



**FACT SHEET: Acquisition Reforms For FY17**

*Enhancing Strength and Agility*

This week, Rep. Mac Thornberry (R-TX), Chairman of the House Armed Services Committee, will introduce draft legislation for the second installment of the committee's acquisition reform initiative. This discussion draft will inform the provisions that will be offered in the National Defense Authorization Act for FY17.

These are foundational reforms that are intended to help get better technology into the hands of the warfighter faster and more efficiently. It does that by simplifying the process and expanding the avenues of competition for suppliers of all sizes. Building on the lessons from successful military innovation of the past, these critical reforms will promote experimentation and prototyping, not only to field capability, but to learn and develop new operational concepts.

**Included in the measure are provisions to:**

**Field better technology faster** – Too often programs are over-cost and behind schedule because complex weapons systems contain technology that is not yet mature. These reforms encourage only mature technology to go into procurement, while also promoting faster upgrades of key components. Among the changes, the proposal:

- **Differentiates between platforms and components:** Platforms are those major systems that contain various components. The goal is to require that components be easily and quickly upgraded as technology develops. Improvements can then get to the warfighter without waiting on a Program of Record to be approved or an entirely new system to be constructed.
- **Requires modular, open architectures:** All systems must have open architectures to facilitate upgrades and to allow for more competition for those upgrades.
- **Authorizes each of the Services to utilize funding that is not tied to a specific Program of Record in order to prototype upgrades of components and to develop technology faster and more efficiently:** In addition, the process of trying alternatives and experimenting will generate not only added capability, but the knowledge and intellectual stimulation that is needed in an era of complex, evolving threats.

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- **Clarifies intellectual property rights:** Ownership of intellectual property has become a difficult, contentious issue for the Department and its industrial base. The bill would require all components conform to open interfaces in order to plug into the overall system. Privately-funded components “inside the black box” remain the intellectual property of the developer. Jointly-funded capability is subject to negotiation between the government and the developer.

**Simplify and Improve Program Management** – This proposal would further define the responsibilities for acquisition between DOD and the Services. It would:

- **Give the Secretary more tools to manage and approve cost, schedule, and technological risk for major acquisition programs:** Included is a requirement that cost targets be instituted for programs during Milestone A.
- **Set upfront conditions for cost and schedule, then holds the Services accountable:** For major defense acquisition programs, the Secretary of Defense, after consultation with the warfighter, will assign targets for cost and a fielding date. The Milestone Decision Authority must then manage to those targets. Independent technical risk assessments will help inform the Milestone Decision Authority’s judgment about tradeoffs between schedule, cost, and performance.
- **Grant Milestone Decision Authority for Joint Programs to Military Services after October 1, 2019:** This reduces redundant bureaucracy, while giving Congress time to ensure the Military Services will be held accountable and that appropriate transparency and enforcement mechanisms are in place.

**Ensure Transparency** –The proposal establishes an “Acquisition Scorecard.” The Scorecard pulls exclusively from existing reports and documents and does not impose new work on DOD, although Congress can request more details if needed.

- **Milestone A Scorecard:** Compares program and independent estimates of cost, schedule, and technical risk, and analysis of alternatives sufficiency.
- **Milestone B Scorecard:** Shows program and independent estimates of cost, schedule, and technical risk.
- **Milestone C Scorecard:** Shows program and independent estimates of cost, schedule, and manufacturing risk.