



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

October 7, 2010

Change 1, April 29, 2011

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Directive-Type Memorandum (DTM) 10-015 – Requirements for Life Cycle Management and Product Support

References: See Attachment 1

Purpose. This DTM:

- Establishes policy in accordance with DoD Directive 5134.01 (Reference (a)) to implement and institutionalize the requirements of section 805 of Public Law 111-84 (Reference (b)). Reference (b) directs a number of changes to DoD policies designed to improve weapon systems life cycle management and product support by establishing new requirements that directly impact acquisition, fielding, and sustainment decisions.
- Is effective upon its publication to the DoD Issuances Website; it shall be incorporated into DoD Instruction (DoDI) 5000.02 (Reference (c)), DoDI 5000.66 (Reference (d)), the Defense Acquisition Guidebook (Reference (e)), and the Defense Acquisition Workforce Career Management Manual (Reference (f)). This DTM shall expire effective ~~April 20, 2011~~ *March 5, 2012*.

Applicability. This DTM applies to:

- OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the Department of Defense (hereafter referred to collectively as the “DoD Components”).
- Acquisition Category (ACAT) Program Levels: Major Defense Acquisition Programs (ACAT I), major weapon systems (ACAT II)

Change 1, 04/29/2011

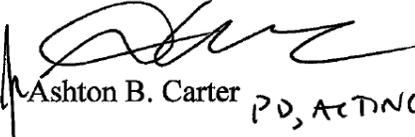
programs, and former ACAT I/II programs that are post-Initial Operational Capability (IOC) or no longer have program managers (PMs) reporting to Component Acquisition Executives (CAE).

Definitions. See Glossary.

Policy. It is DoD policy that a mandatory Product Support Manager (PSM) position shall be identified and assigned for each ACAT I and ACAT II system and filled by a properly qualified Military Service member or full-time employee of the Department of Defense.

Procedures. See Attachment 2 for changes to be included in Reference (c). See Attachment 3 for changes to be included in Reference (d). See Attachment 4 for changes to be included in Reference (e). See Attachment 5 for changes to be included in Reference (f).

Releasability. UNLIMITED. This DTM is approved for public release and is available on the DoD Issuances Website at <http://www.dtic.mil/whs/directives>.


Ashton B. Carter PD, ACTING

Attachments:
As stated

DISTRIBUTION:

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ATTACHMENT 1

REFERENCES

- (a) DoD Directive 5134.01, “Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)),” December 9, 2005
- (b) Public Law 111-84, “National Defense Authorization Act for Fiscal Year 2010,” October 28, 2009
- (c) DoD Instruction 5000.02, “Operation of the Defense Acquisition System,” December 8, 2008
- (d) DoD Instruction 5000.66, “Operation of the Defense Acquisition, Technology, and Logistics Workforce Education, Training, and Career Development Program,” December 21, 2005
- (e) Under Secretary of Defense for Acquisition, Technology, and Logistics, “Defense Acquisition Guidebook,” current edition
- (f) Under Secretary of Defense for Acquisition, Technology, and Logistics, “Defense Acquisition Workforce Career Management Manual,” current edition
- (g) DoD Directive 5000.01, “The Defense Acquisition System,” May 12, 2003
- (h) Office of Management and Budget Circular A-94, “Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs,” October 29, 1992
- (i) Section 2302d of title 10, United States Code

ATTACHMENT 2

AMENDMENTS TO DoDI 5000.02

1. PSM. As required by Reference (b), CAEs shall identify and assign a PSM within every ACAT I and ACAT II program, prior to but no later than program initiation and to former ACAT I/II programs that are post-IOC or no longer have PMs reporting to CAEs.

2. DUTIES OF THE PSM. The principal duties of the PSM are to:
 - a. Provide weapon systems product support subject matter expertise to the PM for the execution of the PM's duties as the Total Life Cycle Systems Manager, in accordance with DoD Directive 5000.01 (Reference (g)).

 - b. Develop and implement a comprehensive, outcome-based, product support strategy.

 - c. Promote opportunities to maximize competition while meeting the objective of best-value long-term outcomes to the warfighter.

 - d. Seek to leverage enterprise opportunities across programs and DoD Components.

 - e. Use appropriate analytical tools and conduct appropriate cost analyses, including cost-benefit analyses, as specified in Office of Management and Budget Circular A-94 (Reference (h)), to determine the preferred product support strategy.

 - f. Develop and implement appropriate product support arrangements.

 - g. Assess and adjust resource allocations and performance requirements for product support, not less than annually, to meet warfighter needs and optimize implementation of the product support strategy.

 - h. Document the product support strategy in the Life Cycle Sustainment Plan (LCSP), in accordance with Reference (c).

 - i. Conduct periodic product support strategy reviews and revalidate the supporting business case analysis prior to each change in the product support strategy or every 5 years, whichever occurs first.

3. GUIDANCE AND BUSINESS PRACTICES. Detailed guidance and business practices needed to implement these activities are contained in Reference (e).

ATTACHMENT 3

AMENDMENTS TO DoDI 5000.66

As required by Reference (b), CAEs shall designate and assign a PSM within every ACAT I and ACAT II program, prior to but no later than program initiation and to former ACAT I/II programs that are post-IOC or no longer have PMs reporting to CAEs.

a. The position of PSM shall be performed by a properly qualified Military Service member or full-time employee of the Department of Defense, in accordance with Reference (b).

b. This PSM will be designated as a key leadership position (KLP) for all Major Defense Acquisition Programs and major weapon systems and designated a critical acquisition position (CAP) for all other major weapon systems. The PSM will be an integral part of the program management team and will report directly to the PM.

c. Incumbents are required to meet the requirements of the position within the prescribed timeframe for CAPs, as stated in Reference (d).

d. PSM positions must be filled based on the criteria identified in Reference (d) and not later than 180 days after DTM issuance.

ATTACHMENT 4

AMENDMENTS TO THE DEFENSE ACQUISITION GUIDEBOOK

The duties of the PSM include:

a. Providing Weapon Systems Product Support Subject Matter Expertise. The PSM shall provide weapon systems product support subject matter expertise to the PM for the execution of his or her duties as the Total Life Cycle System Manager, in accordance with Reference (g). In support of this PM responsibility, the PSM shall have a direct reporting relationship and be accountable to the PM for product support consistent with Reference (b).

b. Developing And Implementing A Comprehensive Product Support Strategy. The product support strategy is designed to assure achievement of warfighter capability-driven life cycle product support outcomes documented in performance-based agreements, generally expressed in preferred terms of weapon system materiel availability, reliability, and operations and support cost affordability. The strategy should identify the execution plan to deliver integrated product support (IPS) elements to the warfighter, producing the best value balance of materiel readiness and total ownership cost.

c. Promoting Opportunities To Maximize Competition While Meeting The Objective Of Best-Value Long-Term Outcomes To The Warfighter. Tradeoffs between the benefits of long-term relationships and the opportunity for cost reductions through competitive processes should be considered together with associated risk.

d. Seeking To Leverage Enterprise Opportunities Across Programs And DoD Components. Joint strategies are a top priority where more than one DoD Component is the user of the respective major weapon system or variant of the system. Likewise, product support strategies should address a program's product support interrelationship with other programs in their respective portfolio and joint infrastructure, similar to what is performed for operational interdependencies.

e. Using Appropriate Analytical Tools To Determine The Preferred Product Support Strategy. Analytical tools can take many forms (analysis of alternatives, supportability analysis, sustainment business case analysis, life cycle impact analysis), dependent upon the stage of the program's life cycle. These analytical tools shall incorporate the use of cost analyses, such as cost-benefit analyses as outlined in Reference (h), as well as other appropriate DoD and Service guidance consistent with Reference (b). These tools are used to help identify the best possible use of available DoD and industry resources at the system, subsystem, and component levels by analyzing

all alternatives available to achieve the desired performance outcomes. Additionally, resources required to implement the preferred alternative should be assessed with associated risks. Sensitivity analyses should also be conducted against each of the IPS elements and tracked to determine those IPS elements where marginal changes could alter the preferred strategy.

f. Developing Appropriate Product Support Arrangements For Implementation. Development and implementation of product support arrangements should be a major consideration during strategy development to assure achievement of the desired performance outcomes. These arrangements should take the form of performance-based agreements, memorandums of agreements, memorandums of understanding, and partnering agreements or contractual agreements with product support integrators (PSIs) and product support providers (PSPs), depending on the best-value service integrators or providers.

g. Periodically Assessing And Adjusting Resource Allocations And Performance Requirements To Meet Warfighter Needs During Strategy Implementation. Planning, programming, budgeting, and execution of the product support strategy need to be accomplished and aligned to the warfighter's performance-based agreements with the PM and PSM. PSMs, working in concert with the PM, users, resource sponsors, and force providers, should adjust performance levels and resources across PSIs and PSPs as necessary to optimize implementation of the strategy based on current warfighter requirements and resource availability.

h. Documenting The Product Support Strategy In The LCSP. The LCSP describes the plan for the integration of sustainment activities into the acquisition strategy and operational employment of the support system. The PSM prepares the LCSP to document the plan for formulating, integrating, and executing the product support strategy (including any support contracts) to meet the warfighter's mission requirements. In accordance with References (b) and (c), the LCSP shall be updated to reflect the evolving maturity of the product support strategy at each milestone, full rate production (FRP), and prior to each change in the product support strategy or every 5 years, whichever occurs first. The LCSP is approved by the milestone decision authority at each milestone and FRP decision. Updates to the LCSP for all major weapons systems after the FRP decision shall be approved by the CAE, in coordination with the Deputy Assistant Secretary of Defense for Materiel Readiness.

i. Conducting Periodic Product Support Strategy Reviews. The product support strategy evolves with the maturation of the weapon system through its various life cycle phases. At FRP, the LCSP should describe how the system is performing relative to the performance metrics and any required corrective actions to ensure the metrics are achieved. Reviews and revalidations of the strategy should be performed at a minimum of every 5 years or prior to each change in the strategy to ensure alignment across system,

subsystem, and component levels in support of the defined best-value outcomes. In those situations where a support strategy is at the weapon systems level, the PSM's reassessment should explore potential opportunities for evolving toward a portfolio approach. In those situations where an LCSP is based on a collection of outcome-based product support strategies at the subsystem or component level, the periodic review should explicitly address integrated performance at the weapon systems level. In all situations, the reassessment should consider opportunities to make better use of industry and DoD resources.

ATTACHMENT 5

AMENDMENTS TO THE DEFENSE ACQUISITION WORKFORCE CAREER
MANAGEMENT MANUAL

1. PSM POSITION IMPLEMENTATION GUIDANCE

- a. The PSM must be designated in the Life Cycle Logistics position category.
- b. In support of the PM's responsibility required by Reference (g), the PSM shall have a direct reporting relationship and be accountable to the PM for product support. This does not preclude the PSM from having a dual reporting relationship to a DoD Component logistics or materiel command.
- c. For Major Defense Acquisition Programs, major weapon systems, and programs that are post-IOC or no longer have PMs reporting to CAEs, the PSM may have a direct reporting relationship to a DoD Component logistics, sustainment, or materiel command.
- d. In implementation of this DTM, the positions of PSM, Director of Logistics, Assistant Program Manager for Logistics, Deputy Program Manager for Logistics, Program Lead Logistician, and System Support Manager are considered synonymous.
- e. PSM positions for Major Defense Acquisition Programs must be designated as KLPs. PSM positions for all major weapon systems must be certified at Defense Acquisition Workforce Improvement Act (DAWIA) Level III in the Life Cycle Logistics career field in accordance with Reference (d), which includes achievement of general educational, training, and experience requirements.
- f. Cross-certification at DAWIA Level II or above in accordance with Reference (d) in the Program Management, Systems Planning Research Development and Evaluation, or Business-Financial Management career fields should be considered as valued criteria during the selection process.

2. BUSINESS PRACTICES. DoD Components are encouraged to establish PSM positions for other acquisition programs not defined as major weapon systems.

GLOSSARY

DEFINITIONS

Unless otherwise noted, these terms and their definitions are for the purpose of this DTM.

ACAT I and II. Defined in Enclosure 3 of Reference (c).

CAE. The Service Acquisition Executive of a Military Department or a person designated to be the CAE by the Head of a DoD Component other than a Military Department.

DAWIA certification. DAWIA Level II (intermediate) and Level III (advanced) in accordance with Reference (d).

IPS elements. Those critical functions related to weapon system readiness, including but not limited to materiel management, distribution, technical data management, maintenance, training, cataloging, configuration management, engineering support, repair parts management, failure reporting and analyses, and reliability growth tracking and the logistics elements (e.g., support equipment, spares) required to accomplish the functions. These elements shall all be considered during the development of the product support strategy.

KLPs. A subset of CAPs with a significant level of responsibility and authority. KLPs are key to the success of a program or effort, designated by the CAEs, and approved by the Under Secretary of Defense for Acquisition, Technology, and Logistics.

LCSP. The PM's plan for formulating, implementing, and executing the product support strategy. It describes the efforts to ensure that the system's design, as well as the development of the product support package, are integrated and contribute to achieving life cycle sustainment metrics.

major weapon system. A weapon system that meets the thresholds set forth at section 2302d of title 10, United States Code (Reference (i)).

PM. The individual with responsibility for and authority to accomplish program objectives for development, production, and sustainment to meet the user's operational needs. The PM shall be accountable for credible cost, schedule, and performance reporting to the Milestone Decision Authority.

product support. The package of support functions required to field and maintain the readiness and operational capability of major weapon systems, subsystems, and

components, including but not limited to materiel management, distribution, technical data management, maintenance, training, cataloging, configuration management, engineering support, repair parts management, failure reporting and analyses, and reliability growth tracking and the logistics elements (e.g., support equipment, spares) related to weapon systems readiness.

product support arrangement. A contract, task order, or any type of other contractual arrangement, or any type of agreement or non-contractual arrangement with or within the Federal Government, for the performance of sustainment or logistics support required for major weapon systems, subsystems, or components. The term includes arrangements for performance-based logistics; sustainment support; contractor logistics support; life cycle product support; or weapon systems product support.

product support strategy. The business and technical approach to design, acquire, and field the product support package to execute the sustainment strategy. It begins as a broad concept and evolves into a detailed implementation plan documented in the LCSP.

PSI. An entity within the Federal Government or outside the Federal Government charged with integrating all sources of product support, both private and public, defined within the scope of a product support arrangement.

PSM. The individual responsible for managing the package of support functions required to field and maintain the readiness and operational capability of major weapon systems, subsystems, and components, including all functions related to weapon system readiness, in support of the program manager's life cycle management responsibilities.

PSP. An entity that provides product support functions. The term includes an entity within the Department of Defense, an entity within the private sector, or a partnership between such entities.

Service Acquisition Executives. Referred to as CAEs of the Military Departments.