g., x months before each decision review or x months before beginning each increment).

9. Resource Management. Address program resource requirements; consider changes in effort as the program progresses.

9.1. Program Office Staffing and Organization

9.1.1. Manning Profile. Provide a time-phased workload assessment identifying the manpower and functional competencies required for successful program execution. Considering the overall, technical, acquisition, sustainment, and management approach, specify the number of personnel, by functional area, that are required to manage this program for the next phase and through fielding. Include a projected manning profile based upon the overall approach and program schedule for government, Systems Engineering and Technical Assistance, and Federally Funded Research and Development Center(s) support.

9.1.2. Organization Chart. Provide an organization chart reflecting program manning requirements by functional area. Identify the Services filling billets for a joint program. Prepare a table to indicate whether billets are military, civilian, or contractor, the seniority level of the billets, and whether the billets are currently filled or vacant. (See Table 5.)

PROGRAM MANNING REQUIREMENTS						
Billet ID	Billet Name	(If Joint) DoD Component	Manning Type	Seniority Level	DAWIA Level	Fill Status

Table 5. Notional table of Program Manning Requirements

9.1.3. Acquisition Chain of Authority. Indicate specific lines of programmatic authority. Show how the authority chain meets the requirements identified in DoD Directive 5000.01, paragraph E.1.1.26.

9.2. Identify the primary stakeholders. Indicate the planned organization to effectively manage the program and ensure all stakeholders are involved (Integrated Product Teams (IPT), boards, reviews, etc.). If applicable, indicate how the contractor will be involved in program IPTs. Summarize the anticipated business management relationship between (1) the program office and the contractor, and (2) the program office and other government agencies.

9.3. Requirements Community Involvement. Specify how the customer-representing organization will interface with the program management office and acquisition chain of command to provide for timely and effective review of requirements and/or cost trade-offs. Define levels of authority required to change requirements of various types.

10. International Involvement

10.1. Indicate any limitations on foreign contractors being allowed to participate at the prime contractor level.

10.2. International Cooperation.

10.2.1. Summarize any plans for cooperative development with foreign governments or cognizant organizations. List the MOAs in place and identify the contracting activities.

10.2.2. Summarize plans to increase the opportunity for coalition interoperability as part of the developing DoD program.

10.2.3. Employ the AT&L-developed template[1] to provide a coalition interoperability section in the Acquisition Strategy. Using the template will satisfy the cooperative opportunities document requirement of 10 USC 2350a.

10.3. Foreign Military Sales. Specify the potential or plans for Foreign Military and/or Direct Commercial Sale and the impact upon program cost due to program protection and exportability features.

11. Industrial Capability and Manufacturing Readiness.

11.1. Industrial Capability. Summarize the results of industrial base capability analysis (public and private) to design, develop, produce, support, and, if appropriate, restart the acquisition program. Specify the impact of this acquisition approach on the national technology or industrial base and the analysis used to make this determination. If there is an impact, summarize the industrial base constraints, how they will be managed, and the plan for future assessment, including frequency.

11.2. Industrial and Manufacturing Readiness (not applicable to software-intensive programs without production components). Estimate the risk of industry being unable to provide program design or

[1] URL: https://acc.dau.mil/GetAttachment.aspx?id=288191&pname=file&aid=44021&lang=en-US

manufacturing capabilities at planned cost and schedule. Identify the Manufacturing and Quality Management systems and summarize how they will contribute to minimizing cost, schedule, and performance risks throughout the product life cycle.

11.3. Sustaining Industrial Capabilities. Summarize the make-or-buy approach to establish and maintain access to competitive suppliers for critical areas at system, subsystem, and component level (e.g., requiring an open-systems-architecture or a make-or-buy plan). List critical items and their sources. When the analysis indicates that the needed industrial capabilities are in danger of being lost, the strategy should indicate whether government action is required to preserve the industrial capability. The strategy should also address product technology obsolescence, replacement of limited-life items, regeneration options for unique manufacturing processes, and conversion to performance specifications at the subsystems, component, and spares levels.

11.4. Identify any planned or completed MOAs.

12. Life-Cycle Signature Support

12.1. If a Technology Development Strategy, provide a table (see example Table 6) that indicates the program life-cycle signature support requirements. Identify the mission data type (signatures, electronic warfare integrated reprogramming, order of battle, geospatial intelligence, and system characteristics and performance data sets); specific subcategories, if known (Radar, Thermal, Acoustic, etc.); the domain (Space, Air, Land, Naval, Missile Defense, etc.); subcategories within the domain (e.g., for Air domain: 'Fighter Aircraft'); and data fidelity required, if known (e.g., dB, °C, resolution, Hz, etc.). If additional or more-specific requirements have been identified, they should be included.

Life-Cycle Signature Support Requirements				
Mission Type	**Mission Type Subcategory**	**Domain**	**Domain Subcategory**	**Data Fidelity**

Table 6. Notional Table of Life-Cycle Signature Support Requirements

12.2. Life-cycle signature support funding requirements will be reflected in the program funding summary (see Paragraph 8 and Figure 4).

13. Military Equipment Valuation. Federal accounting standards require military equipment to be capitalized on the Department's financial statements. For Milestone C and the Full-Rate Production Decision, provide the following information for any program, project, product, or system that has deliverable end items with a unit cost at or above $100,000 (the current capitalization threshold):

13.1. A level 2 work breakdown structure (as described in MIL_HDBK-881A) for reporting Military Equipment Valuation and Accountability;

13.2. The end item(s) meeting the unit cost threshold (i.e., $100,000);

13.3. The government furnished property that will be included in the end item;

13.4. Other deliverables that will accompany the end item (e.g., manuals, tech data, etc.); and

13.5. Other types of deliverables that will be purchased with program funding (e.g., initial spares, support equipment, special tooling and test equipment, etc.), but cannot be directly attributed to a specific end item.

(NOTE: The unit cost can be calculated by summing the estimated cost of the end item with the estimated costs of all associated government furnished equipment, training manuals, technical data, engineering support, etc., NOT including spares and support equipment. For additional information, see:

- http://www.acq.osd.mil/pepolicy/training_tools/quick_reference_tools.html; or
- http://www.acq.osd.mil/pepolicy/training_tools/bfma_instructions.html.)