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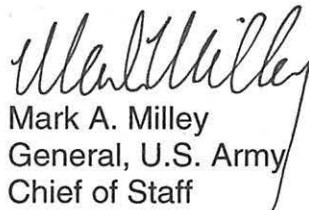


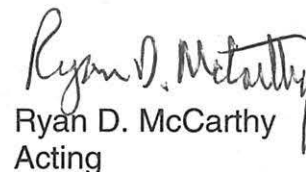
12 SEP 2017

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Army Acquisition Reform

1. In recent years, Congress has concentrated on legislation to improve the Acquisition process. The National Defense Authorization Act for Fiscal Year, 2016, in particular, placed more responsibility with the Military Services and with the Service Secretaries and Chiefs to streamline approval processes ensuring the Warfighter has sufficient input into the Acquisition process.
2. In response to this legislation, the Office of Process Innovation and Integration has recommended nine initiatives for improving our Acquisition process. These initiatives will increase the Army's ability to more quickly provide capabilities to Soldiers, while being fiscally responsible with the taxpayer resources Congress allocates. The first of these initiatives we are releasing focuses on governance, requirements and talent management. Over the coming months, we will be publishing future guidance that will impact the entire Acquisition Enterprise from requirements to resourcing and acquisition execution.
3. We are fully committed to providing the Army with the best capabilities to fight and win today and in the future. Our focus of Readiness and Lethality requires the Acquisition Enterprise to be agile, synchronized and responsive to current and future needs of the Army. We are aligned in communicating these efforts to the force and we need every leader to be engaged in our reform initiatives.

  
Mark A. Milley  
General, U.S. Army  
Chief of Staff

  
Ryan D. McCarthy  
Acting

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MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Army Directive 2017-22 (Implementation of Acquisition Reform Initiatives 1 and 2)

1. References. A complete list of references is at enclosure 1.
2. In the National Defense Authorization Act for Fiscal Year 2016, Congress directed the Army to report on efforts to link and streamline its requirements, acquisition, and budget processes. The Secretary and the Chief of Staff took some immediate actions to improve the Army's ability to evaluate and reform our acquisition process. Some of those actions included reinvigorating the Army Requirements Oversight Council, consolidating Army Staff elements, establishing the Army Rapid Capabilities Office, and forming the Office of Process Innovation and Integration to provide surge support for Army Acquisition Reform. These efforts have led to some significant changes in our Army processes but we have more to do. The Office of Process Innovation and Integration has been evaluating how we can implement additional changes to reform our acquisition process and has recommended nine lines of effort. These nine initiatives will increase the Army's ability to more quickly provide capabilities to Soldiers, while being fiscally responsible with the taxpayer resources Congress allocates.
3. The core policy changes the Army will implement focus on these initiatives:
  - Streamlining the development and approval of capability requirements (enclosure 2);
  - Improving talent management (enclosure 3);
  - Improving the governance, strategy, and synchronization of science and technology (to be published);
  - Streamlining test and evaluation and minimizing redundant testing (to be published)
  - Aligning sustainment policy to foster cost efficiency and improved readiness (to be published);
  - Improving costing and resourcing (to be published);
  - Streamlining the contracting process (to be published);

SUBJECT: Army Directive 2017-22 (Implementation of Acquisition Reform Initiatives 1 and 2)

- Streamlining and synchronizing acquisition planning and processes (to be published); and
- Establishing metrics to track performance and outcomes (to be published).

4. These and future Acquisition Reform initiatives will adhere to the following overarching principles to improve the Army's processes: use of (i) early engagement and collaboration, (ii) centralized planning and decentralized execution, (iii) cost- and resourced-informed decisions, and (iv) consistent metrics to evaluate success.

5. Existing Army policies and processes will be modified and aligned to fully support the materiel process improvements including, but not limited to, Army Regulation 70-1 (Army Acquisition Policy) and Army Regulation 71-9 (Warfighting Capabilities Determination).

6. In enclosures 2 through 9, I direct the actions necessary to implement the Army Acquisition Reform initiatives. The initiatives leverage and transition available technology from industry, modify processes for Army Acquisition, reduce staffing requirements, and ensure our workforce training and education abilities meet our overall objective to place greater capabilities in Soldiers hands faster and at lower cost. These actions will enhance Army readiness and modernize our future Army.

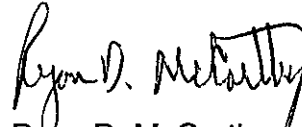
7. The policies in this directive apply to the Regular Army, Army National Guard/Army National Guard of the United States, and U.S. Army Reserve.

8. The Chief of Staff and I have oversight of Acquisition Reform in the Army. I designate the Under Secretary of the Army and Vice Chief of Staff of the Army, in consultation with the Assistant Secretary of the Army (Acquisition, Logistics and Technology) for acquisition, logistics, and technology functions, to oversee the execution of this process to ensure we are meeting our overall objectives. The following organizations will support this process and report to the Under Secretary and Vice Chief of Staff as specified. The Office of Business Transformation will support this effort by evaluating the effectiveness of the reforms and measure our performance in meeting these goals; the Deputy Chief of Staff, G-3/5/7 will ensure the execution of the reforms through the Army Campaign Plan; and The Auditor General will ensure that U.S. Army Audit Agency conducts annual program audits to determine the extent of the Army's compliance with the reform initiatives.

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9. This directive is rescinded upon publication of all the revised regulations.

Encls

  
Ryan D. McCarthy  
Acting

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## REFERENCES

- a. Section 1735, Title 10, United States Code, Education, training, and experience requirements for critical acquisition positions.
- b. Section 1741, Title 10, United States Code, Policies and Programs: Establishment and Implementation.
- c. Section 3016b(5)(A), Title 10, United States Code, Assistant Secretaries of the Army.
- d. Section 1122, National Defense Authorization Act for Fiscal Year 2017, Public Law 114-328.
- e. Section 808, National Defense Authorization Act for Fiscal Year 2016, Public Law 114-92.
- f. Chief of Staff of the Army, Report to Congress on Linking and Streamlining Army Requirements, Acquisition, and Budget Processes in Response to National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2016, Section 808 (May 2016).
- g. Department of Defense (DoD) Directive 5000.01 (The Defense Acquisition System), May 12, 2003, Certified Current as of November 20, 2007.
- h. DoD Instruction 5000.02 (Operation of the Defense Acquisition System), January 7, 2015; Incorporating Change 3, Effective August 10, 2017.
- i. Chairman of the Joint Chiefs of Staff Instruction (CJCSI) 3170.01I (Joint Capabilities Integration and Development System (JCIDS)), 23 January 2015.
- j. Headquarters, Department of the Army (HQDA) General Orders No. 2017-01 (Assignment of Functions and Responsibilities Within Headquarters, Department of the Army), 5 January 2017.
- k. AR 70-1 (Army Acquisition Policy), 16 June 2017.
- l. AR 71-9 (Warfighting Capabilities Determination), 28 December 2009.
- m. AR 71-32 (Force Development and Documentation), 1 July 2013.
- n. AR 73-1 (Test and Evaluation Policy), 16 November 2016.
- o. Department of the Army (DA) Pamphlet 70-3 (Army Acquisition Procedures), 11 March 2014.

p. DA Pamphlet 600-3 (Officer Professional Development and Career Management), 26 June 2017.

q. U.S. Army Training and Doctrine Command (TRADOC) Regulation 71-20 (Concept Development, Capabilities Determination, and Capabilities Integration), 28 June 2013.



## **ACQUISITION REFORM INITIATIVE #1: STREAMLINING THE DEVELOPMENT AND APPROVAL OF CAPABILITY REQUIREMENTS**

1. The purpose of this initiative is to streamline the development and approval of capability requirements. Our capability requirements process must be faster and more agile to meet the demands of ever-changing threats. The goal is to reduce the current process by 2 years from the estimated 3 to 5 years it currently takes from concept development to an approved capability requirements document.

2. I direct the following actions:

a. The Deputy Chief of Staff (DCS), G-8 is the proponent for AR 71-9 (Warfighting Capabilities Determination) to align with the Army Staff restructuring of capabilities integration and resourcing responsibilities. The DCS, G-8 will prepare a rapid action revision to AR 71-9 to reflect this decision. (Target: No later than (NLT) 30 January 2018.)

b. The Assistant Secretary of the Army (Acquisition, Logistics and Technology) (ASA (ALT)) will update AR 70-1 to:

(1) establish science and technology's (S&T's) role in supporting the Integrated Concept Development Team and S&T experimentation workgroups to develop the future operational environment, explore new warfighting concepts, and ensure alignment of the S&T portfolio. (Target: NLT 30 January 2018.)

(2) combine, when possible, the Initial Capabilities Document Army Requirements Oversight Council (AROC) and Materiel Development Decision Army System Acquisition Review Council (ASARC) to support Acquisition Category (ACAT) IC program decisions to streamline the Requirements Document and Acquisition Milestone approval process and reduce resourcing requirements. The Chief of Staff of the Army (CSA) approves the Initial Capabilities Document and the Army Acquisition Executive approves the Materiel Development Decision for Service-level programs. (Target: NLT 30 January 2018.)

(3) convene a combined AROC/ASARC milestone concurrence forum, to the maximum extent possible, for ACAT I programs, Milestones A and B, to provide information to the Milestone Decision Authority to facilitate the approve of the milestone and to provide information to the Secretary of the Army and CSA, or designee, to facilitate their decision regarding whether to concur with the cost, schedule, technical feasibility, and performance tradeoffs for the acquisition program before milestone approval. (Target: NLT 30 January 2018.)

(4) eliminate conflicts of interest in capability development by terminating Program Manager funding of augmented contractor support to capability developers at TRADOC Centers of Excellence. (Target: NLT 30 October 2018.)

c. The Commander, TRADOC, in coordination with the DCS, G-8, will propose updates to AR 71-9 to:

(1) establish S&T's role in integrated concept development teams and S&T experimentation workgroups to systematically and holistically develop the future operational environment, explore new warfighting concepts, and ensure alignment of the S&T portfolio. (Target: NLT 30 January 2018.)

(2) codify the S&T advisor's role in the Capability Integration Enterprise Forum to facilitate materiel solutions that are technologically able to meet warfighting challenges. (Target: NLT 30 April 2018.)

(3) establish a cross-functional team at each TRADOC Center of Excellence. The teams will include matrixed representatives from the Office of the ASA (ALT); U.S. Army Materiel Command (sustainment); U.S. Army Test and Evaluation Command (ATEC) (test and evaluation); and U.S. Army Research, Development, and Engineering Command (S&T) to enable the development of quality capabilities. The Army will publish an Execution Order establishing the details to execute this concept. (Target: NLT 30 July 2018.)

(4) mandate staffing timelines and standardized distribution lists for capabilities documents to facilitate prompt approval. Capability documents will be developed within 180 days from approval of the capability needs analysis (CNA) gap to submission to the Army Capabilities Integration Center (ARCIC), and 90 days from ARCIC submission to AROC review. Cumulative staffing will not exceed 270 days without the approval of the Vice Chief of Staff of the Army (VCSA). (Target: NLT 30 April 2018.)

(5) mandate that Army Commands and Direct Reporting Units review and comment on capability documents before staffing at HQDA and the CSA/VCSA forum. (Target: NLT 30 April 2018.)

(6) establish reliability and maintainability as mandatory Key System Attributes for ACAT I and designated ACAT II or III programs to provide Soldiers with reliable and combat-effective materiel solutions. (Target: NLT 30 April 2018.)

(7) develop a Future Force Development Strategy that describes the future operational environment (40-plus years) and the capabilities required. Update the strategy every 2 years, or as required, and provide it to HQDA for development of the Army's S&T Strategy and Modernization Strategy. (Target: NLT 30 April 2018.)

d. The DCS, G-3/5/7 will develop a threat-based strategy that supports the Army Operating Concept. (Target: NLT 30 January 2018.)

e. The DCS, G-3/5/7, in coordination with the DCS, G-8, will recommend an update to AR 71-9 to provide overarching guidance and prioritization from The Army Plan and

**Modernization Strategy to ensure the alignment of TRADOC Capability Development Documents with the Future Force Development Strategy. (Target: NLT 30 January 2018.)**

f. The DCS, G-8 will update to AR 71-9 to:

(1) provide top-down guidance to the ARCIC to support the Strategic Portfolio Analysis and Review and AROC strategic decisions, and to confirm the prioritization of resourced capabilities. (Target: NLT 30 April 2018.)

(2) combine, when possible, the Initial Capabilities Document AROC and Materiel Development Decision ASARC to support program decisions, streamline the process, and reduce resourcing requirements for ACAT IC programs. The CSA approves the requirement for the Initial Capabilities Document and the Army Acquisition Executive approves the Materiel Development Decision for Service-level programs. (Target: NLT 30 January 2018.)

(3) provide recommended Analysis of Alternatives focus and specific study questions and alternatives for approval at the AROC when initiating a program to ensure that results are available to inform development of the Capability Development Document and Acquisition Strategy. (Target: NLT 30 October 2017.)

(4) include the threat-based strategy developed by the DCS, G-3/5/7 that supports the Army Operating Concept. (Target: NLT 30 January 2018.)

g. The Commander, TRADOC will update TRADOC Regulation 71-20 (Concept Development, Capabilities Determination, and Capabilities Integration) to:

(1) require CNA be conducted using a task-organized, formations-based model to enable visibility of operational and system-level dependencies. (Target: NLT 30 July 2018.)

(2) require CNA be conducted to inform Strategic Portfolio Analysis and Review and program objective memorandum activities by providing integrated and prioritized capability gaps and solutions to mitigate capability shortfalls. (Target: NLT 30 July 2018.)

(3) require CNA be conducted over 2 years, or as directed, to enhance the analytical fidelity of Joint Capabilities Integration and Development System efforts and to optimize capability development workload. (Target: NLT 30 July 2018.)

(4) publish updated prioritization lists to account for the inclusion of new capabilities and changes in threats, scenario condition sets, and concepts during year two of the CNA process. (Target: NLT 30 July 2018.)

(5) require a one- or two-star general officer panel to review and comment on capability requirements documents before prepublication coordination with HQDA staff. (Target: NLT 30 January 2018.)

(6) standardize written and graphical concepts of operations to include the following: military problem; operational overview; functions, roles, and responsibilities of affected organizations; timeframe; and operational environment (linked to the Future Force) to support capability development. (Target: NLT 30 April 2018.)

(7) mandate development of a strategic plan to include early industry engagement that supports the capability development process to facilitate attainable materiel solutions. (Target: NLT 30 April 2018.)

## **ACQUISITION REFORM INITIATIVE #2: IMPROVING TALENT MANAGEMENT**

1. The purpose of this initiative is to enhance the talent management of our capability requirements, acquisition, and resource management workforces to improve acquisition outcomes. Personnel supporting the capability requirements and acquisition processes require enhanced training, education, experience, and certification.

2. I direct the following actions:

a. The ASA (ALT), in coordination with the ASA (Manpower and Reserve Affairs), will:

(1) develop a talent management plan and update DA Pamphlet 70-3 (Army Acquisition Procedures), chapter 9 to allow DA Civilian Program Managers to gain experience in S&T, test and evaluation (T&E), and contracting before becoming a GS-15 Program Manager. (Target: NLT 30 January 2018.)

(2) develop a broadening assignment program for all DA Civilians and require memorandums of agreement to institute broadening assignments across S&T, T&E, materiel development, and sustainment to enhance talent management and develop leaders who have a broader understanding of the generation and acquisition of Army requirements. (Target: NLT 30 January 2018.)

(3) define the allotted time for current GS-15 DA Civilians to complete the training necessary to be competitive for reassignment opportunities and future developmental assignments to become an acquisition Program Manager. (Target: NLT 30 April 2018)

b. The ASA (ALT) will:

(1) coordinate through the Director, Acquisition Career Management with ATEC to amend DA Pamphlet 70-3 to give all personnel assigned to ATEC leadership positions a higher priority than what is currently established to attend training, in accordance with the Defense Acquisition Workforce Improvement Act of 1990 (Title 10, United States Code, section 1735), to effectively plan, lead, and execute critical T&E activities. (Target: NLT 30 January 2018.)

(2) develop, in coordination with the ASA (Manpower and Reserve Affairs) and DCS, G-1, a talent management plan for Program Managers to gain experience in S&T, T&E, and contracting before becoming an O-6 Program Manager. This plan will include a 1-year operational assignment (for example, in a division or below, World Wide Individual Augmentees, U.S. Army Operational Test Command, operational contracting, TRADOC capability manager, or Special Mission Unit), anytime between O-4 and O-6 to enhance their understanding of user and operational needs. (Target: NLT 30 January 2018.)

c. The ASA (Manpower and Reserve Affairs) will coordinate with Army Materiel Command or U.S. Army Medical Command, as appropriate, to execute the responsibilities outlined in the 2017 NDAA, section 1122 to ensure that the Research, Development, and Engineering Command and Research, Development, and Engineering Centers, which perform the duties as of the Army's S&T Reinvention Laboratories, have the ability to hire and reshape the workforce to keep pace with the rapid change of technology. (Target: NLT 30 January 2018.)

d. The Deputy Under Secretary of the Army will update AR 73-1 (Test and Evaluation Policy) to:

(1) require ATEC Systems Team chairs to obtain, at a minimum, T&E Level II certification for ACAT I programs (no later than 2 years from assignment) to effectively plan, lead, and execute critical T&E activities. (Target: NLT 30 January 2018.)

(2) establish prerequisites for ATEC Systems Team chair positions, including training requirements and authorities, to effectively plan, lead, and execute T&E activities. (Target: NLT 30 January 2018.)

e. The DCS, G-1 will update DA Pamphlet 600-3 (Officer Professional Development and Career Management) and applicable civilian personnel policies and regulations to implement the talent management plan for Program Managers to gain experience in S&T, T&E, and contracting before becoming an O-6 Program Manager. (Target: NLT 30 January 2018.)

f. The DCS, G-8 will update AR 71-9 to:

(1) define the Army capability requirements workforce, considering branch immaterial officers, noncommissioned officers, functional area officers, and DA Civilians, to facilitate coding of tables of distribution and allowances in accordance with AR 71-32 (Force Development and Documentation). (Target: NLT 30 April 2018.)

(2) ensure the Army's Capability Requirements Workforce training and certification is tracked to enforce compliance. (Target: NLT 30 January 2018.)

(3) require the Army Staff's capability requirements workforce to complete the Defense Acquisition University's Requirements Management Certification Training, HQDA's "How the Army Runs" Course, and the TRADOC Capability Developers Course to ensure competence in the analysis and development of capabilities. (Target: NLT 30 April 2018.)

g. The Commander, TRADOC will update TRADOC Regulation 71-20 to:

(1) require the TRADOC capability requirements workforce to complete the Defense Acquisition University Requirements Management Certification training and the

TRADOC Capability Development Course to ensure competence in the analysis and development of operational capabilities. (Target: NLT 30 April 2018.)

(2) designate O-6 (or equivalent) capability manager positions as DA Central Select List leaders in support of capability development. (Target: NLT 30 April 2018.)

(3) ensure TRADOC Capability Requirements Workforce training and certification are tracked to enforce compliance. (Target: NLT 30 January 2018.)

(4) require new personnel assigned to Capability Developer teams and product support management integrated product teams to complete the Defense Acquisition University's continuous learning modules (001, 004, and 005) on life-cycle sustainment planning to ensure the proper development of life-cycle sustainment plans. (Target: NLT 30 April 2018.)

h. Commanders, Directors, and HQDA Principal Officials will coordinate with the Assistant G1 for Civilian Personnel on policy, assignments, and actions that affect DA Civilians. Commanders, Directors, and HQDA Principals Officials are reminded to abide by all applicable labor relations and collective bargaining obligations.