

h. Memoranda of Understanding. See Annexure 11 to Appendix N. The change mechanisms and involvement of the user are to be included herein in addition to par 26.b above.

27. Procedure. The procedure to compile the Development Plan (DP) is for Armscor to complete the DS in accordance with the MOU and present the results in document form to the user, who then adds the requirements mentioned in Section 1, Chapter 2, par 42, based on work performed during the SS. The approval and change procedure for the DP are basically the same as for the ST described in Function 2, par 8. Changes that fall outside of the financial authorisations, that change the choice of products system, that change the choice of contractor, that change the estimated quantities considerably or that change the marketing approach, are classified as Class 1 changes and, as for the original document, are to be submitted for approval.

CHAPTER 20 DESIGN DEVELOPMENT PHASE

DESIGN DEVELOPMENT PHASE - GENERAL

1. Aim. The objective of the design development phase is to establish the PBL on system level 6 for a user system with the aim of tasking the industry with unambiguous, workable production specifications (so-called product, material and process specifications) in terms of which they can manufacture products for integration into user systems.
2. The ABL-2. The design development phase commences when the ABL-2 has been attained and the necessary approvals for the DP have been given.
3. The Product Baseline (PBL-2A). The Development Plan terminates when the PBL-2A has been attained. The PBL-2A represents milestone 2A, the so-called "manufacturing decision" and is made by the user in co-operation with the other DOD components and Armscor in particular. The ABL-2A at the user system level consists of a number of documents taken together in the AP. This includes, inter alia:
 - a. The PM Req-3.
 - b. The technical requirements expressed as product "C", process "D" and material "E" specifications.
 - c. The integrated logistic support plan 3 (ILSP-3) (see Log 9 and 10, pamphlet 1, part 8).

DESIGN DEVELOPMENT PHASE - FUNCTIONS

4. Scope. The Design Development Phase includes all activities between the ABL-2 for the user system and the PBL-2A. These activities are grouped together in functions 9 and 10 below.

FUNCTION 9

5. Function 9: Acquisition Study Single Tender (ASST). The object of the ASST is to further define the selected products system(s) based on the "A" and "B" specifications by way of development activities, reflected as "C", "D" and "E" specifications and by integration development activities in terms of which acquisition and manufacture can take place.
6. Scope. During the ASST, the following activities are carried out:
 - a. Development of the system takes place in accordance with the proposed development models (Refer paragraph iv).
 - b. Consecutive TT&E and where appropriate, POT&E.
 - c. An Industrialisation Study (IS) is launched to determine how and to what extent the products system is to be industrialised for purposes of production.
 - d. A LS is carried out to compile logistic plans, namely the ILSP-3 and SP-3, in which logistic requirements for the production phase are to be realized.

7. Procedure. The ASST is undertaken by the system supplier and/or system house on Armscor's instructions, with continued inputs from the DOD particularly regarding ILS.

NOTE: Operational usage of models. In exceptional cases, particularly where a limited number of systems are to be produced, it is sensible to use advanced models, e.g. ADMs, EDMs and PPMs, in operational roles. Given that the configuration of these models differ from PM's, it is essential that subjects such as ownership, handling, updating and employment of these models, be spelt out in detail and formally agreed upon.

- a. Prime Contractor. The Prime Contractor is responsible for:
- i. Design Development of the system with concurrent drawing up the "C", "D" and "E" specifications for all levels of the products system.
 - ii. Conducting the development test and evaluation on the different models under development which includes aspects such as environmental testing, electromagnetic compatibility and reliability. For complex systems, it may be necessary to conduct POT&E on products or products systems. The SANDF and Armscor are co-opted.
 - iii. Conducting the IS, which includes inter alia, scope of the task, special equipment needed, qualification of the manufacturing capability, production tempo, costs of relevant phases and timescales.
 - iv. Compiling an SP-3 (or ISP-3 if it is responsible for the products system level), based on continued inputs from the SANDF (during the LS-3) on the one hand, and on the other hand as derived from the LSA executed by Industry parallel to the concept design. Where a system supplier is appointed, he is responsible for the integration of the logistic support plan of subcontractors.

NOTE: Successful completion of the above, is regarded as functional qualification of the system, i.e. all technical aspects are resolved except for the back impact that industrialisation may have on the solution.

- b. Armscor. During the AS, Armscor is responsible for:
- i. Executing the so-called AS with the object of determining the manner in which and by which contractor the products will be manufactured, tested accepted and integrated to supply an acceptable products system in accordance with the SANDF's requirement. A detailed financial plan is drawn up, indication funds, funding, milestones and timescales, as well as updated LCCs.
 - ii. Providing the SANDF with an updated record index with configuration status of each of the relevant document.
 - iii. Supplying the logistic results contained in the ISP-3.

iv. Supplying the test and evaluation (TT&E and POT&E) results on products system level to the DOD.

c. The SANDF. The SANDF is responsible for the following:

- i. Launching a LS, the so-called LS-3, by which the requirement and interaction with contracted Industry is determined to enable Industry to draw up the SP-3 (or ISP-3 on products system level) in accordance with the requirements of the SANDF. A further object of the study is to generate the SANDF's ILSP-3 inputs, which in turn will direct the activities in the manufacturing phase.
- ii. Organising the tracking of logistic elements not provided by Armscor in order to ensure that the acquisition thereof does not become out of step with the products systems acquired by Armscor.
- iii. Ensuring that the system development keeps pace with a possible change in the threat so that development can be steered into another direction timely or be ceased, depending on the circumstances.
- iv. Preparing the final operational test and evaluation (FOT&E) documentation for those tests that will be conducted under complete management of the user. This task cannot be fully completed in this phase and will thus spill over into the industrialisation and manufacturing phase. These tests can also be seen as part of the force preparation activity of the specific user system and must not be confused with the manufacturers' TT&E, the object of which is to prove a system acceptable for delivery.

FUNCTION 10

8. Function 10: The AP. The AP is drawn up by the user (see Appendix N for guidelines and an example of an AP) based on the AS executed by Armscor, and represents DOD milestone 2A, viz the "manufacturing decision" (Armscor milestone 2A). As the largest portion of the project funds is usually tied up with this decision, this milestone document is, as a matter of principle, approved by top management and, together with the ST, is the non-negotiable documents of any project. The purpose of the decision is to confirm that the requirements contained in the FURS and the solution set out in the PSR will satisfy the clients current operational requirement, that the manufacturing data package as reflected in the "C", "D" and "E" specifications and the drawings is complete and correct to manufacture the required system, that the proposed manufacturer is acceptable, that the ILS requirements have been detailed fully to satisfy the required operational requirements, that the operating part of the LCC is compatible with the planned available operating budget, and that the proposed financial and schedule aspects are acceptable. For the management of multiple production phases during the acquisition phase, refer to Annexure B to Appendix N for guidelines in this respect. The AP is basically the summary of the results of the AS, and contains the following:

- a. Introduction. Confirmation that the PS and the requirements contained in the functional user requirements statement are still valid with reference to the configuration status of the valid document. Confirmation that test and evaluation in terms of the requirements of the "A" and "B" specifications have been successfully completed. Special confirmation that approved financial

limits of the preceding phase has not been exceeded. A short description of all the products systems that is to be manufactured including the number and possible variants to be manufactured.

- b. PM Req-3. All project management information as set out in Function 3, par's 9.a, 9.d and 10.d (particularly with regard to industrialisation and production) summarized as document PM Req-3. Included herein is any special involvement in Factory Test and qualification of the products system.
- c. Technical Requirements. The technical requirements as reflected in the "C", "D" and "E" specifications are to be attached to this plan, or referred to with the correct configuration status. For control purposes, an updated MRI is included in all cases where the title and status of all relevant documentation is included. The user is to confirm that the contractor selected by Armscor to execute production is supported as the optimum choice.
- d. Logistic Requirements (ILSP-3 and SP-3). Logistic results of the completed phase are included or referred to as SP-3 and ILSP-3. The SANDF's technical and management requirements dictating the logistics of the next phase are included and referred to as ILSP-3 in terms of the prescripts contained in Log 9 and 10, pamphlet 1, part 8. For ILS elements that are not allocated to Armscor such as human related buildings and facilities, confirmation is to be given that the timescales for the acquisition thereof have been integrated with that of the project.
- e. Financial Requirements. Updating of the financial requirements set out in Function 4, par 12.e and as applicable to the industrialisation and production phases are to be reflected. Provisional prices should have been negotiated with the industry at this stage, so that no unpleasant shocks are experienced during final contract negotiations.
- f. Timescales. Reasonably fixed indications for the following are to be given:
- i. Timescales and milestones for the industrialisation and production phases. These milestones are coupled to aspects such as production progress, factory acceptance, installations, delivery and operational tests and evaluation.
 - ii. Timescales for the production phase if more than one generation of the system is to be built in phases.
 - iii. Updated planned date of commissioning of the user system, ie, when the first system has been fully operationally tested and accepted, when the ILS is fully qualified and the project is ready for closure and the complete system can be handed over to the operational owner, sometimes referred to as the Weapons Systems Manager.
 - iv. Operational life expectancy of the user system with an estimate of the first major upgrade/modernization.
- g. Security Plan. An updated security plan in terms of Section 1, Chapter 6 and Appendix N, Annexure 15.

- h. Veranda of Understanding. See Annexure 11 to Appendix N. The change mechanisms and involvement of the user are to be included herein in addition to Function 8 par 26.b.

CHAPTER 2D: INDUSTRIALISATION PHASE

INDUSTRIALISATION PHASE - GENERAL

1. Aim. The purpose of the industrialisation phase is to establish the Manufacturing Baseline (MBL) for the matériel in terms of which the Industry can manufacture, so that a system is produced that is in accordance with the stated users requirement.

NOTE: Flexibility between Phases. As industrialization is sometimes executed as part of the development phase, sometimes as a separate phase and sometimes as part of the manufacturing phase, certain flexibility is permitted. Activities referred to below thus take place mainly in this phase but preparation very often occurs in the previous phase while final completion only takes place in the next phase.

INDUSTRIALISATION PHASE - FUNCTIONS

2. Scope. The industrialisation phase thus includes all activities between the PBL-2A and the MBL-3 and is described in Function 11 hereafter.

FUNCTION 11

3. Function 11: The Industrialisation Phase. During the industrialisation phase the manufacturing processes of the Industry are developed and qualified.

4. Procedure. The industrialisation phase is carried out mainly by Industry in close interaction with the SANDF and Armscor. The responsibilities of the different parties are as follows:

a. Industry. The contracted Industry is responsible for the following :

Development of the manufacturing processes, production line, process control and quality control by which the manufacturing process is qualified.

- i. Manufacture of the PPMs to qualify the factory control processes stated above, and to make final adjustments based on the operational impact to the user of changes to fit, form and function (in extreme cases) during industrialisation.
- ii. Acceptance of the manufacturing contract as drawn up by Armscor and approved by the DOD.
- iii. Preparing test documentation against which ILS element will be qualified for those responsibilities for which Industry has been contracted.
- iv. Preparing the factory test documentation against which mainly products and product subsystems will be accepted.

b. Armscor. Armscor is responsible for the following:

- i. Ensuring that the manufacturing process is developed and qualified by the selected manufacturer.
- ii. Drawing up a manufacturing contract and having it accepted by the DOD and the manufacturer.
- iii. Establishing criteria, procedures and tests for factory and system acceptance at all the relevant system levels and to reach agreement there with the manufacturer. The sole purpose of this for the manufacturer is to prove to Armscor that the system supplied complies with the contracted specifications in all respects.
- iv. Determining the costs of ownership for the products system in as far as Armscor and Industry is responsible for executing life cycle activities.

c. The SANDF. The SANDF is responsible for the following :

- i. Execution of the Qualification Study (QS), which consists of initialisation and formal writing of the ED of the user system. Although the ED is taken into account throughout the acquisition process, it is usually finalized and documented at this stage.
- ii. Initiate the writing of the final OT&E documentation (FOT&E) for the products system, user system, and in exceptional cases for the combat grouping.
- iii. Updating the LCCs of the user system, ie, cost of ownership.

NOTE : Operational Test and Evaluation. POT&E has as its objective the verification of operational effectiveness, operational survival, logistic supportability, reliability and maintainability in order to make final adjustments to the MBL while final operational test and evaluation (FOT&E) is aimed rather at evaluating modifications and to adapt the organisation and to streamline doctrine and tactics.

CHAPTER 2E: MANUFACTURING PHASE

MANUFACTURING PHASE - GENERAL

1. Aim. The purpose of the manufacturing phase is to establish the qualification baseline (QBL) for the user system, in terms of which, on the one hand, Armscor and Industry can qualify the system for acceptance at the material level (levels 5 and lower), and on the other hand, the SANDF can qualify the system for acceptance at the combat capability level (levels 6 and higher) so that a user system can be supplied that complies fully with the requirements stated by the SANDF.

MANUFACTURING PHASE - FUNCTIONS

2. Scope. The manufacturing phase thus includes all activities between the MBL-4 and the QBL-4, and is covered by Function 12 set out below.

FUNCTION 12

3. Function 12: The Manufacturing Phase. During the manufacturing phase the product system is manufactured/erected/established by Industry and Armscor, and the user system by the SANDF and the contracted parties. The matériel is subject to Factory Acceptance Tests (FATs) by Industry in accordance with the requirements contained in the technical "A", "B", "C", "D", and "E" specifications, and after proper acceptance is supplied to Armscor, while Armscor in turn supplies the products system(s) to the SANDF for final operational test and evaluation (FOT&E) during the Commissioning Phase (which can be viewed as system qualification), measured against the FURS and LURS.

4. Procedure. The manufacturing phase is executed mainly by Industry in close interaction with the SANDF and Armscor. The responsibilities of the various parties are as follows:

- a. The Industry. The contracted industry is responsible for the following:
 - i. Manufacture and procurement by subcontractors of all material representative of the products and products system(s) as contracted by Armscor.
 - ii. Integration of the products system components.
 - iii. Providing the ILS based on the ILSP-3 as contracted by Armscor.
 - iv. Keeping the MRI up to date for all relevant documents that need to be supplied as contracted.
 - v. Executing FATs in accordance with the approved acceptance procedures, and properly documenting the results obtained.

b. Armscor. Armscor is responsible for the following :

- i. Ensuring that the manufacturing phase is fully carried out by Industry in accordance with the contract, and that the acquisition activity is managed in accordance with the MOA established between Armscor and the DOD.
- ii. Verification of demonstrated performance at all required system levels against contracted specifications.
- iii. Performing required administrative functions related to packing, marking, handling, transportation and accepting into inventory of delivered matériel.
- iv. Ensuring that the formal process for Engineering Change Proposals (ECPs) is adhered to.
- v. Integrating the personnel and matériel interests of the three main parties, viz the DOD, Armscor and Industry, relating to manufacture and change control.
- vi. Accepting qualified products system(s) against the technical specifications and supply of the products system(s) to the SANDF against the contained in the FURS and LURS.
- vii. Reporting to DAPD on the attainment of milestones and spending of funds as determined in the AP and contracts.
- viii. Delivery of the final MRI that is to include, *inter alia*, the final LCCs update of the products system.
- ix. Supplying a proposed list of strategic material for stockpiling purposes.

c. The SANDF. The SANDF is responsible for the following:

- i. Finalisation of the QS in order to determine precisely in which way the user system, including the ILS, will be qualified. This consists of a complete plan with timescales, persons/organisations involved, qualification norms, final operational test and evaluation documentation (FOT&E) etc The final operational test and evaluation (FOT&E) is aimed at, on the one hand, confirming compliance with the operational requirements set in the FURS and the logistic requirement set in the LURS at user system level, and on the other hand, making adjustments to the ED as finalized in the commissioning phase. The results of this study are summarized as the qualification plan and are used to direct the commissioning phase.
- ii. Executing the doctrine study in order to establish a complete ED before the system is declared ready for full operational employment.
- iii. Updating the LCCs of the user system.

CHAPTER 2F: COMMISSIONING PHASE

COMMISSIONING PHASE - GENERAL

1. Aim. The purpose of the commissioning phase is to set up the operational baseline (OBL) for the combat capability and the supply baseline (SBL) for the matériel levels. These baselines determine the manner in which Industry and Armscor supply the system /matériel, and in which the SANDF operationally employs the user system and combat grouping, if applicable.

COMMISSIONING PHASE - FUNCTIONS

2. Scope. The commissioning phase thus includes all activities between the QBL and the OBL-6 at the Service level, and between the QBL and the Support Baseline (SBL-4) at Armscor and Industry level as set out in Function 13 and 14.

FUNCTION 13

3. Function 13: The Commissioning Phase. During the commissioning phase the SANDF performs final operational test and evaluation (FOT&E) (which can be viewed as system qualification) of the system, measured against the FURS, LURS, and operational doctrines.

4. Procedure. The commissioning phase is carried out by the SANDF, and includes the following activities :

- a. Finalizing the ED and documenting it fully.
- b. Finalizing the Logistic Doctrine (LD) and documenting it fully.
- c. Conducting the final operational test and evaluation (FOT&E) at products system level and higher.
- d. Documenting modifications that could not be incorporated timeously in the production items, including planning for incorporation.
- e. Accepting that the acquisition contract between Armscor and Industry has been completed satisfactorily. If there are only insignificant outstanding items, these items are indicated as exceptions in the acceptance document.
- f. Finalizing the LCCs of the user system (actual data in respect of the acquisition phase and data provided in respect of the operational phase).

CHAPTER 2G: CLOSURE

PROJECT CLOSURE

FUNCTION 14

1. Function 14: Provisional Project Closure Report (PPCR). The PPCR is prepared by the project officer (See Annexure 9 to Appendix N-for guidelines in this respect) and represents DOD milestone 4, ie the "operational decision". The PPCR is basically the summary of the results produced in the commissioning phase and contains the following:

- a. Introduction. A short overview of the course of the project, with important lessons learnt and recommendations for future projects.
- b. Products system(s). Confirmation that the products system(s) as contracted with Armscor in accordance with the MOA has been finalised satisfactorily in all respects. (Exceptions are to be documented and attached to the PPCR as an appendix for confirmation purposes.)
- c. User System. Confirmation that the user system as contracted with other parties in accordance with memoranda of agreement has been finalised satisfactorily in all respects. (Exceptions are to be documented and attached to the PPCR as an appendix for confirmation purposes.)
- d. Generations. Should more that one generation of the products system or products be produced in phases with development phases in-between, recommendations regarding future process is to be made for approval.
- e. Handing over Certificate. Completed handing over certificate in which the WSM or his equivalent takes over the full extent of the project responsibility for operation.
- f. Final Project Closure Report (FPCR). Recommendation on the activities foreseen prior to handing in the FPCR and estimated timescale thereof. As the logistic system can only be qualified finally when the first major repairs to the user system have been carried out, this point in time serves as the last possible handing in of the final project conclusion report by the WSM.
- g. Finances. A full financial report on completed activities, budgeted funds not spent, etc is required with estimation of what will still be required for future activities until submission of the FPCR.

2. Procedure. The approval procedure for the PPCR is basically the same as that for the ST as described in Function 2 par 8.

CHAPTER 2H: OPERATIONAL PHASE

OPERATIONAL PHASE - GENERAL

1. **Aim.** The purpose of the operational phase is to employ the user system or combat grouping operationally in accordance with the set requirements contained in the FURS. In order to be able to do so, the system must thus be fully logistically supportable during its operational life in accordance with the LURS.

OPERATIONAL PHASE - FUNCTIONS

2. **Scope.** The operational phase, in as far as the acquisition policy is concerned, only includes those support activities that will ensure that the user system or combat grouping will be kept fully operational.

FUNCTION 15

3. **Function 15: The Operational Phase.** During the operational phase the user system or combat grouping is employed by the SANDF and supported logistically by the DOD (DAPD) through the Industry and Armscor.

4. **Procedure.** The responsibilities of the different parties are as follows:

a. **Industry**

- i. Supplying the spare parts as contracted.
- ii. Maintaining the system, mainly at depot level, as contracted.
- iii. Giving advice regarding reliability growth.
- iv. Keeping the configuration status of documentation up to date in respect of changes initiated by the system supplier/system house as contracted.
- v. Acting as the system Design Authority.

b. **Armscor.** Contracting of Industry, as required, and with associated legal, financial, and QA support.

c. **The DOD /SANDF**

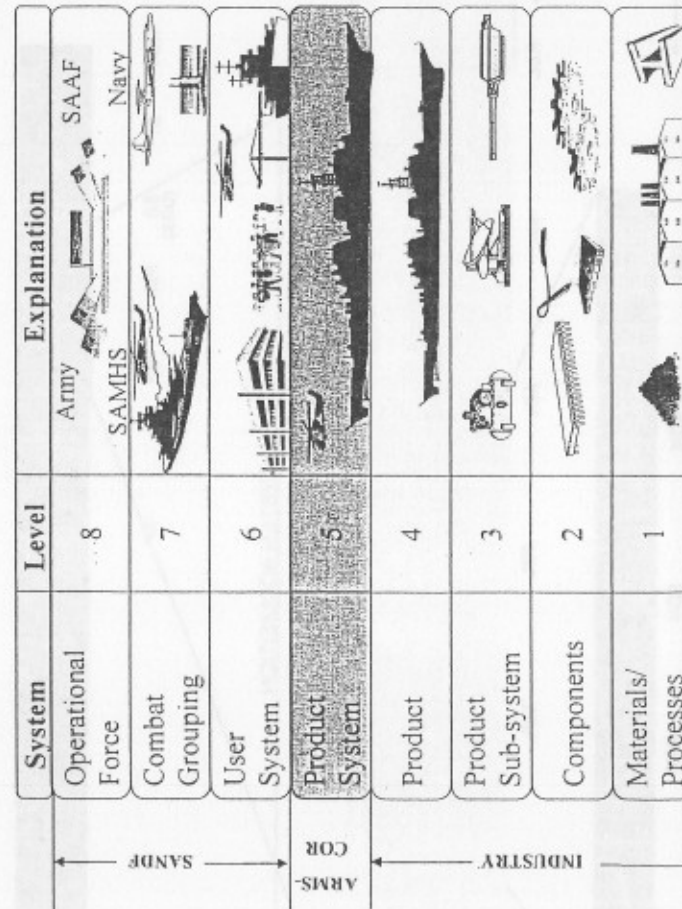
- i. The DOD (DAPD) is to ensure the earliest provision of outstanding logistics.
- ii. The SANDF prepares the FPCR so that the project portion of the life cycle of the user system or combat grouping may be terminated. The FPCR is submitted for approval only within the framework of the service, as the project, in so far as the DOD is concerned, had already been concluded upon submission of the PPCR.

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APPENDIX A
TO JDP ACQ No 00002/2004

SYSTEMS HIERARCHY



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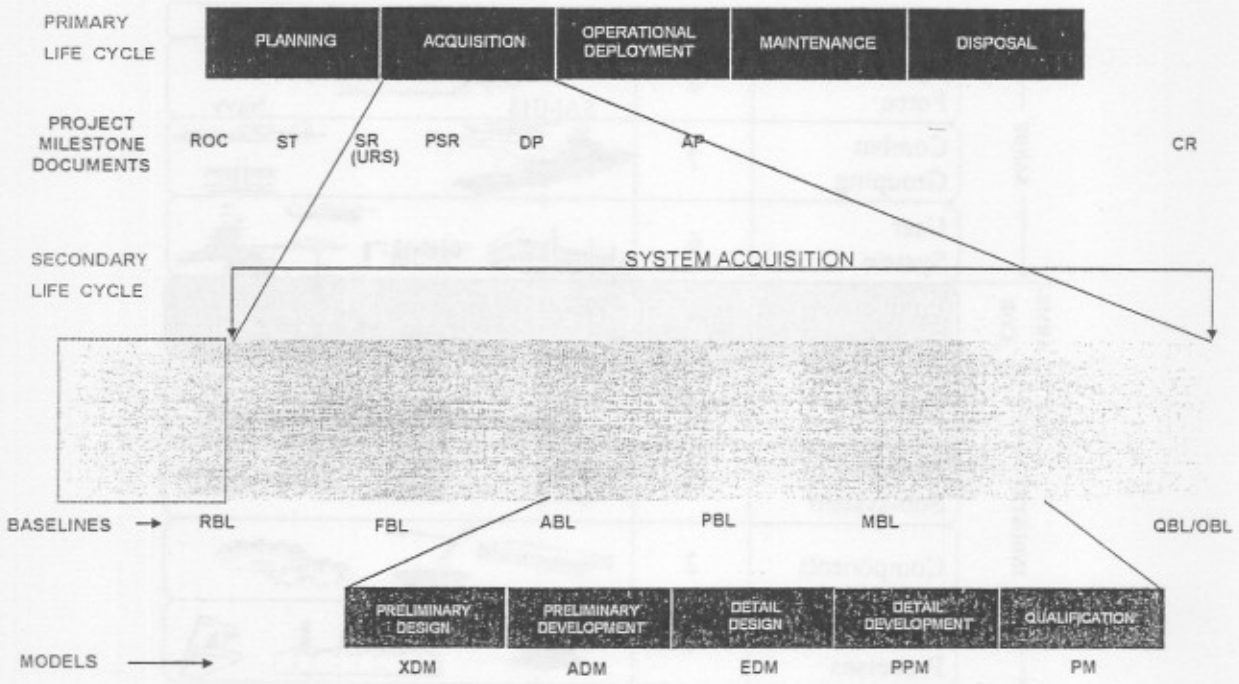
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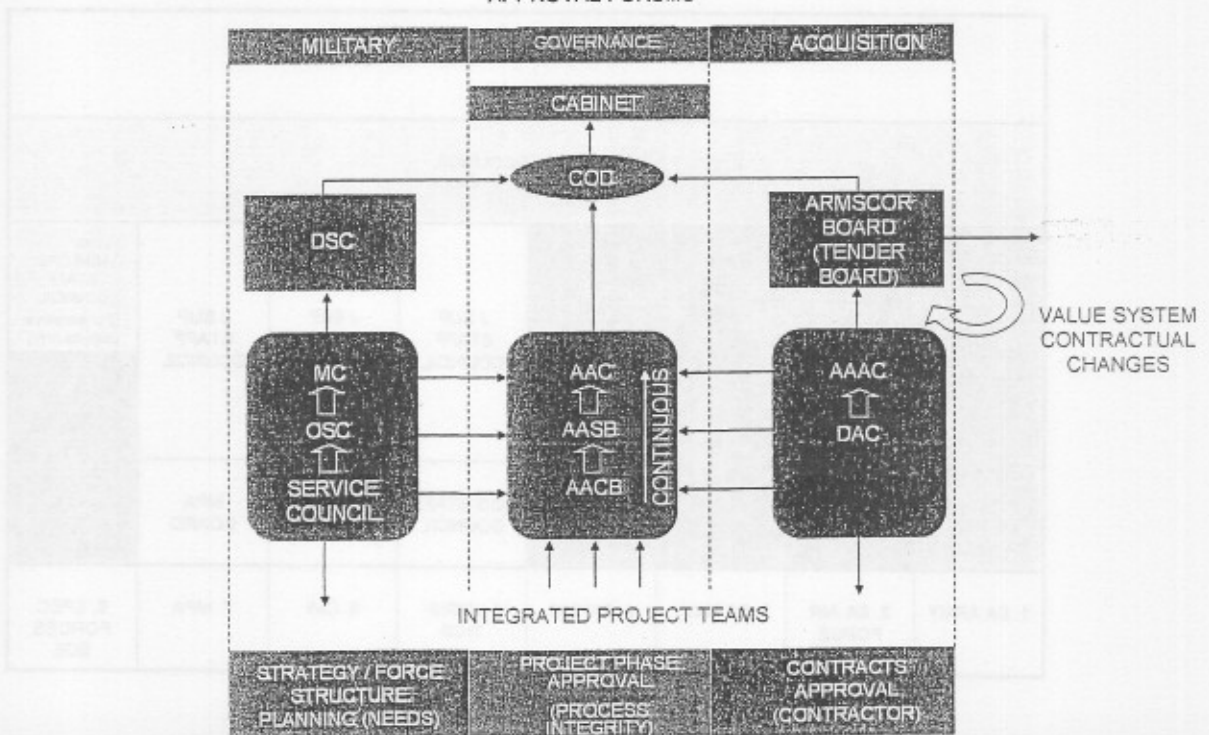
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APPENDIX B
TO JDP ACQ No 00002/2004

THE SYSTEM LIFE CYCLE



APPROVAL FORUMS



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APPENDIX D
TO JDP ACQ No 00002/2004

SANDF APPROVAL FORUMS

MILITARY COUNCIL							
OPS STAFF COUNCIL							
ARMY COUNCIL				J SUP STAFF COUNCIL	J SUP STAFF COUNCIL	J SUP STAFF COUNCIL	MINI OPS STAFF COUNCIL (For sensitive projects only)
SA ARMY ARM ACQ COM				LOG STAFF COUNCIL	CMI STAFF COUNCIL	MPA BOARD	SPEC FORCES BDE
1. SA ARMY	2. SA AIR FORCE	3. SA NAVY	4. SAHMS	5. LOGISTICS	6. CMI	7. MPA	8. SPEC FORCES BDE

APPENDIX E
TO JDP ACQ No 00002/2004

ARMAMENT ACQUISITION COUNCIL (AAC): CONSTITUTION & RULES

ROLE

1. The role of the Armament Acquisition Council (AAC) is to act as the highest joint level (Level 1) management group on Armaments Acquisition. This AAC ensures that Armaments Acquisition is carried out in terms of policies and procedures and oversees the lower level activities.

COMPOSITION

2. The AAC consists of the following permanent members:

- | | | |
|----|--------------------------------|--|
| a. | <u>Chairperson:</u> | Minister of Defence |
| b. | <u>Ministry of Defence:</u> | Deputy Minister of Defence. |
| c. | <u>Defence Secretariat:</u> | Secretary for Defence. |
| d. | <u>National Defence Force:</u> | Chief of the Defence Force. |
| e. | <u>Armcor:</u> | CEO. |
| f. | <u>Secretary:</u> | Secretarial services to be supplied by the Secretary for Defence |

3. Security Clearances. Members attending the meeting should be in possession of at least a Confidential Security Clearance. Should documentation with a security clearance of Secret or Top Secret be considered, only members with relevant security clearances would be allowed to witness the proceedings.

4. Declaration of Interest. Before the meeting commences, each member present must in terms of JDP/ACQ/00002/04 (Edition 1) Section 1 Chapter 6 declare that his/her presence does not constitute a conflict of interest.

FUNCTIONS

5. Annual review and approval of the Acquisition Master Plan.
6. Review and approval of submissions regarding major milestones on cardinal programmes.
7. Yearly progress reviews on all cardinal acquisition and technology programmes.
8. Review and ratification of the minutes of Level 2 (AASB) meetings.
9. Review of draft submissions to be made to the cabinet on request of Minister of Defence.

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10. Annual review and approval of the Technology Development Master Plan.
11. Annual Review of the Defence Industry status.

CHAIRMANSHIP IN THE ABSENCE OF THE MINISTER OF DEFENCE

12. In the absence of the Minister the Deputy Minister of Defence will act as chairperson.

SECUNDI WHEN COUNCIL MEMBERS CANNOT ATTEND

13. Secundi can be appointed by Secretary for Defence, Chief of the SANDF and CEO of Armscor.

FREQUENCY

14. AAC meetings will normally be scheduled to coincide with COD meetings. Dates of COD meetings are communicated by the Head of Ministerial Services.

VENUE

15. The AAC will normally convene in the Ministerial Conference Room no 5:4:525.

AGENDA AND SUBMISSIONS

16. The agenda, minutes of the previous meeting, minutes of the AASB meeting and submissions will be distributed by the secretariat three working days prior to the meeting. The council will assess submissions against a standardised list of criteria.

DOCUMENTATION

17. Submissions for acquisition and technology programmes will be submitted in the standard format, as per CSW chapter 3 Appendix E, six working days prior to the AAC meeting.

VERBAL PRESENTATIONS

18. With prior notice to the secretary, submissions can be supported by concise verbal presentations by the project team. The Chairperson will rule whether a verbal presentation is required or not. These should in no way deviate from the submitted documentation on the agenda, but if so, the latter will constitute the basis of trace ability of decisions taken.

AUTHORITY

19. The Minister of Defence has the final authority on all acquisition matters and has the right to refer decision on acquisition programmes to cabinet level.

DECISIONS

20. The Chairperson on advice of the members makes decisions. The Chairperson will account for such decisions. A member whose advice is not taken into account may insist that the advice given be recorded in the minutes.

RESPONSIBILITIES

21. The secretary shall be responsible for:
 - a. Maintaining records of all proceedings and decisions.
 - b. Liaise with members and ensure that documentation is distributed timely.
 - c. Distributing minutes of the meeting within 7 working days after the meeting took place.
 - d. Obtaining authorising signatures of documentation that served at the AASB.

APPENDIX F
TO JDP ACQ No 00002/2004

ARMAMENT ACQUISITION STEERING BOARD (AASB): CONSTITUTION AND RULES

ROLE

1. The role of the Armament Acquisition Steering Board (AASB) is to act as the joint level (level 2) management and acquisition approval forum delegated for approval and phasing out of armament. The AASB ensures that armaments acquisition and phasing out is carried out in terms of policies and procedures; has oversight of lower level activities and recommends approvals at Ministerial level (AAC). The focus of the AASB will be on Acquisition Accountability.

MANDATE

2. Armament Acquisition. The AASB is mandated to perform the following armament acquisition functions:

- a. Review and approval of all non-cardinal armament acquisition project submissions (Project Study Reports and Acquisition Plans).
- b. Screen cardinal armament acquisition project submissions (Project Study Reports and Acquisition Plans) to the AAC.
- c. Screen all Staff Target and Phasing Out Target submissions prior to recommending them to the AAC.
- d. Confirm or reclassify projects during approval or screening of submissions.

COMPOSITION

3. The AASB consists of the following permanent members:

- a. Chairperson: Secretary for Defence.
- b. Department of Defence: Chief Policy and Planning.
Chief Financial Officer.
Chief of Acquisition & Procurement.
Chief Joint Operations.
Chief Joint Support.
Chiefs of Services¹.
- c. Armcor: General Manager Acquisition.
General Manager Finance.

¹ Chiefs of Services decide on their personal attendance according to the content of the agenda.

d. Organised Defence Industry: Representative of AMD².

e. Secretary: Secretarial services to be supplied by DAPD.

4. Special Forces (SF) Projects: For sensitive projects the composition of the AASB will be the following:

- a. Chairperson: Secretary for Defence.
- b. Department of Defence: Chief of Acq & Proc.
Chief Financial Officer.
Chief Director Ops Dev (Joint Operations Division).
GOC Special Forces Brigade.
Chief Director Acquisitions.
SSO Common Weapon Systems.
- c. Armcor: General Manager Acquisition.
- d. Secretary: Secretarial services to be supplied by Special Forces Brigade.

5. Security Clearances. Members attending the meeting should be in possession of at least a Confidential Security Clearance. Should documentation with a security clearance of Secret or Top Secret be considered, only members with relevant security clearances would be allowed to attend the proceedings.

6. Declaration of Interest. Before the meeting commences, each member present must in terms of JDP/ACQ/00002/04 (Edition 1) Section 1 Chapter 6 declare that his/her presence does not constitute a conflict of interest.

FUNCTIONS

7. General Functions. The general functions to be performed by the AASB include the following:

- a. Review and approve all programmes in terms of the financial delegation afforded to the AASB.
- b. Screen (Acquisition and Technology) programme submissions to the AAC.
- c. Review (and ratify) the minutes of the AACB and DRDB meetings.
- d. On an annual basis (within the first quarter), review, comment on, amend and promote the Acquisition Master Plan as well as the Technology Acquisition Master Plan.
- e. Communicate with organised defence industry (AMD) at a bi-annual forum with the objectives:
 - i. To present to organised defence industry the broad outline with regard to the Acquisition Master Plan and Technology Development Master Plan.

² Ad hoc on request by the Chairman of the AASB for marketing discussion purposes only.

- ii. To obtain the views of organised defence industry regarding the impact of the industry.
- iii. To discuss international marketing policy issues.
- f. Review and refer recommendations to the AAC pertaining to the phasing out of operational capabilities and industrial capabilities previously established using DOD resources.

8. Technology Acquisition. The technology acquisition functions to be performed by the AASB entails the overview of the major R&D activities including approval of cardinal technology acquisition projects and the Technology Operational Plan as well as recommending the Technology Acquisition Master Plan to the AAC for approval.

CHAIRPERSONSHIP IN THE ABSENCE OF THE SECRETARY FOR DEFENCE

9. In the absence of the Secretary for Defence, the acting Secretary for Defence or will act as chairperson. As the Chief of Acquisition and Procurement is the Chairperson of the AACB, he/she shall not chair the AASB on behalf of the Secretary for Defence.

REPRESENTATIVES WHEN COUNCIL MEMBERS CANNOT ATTEND

10. The permanent members of the AASB may appoint representatives in writing. The representative should be of an appropriate seniority with delegated authority to participate in the decision making process of the AASB at the same level as that of the permanent member. No representatives are however allowed to attend SF submissions.

FREQUENCY

11. AASB meetings will take place quarterly (Jan, Apr, Jul & Oct) on the second last Thursday of the month, at 09:00. Special AASB Meetings may be convened on an ad hoc basis to handle urgent matters.

VENUE

12. The AASB will normally convene in the Defence Secretariat conference room no 5:4:606.

PROCEDURES

13. Agenda and Submissions. The secretary will distribute the agenda and enclosed submissions five working days prior to the meeting.

DOCUMENTATION

14. Submissions for armament acquisition projects will be submitted to the secretary in the format contained in the CSW Chapter 3, Appendix E at least six working days prior to the AASB meeting. Compliance with this format would ensure accurate information and an audit trail of decisions.

VERBAL PRESENTATIONS

15. With prior notice to the secretary, submissions can be supported by concise verbal

presentations by the project team. The Chairperson will rule whether a verbal presentation is required or not. These should in no way deviate from the submitted documentation on the agenda, but if so, the latter will constitute the basis of trace ability of decisions taken.

DECISIONS

16. The Chairperson on advice of the members makes decisions. The Chairperson will account for such decisions. A member whose advice is not taken into account may insist that the advice given be recorded in the minutes.

17. When members of the AASB cannot reach consensus, the Chairperson may decide to refer the matter to the AAC for a decision.

RESPONSIBILITIES

18. The secretary shall be responsible for
- a. maintaining records of all proceedings;
 - b. liaising with members to ensure that documentation is distributed timely;
 - c. distributing the minutes of the meeting within seven working days after conclusion of the meeting and
 - d. obtaining authorising signatures of documentation that served at the AASB.

APPENDIX G
TO JDP ACQ No 00002/2004

ARMAMENT ACQUISITION CONTROL BOARD (AACB) : CONSTITUTION AND RULES

- Reference A: The MODAC investigation of technology and armament acquisition in the DOD
B: SA Defence Review dated April 1998

INTRODUCTION

1. Acquisition Management. Within the framework of Defence Management, Acquisition Management seeks to maintain a balance between technology development, design development, industrial development and international marketing. Defence Management requires the optimum combinations of personnel and equipment that will provide the maximum defence capability for available resources (Reference A).
2. Armament Acquisition Management. Armament acquisition management as a subset of acquisition management is also uniquely subject to national management law the following principles:
 - a. Civil control and oversight is executed by the Secretary for Defence who is responsible for ensuring that all acquisition is executed in accordance with national objectives, policies and constraints.
 - b. The separation of powers is ensured by means of dividing the responsibility for defining requirements for armaments, and expending resources to satisfy these requirements between the Chief of the National Defence Force and the Secretary for Defence respectively.
 - c. The single point of executive authority and responsibility rests with the Minister of Defence who exercises his authority via the National Defence Force, the Defence Secretariat and Armscor.
3. Control. Fundamental to sound armament acquisition management is the control function. This control function is executed by the three organisations within the Ministry of Defence law allocated responsibilities and expertise. These three organisations are considered to be in a partnership, and decision making at all levels will allow for the viewpoints of the three partners. Control bodies in the process allow for participation by nominated members of the partnership.

PURPOSE

4. The purpose of the AACB is to support the AASB and higher authority in the management and control of armament acquisition by facilitating approval of armament acquisition project submissions law policy.

MANDATE

5. The AACB functions under Chief of Acquisitions as the lowest level Acquisition Management forum, and is directly responsible to the AASB. Chief of Acquisitions is the

Chairperson of AACB law his delegation from the Secretary for Defence.

6. The AACB may only deal with matters about which prescribed documentation has been submitted by an originating authority. The AACB authorises all armament acquisition submissions leading to option selection and procurement (ie the AACB does not authorise Project Study Reports nor Acquisition Plans)

FUNCTIONS

7. The functions of the AACB basically consist of armament acquisition administrative and audit activities in support of the requisite approvals by higher authority, as follows:
 - a. The AACB screens the Acquisition Master Plan and recommends its approval to the AASB annually during the first quarter (Jan – Mar)
 - b. All armament acquisition project milestone submissions are reviewed for conformance to policy, programmes, plans and previous decisions/resolution of audit findings.
 - c. All Staff Targets, Staff Requirements, Development Plans and Completion Reports that are consistent with a prescribed prior higher level authority either in the Acquisition Master Plan, Project Study Report or Acquisition Plan are approved by the AACB after successful review.
 - d. The AACB approvals will be reported to the first AASB meeting following such approvals.
 - e. The Project Study Reports and Acquisition Plans will be screened for classification (Cardinal/Non-Cardinal) and after successful review recommended to the AASB with relevant comment.

COMPOSITION

8. The Permanent membership of the AACB reflects the partnership in armament acquisition management at least at the level of Brig Gen, Director, SM respectively in the Services/Divisions, Defence Secretariat (DS) and Armscor. The nature of items on the agenda would dictate which ad hoc members are required to attend the meeting.

- a. Chairperson : Chief of Acquisition and Procurement (DS)
- b. Permanent Members : Chief Director Acquisition (DS – C Acq)
Chief Director Ops Dev (J Ops Div)
Director Mil Strategy (CCS – SPO)
Director Budgeting (DS – CFO)
Director Regulatory Audit (DS – IG)
Director Info Communication Tech (CCMI)
Director Army Acquisition (C Acq)
Director Army Force Structure (C Army)
Director Air Force Acquisition (C Acq)
Director Air Capability Plan (CAF)
Director Naval Acquisition (C Acq)
Director Maritime Warfare (C Navy)
Asst GM Electr & Weapon Sys (Armscor)

RESTRICTED

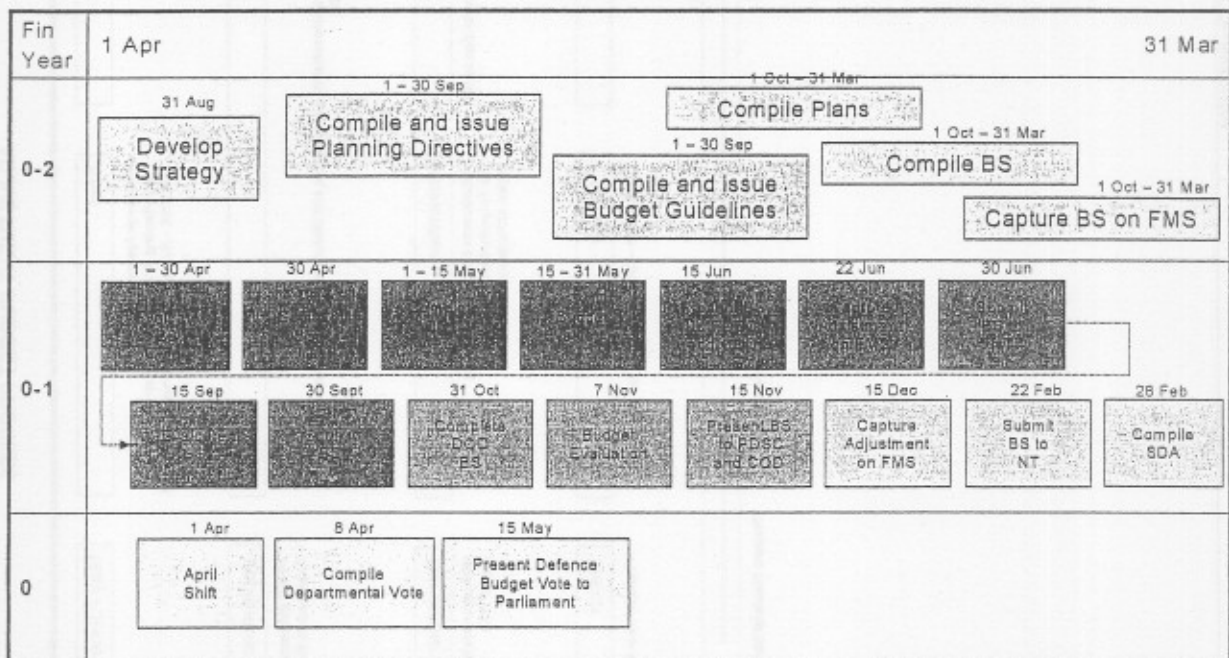
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APPENDIX H
TO JDP ACQ No 00002/2004

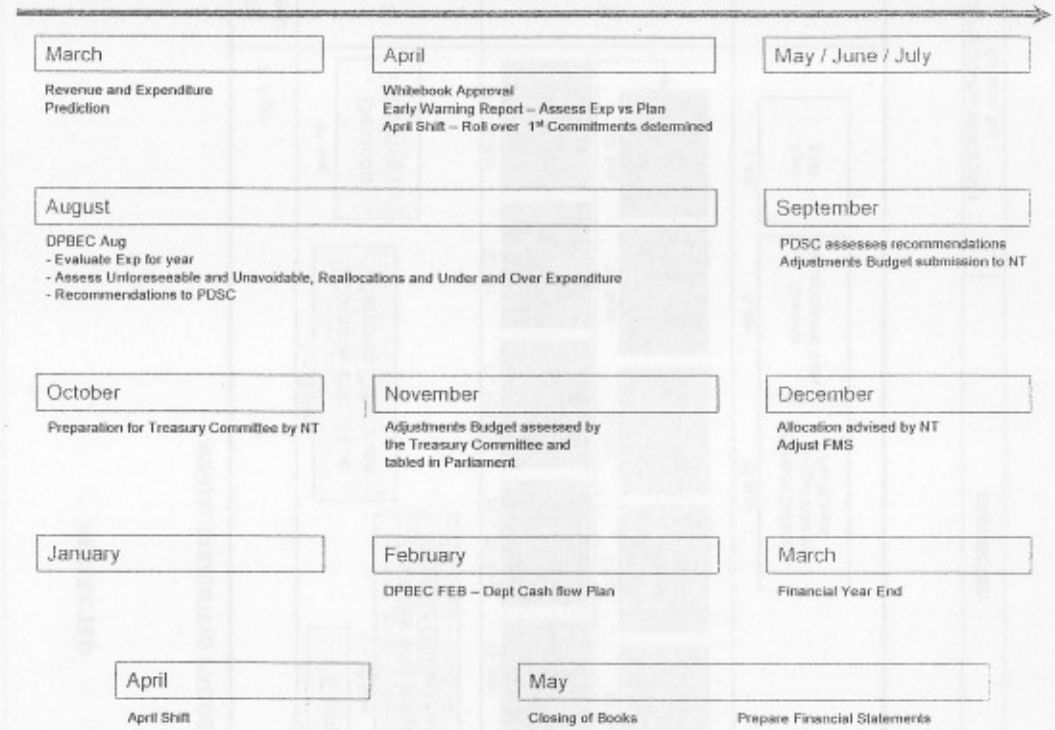
ACQUISITION APPROVAL LEVELS

AAC 1								
AASB 2								
AACB 3								
MC 4								
OSC 5								
SERVICES/ DIVISIONS								
LEVEL	1. ROC	2. ST	3. SR	4. PSR	5. DP	6. AP	7. PPCR	8. FPCR
	Cardinal Projects				Non-cardinal Projects			

ANNUAL BUDGETING PROCESS

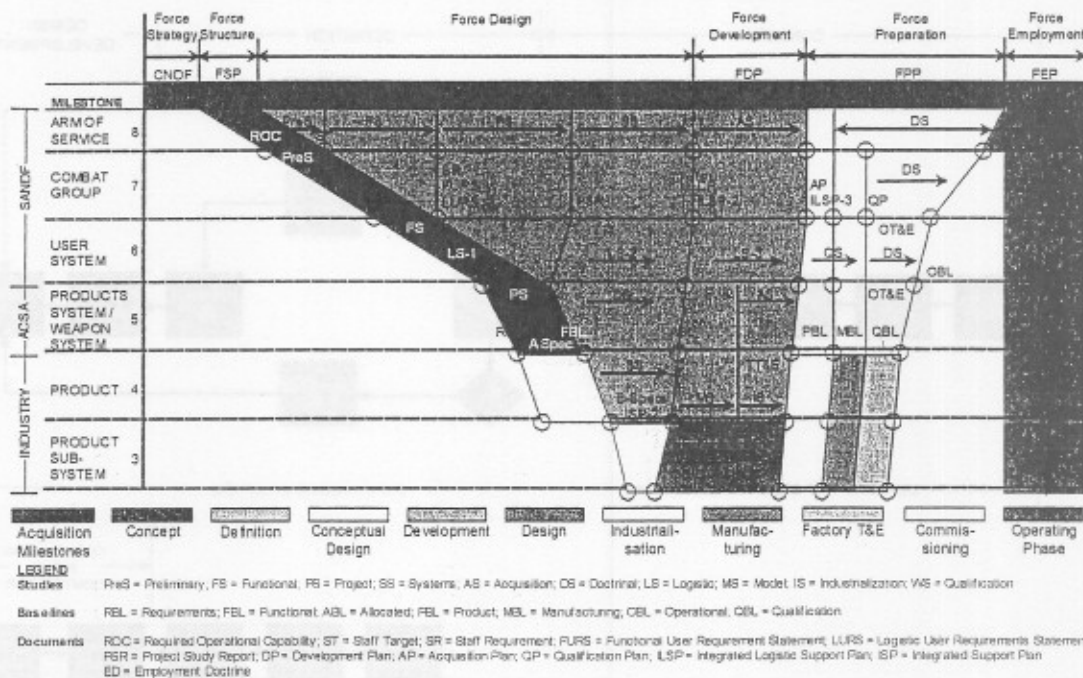


ADJUSTMENT BUDGET PROCESS



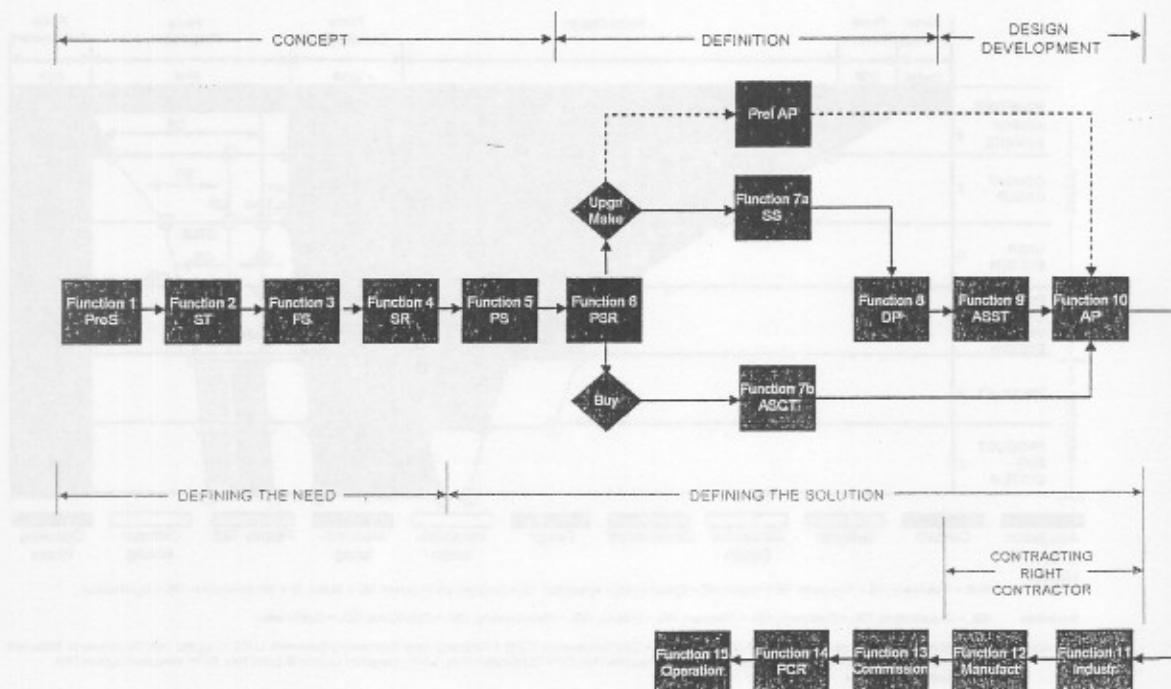
APPENDIX K
TO JDP ACQ/00002/2004

SYSTEMS HIERARCHY INTEGRATION PROCESS (SHIP)

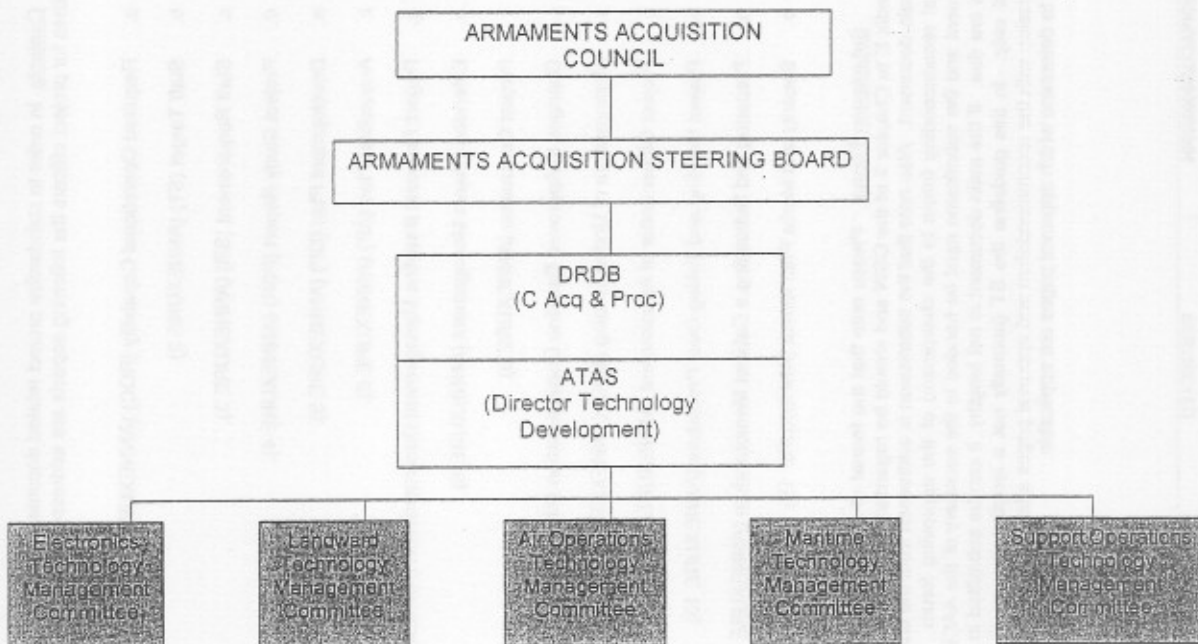


APPENDIX L
TO JDP ACQ/00002/2004

PROCESS FLOW DIAGRAM



TECHNOLOGY MANAGEMENT STRUCTURE



GENERAL REMARKS REGARDING GUIDELINES FOR PROJECT OFFICERS

1. Contents. In order to standardize project related documentation and to provide handy guidelines for project officers the following aspects are addressed in this section:

- a. Required Operational Capability (ROC) (ANNEXURE 1).
- b. Staff Target (ST) (ANNEXURE 2).
- c. Staff Requirement (SR) (ANNEXURE 3).
- d. Project Study Report (PSR) (ANNEXURE 4).
- e. Development Plan (DP) (ANNEXURE 5).
- f. Acquisition Plan (AP) (ANNEXURE 6).
- g. Project Financial Baseline Management Documentation (ANNEXURE 7).
- h. Extended Project Management (ANNEXURE 8).
- i. Project Conclusion (ANNEXURE 9).
- j. Changes to Approved Baseline Documentation (ANNEXURE 10).
- k. Memorandum of Understanding (MoU) (ANNEXURE 11).
- l. Project Officer Letter of Appointment (ANNEXURE 12).
- m. Project Handing and Taking Over Procedure (ANNEXURE 13).
- n. Preparing and Submitting a Cabinet Memorandum (ANNEXURE 14).
- o. Security and Media Plan format (ANNEXURE 15).

2. Submission Format. Please note that the format of a submission is addressed in Appendix E to Chapter 3 of the CSW and should be regarded as an executive summary of the main document. Also note that the submission is addressed from the chairperson of the highest recommending forum to the chairperson of the approving forum. Both the main document and the submission must be handed to the secretary of the AACB when agenda points are due. If the main document is not lengthy, it can be submitted in the submission format only. In this guideline the ST (normally not a lengthy document) is written as a submission with the recommendation and approval pages attached. Refer to Appendix H in order to determine which approval pages are applicable.