BY ORDER OF THE SECRETARY OF THE AIR FORCE

AIR FORCE POLICY DIRECTIVE 63-1

10 JULY 2003

Acquisition

CAPABILITY-BASED ACQUISITION SYSTEM

NOTICE: This publication is available digitally on the AFDPO WWW site at: **http://www.e-publishing.af.mil.**

OPR: SAF/AQXA
(Lt.Col Joseph M. McWilliams)

Certified by: SAF/AQX (Blaise J. Durante)

Supersedes AFPD 63-1, 31 August 1993

Pages: 14
Distribution: F

This directive implements guidance from the Secretary and Chief of Staff of the Air Force to fundamentally shorten the time it takes to field capabilities to the warfighter, and Department of Defense Directives, Instructions, and Regulations of the Defense Acquisition System. This directive covers Acquisition Category (ACAT) IC and IAC through ACAT III acquisition programs, including system modifications and sustainment. This AFPD applies to regular Air Force, Air National Guard (ANG), and Air Force Reserve Command (AFRC) forces. For this AFPD, the term Major Command (MAJCOM) includes the ANG. Implementing instructions, handbooks and pamphlets must be coordinated with the OPR. See **Attachment 1** for a glossary of references and supporting information. **Attachment 2** is a chart explaining ACATs and Milestone Decision Authorities (MDAs). This policy directive does not apply to Air Force Space programs, which are under the purview of the Under Secretary of the Air Force.

SUMMARY OF REVISIONS

This document is substantially revised and must be completely reviewed.

The update of AFPD 63-1 is a result of guidance from the SECAF and CSAF, identified as the Commanders' intent as well as major revisions to the DoD 5000 acquisition directive and instruction. There are two overarching objectives of this policy: 1) shortening the acquisition cycle time and, 2) improving credibility within and outside the acquisition community. Emphasis is placed on the Commanders' intent and the primary mission to rapidly deliver affordable, sustainable capability that meets the warfighter's needs and expectations. Based on the philosophy outlined in this policy, members at all levels of the acquisition workforce are expected to seek innovative ways to achieve these objectives through teamwork, trust, common sense, and agility. Unlike previous guidance this policy is broad and non-prescriptive. The objective is to give those accountable for program execution maximum flexibility in translating needs and technological opportunity into stable, affordable and well managed acquisition programs.

1. Objective.

1.1. This directive creates a context that allows the program manager to shape and execute a program with an emphasis on *teamwork*, *trust*, *common sense*, and *agility*. These four *pillars* are firmly founded on our people's skill, innovation, dedication, and will. This directive provides overall guidance to achieve a desired end state.

1.2. The acquisition process begins with the initial development of the requirement and ends with the disposal of the capability. The warfighters, developers/acquirers, technologists, testers, budgeters, sustainers, and industry must plan and execute together in order to meet the Commander's Intent. (See AFI 63-101).

1.3. As a departure from previous acquisition policies this directive uses the terminology of our customer, the warfighter, wherever possible. This is emblematic of the need to forge an enduring and solid link between those who fight and those who provide the capabilities necessary for victory. It also rightly infers those in acquisition must develop a combat mentality—one that values discipline and results over process and compliance.

2. Philosophy.

2.1. This directive outlines a mission framework to plan, develop, procure, test, implement, and support Air Force programs in a timely manner with the objective of achieving the required level of harmonization of the forces (skills) required to carry out the mission. We achieve this objective in large part through the use of the commander's intent, a device designed to help subordinates understand the larger context of their actions. The purpose of providing intent is to allow subordinates to exercise judgment and initiative—to depart from the original plan when the unforeseen occurs—in a way that is consistent with higher commanders' aims. There are two parts to any mission: the task to be accomplished and the reason or intent behind it. The intent is thus a part of every action. The task describes the action to be taken while the intent describes the purpose of the action. The task denotes what is to be done, and sometimes when and where; the intent explains why. Of the two, the intent is predominant. A situation may, and often does, change, making the task obsolete; the intent is more lasting and continues to guide our actions. Understanding the intent of our commander allows us to exercise initiative in harmony with the commander's desires. The designation "Commander's Intent" and "Commander's Initial Guidance" in this instruction mean the collective intents of the Secretary of the Air Force and the Chief of Staff of the Air Force.

2.2. The mission framework outlined in this policy demands teamwork and innovative implementation by the workforce. Implementation must be consistent with statutory authority and executive order. Though it is common for policy documents, directives, instructions and regulations to implement legislation, they also often contain requirements that are not statutory in origin. Innovation demands all those responsible for executing or supporting acquisition programs to challenge, through established processes, requirements that hinder accomplishing the Commander's Intent. Some statutory requirements also have wavier/deviation procedures.

3. Commander's Intent. The primary mission of our acquisition system is to rapidly deliver to the warfighter affordable, sustainable capability that meets their expectations. All actions by any leader, staff, or supporting organization will be judged by their impact on successfully accomplishing this primary mission.

4. Commander's Initial Guidance. The commander's initial guidance provides the staff and subordinate commanders with additional insight on how the commander views the mission.

4.1. **Law and Regulation.**

4.1.1. Any process, procedure, or activity not required by law that costs money or adds time to accomplishing this mission must be value added. Only those persons in the execution chain may make this subjective judgment.

4.1.2. All programs should start with a "zero base" perspective. All activities, reports, plans, coordinations or reviews, except those mandated by law or previously approved by a person in the execution chain, must buy their way into the program by demonstrating that the benefit gained clearly equals or outweighs the resources expended. No one in the Air Force, outside the execution chain for a program, may impose a mandatory requirement on an acquisition program unless required by executive order, law, or agreed to by the appropriate level in the execution chain.

4.1.3. Full compliance with the law is imperative; however, implementing procedures must accurately reflect the intent of the law. Implementation instructions that require effort beyond what the law says and are inconsistent with the Commander's Intent are inappropriate. It is everyone's responsibility to bring these to the attention of someone in the execution chain so that they can be waived or changed.

4.2. **Risk.** Any major achievement requires taking reasonable risks. Success in meeting our objective requires a shift from risk aversion to risk management, and sometimes, simply accepting it. Put another way, we can no longer base our decisions on an assumption that the worst possible outcome is also the most likely one. We recognize that taking risks will sometimes produce failure. That's acceptable as long as the warfighter and those in the execution chain understood the risks and we learn from the failure. Simultaneously, we must keep our minds open to the possibility of positive outcomes of risk events; not all risk events have bad outcomes.

4.3. **Speed Matters.** Air Force acquisitions must be such that providing capability to the warfighter quickly is more important than establishing an acquisition program which tries to eliminate the risk of possible failure. In devising acquisition approaches and implementing them, the concept of time or schedule as an independent variable is one that must override prior concepts of delivering the ultimate capability at whatever cost and schedule is necessary to do so. The concept of speed also applies to decision time. Every key decision must have an operational sense of urgency that is manifest in firm decision dates and in making judgment-based decisions legitimate. The overall goal is to reduce by a factor of four the time it takes to make decisions and get sustainable weapon systems to the warfighter with increased capability.

4.4. **Credibility and Priorities.**

4.4.1. Credibility in the way we do our business is essential. We must create and maintain realistic expectations. The measure of how well we perform rests exclusively in the degree to which we live up to the expectations we create. Program Managers (PMs) must continually manage expectations so that senior acquisition and warfighter leadership are never surprised by sudden cost growth, performance shortfalls or schedule slippages. The PM must use both the information and/or facts at hand together with a reasoned judgment to give early alert to senior leadership that a program may not meet expectations. There are a variety of tools at the PM's disposal, that when used smartly, can assist with gaining program insight.

4.4.2. Each program must have a clear, unambiguous set of priorities among cost, schedule, performance and supportability. An expectation that there is some "optimum" balance among these or some equality among them creates unrealistic expectations and makes intelligent tradeoffs impossible. For example, a program with schedule and sustainment as equal priorities is likely to disappoint. Similarly one with cost and performance as equal will likely fail to meet expectations. Normally, the senior leadership of the requiring MAJCOM should set these priorities as part of the initial requirement. In most cases the most important parameter will be schedule. However, whatever the priorities, once set, it is important that everyone working the program understands and accepts them as part of the basis for collaboration. Priorities should remain constant throughout the program because changes usually increase cost, schedule and/or risk. The priorities must drive every program decision including the acquisition strategy, source selection decision, test strategy, sustainment approach as well as the day-to-day decisions that are a part of every program. Changes in priorities must be approved by the requiring MAJCOM Commander and the MDA/CAE.

4.5. **Collaboration and People.**

4.5.1. Teaming among warfighters, developers/acquirers, technologists, testers, budgeters, sustainers, and industry, both within the program and across DoD must begin on day one. Any and all processes established to execute a program must have constant, close collaboration among these activities as a key element. It is essential that senior leaders from all these areas be results oriented and focused on rapid delivery of capability to the warfighter.

4.5.2. The primary role of the Air Force acquisition team is to help the program succeed in providing the effects-based capability required to the warfighter. Team members do this by doing those things that only the Government can do such as establishing and describing requirements, budgeting for money, selecting sources, or providing incentives for the contractor to perform. They also do this by doing those things that the contractor could conceivably do, but that the Government can do quicker or more efficiently. These include providing essential Government-owned equipment, facilities or data, interfacing with other Government agencies, sharing lessons and investments across acquisitions and the like. Passive activities, such as overseeing, monitoring, and reviewing often add little value to the end product and, to the extent that they are duplicative of contractor work, must be carefully reviewed to insure scarce dollars, personnel, and time are not wasted.

4.5.3. Solid systems engineering is required at the outset of a program to ensure a robust foundation and flexible architecture that can accommodate future requirements with minimal redesign. The execution chain should consider cross-cutting opportunities to leverage existing investments and facilitate interoperability within the DoD.

4.5.4. People are our most valuable resource. They are neither plentiful nor free. The most vital element in accomplishing the mission is the people who execute it. Leadership cannot squander our most valuable resource, people, by making them do tasks that add little or no value to the end result. Therefore, those in leadership positions are accountable for every task they ask to be accomplished. It will be their responsibility to show how the resource expended justifies the benefit gained. Additionally, leaders are responsible to ensure that our people are provided the information, tools, and training necessary to carry out the tasks assigned.

4.5.5. Seeking to understand the success and failure of others is the way we do business. Every PM has an inherent responsibility to seek out lessons learned and similar initiatives from others as well as to promulgate the successes and failures they've had to other programs.

5. Applicability. The policies established in this directive describe the streamlined planning and decision-making framework for all AF acquisitions except for space acquisition programs. ACAT 1D Programs will use the DoD publications policies, principles, and operating procedures. All programs will use the Air Force Federal Acquisition Regulation Supplement (AFFARS) as primary guidance for those functions governed by the AFFARS. However, SAF/AQ will request waivers where there is a conflict between the Commander's Intent and the guidance in DoD acquisition publications regardless of ACAT. PMs for ACAT IC and below that are not designated Major Defense Acquisition Programs (MDAPs) or Major Automation Information Systems (MAIS) will tailor their acquisition strategy to best meet the Commander's Intent.

6. Chain of Command. Each Air Force acquisition program shall maintain a streamlined chain of command and accountability.

6.1. **MDAP and MAIS Programs** . For MDAPs and MAIS designated programs this leadership chain shall flow directly from the Component Acquisition Executive (CAE), to the Program Executive Officer (PEO) or Designated Acquisition Commander (DAC) to the PM. For ACAT II and III programs, no more than two levels of command review shall exist between the PM and the Milestone Decision Authority (MDA). The MDA will delegate decision authority to the lowest practical level within the execution chain subject to legal limitations. Program direction and control must be issued by, and flow through, this streamlined chain. This direction and control includes all matters pertaining to cost, schedule, performance and supportability.

6.2. **Milestone Decision Authorities.** MDAs shall ensure that programs are structured to 1) provide the needed capability to the warfighter in the shortest practical time, 2) balance risk, 3) ensure affordability and supportability, and 4) provide adequate information for decision making. In order to provide the appropriate level of command review, the MDA should be a general officer or member of the Senior Executive Service with qualifications equivalent to those outlined for a PEO in the Defense Acquisition Workforce Improvement Act, or the CAE as required.

6.3. **Program Managers.** PMs through the MDA, are responsible for making decisions and leading implementation of programs, and are accountable for results. The PM, as the accountable agent for executing the program, has a responsibility to seek resolution if asked to do something that goes counter with meeting the Commander's Intent. There are at least three avenues of assistance available to the PM in resolving these matters. They are: the Air Force Acquisition Center of Excellence (ACE) (located both at SAF/AQ and HQ AFMC and the Centers), SAF/AQX, and the MDA.

6.4. **Staff Organizations.** Staffs at all levels exist to advise the MDA and PM and assist them with their responsibilities. Councils, committees, advisory groups, panels and staffs are advisers at the discretion of the PM, PEO or DAC or MDA. The MDA, PEO or DAC and PM are accountable for the overall program results. Those not accountable are expected to provide objective inputs to the program decision process, but do not have decision-making authority on acquisition matters.

6.5. **Program Office.** The program office is analogous to an "operational unit" for executing programs. The PM leads the organization in executing the mission. Every functional representative within the program office brings to the table their unique level of expertise. This expertise is vital to

the success of the unit. However, the functional perspective each person brings to the program must always be subordinate to the greater perspectives of program and its success measured in terms of cost, schedule, performance, and supportability. Each functional representative within the program office, irrespective of whether that person supports the program on a full-time or part-time basis, should report to, and take program direction from, the PM or someone subordinate to the PM. Functional home offices staffs are not accountable for program execution. They are responsible for providing trained human resources and advice to the PMs.

6.6. **MDA, PEO, DAC and PM.** Roles and responsibilities for these officials are outlined in AFI 63-101.

6.7. **Air Force Materiel Command (AFMC).** AFMC implements higher headquarters policy and provides the necessary training and process reengineering to support and implement innovative process improvements. The command executes processes that support requirements, technology, systems development and sustainment of warfighter capabilities.

7. Approach to Rapidly Delivering the Warfighter's Needed Capabilities.

7.1. **Cross Training and Career Broadening.** In order for the requirements and acquisition communities to understand each other's interests, there will be a constant exchange of personnel at all levels between the communities. Operators must spend time working in acquisition offices and acquirers must work in the requirements generation process at the warfighting MAJCOMs. This exchange will benefit both communities and improve the fidelity and speed of delivering capabilities to the warfighter.

7.2. **Acquisition Strategy.** Everything we do will drive toward the goal of getting an operationally safe, suitable, and effective product of best value to the warfighter in the least amount of time. Evolutionary Acquisition (EA) is the preferred acquisition strategy for achieving this goal. EA is an acquisition strategy that rapidly acquires and sustains a supportable capability for the warfighter and incrementally inserts technology or additional capability to ultimately meet the warfighter's final requirements. Spiral development is the process to execute the EA strategy.

7.3. **The Process.** Spiral development is the preferred process to be used for acquisition programs except in those exceptional cases where it is possible to field a full capability in a very short period of time. Spiral development processes work toward getting a "core capability" into the warfighter's hands as quickly as possible, while continuing development during subsequent increments to add capability once the system is fielded. "Hands-on learning" between and during increments should affect subsequent outcomes. Requirements analysis and generation, development, test, funding, and sustainment are essential functions of the spiral development process - a process that is always requirements driven. Each must work in concert to allow rapid delivery of combat capability to the warfighter. There is no "one size fits all" template for spiral development. However, to more rapidly deliver needed and affordable capability to the warfighter, innovative approaches to requirements generation, technology insertion, development, testing, production, and sustainment consistent with specifically defined boundaries are a must. Spiral development implementation instructions are included in AFI 63-101.

7.4. **Managing Expectations.** The success of an acquisition program hinges on up front, collaborative and concurrent planning by the MDA, technologists, developers/acquirers, sustainers, budgeters, warfighters, testers and other enabling support functions. The goal is to establish, at the outset of the

program, mutual, realistic expectations for capabilities delivered, schedule of delivery, and cost. These expectations are documented in a new program proposal process – a process documenting a mutual agreement between the requiring MAJCOM and the MDA on how to address the requirement. See AFI 63-101.

JAMES G. ROCHE
Secretary of the Air Force

Attachment 1

GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION

References

Title 10 United States Code §2430, Major defense acquisition program defined. Note: The dollar requirements are established in statute in FY 1990 dollars. The dollar amounts have been updated in accordance with procedures identified in the statute.

Title 10 United States Code §2302d, Major system: definitional threshold amounts. Note: The dollar requirements are established in statute in FY 1990 dollars. The dollar amounts have been updated in accordance with procedures identified in the statute.

Title 40 United States Code §1401 et. seq., *Clinger-Cohen Act of 1996*

Title 10 United States Code §1701 et. seq., *Defense Acquisition Workforce*

Executive Order 12958*, Classified National Security Information*

DoD Directives and Instructions for, *The Defense Acquisition System*, and *Operation of the Defense Acquisition System*

Chairman of the Joint Chiefs of Staff Instruction (CJCSI) 3170.01B, *Requirements Generation System*, 15 April 2001

Abbreviations and Acronyms

ACAT—Acquisition Category

ACE—Acquisition Center of Excellence

AFAE—Air Force Acquisition Executive

AFFARS—Air Force Federal Acquisition Regulation Supplement

AFI—Air Force Instruction

AFPD—Air Force Policy Directive

AFRC—Air Force Reserve Command

AFRL—Air Force Research Laboratory

ANG—Air National Guard

CSAF—Chief of Staff of the Air Force

DAC—Designated Acquisition Commander

DAE—Defense Acquisition Executive

DoDD—Department of Defense Directive

EA—Evolutionary Acquisition

IT—Information Technology

MAIS—Major Automated Information System

MAJCOM—Major Command

MDA—Milestone Decision Authority

MDAP—Major Defense Acquisition Program

OPR—Office of Primary Responsibility

PEO—Program Executive Officer

PM—Program Manager

CAE—Component Acquisition Executive

SECAF—Secretary of the Air Force

SM—Single Manager

SPD—System Program Director

Terms

Acquisition Category (ACAT)—Categories created to decentralize decision-making for acquisition programs. The categories determine the decision authority, level of review, and applicable procedures and statutorily imposed requirements.

Acquisition Center of Excellence (ACE)—Established by the Air Force to serve as the transformation agent for delivering capabilities to the warfighter by instilling radical changes to the acquisition process and removing obstacles that inhibit that transformation. All actions of the ACE will be directed towards accelerating the delivery of required, affordable, capable products that enable the transformation and increase credibility in program promises.

Acquisition Program—A directed, funded effort designed to provide a new, improved, or continuing materiel, weapon, or information system capability in response to a validated operational or business need that supports operational requirements. Acquisition programs are designated by the Acquisition Executive to fall within categories which are established to facilitate decentralized decision-making, execution, and compliance with statutory requirements. Technology projects, service contracts or supply contracts that have not been designated as ACATs are not acquisition programs.

Air Force Acquisition Executive (AFAE)—The Assistant Secretary of the Air Force (Acquisition), ASAF(A), is designated by the Secretary of the Air Force Order 101.1, Authority and Responsibilities of the Assistant Secretary of the Air Force (Acquisition), June 5, 1999, as the AFAE and is accountable to the Secretary of the Air Force (SECAF) for all domestic and international Air Force acquisition functions, including Foreign Military Sales programs.

Automated Information System (AIS)—An acquisition program that acquires Information Technology (IT), except IT that: 1) involves equipment that is an integral part of a weapon or weapons system; or 2) is a tactical communication system.

Balanced Risk—A rational consideration of the likely magnitude of various inherent risks, such as technology, time, cost, etc, resulting in a plan of action that accepts program risk in one or more areas.

Commander's Intent—A device designed to help subordinates understand the larger context of their actions. The purpose of providing intent is to allow subordinates to exercise judgment and initiative—to depart from the original plan when the unforeseen occurs—in a way that is consistent with higher

commanders' aims.

Component Acquisition Executive (CAE)—The Air Force official responsible for systems acquisitions in the Air Force. Sometimes the CAE is also referred to as the Service Acquisition Executive (SAE). The Assistant Secretary of the Air Force (Acquisition) is the CAE for non-space related programs. The Undersecretary of the Air Force is the CAE for space related programs.

Core capability—The first fieldable and fully acceptable and supportable initial operational capability delivered to the warfighter.

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. Product and Logistic Center commanders and the commander of Air Force Research Laboratory (AFRLs) may be identified as DACs. For acquisition program activities, DACs, like PEOs, are accountable to the AFAE.

Defense Acquisition Executive (DAE)—Individual responsible to the Secretary of Defense (SecDef) on the DoD acquisition system and programs. The Under Secretary of Defense for Acquisition, Technology and Logistics is the DAE.

Evolutionary Acquisition (EA)—An acquisition strategy that defines, develops, produces or acquires, and fields an initial hardware or software increment (or block) of operational capability. It is based on technologies demonstrated in relevant environments, time phased requirements, and demonstrated manufacturing or software development capabilities. These capabilities can be provided in a shorter period of time, followed by subsequent increments of capability over time that accommodate improved technology and allowing for full and adaptable systems over time. Each increment will meet a militarily useful capability specified by the user (i.e., at least the thresholds set by the user for that increment); however, the first increment may represent only 60% to 80% of the desired final capability.

There are two basic approaches to evolutionary acquisition. In one approach the ultimate functionality can be defined at the beginning of the program, with the content of each deployable increment determined by the maturation of key technologies. In the second approach the ultimate functionality cannot be defined at the beginning of the program, and each increment of capability is defined by the maturation of the technologies matched with the evolving needs of the user.

Execution Chain—As used in this directive, the execution chain is: PM, PEO or DAC or MDA/CAE. Functions as the chain-of-command for program execution.

Increments—A militarily useful and supportable operational capability that can be effectively developed, produced or acquired, deployed, and sustained. Each increment of capability will have its own set of thresholds and objectives set by the user.

Major Automated Information System (MAIS)—An AIS acquisition program that is (1) designated by Assistant Secretary of Defense (Communication, Command, Control and Intelligence) as a MAIS, or (2) estimated to require program costs in any single year in excess of $32 million in fiscal year (FY) 2000 constant dollars, total program costs in excess of $126 million in FY 2000 constant dollars, or total life-cycle costs in excess of $378 million in FY 2000 constant dollars. MAISs do not include highly sensitive classified programs (as determined by the Secretary of Defense). For the purpose of determining whether an AIS is a MAIS, the following shall be aggregated and considered a single AIS: (1) the separate AISs that constitute a multi-element program; (2) the separate AISs that make up an evolutionary or incrementally developed program; or (3) the separate AISs that make up a multi-component AIS program.

Major Defense Acquisition Program (MDAP)—An acquisition program that is not a highly sensitive

classified program (as determine by the Secretary of Defense) and that is designated by the Under Secretary of Defense (Acquisition, Technology, and Logistics) (USD(AT&L)) as an MDAP, or estimated by the USD(AT&L) to require an eventual total expenditure for research, development, test and evaluation of more than $365 million in fiscal year (FY) 2000 constant dollars or, for procurement, of more than $2.190 billion in FY 2000 constant dollars.

Milestone Decision Authority (MDA)—The individual designated to authorize or approve the PM's actions and decisions regarding entry of an acquisition program into the next phase of the acquisition process.

Program Executive Officer (PEO)—A military or civilian official who has primary responsibility for directing several MDAPs and assigned major system and non-major system acquisition programs. A PEO has no other command or staff responsibilities within the USAF and only reports to and receives guidance and direction from the AFAE.

Program Manager (PM)—As used in this instruction applies collectively to System Program Director, single manager, or acquisition program manager.

Selected Programs—Those programs, normally ACAT II, selected by the AFAE for special management and assigned to a PEO.

Single Manager (SM)—The single face to the customer for a system or product group. The SM directs one or more programs and is accountable to the PEO or the DAC. The SM is vested with full authority, responsibility and resources to execute a program on behalf of the Air Force.

Spiral Development—Spiral Development is an iterative process for developing a defined set of capabilities within an increment, providing opportunity for interaction between the warfighter, technologist, developer, sustainer, and tester communities to refine the requirements, provide continuous feedback and provide the best possible capability within that and subsequent increments. The spiral development process is an iterative set of sub-processes which may include: establishing performance objectives; designing; coding/fabricating/integrating; experimenting; testing; assessing operational utility; making tradeoffs; and delivering. Other sub processes may be added as needed. Spiral development characteristics include: a team of stakeholders motivated to collaborate and mitigate risk; a development plan and decision process; a process to refine requirements; a firm schedule per increment; continued negotiation of performance and cost goals; test/experimentation; and a warfighter decision to field, continue development, or terminate any portion of the increment. Experimentation, which includes simulation and exercises, allows all concept stakeholders to solidify their understanding of a concept beyond paper studies or ideas. When strung together, spirals facilitate more precise and rapid maturation of new technologies and refinement of warfighter requirements with high operational utility into a complete capability for a given increment. The key intent is for the system and the fidelity of its requirements to evolve together with iterative feedback. Note: There are normally multiple spirals in an increment and the increments may overlap.

System Program Director (SPD)—A single manager who directs a weapon system program and manages the system program office. 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.

Warfighter—As used in this document it refers to the individual(s)/organizations previously identified in various acquisition and requirements publications as the "user" or "customer." Ultimately all materiel, services, hardware/software, and systems developed and procured directly or indirectly support the joint warfighting mission of the United States Air Force, therefore; the warfighter is and must remain the focus of the acquisition, technology, testing, budgeting, sustainment, and other participating communities.

Attachment 2

DESCRIPTION OF ACATS AND MDAS

ACAT	Selection Criteria	Designation Authority	MDA	PEO/DAC	Terminology	
ID	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: o An eventual expenditure of RDT&E of more than $365M in FY00 dollars; or o An eventual expenditure for procurement of more than $2.190B in FY00 dollars	DAE	DAE	PEO	ACAT ID DAB Program	Major Defense Acquisition Program
IC	An ACAT I program delegated by the DAE to the SECAF.	DAE	SECAF, or the AFAE (if delegated)	PEO	Component Program ACAT IC	
IA	A Major Automated Information System that is below dollar thresholds for a Major Defense Acquisition Program. Estimated program costs* in excess of $32M FY00 in any single program year. **There are two subcategories, IAM and IAC, as designated by the ASD(C3I)** **IAM** – A Major Automated Information System program for which the MDA is the Chief Information Officer (CIO) for the DoD (ASD(C3I)). **IAC** – A Major Automated Information System program for which the DoD CIO has delegated milestone decision authority to the CAE for Component CIO (the "C" in (ACAT IAC) refers to the Component).	ASD (C3I) Major AIS Program (MAIS) ASD(C3I) ASD(C3I)	ASD(C3I) for IAMs; AFAE or DAC, if delegated ASD(C3I) AFAE or AFCIO	PEO/DAC	Major AIS Program (MAIS) ACAT IA ACAT IAM ACAT IAC	
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: o An eventual expenditure for RDT&E of more than $140M in FY00 dollars; or o An eventual expenditure for procurement of more than $600M in FY00 dollars	SECAF, or if delegated, the AFAE	AFAE	DAC	ACAT II	Major System

ACAT	Selection Criteria	Designation Authority	MDA	PEO/DAC	Terminology	
II (cont)	A program, normally ACAT II, selected by the AFAE for special management and assigned to a PEO.	AFAE	AFAE	PEO	Selected Program	
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, unless retained by AFAE	DAC	Non-Major System ACAT III	
* 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 task						