DOD public release
December 2, 2008

DOD Announces Major Revision to Acquisition Policy

The Honorable John Young, Under Secretary of Defense for Acquisition, Technology and Logistics USD (AT&L) approved a major revision to the DOD Acquisition System (DOD Instruction 5000.02) today. See the new instruction DoDI 5000.02.

This revision, the first major change to acquisition policy in over 5 years, reflects the department's determination to improve the effectiveness and efficiency of its enterprise-wide acquisition business processes so it can continue to provide warfighters with the best weapons systems and support in the world.

DoD Announces Major Revision to Acquisition Policy

The Honorable John Young, Under Secretary of Defense for Acquisition, Technology and Logistics USD (AT&L) approved a major revision to the DoD Acquisition System (DoD Instruction 5000.02) today.

This revision, the first major change to acquisition policy in over 5 years, reflects the department's determination to improve the effectiveness and efficiency of its enterprise-wide acquisition business processes so it can continue to provide warfighters with the best weapons systems and support in the world.

The new directive includes:

- A mandatory acquisition process entry point: Programs will be required to proceed through a Materiel Development Decision Review to ensure they are based on approved requirements and a rigorous assessment of alternatives.
- Competitive Prototyping: Programs will be required to implement acquisition strategies requiring a technology development phase where two or more competing teams will produce prototypes of the system or key components. Consequently, technologies will have to be demonstrated and proven before engineering development is initiated.
- More frequent and effective program reviews to assess progress. Two key engineering reviews, the Preliminary Design Review and the Critical Design Review become significant program decision points to allow acquisition authorities to assess progress.
- Configuration Steering Boards: These boards provide a forum that can preclude destabilizing requirements changes and avoid a problem that has traditionally contributed to increased costs and extended schedules. Program managers can use this forum to control requirements creep and seek moderation of requirements which become costly drivers in the system design.
- Technology Readiness Assessments: Independent reviews must certify the maturity of program technologies for a program to progress to the costly final phase of development.
- Engineering and Manufacturing Development: The final phase of system development is returned to the previous label of "Engineering and Manufacturing Development." This name change is intended to emphasize the focus on engineering and manufacturing development during the final, costly phase that leads to initial production. Technology development and basic system design work should be accomplished in the earlier Technology Development phase.
- More effective test and evaluation: Test activity will be integrated into every acquisition development phase to facilitate early identification and correction of technical and operational deficiencies.

Mr. Young co-signed the new policies with Dr. Charles E. McQueary, the Director, Operational Test and Evaluation and Mr. John G. Grimes, Assistant Secretary of Defense for Networks and Information Integration. Dr. McQueary noted that "this policy revision incorporates all the policy initiatives I have supported--principal among them being integrated developmental and operational testing with results available to all." Mr. Young said that "the directive reflects his conviction that our policies must be more disciplined and effective to ensure that results are more predictable and that we are better stewards of taxpayer dollars". Mr. Grimes commented that "this directive is particularly important because its sets in place policy guiding early consideration of the radio frequency spectrum to enable better management of competing battlefield requirements that have become a growing concern in theater. As the DoD CIO, this new instruction also reinforces early consideration of information security, information technology architecture, and interoperability to ensure we can continue to benefit from assured net-centric operations."