

Memorandum

Transforming the Defense Acquisition System into the Warfighting Acquisition System to Accelerate Fielding of Urgently Needed Capabilities to Our Warriors

November 7, 2025

Overview

On November 7th, 2025, The Secretary of War released the memo titled Transforming the War Acquisition System into the Warfighting Acquisition System to Accelerate Fielding of Urgently Needed Capabilities to Our Warriors. Building on EO 14265, this memo alters the Defense Acquisition System (DAS) to drive urgency and acceleration.

This new acquisition system will increase the speed of acquisitions and alter the Department of War (DoW) acquisition chain-of-command to increase the agility of Defense portfolios and make sure the Warfighter has the capabilities they need for all missions.

Portfolio Acquisition Executives

The USW(A&S) is creating PAEs by reorganizing existing Program Executive Offices (PEOs). Organized by mission synergies, technological domains or operational integration needs, these PAEs will have single accountability over portfolios and their outcome with responsibilities including:

- Program structure and cost and schedule trade-off analysis
- Capability trade councils to integrate operational and acquisition authorities and make requirement trade-offs
- Waiving technical standards and other certification requirements not mandated by statutes or safety
- Maximizing MOSA and its usage to enable modularity, competition, and supply chain resiliency
- Contracting officer chain-of-command below PAEs
- PAEs will serve four-year terms with a possible two-year extension based on performance

Commercial-First and Alternative Proposals Policy

The Department is shifting towards a “Commercial-First” policy aimed at increasing industry engagement within Warfighting portfolios. In order to assist, **within 90 days** guidance will be issued addressing:

- Commercial products and offerings as the preferred acquisition approach. If no commercial solutions are available, PAEs must first modify existing solutions. If that doesn’t exist, then a new development can occur.
- Prioritization to utilize all authorities under the Adaptive Acquisition Framework
- Non-Federal Acquisition Regulation-based procurement methods and instruments will be the preferred method of acquisition where possible
- Preferred usage of streamlined acquisition approaches including CSOs across all acquisition tiers.

Timeline: KEY DATES AND MILESTONES



Modularity, Flexibility, and Accountability

In order to assist within new PAEs, the Department is providing resources and recommendations on budget and policies.

Within 180 days, DoW agencies will:

- Issue Guidance for SAEs and PAEs to increase modularity, and multi-source practices. Practices include a two-to production standard, module-level competition via MOSA, scalable production strategies, and an adaptable test approach.
- Provide a road map and policy recommendations and establish test pipelines to streamline evaluation requirements
- Improve budget flexibility will prioritize efforts on Planning, Programming, Budgeting, and Execution (PPBE)
- Reform budget structures to ensure proper alignment and budget formulation flexibility within portfolios
- Establish portfolio scorecards to track portfolios

This strategy aims to increase competition and field products that are “good enough” with the on-time delivery of technology prioritized.

Policy Timeline

Policy	Key Dates	Focus & Key Provisions
EO 14192: Unleashing Prosperity Through Deregulation	January 30, 2025	Directs Federal Agencies to repeal at least 10 existing regulations for every new one (10-for-1 rule) and agencies are to offset costs of new regulations with savings from deregulation.
Memo: Directing Modern Software Acquisition to Maximize Lethality	March 6, 2025	Directs DoW services and agencies to adopt the Software Acquisition Pathway (SWP) as the preferred pathway for software development components.
EO 14265: Modernizing Defense Acquisitions and Spurring Innovation in the Defense Industrial Base	April 9, 2025	The order establishes Commercial Solutions Openings (CSOs), Other Transaction Authorities (OTAs), and Rapid Capabilities Offices as the preferred acquisition method for the DoW. It also applied the EO 14192 10-for-1 rule.
EO 14275: Restoring Common Sense to Federal Procurement	April 15, 2025	Directs a revision of the Federal Acquisition Regulation (FAR) and promotes agencies to procure commercial products and services
Memo: Army Transformation and Acquisition Reform	April 30, 2025	Reorients efforts towards modernizing Army Warfighting capabilities with changes to major programs and department reorganizations.
Memo: Interim National Defense Strategic (NDS) Guidance	May 2, 2025	Replaces the 2022 NDS and outlines the DoW’s priority shifts in the Indo-Pacific and other global regions
Memo: Reforming the Joint Requirements Process to Accelerate Fielding of Warfighting Capabilities	August 20, 2025	Rescinds the Joint Capabilities and Development System (JCIDS) and provides new resources and organizations to track DoW portfolios.

Implications for Industry

This memorandum marks a major shift in the way that the Department of War procures solutions. With the focus being on agility and speed in deals in industry, smaller firms that provide solutions faster will be sought after. But major contractors and Primes will still be utilized and are not shut out.

For vendors, there are five key changes going forward:

- Modularity and open-source architecture (MOSA) will be critical to platforms
- The commercial-first mindset means vendors will be at the forefront of these portfolios but will also be held accountable more with scorecards being implemented and new incentives for early solution completion
- Rapid acquisition vehicles will be used more compared to traditional methods as well as a method to accept alternative proposals
- Multiple vendors will be built into systems within portfolio, maintaining at least 2 sources for critical program content
- DoD 5000 series will be updated to allow for less documentation, reviews and consolidate milestones.

SecWar Hegseth has made it clear that vendors need to **adapt or be left behind**.

Implications for Government

Department of War agencies will need to adapt to the new PAE structure. The Army, underneath its Army Transformation and Acquisition Reform, has begun the steps outline in this new memo. But other Departments will need to follow:

Federal agencies will face new mandates to:

- Organize existing programs and PEOs underneath consolidated PAEs
- Place review and contracting accountability underneath PAEs to increase agility
- Seek Commercial products first before new developments
- Provide incentives to successful portfolios

Government officials, through the newly named Warfighting Acquisition University, will be trained in commercial practices to adapt to the commercial-first mindset in order to develop high-potential acquisition leaders.

Increased accountability, regulatory overhaul, and faster decision cycles will enable the Department to field solutions rapidly for the warfighter.

About Technology by Policy

Tech by Policy is a Carahsoft initiative that helps technology vendors align their solutions to evolving federal, state, and local policy priorities to accelerate growth in the public sector. The program connects policy to procurement—translating executive orders, modernization mandates, and compliance frameworks into actionable go-to-market strategies.

By mapping technology capabilities to government missions, Tech by Policy enables vendors to build visibility, strengthen credibility, and drive adoption through policy-aligned positioning, campaigns, and education.

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