



Advanced Product Transitions Corporation

Sixty Years of Defense Acquisition Reform

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Contents

<i>Introduction</i>	<i>3</i>
<i>The 1960s McNamara Reforms</i>	<i>4</i>
<i>The 1970s Blue Ribbon Panel Report Reforms</i>	<i>5</i>
<i>The 1980s Thirty-Two Acquisition Reform Initiatives</i>	<i>6</i>
<i>Defense Acquisition Reform Initiatives in the 1990s</i>	<i>6</i>
<i>Defense Acquisition Performance Assessment (DAPA) 2006</i>	<i>8</i>
<i>Better Buying Power (BBP) Guidance 2010</i>	<i>9</i>
<i>Better Buying Power 2.0 (BBP2) Guidance 2012</i>	<i>10</i>
<i>Better Buying Power 3.0 (BBP3) Guidance 2015</i>	<i>10</i>
<i>Section 809 of the 2016 NDAA Panel Recommendations</i>	<i>11</i>
<i>Adaptive Acquisition Framework (AAF) 2020</i>	<i>13</i>
<i>Acquisition Transformation Strategy</i>	<i>13</i>
<i>Discussion of the Five Pillars</i>	<i>14</i>
<i>Summary</i>	<i>15</i>
Appendix	17
<i>McNamara</i>	<i>17</i>
<i>Blue Ribbon Defense Panel (Fitzhugh Commission) 1970</i>	<i>18</i>
<i>Carlucci Thirty-Two Acquisition Reform Initiatives 1983</i>	<i>21</i>
<i>Blue Ribbon Commission (Packard Commission) 1986</i>	<i>22</i>
<i>Acquisition Reform Initiatives 1989–1998</i>	<i>22</i>
<i>Defense Acquisition Performance Assessment (DAPA) 2006</i>	<i>25</i>
<i>Better Buying Power (BBP) Guidance 2010</i>	<i>27</i>
<i>Better Buying Power 2.0 (BBP2) 2012</i>	<i>28</i>
<i>Better Buying Power 3.0 (BBP3) Guidance 2015</i>	<i>29</i>
<i>Section 809 of the 2016 NDAA Panel Recommendations</i>	<i>30</i>
<i>Adaptive Acquisition Framework 15 June 2020</i>	<i>37</i>
<i>Acquisition Transformation Strategy 2026</i>	<i>40</i>

Acquisition Reform Initiatives

Introduction

Over the last sixty years, numerous attempts at acquisition reform, beginning with McNamara in 1961 through the Section 809 Panel in 2019, have been proposed. The current Acquisition Transformation Strategy (ATS) 2026 is the latest attempt at reform.

As presented in *Defense Acquisition Reform 1960-2009*, there were more than twenty-seven major studies of defense acquisition commissioned by Presidents, Congress, Secretaries of Defense, Government Agencies, studies and analyses organizations, and universities. Beyond 2009, reorganization and reform continued with multiple Better Buying Power (BBP) initiatives, the Section 809 Panel, introduction of the Adaptive Acquisition Framework (AAF) with different pathways, and the current ATS. Each new reform rarely acknowledges previous attempts at reform, even though most are focused on similar issues. Beginning with McNamara, reform after reform mostly targeted the same general areas, but without follow up and not fully accomplishing the goals before going into the next reform. As such, attempts at reform have repeated many similar actions and initiatives over and over again without achieving the desired results.

Most of the acquisition reform initiatives recognize that implementation success is largely dependent on a workforce with the skills, training, experience, and authority to implement reforms. Inexplicably, the failure to accomplish goals in prior reforms has been exacerbated by continuous efforts to reduce the workforce. This began with the Human Capital Disaster in the 1990s and continues in the current environment.

In the following sections, addressed in chronological order, we briefly summarize the findings and recommendations of eleven significant initiatives beginning with the 1960s reorganization through the efforts of the ATS, comparing the current strategy to previous efforts.

The initiatives include:

- The 1960s McNamara Reforms
- The 1970s Blue Ribbon Defense Panel (Fitzhugh) Reforms
- The 1980s Thirty-Two Acquisition Reform Initiatives (Carlucci)
- The 1990s Defense Acquisition Reforms
- The 2006 Defense Acquisition Performance Assessment (DAPA)
- The 2010 Better Buying Power Guidance
- The 2012 Better Buying Power 2.0 Guidance
- The 2015 Better Buying Power 3.0 Guidance
- The Section 809 Panel of 2016 National Defense Authorization Act (NDAA) Recommendations

Acquisition Reform Initiatives

- The 2020 Adaptive Acquisition Framework
- The 2026 Acquisition Transformation Strategy

The current and ongoing ATS specifies reform initiatives in the “Five Pillars”¹:

1. Rebuild the Defense Industrial Base
2. Elevate and Empower the Acquisition Workforce to Rapidly Deliver Capability
3. Maximize Acquisition Flexibility through Reduced Regulations and Processes
4. Develop High Performance Systems through Rigorous Enterprise Technical and Execution Excellence
5. Improve Effective Lifecycle Risk Management

Many of the reform initiatives contained in the ATS Five Pillars have been proposed in one form or another in most of the previous reform initiatives as summarized in the sections. Details of these eleven initiatives and reform efforts are in the Appendix.

The 1960s McNamara Reforms²

The concept of acquisition transformation originated with the DoD Reorganization Act of 1958, which authorized the Secretary of Defense to assign the development, production, and operational use of weapon systems to any military department or service. This legislation provided the groundwork for expanding the role of the Office of the Secretary of Defense (OSD) in the management of defense acquisition programs and the authority to direct and control DoD.

This authority was not fully exercised until 1961 when Robert S. McNamara became Secretary of Defense. McNamara, a former Ford executive, believed in active management from the top, choosing to play a role in all aspects of programs rather than wait for problems to be brought to his attention.

One of the most important changes made by McNamara was the approach to centralized management and consolidated decision making in OSD, rather than the individual Services. Also created was the Planning, Programming, Budgeting System (PPBS) for correlating resource inputs with categories of performance (e.g., strategic retaliatory forces, tactical air forces, general purpose forces, and research and development). He created the office of Assistant Secretary of Defense for Systems Analysis to prepare parametric cost estimates for cost-benefit analyses. In addition to these centralization initiatives, Secretary McNamara’s office issued seven new acquisition policies and directives, including:

¹ *Acquisition Transformation Strategy*, OUSW/A&S, Nov 2025 (document not dated)

² *Defense Acquisition Reform 1960-2009*, Fox, 2011

Acquisition Reform Initiatives

- Planning procedures for integrated logistics support for systems and equipment
- Procedures for contractor proposal evaluation and source selection
- Procedures for improved quality assurance
- Information systems for planning and control of acquisition schedules and costs;
- Value Engineering
- Configuration Management
- Work Breakdown Structure (WBS) frameworks

The current ATS emphasizes policies to better implement regulations and processes to planning procedures, proposal and source selection procedures, and procedures for quality assurance, which began with these reforms.

The 1970s Blue Ribbon Panel Report Reforms

The Blue Ribbon Defense Panel, chaired by Gilbert W. Fitzhugh, was appointed by the President and the Secretary of Defense in July 1969 to examine the following areas:

- Organizational Structure
- Budgetary Processes
- Research, Development, and Acquisition
- Personnel Management
- Inter-Service Rivalries
- Readiness and Maintenance
- Reserve Forces³

The panel's recommendation was a sweeping high-level reorganization of the department. It suggested creating three major internal groups. One would deal with operations. The second would manage resources, including acquisition, research and advanced technology, and engineering development. The third would evaluate functions ranging from accounting to weapon system performance, including test and evaluation policy and testing.⁴

These same areas are included in the current ATS in analysis of the industrial base, workforce capabilities, and reduction of regulations and processes.

³ ProcurementRoundtable.org

⁴ Summarized from *Acquisition Reform 1960-2009*, Fox, 2011, Ch. 2

Acquisition Reform Initiatives

The 1980s Thirty-Two Acquisition Reform Initiatives⁵

Deputy Secretary of Defense Frank Carlucci introduced the Acquisition Improvement Program with 32 initiatives⁶ to *streamline the process by reducing weapon program costs and shortening the acquisition cycle time*, both of which had increased sharply since the 1960s. The initiatives were rooted in eight fundamental management principles. These principles were published in the October 1981 issue of Defense '81:

- Improve long-range planning to enhance acquisition program stability
- OSD and the services must delegate more responsibility, authority and accountability for programs; in particular, the Service Program Manager (PM) should have the responsibility, authority, and resources to efficiently execute a program
- Use lower risk technology solutions rather than solutions at the frontier of technology
- Achieve more economic rates of production
- Realistically cost, budget, and fully fund in the Five-Year Defense Plan, in the Extended Planning Annex, including procurement, logistics, and manpower for major acquisition programs
- Readiness and sustainability must be considered from the start of weapon system programs
- Strong industrial base is necessary
- Maximum competition for contractual requirements

While the 32 initiatives did not address all the major causes of cost growth, many initiatives dealt with longstanding problems, which if corrected could do much to lower costs.

These initiatives are reflected in three of the Five Pillars in the ATS: management principles concerning the industrial base, reducing regulations and processes, and effective lifecycle risk management.

Defense Acquisition Reform Initiatives in the 1990s⁷

In the 1990s, U.S. defense acquisition reform was shaped by the legacy of the 1986 President's Blue Ribbon Commission on Defense Management (Packard Commission)⁸,

⁵ *Defense Acquisition Reform 1960-2009*, Fox, 2011, Ch. 3

⁶ Detailed in the Appendix

⁷ Summarized from *Defense Acquisition Reform 1960-2009*, Fox, 2011, Ch. 4

⁸ See Appendix for Packard Commission content

Acquisition Reform Initiatives

which called for sweeping improvements in DoD management and acquisition processes. The Commission's recommendations were implemented through the Defense Management Report (DMR) issued in July 1989, which set out actions to improve DoD management and reduce costs.

The acquisition reform initiatives were largely driven by the cost-saving and efficiency mandates, bipartisan congressional oversight, and continuation of earlier reform themes. While tangible progress was made in some areas, the decade's reforms were more about incremental improvements than transformative change.

Key Takeaways:

- The 1990s cancellation of standards were part of a broader shift toward commercialization
- Many cancelled military standards were replaced with American Society for Quality (ASQ) equivalents or process control standards
- Industry engagement was critical to ensure continuity and avoid disruption in manufacturing and certification processes
- The Human Capital Disaster was precipitated by aging and/or downsizing of the knowledgeable defense workforce

A key part of this reform was the cancellation or replacement of many Federal and military standards and specifications that had long served as national standards for parts, materials, and processes. Use of military specifications was prohibited with performance specifications preferred and nongovernmental specifications as a second choice. Industry was expected to utilize recognized standards and specifications in contracts issued for government procurements to ensure continuity and avoid disruption in manufacturing and certification processes. Military specifications became a "last resort" requiring a waiver for use. This was complicated by existing contracts, which required adherence to standards called out in the contract, slowing cancellation of the standards along with a dissolution of the workforce.⁹

DoD, Congress, and others were attempting reform; however, from 1989 to 1999 the acquisition workforce was reduced by 50 percent, while at the same time the workload increased by about 12 percent. Adverse impacts associated with this imbalance included more time to award contracts, increased program costs, insufficient staff to manage requirements, increased backlog of contracts to close out, and personnel retention difficulty; therefore countering the reform initiatives.

⁹ *Defense Acquisition Reform, 1960-2009*, Fox, 2011, p. 172

Acquisition Reform Initiatives

A rational strategy using workforce planning based on matching resources *was not employed* to downsizing decisions, but was instead designed to appeal to the large anti-government constituency. Cash buyouts, early outs, hiring freezes, and retirements lead to a drastic reduction of the most experienced, knowledgeable staff. Critical programs failed due to the lack of adequate staff to operate these programs. Very little attention was given to this possibility by the media and the Congress. These actions are part of what has been labeled a human capital disaster.¹⁰

Inclusion of the reforms from the 1990s in the ATS is limited, touching only on the cost and accounting aspects of “maximizing acquisition flexibility through reduced regulations and processes.”

Defense Acquisition Performance Assessment (DAPA) 2006¹¹

The 2006 DAPA, also known as the *Gansler Report*, was a major independent review of the DoD acquisition system, commissioned by the Secretary of Defense and led by Dr. Jacques Gansler. It was also conducted by a separate panel chaired by Lt. Gen. Ronald Kadish, which reviewed over 1,500 documents, held public meetings, and interviewed more than 130 acquisition professionals.

Among its major findings, the DAPA report found that DoD acquisition processes did not meet the standards set by the Packard Commission (1986) and issued by the DoD twenty years earlier. The report acknowledged that in 2006 several “staff oversight organizations, lengthy lines of communication and adversarial relations” resulted in excessive and ineffective exercise of authority without accountability and “inhibit proper execution of our programs. . . . The current decision-making process is flawed.”

Some of the recommendations included:

- Establish the Service Acquisition Executives (SAEs) as Five-Year Fixed Presidential Appointments renewable for a second five-year term (leadership continuity and stability)
- Increase the number of federal employees in critical skill areas: program management, system engineering, and contracting
- Create a streamlined acquisition organization with accountability assigned and enforced at each level

¹⁰ *Federal Workforce Downsizing During The 1990s: A Human Capital Disaster*; Pegnato, 2003

¹¹ *Defense Acquisition Performance Assessment Report*, Jan 2006

Acquisition Reform Initiatives

- Adjust program estimates to reflect “high confidence”—defined as a program with an 80 percent chance of completing development at or below estimated cost
- Make time a Key Performance Parameter to deliver useful military capability in no more than 6 years from Milestone A
- Direct the SAEs to appoint PMs to be held accountable for each baseline from Milestone B through completion of the Low Rate Initial Production report

The DAPA report was a turning point, prompting renewed focus on modernizing the DoD’s acquisition system to meet 21st-century warfare demands. Many of its recommendations influenced later reforms and subsequent acquisition modernization initiatives. It underscored that agility, rapid response, and technological superiority are now central to defense acquisition success.

Three of the Five Pillars in the ATS, “maximize acquisition flexibility,” “rapidly deliver capability,” and “develop high performance systems,” align with the DAPA Report findings and recommendations.

Better Buying Power (BBP) Guidance 2010¹²

From 2009 to 2011, the Office of the Under Secretary of Defense for Acquisition, Technology and Logistics (OUSD(AT&L)) had the responsibility for DoD’s procurement reform and innovation agenda and successful completion of key procurements like the KC-46 tanker. In this capacity, the Secretary of Defense also led the development and production of thousands of Mine-Resistant Ambush Protected vehicles and other rapid acquisitions that saved countless service members’ lives. Determined to get the most for both the warfighters and the taxpayer, the Secretary in 2010 instituted “Better Buying Power” for the *first time guiding the department acquisition workforce to smarter and leaner purchasing*.

The top level changes implemented were:

- Target Affordability And Control Cost Growth
- Incentivize Productivity & Innovation In Industry
- Promote Real Competition
- Improve Tradecraft In Services Acquisition
- Reduce Non-Productive Processes And Bureaucracy

Three of the Five Pillars in the ATS align with this guidance.

¹² Implementation Directive for Better Buying Power, Carter, Nov 2010

Acquisition Reform Initiatives

Better Buying Power 2.0 (BBP2) Guidance 2012¹³

BBP2 was a DoD initiative aimed at improving efficiency, productivity, and affordability in defense acquisition and spending, ensuring “better value” for taxpayers and warfighters. Issued in November 2012 by the OUSD(AT&L), BBP2 builds on earlier BBP guidance to institutionalize cost control measures and productivity improvements. It *was developed after two years of BBP implementation, incorporating lessons learned and new best practices.*

- Achieve Affordable Programs
- Control Costs Throughout the Product Lifecycle
- Improve Tradecraft in Acquisition of Services
- Incentivize Productivity & Innovation
- Improve the Professionalism of the Total Acquisition Workforce
- Eliminate Unproductive Processes and Bureaucracy
- Increase Effective Use of Performance-Based Logistics (PBL)

All Five of the Five Pillars in the ATS align with this guidance.

Better Buying Power 3.0 (BBP3) Guidance 2015¹⁴

BBP3, issued on April 9, 2015, updates prior BBP versions to strengthen innovation, technical excellence, and efficiency in the DoD acquisition system.

Its overarching theme is “Achieving Dominant Capabilities through Technical Excellence and Innovation”, emphasizing products’ ability to ensure U.S. technological superiority in the face of emerging global threats. The core initiatives are:

- Achieve affordable programs
- Achieve dominant capabilities while controlling lifecycle costs
- Incentivize productivity and innovation in Industry and Government
- Eliminate unproductive processes and bureaucracy
- Promote effective competition and global market engagement
- Improve acquisition workforce professionalism

BBP3 builds on previous BBP initiatives to strengthen the acquisition system through cost management, high-quality technical oversight, incentivized industry partnerships, and workforce development. The memo serves as the authoritative guide for implementing strategies that improve efficiency, innovation, and competitiveness in

¹³ *Better Buying Power 2.0 Fact Sheet*, DoD, Nov 2013

¹⁴ *Implementation Directive for Better Buying Power 3.0 Memorandum*, OUSD/AT&L, Apr 2015

Acquisition Reform Initiatives

defense acquisition programs while maintaining a focus on affordability, technical excellence, and maintaining U.S. military superiority.

All Five of the Five Pillars in the ATS align with this guidance.

Section 809 of the 2016 NDAA Panel Recommendations¹⁵

The Section 809 Panel, named after the section of the NDAA for Fiscal Year 2016 that established it, was created to review and recommend changes to the acquisition regulations for the DoD. Its primary goal was to streamline and improve the defense acquisition process. The ATS is in alignment with many of the recommendations put forth by the Panel.

The panel's primary objective was to identify opportunities to streamline and improve the acquisition process, reduce bureaucracy, and improve the efficiency and effectiveness of acquisition programs. The panel developed a roadmap with four "lanes" to illustrate the proposed changes. This was followed by a comprehensive review of the acquisition process, including the policies, procedures, and regulations that govern it.

Lane 1: Leverage the Dynamic Marketplace

- Implement dynamic marketplace framework
- Simplify commercial buying
- Revise DoD's socioeconomic mission
- Communicate with Industry
- Clarify use of Other Transactional Authorities

Lane 2: Allocate Resources Effectively

- Institute portfolio management
- Allocate budgetary resources effectively

Lane 3: Enable the Workforce

- Reform workforce development
- Improve use of data for decision making
- Support research & reform

Lane 4: Simplify Acquisition

- Revise processes to value time and put mission first
- Update adjudicative process

¹⁵ Section 809 Panel – Streamlining and Codifying Acquisition, PL-114-328, Jan 2019

Acquisition Reform Initiatives

- Simplify contracting
- Simplify acquisition of information technology
- Clarify services policy
- Improve & focus oversight
- Simplify Title 10

The Section 809 Panel's final report, released in January 2019, contained over 98 recommendations for improving the acquisition process and to facilitate rapid technology adoption. The panel suggested the creation of new acquisition pathways, which likely led to the AAF.

The Panel, unlike prior reforms, made very specific recommendations in each lane for each topic. For example, Recommendation 35 under Lane 1 was to replace commercial buying and the existing simplified acquisition procedures and thresholds with simplified procedures for procuring readily available products and services and readily available products and services with customization. Recommendation 36 under Lane 2, Portfolio Management Framework, was to transition from a program-centric execution model to a portfolio execution model.

Many of the recommendations issued by the Panel were extensions or continuation of the initiatives previously included in the Better Buying Power strategies from 2010 through 2015. Some of these recommendations are still ongoing.

Key Implementation Elements

- Continuous tracking of Cost, Schedule, and Performance (CSP) using “should-cost” analysis
- Integration of Acquisition, Intelligence, and Requirements for adaptive threat response
- Deployment of incentive-based contracts to encourage cost efficiencies and superior performance
- Use of PBL to balance cost and program effectiveness
- Emphasis on cybersecurity protections across all stages of the program lifecycle

ATS alignment with the 809 Panel recommendations comes through focus on the Defense Industrial Base through incentivized partnerships, use of PBL, and incentivized productivity and innovation for Industry. Additional alignment is through initiatives to enable the acquisition workforce (“elevate and empower”) and workforce development.

Acquisition Reform Initiatives

Adaptive Acquisition Framework (AAF) 2020¹⁶

The primary purpose of the AAF is to streamline and enhance the defense acquisition process, enabling faster and more effective delivery of capabilities in a multi-pathway framework to meet the needs of the warfighter.

Many previous recommendations, including those from the Section 809 Panel, influenced a change to traditional acquisition processes that were considered too rigid and slow for delivering of modern system capabilities. To facilitate rapid technology adoption, the panel suggested the creation of new acquisition pathways. Recognizing the need for speed and agility, *Congress provided statutory relief for defense acquisition*, allowing revision to the DoD 5000 series. This included the creation of the Middle Tier of Acquisition and Software Acquisition pathways, which were integrated into the broader AAF.

The AAF was designed to support the Defense Acquisition System by providing a flexible structure that allows for tailored acquisition strategies. This framework aims to deliver effective, suitable, survivable, sustainable, and affordable solutions to end-users in a timely manner.

By aligning acquisition strategies with the specific needs of the warfighter, the AAF plays a crucial role in ensuring that the military can effectively respond to emerging challenges and operational demands.

In summary, the AAF continues to serve as a vital tool for the Department of War (DoW), aiming to improve the acquisition process by promoting flexibility, speed, and innovation in the latest iteration of instructions. See appendix for details.

The ATS continues to reinforce the AAF.

Acquisition Transformation Strategy¹⁷

Under EO 14265, *Modernizing Defense Acquisitions and Spurring Innovation in the Industrial Base*, the DoW was directed to prepare a strategy to transform the current defense acquisition system to ensure delivery of capabilities to the American warfighter at pace to deter and defeat our adversaries. This EO resulted in publication of the ATS document of 2026.

The ATS prioritizes *three overarching outcomes* for acquisition reform:

¹⁶ DoDI5000.02 Operation of the Adaptive Acquisition Framework, Jan 2020

¹⁷ Acquisition Transformation Strategy, OSW(A&S), 2026

Acquisition Reform Initiatives

- Field technology and modernize systems at a rate that outpaces our adversaries
- Increase production capacity and deliver wartime surge capacity for key capabilities, systems, weapons, and munitions to the U.S. warfighter and priority allies and partners
- Put the entire acquisition system and the industrial base on a wartime footing with the urgency and mandate to accept more risk, transition from a culture of compliance to one of speed and execution and rapidly tackle the strategic challenges facing the nation

There are Five Pillars with actions to achieve the ATS:

- Rebuild the Defense Industrial Base
- Elevate and empower the acquisition workforce to rapidly deliver capability
- Maximize acquisition flexibility through reduced regulations and processes
- Develop high performance systems through rigorous enterprise technical and execution excellence
- Improve effective lifecycle risk management

Details of this strategy are in the ATS 2026 document and summarized in the Appendix.

Discussion of the Five Pillars

Pillar one is about “rebuilding” the defense industrial base. This is to be accomplished by expanding the Industrial Base through greater cooperation with Industry. Addressing Industrial Base concerns has been part of acquisition reform in eight of the ten previous efforts discussed and was the second most frequently presented reform.

Pillar two of the ATS is to “Elevate and Empower the Acquisition Workforce to Rapidly Deliver Capability.” Addressing workforce concerns has been recommended in six previous reform efforts from the 1970s Blue Ribbon Panel up to the Section 809 Panel. Instead, what has consistently occurred is another Human Capital Disaster with repeated reductions in force that decimated the knowledgeable workforce. Furthermore, the current administration has continued this by removing entire categories of expertise from the government, while making “elevating and empowering” one of the Five Pillars.

Pillar three, in an attempt to “maximize acquisition flexibility through reduced regulations and processes,” has been included in all ten prior efforts. All prior initiatives were consistent in presenting efforts to accomplish this. The attempts to simplify acquisition regulations and processes have been very similar; however, due to a lack of leadership stability, prioritizing specific actions, and follow-through has seemingly not been effective since this subject is included in every reform initiative.

Acquisition Reform Initiatives

Pillars four and five have also been popular topics for reform in many of the past efforts. Pillar four, “Develop High Performance Systems through Rigorous Enterprise Technical and Execution Excellence,” has been the subject of five of the last six reform initiatives. Pillar Five, ‘Improve Effective Lifecycle Risk Management,’ has been the subject of four of the last six, but initiatives in these areas never seemed to come to a conclusion before the next round of reform begins.

In Figure 1. we show the eleven reform initiatives, from the ATS 2026 to Secretary McNamara’s reforms. The figure shows reform initiatives we discussed and the alignment with the current Five Pillars of the ATS.

Five Pillars	ATS	AAF	§809	BBP3	BBP2	BBP	DAPA	Acq Ref Packard	Carlucci	Fitzhugh	McNamara
	2026	2020	2019	2015	2012	2010	2006	1990s	1981	1970	1960s
Rebuild the Defense Industrial Base	X	X	X	X	X	X	X		X	X	
Elevate and Empower the Acquisition Workforce to Rapidly Deliver Capability	X		X	X	X	X	X			X	
Maximize Acquisition Flexibility through Reduced Regulations and Processes	X	X	X	X	X	X	X	X	X	X	X
Develop High Performance Systems through Rigorous Enterprise Technical and Execution Excellence	X	X	X	X	X		X				
Improve Effective Lifecycle Risk Management	X		X	X	X		X		X		X

FIGURE 1. SIXTY YEARS OF ACQUISITION REFORM

Summary

Numerous attempts at acquisition reform, beginning with McNamara in 1961 through the Section 809 Panel in 2019, have been proposed. The current ATS 2026 is the latest attempt at reform.

All previous attempts at reform fell short of their objectives primarily because of frequent leadership changes, a failure of leadership to prioritize (Office of the Secretary of War, Services, and Congressional), a failure in continuity of efforts, a failure to follow-through, and a failure to maintain a workforce with skills, experience, and authority to implement.

It is evident there are barriers to the acquisition process that derive not from a lack of initiatives, but instead from a systemic failure to develop specific policies, guidance, and actions that continue to completion. This is exacerbated by continuous efforts to reduce the workforce, beginning with the Human Capital Disaster in the 1990s and continuing in the current environment, while at the same time achieving a stated goal to “Elevate and Empower the Acquisition Workforce to Rapidly Deliver Capability.”

Additionally, newly proposed reform initiatives rarely acknowledge prior efforts, where a better course of action may be to build on these efforts. For example, the current ATS

Acquisition Reform Initiatives

proposes strategies that the recommendations of the Section 809 Panel initiative address in detail without recognition or attribution.

Over the last sixty years, acquisition reform initiatives have attempted the same actions repeatedly expecting different results – this is one definition of insanity. It remains to be seen if the current ATS will result in long term success in achieving many of the proposed reforms.

Appendix

McNamara¹⁸

McNamara centralized the functions of planning, programming, and budgeting (subsequently called the PPBS) in the Pentagon and assigned more decision-making authority to a new staff of younger military and civilian systems analysts working in OSD.

Another improvement was the creation of the Office of Systems Analysis to perform cost-effectiveness studies aided by improved cost estimating, with the help of research at Rand Corporation. Subsequently, the military services each adopted or strengthened their own systems analysis organizations. To enhance contractor source selection and contracting, several improvements were adopted:

- Parametric cost estimating
- Formal source selection procedures
- Contractor performance evaluations
- Total package procurement
- Contract definition
- Incentive contracting

In the management of ongoing programs, innovations in the 1960s included:

- Adoption of the PM concept
- Consolidation of contract administration across the military services (eventually becoming the Defense Contracting Audit Agency (DCAA))
- Program Evaluation and Review Technique (PERT) for scheduling
- Cost and Schedule Control System Criteria, which subsequently became the Earned Value Management System (EVMS)
- Systems Engineering
- Cost Information Reports
- Contractor Funds Status Reporting
- Configuration Management (formalized)
- Technical Performance Measurement (TPM)

The McNamara team also developed and implemented, to greater or lesser degrees, a variety of acquisition organizations and techniques, including:

- Defense Supply Agency

¹⁸ *Defense Acquisition Reform 1960-2009*, Fox, 2011

Appendix

- Defense Contract Administration Service (DCAS)
- DCAA
- Total Package Procurement (abandoned in 1966)
- Development Concept Paper
- As well as increased competition among prospective contractors

In addition to these centralization initiatives, Secretary McNamara's office issued a number of new acquisition policies and directives, including:

- Planning procedures for integrated logistics support for systems and equipment (the integration of supply and maintenance considerations and planning into the systems engineering and design process)
- Procedures for contractor proposal evaluation and source selection
- Procedures for improved quality assurance (the enforcement of technical criteria governing the quality of materials, data, supplies, and services)
- Information systems for planning and control of acquisition schedules and costs
- Value engineering (a program to eliminate or modify unessential equipment features and thus minimize costs)
- Configuration management – technical and administrative procedures to:
 - Identify and document functional and physical characteristics of a configuration item
 - Control changes to those characteristics
 - Record and report change processing and implementation status
- Work breakdown structure (WBS) frameworks (product oriented family trees used to subdivide large programs into their parts consisting of hardware, software, services, and work tasks that result from engineering efforts during development and production of defense systems or equipment)¹⁹

Many of the centralized agencies and procedures originated in the McNamara era, as shown above, however, the large number of management innovations taxed the capabilities of the services to implement the new techniques.

Blue Ribbon Defense Panel (Fitzhugh Commission) 1970²⁰

The Fitzhugh Report was an exhaustive look into the DoD's operations and suggested reforms for improved efficiency and effectiveness. It was driven by the backdrop of the

¹⁹ *The Maturing of the DoD Acquisition Process*, Acker, pp. 35–37

²⁰ *Defense Acquisition Reform 1960-2009*, Fox, 2011

Appendix

Vietnam War and the perception that the DoD wasn't as efficient or responsive as it should be.

Summary of the 1970 Blue Ribbon Defense Panel Report:

- **Organizational Structure:**
 - The report criticized the Department's structure, saying it was both overlapping in some areas and had gaps in others. It suggested reforms to ensure clear lines of responsibility and better decision-making
 - There were also concerns about the National Command Authorities and their ability to respond quickly in crises. The report felt that the DoD's decision-making was too centralized
 - To address these issues, the report recommended realigning the responsibilities of the OSD and the military departments and reducing the size of the OSD
- **Budgetary Processes:**
 - The report identified significant delays and inefficiencies in the DoD's budgetary process
 - It noted that budgets were openly built around what was politically achievable rather than what was strategically necessary
 - The panel suggested reforms to prioritize projects based on their strategic importance and reduce wasteful spending
- **Research, Development, and Acquisition:**
 - The DoD's process for researching, developing, and acquiring new technologies and weapons systems was seen as slow and inefficient
 - The report recommended streamlining the acquisition process, incorporating more flexibility, and fostering innovation. It suggested that the DoD should be more open to outside ideas and technologies
- **Personnel Management:**
 - The report found that the DoD's personnel systems were inflexible and outdated, leading to problems in recruitment, retention, and overall morale
 - Recommendations included improving military education, revising the promotion system, and ensuring that both civilian and military personnel systems were more adaptable to changing needs
- **Inter-Service Rivalries:**
 - The panel identified that rivalries among the different military branches were a significant issue. These rivalries sometimes hindered cooperation and led to unnecessary duplication of effort

Appendix

- The report recommended greater jointness in operations and planning. It also advocated for better integration among the services to tackle common challenges
- Readiness and Maintenance:
 - Concerns about the readiness of forces were paramount, especially given the Vietnam War context. The report felt that the DoD had an emphasis on quantity over quality
 - It recommended a renewed focus on the quality of forces, equipment, and training. Maintenance of equipment, especially, was seen as a crucial area needing improvement
- Reserve Forces:
 - The report discussed the vital role of reserve forces and noted the challenges in integrating them seamlessly with active duty forces
 - It called for a better balance between active and reserve components, streamlining mobilization processes, and ensuring the reserves received adequate training and equipment

While the Fitzhugh Report's recommendations were insightful and forward thinking, not all of them were implemented. Still, the report serves as a critical review of the DoD during a tumultuous period and offers a case study in organizational reform.

Carlucci Thirty-Two Acquisition Reform Initiatives 1983²¹

1. Reaffirm acquisition management principles
2. Increase use of preplanned product improvement
3. Implement multiyear procurement
4. Increase program stability
5. Encourage capital investment to enhance productivity
6. Budget to most likely costs
7. Use economical production rates
8. Assure appropriate contract type
9. Improve system support and readiness
10. Reduce administrative costs and time
11. Budget for technological risk
12. Provide front-end funding for test hardware
13. Reduce governmental legislation related to acquisition
14. Reduce number of DoD directives
15. Enhance funding flexibility
16. Provide contractor incentives to improve reliability and support
17. Decrease Defense System Acquisition Review Council (DSARC) briefing and data requirements (decreased oversight)
18. Budget for inflation
19. Forecast business base conditions
20. Improve source selection process
21. Develop and use standard operation and support systems
22. Provide more appropriate design-to-cost goals
23. Implement acquisition process decisions
24. Reduce DSARC milestones
25. Submit Mission Element Need Statement with Service Program Objective Memorandum (POM)
26. Revise DSARC membership
27. Retain USD/R&E as Defense Acquisition Executive
28. Raise dollar thresholds for DSARC review
29. Integrate DSARC and PPBS process
30. Increase PM visibility of support resources

²¹ *Defense Acquisition Reform 1960-2009*, Fox, 2011

Appendix

- 31. Improve reliability and support
- 32. Increase competition

Blue Ribbon Commission (Packard Commission) 1986²²

Key Recommendations

1. Budgeting and Appropriations Reform
 - Congress should pass two-year defense appropriations instead of annual bills to reduce short-term political pressures and allow for more stable planning
2. Procurement Leadership and Structure
 - Create a “procurement czar” — the Under Secretary of Defense for Acquisition — to oversee and streamline procurement processes
 - Establish a clear hierarchy of acquisition executives to improve accountability and decision-making
3. Acquisition Process Improvements
 - Implement long-range planning that ties together security objectives, spending, and procurement decisions
 - Improve the tie between mission needs and what is bought, ensuring purchases align with strategic goals
4. Oversight and Accountability
 - Strengthen legislative oversight of defense spending and procurement
 - Enhance internal and external audit functions to monitor compliance and efficiency
5. Organizational and Operational Reforms
 - Review and simplify organizational arrangements within the DoD, Joint Chiefs of Staff, and military departments to reduce bureaucracy
 - Improve chain of command clarity and interagency coordination
6. Industry and Ethical Standards
 - Encourage the defense industry to adopt a code of ethics, whistleblower reporting mechanisms, and increased public accountability

Acquisition Reform Initiatives 1989–1998

In the 1990s, U.S. defense acquisition reform was shaped by the legacy of the *1986 President’s Blue Ribbon Commission on Defense Management (Packard Commission)*, which had called for sweeping improvements in DoD management and acquisition

²² *Quest for Excellence, Blue Ribbon Commission for Defense Management*, June 1986

Appendix

processes. The Commission's recommendations were implemented through the *Defense Management Report (DMR)* issued in July 1989, which set out actions to improve DoD management and reduce costs.

Key 1990s Reform Efforts

These initiatives targeted both acquisition and program management, with the goal of reducing waste, improving oversight, and streamlining procurement processes. However, Government Accounting Office (GAO) noted that many large, complex initiatives were still in planning stages, and savings estimates were often based on management judgments rather than empirical data.

Implementation of the DMR Savings Initiatives²³

The DMR outlined major management improvement programs aimed at:
Saving an estimated \$39 billion in program costs over FY 1991–95.
Eliminating about 42,900 civilian and military positions to improve efficiency

Bipartisan Congressional Oversight²⁴

In the 1990s, acquisition reform hearings before Congress, particularly the Senate Governmental Affairs and House Government Operations Committees, became a forum for bipartisan scrutiny of DoD procurement. Former Office of Management and Budget Administrator Allan Burman recalled that both Democrats and Republicans often pressed Administration witnesses on procurement failures, creating a high-stakes environment for accountability

Context of the Era²⁵

The 1990s followed decades of repeated reform attempts, including the McNamara and Blue Ribbon Panels in the 1960s–70s. These panels had identified persistent problems such as schedule slippages, cost growth, and performance shortfalls. By the 1990s, these issues remained largely unresolved, but the combination of the Packard Commission's mandate, the DMR's cost-cutting focus, and heightened congressional oversight created a more structured push for change.

²³ GAO-91-11 *Defense Management Report Savings Initiatives*, Dec 1990

²⁴ *Acquisition Reform in the 1990s: Lessons from a By-Gone Era for Today*, Burman, Aug 2020

²⁵ *Defense Acquisition Reform 1960-2009*, Fox, 2011

Appendix

Limitations and Outcomes²⁶

While some DMR initiatives began to yield savings, the GAO cautioned that achieving the full \$39 billion target required sustained management support and realistic cost baselines. The decade's reforms laid groundwork for later efforts, such as the 2009–2010 push under President Obama, which sought deeper cultural and structural changes to the acquisition process.

In summary:

The 1990s defense acquisition reform initiatives were largely driven by the DMR's cost-saving and efficiency mandates, bipartisan congressional oversight, and a continuation of earlier reform themes. While tangible progress was made in some areas, the decade's reforms were more about incremental improvements than transformative change, reflecting the long-standing challenges of reforming the U.S. defense acquisition system.

Cancellation of Military Standards in the 1990s²⁷

A key part of the major Acquisition Reform initiative was the *cancellation or replacement of many Federal and military standards and specifications (MIL-S&S)* that had long served as de facto national standards for parts, materials, and processes.

Context and Drivers

- Modernization goals: The DoD sought to reduce reliance on outdated or redundant standards, streamline procurement, and integrate more commercial and international specifications into defense contracts
- Industry concerns: Cancellations without industry consultation, such as the removal of Federal Specification QQ-A-200 (“General Specification for Aluminum Alloy Bar, Rod, Shapes, Structural Shapes, Tube and Wire, Extruded”), acted as a wake-up call for manufacturers, prompting greater industry involvement in reform
- Scope: MIL-S&S covered a wide range of categories, from military products and general engineering to materials, parts, and industrial equipment, totaling over 30,000 items

Examples of Cancellations

- MIL-STD-105 (“Sampling Procedures and Tables for Inspection by Attributes”):

²⁶ *The More Things Change, Acquisition Reform Remains the Same*, Eide and Allen, Defense Acquisition Research Journal, Jan 2012

²⁷ *U.S. Military and Federal Government Cancellation of Part, Material, and Process Standards and Specifications*, Bastedo and Oberg, Journal of Aerospace 1997

Appendix

- Replaced by ASQ-Z1.4 (a reprint of MIL-STD-105)
- In 2001 DoD recommended MIL-STD-1916 (process control)
- MIL-STD-414: Cancelled in 1995, replaced by ASQ-Z1.9 ("Sampling Procedures and Tables for Inspection by Variables for Percent Non-conforming")

Industry Response

The Aerospace Industries Association formed the Early Warning Project Group to assess the impact of replacing MIL-S&S with commercial documents. The group surveyed major aerospace companies to identify which military and federal specs were in use, and proposed an orderly transition to commercial, industrial, or international standards.

If you need the full list of cancelled documents, the DoD's ASSIST database provides a searchable index of canceled Federal Specifications, Standards, and Critical Item Descriptions.

Human Capital Disaster²⁸

From 1989 to 1999, the DoD procurement workforce was reduced by 50 percent at the same time that the workload increased by about 12 percent. Some of the adverse impacts associated with this workload imbalance include more time to award contracts, increased program costs, insufficient staff to manage requirements, increased backlog of contracts to close out, and personnel retention difficulty.

During the 1990s the federal procurement system was reformed radically. What does the DoD Inspector General have to say about efficiency gains afforded by these procurement reforms? (In theory these efficiencies could offset any adverse impacts from staffing reductions.) "These improvements helped offset the impact of acquisition workforce reductions ... Nevertheless, concern is warranted because staffing reductions have clearly outpaced productivity increases and the acquisition workforce's capacity to handle its formidable workload." At his confirmation hearing, Pete Aldridge, President Bush's nominee for undersecretary for acquisition, testified: "I am concerned about the effects of the reductions on the acquisition workforce. As DoD continues to emphasize contracting out and competitive sourcing, the skills training and experience of the acquisition workforce will be critical in effectively managing these contracts."

Defense Acquisition Performance Assessment (DAPA) 2006²⁹

²⁸ *Federal Workforce Downsizing During The 1990s: A Human Capital Disaster*; Pegnato, 2003

²⁹ *Defense Acquisition Performance Assessment Report*, Jan 2006

Appendix

Key Findings

- **System Complexity & Bureaucracy**
The acquisition system had become overly complex, slow, and less responsive to the rapidly changing needs of the warfighter.
- **Workforce Shortages**
A critical shortage of skilled acquisition professionals, with issues in training, experience, and retention.
- **Financial Management Deficiencies**
Cost estimation, budgeting, and financial oversight often led to overruns and delays.
- **Industrial Base Changes**
The defense industrial base had shrunk and changed, reducing competition and innovation potential.
- **Security Environment Shifts**
Threats are now more unpredictable, asymmetric, and global, requiring a more agile acquisition system.
- **Management System Issues**
Problems were embedded in broader “big A” management systems, not just narrow acquisition processes.

Major Recommendations

- **Simplify and De-bureaucratize**
Streamline processes to make them faster and more efficient.
- **Invest in the Workforce**
Prioritize recruitment, training, and retention of skilled acquisition professionals; recognize and reward excellence.
- **Improve Financial Management**
Enhance cost estimation, budget discipline, and transparency.
- **Strengthen the Industrial Base**

Appendix

Build stronger industry partnerships, promote competition, and ensure a robust, innovative base.

- Embrace Rapid Acquisition

Develop faster processes for urgent needs and emerging threats.

- Focus on Outcomes

Shift from process-centric measures to performance-based, results-oriented approaches.

- Strategic Gaming

Use scenario planning during implementation to anticipate and mitigate unintended consequences.

- Knowledge Sharing

Create a centralized library of materials and data for the acquisition community via the Defense Acquisition University.

Better Buying Power (BBP) Guidance 2010

- Target Affordability And Control Cost Growth
 - Mandate affordability as a requirement
 - Drive productivity growth through Will Cost/Should Cost management
 - Eliminate redundancy within warfighter portfolios
 - Make production rates economical and hold them stable
 - Set shorter program timelines and manage to them
- Incentivize Productivity & Innovation In Industry
 - Reward contractors for successful supply chain and indirect expense management
 - Increase the use of Fixed Price Incentive Fee (FPIF) contract type where appropriate using a 50/50 share line and 120% ceiling as a point of departure
 - Adjust progress payments to incentivize performance
 - Extend the Navy's Preferred Supplier Program to a DoD-wide pilot
 - Reinvigorate industry's independent research and development and protect the defense technology base
- Promote Real Competition
 - Present a competitive acquisition strategy at each program milestone
 - Remove obstacles to competition
 - Increase dynamic small business role in defense marketplace competition

Appendix

- Improve Tradecraft In Services Acquisition
 - Create a senior manager for acquisition of services in each component, following the Air Force's example
 - Adopt uniform taxonomy for different types of services
 - Address causes of poor tradecraft in services acquisition
 - Increase small business participation in providing services
- Reduce Non-Productive Processes And Bureaucracy

Better Buying Power 2.0 (BBP2) 2012

BBP 2.0 was organized into seven focus areas and 36 initiatives, with emphasis on the total acquisition workforce. Key focus areas included:

- Achieve Affordable Programs
 - Mandate affordability caps for unit production and sustainment costs
 - Require long-term investment planning (30–40 years) as standard under DoDD 5000.02
 - Enforce caps through senior leadership to halt costly programs without cost tradeoffs
- Control Costs Throughout the Product Lifecycle
 - Implement “should cost” management (cost targets below independent estimates)
 - Eliminate redundancy in warfighter portfolios
 - Measure and assess cost performance and acquisition policy effectiveness
- Improve Tradecraft in Acquisition of Services
 - Strengthen partnerships with requirements communities
 - Assign senior managers for service acquisition
 - Use uniform services market metrics for productivity measurement
- Incentivize Productivity & Innovation
 - Increase small business participation
 - Align profitability with DoD goals
 - Expand fixed-price incentive contracts and requirements review boards
- Improve the Professionalism of the Total Acquisition Workforce
 - Raise standards for leadership qualifications
 - Expand supplier incentive programs
 - Recognize excellence in acquisition
- Eliminate Unproductive Processes and Bureaucracy
 - Reduce higher-level review frequency
 - Clarify responsibilities of Acquisition Executives, Program Executives, and PMs

Appendix

- Increase Effective Use of PBL
 - PBL contracts provide incentives for reliability, availability, and cost reduction
 - Requires workforce expertise and standardized tools/training for success

Better Buying Power 3.0 (BBP3) Guidance 2015

- Achieve Affordable Programs
 - Continue to set and enforce affordability caps for production and sustainment
 - Apply “should-cost” management to reduce lifecycle costs and generate savings across acquisition programs
- Achieve Dominant Capabilities While Controlling Lifecycle Costs
 - Strengthen partnerships among acquisition, intelligence, and requirements communities for integrated threat analysis and responsive development
 - Institutionalize long-range R&D program plans for technology prioritization
 - Enhance cybersecurity throughout product lifecycles to protect classified and unclassified systems from adversaries
- Incentivize Productivity and Innovation
 - Align contractor profitability with DoD performance goals through incentive contracts such as Cost Plus Incentive Fee and Fixed Price Incentive Fee
 - Expand superior supplier incentive programs and emphasize performance-based logistics
 - Promote early technical engagement with industry, prototyping, experimentation, and modular open systems architecture
- Eliminate Unproductive Processes
 - Streamline documentation and staff review procedures to reduce bureaucracy
 - Reinforce responsibility, authority, and accountability in the acquisition chain of command
- Promote Effective Competition and Global Market Engagement
 - Maintain competitive environments and expand small business participation
 - Improve technology search and acquisition outreach domestically and internationally
- Improve Acquisition Workforce Professionalism
 - Establish higher standards for leadership positions and strengthen qualifications for key acquisition specialties
 - Enhance STEM education support and leadership's technical competence in R&D risk management

Appendix

Section 809 of the 2016 NDAA Panel Recommendations³⁰

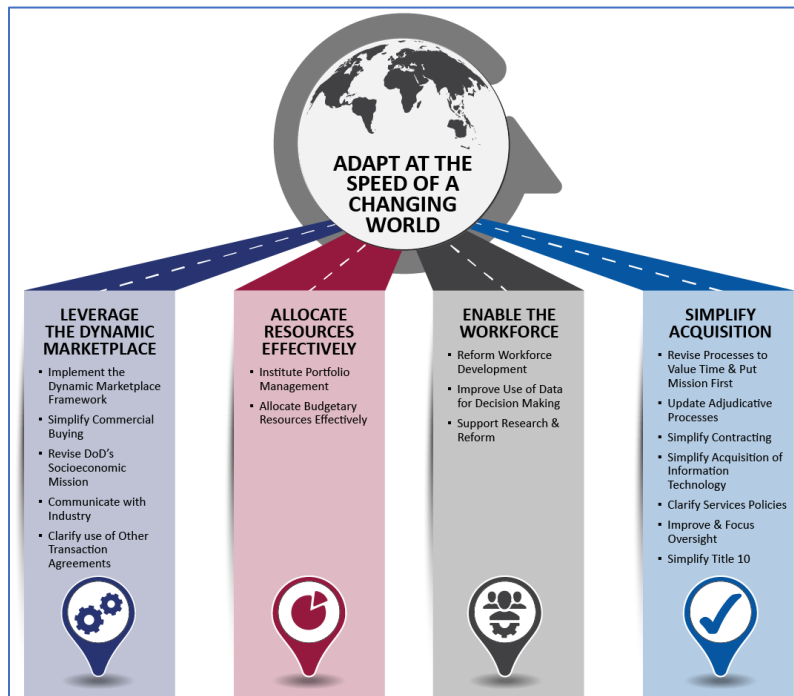


FIGURE 2. SECTION 809 PANEL ROADMAP TO SUCCESS

Recommendations by Lane

Lane 1: Leverage the Dynamic Marketplace

- Implement Dynamic Marketplace Framework
 - Rec. 35: Replace commercial buying and the existing simplified acquisition procedures and thresholds with simplified readily available procedures for procuring readily available products and services and readily available products and services with customization
- Simplify Commercial Buying
 - Rec. 1: Revise definitions related to commercial buying to simplify their application and eliminate inconsistency
 - Rec. 2: Minimize government-unique terms applicable to commercial buying.
 - Rec. 3: Align and clarify FAR commercial termination language
 - Rec. 4: Revise DFARS sections related to rights in technical data policy for commercial products

³⁰ Section 809 Panel – Streamlining and Codifying Acquisition, PL-114-328, Jan 2019

Appendix

- Rec. 28: Simplify the selection of sources for commercial products and services
- Rec. 62: Update the FAR and DFARS to reduce burdens on DoD's commercial supply chain to decrease cost, prevent delays, remove barriers, and encourage innovation available to the Military Services
- Rec. 63: Create a policy of mitigating supply chain and performance risk through requirements documents
- Rec. 80: Preserve the preference for procuring commercial products and services when considering small business set-asides
- Rec. 92: Minimize the flow-down of government-unique terms in commercial buying by implementing the Section 809 Panel's Recommendation 2
- Revise DoD's Socioeconomic Mission
 - Rec. 21: Refocus DoD's small business policies and programs to prioritize mission and advance warfighting capabilities and capacities
 - 21a: Establish the infrastructure necessary to create and execute a DoD small business strategy, ensuring alignment of DoD's small business programs with the agency's critical needs
 - 21b: Build on the successes of the SBIR/STTR and RIF programs. Increase the funding for SBIR/STTR and RIF programs and in the process provide greater incentive for program managers to use small businesses to provide innovation to DoD
 - 21c: Enable innovation in the acquisition system and among industry partners. Create incentives to bring nontraditional suppliers of innovation into the DoD marketplace
 - Rec. 64: Update socioeconomic laws to encourage purchasing from nontraditional suppliers by (a) adopting exceptions for DoD to domestic purchasing preference requirements for commercial products, and (b) adopting a public interest exception and procedures for the Berry Amendment identical to the ones that exist for the Buy American Act
 - Rec. 65: Increase the acquisition thresholds of the Davis–Bacon Act, the Walsh–Healey Public Contracts Act, and the Services Contract Act to \$2 million
 - Rec. 79: Enable enhanced use of advanced payments, at time of contract award, to small businesses
- Communicate with Industry
 - Rec. 84: Direct DoD to communicate with the marketplace concerning acquisition from development of the need/requirement through contract closeout, final payment, and disposal

Appendix

- Rec. 85: Establish a Market Liaison at each acquisition activity to facilitate communication with industry
- Rec. 86: Encourage greater interaction with industry during market research.
- Rec. 87: Establish a market intelligence capability throughout DoD to facilitate communication that enhances the government's industry knowledge through open, two-way communication
- Clarify use of Other Transactional Authorities
 - Rec. 81: Clarify and expand the authority to use Other Transaction agreements for production

Lane 2: Allocate Resources Effectively

- Institute Portfolio Management
 - Rec. 36: Transition from a program-centric execution model to a portfolio execution model
 - Rec. 37: Implement a defense-wide capability portfolio framework that provides an enterprise view of existing and planned capability, to ensure delivery of integrated and innovative solutions to meet strategic objectives
 - Rec. 38: Implement best practices for portfolio management
 - Rec. 39: Leverage a portfolio structure for requirements
 - Rec. 40: Professionalize the requirements management workforce
 - Rec. 41: Establish a sustainment program baseline, implement key enablers of sustainment, elevate sustainment to equal standing with development and procurement, and improve the defense materiel enterprise focus on weapon system readiness
 - Rec. 42: Reduce budgetary uncertainty, increase funding flexibility, and enhance the ability to effectively execute sustainment plans and address emergent sustainment requirements
- Allocate Budgetary Resources Effectively
 - Rec. 46: Empower the acquisition community by delegating below threshold reprogramming decision authority to portfolio acquisition executives
 - Rec. 47: Restore reprogramming dollar thresholds to match their previous levels relative to inflation and the DoD budget
 - Rec. 48: Increase to 50 percent the lesser of 20 percent restriction that creates artificially low reprogramming thresholds for smaller programs
 - Rec. 49: Provide increased flexibility to the time periods within which a small percentage of single-year contract obligations are permitted to occur
 - Rec. 50: Enact regular appropriations bills on time

Appendix

- Rec. 51: Mitigate the negative effect of continuing resolutions by allowing congressional regular appropriations to remain available for a standardized duration from date of enactment
- Rec. 52: Permit the initiation of all new starts, provided Congress has appropriated sufficient funding
- Rec. 53: Permit the initiation of all production rate increases, provided Congress has appropriated sufficient funding
- Rec. 54: Permit the initiation of multiyear procurements under a CR
- Rec. 55: Raise the Prompt Payment Act interest rate payment threshold from \$1 to \$15
- Rec. 56: Use the authority in Section 1077 of the FY 2018 NDAA to establish a revolving fund for information technology modernization projects and explore the feasibility of using revolving funds for other money-saving investments
- Rec. 57: Modify fiscal law to extend the duration of when funds cancel from 5 years to 8 years
- Rec. 58: Address the issue of over-age contracts by (a) establishing an end-to-end, integrated, streamlined process, (b) codifying DCMA's Quick Close Out class deviation in the DFARS, and (c) extending DCMA's Low Risk Quick Close Out initiative by 2 years

Lane 3: Enable the Workforce

- Reform Workforce Development
 - Rec. 25: Streamline and adapt hiring authorities to support the acquisition workforce
 - Rec. 26: Convert the Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo) from an indefinite demonstration project to a permanent personnel system
 - Rec. 27: Improve resourcing, allocation, and management of the Defense Acquisition Workforce Development Fund (DAWDF)
 - Rec. 59: Revise the Defense Acquisition Workforce Improvement Act to focus more on building professional qualifications
 - Rec. 60: Implement acquisition career paths that are integrated with an institutionalized competency model tailored to mission needs
 - Rec. 61: Create a comprehensive public-private exchange program for DoD's acquisition workforce
- Improve use of Data for Decision Making
 - Rec. 88: Use existing defense business system open-data requirements to improve strategic decision making on acquisition and workforce issues

Appendix

- Rec. 89: Direct DoD to consolidate or eliminate competing data architectures within the defense acquisition and financial system
- Support Research & Reform
 - Rec. 91: Require the Administrator of General Services and the Secretary of Defense to maintain the FAR and DFARS respectively, as electronic documents with references to the related statutes, Executive Orders, regulations, and policies, and with hyperlinks to Federal Register Notices
 - Rec. 93: Create a Center for Acquisition Innovation located at the National Defense University, Eisenhower School

Lane 4: Simplify Acquisition

- Revise Processes to Value Time and Put Mission First
 - IR-1: Affirm agency mission as the primary goal of DoD acquisition (“Mission First”). 2 Sec. 801 of FY 2018 NDAA directed DFARS be revised to include certain statements of purpose
 - Rec. IR-4: Eliminate FAR section on texting while driving. (FAR Clause 52.223-18)
 - Rec. IR-5: Eliminate the requirement to accept and dispense dollar coins at government business operations
 - Rec. 70: Authorize DoD to develop a replacement approach to the inventory of contracted services requirement under 10 U.S.C. § 2330a
 - Rec. 74: Eliminate redundant documentation requirements or superfluous approvals when appropriate consideration is given and documented as part of acquisition planning
 - Rec. 75: Revise regulations, instructions, or directives to eliminate non-value-added documentation or approvals
 - Rec. 22: Eliminate, or sunset within 5 years, the statutory requirement for certain acquisition-related offices and Secretary of Defense designated officials to increase flexibility and/or reduce redundancy
 - Rec. 23a–n: Establish a permanent, automatic 5-year sunset provision for DoD congressional reporting requirements
 - Rec. 24a–ab: Repeal, preserve, or maintain various DoD congressional reporting requirements
- Update Adjudicative Process
 - Rec. 33: Update the Assignment of Claims processes under FAR Part 32.805
 - Rec. 66: Establish a purpose statement for bid protests in the procurement system to help guide adjudicative bodies in resolving protests consistent with

Appendix

- said purpose and establish a standard by which the effectiveness of protests may be measured
- Rec. 67: Reduce potential bid protest processing time by eliminating the opportunity to file a protest with the COFC after filing at the GAO and require the COFC to issue a decision within 100 days of ordering a procurement be delayed
 - Rec. 68: Limit the jurisdiction of GAO and COFC to only those protests of procurements with a value that exceeds, or are expected to exceed, \$75,000
 - Rec. 69: Provide as part of a debriefing, in all procurements where a debriefing is required, a redacted source selection decision document and the technical evaluation of the vendor receiving the debriefing
 - Rec. 82: Provide Armed Services Board of Contract Appeals authority to require filing of contract appeals through an electronic case management system
 - Rec. 83: Raise the monetary threshold to provide agency boards of contract appeals accelerated, small business, and small claims (expedited) procedures to \$250,000 and \$150,000 respectively
 - Simplify Contracting
 - Rec. 76: Revise the fair opportunity procedures and require their use in task and delivery order competitions
 - Rec. 77: Require role-based planning to prevent unnecessary application of security clearance and investigation requirements to contracts
 - Rec. IR-2: Increase contract time for fuel storage from 20 years to 30 years
 - Rec. IR-3: Eliminate the requirement for contractors to use recycled paper
 - Rec. 32: Exempt DoD from paying the Federal Retail Excise Tax
 - Rec. 78: Include the supply of basic energy as an exemption under FAR 5.202
 - Simplify Acquisition of Information Technology
 - Rec. 43: Revise acquisition regulations to enable more flexible and effective procurement of consumption-based solutions
 - Rec. 44: Exempt DoD from Clinger–Cohen Act Provisions in Title 40
 - Rec. 45: Create a pilot program for contracting directly with information technology consultants through an online talent marketplace
 - Rec. 16: Combine authority for requirements, resources, and acquisition in a single, empowered entity to govern DBS portfolios separate from the existing acquisition chain of command
 - Rec. 17: Eliminate the separate requirement for annual IRB certification of DBS investments

Appendix

- Rec. 18: Fund DBSs in a way that allows for commonly accepted software development approaches
- Rec. 19: Eliminate the Earned Value Management (EVM) mandate for software programs using Agile methods
- Clarify Services Policy
 - Rec. 20: Clarify the definitions of personal and nonpersonal services and incorporate in the DFARS a description of supervisory responsibilities for service contracts
 - Rec. 31: Eliminate the statutory and regulatory distinction between personal services contracts (PSC) and nonpersonal services (NPS) contracts
- Improve & Focus Oversight
 - Rec. 5: Align DCAA's mission statement to focus on its primary customer, the contracting officer
 - Rec. 6: Revise the elements of DCAA's annual report to Congress to incorporate multiple key metrics
 - Rec. 7: Provide flexibility to contracting officers and auditors to use audit and advisory services when appropriate
 - 7a: Prior to requesting field pricing/audit assistance, contracting officers should consider other available internal resources and tailor their request for assistance to the maximum extent possible
 - 7b: Define the term audit
 - 7c: DCAA should use the full range of audit and non-audit services available
 - 7d: Direct a review of the roles of DCAA and DCMA to ensure appropriate alignment and eliminate redundancies
 - Rec. 8: Establish statutory time limits for defense oversight activities
 - Rec. 9: Permit DCAA to use IPAs to manage resources to meet time limits
 - Rec. 10: Replace system criteria from DFARS 252.242-7006, Accounting System Administration, with an internal control audit to assess the adequacy of contractors' accounting systems
 - Rec. 11: Develop a Professional Practice Guide for DoD's oversight of contractor costs and business systems
 - Rec. 12: Require DCAA to obtain peer review from a qualified external organization
 - Rec. 13: Increase coverage of the effectiveness of contractor internal control audits by leveraging IPAs
 - Rec. 14: Incentivize contractor compliance and manage risk efficiently through robust risk assessment

Appendix

- Rec. 15: Clarify and streamline the definition of and requirements for an adequate incurred cost proposal to refocus the purpose of DoD's oversight
- Rec. 29: Revise 41 U.S.C. §§ 1501-1506 to designate the Cost Accounting Standards Board as an independent federal organization within the executive branch
- Rec. 30: Reshape CAS program requirements to function better in a changed acquisition environment
- Rec. 71: Adopt a professional practice guide to support the contract audit practice of DoD and the independent public accountants DoD may use to meet its contract audit needs, and direct DoD to establish a working group to maintain and update the guide
- Rec. 72: Replace 18 system criteria from DFARS 252.242-7006, Accounting System Administration, with an internal control audit to assess the adequacy of contractors' accounting systems based on seven system criteria
- Rec. 73: Revise the definition of business system deficiencies to more closely align with generally accepted auditing standards
- Simplify Title 10
 - Rec. 34: Repeal certain Title 10 sections and note sections, create a new Part V under Subtitle A of Title 10, and redesignate sections in Subtitles B–D to make room for Part V to support a more logical organization and greater ease of use
 - Rec. 90: Reorganize Title 10 of the U.S. Code to place all of the acquisition provisions in a single part, and update and move acquisition-related note sections into the reorganized acquisition part of Title 10

Adaptive Acquisition Framework 15 June 2020³¹

The AAF requires PMs to develop an acquisition strategy for Milestone Decision Authority (MDA) approval that matches the acquisition pathway (see Figure 3) processes, reviews, documents, and metrics to the character and risk of the capability being acquired.

The AAF is intended to:

- Empower Decision-Making

³¹DoDI5000.02 Operation of the Adaptive Acquisition Framework, Jan 2020

Appendix

The AAF empowers MDAs and PMs to make informed decisions that align with sound business practices. This flexibility is crucial for adapting to the unique characteristics of each acquisition program.

- Facilitate Rapid Acquisition

One of the core goals of the AAF is to enable rapid acquisition processes, particularly for urgent operational needs. This includes pathways for quickly developing and fielding capabilities, which can be critical in fast-paced operational environments.

- Support Innovation

The AAF encourages innovation by allowing for the integration of modern acquisition practices, such as agile methodologies and iterative development. This approach helps to ensure that the solutions developed are not only effective but also responsive to changing requirements.

- Streamline Processes

By providing a clear set of pathways and guidelines, the AAF aims to reduce bureaucratic hurdles and streamline the acquisition process. This is intended to enhance the speed and efficiency of delivering capabilities to the military.

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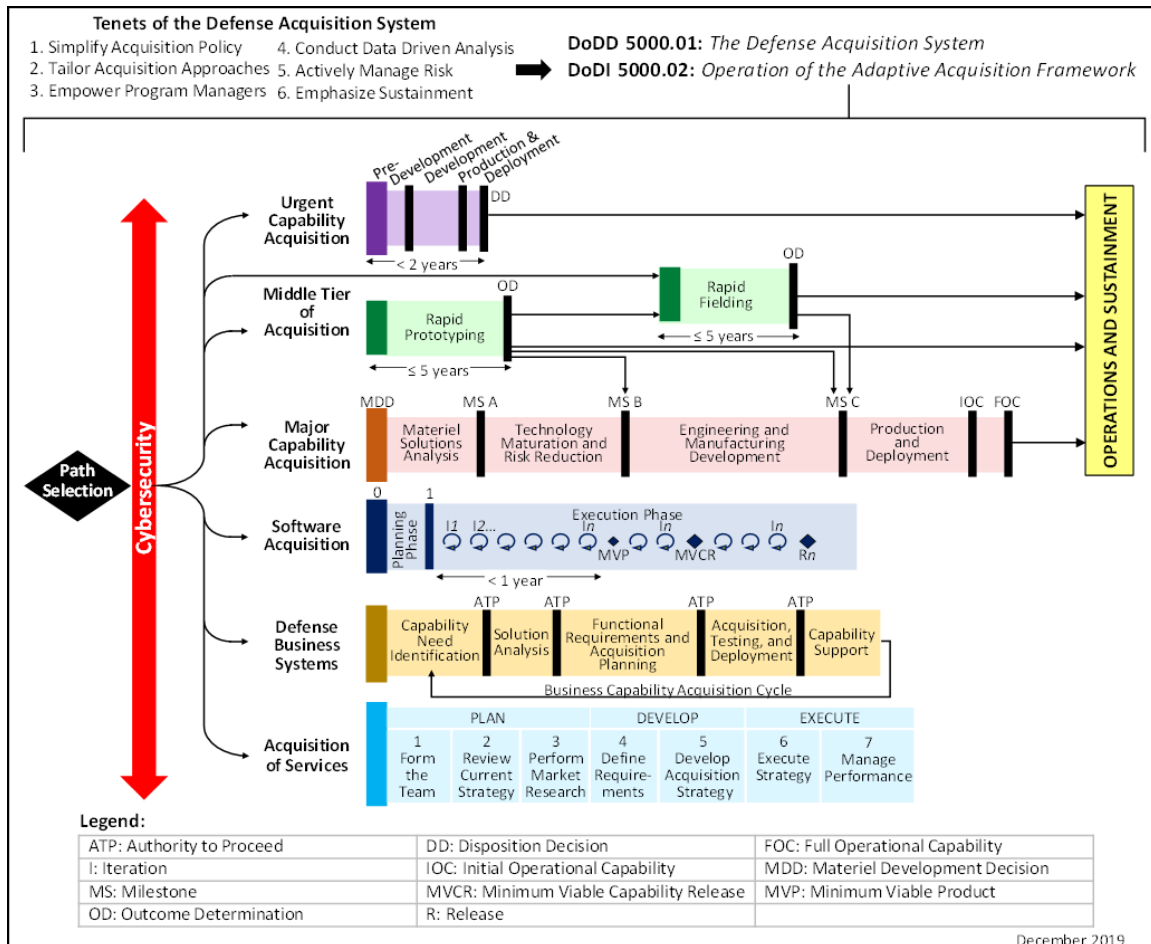


FIGURE 3: THE AAF

In addition to the above, the PM is tasked with “Tailoring in” the regulatory information requirements that will be used to describe the management of the program. In this context, “tailoring-in” means the PM will identify and recommend for MDA/DA approval the regulatory information to be employed to document program plans and how information will be formatted and provided for review by the MDA/DA. This is a reversal from previous policy that encouraged “tailoring out” regulatory information, assessments, and requirements. The PM is also charged with designing strategies to encourage acquisition of “appropriate and cost effective technology solutions and achieve mission success while being mutually advantageous to the DoW and its industry partners.” The PM also will establish a risk management program to ensure program cost, schedule, and performance objectives are achieved.

For additional information on the operation of the AAF and PM responsibilities, see the latest DoWI 5000.02, 2026.

Acquisition Transformation Strategy 2026³²

- Rebuild the Defense Industrial Base
 - Expand the Industrial Base
 - Stabilize Demand Signals
 - Accelerate Private Capital Investment
 - Increase Due Diligence
 - Accelerate Commercial Preference
 - Go Direct-to-Supplier
 - Procure Industry-Driven Solutions
 - Reform Bid Protests
 - Maximize Flexible Contracting
 - Establish the Industrial Base Consortium
- Elevate and Empower the Acquisition Workforce to Rapidly Deliver Capability
 - Acquisition Workforce Excellence
 - Warfighting Acquisition University (WAU)
 - Accountable Program Leadership Terms
 - Portfolio Acquisition Executives
 - Capability Portfolio Management (CPM)
 - Capability Trade Councils
 - Accelerate Planning, Programming, Budgeting, and Execution (PPBE) Reform
 - Incentivize the Workforce
- Maximize Acquisition Flexibility through Reduced Regulations and Processes
 - Middle-Tier Acquisition
 - Digitize Acquisition
 - Portfolio Scorecards and Data-Driven Acquisition
 - Modernize Test Infrastructure
 - Reduce Test Oversight
 - Information Technology Acquisition
 - Replace Analysis of Alternatives (AoAs)
 - Improve Cost Estimation
 - Common-Sense Accounting
 - Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS) Reduction
 - Foreign Military Sales (FMS) Reform

³² Acquisition Transformation Strategy, OSW(A&S), 2026

Appendix

- Develop High Performance Systems through Rigorous Enterprise Technical and Execution Excellence
 - Wartime Production Unit
 - Modernize Systems Engineering
 - Balanced and Flexible Technical Experts
 - Open Systems Architectures
 - Integration in the Adaptive Acquisition Framework
 - Rapidly Generate New Kill Chains
- Improve Effective Lifecycle Risk Management
 - Government Weapons Repair and Maintenance
 - Fixing the Broken Supply Chain
 - Lifecycle Sustainment Plans