

lized by the Secretary of Defense in carrying out the provisions of this section to the extent that funds are unavailable under other Federal programs. Funds appropriated to the Department of Defense for any fiscal year beginning after June 30, 1975, for carrying out the TRIDENT Weapon System may, to the extent specifically authorized in an annual Military Construction Authorization Act, be utilized by the Secretary of Defense in carrying out the provision of this section to the extent that funds are unavailable under other Federal programs.

“(e) The Secretary shall transmit to the Committees on Armed Services of the Senate and the House of Representatives semiannual reports indicating the total amount expended in the case of each local community which was provided assistance under the authority of this section during the preceding six-month period, the specific projects for which assistance was provided during such period, and the total amount provided for each such project during such period.”

§ 2431a. Acquisition strategy

(a) ACQUISITION STRATEGY REQUIRED.—There shall be an acquisition strategy for each major defense acquisition program, each major automated information system, and each major system approved by a milestone decision authority.

(b) RESPONSIBLE OFFICIAL.—For each acquisition strategy required by subsection (a), the Under Secretary of Defense for Acquisition, Technology, and Logistics, or the milestone decision authority, when the milestone decision authority is the service acquisition executive of the military department that is managing the program, is responsible for issuing and maintaining the requirements for—

- (1) the content of the strategy; and
- (2) the review and approval process for the strategy.

(c) CONSIDERATIONS.—(1) In issuing requirements for the content of an acquisition strategy for a major defense acquisition program, major automated information system, or major system, the Under Secretary, or the milestone decision authority, when the milestone decision authority is the service acquisition executive of the military department that is managing the program, shall ensure that—

- (A) the strategy clearly describes the proposed top-level business and technical management approach for the program or system, in sufficient detail to allow the milestone decision authority to assess the viability of the proposed approach, the method of implementing laws and policies, and program objectives;
- (B) the strategy contains a clear explanation of how the strategy is designed to be implemented with available resources, such as time, funding, and management capacity;
- (C) the strategy is tailored to address program requirements and constraints; and
- (D) the strategy considers the items listed in paragraph (2).

(2) Each strategy shall, where appropriate, consider the following:

(A) An approach that delivers required capability in increments, each depending on available mature technology, and that recognizes up front the need for future capability improvements.

(B) Acquisition approach, including industrial base considerations in accordance with section 2440 of this title.

(C) Risk management, including such methods as competitive prototyping at the system, subsystem, or component level.

(D) Business strategy, including measures to ensure competition at the system and subsystem level throughout the life-cycle of the program or system in accordance with section 2337 of this title.

(E) Contracting strategy, including—

- (i) contract type and how the type selected relates to level of program risk in each acquisition phase;
- (ii) how the plans for the program or system to reduce risk enable the use of fixed-price elements in subsequent contracts and the timing of the use of those fixed price elements;
- (iii) market research; and
- (iv) consideration of small business participation.

(F) Intellectual property strategy in accordance with section 2320 of this title.

(G) International involvement, including foreign military sales and cooperative opportunities, in accordance with section 2350a of this title.

(H) Multiyear procurement in accordance with section 2306b of this title.

(I) Integration of current intelligence assessments into the acquisition process.

(J) Requirements related to logistics, maintenance, and sustainment in accordance with sections 2464 and 2466 of this title.

(d) REVIEW.—The¹ milestone decision authority shall review and approve, as appropriate, the acquisition strategy for a major defense acquisition program, major automated information system, or major system at each of the following times:

- (A) Milestone A approval.
- (B) The decision to release the request for proposals for development of the program or system.
- (C) Milestone B approval.
- (D) Each subsequent milestone.
- (E) Review of any decision to enter into full-rate production.
- (F) When there has been—
 - (i) a significant change to the cost of the program or system;
 - (ii) a critical change to the cost of the program or system;
 - (iii) a significant change to the schedule of the program or system; or
 - (iv) a significant change to the performance of the program or system.
- (G) Any other time considered relevant by the milestone decision authority.

(2) If the milestone decision authority revises an acquisition strategy for a program or system because of a change described in paragraph (1)(F), the milestone decision authority shall provide notice of the revision to the congressional defense committees.

(e) DEFINITIONS.—In this section:

(1) The term “major defense acquisition program” has the meaning provided in section 2430 of this title.

¹ So in original. Probably should be preceded by “(1)”.

(2) The term “major system” has the meaning provided in section 2302(5) of this title.

(3) The term “Milestone A approval” means a decision to enter into technology maturation and risk reduction pursuant to guidance prescribed by the Secretary of Defense for the management of Department of Defense acquisition programs.

(4) The term “Milestone B approval” has the meaning provided in section 2366(e)(7) of this title.

(5) The term “milestone decision authority”, with respect to a major defense acquisition program, major automated information system, or major system, means the official within the Department of Defense designated with the overall responsibility and authority for acquisition decisions for the program or system, including authority to approve entry of the program or system into the next phase of the acquisition process.

(6) The term “management capacity”, with respect to a major defense acquisition program, major automated information system, or major system, means the capacity to manage the program or system through the use of highly qualified organizations and personnel with appropriate experience, knowledge, and skills.

(7) The term “significant change to the cost”, with respect to a major defense acquisition program or major system, means a significant cost growth threshold, as that term is defined in section 2433(a)(4) of this title.

(8) The term “critical change to the cost”, with respect to a major defense acquisition program or major system, means a critical cost growth threshold, as that term is defined in section 2433(a)(5) of this title.

(9) The term “significant change to the schedule”, with respect to a major defense acquisition program, major automated information system, or major system, means any schedule delay greater than six months in a reported event.

(Added Pub. L. 114-92, div. A, title VIII, § 821(a)(1), Nov. 25, 2015, 129 Stat. 897; amended Pub. L. 114-328, div. A, title VIII, § 848, Dec. 23, 2016, 130 Stat. 2292.)

AMENDMENTS

2016—Subsec. (b). Pub. L. 114-328, § 848(1), in introductory provisions, inserted “, or the milestone decision authority, when the milestone decision authority is the service acquisition executive of the military department that is managing the program,” after “the Under Secretary of Defense for Acquisition, Technology, and Logistics”.

Subsec. (c)(1). Pub. L. 114-328, § 848(2)(A), in introductory provisions, inserted “, or the milestone decision authority, when the milestone decision authority is the service acquisition executive of the military department that is managing the program,” after “the Under Secretary”.

Subsec. (c)(2)(C). Pub. L. 114-328, § 848(2)(B), struck out “, in accordance with section 2431b of this title” before period at end.

Subsec. (d). Pub. L. 114-328, § 848(3), substituted “The” for “(1) Subject to the authority, direction, and control of the Under Secretary of Defense for Acquisition, Technology, and Logistics, the” and, in par. (2), inserted “because of a change described in paragraph (1)(F)” after “for a program or system”.

§ 2431b. Risk management and mitigation in major defense acquisition programs and major systems

(a) REQUIREMENT.—The Secretary of Defense shall ensure that the initial acquisition strategy (required under section 2431a of this title) approved by the milestone decision authority and any subsequent revisions include the following:

(1) A comprehensive approach for managing and mitigating risk (including technical, cost, and schedule risk) during each of the following periods or when determined appropriate by the milestone decision authority:

(A) The period preceding engineering manufacturing development, or its equivalent.

(B) The period preceding initial production.

(C) The period preceding full-rate production.

(2) An identification of the major sources of risk in each of the periods listed in paragraph (1) to improve programmatic decisionmaking and appropriately minimize and manage program concurrency.

(b) APPROACH TO MANAGE AND MITIGATE RISKS.—The comprehensive approach to manage and mitigate risk included in the acquisition strategy for purposes of subsection (a)(1) shall, at a minimum, include consideration of risk mitigation techniques such as the following:

(1) Prototyping (including prototyping at the system, subsystem, or component level and competitive prototyping, where appropriate) and, if prototyping at either the system, subsystem, or component level is not used, an explanation of why it is not appropriate.

(2) Modeling and simulation, the areas that modeling and simulation will assess, and identification of the need for development of any new modeling and simulation tools in order to support the comprehensive strategy.

(3) Technology demonstrations and decision points for disciplined transition of planned technologies into programs or the selection of alternative technologies.

(4) Multiple design approaches.

(5) Alternative designs, including any designs that meet requirements but do so with reduced performance.

(6) Phasing of program activities or related technology development efforts in order to address high-risk areas as early as feasible.

(7) Manufacturability and industrial base availability.

(8) Independent risk element assessments by outside subject matter experts.

(9) Schedule and funding margins for identified risks.

(c) PREFERENCE FOR PROTOTYPING.—To the maximum extent practicable and consistent with the economical use of available financial resources, the milestone decision authority for each major defense acquisition program shall ensure that the acquisition strategy for the program provides for—

(1) the production of competitive prototypes at the system or subsystem level before Milestone B approval; or