DoDI 5000.02, Operation of the Defense Acquisition System Change 1 & 2 Overview

Steve Mills
Professor of Acquisition Management
Defense Acquisition University - South

April 26, 2017
Change Comparison to 7 Jan 2015 Version

- Modifies and clarifies roles & responsibilities for MDA approval
- Multiple changes to Milestone & Phase Information Requirements (Table 2)
- DAB Planning Meetings
- SECDEF authority to waive acquisition law/regulation
- Enclosure 12 modified, removed from 5000.02, and incorporated into DoDI 5000.75, “Business Systems Requirements And Acquisitions” (Change 2)
- Urgent Capability vs. Rapid
- Enclosure 14 incorporates and cancels Directive Type Memo 17-001 related to Cybersecurity in the Defense Acquisition System

Department of Defense
INSTRUCTION

SUBJECT: Procedures of the Defense Acquisition Process

References: See Exemption

1. Exemption: This instruction:

   a. Is consistent with the authority in Joint Directives (JDI) 5100.02 (Reference (c)) and 5100.01 (Reference (d)) and in accordance with the National Security System Protection Plan (Reference (e)). Following the procedures stated in Reference (a) and the guidelines of DoD 5130.12-M, Directive Type Memos, Directive Type Memoranda, and DoD Directives (Reference (f) and Reference (g)), DoD 5000.02 (Reference (h)), and DoDI 5000.02 (Reference (i)), DOD Directive 8570.26 (Reference (j)), and DoDI 5000.02 (Reference (k)), modifying or canceling policies and procedures or adding new procedures to the procedures, to more efficiently achieve the program objectives, consistent with statutory requirements, and Reference (l).

2. Applicability: This instruction applies to ODCs, the Military Departments, the Office of the Under Secretary of Defense, the Defense agencies and the Defense agencies’ components, the Office of the Secretary of Defense, the Joint Staff, and all other organizations within the DoD referred to in Reference (m). This instruction does not apply to the DoD components in Reference (n).
Change Comparison to 7 Jan 2015 Version

Enclosures
1. Acquisition Program Categories and Compliance Requirements
2. Program Management
3. Systems Engineering
4. Developmental Test and Evaluation (DT&E)
5. Operational and Live Fire Test and Evaluation (OT&E and LFT&E)
6. Life-Cycle Sustainment
7. Human Systems Integration (HSI)
8. Affordability Analysis and Investment Constraints
9. Analysis of Alternatives (AoA)
10. Cost Estimating and Reporting
11. Requirements Applicable to All Programs Containing Information Technology (IT)
12. Acquisition of Defense Business Systems (DBS) (change 2)
13. Urgent Capability Acquisition (title change)
14. Cybersecurity in the Defense Acquisition System (added)
Change 1 & 2, DoDI 5000.02

- Para 1.c. (Added): …acquisition responsibilities related to cybersecurity in the Defense Acquisition System

- Para 4.d. (Added): Secretaries of the Military Departments. In addition to the responsibilities described in paragraph 4.c., the Secretary of the Military Department acquiring an MDAP will represent the customer (i.e., the DoD Component(s) fielding the system)...

- Para 4.e. (Added): …The Chiefs of the Military Services fielding MDAPs will represent the customer …

Adds responsibility, accountability & authority for MILDEP Secretary and Chief
Change 1 & 2, DoDI 5000.02

- Para 5.a.(2)(c) (Added): …Secretary of Defense may waive acquisition law or regulation to acquire a capability that would not otherwise be available to the DoD Components.

Program Decision Reviews and Milestones:

- Para 5.a.(4)(g) … The MDA will prioritize key cost, schedule and performance issues to be addressed at the DAB. The Military Service concerned will address administrative or advisory comments. Similar procedures will be used for DoD Component-level reviews.

- Adds SECDEF waiver authority
- Defines MDA & MILDEP responsibilities at reviews & milestones

Program Manager will review the information requirements for the upcoming decision event and may submit a request for waiver to statutory (when authorized by statute) and regulatory requirements to the cognizant approval authority (e.g., MDA, DoD CIO, DOT&E, DCAPE, JROC). The MDA will conduct a DAB planning meeting approximately 6 months before a DAB that includes RFP release decisions. The meeting will be to ensure timely review of the business approach...before completion of the RFPs.

Para 5.d.(3)(b) At the Milestone A Review: 1....Program Manager requests to tailor or waive information requirements associated with the next decision event may be submitted to the MDA at this milestone and at each subsequent program milestone....

- Addresses PM waiver requests to statutory/regulatory requirements
- Mandates DAB Planning Mtg 6 months prior to DAB
Change 1 & 2, DoDI 5000.02

- Para 5.d.(4)(b) 2.: TMRR Phase Description. Competitive risk reduction prototypes will be included if they will materially reduce engineering and manufacturing development risk at an acceptable cost. If competitive prototyping is not considered feasible, single prototypes at the system or subsystem level will be considered.

- Para 5.d.(5)(b) CSBs. …membership including senior representatives from the Office of the USD(AT&L), … , DOT&E (or designated representative), and the DoD CIO…

- Para 5.d.(8)(c) Milestone B.  At the milestone, the MDA will
  1. Approve the LRIP quantity or the scope of limited deployment, as applicable.
  2. Specify the technical event-based criteria for initiating production or making deployment decisions.
  3. (Added) Decide whether to accept any Program Manager information waiver requests for the next decision event.

- Simplifies use of TMRR risk reduction prototypes
- Mandates DOT&E & CIO at CSBs
- Further defines & expands on MDA MSB responsibilities
Change 1 & 2, DoDI 5000.02

4. ASSIGNMENT OF PROGRAM MANAGERS

c. By law, any Program Manager for an ACAT I or IA program assigned before Milestone B will be assigned at least through Milestone B approval ... Waivers for these tenure requirements can be granted by the respective CAE if it is determined that either of the above described periods is so long that it would not be appropriate for a single individual to serve as Program Manager for the entire period. CAEs will assist with the collection of data on waivers granted to assist OSD in recognizing status and trends.

d. ... DoD Components should, whenever possible, assign incoming Program Managers to programs approximately 6 months before a major milestone so that they are responsible for approval of a plan that they will execute...

More prescription guidance for PM assignments; CAEs can waive
Other Key Changes – DoDI 5000.02, Change 1 & 2

- Adds mandatory Acquisition Strategy requirements for: Acquisition Approach, Business Strategy and Contracting Strategy

- Added notification routing MDA-DAE-Congress for changes to Acquisition Strategy

- Adds mandatory Acquisition Strategy requirements for MOSA, Multi-Year Procurement & Risk Management

- More prescriptive guidance for PM assignments; CAEs can waive

- DBS references related to Enclosure 12 deleted

- MDA approves SEP
Other Key Changes – DoDI 5000.02, Change 1 & 2

- Significantly more detail on Program Management Agreements
- PM tasked with responsibility for evaluating & implementing MOSA
- PM responsibility for Risk Management more defined
- Emphasis on use of DLA storage & distribution capacity/facilities
- Multi-year Procurement - Adds $500M threshold...no significant changes otherwise
- Further defines DOT&E & Component OT approvals for TEMP
- VOLT replaces STAR. DoD Components produce & DIA validates for ACAT 1D/IAM programs; otherwise Component validates
NEW - Encl 14 – Cybersecurity in the Defense Acquisition System

• Overarching Tenets
  - Cybersecurity must be fully considered and implemented in all aspects of acquisition programs across the life cycle
  - Responsibility for Cybersecurity extends to all members of the acquisition workforce
  - Cybersecurity is a requirement for all DoD Programs
  - Program Managers are responsible for the Cybersecurity of their programs, systems and information
  - Cybersecurity applies to systems that reside on networks and stand alone systems that are not persistently connected to networks during tactical and strategic operations
NEW - Encl 14 – Cybersecurity in the Defense Acquisition System

PMs will pay particular attention to the following areas where a Cybersecurity breach or failure would jeopardize military technological advantage or functionality

- **Program Information:** Information about the acquisition program, personnel, and the system being acquired, such as planning data, requirements data, design data, test data, operational software data, and support data (e.g., training, maintenance data) for the system.

- **Organizations and Personnel:** This includes government program offices, manufacturing, testing, depot, and training organizations, as well as the prime contractors and subcontractors supporting those organizations.

- **Enabling Networks:** Includes government and government support activity networks, contractor networks, and interfaces among government and contractor networks.

- **Systems, Enabling Systems & Supporting Systems:** This includes systems in acquisition, enabling systems that facilitate life cycle activities (e.g., manufacturing, testing, training, logistics, maintenance), and supporting systems that contribute directly to operational functions (e.g., interconnecting operational systems).
NEW - Encl 14 – Cybersecurity in the Defense Acquisition System

- **Cybersecurity Risks:** Cyber vulnerabilities provide potential exploitation points for adversaries to steal, alter, or destroy system functionality, information, or technology they seek.

- **Government Program Organization:** Poor Cybersecurity practices, untrained personnel, undetected malicious insiders, insufficient or incorrect classification of information and dissemination handling control, and inadequate network security can be used by threat actors to gain program and system knowledge.

- **Contractor Organizations and Environments:** Facilities, networks, supply chains.

- **Software and Hardware:** Software, including firmware, and microelectronics used in the system or incorporated into spares can be deliberately compromised while in the supply chain with the intent to use these compromises for cyber-attacks.

- **System Interfaces:** Poorly configured, inadequately maintained, undocumented, or unprotected network and system interfaces can be exploited by the threat.

- **Enabling and Support Equipment, Systems and Facilities:** Test, certification, maintenance, design, development, manufacturing systems are at risk.

- **Fielded Systems:** Degradation of the Cybersecurity configuration or poor cyber hygiene conditions can expose system functionality to unauthorized access.
Cybersecurity & Acquisition Lifecycle Integration Tool (CALIT)

Summary

DoDI 5000.02 Change 1 & 2:

- Incorporation of Cybersecurity in the Defense Acquisition System (encl 14) is the big change – *Makes the clear distinction that Cybersecurity is PM & leader business*
- Adds responsibility, accountability & authority for MILDEP Secretary and Chief
- Adds SECDEF waiver authority
- Defines MDA & MILDEP responsibilities at reviews & milestones
- Simplifies use of TMRR risk reduction prototypes
- Mandates DOT&E & CIO at CSBs
- Further defines & expands on MDA MSB responsibilities
- More prescription guidance for PM assignments