



DEPARTMENT OF THE AIR FORCE
WASHINGTON DC

OFFICE OF THE ASSISTANT SECRETARY

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MEMORANDUM FOR AIR FORCE PROGRAM EXECUTIVE OFFICERS
ASSISTANT SECRETARY OF THE AIR FORCE FOR FINANCIAL
MANAGEMENT AND COMPTROLLER
COMMANDER, AIR FORCE MATERIEL COMMAND
DCS/LOGISTICS, ENGINEERING & FORCE PROTECTION

FROM: SAF/AQ
1060 AF Pentagon
Washington DC 20330-1060

SUBJECT: Air Force Rapid Sustainment Office Implementation Plan

Overview: On 23 July 2018, the Secretary of the Air Force tasked the Assistant Secretary of the Air Force for Acquisition, Technology, and Logistics (SAF/AQ) and the Commander of Air Force Materiel Command (AFMC) to stand up the Air Force Rapid Sustainment Office (RSO). This memo provides implementation guidance for creating the RSO, including vision and guiding principles, oversight, personnel, funding, contracting, and facilities.

Vision/Guiding Principles: To advance SECAF direction and “...leverage mature, new, and emerging technology to reduce sustainment costs and improve readiness...” the RSO will play a role in sustainment analogous to a research laboratory in development. Its customer base—the logistics and sustainment enterprise—should come to view it as their center of excellence for identifying, maturing, and transitioning technologies with traceable and measurable readiness impacts, cost reductions, and ease of use.

The RSO will push the bounds of Air Force logistics and sustainment by drawing from digital, commercial, and government technologies. Technology application, experimentation, process development, and training will be its primary focus areas. To avoid the well-documented valley of death that plagues technology transition, the RSO will be judged by its ability to be “cost negative,” saving more money than it costs by October 2020. To succeed in this, it will create a mission-focused culture that envisions applications of new technologies and processes; builds lasting partnerships with industry, academia, and maintainers; fails fast; and, learns from every failure, demonstrating continued improvement.

Oversight: The RSO will be established under the Program Executive Office (PEO) organizational construct with oversight responsibilities assigned to SAF/AQ and AFMC, accordingly. A Board of Directors, co-chaired by SAF/AQ and AFMC/CC, will advocate for and oversee the activities of the RSO during its two-year trial period. This board will assess and certify that RSO investments will produce cost savings and improved readiness within reasonable timeframes. At the end of two years, the board will submit a report to the Secretary of the Air Force detailing RSO performance and recommending whether to establish it

permanently. The RSO will operate much like the Rapid Capabilities Office with streamlined processes, tailored acquisition, and direct access to Air Force senior leaders. SAF/AQ and AFMC are responsible for ensuring RSO tasks do not become encumbered by bureaucracy.

To ensure responsiveness to operator needs, the RSO will develop a process to gather and prioritize cross-cutting technology requirements from stakeholders. To enable speed of decisions required by the RSO, the Air Force Logistics Board will review requirements and provide prioritized recommendations to the Board of Directors. Additionally, SAF/AQ and AFMC will leverage the current Acquisition and Sustainment Review (ASR) process to review RSO activities with the Major Commands (MAJCOMs) and ensure responsiveness to their needs. Wherever possible, investments will be leveraged across MAJCOM missions. Customer feedback will be a driving factor in considering whether to establish the RSO permanently.

Personnel: Because of its unique requirements for technical, business, and operational experience, the RSO will require a highly-competent government team. To maintain speed and agility, the core team will be kept small. Twenty-six additional billets will be added over time to fill the Director (1) and Deputy Director (1) positions and fill out needed competencies in Program Management (3), Logistics (4), Operations Research Analyst (3), Engineering (4), Contracting (3), Finance (2), Cyber/Information Technology (2), Training Specialist (1), Maintenance Subject Matter Expert (1), and Executive Assistant (1).

The RSO will operate in a “hub and spoke” model by building partnerships with academia, university-affiliated research centers, and industry consortiums. The core government team will seek to maximize the work done outside the Air Force, reserving internal activities for ones with little academic or industry interest. By pursuing this model, a small government team should have multiplied impact while keeping operating costs low.

Funding: An approved and stable Operational and Maintenance (O&M) funding baseline in Centralized Asset Management (CAM) Weapon System Sustainment (WSS) is essential for program success. Therefore, CAM/WSS should fund the Enterprise Weapon System Sustaining Engineering program group to low risk. An approved and stable Research, Development, Test and Evaluation (RDT&E) funding baseline is equally important and should be established. Funds will be granted only if predicted cost savings and readiness improvements have been verified. During the two-year trial period, funding targets for the RSO will be [\$100M] in FY19 and [\$200M] in FY20. Sources of this funding may also include Congressional Adds (RDT&E), Rapid Innovation Fund (RDT&E), and Air Force Working Capital Fund Capital Improvement Program. The Assistant Secretary of the Air Force for Financial Management and Comptroller (SAF/FM) will identify the appropriate funding mechanisms and independently measure return on investment success.

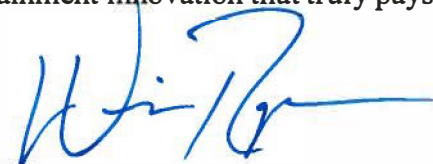
Contracting: Robust contracting and transaction authorities are essential tools to enable rapid, widespread transition and fielding activities. During its trial period, the RSO director will exercise PEO approval authority, including justification and approval (J&A) and blanket Military Interdepartmental Purchase Request (MIPR) approval. Furthermore, the RSO requires Procuring Contracting Officers (PCO) with unlimited warrants and Agreements Officer (AO) authority to issue, negotiate and leverage other transactions and instruments including: grants, cooperative

research and development agreements (CRADAs), technology investment agreements (TIAs), partnership intermediary agreements (PIAs), undefinitized contract actions (UCAs), federally funded research and development centers (FFRDCs), small business innovation research (SBIR) and small business technology transfer programs (STTRs). SAF/AQ will ensure these are provided to the RSO with business and contract clearance authorities delegated to the greatest feasible extent.

Facilities. The RSO operates in a geographically-separated, distributed operations structure. Although the Director will be located at Wright-Patterson AFB, the organization will operate at multiple locations across the United States. Given the intent is to keep the core government team lean and agile, there is no intention of moving any personnel across state lines or increasing positions at any location greater than 35 personnel, negating the need for a Strategic Basing decision.

Because much of the rapid technology insertion is conducted by mobile teams working with industry, academia, and operators, it requires physical space for both collaboration and experimentation. To ensure success, the RSO will contract for facility space that enables the right equipment and collaborative opportunities with academia, industry, research, sustainment, and acquisition personnel to collectively work together. The RSO must have the authority to use agile methods to procure the appropriate space necessary for success, similar to the establishment of the Kessel Run Experimentation Lab.

Conclusion: Logistics and Sustainment are key to Air Force Readiness, yet they receive little focus in Air Force Research and Development. By partnering with academia, industry, as well as Air Force operators, the RSO will drive sustainment innovation that truly pays for itself.



William B. Roper, Jr.
Assistant Secretary of the Air Force
(Acquisition, Technology & Logistics)