DEPARTMENT OF THE AIR FORCE
WASHINGTON DC

OFFICE OF THE ASSISTANT SECRETARY

31 October 2022

MEMORANDUM FOR THE DEPARTMENT OF AIR FORCE SPACE ACQUISITION WORKFORCE

SUBJECT: Space Acquisition Tenets

As threats to space systems continue to evolve, and as space becomes even more important in protecting and giving an advantage to our troops, timely delivery of space capabilities becomes even more critical for the Nation. Our top three priorities for space acquisition include driving **speed** into our acquisitions in order to deliver new capabilities faster to outpace our adversaries and maintain the technological advantage we get from space; making our space architecture more **resilient** so that it can be counted on during times of crisis and conflict; and **integrating** our space architecture with other war fighting domains and across the Department's Operational Imperatives to give our warfighters a strategic edge.

The traditional ways of doing space acquisition must be reformed in order to add speed to our acquisitions to meet our priorities. Former approaches of developing a small amount of large satellites along with large monolithic ground systems that took many years to develop on cost plus contracts can no longer be the norm. To gain speed we must shorten development timelines by building smaller satellites, acquiring ground and software intensive systems in smaller more manageable pieces that can be delivered faster, using existing technology and designs to reduce non-recurring engineering to enable speed, taking advantage of commercial systems and capabilities, and most importantly delivering programs on cost and schedule through solid program management discipline and execution.

To enable this space acquisition philosophy going forward, the following **9 Space Acquisition Tenets** will serve as guideposts for space acquisition:

1) **Build Smaller Satellites, Smaller Ground Systems, and Minimize Non-Recurring Engineering**

   Build smaller satellites in order to shorten development timelines from many years to just a couple. Use existing technology and designs to minimize non-recurring engineering and shorten development schedules. This will have the additional benefit of accelerating technology refresh as well. Acquire ground and software intensive systems in smaller more manageable pieces that can be delivered faster.

2) **Get the Acquisition Strategy Correct**

   Establish good acquisition strategies up front including contract type and contract incentives for both speed, and performance. Have clear, specific, unambiguous Statements of Work

(SOW), concepts of operations, and requirements for the request for proposal. Minimize and avoid Government Furnished Equipment (GFE) and avoid putting the government in the middle of multiple contracts as the integrator. Be clear on how you will engage and interact with industry within your SOW and minimize the Contracts Data Requirements List (CDRLs) to critical items. Do not be afraid to use fixed price contracts. Fixed price contracts increase the level of program management discipline across industry and the Government. Use red teams, and peer reviews, as well as the Acquisition Strategy Process to set a good strategy.

3) **Enable Teamwork Between Contracting Officer and Program Manager**

The relationship between the Contracting Officer and the Program Manager are key to any successful acquisition. Contracting Officers should be collocated within and be part of the Program Executive Officer (PEO) teams. It's a solid team between the Program Manager and Contracting Officer during all phases of acquisitions that will enable success.

4) **Award Executable Contracts**

Evaluate cost and schedule realism as part of the proposal evaluation to avoid low bids and buy ins. Ensure companies have the correct skills to successfully execute the contract on cost, schedule, and meeting performance. Negotiation between Government and industry should be Win-Win – the Government gets a capability fast that works, and industry has a right to a fair profit. Keep up with news and information about the space industrial base. Understand what companies are capable of doing or not doing otherwise this can lead to awarding development contracts to companies that do not have the experience, skills, and domain expertise to do the job.

5) **Maintain Program Stability**

Establish the contract cost and schedule baseline and manage to it. Push back on year-to-year budget changes that drive rebaselining which diminish speed from acquisitions. Avoid Undefinitized Contract Actions (UCAs) that last more than a few months and budget promises to fix programs the following fiscal year. Avoid accepting new requirements after going on contract, and do not accept requirements that industry cannot technically meet.

6) **Avoid SAPs and Over Classifying**

Putting programs in a Special Access Program (SAP) hinders our ability to integrate space capabilities across other domains. Protect capabilities, if necessary, through normal security classification guidelines such as SECRET and TOP SECRET but avoid creating stovepipes with SAPs which can limit our ability to integrate with other domains and can hinder getting ideas from a broader pool of industry. Avoid classifying systems as NOFORN to enable future sharing with Allies and Partners.

7) **Deliver Ground Before Launch**

Ensure ground systems and modifications are completed and ready for operations before launch of a new capability. This will allow operations/users to take advantage of new capabilities after launch.

8) **Hold Industry Accountable for Results**

Hold industry accountable to execute on cost, schedule, and meeting performance commitments on the contract. With the urgent need to provide new space capabilities faster and for architecture resiliency, do not tolerate bad performance that we have seen in some traditional large satellite and large ground cost plus contracts. Take corrective action and consider all tools available for poor performers including loss of fee, use of the Contractor Responsibility Watch List, and if necessary, stopping programs. Industry works for you, so be a demanding customer.

9) **Execute – Deliver Capabilities that Work, and Deliver them on Schedule and on Cost**

Proactively manage the program by continuing to actively track schedule, cost, and technical progress. Identify issues early in order to quickly resolve them. There is no better way to get speed into acquisitions than to deliver programs that meet performance requirements, on schedule and on cost. This is our most important tenet. Success is measured by executing on plan.

FRANK CALVELLI
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(Space Acquisition & Integration)

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