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Middle-Tier Defense Acquisitions: Rapid Prototyping and Fielding Requires Changes to Oversight and Development Approaches

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Abstract

The Department of Defense (DOD) is continually challenged to deliver capabilities to its warfighters at the pace of innovation. Section 804 of the National Defense Authorization Act for Fiscal Year 2016 required DOD to establish guidance for an alternative acquisition process, now referred to as the middle tier of acquisition (MTA). Since GAO’s June 2019 report on the use of MTA authorities, DOD has reported an increase in programs using the pathway, from 35 programs to nearly 100 in 2022. In light of this increased use, GAO was asked to review DOD’s oversight and execution of MTA programs.

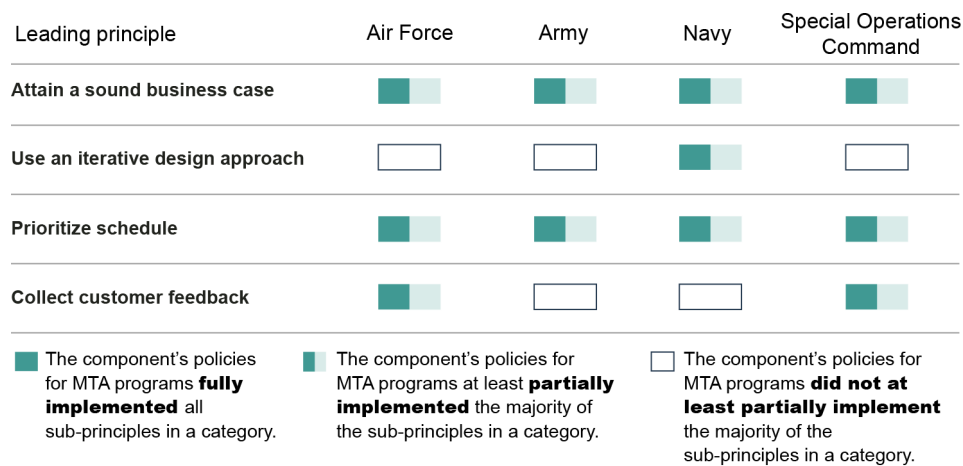


What the GAO Found

The Department of Defense (DoD) intends to facilitate rapid prototyping and rapid fielding of new weapons and other resources the military has identified it needs. This approach, known as the middle tier of acquisition (MTA), seeks to provide capabilities within 2 to 5 years of an acquisition program’s start. The DoD established policies and guidance for managing the MTA pathway, but several factors hinder effective implementation and oversight.

For example, an unclear data framework and reporting guidance limit the visibility of MTA program structures, scope, and technical data. As a result, the oversight role of the Under Secretary of Defense for Acquisition and Sustainment with regard to the MTA pathway is diminished. The GAO also found that the DoD components provided the Under Secretary with inaccurate data. Together, these issues complicate the DoD’s efforts to conduct data-driven oversight of the MTA pathway.

MTA policies from the Air Force, Army, Navy, and Special Operations Command (SOCOM) each partially implemented at least some of the four key product development principles that leading companies rely on to innovate quickly and successfully.



Source: GAO analysis of Department of Defense Middle-Tier Acquisition (MTA) policies. | GAO-23-105008

Figure 1. Component Policies Reflect Some Leading Product Development Principles

As the GAO’s latest study of leading acquisition practices found in March 2022, leading companies rely on key principles for successful product development. These include attaining sound business cases, applying iterative design approaches, off-ramping capabilities when needed to prioritize schedule, and incorporating feedback from users of initial capabilities. If the military departments and other DoD components incorporated these leading principles more fully into their MTA policies, they would be better positioned to meet their users’ needs with greater speed—the core goal of the MTA pathway.

Why the GAO Did This Study

The DoD is continually challenged to deliver capabilities to its warfighters at the pace of innovation. Section 804 of the National Defense Authorization Act for Fiscal Year 2016 required the DoD to establish guidance for an alternative acquisition process, now referred to as MTA. Since the GAO’s June 2019 report on the use of MTA authorities, the DoD has reported an increase in programs using the pathway, from 35 programs to nearly 100 in 2022.



In light of this increased use, the GAO was asked to review the DoD's oversight and execution of MTA programs. This report assesses the extent to which (1) the DoD effectively implemented policies, guidance, and processes to provide the DoD with reliable data for MTA oversight; and (2) military components' MTA policies and selected programs implement leading principles for product development.

The GAO selected a non-generalizable sample of 15 active MTA programs. This selection includes MTA rapid prototyping and rapid fielding programs from the Air Force, Army, Navy, and SOCOM. The DoD estimates these programs will require more than \$12 billion in funding. The GAO also reviewed DoD MTA policies, guidance, and program documentation; compared component MTA policies and programs to the principles; and interviewed DoD officials to corroborate its assessments.

What the GAO Recommends

The GAO is making 26 recommendations aimed at improving MTA oversight and development through policy and process changes. The DoD concurred with 25 recommendations and partially concurred with one. View [GAO-23-105008](#).





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