Section 316: Program Management Office Competition

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Key Points

- **Internal Prototype Competition:** Section 316 requires that by April 1, 2025, each Service and Component Acquisition Executive issue guidance for program offices to conduct **internal competitions**. This means assigning separate program managers (PMs) and contracting officers to manage **at least two competing prototype projects** within a program, followed by an independent down-selection to pick a winner (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress).
- **Annual Program Selection:** Each military service/component must select **at least three programs per year** to apply these competitive prototyping procedures (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress). This ensures the practice is used regularly, not just as a one-off pilot.
- **Dedicated Dual Teams:** For each chosen program, at least **two distinct teams** of PMs and contracting officers from the existing DoD workforce will be appointed (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress). Each team oversees a different prime contractor, and those contractors **must be from separate parent companies** to guarantee genuine competition (no two divisions of the same firm competing) (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress). The PMs must sign tenure agreements to stay on the program through the completion of the competitive down-select (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress), ensuring continuity.
- **Equal Funding & Timeline:** The competing prototype teams are to be given **equal funding and identical schedule constraints** to develop a prototype that meets the program's requirement (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress). This provides a level playing field for the competition. After the prototype phase, the prototypes will be **evaluated with direct input from military end-users** (e.g. combat troops or operators), and one solution is selected as the winner (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress).
- **Follow-on Contract and Streamlining:** The winning prototype can be awarded a **sole-source follow-on production contract** without further competition (the law deems this initial process as satisfying competition requirements) (Text - S.5618 -

118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress). To speed things up, Section 316 also **streamlines bureaucracy**: the program's requirement is exempt from the traditional Joint Capabilities Integration and Development System (JCIDS) process, allowing PMs to adjust requirements without higher approval during prototyping (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress). Additionally, only a brief (max 20-page) acquisition strategy and a streamlined Test & Evaluation Master Plan are required (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress) – all aimed at reducing paperwork and focusing on rapid, competitive development.

History of the Recommendation

The concept of **competitive prototyping** in defense acquisition has deep roots. In the mid-1980s, the Packard Commission recommended more prototyping to curb cost overruns, leading Congress to direct DoD to use competitive prototype strategies for major weapon systems in the FY1987 defense authorization act (Navy and Defense Reform: A Short History and Reference Chronology). Later, the **Weapon Systems Acquisition Reform Act of 2009 (WSARA)** mandated that every major defense program include competitive prototypes before Milestone B (full-scale development) unless the requirement was formally waived (Department of Defense's Waiver of Competitive Prototyping Requirement for Enhanced Polar System Program | U.S. GAO). This reflected growing consensus that head-to-head competition early on can reduce technical risk and improve outcomes. However, the Pentagon often waived or limited this practice due to cost or urgency – WSARA allowed exceptions if the cost of dual prototypes exceeded expected benefits or if competition would hinder meeting critical national security needs (Department of Defense's Waiver of Competitive Prototyping Requirement for Enhanced Polar System Program | U.S. GAO).

By 2024, frustration with slow, expensive acquisitions prompted a new push for innovation. Senator Roger Wicker, incoming SASC Chairman, released a reform plan *"Restoring Freedom's Forge: American Innovation Unleashed,"* which emphasized **"increasing competition"** and **"multiple sourcing"** in defense programs (Senator Wicker Announces Pentagon Reform and Innovation Proposal - U.S. Senator...) (Senator Wicker Announces Pentagon Reform and Innovation Proposal - U.S. Senator...). Section 316 of the FoRGED Act originates from that plan. Wicker's report specifically called to *"create a program for multiple sourcing"* and cut barriers like excessive testing bureaucracy to enable more parallel competition (Senator Wicker Announces Pentagon Reform and Innovation Proposal - U.S. Senator...). Thus, Section 316 builds on prior acquisition reform lessons and

recent recommendations by **institutionalizing internal competition** within DoD program offices. Its development was driven by the idea that empowering two rival teams within a program will spur innovation and efficiency, much like past "fly-off" competitions (e.g. the 1990s F-22 vs. F-23 prototype contest) but now applied more systematically across programs.

Desired Effect of the Recommendation

Section 316 is intended to yield several positive outcomes for defense acquisitions:

- **Improved Technical Outcomes:** Competing prototypes are expected to **reduce technical risk**. By testing two different solutions, the DoD can discover and fix problems early, avoiding costly surprises later (Department of Defense's Waiver of Competitive Prototyping Requirement for Enhanced Polar System Program | U.S. GAO). This also means the final chosen design benefits from lessons learned on both prototypes.
- **Better Requirement Refinement:** The head-to-head competition helps **refine what the military actually needs**. Requirements can be validated (or adjusted) based on real prototype performance and direct warfighter feedback during evaluations (Department of Defense's Waiver of Competitive Prototyping Requirement for Enhanced Polar System Program | U.S. GAO). This ensures the final program is aligned with operational needs, not just paper requirements.
- **Cost and Schedule Discipline:** Having two teams race to deliver capability instills **competitive pressure to control costs and stay on schedule**. Contractors know they must perform or risk losing to a rival. Early prototyping also provides data to firm up cost estimates and timelines, increasing confidence that the chosen solution can be delivered within budget and on time (Department of Defense's Waiver of Competitive Prototyping Requirement for Enhanced Polar System Program | U.S. GAO).
- **Enhanced Innovation:** Internal competition incentivizes **creative solutions and technological innovation**. Each team might pursue a different design or novel approach to outperform the other. The military users' involvement in judging prototypes further drives contractors to optimize for real-world performance. The end result should be a more capable, cutting-edge weapon system than a single-source approach might produce.
- **Maximized Value for Taxpayers:** Overall, Section 316 aims to **get "better weapons to our troops faster and [maximize] taxpayer dollars"**, as Sen. Wicker described (Senator Wicker Announces Pentagon Reform and Innovation Proposal - U.S.

Senator...) (Senator Wicker Announces Pentagon Reform and Innovation Proposal - U.S. Senator...). By leveraging competition, the DoD hopes to obtain higher-quality systems at lower overall cost. Even though it spends more upfront on dual prototypes, the expectation is that life-cycle costs will be lower (through avoiding redesigns, reducing contractor monopolies, etc.) and that the acquisition process will yield greater value for the money.

Potential Negative Impacts of the Recommendation

While the goals are positive, there are several potential unintended consequences or challenges with Section 316:

- **Higher Up-Front Costs:** Funding multiple contractors to build prototypes means paying for essentially two development efforts in parallel. This **duplication of cost** in the early phase could be expensive. Past policy experience acknowledges this – WSARA allowed waiving competitive prototyping if its cost **"exceeds the expected life-cycle benefits"** (Department of Defense's Waiver of Competitive Prototyping Requirement for Enhanced Polar System Program | U.S. GAO). Not every program may save enough later to justify the initial extra expense.
- **Increased Program Complexity and Possible Delays:** Managing two design teams and then conducting a down-select adds complexity that could **slow down acquisition timelines**. Particularly for urgent needs, a lengthy competition could delay fielding a needed capability (Department of Defense's Waiver of Competitive Prototyping Requirement for Enhanced Polar System Program | U.S. GAO). Coordination of parallel efforts and the final evaluation takes time and could complicate scheduling, potentially impacting the speed at which the winner delivers a deployable system.
- **Strain on Acquisition Workforce:** The requirement for separate dedicated PMs and contracting officers for each competing effort means **more personnel are needed** per program (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress) (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress). DoD's acquisition workforce might be stretched thin, as one program now effectively runs two mini-programs. This could overwhelm program offices if not properly staffed, and inexperienced or overextended teams might make mistakes.
- **Duplication of Effort:** In a scenario where both teams tackle similar requirements, there is a risk of **inefficient duplication**. Each team will be solving many of the same problems (testing similar components, meeting identical specs) without

sharing results (since they are competing). If not managed carefully, this could lead to wasted effort and taxpayer dollars doing things twice that a single team would do once.

- **Post-Competition Monopoly Risks:** Once the down-select occurs, the winner is awarded a sole-source production contract (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress). While the initial development had competition, the production and sustainment phases may now lack competitive pressure. The chosen contractor could face less incentive to control costs or innovate after its competitor is eliminated. In short, **competition ends once a winner is picked**, which might lead to higher costs or vendor lock-in during the many years of production and support, if the government doesn't take additional measures.

Mitigations the Organization Will Take to Diminish Negative Impacts

For each of the above potential drawbacks, the Department of Defense can adopt strategies to mitigate the risks:

1. **Cost-Benefit Thresholds:** DoD should **apply Section 316 selectively** and continue to conduct cost-benefit analyses before launching dual prototypes. If analysis shows the extra prototype would not be worth it (for example, in a small program), leadership could invoke discretion similar to the WSARA waiver, which allowed skipping prototyping if costs clearly outweighed benefits (Department of Defense's Waiver of Competitive Prototyping Requirement for Enhanced Polar System Program | U.S. GAO). Ensuring that only programs with significant technical uncertainty or high payoff use this model will help contain unnecessary expenses. Additionally, DoD can try to **reuse or repurpose technology from the losing prototype** elsewhere (or in future increments of the program), so that money isn't wasted – for example, harvesting good ideas or components from the runner-up design.
2. **Streamlining to Save Time:** To address schedule concerns, Section 316 itself includes provisions to speed up the process. The program is **exempted from JCIDS requirements approval** (which often adds many months) and uses a streamlined test plan (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress). DoD should aggressively implement these streamlining authorities – e.g. bypass lengthy requirement validation steps and cut documentation – so that running a competition doesn't significantly delay progress. Using rapid acquisition pathways like the Middle Tier Acquisition (which emphasizes quick prototyping) in conjunction with Section 316 can also ensure that even with

two prototypes, the overall timeline stays tight. Close oversight of the schedule for each prototype team and concurrent testing (testing both prototypes in parallel) will help **prevent unnecessary delays**.

3. **Augmenting the Workforce:** The Department will need to **bolster its acquisition workforce** to handle the extra workload. Mitigations include training more dual-track PMs, hiring or reallocating personnel, and possibly leveraging support contractors or federally funded research and development centers to assist government teams. Since Section 316 specifies using existing DoD personnel for these PM and contracting officer roles (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress), the Services might start identifying and grooming qualified staff in advance. The organization can also prioritize which programs get this treatment to avoid overcommitment – for example, scheduling the competitions so that one PM isn't asked to juggle multiple competitive programs at once. By ensuring each competing team is adequately staffed and resourced, the strain can be managed.

4. **Structured Competition & Knowledge Sharing:** To avoid pure duplication of effort, the acquisition executives can structure the competition such that each team explores **differentiated solutions**. For instance, one prototype might use a different architecture or technology approach than the other, so that the DoD is truly comparing alternatives and not funding the exact same work twice. While direct collaboration between competing teams is not desirable (to preserve independence), the government can internally capture lessons learned from both. After the down-select, **formal knowledge transfer** from the losing team can be required – e.g. documentation or data deliverables – so the winner (and the government) benefit from any innovations the runner-up made. This way, even the "losing" effort contributes to the final outcome, mitigating waste.

5. **Maintaining Competition Pressure After Down-Select:** Once a winner is chosen, DoD can implement safeguards to keep the sole-source situation in check. One key mitigation is to ensure the program adopts a **Modular Open Systems Approach (MOSA)** for its design, which is already mandated "to the maximum extent practicable" by law (GAO-25-106931, WEAPON SYSTEMS ACQUISITION: DOD Needs Better Planning to Attain Benefits of Modular Open Systems). An open architecture means that in future upgrades or subcomponents, other vendors could be brought in to compete. For example, if the winning aircraft prototype goes to production, the engine or radar could later be recompeted among multiple suppliers thanks to open interfaces. DoD can also use contracting incentives with

the winner – such as priced options for additional quantities, award fees tied to cost control, or periodic technology insertion competitions – to encourage continued performance. Furthermore, by **retaining technical data rights** from both prototype contractors, the government can compete out sustainment or spare parts production (via third-party reverse engineering, which Wicker's recommendations explicitly support) (Senator Wicker Announces Pentagon Reform and Innovation Proposal - U.S. Senator...). These measures ensure that the spirit of competition extends into production and sustainment, even if the primary contract is sole-source.

DoD Personnel Most Affected

Section 316 will particularly impact several groups of DoD personnel and how they operate:

- **Program Managers (PMs) and Contracting Officers:** These acquisition professionals will see a direct change in their roles. Programs selected for internal competition will now have **multiple PMs and contracting officers** assigned instead of the usual single chain of command (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress) (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress). Each PM/KO team essentially runs a rival mini-program. This means their workload and responsibility increase – they must manage a full development effort (cost, schedule, performance) with the knowledge that another team is doing the same in parallel. They will also operate under a tenure agreement through the prototype down-select, so they are committed to staying with the program longer than normal (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress). This could affect career planning and rotations. Overall, the day-to-day job of PMs/COs will shift to a more competitive, comparative mindset, focusing on out-performing the alternate team while still upholding DoD acquisition standards.
- **Service Acquisition Executives and Program Executive Officers:** Senior acquisition officials in each service (SAEs) must implement Section 316. They will be responsible for **choosing the programs** each year that will use competitive prototyping (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress) and for overseeing those competitions. This adds a new dimension to their oversight duties – they must ensure each "dual-track" program is properly resourced and fair, and then make or approve the final down-select decision (in coordination with others). SAEs may need to set up new processes to evaluate prototypes side-by-side, involving testing agencies and warfighter input. Program Executive Officers (PEOs), who manage portfolios of programs, will also be

heavily involved in executing these guidelines, as multiple project managers under them now run competing efforts. It effectively raises the complexity of program oversight at the senior level.

- **Test and Evaluation Personnel:** The testing community (both developmental testers and operational testers) will be **testing two sets of prototypes** for each program under this scheme. They must devise test plans that fairly evaluate each prototype against requirements under identical conditions. Section 316 calls for a streamlined Test and Evaluation Master Plan (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress), but executing it will still be a significant effort. Operational test personnel and perhaps combatant command representatives will coordinate to provide **user feedback on the prototypes** (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress). This means testers will facilitate getting soldiers, sailors, airmen, or Marines hands-on time with each prototype to gather input. Their evaluations will feed into the down-select decision. In short, test personnel will have a bigger, more immediate role in influencing acquisition decisions (since the competition outcome hinges on test results and user opinions), and they'll have to manage the logistics and analysis of multiple systems under test simultaneously.
- **Combatant Commanders and Warfighter End-Users:** Uniquely, Section 316 explicitly involves combatant commands in the prototype evaluation phase (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress). Military end-users – the ones who would eventually use the weapon system – are to give direct input on which prototype better meets their needs. This is a new responsibility for operational units and combatant command staff in acquisition. Those personnel will need to engage with the acquisition process much earlier than usual, participating in prototype demonstrations and providing feedback. For example, pilots might fly two different experimental aircraft prototypes, or soldiers might train on two competing radio systems, and their feedback will be documented for decision-makers. This experience will affect warfighters by giving them a voice (which is positive) but also requiring time and effort to support testing events, draft assessments, etc. Combatant command capability and requirements staff will be most involved, effectively acting as liaisons between the operators and the acquisition chain during the competition.
- **Requirements Community (Joint Staff J8/JROC and Service Requirements Officers):** Section 316 diminishes the role of the traditional requirements approval pipeline by **exempting these competitive programs from JCIDS** (Text - S.5618 -

118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress). Joint Requirements Oversight Council (JROC) staff and service requirements officers will likely still be involved at program start (defining the initial requirement), but once the competition is underway, the PMs can adjust requirements on the fly within the scope of the program (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress). Requirements officials will need to adapt to this more agile approach. They might be called to advise the PMs instead of formally approving changes. In some cases, they might feel a loss of control. Over time, their job may shift to setting broader, modular requirements that give competing teams flexibility, rather than rigid specs. While not "affected" in a workload sense as much as others above, this community will see a cultural change in how requirements are managed during prototyping.

Stakeholders Opposed and Rationale for Opposition

Implementing program management office competition will likely encounter some pushback from various stakeholders, including:

- **Large Defense Contractors:** Major defense companies (the primes) could quietly oppose this initiative. **From an industry perspective, competing all the way through prototype demo is costly and risky.** A contractor could invest substantial effort into developing a prototype but come away with nothing if they lose. Historically, industry has raised concerns that requiring multiple full-up prototypes can duplicate costs without guarantee of return. They often prefer a single source award or at most a paper competition, rather than building two expensive test articles. If the government doesn't sufficiently fund both competitors, companies might have to use significant internal funds to keep up – something only the biggest firms can afford. Even when fully funded, firms know the down-select creates winners and losers, and no one wants to be the loser. Thus, incumbent contractors might lobby that in some cases this approach is **inefficient (due to cost)** or unnecessary, echoing the WSARA waiver criteria about cost vs. benefit (Department of Defense's Waiver of Competitive Prototyping Requirement for Enhanced Polar System Program | U.S. GAO). They may also be concerned about potentially having to share sensitive data during evaluations or the government acquiring data rights from both prototypes. On the flip side, **smaller or non-traditional companies** might favor Section 316 as it gives them a shot to prove themselves via prototype if they can get selected as one of the competitors.
- **Budget Overseers and Fiscal Hawks:** Officials within DoD comptroller's office or lawmakers focused on budget efficiency could object to the apparent **doubling of**

development costs. They might question whether paying for two designs (when ultimately only one will be used) is a prudent use of taxpayer money. If not convinced of the long-term savings, these stakeholders may see it as wasteful. For example, if early implementations of Section 316 don't clearly demonstrate cost savings or if a high-profile program overruns its budget due to funding two teams, critics in Congress could push back. They might demand tighter criteria on when to use this approach, to avoid "paying for two of everything." Essentially, the **concern over cost-effectiveness** could fuel opposition from those guarding the defense budget.

- **DoD Acquisition Bureaucracy (Workforce Management):** Some within the acquisition establishment might be hesitant simply because this is a big change. **Service acquisition executives and PEOs** may worry about their capacity to manage this mandate. If they are directed to pick three programs a year for competitions, they might internally resist by claiming they don't have enough experienced PMs or that certain programs aren't suitable. Middle management could see it as an unfunded mandate requiring more people and funding than available. In addition, **contracting offices** might push back on the workload of negotiating and awarding dual prototype contracts for multiple programs each year. There's also potential institutional inertia—those comfortable with the traditional one-program-one-PM model may question the feasibility, pointing out pitfalls to try to avoid doing it. Their rationale may include the risk of schedule slip or **disruption to ongoing programs** if forced to split into competitive teams mid-stream.
- **Combatant Commands or Urgent Needs Advocates:** Interestingly, while COCOMs are given a role in this process, some leaders focused on rapidly countering threats (for instance, in wartime situations) might view the Section 316 process as too slow or cumbersome when speed is paramount. If a critical need arises (say, a new drone to counter an emerging threat), having to run a year-long prototype competition might not align with urgent fielding timelines. Thus, stakeholders like Special Operations Command or others who frequently use rapid acquisition pathways could oppose applying this model to their programs, arguing for exemptions. They would cite the clause that allowed waivers to meet **"critical national security objectives"** (Department of Defense's Waiver of Competitive Prototyping Requirement for Enhanced Polar System Program | U.S. GAO) – essentially, if time is of the essence, don't mandate a drawn-out competitive prototyping phase. Their stance isn't against competition per se, but against one-size-fits-all application.

- **Joint Requirements Oversight Council:** The JROC (which includes Vice Chiefs of each Service) might object to the way Section 316 sidelines the traditional requirements process. Under JCIDS, JROC has significant power in approving and prioritizing requirements. With Section 316's **JCIDS exemption** (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress), a program could change its requirement during the prototype phase without going back for JROC approval. Some JROC members or Joint Staff officers may see this as undermining their authority and the coherence of requirements across the services. They may argue that allowing program managers to deviate from validated requirements could lead to programs that don't fit into the bigger picture or miss joint integration needs. In short, they might oppose the loss of requirements oversight, fearing it could result in requirement creep or inconsistency. Their rationale would be about maintaining rigor and interoperability through the standard requirements process.

Additional Resources Needed for Successful Implementation

To execute Section 316 effectively, the DoD will likely require additional resources and enablers beyond the status quo:

- **Increased Funding for Prototyping:** Each program selected for this competitive approach will need sufficient R&D funding to support multiple prototype contracts. The DoD may need to bolster its **Research, Development, Test & Evaluation (RDT&E)** budgets. In practice, this could mean budgeting roughly twice the usual amount for the technology development phase of a program. Without dedicated funding, there's a risk that either each prototype effort is under-funded (leading to poor results) or that other programs get their funding cut to support these competitions. Therefore, **earmarked funds or plus-ups** in the budget might be necessary to cover the parallel development efforts (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress). Congress might have to appropriate additional money for competitive prototyping initiatives, especially in the early years as this ramps up.
- **Workforce and Training Investments:** As noted, the acquisition workforce will be stressed. The Department will need to **train more program managers and contracting officers** in how to run competitive prototype efforts. The Defense Acquisition University (DAU) and other training bodies should develop curricula on managing internal competitions, including best practices for fairness and technical evaluation. DoD may also need to **hire additional personnel or contractors** to backfill roles. For example, if a particular PEO needs to field two extra PMs for a

program, those might be drawn from elsewhere, leaving a gap that needs filling. Building a cadre of experienced PMs who have gone through a Section 316 process will be important – initially this might require mentoring and perhaps bringing back recently retired acquisition experts on a temporary basis to help. Human resource flexibility and maybe incentives (like career credit or bonuses for those who take on the extra duty of a competitive PMO) could be considered to entice top talent into these challenging roles.

- **Testing and Evaluation Capacity:** Implementing this will put a heavier load on DoD's **test ranges, laboratories, and evaluation teams**. The organization might need additional test personnel or funding for more test events. For instance, if two prototypes need to go through flight testing, wind tunnels, or live-fire tests, that doubles the range time and instrumentation required. To mitigate this, DoD could invest in **advanced modeling & simulation tools** to evaluate prototypes in virtual environments, reducing some real-world testing. Nevertheless, key tests (like flight tests, interoperability tests, soldier touchpoints, etc.) will have to be done for each prototype. Planning for those – possibly even constructing duplicate test articles or targets – may need extra resources. The streamlined test plan mandated by Section 316 (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress) will help focus efforts, but it won't eliminate the need for physical testing. Thus, more funding for test infrastructure (upgrading ranges, hiring temp personnel for peak test periods, etc.) and scheduling coordination will be required.

- **Policy and Oversight Mechanisms:** The act requires new **guidance by April 2025** from each acquisition executive (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress). Crafting this guidance will take staff effort at the Pentagon and service headquarters. Moreover, to ensure consistent implementation, DoD might establish a **central oversight team or task force** for Program Management Office Competition. This could be a small group in OSD(A&S) or within each Service Acquisition Executive's office that monitors the competitions, shares lessons learned between programs, and ensures the integrity of the process. Such oversight might require hiring subject-matter experts (perhaps experienced program managers or test leads) as advisors. Additionally, the DoD Inspector General or GAO may increase audits of these programs given their experimental nature – the program offices should be prepared to devote time to oversight and documentation to show the process was fair and within legal bounds. All of this implies a need for some extra administrative resources and attention at high levels of the Department.

- **Industry Engagement and Support:** To get the most out of Section 316, the DoD will want robust participation from industry, including non-traditional players. This may require resources for **industry outreach, workshops, and maybe seed funding**. For example, holding industry days where the government explains the upcoming competitive opportunities and encourages diverse companies to bid as one of the prototype developers. DoD might use small Business Innovative Research (SBIR) programs or other vehicles to fund preliminary concept studies, ensuring smaller companies can afford to compete for a spot. Also, clarifying intellectual property and data rights up front (and possibly budgeting for buying certain rights or prototypes from the losing contractor) will smooth industry cooperation. Legal resources to draft strong contracts that cover the unique aspects (like tenure agreements for PMs, data delivery from both teams, etc.) are another need. In summary, DoD should be prepared to **invest in the planning and communication phase** with contractors to make sure the competitions attract quality proposals and both winners and losers feel the process was worth participating in.

Measures of Success

As Section 316 is implemented, the Department of Defense and oversight bodies will want to evaluate whether it's achieving its intended outcomes. Several **key performance indicators** could be used to measure success:

- **Cost Savings and Avoidance:** One metric of success would be if programs using the competitive approach show **lower total program cost growth** compared to historical single-source programs. For instance, DoD can track if the winning prototype's production and sustainment costs come in closer to initial estimates (indicating more realism and discipline) and if there are fewer Nunn-McCurdy breaches (which are overruns of 25% or more) on these programs. Over the long run, they can compare life-cycle cost estimates of Section 316 programs vs. analogous programs that didn't have a prototype competition. A successful outcome would be noticeable cost avoidance – even if we spent more in development, the theory is we save on fewer redesigns and better pricing. If those savings materialize and outweigh the upfront investment, it's a win.
- **Schedule Reduction:** Measure whether the **time to deliver operational capability** is improved or at least not worsened by the competition. One goal is to get capabilities to warfighters faster (Senator Wicker Announces Pentagon Reform and Innovation Proposal - U.S. Senator...). It may seem counterintuitive since competition adds early steps, but success would mean that through streamlined

processes, the competitive programs still field their systems on par with or faster than traditional programs. DoD could track the timeline from program start to initial operational capability for Section 316 pilots versus historical averages. If the data shows equal or shorter timelines (perhaps due to eliminating lengthy requirement and source selection phases), that indicates the approach didn't impede speed. Fast fielding of the chosen system, without the usual delays from requirements churn or rework, would be a clear success indicator.

- **Performance and Quality of Outcomes:** Ultimately, success is measured in the **effectiveness of the weapon systems delivered**. Metrics here include whether the winning prototypes meet or exceed their performance requirements and how they perform in operational tests and in the field. Because users are involved in picking the winner, we'd expect higher user satisfaction with the system that gets deployed. The DoD can survey or get feedback from the combat units receiving the new capability: Did the competition yield a product that's more combat-effective, reliable, or maintainable? Also, if any of the losing prototype's technologies were transitioned into the winning system or elsewhere, that is a bonus outcome – showing that even the "losing" effort added value. A high-quality end product that might not have been achieved without the competitive push is a major measure of success.
- **Breadth of Industry Participation:** One of the aims is to **broaden the defense industrial base and competition**. Metrics could include the number of different companies that win prototype contracts under this scheme, especially if it brings in firms that normally wouldn't have led a major program. If over a few years, Section 316 leads to, say, a non-traditional contractor or a second-tier supplier winning a big program via a prototype competition, that would be seen as a success. DoD can also track how often the same big primes are just competing against each other versus cases where a new entrant competes. An increase in competitive entrants and innovative designs proposed would indicate the initiative is fostering a more competitive marketplace. Additionally, tracking if the competitive process leads to fewer sole-source contracts overall in the long run (because even after a down-select, some components might be open to others) can be a measure of a healthier competitive environment.
- **Process Adoption and Culture Change:** Another measure is more qualitative: has Section 316 **changed the acquisition culture**? Indicators here might be surveys or interviews with program managers and industry that went through the process. If they report that the internal competition drove better decisions, more risk-taking (in

a good way), and improved morale (e.g., a healthy rivalry that motivated teams), that's a success. On the flip side, if people report it as chaotic or purely bureaucratic, that would be a failure sign. Also, whether the services choose to expand the practice beyond the minimum 3 programs per year could be a measure – if, for example, the Air Force voluntarily does 5 programs in 2026 because they see value, that indicates success. Congress and GAO will likely look at early case studies and ask: did this produce *notable* improvements (faster fielding, innovative tech, cost savings)? If yes, success can be claimed and the approach possibly expanded.

Alternative Approaches

While Section 316 mandates a specific approach to fostering competition, there are other methods the DoD could consider to achieve similar goals of innovation, cost savings, and vendor diversity:

- **Modular Open Systems & Component Breakouts:** Rather than competing full systems, DoD can ensure competition at the **subsystem or component level**. This involves designing weapons with a **Modular Open Systems Approach (MOSA)** so that components (like engines, radars, software modules) can be easily swapped (GAO-25-106931, WEAPON SYSTEMS ACQUISITION: DOD Needs Better Planning to Attain Benefits of Modular Open Systems). The DoD could then competitively procure those components from different suppliers. For example, if a new aircraft is built with an open avionics architecture, multiple companies could provide different avionics modules, injecting competition throughout the life of the program. Similarly, **component breakout** is a practice where the government competes certain high-value parts separately even if one prime contractor integrates the whole system. This was used historically (e.g., the "Great Engine War" where two engine makers competed to power the F-16, yielding cost savings). This approach can deliver some benefits of competition (lower costs, continuous innovation in subsystems) without funding two complete parallel prototypes. It's essentially **competition within the system's supply chain** rather than at the total system level.
- **Phased Competitions / Down-Select at Earlier Milestones:** Another approach is to have a competition that **down-selects before building full prototypes**. For instance, the DoD could fund multiple contractors through preliminary design review (PDR) or to build digital prototypes and sub-scale models. After evaluating those, pick one winner to actually build the system. This is somewhat how many NASA programs run (competitions through design phases, with one selected for

build), and how the Air Force's Next Generation Air Dominance (NGAD) program is reportedly structured (digital designs competed before selecting a final design to build). It saves money by not duplicating the entire prototype hardware for all competitors – only the final winner builds the full system – but still leverages competition in the design stage. The trade-off is less empirical risk reduction, but it's cheaper and faster. This **digital engineering competition** idea leverages modern simulation: contractors could deliver high-fidelity virtual prototypes or engage in fly-offs with smaller demonstrators, from which the government chooses the best design for full development.

- **Continuous Iterative Competition (Century Series model):** Instead of one big down-select, the Air Force has floated a "Digital Century Series" concept where you would continuously design and field small batches of aircraft on a rapid cycle. Translated generally, DoD could pursue a strategy of **frequent, smaller competitions** – for example, develop one system with one contractor, but only for a short production run or first increment, then compete an upgrade or a follow-on variant soon after. This keeps industry on its toes because winning one round doesn't guarantee a monopoly for 30 years. It's an alternative that achieves ongoing competition over time rather than a parallel competition at the start. This could be more efficient if technology is fast-moving; you let one contractor field something now, and in five years you invite competition to field something better, leapfrogging in increments. The risk is it requires very agile requirements and budget processes to do serial competitions.
- **Enhanced Use of Other Transactions (OTAs) and Challenges:** To bring in innovation from non-traditional companies, DoD has used **prize challenges** and OTAs (Other Transaction Authority agreements). As an alternative to formal program-of-record competitions, the Department could run challenge competitions on specific problems (like DARPA-style challenges or Army "maker" competitions), awarding the winners with production contracts or follow-on funding. This tends to attract startups and tech firms who might not engage in a multi-year DoD prototype program. For example, a challenge could be "build a drone that can do X"; multiple teams build one at their own cost, the winner gets a contract. This flips the cost model (industry bears more upfront cost, lured by prize). It's not directly what Section 316 does, but it's another way to spur competition and innovation without committing to fund two entire development efforts. OTAs similarly allow rapid prototyping with potentially multiple awards then a down-select, but outside the normal FAR contracting rules, which can be quicker and more flexible. Essentially,

bake-off style competitions using non-traditional procurement methods could achieve similar innovation injection.

- **Sustainment Competition and Open Data Rights:** A significant portion of defense spending is in sustainment (maintenance, upgrades, spare parts). An alternative or complement to competition in development is to ensure **competition in sustainment**. This can be done by securing technical data rights and then inviting third-party maintenance providers or manufacturers to compete to provide spare parts or upgrades after the initial system is fielded. For instance, rather than letting the original contractor have a lock on all future upgrades, the government could openly bid out an upgrade package (with the data in hand to allow someone else to do it). Encouraging **reverse engineering and second-source production** of parts (something explicitly recommended in Wicker's report to break monopolies on things like spare parts) (Senator Wicker Announces Pentagon Reform and Innovation Proposal - U.S. Senator...) can drive costs down dramatically. While this doesn't address the upfront innovation of design, it addresses lifecycle cost efficiency. It's an alternative focus: instead of investing in two designs at start, invest in making the chosen design's sustainment competitive. Both approaches aim to prevent a sole-source dependency; one does it at the front end (design phase), the other at the back end (sustainment phase). In practice, DoD could combine them, but if front-end competition isn't feasible (due to time or budget), back-end competition via open data and supplier diversification is a valuable plan B.

Section Specific Question 1

What strategies or requirements related to fostering competition *within* a program does Section 316 introduce for Program Management Offices?

Section 316 introduces a structured method for **intra-program competition**. Key strategies and requirements include:

- **Parallel Competing Teams:** Program Management Offices (PMOs) must set up **at least two separate program management and contracting teams** for a given program, each managing a different contractor to develop alternative prototypes (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress) (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress). This effectively creates an internal competition – two rival efforts working toward the same requirement. It's akin to a "multiple sourcing" strategy within one program, ensuring no single contractor has a lock on development from the start.

- **Independent Prototype Development & Funding Parity:** The PMO is required to provide **equal resources (funding and schedule)** to each competitor (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress), so that both prototypes have a fair chance to meet the requirements. By leveling the playing field, the PMO fosters genuine competition based on merit of the designs, not on one team getting more support than the other.
- **Competitive Down-Select Process:** The PMO must plan and conduct an **independent down-select** after the prototype demonstrations (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress). This involves evaluating both prototypes side-by-side with a team that includes testers and combatant command (user) representatives. The requirement is that direct input from actual military end-users be factored into the evaluation (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress). In practice, the PMO will organize events like fly-offs, field tests, or user trials for each prototype and gather data to decide which one is superior or better meets the needs. This down-select decision, overseen by the Service Acquisition Executive (and potentially delegated to a special board), determines the "winner" that will proceed. It formalizes competition by not committing to a single design until after comparative testing.
- **Distinct Contractors (No Common Parent Company):** To reinforce competition, Section 316 explicitly requires the PMO to ensure the two contractors in the competition are **independent entities (no shared corporate parent)** (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress). This prevents situations where, for example, two subsidiary companies of the same large defense firm "compete," which would undermine true competition. The PMO's contractor selection strategy must therefore seek bids from genuinely separate companies. It may also encourage including non-traditional or smaller vendors as one of the competitors to increase the diversity of solutions.
- **Flexibility in Requirements and Approach:** The Section grants PMOs some **flexibility to foster innovation** during the competition. The program's initial requirement is exempt from the rigid JCIDS process, and PMs can approve deviations to requirements as prototypes evolve (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress) (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress). In other words, if one contractor proposes a slightly different solution that better achieves the intent, the PMO can allow that innovation rather than disqualify them for not

meeting an exact spec. This is somewhat analogous to a modular open approach – it lets each team explore different ways to achieve the goal without being handcuffed to identical methods. Additionally, each team only needs to produce a short-form **acquisition strategy (max 20 pages)** (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress), which encourages them to focus on key competitive discriminators rather than lengthy compliance documents. All these elements (requirement flexibility, streamlined paperwork) are strategies to let competition flourish by focusing on outcomes and innovation, not process hurdles. The PMO essentially becomes a competition facilitator, making sure bureaucratic impediments are minimized so that the best technical solution can win on its merits.

In summary, Section 316 requires PMOs to **institutionalize an internal "race"**: two teams, same objective, evaluated head-to-head, with the PMO orchestrating a fair contest and then picking a winner. This includes ensuring independent competitors, equal support, active user-informed evaluation, and enough freedom for each competitor to pursue creative solutions within the program's scope.

Section Specific Question 2

(No specific question content was provided for Section Specific Question 2.)

Summary

Section 316 of the FoRGED Act represents a bold attempt to infuse the benefits of competition into the heart of defense acquisition programs. By mandating parallel prototype efforts managed by separate teams, it aims to **deliver better military capabilities** – in terms of performance, cost, and speed – than the traditional single-track development path. This approach offers significant opportunities: it can drive innovation, reduce technical and cost risk through "trial by fire" of competing designs, and broaden the industrial base participating in major programs. If implemented well, it could become a model for how the Pentagon buys complex systems, breaking the pattern of lengthy sole-source developments that often underperform.

However, Section 316 also comes with cautions. It demands careful execution – balancing the **higher upfront costs** against long-term savings, ensuring the acquisition workforce is prepared, and maintaining fairness and rigor in the competition process. The DoD will have to manage the potential downsides (like schedule and workforce strain) through the mitigations discussed, or else the promise of competition could be overshadowed by practical difficulties. Stakeholders will be watching initial pilot cases closely. Success will likely be judged by whether these competitive programs indeed get capabilities to the field

faster and more affordably **“by getting better weapons to our troops faster and maximizing taxpayer dollars” (Senator Wicker Announces Pentagon Reform and Innovation Proposal - U.S. Senator...)** as envisioned.

In essence, Section 316’s significance lies in its attempt to transform the acquisition culture – shifting it toward a mindset that welcomes competing ideas and lets performance determine winners. It leverages the age-old idea that competition breeds excellence, applying it within the government’s own program offices. If the DoD can supply the necessary resources and leadership attention, and remain flexible in refining the process, this initiative could yield game-changing results. But it will require strong commitment and a willingness to learn from each competitive cycle. The opportunity is great: a chance to avoid past procurement pitfalls and field world-class systems at best value. The caution is equally clear: execution will be everything, and the Department must be proactive in addressing the challenges this new paradigm brings. With realistic expectations and vigilant management, Program Management Office Competition (Section 316) could become a cornerstone of a more innovative and responsive defense acquisition system, truly **“unleashing” American defense innovation through competition**.

Sources: Competitive prototyping requirements and processes from Section 316 of S.5618 FoRGED Act (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress) (Text - S.5618 - 118th Congress (2023-2024): FoRGED Act | Congress.gov | Library of Congress); historical acquisition reform context from WSARA 2009 and earlier directives (Department of Defense's Waiver of Competitive Prototyping Requirement for Enhanced Polar System Program | U.S. GAO) (Navy and Defense Reform: A Short History and Reference Chronology); expected benefits of competition in reducing risk and cost from GAO analysis (Department of Defense's Waiver of Competitive Prototyping Requirement for Enhanced Polar System Program | U.S. GAO); and Sen. Wicker’s reform objectives emphasizing multiple sourcing and innovation (Senator Wicker Announces Pentagon Reform and Innovation Proposal - U.S. Senator...) (Senator Wicker Announces Pentagon Reform and Innovation Proposal - U.S. Senator...).