

**31 AUGUST 1993**



**Acquisition**

**ACQUISITION SYSTEM**

---

**NOTICE:** This publication is available digitally on the SAF/AAD WWW site at: <http://afpubs.hq.af.mil>. If you lack access, contact your Publishing Distribution Office (PDO).

---

OPR: SAF/AQX (Maj Joyce L. Coney-Lacy)

Certified by: SAF/AQX  
(Maj Gen Stephen P. Condon)

Pages: 10

Distribution: F

1. The Air Force needs quality weapon and support systems, delivered on time and at an affordable life-cycle cost to meet mission requirements. The following policies establish the Air Force acquisition system for providing new and improved materiel capabilities in response to validated needs and according to public law, appropriate instructions, and international agreements.
2. The Air Force acquisition system encompasses all aspects of acquisition, from new start acquisition programs through modification and upgrade of existing systems.
3. The system will effectively translate operational needs into stable, affordable acquisition programs through an effective management program using three fundamental management tools: the Program Management Directive (PMD), the Acquisition Program Baseline (APB), and the Acquisition Information Reporting System (AIRS) as defined in AFI 63-101, *Acquisition System Procedures* (formerly AFR 800-1).
  - 3.1. All acquisition programs require PMDs.
  - 3.2. All acquisition programs will be baselined by Milestone I. All breachable key program parameters will be defined in the APB.
  - 3.3. All acquisition programs will report program status to the Milestone Decision Authority (MDA) using AIRS.
4. The Air Force acquisition system will operate with centralized policy development and decentralized execution.
  - 4.1. Authority and decisionmaking will be delegated to the lowest appropriate level consistent with the degree of oversight required to maintain the integrity of the process.
  - 4.2. Acquisition program management will be accomplished using direct lines of communication and no more than two levels of review between the single manager (System Program Director [SPD], Product Group Manager [PGM], or Materiel Group Manager [MGM]) and the designated MDA.

4.3. All Air Force acquisition programs will be reviewed at a level within the management chain consistent with the cost and complexity of the program and with a frequency to ensure appropriate oversight. The level of management is determined by the program's acquisition category (ACAT) which determines who the MDA will be. There are four major categories. ACAT I has specific subdivisions as shown in **Table A2.1**. A program will be reviewed before each milestone decision to ensure it is ready to proceed. The Air Force Systems Acquisition Review Council is the Air Force body that advises the Air Force Acquisition Executive (AFAE) on major system acquisitions.

4.3.1. Air Force ACAT I D programs are managed by the AFAE, a Program Executive Officer (PEO), and an SPD, with the Defense Acquisition Executive as the MDA. The AFAE is the MDA for ACAT I C programs. Occasionally, an ACAT I program may not be assigned to a PEO, and the SPD will report directly to the AFAE. Air Force ACAT I C programs that meet the conditions specified in Department of Defense (DoD) Instruction 5000.2, *Defense Acquisition Management Policies and Procedures*, February 23, 1991, may be transferred to a Designated Acquisition Commander (DAC).

4.3.2. Major Automated Information Systems programs (ACAT I M) are managed by the AFAE, a PEO, and an SPD with the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) as the MDA.

4.3.3. Air Force ACAT II programs are managed by the AFAE, the DAC, and an SPD, unless the program has been selected by the AFAE for special oversight and assigned to a PEO. The AFAE is the MDA for ACAT II programs.

4.3.4. Air Force ACAT III and IV programs are managed by the AFAE, the DAC, and an SPD, unless the program has been selected by the AFAE for special oversight and assigned to a PEO. The AFAE will exercise his or her responsibilities on an exception basis when considered necessary as a result of a report from the DAC. The DAC is the MDA for ACAT III and IV programs. DACs may recommend to the AFAE that smaller dollar value, low-risk programs be designated as ACAT IV. The MDA for these ACAT IV programs may then be delegated below the DAC by the AFAE.

5. The system will interface with the acquisition and using commands to ensure effective support of all domestic, international, and Foreign Military Sales (FMS) acquisition programs in which the US Air Force participates.

6. This directive establishes the following responsibilities and authorities:

6.1. The Assistant Secretary of the Air Force (Acquisition), ASAF(A), is designated by Secretary of the Air Force Order 100.1, Functions of the Secretary, Under Secretary, and the Assistant Secretaries of the Air Force, May 1, 1990, as the AFAE and is accountable to the Secretary of the Air Force (SAF) for all domestic and international Service acquisition functions, including FMS programs that require US Air Force acquisition oversight. Unless otherwise directed by SAF, the AFAE is the MDA for ACAT I C through IV programs and may delegate this authority as appropriate. With the exception of selected programs, the AFAE has delegated MDA for ACAT III and IV programs to the appropriate DAC. The ASAF(A) is the AFAE, the Senior Procurement Executive (SPE), and the Senior Information Resource Management (IRM) Official.

- 6.2. The PEO or DAC executes a portfolio of domestic, international, and FMS acquisition programs. As such, the PEO or DAC exercises the authority of the AFAE, except as expressly limited.
- 6.3. The PEO or DAC controls Air Force configuration for programs involving Air Force systems which are under joint program management when another Service has been designated the lead. All configuration changes will be processed through the joint program office (JPO). If JPO "contracts" with the PEO or DAC to accomplish the work, then funding will flow through the JPO to the PEO or DAC.
- 6.4. The Chief of Staff chairs Requirements and Acquisition Program Reviews (Summits) between Milestones 0 and I, I and II, and II and III.
- 6.5. SAF agencies and Air Staff are responsible for providing guidance and assistance in developing appropriate elements of acquisition policy. The Secretariat acquisition staff responsibilities include:
  - 6.5.1. Performing normal staff functions to support the objectives of the AFAE and facilitate the continuous interaction and dialogue among the AFAE, the PEOs, and the DACs.
  - 6.5.2. Functioning as the acquisition team's focal point and conduit for all interface with the Congress, Office of Secretary Defense, Joint Chiefs of Staff, other Services, Air Staff, major commands, and foreign governments or international organizations.
  - 6.5.3. Providing all acquisition inputs to the Biennial Planning, Programming, and Budget System and developing the program budget.
  - 6.5.4. Identifying reprogramming sources for "top-down" directed requirements.
- 6.6. Providing the necessary support to ensure effective management, development, and employment of all domestic, international, and FMS acquisition programs in which the US Air Force participates.
7. This directive implements DoD Directive 5000.1, Defense Acquisition, February 23, 1991, and DoD Directive 8120.1, *Life-Cycle Management (LCM) of Automated Information Systems (AISs)*, January 14, 1993, and defines the Air Force acquisition system responsibilities, authority, structure, and tools. In case of conflict with the DoD 5000-series publications, the DoD documents prevail. Related instructions are in AFI 63-101.
8. See **Attachment 1** for measures used to comply with this policy.
9. See **Attachment 2** for table explaining ACATs and MDAs.
10. See **Attachment 3** for an explanation of abbreviations, acronyms, and terms used in this policy.

JOHN E. JAQUISH, Lt General, USAF  
Principal Deputy, Assistant Secretary of the  
Air Force for Acquisition

## Attachment 1

### MEASURING AND DISPLAYING COMPLIANCE WITH POLICY

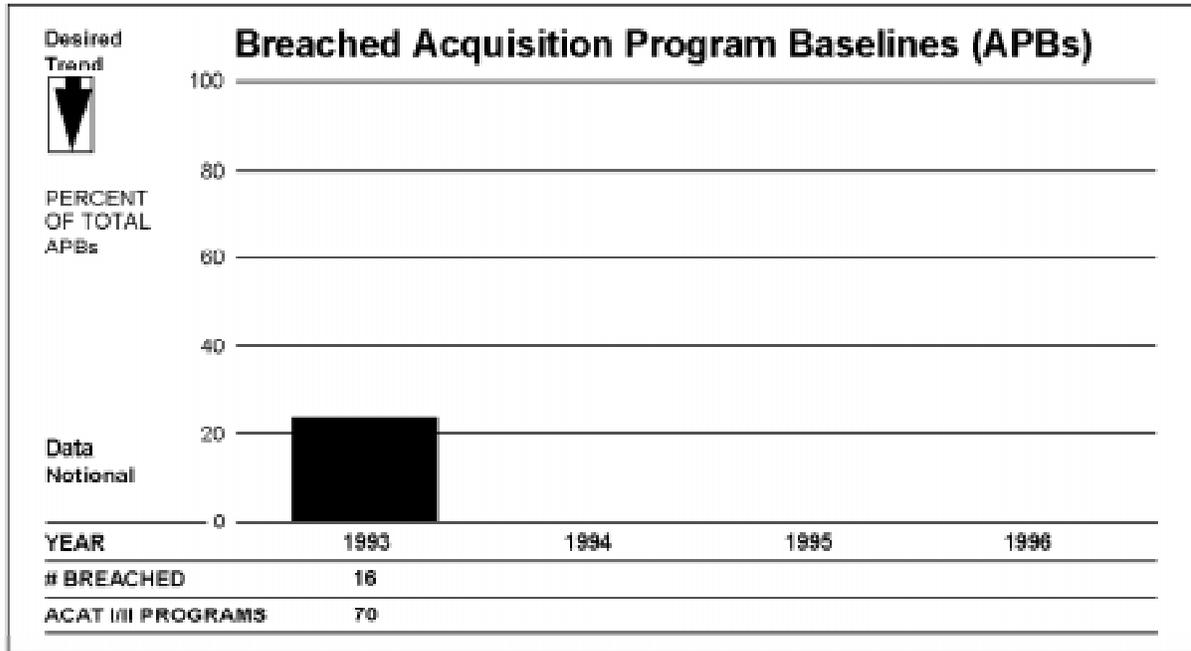
**A1.1.** Compliance with the Air Force acquisition policy will be assessed in three areas: currency of APBs, currency of PMDs, and AIRS. Each area will be measured using a bar chart comparison.

**A1.1.1. Acquisition Program Baseline.** All acquisition programs must be baselined and managed according to the cost, schedule, and performance parameters in the APB. Compliance with this policy will be assessed by the responsible MDA by measuring the total number of programs which have breached APB parameters relative to the total number of programs requiring APBs **Figure A1.1**. Without a current APB, the Air Force cannot monitor progress.

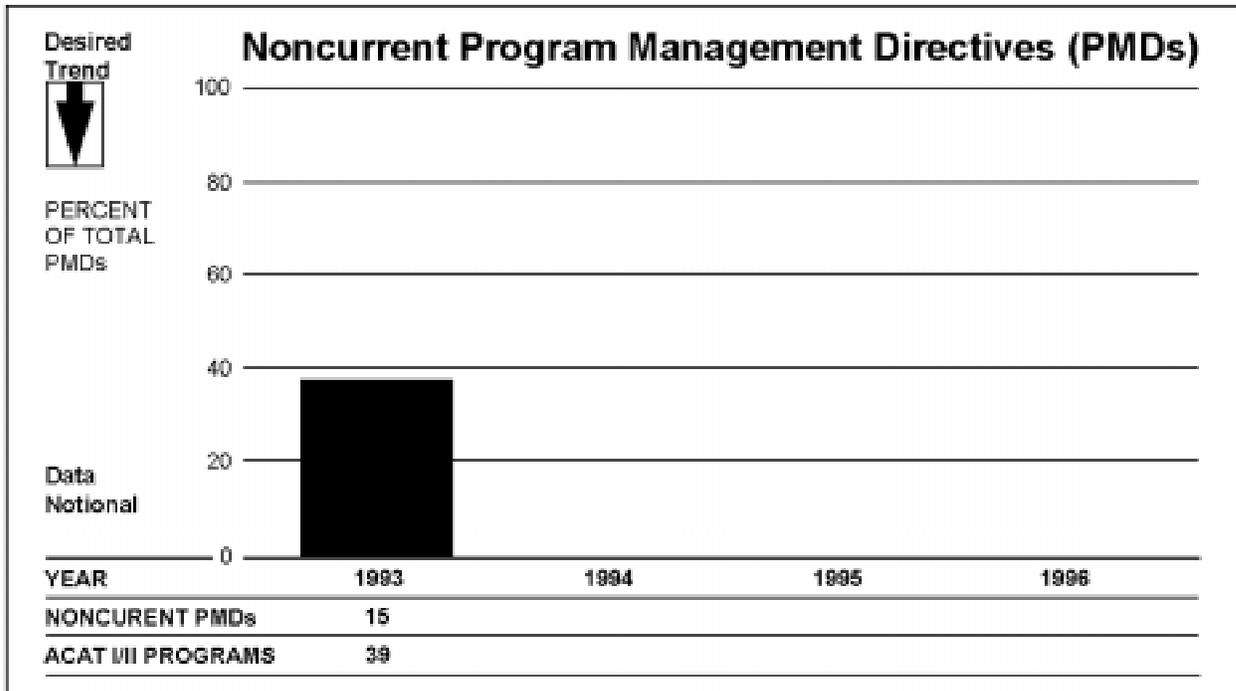
**A1.1.2. Program Management Directives.** All acquisition programs must have a current PMD to be executable. Compliance will be measured by comparing the noncurrent PMDs as a percentage of the total number of acquisition PMDs **Figure A1.2**.

**A1.1.3. Acquisition Information Reporting System.** All acquisition programs will provide program status to the MDA through a color coding (red--unsatisfactory; yellow--marginal; and green--satisfactory) of selected key acquisition program factors. Using a bar graph comparison, the number of red, yellow, and green factors are summed and presented as a function of time. A sample is shown in **Figure A1.3**. The bar graphs also indicate the distribution of factors that are red, yellow, and green. Significant trends and factors of concern will be identified for management action. The data for this metric are collected in RCS: DD-ACQ(Q)1429, Defense Acquisition Executive Summary.

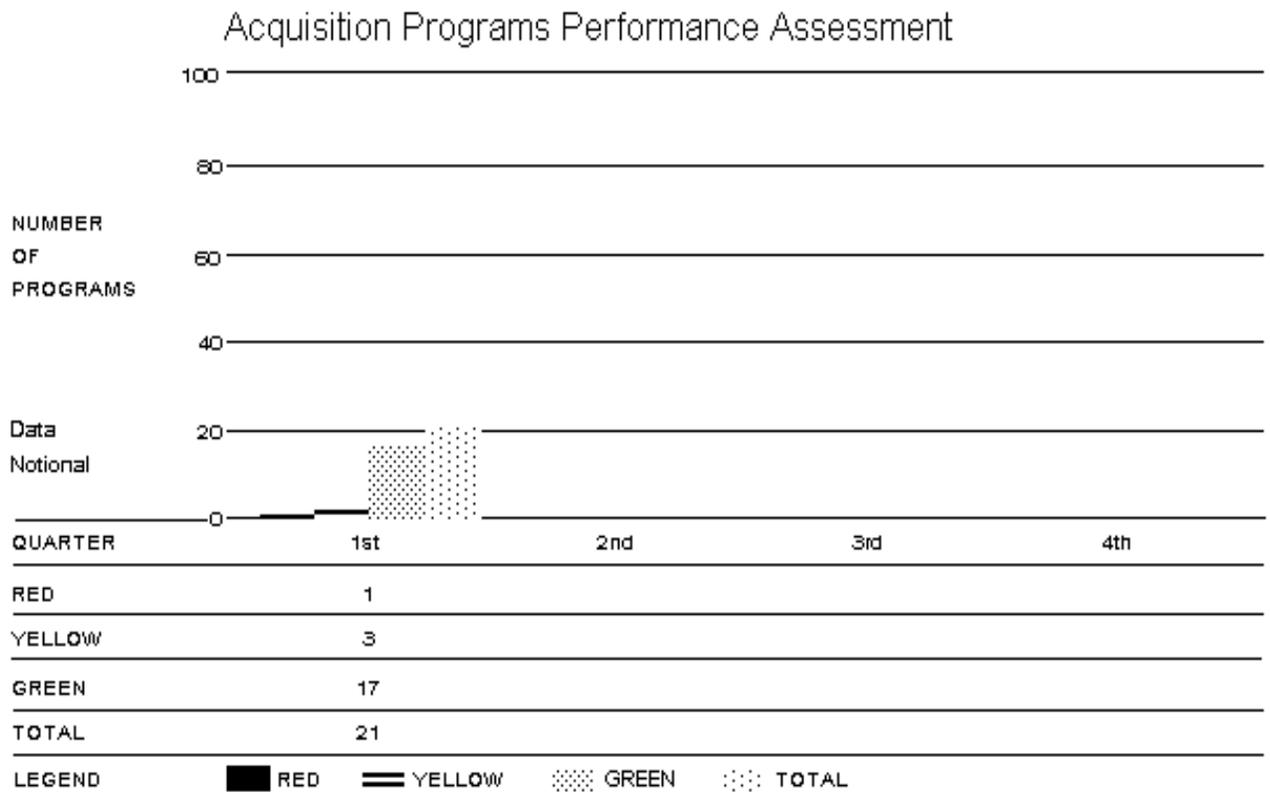
**Figure A1.1. Sample Metric of Breached Acquisition Program Baselines (APBs).**



**Figure A1.2. Sample Metric of Noncurrent Program Management Directives (PMDs).**



**Figure A1.3. Sample Metric of Acquisition Programs Performance Assessment.**



## Attachment 2

### DESCRIPTION OF ACATS AND MDAS

**Table A2.1. ACATs and MDAs.**

ACAT	Selection Criteria	Designation Authority	MDA	PEO/DAC	Terminology	
I D	A program not classified as highly sensitive by the SecDef that has: - Been designated by the DAE as an ACAT I program; or is - Estimated by the DAE to require: -- An eventual expenditure for RDT&E of more than \$200M in FY90 constant dollars (approximately \$300M in FY90 constant dollars); or -- An eventual expenditure for procurement of more than \$1B in FY90 constant dollars (approximately \$1.5B in FY90 constant dollars) or	DAE	DAE	PEO	ACAT I	Major Defense Acquisition Program  DAB Program and Major System
I C	An ACAT I program delegated by the DAE to the AFAE	DAE	Sec AF or, if delegated, the AFAE	PEO	Component Program  ACAT I C	
I M	An Automated Information System program not classified as highly sensitive by the SecDef and that is below dollar thresholds for a Major Defense Acquisition Program that has: - Been designated by ASD(C <sup>2</sup> ) or the AFAE as an ACAT IM program; or has - Anticipated program acquisition costs* over \$100M during the period from initial determination of the mission need through completion of Phase II; or - Estimated program costs* in excess of \$25M in any single program year	ASD (C <sup>2</sup> )  Major AIS Program (MAIS)	ASD (C <sup>2</sup> ) or, if delegated, the AFAE or the DAE	PEO/DAC	Major AIS Program (MAIS)	
II	A program not meeting the criteria for ACAT I that has: - Been designated by the AFAE as ACAT II; or - Estimated by the AFAE to require: -- An eventual expenditure for RDT&E of more than \$75M in FY90 constant dollars (approximately \$115M in FY90 constant dollars); or -- An eventual expenditure for procurement of more than \$300M in FY90 constant dollars (approximately \$545M in FY90 constant dollars)	Sec AF or, if delegated, the AFAE	Sec AF or, if delegated, the AFAE	DAC	ACAT II	Major System
	A program, normally ACAT II, selected by the AFAE for oversight and assigned to a PEO's portfolio. A selected program will maintain its ACAT status	AFAE	AFAE	PEO	Selected Program (AF Term)	
III	A program which does not meet the criteria for ACAT I or II and has been designated by the AFAE as ACAT III	AFAE	DAC	DAC	Non-Major System  ACAT III	
IV	A program which does not meet the criteria for ACAT's I-III and has been designated by the AFAE as ACAT IV	AFAE	DAC, or lowest level identified by the AFAE	DAC	Non-Major System  ACAT IV	
<p>* Current FY dollars consist of development costs, procurement and contracting costs, and construction costs in direct support of the system or program. Organic personnel costs are excluded, except for personnel involved in the software development and/or related programming tasks.</p>						

## Attachment 3

### ABBREVIATIONS, ACRONYMS, AND TERMS

#### *Abbreviations and Acronyms*

**ACAT** —Acquisition Category  
**AFAE**—Air Force Acquisition Executive  
**AFSARC**—Air Force System Acquisition Review Council  
**AIRS**—Acquisition Information Reporting System  
**APB**—Acquisition Program Baseline  
**ASAF(A)**—Assistant Secretary of the Air Force (Acquisition)  
**DAC**—Designated Acquisition Commander  
**DoD**—Department of Defense  
**FMS**—Foreign Military Sales  
**IRM**—Information Resource Management  
**JPO**—Joint Program Office  
**MDA**—Milestone Decision Authority  
**MGM**—Materiel Group Manager  
**PEO**—Program Executive Officer  
**PGM**—Product Group Manager  
**PMD**—Program Management Directive  
**SAF**—Secretary of the Air Force  
**SPD**—System Program Director  
**SPE**—Senior Procurement Executive

#### *Terms*

**Acquisition Categories (ACAT)** —Established to facilitate decentralized decisionmaking and execution and compliance with statutorily imposed requirements. The categories determine the level of review, decision authority, and applicable procedures. **Table A2.1.**Table A2.1 provides the ACAT criteria for all acquisition programs.

**Acquisition Information Reporting System (AIRS)** —Provides a means to report periodic program status information against defined management categories.

**Acquisition Program** —A funded effort, directed by Headquarters US Air Force, to provide a new or improved materiel capability in response to a validated need.

**Acquisition Program Baseline (APB)** —A succinct document consisting of cost, schedule, and performance parameters which establishes a reference point for measuring and reporting program

implementation status to the appropriate Milestone Decision Authority.

**Acquisition Staff** —Extends beyond SAF/AQ to include functional support from SAF/FM, SAF/GC, SAF/IA, SAF/PA, HQ USAF/IN, HQ USAF/LG, HQ USAF/SC, HQ USAF/TE, and HQ USAF/XO.

**Air Force Acquisition Executive (AFAE)**—The Assistant Secretary of the Air Force (Acquisition).

**Air Force Systems Acquisition Review Council (AFSARC)** —The Air Force corporate body that advises the Air Force Acquisition Executive on matters concerning the initiation, continuation of, or substantial changes to major defense acquisition programs.

**Designated Acquisition Commander (DAC)** —The individual who performs the same functions as the program executive officer (PEO) on programs that are not assigned to a PEO, primarily the commanders of product centers. Logistic centers commanders may be identified as DACs under the Integrated Weapon System Management concept. For acquisition program activities, DACs, like PEOs, are accountable to the Air Force acquisition executive.

**Integrated Weapon System Management (IWSM)** —A management concept created to consolidate responsibility for managing all facets of the development, production, modification, support, and retirement of a weapons system under a single manager.

**Materiel Group** —A compilation of several items or subsystems which receive consolidated management for sustainment largely for economy of scale and specialization of technical or engineering expertise and characterized by no standing development capability.

**Materiel Group Manager (MGM)** —The single manager who is charged with all cost, schedule, and performance aspects of a materiel group which range from repairable to end items that do not require a standing development capability.

**Program Executive Officer (PEO)** —The corporate operating official who supervises a portfolio of mission-related acquisition category I and selected programs. The PEO is accountable to the Air Force acquisition executive.

**Product Group** —A compilation of several specific products in all life cycle phases which are characterized by an ongoing development requirement as well as a much larger cumulative sustainment effort.

**Product Group Manager** —The single manager who is charged with all cost, schedule, and performance aspects of a product group which is a compilation of several specific products and is in direct support of one or more weapon system or military system program director.

**Program Management Directive (PMD)**—The official Air Force document used to direct acquisition responsibilities to the appropriate Air Force major commands, agencies, program executive office, or designated acquisition commander. All acquisition programs require PMDs.

**Requirements and Acquisition Program Reviews (Summits)**—Senior-level reviews held on acquisition category I, and lower-level programs, as appropriate, to affirm the operating command's stated needs and requirements, to ensure technical solutions under development continue to meet the operating command's objectives, and to verify the emerging weapon system remains capable against the latest projected enemy threat. Summits are chaired by the Chief of Staff and held between Milestones 0 and I, I and II, and II and III.

**Senior Information Resources Management (IRM) Official** —The senior Air Force official

responsible for the IRM Program. The Assistant Secretary of the Air Force (Acquisition) is the Senior Air Force IRM official.

**Selected Programs**—Those programs, normally acquisition category II, selected by the Air Force acquisition executive for special oversight and assigned to the management portfolio of a program executive officer.

**Senior Procurement Executive (SPE)** —The senior official responsible for management direction of the Air Force procurement system, including implementation of unique procurement policies, regulations, and standards. The Assistant Secretary of the Air Force (Acquisition) is the SPE.

**Summits** —Senior-level requirements and program reviews held on acquisition category (ACAT) I programs and chaired by the Chief of Staff. Summits may also be held for other programs below ACAT I.

**System Program Director (SPD)**—The single individual, under the integrated weapon system management architecture, responsible for the life-cycle management of a system or commodity. The SPD is the program manager vested with full authority, responsibility, and resources to execute an approved acquisition program on behalf of the Air Force. For acquisition related matters, the SPD is accountable to the program executive officer or the designated acquisition commander.