



DEPARTMENT OF THE AIR FORCE
WASHINGTON, DC

OFFICE OF THE ASSISTANT SECRETARY

MAR 5 2019

MEMORANDUM FOR PROGRAM EXECUTIVE OFFICERS
AF PANEL CHAIRS
AF BOARD MEMBERS

SUBJECT: Air Force Cost Assessments Supporting Middle Tier Acquisition Programs

1. Section 804 of the 2016 National Defense Authorization Act granted rapid prototyping and rapid fielding authorities to the Services for designated Middle Tier of Acquisition (or MTA) acquisition programs. While this legislation provides a pathway for accelerating acquisition timelines, rigorous and objective cost estimating remains an important decision-making tool for acquisition leaders. The below guidance outlines flexible, best practices to accommodate anticipated variations of MTA programs.

2. For all MTA programs, SAF/FMC and SAF/AQX will collaborate on what program events drive the need for a cost estimate update and what level of cost estimating fidelity is best suited for those particular events. This collaboration will occur in a recurring forum to assist both organizations in their respective planning. For Air Force MTA programs where the Service Acquisition Executive is the Milestone Decision Authority, a Non-Advocate Cost Assessment (NACA) or Service Cost Position (SCP) should be conducted for the following phases and acquisition events.

General MTA Guidelines

Alpha (prototyping)	NACA	SCP
Acquisition Strategy (Approved ADM)	X	
Major Decision Points		X
RFP Release	X	
Pre-Contract Award		X
Annual (supports Planning/POM & any Acquisition reviews)	X	
Beta (Fielding & Initial Production)	NACA	SCP
Acquisition Strategy (Approved ADM)	X	
Major Decision Points		X
RFP Release	X	
Pre-Contract Award		X
Annual (supports Planning/POM & any Acquisition reviews)	X	
IOC - Annual NACA becomes SCP		
Gamma (Modernization & Follow-On Production)	NACA	SCP
Entry into Gamma Decision Point		X
Each Modernization/Follow-On Configuration Decision Point		X
Pre-Contract Award		X
Annual (supports Planning/POM & any Acquisition reviews)	X	
Delta (Operations & Sustainment)	NACA	SCP
Major Decision Points		X
Annual (supports Planning/POM & any Acquisition reviews)	X	

SAF/FMC will include Operations and Sustainment (O&S) requirements in its estimates wherever possible given that early design decisions drive final sustainment costs and are hard to adjust after-the-fact.

3. It is an important best practice for any cost estimate to have an accompanying document describing the technical baseline for which the estimate was developed. Current terminology describes that document as a Cost Analysis Requirements Description (CARD). For the events where a NACA or SCP is required, an accompanying tailored CARD should be provided by the program office. The tailored CARD should be signed by the Program Manager and submitted to the Air Force Cost Analysis Agency where it will be reviewed to ensure sufficient documentation exists to complete a cost estimate. It is recommended the Acquisition Centers and Programs Offices' use the Department of Defense (DoD) 5000 series and Director of Cost Assessment and Program Evaluation (CAPE) memo (9 Jan 17) as a guide for CARD content and recommended formats, but tailor those as appropriate.

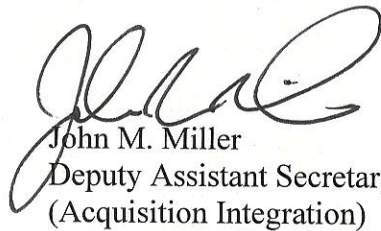
4. In lieu of a full-funding memo for ACAT I-equivalent programs, the MDA should include a paragraph in the Acquisition Decision Memorandum that directs funding to the NACA (or SCP). SAF/AQX and SAF/FMC will partner through the SPPBE process to ensure programs remain funded at the appropriate level.

5. Per OSD CAPE guidance, all MTA programs with total estimated acquisition expenditures greater than \$100 million are required to conduct cost data reporting. MTA programs are advised to consult SAF/FMC in the planning to meet this requirement.

6. The SAF/FMC POC for this effort is Ms. Angel Decker (SAF/FMCC), 703-692-6014, email angel.l.decker.civ@mail.mil. The SAF/AQX POC for this effort is Mr. Matthew MacGregor (SAF/AQXE), 703-697-8374, email matthew.j.macgregor.civ@mail.mil.



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