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**Acquisition**

**ACQUISITION SYSTEM**



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This instruction implements AFPD 63-1, *Acquisition System*, and Department of Defense (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. It sets guidelines for implementing the Acquisition System. In case of conflict between this instruction and the DoD 5000-series or DoD 8120-series documents, the DoD documents prevail.

**SUMMARY OF REVISIONS**

This revision incorporates the functional descriptions, information, and procedures formerly in AFR 800-1, reorganizes text and incorporates numerous changes in the acquisition streamlining process. It aligns the instruction with AFPD 63-1.

## Chapter 1

### RESPONSIBILITIES

#### 1.1. The Assistant Secretary of the Air Force (Acquisition), ASAF(A):

- 1.1.1. Is the senior corporate operating official for acquisition, the Air Force Acquisition Executive (AFAE), the Senior Procurement Executive (SPE) for overseeing Air Force acquisition activities, and the Senior Information Resource Management (IRM) Official for implementing the Air Force IRM program.
- 1.1.2. Nominates candidates to the Secretary of the Air Force as Program Executive Officers (PEO), System Program Directors (SPD) for Acquisition Category (ACAT) I, and Selected Programs (with advice from the Chief of Staff of the Air Force [CSAF]).
- 1.1.3. Oversees all acquisition programs through the PEO or Designated Acquisition Commander (DAC).
- 1.1.4. Chairs the Air Force Systems Acquisition Review Council (AFSARC.)
- 1.1.5. Represents the Air Force on the Defense Acquisition Board (DAB).
- 1.1.6. Participates actively in the Biennial Planning, Programming, and Budgeting System (BPPBS) process.
- 1.1.7. Makes decisions on program issues, directs the program, and sets Air Force acquisition policy.
- 1.1.8. Signs all ACAT ID Acquisition Program Baselines (APB) and forwards them for Defense Acquisition Executive (DAE) approval. Signs and approves APBs for all ACAT IC, II, and Selected Programs.
- 1.1.9. Supports the Air Force Chief of Staff on acquisitions.
- 1.1.10. Responds to the DAE on behalf of the Air Force.
- 1.1.11. Advises the Secretary of the Air Force (SAF) on acquisitions and is a senior advisor on other issues, as requested by the SAF.
- 1.1.12. Works with the Congress on acquisition programs and the Air Force Acquisition System.
- 1.1.13. Manages the science and technology (S&T) program and its budget. Controls the program's approved resources.
- 1.1.14. Manages and sets policy for the acquisition career professional development program.
- 1.1.15. Guides overall acquisition investment efforts.
- 1.1.16. Sets policies for concept definition and evaluation studies.
- 1.1.17. Supervises and evaluates PEOs.
- 1.1.18. Plans, sets policy, begins, and implements nondevelopmental acquisitions and cooperative research and development with other nations.
- 1.1.19. Is the Source Selection Authority for ACAT I and Selected Programs, unless otherwise directed by the Secretary of Defense or the SAF.

1.1.20. Approves the Acquisition Plans and Justification and Approvals when they exceed the thresholds established in the Air Force Federal Acquisition Regulations Supplement (AFFARS).

1.1.21. Heads a Contracting Activity for ACAT I through IV programs.

1.1.22. Assesses the ability of the defense industry to meet the Air Force system acquisition requirements. Maintains the civilian industrial base as an alternate source to meet Air Force surge requirements.

1.1.23. Guides, sets goals, encourages competition, and eliminates barriers for the Air Force Competition Program.

1.1.24. Signs all ACAT ID Test and Evaluation Master Plans (TEMP) and forwards for DAE approval. Signs and approves TEMPs for all ACAT IC, II, and selected programs.

1.1.25. Issues Program Management Directives (PMD) for all acquisition programs.

**1.2. PEO/DAC.** Direct, continuous, daily interaction among the program offices, PEOs/DACs, acquisition command field activities and headquarters' staffs forms an acquisition team that ensures sound and effective acquisition practices. The PEO/DAC has no acquisition program reporting requirements other than those described in this section.

1.2.1. PEO/DAC:

1.2.1.1. Manages acquisition program costs and scheduling to meet all performance requirements within approved baselines, program direction, and acquisition strategy.

1.2.1.2. Executes FMS systems acquisition programs in accordance with the Arms Export Control Act; DoD 5000-series; DoD 5105.38-M, *Security Assistance Management Manual*, October 1988, with Changes 1 through 5, DoD Directive 8120-series; AFPD/AFI 63-series; AFPD/AFI 16-series; AFPD/AFI 65-series; and AFMAN 23-110 , *USAF Supply Manual* (formerly AFM 67-1).

1.2.1.3. Directs all SPDs, emphasizing planning, reporting, and preparing for milestone and other program reviews.

1.2.1.4. Makes sure that program offices focus on satisfying operational requirements.

1.2.1.5. Participates with program offices to maintain a continuous dialogue with the using and supporting commands.

1.2.1.6. Makes sure that program offices exercise contracting authorities and responsibilities according to the Federal Acquisition Regulation (FAR) and Department of Defense Federal Acquisition (DFARS) and implemented in the AFFARS.

1.2.1.7. Leads the government contractor interface in coordination with the System Program Director. ( *Note: The contracting officer issues all directions to the contractor.* )

1.2.1.8. Working through AFMC, provides facilities, personnel, and resources for program offices and validates infrastructure investment requirements identified by system program directors.

1.2.1.9. Makes sure that program office correspondence and presentations are accurate, timely, and of high quality. Reviews and approves important program documents (for example, APB,

Selected Acquisition Report [SAR], Defense Acquisition Executive Summary [DAES]) for higher authorities and budget option exercises.

1.2.1.10. Gives early warning to the AFAE and the acquisition staff of significant problems or issues.

1.2.1.11. Represents the portfolio of programs in DAES, AFSARC, and DAB presentations (PEOs).

1.2.1.12. Helps the acquisition staff identify reprogramming sources inside their programs for "top down" directed requirements. Ensures compliance with statutory and regulatory restrictions.

1.2.1.13. Advises the acquisition staff on programming and budgeting matters.

1.2.1.14. Assists the Mission Area Directors in preparing and defending the Air Force budget.

1.2.1.15. Authorizes below-threshold investment appropriation reprogramming for their (PEO only) portfolio of programs. **Note: This authority is a major tool that PEOs use to address cost, schedule, and performance objectives for their programs.** While PEOs may reprogram funds in execution years, SAF/AQX, SAF/FM, and HQ USAF/LG must implement and ensure compliance with statutory and regulatory restrictions. Therefore, PEOs submit proposed reprogramming to SAF/AQX or HQ USAF/LG (with information copies to SAF/FMBI, AFMC/FM, HQ USAF/INX, and other offices). When required by Acquisition Program Baseline guidelines, PEOs submit zero growth alternatives. SAF/AQX or HQ USAF/LGS implement the reprogramming unless a statutory or regulatory reason prohibits it. DACs follow existing reprogramming procedures for their programs.

1.2.2. Recommends SPDs for ACAT I and Selected programs to the AFAE based on information from the acquisition command commander (PEOs only).

### 1.3. System Program Director (SPD):

- Is the only operating official who is responsible for program execution within the approved APB.
- Accounts for programs to the AFAE through the PEO/DAC.
- Reports directly to the PEO on all matters of program cost, schedule, and performance for programs assigned to their own PEO (ACAT I and selected programs). These SPDs work only on programs assigned to their own PEO's portfolio.
- Reports directly to the DAC for ACAT II through IV programs.
- Develops the acquisition strategy and APB for approval.
- Plans the program, including developing a management approach, providing budgetary estimates and alternatives, establishing a program schedule, developing contracting strategies and structure, and establishing an interface with related programs.
- Executes the program within the guidelines and resources set by the PEO/DAC, the AFAE in the PMD, the acquisition strategy, and the approved APB.
- Executes FMS system acquisition programs in accordance with the Arms Export Control Act; DoD 5000-series; DoD 5105.38-M; DoD 8120-series; AFRPD/AFI 63-series; AFRPD/AFI 16-series; AFR 170-3, *Financial Management and Accounting for Security Assistance and International Programs*, and AFMAN 23-110.

- Manages the program within established policies and procedures.
- Establishes and maintains a direct line of communication with using and acquisition commands and the operational test agency.
- Supervises personnel.

**1.4. The Acquisition Staff.** Includes SAF/AQ, SAF/FM, SAF/GC, SAF/IA, SAF/PA, HQ

USAF/IN, HQ USAF/LG, HQ USAF/SC, HQ USAF/TE, and HQ USAF/XO. The acquisition staff draws on these organizations for help in developing appropriate elements of acquisition policy. These organizations:

- Support the objectives of the AFAE and facilitate interaction and dialogue among the AFAE, the PEOs, and DACs.
- Are the focal point for the acquisition team and the conduit for interaction with the Congress, the Office of the Secretary of Defense (OSD), Joint Chiefs of Staff (JCS), other Services, Air Staff, major commands (MAJCOM), and foreign governments or international organizations.
- Provide all acquisition information to the BPPBS.
- Develop the program budget.
- Identify reprogramming sources for "top down" directed requirements.

**1.5. The Air Force Materiel Command (AFMC):**

- Supports all domestic, international, and FMS acquisition programs in which the US Air Force participates.
- Accounts to the AFAE for maintaining the acquisition infrastructure and to CSAF for sustaining all activities.
- Implements military and civilian acquisition professional development programs according to policy established by the AFAE.
- Supports the SPD by providing technical assistance, infrastructure, test capabilities, laboratory support, professional education, training and development, and all other aspects of support for AFAE, PEO, DAC, and SPD functions.
- Supports long-range priorities and systems support planning.
- Works closely with users to formulate long-term objectives and integrate systems.
- Supports users by defining concepts and developing evaluation and integration studies.
- Develops, with users, affected PEOs, and DACs, alternative solutions to validated needs before Milestone I. Integrates life-cycle cost estimates to support proposed alternatives.
- Prepares Milestone I documentation.
- Supports Cost and Operational Effectiveness Analyses that the operating commands perform before Milestone I.
- Helps develop policy, processes, implementation plans, and procedures within AFAE guidelines.
- Participates in or leads process improvement teams, in coordination with AFAE.

- Provides expertise to the AFAE, PEO/DAC, and SPD by responding to individual requests or by organizing acquisition strategy panels, independent review teams, production readiness reviews, logistics assistance teams.
- Helps the AFAE manage the budget and expired or canceled year accounts. Monitors the financial status of all acquisition programs (including PEO and DAC programs) for financial analysis.
- Identifies program funding deficiencies and develops funding alternatives for the acquisition staff to consider.
- Supports the S&T program and acquires commodities using AFAE guidelines.
- Nominate SPDs for ACAT I and Selected Programs to the appropriate PEOs.
- Considers opportunities for international cooperation from Milestone 0 throughout the acquisition life-cycle of each defense article.
- Manages the Air Force Competition Program in guidelines set by the AFAE.

#### 1.5.1. The AFMC Commander:

- Advises and assists the AFAE through formal and informal forums.
- May advise the AFSARC with the AFAE's written approval.
- Forms ad hoc assistance teams at the request of the AFAE.
- Is the MAJCOM's Inspector General (IG).
- Establishes, with the AFAE, a formal advocacy process to satisfy acquisition command Program Objective Memorandum (POM) infrastructure requirements.

### **1.6. Assigning Acquisition Management Responsibilities Between Product and Logistics Centers.**

AFMC creates integrated product teams that include full user participation at laboratories, and test, product, and logistics centers. One SPD is in full charge of all aspects of an acquisition program throughout its life cycle. AFMC usually assigns SPDs to product centers but may assign them to logistics centers.

1.6.1. Either Product or Logistics Centers are the home for the single managers (system managers and program directors).

1.6.1.1. System managers and program directors run programs for new systems and subsystems including developing, testing, configuring, integrating new technology, upgrading, and contracting when significant development or integration risks exist.

1.6.1.2. Multidisciplinary teams develop, test, and evaluate available assets from the first through the final milestones of the programs.

1.6.2. Logistics Centers:

- Make operational systems available for field use.
- Emphasize competitive manufacturing and other industrial operations.
- Maintain quality control for repair parts and equipment items.
- Maintain spare parts inventories to supply the needs of users.
- Sustain manufacturing and support capabilities for military systems that are no longer produced or supported by the private sector.
- Procure goods.

- Maintain, repair, and upgrade depots.
- Manage, supply, and distribute commodities.

1.6.3. The AFMC commander supports logistics centers by providing personnel and facilities.

## Chapter 2

### AIR FORCE ACQUISITION PROGRAMS

**2.1. Acquisition Programs.** An acquisition program begins with Concept Demonstration approval (Milestone I) and can involve design, development, production, and modification or any combination of these activities. The Air Force considers an acquisition program complete when no significant development or integration risks exist. Required Assets Availability (RAA) indicates that sufficient equipment, personnel, and logistics elements are available to the operational command to begin a trial period before Initial Operational Capability (IOC). All acquisition programs:

- Use appropriated funds from the President's Budget and Future Years Defense Program.
- Operate under a Program Management Directive (PMD). *Note: The PMD replaces the Communications-Computer Systems Directive (CSD) for C<sup>4</sup> programs. Only Air Staff or SAF directorates issue PMDs.*

**2.2. Making Permanent Modifications.** Permanent modifications must meet the criteria for acquisition programs and must follow Air Force acquisition policies. Possible alternatives to acquisition programs include using preferred spares, maintaining and repairing defective products, and modifying only the item's software. See AFI 21-102, *Depot Maintenance Management* (formerly AFRs 66-3, 66-7, and 66-11) which suggests ways to correct product flaws other than through acquisition programs.

#### **2.3. Acquisition Program Requirements:**

2.3.1. An acquisition program must provide a new or improved materiel capability, or an improved automated information system capability.

2.3.1.1. A new materiel capability needs design, development, testing, and production.

2.3.1.2. An improved materiel capability modifies an existing system to accomplish the mission.

2.3.2. All acquisition programs must have a valid mission needs document in a format defined by AFPD 10-6, *Mission Needs and Operational Requirements* and AFI 10-601, *Mission Needs and Operational Requirements Guidance and Procedures*, for any acquisition program.

2.3.3. These are *not* acquisition programs:

- Science and Technology programs.
- Level of Effort programs and contracts.
- Spare parts contracts.
- Weapon system sustainment.
- Most Foreign Military Sales (FMS) programs.

2.3.3.1. The DAE/AFAE may choose to treat a non acquisition program as an acquisition program, for example a FMS system acquisition program.

#### **2.4. Acquisition Reporting.** (RCS: DD-A&T[Q]1429, *Defense Acquisition Executive Summary*.)

**2.4.1. Acquisition Information Reporting System (AIRS).** AIRS may be used to report program status against defined management categories:

- Report quarterly to the DAE on ACAT I programs that have reached Milestone I and other designated ACAT I programs as part of DAE Summary (DAES).
- Submit a Monthly Acquisition Report (MAR). The MAR is a brief, concise, one page narrative assessment of program issues and problems. The System Program Director prepares the MAR and submits it to the AFAE through the PEO or DAC. All other DAES programs will submit a MAR if any of the program assessment indicators for cost, schedule, or performance are red. Combat support programs will submit a MAR if a quarterly Major Automated Information System (MAIS) program assessment indicators are red for cost, schedule or performance. The MAR will report status as of the end of the month and is due to the AFAE by the 10th working day of the following month.
- Report all other programs to the DAC, who will report, on an exception basis, to the AFAE in the AIRS.
- Report Major Automated Information Systems (MAIS) programs in accordance with DoD 8120-series.

#### **2.4.2. Program Reviews:**

- The DAB conducts ACAT ID program reviews.
- The Major Automated Information System Review Council (MAISRC) Committee conducts MAIS program reviews.
- AFSARC and the AFAE (may conduct an in process review) may review all programs before the DAB and MAISRC review.
- USAF/HQ requires no additional acquisition program reviews of the SPD.
- AFAE reviews ACAT IC and II programs and selected programs.
- The AFAE may delegate the DAC to review ACAT III through IV programs.

## Chapter 3

### ACQUISITION PROGRAM TYPES

**3.1. Highly Sensitive Classified Programs.** These programs must comply with the policies and procedures for the acquisition category with equivalent dollar value and with the appropriate tailoring specified in DoD Instruction 5000.2, *Defense Acquisition Management Policies and Procedures*, February 23, 1991, with Change 1.

**3.2. The International Cooperative Program (ICP).** A written international agreement comprising one or more specific projects involving the US Air Force (representing the US Government) and foreign governments or international organizations cover ICP in:

- Research, Development, Test and Evaluation (RDT&E) and Acquisition under Title 22, United States Code, Section 2767.
- Research and development under Title 10, United States Code, Section 2350a.
- Information or personnel exchanges under approved DoD programs.
- Testing and evaluating conventional defense articles, munitions, or technologies developed by foreign powers under 10 U.S.C. 2350a.

## Chapter 4

### THE AIR FORCE ACQUISITION POLICY

**4.1. Acquisition Structure.** This acquisition policy uses a top-down structure and controls what policies are issued. It has a three-tiered structure from OSD down to Air Force level. It includes the DoD 5000-series; the AFPD/AFI 63-series; the *Acquisition Policy Book* (AQ policy memoranda and AFMC commander's policy letters); and Air Force and AFMC handbooks and pamphlets. The 3e tiers are:

#### **4.2. Tier I: Top-level Direction:**

- Outlines the DoD acquisition management process.
- Identifies the streamlined reporting and review chain.
- Specifies Air Force implementation of acquisition management and AFAE policy.
- Includes DoD Directive 5000.1, the Air Force implementing regulation, AFPD 63-1, and the *Acquisition Policy Book*. Only SAF/AQ will issue Air Force acquisition management policy.

#### **4.3. Tier II: Instruction and Standard Reporting Formats:**

- Consolidates more than 80 DoD and Air Force documents that emphasizes what the acquisition manager does.
- Explains how to produce required documents.
- Includes DoD Instruction 5000.2, AF Supplement 1/DoD Instruction 5000.2, DoD 5000.2-M, *Defense Acquisition Management Documentation and Reports*, February 1991 , with Change 1 , and AF Supplement 1/DoD 5000.2-M.

#### **4.4. Tier III: Functional Processes and Procedures:**

- Defines the processes and procedures.
- Captures best practices.
- Explains the best ways to support acquisition programs.
- Includes the AFMC regulation and pamphlet that implements Tier II guidance.

## Chapter 5

### WAIVER AUTHORITY

#### 5.1. Waivers:

- Submit requests for exceptions to any of the provisions of this instruction through the appropriate PEO or DAC to the AFAE.
- The AFAE, PEO, or DAC may waive Air Force acquisition requirements that are not otherwise identified or defined in statute.
- Submit requests for exceptions to DoD acquisition directives and instructions through the streamlined acquisition management chain to the AFAE. When appropriate, the AFAE submits the waiver request to the Secretary or Deputy Secretary of Defense through the Under Secretary of Defense for Acquisition.

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## Attachment 1

### GLOSSARY OF ABBREVIATIONS, ACRONYMS, AND TERMS

#### *Abbreviations and Acronyms*

**ACAT**—Acquisition Category

**AFAE**—Air Force Acquisition Executive

**AFFARS**—Air Force Federal Acquisition Regulations Supplement

**AFSARC**—Air Force Systems Acquisition Review Council

**AIRS**—Acquisition Information Reporting System

**APB**—Acquisition Program Baseline

**BPPBS**—Biennial Planning, Programming, and Budgeting System

**CSAF**—Chief of Staff of the Air Force

**CSD**—Communications-Computer Systems Directive

**DAB**—Defense Acquisition Board

**DAC**—Designated Acquisition Commander

**DAE**—Defense Acquisition Executive

**DAES**—Defense Acquisition Executive Summary

**FMS**—Foreign Military Sales

**FOA**—Field Operating Agency

**ICP**—International Cooperative Program

**IOC**—Initial Operational Capability

**IRM**—Information Resource Management

**IWSM**—Integrated Weapon System Management

**JROC**—Joint Requirements Oversight Council

**MAIS**—Major Automated Information System

**MAISRC**—Major Automated Information System Review Council

**MAR**—Monthly Acquisition Report

**MGM**—Materiel Group Manager

**ORD**—Operational Requirements Document

**PB**—President's Budget

**PEO**—Program Executive Officer

**PGM**—Product Group Manager

**RAA**—Required Assets Availability

**RDT&E**—Research, Development, Test and Evaluation

**SAR**—Selected Acquisition Report

**SPD**—System Program Director

**SPE**—Senior Procurement Executive

### *Terms*

**Acquisition Command**—The Air Force Materiel Command.

**Acquisition Process**—Discrete, logical phases separated by major decisions called milestones. The acquisition process begins when you identify broad mission needs that you cannot satisfy using non-materiel solutions. The process includes identifying and assessing potential opportunities for international cooperation.

**Automated Information System (AIS)**—Computer, telecommunications, and human resources that collect, record, process, store, communicate, retrieve, and display information. (DoD Directive 8120.1). AIS is a type of C<sup>4</sup>.

**Command, Control, Communications, and Computer System (C—<sup>4</sup>)** integrated systems of doctrine, procedures, organizational structures, personnel, equipment, facilities and communications designed to support a commander's exercise of command and control, through all phases of the operational continuum. Also called C<sup>4</sup> systems.

**Defense Acquisition Executive (DAE)**—Principal advisor to the Secretary of Defense (SecDef) on the DoD acquisition system and programs. The Under Secretary of Defense (Acquisition) is the DAE.

**Integrated Weapon System Management (IWSM)**—A management concept that integrates all life-cycle management activities of a system or commodity under a single manager: the System Program Director, the Product Group Manager, or the Materiel Group Manager, also called "cradle-to-grave" or "seamless" management. The acquisition process, sustainment, and FMS and International cooperative activities are under the IWSM architecture.

**Major Automated Information System (MAIS)**—An AIS which meets specific dollar thresholds.

**Other Contracting**—Acquisition programs support, including maintaining and repairing fielded weapon systems and supporting Air Force operations. MAJCOMs and FOAs manage other contracting within their command based on AFAE guidelines.

**Other Programs**—ACAT II through IV programs not selected by the AFAE for special oversight.

**Required Assets Availability (RAA)**—A date agreed to by the SPD and the using command when sufficient equipment, personnel, and logistics elements exist to begin an operating trial period before initial operational capability (IOC). Logistics elements include approved operational support equipment, critical spares, technical manuals, training programs, and courses.

**Trial Period**—The period between the required assets availability (RAA) date and the initial operational capability (IOC) during which an operating command becomes familiar with a system and finds out if that unit can use the system. This period demonstrates to the operational commander that the unit can perform its operational mission or missions.