



## DoD DIRECTIVE 5105.85

### DEFENSE INNOVATION UNIT (DIU)

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**Originating Component:** Office of the Chief Management Officer of the Department of Defense

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**Change 1:** November 23, 2018

**Releasability:** Cleared for public release. Available on the Directives Division Website at <http://www.esd.whs.mil/DD/>.

**Incorporates and Cancels:** Deputy Secretary of Defense Memorandum, "Creation of New 'Point of Presence' Defense Innovation Unit Experimental," July 2, 2015

**Approved by:** Ash Carter, Secretary of Defense

**Change 1 Approved by:** Michael L. Rhodes, Director of Administration

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**Purpose:** Pursuant to the authority vested in the Secretary of Defense by Title 10, United States Code, this issuance:

- Establishes the mission, organization and management, responsibilities and functions, relationships, authorities, and administration of DIU.
- Establishes an internal governance council, the DIU Technology Review Group, to oversee the activities of DIU.

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## **SECTION 1: GENERAL ISSUANCE INFORMATION**

**1.1. APPLICABILITY.** This issuance applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the DoD (referred to collectively in this issuance as the “DoD Components”).

### **1.2. MISSION. DIU:**

a. Functions as an interface node between the DoD, entrepreneurs, start-up firms, and commercial technology companies in Silicon Valley, California (DIU West); Boston, Massachusetts (DIU East); and other U.S. technology hubs to increase DoD access to leading-edge commercial technologies and technical talent.

b. Scouts for promising commercial technology and transfers it into the DoD to ensure battlefield advantage for the next generation of warfighters, in the process pioneering procurement and acquisition pathways optimized for start-up firms and non-traditional entrants to the defense industry.

c. Uses research and development agreements, contracts, prize competitions, and other forms of acquisition and assistance authorities to solve DoD problems while helping grow the circle of entrepreneurs and investors interested in the immense technical challenges of maintaining U.S. security.

d. Recruits personnel from the technology sector into full-time, part-time, and term appointments, and advisory roles as part of the Force of the Future initiative, while at the same time growing the community of military veterans and Reserve Component personnel working in the technology industry.

e. Works in coordination with the Military Departments and the National Guard Bureau to administer a unit tailor-made for Reserve Component personnel working in the technology sector. This unit will help grow the ecosystem of Reserve Component talent with expertise in commercial technology areas that are crucial to warfighting.

### **1.3. ORGANIZATION AND MANAGEMENT.**

a. DIU is under the authority, direction, and control of the Under Secretary of Defense for Research and Engineering (USD(R&E)).

b. DIU will be managed by a partnership-style leadership team. It will consist of one Managing Partner, who will exercise supervisory authority over the DIU, and a small number of other partners chosen for their expertise in technology, strategy, business, and management.

(1) The USD(R&E) will appoint the Managing Partner. The Managing Partner, with the concurrence of the USD(R&E), will appoint other partners.

(2) The Managing Partner and partners will, as much as possible, make key decisions collectively.

c. The DIU Technology Review Group, chaired by, and selected by, the USD(R&E), will review projects proposed by DIU, in accordance with DoD Instruction 5105.18. The Deputy Secretary of Defense will name both permanent and associate members of the Technology Review Group, who will be full-time or permanent part-time government employees or military members. Permanent members will attend all meetings of the Technology Review Group; associate members will attend Technology Review Group meetings when matters under their responsibility are addressed. The Technology Review Group will:

(1) Meet as needed to assess progress and provide guidance to DIU leadership.

(2) Ensure DIU is fully coordinated with the activities of the DoD Components, especially the Military Departments and relevant Defense Agencies.

**1.4. SUMMARY OF CHANGE 1.** The changes to this issuance are administrative in nature. References and organizational titles are updated and authority for the DIU is transferred to the USD(R&E) in accordance with the January 31, 2018, July 13, 2018, and August 3, 2018 Deputy Secretary of Defense Memorandums.

## **SECTION 2: RESPONSIBILITIES AND FUNCTIONS**

**MANAGING PARTNER OF DIU.** The Managing Partner of DIU, together with the other partners, as appropriate:

- a. Articulates DoD interest in integrating leading edge technology into military systems and recruiting leading technical talent into the DoD civilian and uniformed workforce.
- b. Oversees operations at all DIU branch offices, wherever they are established, consistent with applicable laws and regulations. Makes decisions on:
  - (1) The direct hiring and detailing of personnel, in consultation with the appointing authority for OSD, including approving the composition and work plan of those elements contributed by the Military Services and the other DoD Components.
  - (2) All research and development and procurement actions made by DIU and by DIU in collaboration with other entities.
- c. Conducts regular progress and planning calls with the office of the USD(R&E). During these meetings, the participants will review all hiring and relational activities of DIU and receive reports on the status of all contractual actions.
- d. Informs the Joint Requirements Oversight Council of any DIU activities that should be coordinated with the Military Service rapid acquisition cells, and briefs DIU activities to these bodies at appropriate intervals.
- e. Manages DIU media in coordination with the Office of the Assistant to the Secretary of Defense for Public Affairs.
- f. Attends, as an observer, all formally-noticed meetings of the Defense Innovation Board.
- g. Participates in relevant DoD forums, as determined by the USD(R&E).
- h. Assesses DIU performance annually, addressing the technical quality, responsiveness, value, and timeliness of work performed.
- i. Performs other duties as assigned by the USD(R&E).

## **SECTION 3: RELATIONSHIPS**

**3.1. MANAGING PARTNER OF DIU.** Under the authority, direction, and control of the USD(R&E), and in performing assigned responsibilities and functions, the Managing Partner of DIU:

- a. Reports to the USD(R&E) or to a designee identified by the USD(R&E).
- b. Exercises authority, direction, and control over:
  - (1) The other DIU partners.
  - (2) Other subordinate military or civilian personnel assigned to, or under the operational control of, DIU.
  - (3) Other resources assigned by the USD(R&E).
- c. Coordinates and exchanges information with OSD officials, the DoD Component heads, and federal officials with collateral or related responsibilities and functions.

**3.2. VICE CHIEFS OF THE MILITARY SERVICES.** Under the authority, direction, and control of the Secretaries of the Military Departments through the Chiefs of the Military Services, the Vice Chiefs of the Military Services communicate the priority needs and requirements of their respective Military Services to DIU.

**3.3. OSD OFFICIALS AND DOD COMPONENT HEADS.** OSD officials and the DoD Component heads coordinate with the DIU partners on all matters under their purview related to the responsibilities and functions assigned in this issuance.

## **SECTION 4: AUTHORITIES**

**MANAGING PARTNER OF DIU.** The Managing Partner of DIU is delegated authority to:

a. Communicate directly with OSD officials and the DoD Component heads, as necessary, to perform assigned responsibilities and functions, including requests for advice and assistance by the DIU partners. Communications to the Military Departments are transmitted through the Secretaries of the Military Departments, as otherwise provided in law, or as the Secretary of Defense directs in other DoD issuances. Communications to the Combatant Commanders will be in accordance with Paragraph 4.b.(3) above the signature of DoD Directive 5100.01.

b. Communicate with other U.S. Government officials, members of the public, and representatives of foreign governments, as appropriate, in carrying out the DIU partners' assigned responsibilities and functions. The DIU partners must conduct communications with representatives of the Legislative Branch through the Office of the Assistant Secretary of Defense for Legislative Affairs, except for communications with the Defense Appropriations Committees. In those cases, the DIU partners will coordinate with the Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, Department of Defense. Communications will comply with the requirements of the DoD Legislative Program.

c. Obtain reports and information, as necessary, to perform assigned responsibilities and functions, in accordance with DoD Instruction 8910.01.

d. Enter into support agreements with other federal agencies, as necessary, to perform assigned responsibilities and functions, in accordance with DoD Instruction 4000.19.

e. Use existing systems, facilities, and services of the DoD, and other federal agencies, when possible, to avoid duplication and to achieve maximum efficiency and economy.

f. Exercise all necessary acquisition authorities through a Military Department, DoD contract administration services component, or a federal agency, as appropriate, to further DIU's mission, as approved by the USD(R&E).

g. Request waivers to selected requirements of DoD regulations, directives, instructions, or other policy related to the responsibilities and functions assigned in this issuance. The respective OSD Principal Staff Assistant policy proponent must adjudicate any DIU waiver request within 10 business days. The basis of denial of any DIU waiver request must be fully documented and subject to review by the USD(R&E).

## SECTION 5: ADMINISTRATION

**5.1. DOD COMPONENT HEADS.** The DoD Components heads will provide assistance and administrative support to DIU, as required, through intra-agency support agreements in accordance with DoD Instruction 4000.19.

**5.2. SECRETARIES OF THE MILITARY DEPARTMENTS.** The Secretaries of the Military Departments expeditiously support the assigning of military personnel to DIU, including one O-7 military deputy to the Managing Partner of DIU, and O-6 deputies at each DIU branch office.

**5.3. UNDER SECRETARY OF DEFENSE FOR ACQUISITION AND SUSTAINMENT, AND SERVICE ACQUISITION EXECUTIVES.** The Under Secretary of Defense for Acquisition and Sustainment, and the Service Acquisition Executives (under the authority, direction, and control of the Secretaries of the Military Departments):

- a. Assign qualified contracts and agreements personnel to DIU and will use all available authorities and resources to support DIU's mission of agile and non-traditional acquisition.
- b. Co-locate, on a rotating basis, one contracting officer to be located *in situ* at DIU.

**5.4. UNDER SECRETARY OF DEFENSE (COMPTROLLER)/CHIEF FINANCIAL OFFICER, DEPARTMENT OF DEFENSE AND DIRECTOR OF COST ASSESSMENT AND PROGRAM EVALUATION.** The Under Secretary of Defense (Comptroller)/Chief Financial Officer, Department of Defense and the Director of Cost Assessment and Program Evaluation serve as advisors to the DIU partners and will provide support on the necessary funding execution, budgeting, and programmatic administration of DIU.

**5.5. GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE.** The General Counsel of the Department of Defense appoints a Counsel to be embedded in DIU, with responsibility to provide legal advice to DIU, with particular emphasis on ethical, fiscal, and acquisition matters. The DIU Counsel is part of the Defense Legal Services Agency, reporting to the Deputy DoD General Counsel (Acquisition and Logistics), the Principal Deputy General Counsel, and the General Counsel, and will work closely with the Office of General Counsel Innovation Counsel, once established.

**5.6. DOD CHIEF INFORMATION OFFICER.** The DoD Chief Information Officer ensures capable information technology and cyber security support to assigned DIU personnel in the execution of their duties.



## **GLOSSARY**

### **G.1. ACRONYM.**

DIU	Defense Innovation Unit
USD(R&E)	Under Secretary of Defense for Research and Engineering

### **G.2. DEFINITIONS.** These terms and their definitions are for the purpose of this issuance.

**OSD officials.** The OSD Component heads, who also serve as Principal Staff Assistants; the other OSD Presidentially-appointed, Senate-confirmed officials; and the Director of the Strategic Capabilities Office.

**partnership.** An association of two or more persons engaged as collective leaders of DIU, who pool their expertise to optimize access to U.S. commercial technology and technical talent in support of DoD interests. The Managing Partner is in charge of DIU's overall management and day-to-day operations, but, to the extent practical, the partnership will act collectively for decision making purposes. Use of the term in this context does not imply business ownership or any exception to government contacting rules and regulations.

## **REFERENCES**

- Deputy Secretary of Defense Memorandum, “Implementation Guidance for the Establishment of the Office of the Under Secretary of Defense for Research and Engineering and the Office of the Under Secretary of Defense for Acquisition and Sustainment,” January 31, 2018
- Deputy Secretary of Defense Memorandum, “Establishment of the Office of the Under Secretary of Defense for Research and Engineering and the Office of the Under Secretary of Defense for Acquisition and Sustainment,” July 13, 2018
- Deputy Secretary of Defense Memorandum, “Redesignation of the Defense Innovation Unit,” August 3, 2018
- DoD Directive 5100.01, “Functions of the Department of Defense and Its Major Components,” December 21, 2010
- DoD Instruction 4000.19, “Support Agreements,” April 25, 2013, as amended
- DoD Instruction 5105.18, “DoD Intergovernmental and Intragovernmental Committee Management Program,” July 10, 2009, as amended
- DoD Instruction 8910.01, “Information Collection and Reporting,” May 19, 2014
- United States Code, Title 10