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DoDI 5000.85, Major Capability Acquisition (MCA)
August 6, 2020

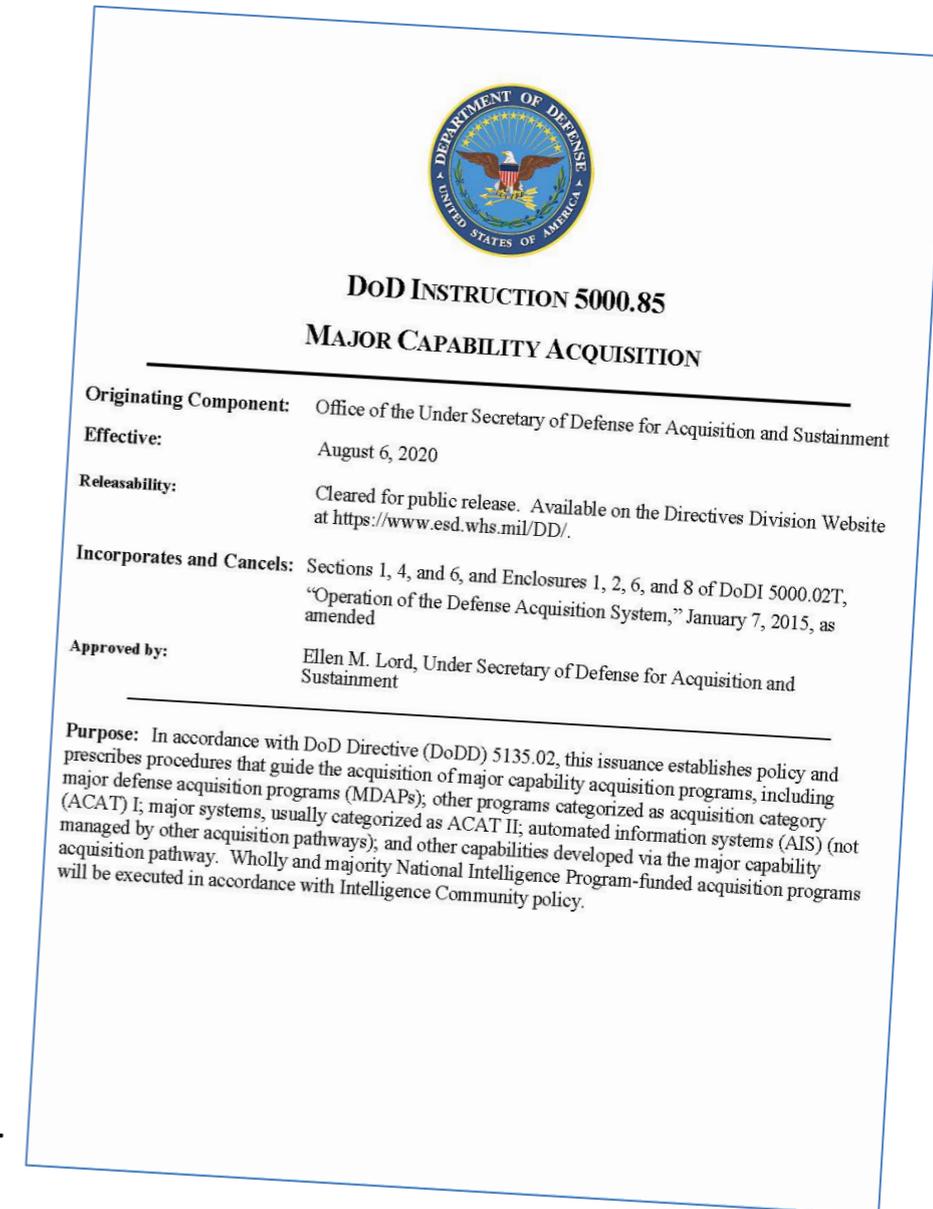


DoDI 5000.85, Major Capability Acquisition (MCA)

6 Aug 2020

- **DoDI 5000.85, Major Capability Acquisition**, is a **new** instruction.
- Implements MCA Pathway of [DoDI 5000.02](#), *Adaptive Acquisition Framework*.
- Applies to:
 - Major Defense Acquisition Programs (MDAPs)
 - Other ACAT I Programs
 - ACAT II Programs
 - Automated Information Systems (AIS) not managed by other pathways
 - Other capabilities developed via the MCA pathway.

- **MDAP**: Estimated to require total expenditure for research, development, and test and evaluation (RDT&E) of more than \$525 million or, for procurement, of more than \$3.065 billion (FY 2020 constant dollars). Categorized as ACAT ID, IC or IB. Milestone Decision Authority (MDA) may categorize other programs as ACAT I, or a “special interest” program may be categorized as ACAT I.
- **ACAT II**: Estimated to require total expenditure for RDT&E of more than \$200 million or, for procurement, of more than \$920 million (FY 2020 constant dollars). Or, as designated by the MDA.
- AIS not managed by other pathways, e.g., pathways for middle tier, urgent needs, software, or business systems.
- MDA’s may require **other capabilities**, such as ACAT III programs to follow the MCA pathway.
- **See Table 1, DoDI 5000.85**





DoDI 5000.85, *Major Capability Acquisition (MCA)*

6 Aug 2020

Topics

- MCA Pathway, Adaptive Acquisition Framework (AAF)
- Summary of Major Provisions
- Section & Enclosure Changes from DoDI 5000.02T
- Enclosures of DoDI 5000.02T Still In Effect
- Responsibilities
- Procedures - General
- Major Changes from DoDI 5000.02T
- Major Capability Acquisition Model
- Milestones, Other Decision Points, & Phases Summarized – Changes from DoDI 5000.02 Highlighted
- Appendices to DoDI 5000.85 – Changes to DoDI 5000.02T Highlighted

This presentation is intended for members of the acquisition community familiar with DoDI 5000.02T. It summarizes major content of DoDI 5000.85, and highlights changes to DoDI 5000.02T. **It is not a substitute for reading DoDI 5000.85.**

Adaptive Acquisition Framework

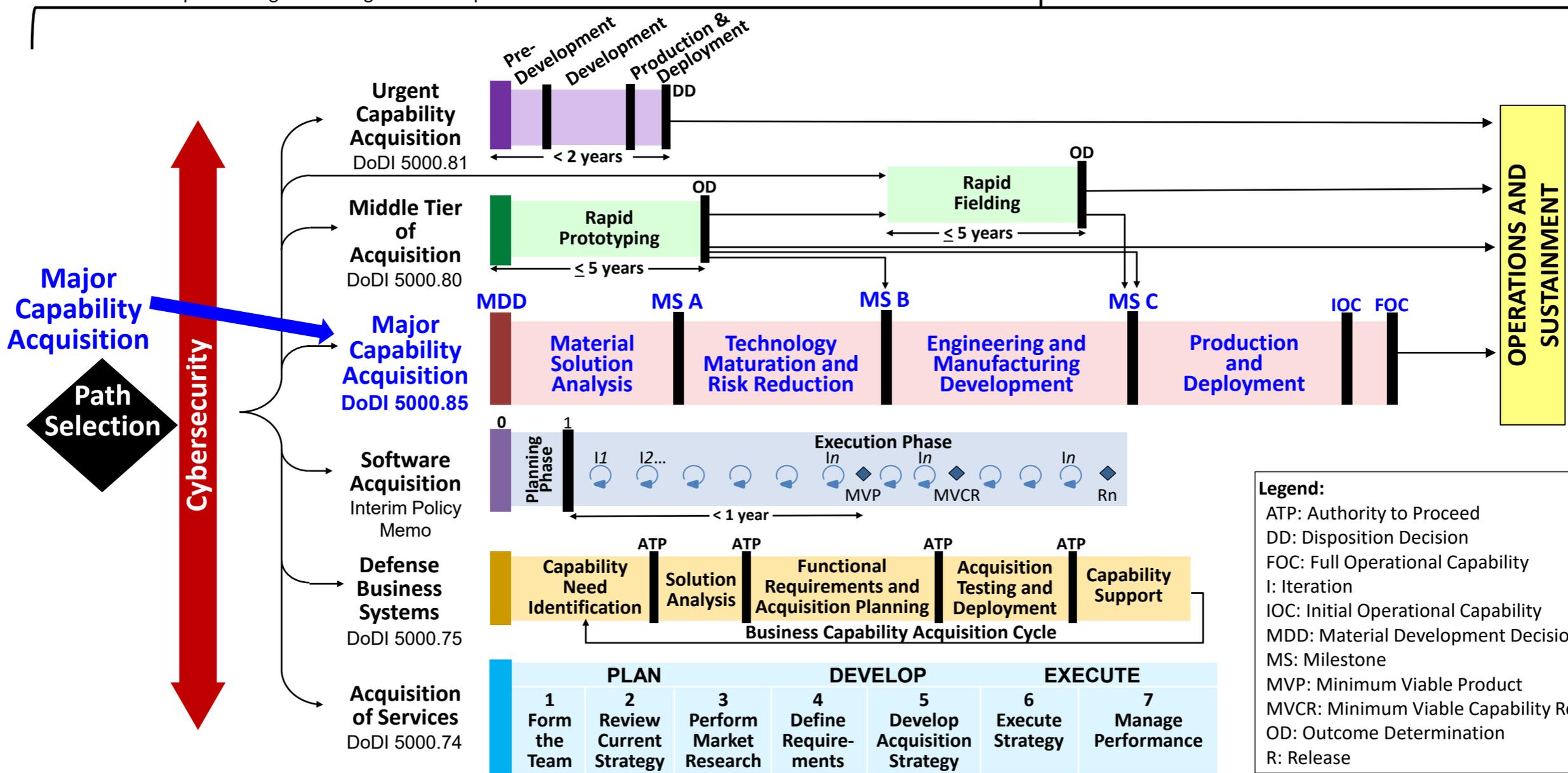
Tenets of the Defense Acquisition System

1. Simplify Acquisition Policy
2. Tailor Acquisition Approaches
3. Empower Program Managers
4. Data Driven Analysis
5. Active Risk Management
6. Emphasize Sustainment



DoDD 5000.01: *The Defense Acquisition System*

DoDI 5000.02: *Operation of the Adaptive Acquisition Framework*





Summary of Major Provisions

DoDI 5000.85, *Major Capability Acquisition*

Policy.

- The overarching management principles that guide the defense acquisition system are set forth in Paragraph 1.2. of [DoDD 5000.01](#), *The Defense Acquisition System*)
- In accordance with DoDI 5000.02, it is DoD policy to deliver operationally effective, suitable, survivable, affordable, secure, and supportable solutions to the end user in a timely manner.
- To that end, the DoD will prioritize speed of delivery, security, continuous adaptation, and frequent modular upgrades to ensure a highly effective and lethal force.
- To achieve that objective, the DoD will employ an adaptive acquisition framework, comprised of acquisition pathways, each tailored for the unique characteristics and risk profile of the capability being acquired.

Assigns Responsibilities in Addition to Those Specified in DoDD 5000.01 to:

- Under Secretary of Defense for Acquisition and Sustainment (USD(A&S))
- Secretaries of the Military Departments
- Military Service Chiefs

Describes Procedures for:

- Major Capability Acquisition
- ACATs (Purpose/Categories)
- Program Information
- Additional Program Management Considerations
- Product Support



Summary, Major Changes From DoDI 5000.02T

Incorporates & Cancels from DoDI 5000.2T	Where Covered in DoDI 5000.85
Section 1, Purpose	Page 1, Title Page
Section 4, Policy	Section 1.2, Policy
Section 6, Procedures	Section 3, MCA Procedures
Enclosure 1, Acquisition Program Categories and Compliance Requirements	<ul style="list-style-type: none">• Appendix 3A, ACATs• Appendix 3B, Program Information
Enclosure 2, Program Management	Appendix 3C, Additional Program Management Considerations
Enclosure 6, Life-Cycle Sustainment	Appendix 3D, Product Support*
Enclosure 8, Affordability and Investment Constraints	<ul style="list-style-type: none">• Section 3, MCA Procedures• Appendix 3C, Additional Program Management Responsibilities• Appendix 3D, Product Support*

*To be superseded by DoDI 5000.UQ, *Product Support Management for the Adaptive Acquisition Framework*



Sections/Enclosures of DoDI 5000.02T Required for MCA Implementation (& Other Pathways as Appropriate)

Enclosures of DoDI 5000.02T Still in Effect	To Be Replaced By
Enclosure 3, Systems Engineering	DoDI 5000.UJ, Engineering (USD(R&E))
Enclosure 4, Developmental Test and Evaluation	DoDI 5000.UF, Test & Evaluation (USD(R&E) and DOT&E)
Enclosure 5, Operational Test and Evaluation	
Enclosure 7, Human Systems Integration (HSI)	• DoDI 5000.PR, HSI in Defense Acquisition (USD(P&R))
Enclosure 13, Cybersecurity	DoDI 5000.CS, Cybersecurity of Acquisition Decision Authorities & PMs (USD(R&E))

When the Adaptive Acquisition Framework (AAF) realignment is complete, DoDI 5000.02T will be cancelled.



DoDI 5000.85, *Major Capability Acquisition (MCA)* Responsibilities

- **Under Secretary of Defense (Acquisition and Sustainment) (USD(A&S)):** USD(A&S) is the Defense Acquisition Executive (DAE) and establishes policies on and supervises all elements of the Department relating to acquisition (including system design, development, and production and procurement of goods and services) and sustainment (including logistics, maintenance, and materiel readiness).
- **Secretaries of the Military Departments:** Secretary of a Military Department acquiring an MDAP represents the customer (i.e., the DoD Component(s) fielding the system). The Secretary acquiring an MDAP:
 - In coordination with Military Service Chiefs, balances resources against priorities and ensures appropriate trade-offs are made among cost, schedule, technical feasibility, and performance throughout the life of the program.
 - Ensures that requirements document supporting a Milestone B or subsequent decision for an MDAP are not approved until Service Chief determines in writing that requirements in the document are necessary and realistic in relation to the program cost and fielding targets established pursuant to [Section 2448a of Title 10, United States Code \(U.S.C.\)](#).



DoDI 5000.85, *Major Capability Acquisition (MCA)* Responsibilities, continued..

- **Military Service Chiefs.** The Military Service Chiefs, not including the Commandant of the United States Coast Guard, assist the Secretary of the Military Department concerned in performing these acquisition-related functions:
 - Decisions regarding the balancing of resources and priorities, and associated trade-offs among cost, schedule, technical feasibility, and performance on MDAPs.
 - The coordination of measures to control requirements creep.
 - The recommendation of trade-offs among life-cycle cost, schedule, and performance objectives, and procurement quantity objectives, to ensure acquisition programs deliver best value in meeting the approved military requirements.
 - Termination of development or procurement programs for which life-cycle cost, schedule, and performance expectations are no longer consistent with approved military requirements and levels of priority, or which no longer have approved military requirements.
 - The development and management of career paths in acquisition for military personnel pursuant to [Section 1722a of Title 10, U.S.C.](#)
 - The assignment and training of contracting officer representatives when such representatives are required to be members of the armed forces because of the nature of the contract concerned.



DoDI 5000.85, *Major Capability Acquisition (MCA)* Responsibilities, continued..

- **For MDAPs, the Service Chief, or for joint programs the Service Chiefs concerned, concur:**
 - With the need for a materiel solution as identified in the materiel development decision (MDD) review prior to entry into the materiel solution analysis (MSA) phase.
 - With the cost, schedule, technical feasibility, and performance trade-offs that have been made with regard to the program before Milestone A approval is granted pursuant to [Section 2366a of Title 10, U.S.C.](#)
 - That appropriate trade-offs among cost, schedule, technical feasibility, and performance objectives have been made to ensure that the program is affordable when considering the per unit cost and the total life-cycle cost before Milestone B approval is granted pursuant to Section [2366b of Title 10, U.S.C.](#)
 - Before Milestone C approval is granted, that the requirements in the requirements document are necessary and realistic in relation to program cost and fielding targets, pursuant to [Section 2448a of Title 10, U.S.C.](#)
- **The Service Chiefs fielding MDAPs will represent the customer, and will advise the milestone decision authority (MDA) on trade-offs before Milestones A and B**

For additional guidance on Sections 2366a and 2366b see the [Milestone Document Identification \(MDID\) tool](#)



DoDI 5000.85, *Major Capability Acquisition (MCA)* Procedures - General

Program Planning

- Emphasizes rapid iterative approach to capability development to reduce costs, avoid technological obsolescence and reduce risk, and capitalize on commercial solutions and non-traditional suppliers, and expand role of warfighters and security, counterintelligence, and intelligence analysis throughout the acquisition process
- Requires reliance on mature, proven technologies and early testing
- Requires open systems architectures and common, open, and consensus-based standards
- Requires flexible and rapid acquisition process using Flexible Implementation procedures – covered later

Decision Reviews

- Purpose is to assess program's readiness to proceed to next phase and make sound investment decisions
- Reviews will be issue and data focused
- Milestone Decision Authority (MDA) is final decision authority. Staffs support MDA's execution of that authority
- Defense Acquisition Board (DAB) advises the Defense Acquisition Executive (DAE) (the USD(A&S)) on critical acquisition decisions when the DAE or designee is the MDA – similar procedures will be established at Component level
- Overarching Integrated Product Teams (OIPTs) at OSD and similar organizations at Component level assist MDA in making sound decisions – they are not decision bodies and do not supplant authority of the PM, PEO, CAE or DAE.



DoDI 5000.85, *Major Capability Acquisition (MCA)* Procedures – General, continued..

Flexible Implementation

- MDAs structure program strategies and oversight, phase content, timing and scope of decision reviews based on specifics of product being acquired – including complexity, risk, security and urgency to satisfy validated capability requirements
- PMs “tailor-in” regulatory information used to describe program at the Materiel Development Decision (MDD) or program inception and recommend to MDA for approval.
- MDAs will coordinate with other regulatory document approval authorities when necessary
- Statutory requirements will not be waived unless permitted by statute.
- Transition of Middle Tier of Acquisition (MTA) Programs ([DoDI 5000.80](#))
 - MTA Rapid Prototyping Programs or prototypes developed under other authorities may transition to MCA pathway at decision points proposed by the PM and approved by the MDA. The technologies may provide the technical foundation for a formal acquisition program, and incrementally improve a program capability in support of approved requirements
 - MTA Rapid Fielding programs may also provide the basis for an MCA pathway program
 - PMs for MTA programs must identify and develop the statutory and regulatory information to facilitate an efficient transition to the MCA pathway

[Defense Acquisition Guidebook \(DAG\)](#) provides discretionary best practice that should be tailored to needs of each program.
(DAG was not identified as a reference in DoDI 5000.02T)



DoDI 5000.85, *Major Capability Acquisition (MCA)*

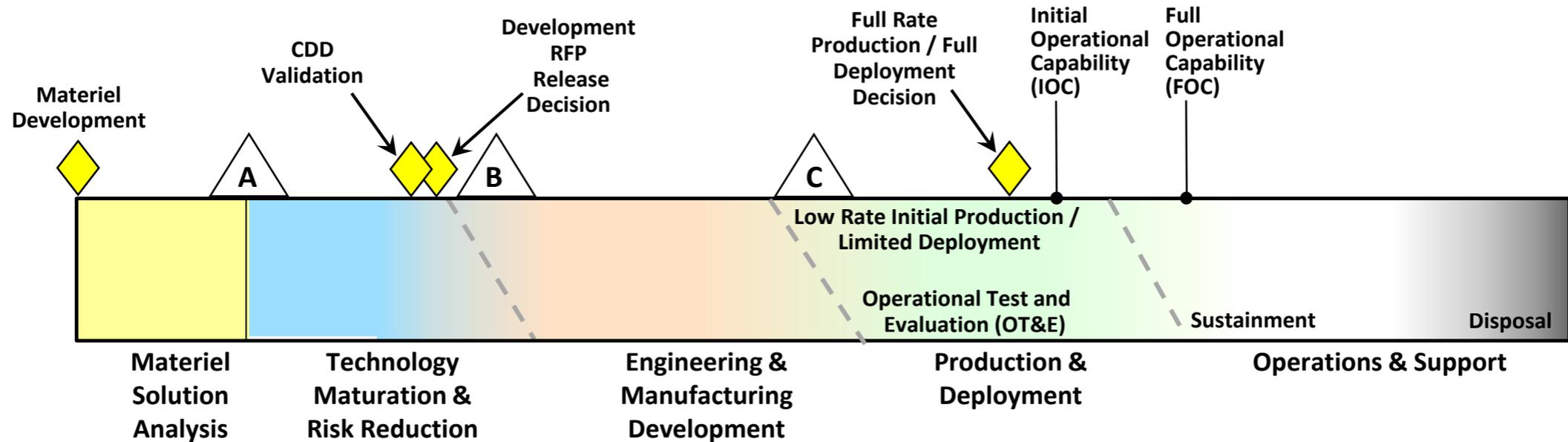
DoDI 5000.85 Major Changes from DoDI 5000.02T

- **Deletes** illustration of Interaction Between the Capability Requirement Process and the Acquisition Process (illustration is still in JCIDS Manual)
- **Streamlines** description of DoD Process Relationships – Acquisition, Requirements and Budgeting
- **Deletes** detailed tutorial on Generic Acquisition Phases and Decision Points
- **Moves** milestone requirement for PM’s request to tailor or waive information requirements for next decision to the “tailor-in” section of flexible implementation, described earlier
- **Revises** Table 2, Description & Decision Authority for ACAT I – III Programs. **Deletes** ACAT IA, and **adds** ACAT IB.
- **Deletes** Tables 3 through 11. Designates [Milestone Document Identification \(MDID\)](#) tool as official source for program information and reporting requirements. [MDID Tables](#) reflect revised versions of the tables in DoDI 5000.02T
- **Streamlines** descriptions of milestones other decision points and phase activities
- **Adds** significant detail on Product Support and Sustainment
- **Deletes five of six Program Models**. Retains Program Model 1, as Major Capability Acquisition Model



DoDI 5000.85, Major Capability Acquisition (MCA) Acquisition Process Decisions and Phases

Figure 2, DoDI 5000.85, Major Capability Acquisition Model



The next series of charts will summarize each milestone, other decision points, and key activities in each phase, followed by a summary of major changes from DoDI 5000.02T



DoDI 5000.85, *Major Capability Acquisition (MCA)* *Material Development Decision (MDD) Summarized*

- Mandatory entry point into MCA process, informed by a validated Initial Capabilities Document (ICD) or equivalent
- Requires Director, Cost Assessment and Program Evaluation (DCAPE) (or Component equivalent for ACAT II and below) to present AoA Study Guidance and approved AoA Study Plan
- Component provides plan to staff and fund program activities up to and including next decision point – normally Milestone A
- Decisions: MDA determines phase of entry and initial review milestone, documented in an Acquisition Decision Memorandum (ADM). AoA Study Guidance and Study Plan attached to ADM.

Change from DoDI 5000.02T: *Deletes* explanation of why MDD is not program initiation. (Includes formal initiation of a program in discussion of Milestone B)



DoDI 5000.85, *Major Capability Acquisition (MCA)* **Matériel Solution Analysis (MSA) Phase Summarized**

- **Purpose.** Conduct AoA and other activities to choose concept for product to be acquired, begin translating validated capability gaps into system-specific requirements, and support planning to support a decision on the program's acquisition strategy
 - **Guided by** the ICD and AoA Study Plan
- **Description.**
 - Focus is on AoA, measures of effectiveness, key cost and capability trades, life-cycle cost, schedule, CONOPs and risk.
 - CAE selects PM and establishes program office
 - Flexible implementation planning completed to support initial program milestone
 - MDAP goal establishment meeting (GEM) conducted and MDA decision
 - Independent cost estimate (ICE) and independent technical risk assessment (ITRA) conducted for MDAPs
 - Product support and sustainment planning begin
 - Phase ends when Component has completed necessary analysis and activities to support decision to proceed to next decision point/phase



DoDI 5000.85, *Major Capability Acquisition (MCA)* MSA Phase Changes from DoDI 5000.02T

- **Adds** requirement to initiate product support and sustainment planning
- **Adds** requirement for Independent Technical Risk Assessment (ITRA) for MDAPs
- **Adds** MDAP goal establishment meeting (GEM) and MDA decision on cost, schedule and performance goals (detailed description in Appendix 3C):
 - Following final AoA outbrief to the Study Advisory Group, MDA provides Joint Staff, USD(A&S), USD(R&E) and DCAPE an options matrix ([Fig. 3, DoDI 5000.85](#)), to support their analysis of AoA results.
 - Within 30 days of AoA outbrief, GEM conducted with component Vice Chief of Staff or the Vice Chief of Naval Operations (for ACAT ID, Vice Chairman JCS) to discuss analysis results.
 - MDA must approve goals for cost, schedule and performance before funds are obligated for technology development, systems development or production. [Fig. 4, DoDI 5000.85](#)
- **Deletes** Concept of Operations/Operational Mode Summary (CONOPS/OMS/MP), see [MDID](#) for all MDD information requirements
- **Deletes** conduct of DAB Planning Meeting



DoDI 5000.85, *Major Capability Acquisition (MCA)*

Milestone A Summarized

- **Purpose**

- Approves entry into the Technology Maturation and Risk Reduction (TMRR) phase.
- Approves acquisition strategy and release of final request for proposals (RFPs) for TMRR
 - Supported by draft Capability Development Document (CDD)

- **Principal Considerations:**

- Justification for and affordability and feasibility of preferred solution
- Identification of technologies that must be matured during TMRR
- Scope of capability requirement trade space; understanding of priorities within trade space
- Technical, cost and schedule risks and plans and funding to offset them during TMRR
- Proposed acquisition strategy
- Test strategy
- Life-cycle mission data plan for each intelligence mission data-dependent program (including cyber) and projected threat and its impact on materiel solution



DoDI 5000.85, *Major Capability Acquisition (MCA)*

Milestone A Summarized, continued..

- PM presents acquisition strategy, business approach, should-cost targets, framing assumptions, risk assessment and planned risk mitigation, and initial product support planning
- Component presents quantitatively supported affordability analysis and demonstrates that the program will be fully funded in the FYDP
- For MDAPs, MDAs must determine with a high degree of confidence that the technology developed will not delay fielding.
- MDA approves:
 - Acquisition strategy for TMRR
 - PM waiver requests
 - Release of final RFP for TMRR
 - Exit criteria to complete TMRR
 - Entrance criteria for the Engineering and Manufacturing Development(EMD) phase
 - Acquisition Decision Memorandum (ADM)



DoDI 5000.85, *Major Capability Acquisition (MCA)* Milestone A, Changes from DoDI 5000.02T

- **Deletes** text dealing with in-house technology maturation and risk reduction
- **Moves** competitive prototyping requirement to section on TMRR phase
- **Deletes** Component Cost Estimate and Component Cost Position – see [MDID](#) tool for all Milestone A information requirements.
- **Adds** “should cost” targets and product support planning to acquisition strategy
- **Adds** draft CDD, approved at Component level
- **Adds** life-cycle mission data plan for each intelligence mission data-dependent program and the projected threat and its impact on the materiel solution
- **Adds** for MDAPs, if MDA determines that a technology related to a major system component will delay the program:
 - The technology must be sufficiently matured and demonstrated in a relevant environment separate from the program, using the prototyping authorities in [subchapter II of Chapter 144B of Title 10, U.S.C.](#), or other authorities, as appropriate.
 - The MDA must have an effective plan for adoption or insertion by the relevant program.



DoDI 5000.85, *Major Capability Acquisition (MCA)* Technology Maturation & Risk Reduction (TMRR) Phase Summarized

- **Purpose.** Reduce technology, engineering, integration and life-cycle cost risk to the point that a decision to contract for EMD can be made with confidence in successful program execution
 - **Guided by** the draft CDD and the acquisition strategy.
- **Description.** Mix of activities intended to reduce program risks including, design and requirements trades necessary to ensure an affordable product and an executable development and production program.
 - *Normally includes multiple competitive sources* conducting technology risk reduction activity to demonstrate new technologies in a relevant environment.
 - Close collaboration with the requirements community informs development and validation of the CDD.
 - Acquisition strategy (includes providing opportunities for small business) describes overall approach to acquiring the capability and includes program schedule, risks, funding, business strategy, and an IP strategy.



DoDI 5000.85, *Major Capability Acquisition (MCA)* TMRR Phase Summarized, continued..

- **Description, continued..**

- PS and sustainment planning continue and will include consideration of data rights.
- Program security and program protection requirements will be evaluated.
- Unless waived by the MDA, a preliminary design review (PDR) will be conducted prior to Milestone B
- An ICE and an ITRA will be conducted for MDAPs before granting Milestone B approval.
- Development testing will be guided by the test and evaluation master plan.

- **Capability Development Document (CDD) Validation**

- During TMRR phase the requirements validation authority validates the CDD (or equivalent)
- CDD validation precedes the Development Request for Proposal Decision Point
- Not an acquisition decision



DoDI 5000.85, *Major Capability Acquisition (MCA)* TMRR Phase Changes from DoDI 5000.02T

- **Reduces** discussion of competitive prototyping – more details in Appendix 3C, Additional Program Management Considerations
- **Moves** discussion of “should cost” management to Appendix 3C,
- **Replaces** Technology Readiness Assessment (TRA), with Independent Technical Risk Assessment (ITRA) for MDAPs
- **Deletes** text on CDD (or equivalent) consistency with affordability goals. However, affordability is stressed throughout the instruction and in JCIDS Manual content for CDD
- **Streamlines** information in section on Program Planning
- **Moves** information on life-cycle considerations for supportability to Appendix 3D, Product Support
- **Moves** requirement for Configuration Steering Boards (CSBs) to Appendix 3C



DoDI 5000.85, *Major Capability Acquisition (MCA)* Development RFP Release Decision Point Summarized

- **Purpose.** To ensure, prior to the release of the solicitation for EMD, that an executable and affordable program has been planned using sound business and technical approach
- **Description.**
 - PM summarizes TMRR phase progress and results, and details strategy for EMD
 - Specific attention to: affordability, maintaining competition, source selection criteria, contract incentives, IP strategy, threat, assessment of foreign ownership control or influence (FOCI), and a modular open system approach (MOSA) to evolve systems capability and establish and maintain interoperability
- **Decisions.** MDA approves
 - Release of final RFP for EMD
 - Criteria for Milestone C approval (T&E accomplishments, exportability and international acquisition planning, LRIP quantity, or scope of limited deployment for AIS, affordability requirements and program goals, sustainment metrics, and FYDP funding)
 - ADM that documents decisions



DoDI 5000.85, *Major Capability Acquisition (MCA)* Development RFP Release Decision Point Changes from DoDI 5000.02T

- **Deletes** statement, “This review is the most critical decision point in an acquisition program”
- **Streamlines** purpose of decision
- **Deletes** details on content of acquisition strategy (some covered elsewhere; all in [MDID](#))
- **Adds** requirement for IP strategy and considerations for FOICI and MOSA
- **Deletes** requirement for documents to be submitted NLT 45 days prior to the review (requirement is in MDID)
- **Deletes** requirement for OSD staff review of EMD RFP for programs for which DAE is MDA
- **Deletes** the four reasons to conduct Low Rate Initial Production (LRIP)
- **Deletes** requirement for PDR prior to Milestone B and award of EMD contract. Highlighted in next section on EMD phase. PDR details are in DoDI 5000.02T, Enclosure 3, pending issuance of new Engineering instruction.
- **Deletes** reference to MDA Certification and Determination for Milestone B, pursuant to 10 USC 2366b (see MDID for all milestone and other decision point requirements)



DoDI 5000.85, *Major Capability Acquisition (MCA)* Milestone B Summarized

- **Purpose.** Authorizes program to enter EMD phase and award of phase contracts.
 - Requirements for MS B may have been satisfied at Development RFP Release Decision (DRFPRD); however, if significant changes have occurred that would alter decisions made at DRFPDR , those changes must be addressed at MS B review
- **Description.** Review requires
 - Demonstration that all sources of risk have been adequately mitigated
 - Validated CDD
 - Full funding in FYDP
 - Compliance with affordability/program goals demonstrated through technical assessments
 - ICE for MDAPs and other programs if directed
- **Decisions.** MDA approves
 - Entry into EMD & formal initiation of program by Acquisition Program Baseline (APB) approval
 - EMD exit criteria & technical event-based criteria for initiating production or fielding at MS C
 - LRIP quantity



DoDI 5000.85, *Major Capability Acquisition (MCA)* Milestone B Changes from DoDI 5000.02T

- **Moves** description of the Acquisition Program Baseline (APB) to Appendix 3C
- **Moves** “framing assumptions” to Acquisition Strategies in Appendix 3C
- **Deletes** decision on waiver requests for regulatory information for next milestone. (see “tailoring in” provision, para. 3.2, Flexible Implementation). (*Note. this decision is listed for Milestone A*)
- **Deletes** reference to Table 3 for Milestone B statutory and regulatory requirements (see [MDID](#) for all milestone and other decision point requirements)



DoDI 5000.85, *Major Capability Acquisition (MCA)* Engineering & Manufacturing Development (EMD) Phase, Summarized

- **Purpose.** Develop, build, test, and evaluate a materiel solution to verify all operational and implied requirements, including those for security, have been met
- **Description.**
 - Complete all needed hardware and software detailed design
 - Conduct Critical Design Review (CDR) to assess design maturity build-to or code-to documentation, and remaining risks, and establish initial technical baseline
 - If PDR prior to Milestone B was waived, schedule as early as possible during this phase
 - Conduct developmental testing and evaluation (DT&E) to provide feedback on progress of design and on compliance with contractual requirements, effective combat capability, and ability to achieve key performance parameters (KPPs) and key system attributes (KSAs)
 - Operational test (OT) organizations conduct independent evaluations, operational assessments, or limited user tests to provide initial assessments of operational effectiveness, suitability, survivability, and the ability to satisfy KPPs and KSAs
 - Maximize opportunities to combine contractor and Government DT and conduct integrated DT and operational testing when feasible



DoDI 5000.85, *Major Capability Acquisition (MCA)* EMD Phase, Summarized, continued..

- **Description, continued..**

- Finalize designs for Product Support (PS) elements and integrate into comprehensive support package documented in a PS Strategy (PSS)
- Demonstrate PS performance through verification means that satisfy the sustainment requirements within MDA-approved program goals established at Milestone A
- Plan, fund, design, and develop training devices in parallel with the operational system.
- Release of RFPs for production and deployment (P&D) phase must be approved by MDA
- Conduct an ICE and ITRA for MDAPs before beginning LRIP
- Phase ends when design is stable; system meets validated capability requirements demonstrated by developmental, live fire (as appropriate), and early operational testing; manufacturing processes have been effectively demonstrated and are under control; software sustainment processes are in place and functioning; industrial production capabilities are reasonably available; program security remains uncompromised; and program has met or exceeds all directed exit criteria and Milestone C entrance criteria



DoDI 5000.85, *Major Capability Acquisition (MCA)* EMD Phase Changes from DoDI 5000.02T

- **Deletes** reference to Systems Engineering Plan (SEP) and Enclosure 3, DoDI 5000.02T – however, Enclosure 3, DoDI 5000.02T remains in effect until issuance of new Engineering instruction. SEP requirement is in MDID.
- **Streamlines** information on DT&E and early OT&E events and **deletes** reference to TEMP and to Encl 4 (DT) and Encl 5 (OT), DoDI 5000.02T – however, Encl 4 and 5, DoDI 5000.02T remain in effect until issuance of new instruction on T&E. Requirement for TEMP is in [MDID](#)
- **Adds** requirement for Training Devices to be planned, funded, designed, and developed in parallel with the operational system
- **Moves** details on Preparation for Production, Deployment and Sustainment to Appendix 3C
- **Deletes** explanation of Concurrency Between EMD and Production
- **Deletes** description of Inherently Government Function and Lead System Integrators (LSI)
- **Deletes** description and authorization for Advance Procurement of Long Lead Items



DoDI 5000.85, *Major Capability Acquisition (MCA)* Milestone C Summarized

- **Purpose.** Program reviewed for entrance into Production & Deployment Phase.
- **Description.** Information considered:
 - Results of DT&E and early operational T&E
 - Evidence that the production design is stable
 - Results of an operational assessment (if conducted)
 - Software maturity
 - Significant manufacturing risks
 - Critical intelligence parameters
 - Intelligence mission data requirements
 - Full Funding in FYDP
- **Decisions.** MDA approves
 - Entry into the P&D Phase
 - Entry into LRIP or Limited Deployment for AIS
 - Authority to award contracts for the phase

High Cost First Article Combined Milestone B & C Decisions.

Some programs such as spacecraft and ships will not produce prototypes during EMD for use solely as test articles because of the high cost. First article produced will be tested and evaluated, and then fielded as an operational asset. The acquisition approach can be tailored by measures such as combining development and initial production investment commitments and a combined Milestone B and C.



DoDI 5000.85, *Major Capability Acquisition (MCA)* Milestone C Changes from DoDI 5000.02T

- **Deletes** requirement for MDA to consider validated Capability Production Document (CPD) or equivalent requirements document; demonstrated interoperability; demonstrated operational supportability; costs within affordability caps; properly phased production ramp up; and deployment support. See Appendix 3C, Appendix 3D, and see [MDID](#) for all milestone and other decision point requirements
- **Deletes** requirement for MDA to consider any new validated threat environments
- **Deletes** requirement for MDA to consult with the requirements validation authority to ensure capability requirements are current. See Appendix 3C for requirement for acquisition strategy to address capability requirements
- **Adds** requirement of MDA to consider status of critical intelligence parameters and intelligence mission data requirements
- **Adds** MDA decision to approve contracts for the phase



DoDI 5000.85, *Major Capability Acquisition (MCA)* Production & Deployment Phase, Summarized

- **Purpose.** Produce and deploy requirements-compliant materiel solutions to the receiving operating organizations
- **Description.**
 - Product is produced and fielded or deployed for use by operational units
 - Guided by an updated CDD if required, the acquisition strategy, and T&E master plan
 - Key Events: LRIP, Personnel training, Completion of DT&E (if required), Initial OT&E (IOT&E), Full-Rate Production (FRP) or Full-Deployment (FD) decision
 - All system sustainment and support activities are initiated if not already begun,
 - Operational authority declares IOC
 - “Should cost” management and other techniques used to control and reduce costs
 - For DOT&E Oversight List programs, DOT&E provides report as to whether program is operationally effective, suitable and survivable before MDA makes decision to proceed beyond LRIP or limited deployment
 - If LRIP is not conducted for programs on the DOT&E oversight list, production representative test articles must be provided for the conduct of operational and live fire testing



DoDI 5000.85, *Major Capability Acquisition (MCA)* Production & Deployment (P&D) Phase Changes from DoDI 5000.02T

- **Deletes** description of LRIP and Limited Deployment.
- **Deletes** reference to Enclosures 4 and 5 for details about DT, OT and the TEMP. However, Encl 4 and 5 of DoDI 5000.02T are still in effect until issuance of new instruction on T&E.
- **Streamlines** discussion of OT&E



DoDI 5000.85, *Major Capability Acquisition (MCA)* Full Rate Production (FRP) or Full Deployment (FD) Decision, Summarized

- **Purpose.** Assess results of IOT&E and initial manufacturing
- **Description.**
 - FRP requires control of manufacturing process, acceptable performance and reliability, establishment of adequate sustainment and support systems
 - For MDAPs requires an ICE and ITRA
 - Informed by consideration of any new threat environments that might affect operational readiness
 - MDA may consult with requirements validation authority to ensure capability requirements are current
- **Decisions.** MDA approves
 - FRP or FD
 - ADM documenting decisions



DoDI 5000.85, *Major Capability Acquisition (MCA)*

FRP or LD Decision Changes from DoDI 5000.02T

- ***Deletes***, “Except as specifically approved by the MDA, critical deficiencies identified in testing will be resolved prior to proceeding beyond LRIP or limited deployment. Remedial action will be verified in follow-on test and evaluation”



DoDI 5000.85, *Major Capability Acquisition (MCA)* Operations & Support Phase, Summarized

- **Purpose.** Executes the Product Support Strategy (PSS) satisfies materiel readiness and operational support performance requirements including personnel training, and sustains the system over its life cycle, including disposal.
 - O&S phase begins upon fielding of first system(s), which may precede IOC, and is based on an MDA-approved PSS.
- **Description.** Includes two major efforts, Sustainment and Disposal
 - Sustainment. Deploy support package and monitor its performance IAW PSS
 - IP deliverables and associated license rights, tools, equipment, and facilities programmed and acquired to support each levels of maintenance that will provide PS
 - Organic depot maintenance capability, consistent with statute and PSS, are established.
 - Remains affordable and continues to seek cost reductions by applying “should cost” management and other cost reduction techniques
 - PM measure, assess, and report system readiness, and implement corrective actions for trends diverging from required performance outcomes defined in APB and PSS



DoDI 5000.85, *Major Capability Acquisition (MCA)* *Operations & Support Phase, Summarized, continued..*

- **Description.** Includes two major efforts, Sustainment and Disposal
 - Sustainment, continued..
 - Over program life cycle, operational needs, training requirements, technology advances, evolving threats, process improvements, fiscal constraints, plans for follow-on systems, changes to industrial base, or a combination may warrant revision to PSS
 - When revising PSS, PM will revalidate supportability analysis and review most current PS requirements, senior leader guidance, and fiscal assumptions to evaluate system support changes or alternatives to determine best value
 - Disposal.
 - At the end of its useful life, system will be demilitarized and disposed of in accordance with all legal and regulatory requirements and policy relating to safety (including explosives safety), security, and the environment, in accordance with the PSS
 - Disposal planning will include consideration of retirement, disposition, and reclamation



DoDI 5000.85, *Major Capability Acquisition (MCA)* Operations & Support Phase Changes from DoDI 5000.02T

- **Changes** Life Cycle Sustainment Plan (LCSP) to Product Support Strategy (PSS)
- **Changes** start of O&S Phase from “after the production or deployment decision” to “upon fielding of first system(s), which may precede IOC”
- **Deletes** reference to Enclosure 6, Life Cycle Sustainment, DoDI 5000.02T. See Appendix 3C(2), PS and Supportability Planning, and Appendix 3D, Product Support
- **Deletes** reference to Enclosure 7, DoDI 5000.02T for human systems integration (HSI). However, Encl 7, DoDI 5000.02T is still in effect until issuance of new instruction on HSI



Implementation of DoDI 5000.85 for Space Systems Acquisition

Page 17, **(b) High-Cost First Article Combined Milestone B and C Decisions**. Some programs such as spacecraft and ships will not produce prototypes during EMD for use solely as test articles because of the high cost of each article. In that case, the first article produced will be tested and evaluated, and then fielded as an operational asset. The acquisition approach for these programs can be tailored by measures such as combining development and initial production investment commitments and a combined Milestone B and C. Additional decision points with appropriate criteria may be established for subsequent production commitments.



DoDI 5000.85, Major Capability Acquisition (MCA) Appendices to Section 3, MCA Procedures

Unlike the previous series of charts on acquisition milestone, other decision points and phases, the information in the 4 Appendices to Section 3, DoDI 5000.85, is not summarized on the next series of charts; however, the major differences from DoDI 5000.02T are described. For more detail see each of the appendices.



DoDI 5000.85, *Major Capability Acquisition (MCA)*

Appendix 3A, ACAT, Changes to DoDI 5000.02T

Revises and replaces ACAT information and Table 2, Enclosure 1, DoDI 5000.02T

- **Adds** [Table 1, Description and Decision Authority for ACAT I – III Programs](#)
 - **Deletes** ACAT IA
 - **Adds** ACAT IB
 - **Changes** dollar thresholds for MDAPs to: RDT&E expenditure of more than \$525 million in FY2020 constant dollars, or for procurement more than \$3.065 billion in FY2020 constant dollars
 - **Changes** dollar thresholds for ACAT II to: RDT&E expenditure of more than \$200 million in FY2020 constant dollars, or for procurement more than \$920 million in FY2020 constant dollars
- **Adds** detailed description of ACAT IB Programs (implementation of [10 USC 2430\(d\)](#) (see next chart))
- **Streamlines** Program Re-categorization, “MDA will consider re-categorization when at any point in a program there is program cost growth within 10 percent of the next highest ACAT level”



ACAT IB Programs 10 USC 2430(d)

MDA for an MDAP reaching Milestone A after October 1, 2016, shall be the SAE of the military department that is managing the program, unless the USD(A&S) designates another official to serve as the milestone decision authority.

- MDAPs for which the SAE is the MDA are designated ACAT IB programs
 - ACAT ID Programs – USD(A&S) is MDA
 - ACAT IC Programs – USD(A&S) has delegated ACAT ID MDA to Components
- If USD(A&S) delegates an alternate MDA for an ACAT IB program, the ACAT IB will be re-designated as ACAT ID
- If an alternate MDA is designated for an ACAT IB program, the Military Department may request reversion of responsibility back to the SAE; USD(A&S) must decide within 180 days of receiving the request
- If the program reverts back to the SAE, it becomes ACAT IB again (not ACAT IC)
- ACAT IB programs must comply with all statutes requiring MDAP information be provided to OSD or the USD(A&S)



DoDI 5000.85, *Major Capability Acquisition (MCA)* Appendix 3B, Program Information, Changes to DoDI 5000.02T

Replaces and revises Tables 3 through 11, Enclosure 1, DoDI 5000.02T,

- **Deletes** Tables for Milestone and Phase Information; APB; Program Breach Definitions; Recurring Reports; Exceptions, Waivers, and Alternative Management Reporting Requirements; Cost and Software Data Reporting; EVMS Application Requirements; EVMS Reporting Requirements; and, Clinger-Cohen Act Compliance
- **Revises and updates** DAU's [MDID website](#) revised to contain all information required by these tables
- **Requires** that PMs comply with online requirements in MDID consistent with policy specified in DODI 5000.85
- **Provides for “tailored-in” approach** for regulatory information (previously covered in this presentation under General Procedures “Flexible Implementation”)
- **Requires statutory requirements be satisfied** unless the statute provides for a waiver.



DoDI 5000.85, Major Capability Acquisition (MCA)

Appendix 3C, Additional Program Management Considerations, changes to Enclosure 2, Program Management, DoDI 5000.02T

- **Deletes** descriptions of Acquisition Chain of Command and Assignment of Program Executive Officers (PEOs)
- **Deletes** requirement for PM to enter into Program Management Agreement (PMA) with immediate supervisor
- **Deletes** experience requirements and DAWIA certification of PMs (see Table 1, DoDI 5000.66)
- **Deletes** required period of assignment and tenure as an MDAP PM (see Table 1, DoDI 5000.66)
- **Deletes** specific PM responsibilities for an MDAP prior to and after Milestone B approval
- **Adds** Product Support and Supportability Planning to Acquisition Strategy
- **Adds** Investment Management (See earlier chart on [MSA Phase Changes to DoDI 5000.02T](#))
 - Options Matrix and analysis of AoA results
 - Sample Program Cost, Fielding and Performance Goals Memorandum
- **Adds** requirement for Configuration Steering Board (CSB) (formerly described in the CDD Validation and CSBs paragraph in DoDI 5000.02T)



DoDI 5000.85, Major Capability Acquisition (MCA)
Appendix 3C, Additional Program Management Considerations,
changes to Enclosure 2, Program Management, DoDI 5000.02T, continued..

- **Adds** requirement for PMs to design system for exportability to foreign partners, except when program has MDA approved waiver allowing for a U.S. only design.
 - PMs for MDAPs pursuing U.S.-only design and not planning for export require MDA-approved exportability design waiver which must be reviewed at each milestone. If a program has been approved for a waiver for a U.S.-only design, the MDA will notify the USD(A&S) and requirements validation authority (waiver process will be in DAG)
 - For systems with export markets, programs must conduct exportability roadmap study beginning NLT than Milestone B (content of study will be in DAG)
- **Adds** to the 10 risk mitigation techniques listed in DoDI 5000.02T:
 - Intelligence analyses, data dependencies, and threat projections
 - Analysis or detailed identification of sub-tiers in the prime contractor supply chain
- **Adds** requirement for integrating environment, safety, and occupational health (ESOH) considerations into decision-making process
- **Adds** requirement for Records Management IAW [44 USC Ch 31](#), [DoDI 5015.02](#) & [DoDI 5000.82](#)



DoDI 5000.85, *Major Capability Acquisition (MCA)* Appendix 3D, Product Support, changes to DoDI 5000.02T

Replaces Enclosure 6, Life-Cycle Sustainment, DoDI 5000.02T

- **Changes** the Life-cycle Sustainment Plan (LCSP) to Product Support Strategy (PSS)
- **Adds** details on the Business Case Analysis (BCA) that validates the Product Support (PS) package, and provides means to tailor a PSS:
 - Software PS Planning
 - Defense Logistics Agency (DLA) Storage & Distribution Capacity
 - Inventory Accountability
 - Unique Automatic Test Equipment (ATE)
 - Facilities & Real Property
 - Participation of weapons system PMs
 - Support Strategies

Appendix 3D, Product Support, is approximately double the material in DoDI 5000.02T

Appendix 3D will be superseded by DoDI 5000.UQ, *Product Support Management for the Adaptive Acquisition Framework*



DoDI 5000.85, *Major Capability Acquisition (MCA)*

Appendix 3D, Product Support, changes to DoDI 5000.02T, continued..

- **Adds** considerations for Product Support (PS) and Sustainment across the life cycle

– **Matériel Development Decision (MDD)**

- Early and Continuous Consideration of Sustainment Factors
- PSS Development and Implementation
- Milestone A or Initial Program Milestone
- ESOH
- Software PS Planning
- PS Assessments and Refinements
- Competition in Sustainment
- Core Capability
- Cost & Software Data Reporting (CSDR)
- Energy Resiliency
- Supply Chain Risk Management (SCRM)
- Critical Sustainment Cost Driver Management
- Integrated PS
- Intellectual Property (IP)
- Metrics



DoDI 5000.85, *Major Capability Acquisition (MCA)*

Appendix 3D, Product Support, changes to DoDI 5000.02T, continued..

- Considerations for Product Support (PS) and Sustainment across the life cycle, continued..
 - **Milestone B**
 - Corrosion Prevention & Control (CPS)
 - Counterfeit Material Prevention
 - Demilitarization & Disposal Planning
 - Diminishing Manufacturing Sources & Material Shortages (DMSMS) & Obsolescence Management
 - [Financial Improvement & Audit Readiness*](#)
 - “Should Cost” Management
 - System Modifications
 - **Milestone C & Beyond**
 - Initiation of systems modifications, as necessary, to improve performance, enhance sustainability, and reduce ownership costs, is consistent with limitations prescribed in [10 USC 2244a](#)
 - Additionally, PM and PSM will validate the support package considerations through a PS BCA (described earlier)

*readiness changed to “remediation” starting with the 2019 reports



DoDI 5000.85, *Major Capability Acquisition (MCA)*

Appendix 3D, Product Support, changes to DoDI 5000.02T, continued..

- **Adds** to PSS (formerly LCSP)
 - Replaced System Sustainment Plan (RSSP)
 - Programmatic ESOH Evaluation
 - Software PSS
 - Examples of Additional Annexes
 - System Disposal Plan
 - Facilities Management Plan
 - Corrosion Prevention & Control (CPC)
- **Adds** to Sustainment Metrics details from the 2018 version of the JCIDS Manual
- **Adds** requirement for Sustainment Reviews (SRs) IAW [10 USC 2441](#), NLT 5 years after IOC
- **Adds** requirement report Independent Logistics Assessment (ILA) results to the Assistant Secretary of Defense for Sustainment via the OSD Acquisition Information Repository upon completion of the ILA report or sustainment review (SR) report.