

GUIDE TO THE BUSINESS CAPABILITY LIFECYCLE
FOR DEPARTMENT OF DEFENSE
ACAT III PROGRAMS

REPORT IR2CFR1 · JULY 2012

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Chapter 1

Introduction

In November 2010, the Under Secretary of Defense (Acquisition, Technology and Logistics), USD(AT&L), issued a memorandum establishing the business capability lifecycle (BCL) as the model for Department of Defense (DoD) components to use when acquiring a defense business system (DBS)—specifically, any DBS with an estimated life-cycle cost of more than \$1 million. USD (AT&L) issued policy in Directive-Type Memorandum (DTM) 11-009, “Acquisition Policy for Defense Business Systems (DBS),” in June 2011. BCL policy is projected to be included in the updated Department of Defense Instruction (DoDI) 5000.02, “Operation of the Defense Acquisition System,” and guidance will be incorporated into the Defense Acquisition Guidebook (DAG) in FY12.

The specific purpose of this guide is to help components follow the BCL process, develop the required documentation, and receive the required approvals. Appendix A lists key resources that provide guidance, best practices, templates, and other information that may be useful to program managers (PMs).

The BCL leverages DoD tools and technologies, such as the Business Enterprise Architecture (BEA), enterprise transition plan, and investment review boards (IRBs). It is guided by six tenets:

- ◆ Rapidly deliver capability to the end user.
- ◆ Focus the PM on program execution rather than program justification.
- ◆ Enable timely decision making while reducing bureaucracy.
- ◆ Base acquisition decisions on appropriate information.
- ◆ Allow acquisition-related decisions to be made at the appropriate level, rather than being pushed to the highest level possible.
- ◆ Allow for flexibility in program implementation strategies.

The goals for the BCL is to rapidly deliver the capability to the user and allow DoD to more readily adapt to new and changing business requirements.

To provide for a documentation and approval process appropriate to a DBS’s complexity, cost, and cross-organizational impact, DoD separates investments into acquisition categories (ACATs). This guide is for managers assigned responsibility for an ACAT III program—a program whose estimated cost for all expenditures does not exceed \$32 million (in FY00 constant dollars) in any single

fiscal year, \$126 million (in FY00 constant dollars) for all expenditures beginning in the Investment Management (IM) phase through deployment at all sites, or \$378 million (in FY00 constant dollars) beginning in the IM phase through the Operations and Support (O&S) phase for the estimated life of the system.

PROGRAM MANAGER'S QUALIFICATIONS, RESPONSIBILITIES, AND INTERACTIONS

Qualifications

For an ACAT III program to be successful, the PM should understand DBS implementation principles, have management skills, and have experience with relevant nondevelopmental business applications and architectures. The PM is accountable for the successful development and deployment of the DBS. It is critical that the appropriate component authorities select PMs with the suitable background and competency in information technology (IT) solutions, as well as the ability to build and manage multidisciplinary, integrated teams and to identify and mitigate risk. In addition, the PM must be capable of interacting effectively with other key players in the BCL of an ACAT III program.

Program management training is available through the Defense Acquisition University (DAU). DAU's catalog is available at <http://icatalog.dau.mil/>. To apply for a DAU course, go to <http://www.dau.mil/studentInfo/Pages/Military%20personnel%20Welcome.aspx>.

Responsibilities and Interactions

Table 1-1 identifies key BCL players and describes their general responsibilities in an ACAT III program. Subsequent chapters contain additional details regarding phase-specific responsibilities. The Component Acquisition Decision Authority (CADA) is equivalent to a service's Chief Management Officer (CMO). Outside the services, the Component Acquisition Executive (CAE) determines who will fill this role.

Table 1-1. Key Players in the BCL of an ACAT III Program

Role	General responsibilities
CAE	◆ Designates the Milestone Decision Authority (MDA) for an ACAT III DBS.
Pre-Certification Authority (PCA)	◆ Assesses and precertifies compliance with the BEA and ensures that required documentation is available for IRB review prior to the IRB meeting. ◆ Determines whether defense agencies' DBS modernization investments and investments that will support the business processes of more than one military department or defense agency have adequately performed business process reengineering (BPR) and comply with the BEA. ◆ Ensures that BPR has been performed in accordance with 10 U.S.C. § 2222(a)(1)(A).

Table 1-1. Key Players in the BCL of an ACAT III Program

Role	General responsibilities
Defense Business Systems Management Committee (DBSMC)	◆ Advises the DBSMC chair, who is responsible for approving certification of funds associated with modernization efforts.
CADA	◆ Determines whether DBS programs within his or her area of responsibility have adequately performed BPR and whether DBSs comply with the BEA. ◆ Prepares, approves, and submits the analysis of alternatives (AoA) study guidance to Component Functional Sponsor. ◆ Approves the AoA study plan. ◆ Reviews and provides independent assessments of cost estimates and cost analyses as appropriate. ◆ Submits approved AoA study guidance and AoA study plan to the IRB chair.
Component Chief Information Officer (CIO)	◆ Works with the component, IRBs, DBSMC, and other stakeholders to ensure the development of DBSs in compliance with applicable statutes and regulations and in accordance with DoD policy on architecture, design, interoperability, security, and information assurance.
Component Functional Sponsor	◆ Identifies and obtains funding for all phases throughout the BCL. ◆ Is responsible for the Doctrine, Organization, Training, Leadership and Education, Personnel, Facilities, and Policy (DOTmLPF-P) nonmaterial portions of the solution. ◆ Represents the user's needs throughout the process. ◆ Develops the AoA study plan in coordination with the IRB and in accordance with CADA-approved AoA study guidance.
IRB	◆ Reviews the following documents to certify they are in accordance with Title 10 USC 2222: ▪ Problem statement, which must be approved by the IRB chair ▪ Requirements changes and technical configuration changes, for programs in development, that could affect cost and schedule ▪ Business case.
MDA	◆ Makes DBS acquisition decisions and determines the appropriate BCL entry/acquisition phases. The MDA will not approve program changes unless the program increment is fully funded and schedule impacts mitigated. The MDA does the following: ▪ Establishes mandatory procedures for assigned programs ▪ Tailors regulatory information requirements and acquisition processes and procedures to achieve cost, schedule, and performance goals ▪ Submits reports to Congress as required by statute.
PM	◆ Is accountable for the successful development and deployment of the DBS.

OVERVIEW OF THE BCL PROCESS

The BCL is composed of seven phases: Business Capability Definition (BCD), IM, Prototyping, Engineering Development, Limited Fielding, Full Deployment, and O&S. At the highest level, the BCL model can be viewed as consisting of two phases and one segment:

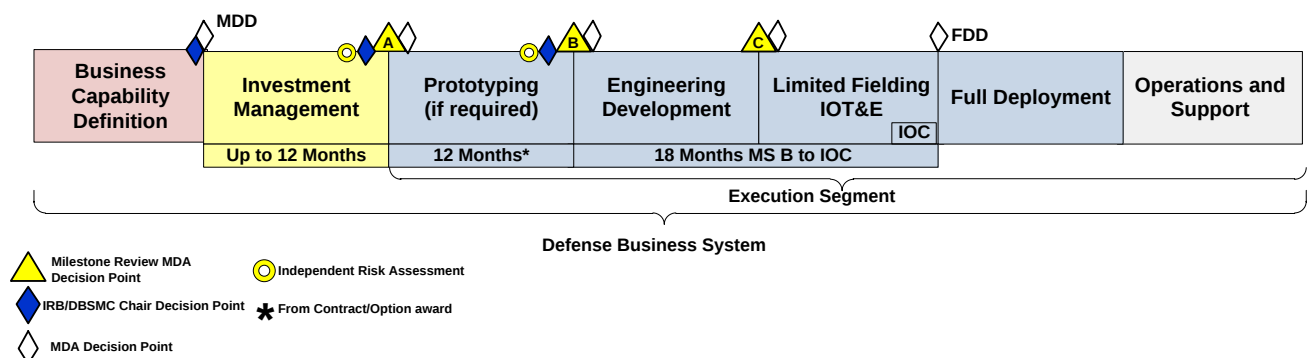
- ◆ *BCD phase.* The purpose of the BCD phase is to analyze, understand, and scope an identified a problem, need, or gap. The BCD phase ends when

the IRB chair approves the problem statement and the CADA submits the approved AoA study guidance and AoA study plan to the MDA for the Materiel Development Decision (MDD).

- ◆ *IM phase.* The IM phase begins with an MDD by the MDA. The purpose of this phase is to conduct an AoA, recommend a preferred Doctrine, Organization, Training, Materiel, Leadership and Education, Personnel, Facilities, and Policy (DOTMLPF-P) solution and deliver a plan (business case) to satisfy the business need in the approved problem statement. It is an iterative process that will result in a strategy and plan that can be executed to field useful capability. The IM phase ends when the PM forwards a complete Milestone A package, including the business case and the DBSMC certification of the availability of funds, to the MDA.
- ◆ *Execution segment.* The Execution segment, which begins with a Milestone A decision, encompasses the Prototyping, Engineering Development, Limited Fielding, Full Deployment, and O&S phases. The segment's purpose is to design, develop, test, and deploy the solution, in accordance with the business case and the program charter, and to operate and support the solution. Key decision points as the solution proceeds through the Execution segment are Milestone B, Milestone C, and Full Deployment Decision (FDD). During the Execution segment, IRB reviews occur annually. However, recertification is required when additional capital investment above a previously certified amount is needed or additional time outside of the originally certified fiscal year period is needed on the same modernization effort. The Execution segment ends when the DBS reaches the end of its useful life and requires disposal.

Figure 1-1 is a high-level view of the BCL process and the associated milestones and decision points.

Figure 1-1. BCL Milestones, Phases, and Segment



The focus of BCL is streamlining, utilizing the business case for decision making and keeping documents at the program level for execution. Appendix B describes the documentation, certification and approval requirements, approval authority,

and the nature of each requirement (statutory or regulatory). Appendix C describes the DBS documentation.

ORGANIZATION OF THE GUIDE

Chapters 2, 3, and 4, respectively, guide you through the BCL: BCD phase, IM phase, and the Prototyping, Engineering Development, Limited Fielding, Full Deployment, and O&S phases within the Execution segment. The appendixes contain supporting detail.

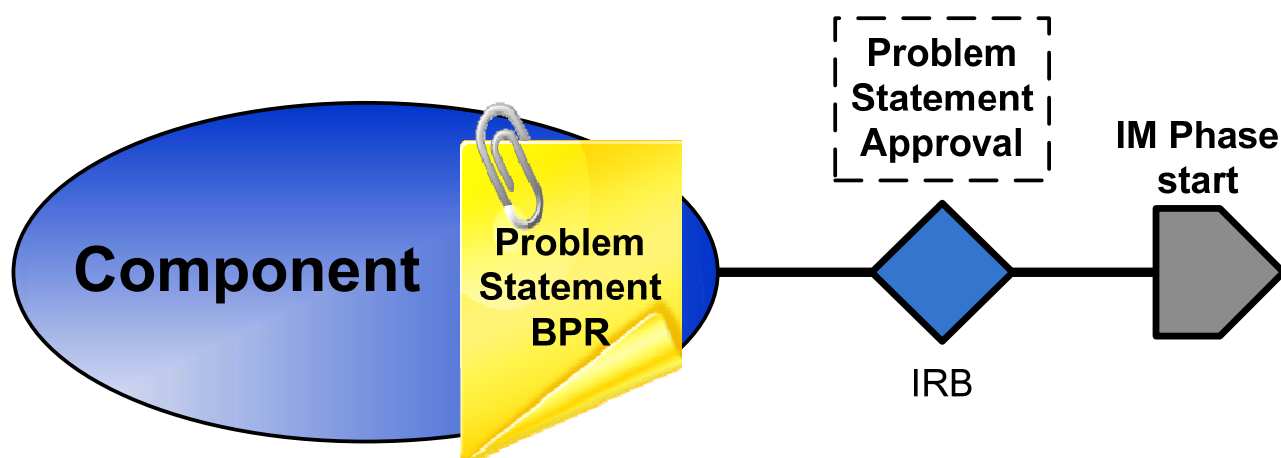
Chapter 2

Business Capability Definition Phase

The purpose of the BCD phase is to analyze, understand, and scope an identified problem, need, or gap. The outcome of the BCD phase is a thorough understanding of the problem, need, or gap at a root cause level and the identification of the desired outcome, or what “good” looks like when the problem is solved.

The BCD phase begins with the identification of a business need. The BCD phase ends when the IRB chair approves the problem statement and the CADA submits the approved AoA study guidance and AoA study plan to the MDA for the MDD. Figure 2-1 emphasizes the role the IRB and the MDA play in this phase.

Figure 2-1. Business Capability Definition Segment



ROLES AND RESPONSIBILITIES

Table 2-1 lists the roles and responsibilities associated with the BCD phase.

Table 2-1. Roles and Responsibilities: Business Capability Definition Phase

Role	Responsibilities
CADA	◆ Approves and submits required documentation through the IRB/DBSMC process. ◆ Prepares AoA study guidance. ◆ Submits AoA study guidance and AoA study plan to the MDA.

Table 2-1. Roles and Responsibilities: Business Capability Definition Phase

Role	Responsibilities
Component Functional Sponsor	◆ Leads the development of the problem statement. ◆ Submits the problem statement to the IRB. ◆ Works closely with the CADA to guide initiatives and investments through the IRB/DBSMC process. ◆ Facilitates the BPR process. ◆ Ensures user needs are represented. ◆ Defines measurable high-level business outcomes. ◆ Develops the AoA study plan in coordination with the IRB and in accordance with CADA-approved AoA study guidance.
IRB	◆ Recommends IRB chair approval of proposed solution to the business need documented in a problem statement after determining that it is aligned with DoD's strategic goals and objectives; that it addresses a problem, a capability gap, or functional requirement in the functional portfolio; and that it is not duplicative of a solution (materiel or nonmateriel) already in place.

PHASE DESCRIPTION

The BCD phase begins with the component identification of a business need. Because the BCD phase occurs only one time within the program's life cycle, it is crucial that the analysis of the business need be thorough, complete, and comprehensive. Though anyone can identify a business need, the Component Functional Sponsor of the business area in which the need resides is responsible for documenting the business need and championing the problem's resolution through to completion and secure funding. The Component Functional Sponsor works closely with the functional community (end users, functional subject matter experts, and other key stakeholders) to conduct the analysis. The process culminates in the development of a problem statement summarizing the analysis and defining measurable outcomes for the program. The Component Functional Sponsor submits the problem statement to the IRB not less than 30 days prior to the IRB meeting.

PROBLEM STATEMENT

The problem statement and its supporting analysis are some of the most important products developed during the BCL. They serve as the foundation for all subsequent analyses. Upon completion of the BCD phase analysis, the Component Functional Sponsor must document the results in a clearly defined and well-scoped problem statement, which then becomes the foundation of the business case. Appendix D contains a detailed description of a BCL business case. The IRB and MDA use the problem statement to determine whether a materiel solution should be pursued.

The problem statement must, at minimum, address the following:

- ◆ Context of the business need (e.g., the organization’s operating environment and mission)
- ◆ Business need, stated and defined within the context (expressed in a manner that is specific and, where possible, quantitative)
- ◆ Root cause—one or more factors that when fixed, eliminates the problem—of the business need, including analytic or statistical evidence if possible to prove that the root cause of the business need has been reliably identified
- ◆ Business need boundaries and constraints (organizational, functional, infrastructure)
- ◆ Results of the (DOTmLPF-P non-materiel) analysis and impact on the as-is process
- ◆ Potential solutions for solving the business need and providing the specific intended benefits (must include BPR) and describing the to-be business process to enable an effective AoA study to be conducted
- ◆ Desired outcome and measures/metrics derived from addressing the business need (impact on the future strategic and business operating environment in specific, quantitative terms)
- ◆ Constraints and assumptions, resulting from the DOTMLPF-P analysis, affecting the BPR
- ◆ Recommended potential solutions for investigation
- ◆ Rough order of magnitude cost estimate for any potential solution that entails a materiel solution.

ROOT CAUSE AND DOTMLPF–P ANALYSIS

Once a business need is identified, the Component Functional Sponsor, in collaboration with the functional community, leads a thorough analysis to determine the root cause of the identified business need. This helps the functional community understand and define the business need at a solvable level. It also ensures the reliability of the information in the problem statement. During the root cause analysis, the functional community will typically do the following:

- ◆ Assemble evidence (historical performance statistics, funding trends, and audit reports).

-
- ◆ Compare key pieces of information and look for relationships or patterns (industry benchmarks, mission-area outcome goals, and same or similar functions).
 - ◆ Quantify various courses of action (consequences of continuing with status quo and expected effects after the status quo is changed).

It is vital that the root cause analysis be free of bias and assumption and that it identifies a root cause or causes, rather than symptoms or aggravating factors of a root cause.

After identifying the root cause of the business need, the Component Functional Sponsor conducts a DOTMLPF-P framework-based analysis of the business need. This analysis determines the benefits and constraints. Though there is no universally accepted framework for conducting a DOTMLPF-P analysis, it must, at minimum, address the following questions:

- ◆ Is the root cause a result of a lack of training or of generally inadequate training?
- ◆ Do the senior officials understand the scope of the root cause?
- ◆ Is the issue caused, at least in part, by inability or decreased ability to place qualified and trained personnel in occupational specialties?

After completing the root cause analysis, DOTMLPF-P analysis, and to-be analysis, the Component Functional Sponsor develops initial materiel or nonmateriel solution options; defines specific, measurable objectives and outcomes; and identifies metrics for measuring the degree to which the business need has been satisfied. The following must be established before the other BCD phase activities may proceed:

- ◆ Does the problem statement present a valid case to prove that the identified business needs warrants investment?
- ◆ Do the BPR efforts result in enough streamlining and efficiencies to warrant investment?

BUSINESS PROCESS REENGINEERING

BPR provides an organization a methodology to review, analyze, document or map, and improve its business processes. DoD defines BPR as a logical method for assessing process weaknesses, identifying gaps, and implementing opportunities to streamline and improve these processes to create a solid foundation for success in changes to the full spectrum of operations. BPR is part of business process management (BPM), which is a holistic management approach focused on aligning all aspects of an organization with the wants and needs of clients.

It promotes business effectiveness and efficiency, while striving for innovation, flexibility, and integration with technology. BPM attempts to improve processes continuously. It can therefore be described as a “process optimization process.”

The initial BPR is the basis on which the materiel solution will be implemented. Technology availability will significantly affect BPR implementation.

DoD does not mandate the use of a specific BPR method. However, the method should allow the project team to map, document, and analyze the current process; identify gaps, defects, and inefficiencies in the process; and identify ways to improve the process. The Office of the Deputy Chief Management Officer (ODCMO) offers a 36 hour class on the DoD approach to BPR. DoD lists the following key tenets for accomplishing BPR:

- ◆ A clear and reasonable problem statement
- ◆ Demonstrated alignment of the investment with broader department, component, or service goals
- ◆ As-is analysis in sufficient detail to illuminate the problem.

Appendix E discusses DoD’s approach to BPR and the integration of BPR into the IRB process. For additional guidance on BPR, see “Guidance to the Implementation of Section 1072–Business Process Reengineering,” issued by ODCMO on April 30, 2011.

AoA STUDY GUIDANCE AND STUDY PLAN

Within 30 days of the IRB approving the problem statement, the CADA prepares and submits the AoA study guidance to the Component Functional Sponsor.

Within 30 days of receipt of the AoA study guidance, the Component Functional Sponsor develops an AoA study plan based on the approved AoA study guidance and submits it to the CADA for approval. The CADA submits the AoA study guidance and AoA study plan to the responsible IRB chair.

EXIT CRITERIA

The BCD phase ends with approval of the problem statement by the IRB chair and submission of the AoA materials to the IRB chair (or appropriate component-level governance forum). If a problem statement is solely nonmateriel, the BCD ends when the problem statement is approved, because no AoA will be required. Table 2-2 lists the information submission requirements for the BCD phase, and shows the authority or nature of the requirement.

Table 2-2. Required Information: Business Capability Definition Phase

Required information	Approval or certification authority/ nature of requirement
Problem statement	IRB chair/regulatory
BPR	IRB chair/statutory
AoA study guidance	CADA/regulatory
AoA study plan	CADA/regulatory

Chapter 3

Investment Management Phase

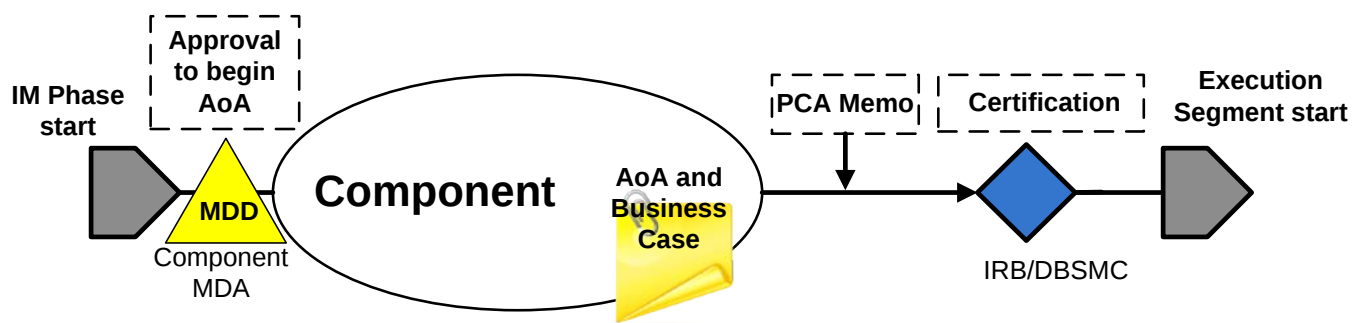
The purpose of the IM phase is to conduct an AoA, recommend a preferred DOTMLPF-P solution, and deliver a plan (business case) to satisfy the business need identified in the approved problem statement. It is an iterative process that will result in a strategy and plan that can be executed to field useful capability.

The outputs and outcome of IM phase are as follows:

- ◆ A completed AoA that enables the Component Functional Sponsor and PM to recommend a preferred solution for solving the business need.
- ◆ A well-defined business and technical management approach that describes how the effort will achieve its objectives using the preferred solution. The business case summarizes those functional plans and strategies.
- ◆ A program charter defining roles and responsibilities for the potential program.

Figure 3-1 details the PCA's role and the relationship of the IRB/DBSMC's certification to the MDA's Milestone A decision.

Figure 3-1. Investment Management Phase



ROLES AND RESPONSIBILITIES

Table 3-1 lists the roles and responsibilities associated with the IM phase. The PM is listed first, followed by other roles in alphabetical order.

Table 3-1. Roles and Responsibilities: Investment Management Phase

Role	Responsibilities
PM	◆ Ensures whatever is analyzed, selected, or scheduled can be executed within specified timeline. ◆ Ensures that the proposed materiel solution documented in the business case complies with all statutory and regulatory requirements. ◆ In coordination with the Component Functional Sponsor, collaborates on the business case, as appropriate. ◆ Signs the program charter. ◆ In coordination with the Component Functional Sponsor, defines the program outcomes that support the business outcomes. ◆ In coordination with the Component Functional Sponsor, refines the program outcomes during the AoA (if assigned prior to the AoA). ◆ Oversees the program activities necessary to ensure that the proposed materiel solution demonstrates compliance with statutory and regulatory requirements, such as the Clinger-Cohen Act (CCA). ◆ Updates the BPR based the solution selected as a result of the AoA. ◆ Ensures completion and mitigation of an independent risk assessment. ◆ Prepares for the IRB certification.
CADA	◆ Approves system test plan. ◆ Approves milestone documentation.
CAE	◆ Signs the business case. ◆ Approves the program charter.
DBSMC	◆ Coordinates its investment oversight responsibilities with the MDA for each DBS it reviews. ◆ Provides input to the development of DBS investment and acquisition policies. ◆ Approves IRB certification recommendations.
Component Functional Sponsor	◆ Presents the approved AoA study guidance and AoA study plan at the MDD review. ◆ Presents the business need described in the IRB-approved problem statement at the MDD review. ◆ Ensures DBS investments are aligned to their functional areas and meet strategic business priorities. ◆ Leads the development of the proposed non-materiel solution's business case. ◆ Ensures user needs are represented. ◆ Ensures that all necessary funding is identified and obtained to support the DBS's progress through the BCL. ◆ Works closely with appropriate component points of contact to guide DBS investments through the certification process. ◆ Ensures the component staff is engaged as appropriate for guidance relating to the acquisition approach and test plan content areas of the business case. ◆ Signs the business case and the program charter. ◆ Integrates the DOTMLPF-P solution specified in the business case.
IRB/IRB chair	◆ Reviews and certifies modernization funds pursuant to 10 U.S.C. ◆ Tracks identified solutions through the BCL.
MDA	◆ At MDD, reviews the IRB-approved problem statement, AoA study guidance, and AoA study plan; specifies the acquisition entry phase and designates the next milestone; and issues an ADM with the approved AoA study guidance and AoA study plan attached.

Table 3-1. Roles and Responsibilities: Investment Management Phase

Role	Responsibilities
PCA	◆ Prepares a memo that requests certification of program funding and defines which 10 U.S.C. § 2222–defined criteria for certification the system is seeking. This memo authoritatively asserts for the component that the system ▪ has provided current, complete, and accurate information required for certification; ▪ has updated information in the DoD Information Technology Portfolio Repository (DITPR); ▪ is or plans to be compliant with the DoD BEA; ▪ is included in the component or enterprise transition plan as appropriate; and ▪ has completed and verified the earned value (EV) analysis (if required) and included it along with the certification submission. ◆ Uploads the memo on the IRB portal along with the other requested documentation.

PHASE DESCRIPTION

The IM phase justifies the most efficient fulfillment of a business need based on thorough analysis and planning and resulting in a well-developed business case and program charter. The IM phase begins at the MDD, which is mandatory for all DBSs. The PM is assigned early in the IM phase. At the MDD, the Component Functional Sponsor presents the business need as described in the IRB-approved problem statement, and the CADA presents the AoA study guidance and AoA study plan to the MDA. The MDA decision—documented in an Acquisition Decision Memorandum (ADM) to which the AoA study guidance and AoA study plan is attached—specifies the acquisition entry phase for the proposed materiel solution and designates the next milestone review. A Milestone A review must be scheduled to occur within 12 months of MDD approval unless the ADM instructs otherwise.

During this phase, the IRB has oversight authority for investment activities, while the MDA has acquisition decision authority over the program, with input from the IRB.

IM phase activities include the analysis necessary to describe the materiel solution; the solution scope, objectives, business outcomes, outcome-based performance measures, constraints, and dependencies; the program justification, including assumptions, DOTMLPF-P impact, critical success factors, risks, detailed cost and benefits (including return on investment, which can include financial and nonfinancial benefits), funding profile, and delivery schedule; and an acquisition and contracting approach. In addition, the PM updates the BPR based on the solution selected as a result of the AoA.

The IM phase analysis is summarized in the business case developed and signed by the Component Functional Sponsor and the PM. The business case includes the problem statement and the results of the IM phase analysis and serves as the foundation for all BCL efforts (except program-level execution) and decisions.

It is an evolving, executive-level document that reflects program planning and includes summaries of required information that must be readily available to other agencies to fulfill their statutory or other duties.

The PM and the Component Functional Sponsor jointly determine and document technical methods, processes, procedures, and responsibilities by which the potential program will be managed, evaluated, controlled, and executed by the government and the contractor. This summary of systems engineering planning includes program requirements management, traceability, and verification; architecture and interface definition and management; configuration and change management; technical staffing and organization management; and use of technical reviews. This technical planning must be summarized in the business case.

The PM addresses other requirements, including data management; data conversion; records management; software and data rights; system architecture; systems integration; training materials; user training; risk management; security (information assurance); net operations requirements; interoperability and supportability; and component, integration, system, and acceptance testing. These considerations must be summarized in the business case.

The PM, the Component Functional Sponsor, and the component's test and evaluation (T&E) community jointly develop, and include in the business case, a plan that describes, among other things, an integrated test program schedule; test management structure and processes; operational test and evaluation (objectives, events, entrance criteria, scope, and limitations); critical technical parameters; critical operational issues, with associated measures of effectiveness and performance; and required resources. The CADA approves the initial test plan and updates it at subsequent decision points.

The PM and the Component Functional Sponsor jointly determine, and document in the program charter, the managerial methods and responsibilities by which the materiel solution will be executed by the government and the contractor. The PM, the Component Functional Sponsor, and other responsible officials, as required, sign the program charter. Appendix F contains detailed information about the charter.

The PCA must ensure that when a system investment successfully completes the internal certification process, it has: been assessed against and complies with the DoD BEA, is included in the component transition plan, and validates that all required system information is loaded into the DITPR and uploaded on the IRB portal. For those systems submitted to DoD IRBs for certification review, the PCA will prepare a standard certification package. The PCA is considered the point of contact for any communication between the IRB and the system's PM. The PCA also asserts that any documentation and artifacts necessary to substantiate information submitted to the IRB is readily available. The IRB chair submits its recommendation to the DBSMC, resulting in a DBSMC chair certification approval memorandum.

At the end of the IM phase, the PM compiles a milestone decision package and submits it to the MDA with a recommendation for a milestone decision. The package includes the business case, the program charter, the DBSMC certification approval memorandum, and risk assessment findings and associated program risk mitigation plans. Appendix G contains additional IT-related requirements.

ADDITIONAL PHASE REQUIREMENTS

The Component Functional Sponsor is responsible and accountable for achieving the nonmateriel solution specified in the business case.

The IRB chair is responsible and accountable for tracking identified solutions through the BCL and for reporting, to the appropriate authority, the status and alignment of all capabilities in the portfolio in compliance with 10 U.S.C. § 2222.

If IM phase activities exceed 12 months from the signature date of the MDD ADM, the IRB chair will review the business need and advise the MDA whether the IM phase activities should be continued or canceled.

EXIT CRITERIA

The IM phase ends when phase requirements have been satisfied, the IRB has reviewed the business case, and the PM has forwarded a Milestone A recommendation to the MDA. Table 3-2 lists the information required for a Milestone A decision and shows the authority or nature of the requirement. DBSMC certification authorizes the program to obligate funds. The MDA's issuance of an approved milestone ADM formally authorizes a program to begin the Execution segment.

Table 3-2. Required Information: Investment Management Phase—Milestone A

Information required	Approval or certification authority/ nature of requirement
BPR	IRB/statutory—updated as necessary
ADM	MDA/regulatory
Business case, including summaries of the following required documents:	MDA
◆ AoA	CADA/regulatory
◆ Cost estimate	CADA/regulatory
◆ Market research	CADA/regulatory
◆ Acquisition approach, including summaries of the following required documents:	
▪ Data management strategy	CADA/statutory
▪ Lifecycle sustainment plan (LCSP)	CADA/regulatory
▪ Test plan	CADA/regulatory

Table 3-2. Required Information: Investment Management Phase—Milestone A

Information required	Approval or certification authority/ nature of requirement
Risk assessment	CADA/regulatory
AIAS (DoDI 8500.2)	CADA/regulatory
Certification of compliance with 10 U.S.C. § 2222 (BEA)	DCSMC/statutory (before obligation of funds)
CCA compliance	CADA/statutory
DoD component CIO confirmation of CCA compliance	Component CIO/statutory
Program charter	CAE/regulatory

Note: AIAS = Acquisition Information Assurance Strategy.

Chapter 4

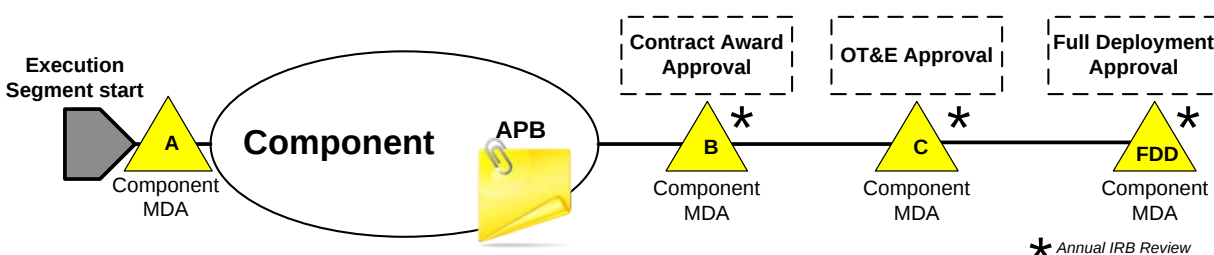
Execution Segment

The Execution segment encompasses the Prototyping, Engineering Development, Limited Fielding, Full Deployment, and O&S phases of the BCL. The purpose of the Execution segment is to design, develop, test, and deploy the solution in accordance with the business case and the program charter.

To meet the BCL's primary goal of delivering a solution to a problem, need, or gap, key decision points are scheduled as the solution proceeds through the Execution segment: Milestone B, Milestone C, and Full Deployment Decision. The solution may be deployed in increments: initial functionality and additional capability increments. The Execution segment ends when the DBS reaches the end of its useful life and requires disposal.

Figure 4-1 delineates the key decision points during the Execution segment. Annual IRB reviews are required for the life of the program.

Figure 4-1. Execution Segment



ROLES AND RESPONSIBILITIES

Table 4-1 lists the roles and responsibilities associated with the Execution segment. The PM is listed first, followed by other roles in alphabetical order.

Table 4-1. Roles and Responsibilities: Execution Segment

Role	Responsibilities
PM	◆ Updates the program charter. ◆ In coordination with the Component Functional Sponsor, collaborates on updates to the business case, as appropriate. ◆ In coordination with the Component Functional Sponsor, ensures the technical solution fulfills the user's prioritized requirements. ◆ Oversees the activities necessary to ensure that the materiel solution complies with statutory and regulatory requirements. ◆ Coordinates the component risk assessment. ◆ Prepares for the IRB, Milestone B, Milestone C, and FDD reviews. ◆ Executes against the cost, schedule, and performance described in the Acquisition Program Baseline (APB) and MDA requirements, if any, that are documented in an ADM. ◆ Delivers the business capabilities described in the business case for an increment.
CADA	◆ Approves and submits required milestone documentation.
Component Functional Sponsor	◆ Ensures stakeholder engagement. ◆ Optimizes operational readiness. ◆ Works with appropriate component points of contact to guide DBS investments through the IRB/DBSMC process. ◆ Ensures user needs are represented. ◆ Leads the development and prioritization of remaining functional requirements, as necessary and appropriate. ◆ Ensures DBS investments are aligned to their functional areas and meet strategic business priorities. ◆ Validates current BPR and facilitates further BPR, as necessary. ◆ Updates the business case as required. ◆ Defines IOC and Full Deployment (FD). ◆ Ensures that the materiel solution documented in the business case complies with all statutory and regulatory requirements. ◆ Ensures that all necessary funding is identified and obtained to support the DBS's progress through the BCL. ◆ Ensures component staff is engaged as appropriate for guidance relating to the acquisition approach and test plan included in the business case. ◆ Integrates and achieves the DOTMLPF-P solution specified in the business case and, as appropriate, updates BPR as appropriate. ◆ Declares IOC and Full Operational Capability (FOC). ◆ Reviews sustainment strategies, comparing performance expectations as defined in performance agreements and the business case to actual performance results.
IRB/IRB chair	◆ Reviews and certifies additional modernization funds pursuant to 10 U.S.C., as necessary. ◆ Tracks identified solutions through the BCL and reports, to the appropriate authorities, the status and alignment of all capabilities in the portfolios.
MDA	◆ Approves the business case. ◆ Provides milestone and FDD approval, each documented in an ADM.

PROTOTYPING PHASE

The purpose of the Prototyping phase is to demonstrate the capability of the software to meet business requirements as outlined in the business case. Prototyping includes installing IT in a relevant environment to gain the knowledge necessary to refine user requirements and support APB development. The amount of prototyping required for COTS programs is likely to be minimal.

The Prototyping phase begins when the MDA has approved the business case and has documented the Milestone A decision.

During the Prototyping phase, the PM completes detailed design and installation of the selected IT in a relevant environment to

- ◆ demonstrate the capability of the software to meet business process requirements as outlined in the business case;
- ◆ determine the software usability, accessibility, and utility from the end user's perspective;
- ◆ define and predict performance under peak loads;
- ◆ evaluate other technical aspects of the software; and
- ◆ evaluate the design approach to meet the capability needed.

The PM compiles a Milestone B acquisition decision package and submits it to the IRB for review. After review, the IRB chair forwards a Milestone B recommendation to the MDA, completing the Prototyping phase.

ENGINEERING DEVELOPMENT PHASE

The purpose of the Engineering Development phase is to demonstrate that the materiel solution has been designed, configured, and tested in a manner consistent with the approved business case and program charter and that the materiel solution is ready for limited testing in an operational environment.

The Engineering Development phase begins when the MDA has approved the updated business case and APB and has documented the decision in a Milestone B ADM.

During the Engineering Development phase, the PM refines system requirements, configures the software, builds functionality as required, conducts developmental testing, and plans for operational testing. The PM designs the maintenance program to minimize total life-cycle cost while achieving readiness and sustainability objectives.

The Engineering Development phase ends when phase requirements have been satisfied and when the functional sponsor has reviewed the test results and determined that the outcomes and metrics as stated in the approved business case have been satisfied.

Table 4-2 lists the information requirements for the Milestone B decision and shows the authority or nature of the requirement.

Table 4-2. Required Information: Engineering Development Phase—Milestone B

Required information	Approval or certification authority/ nature of requirement
Program charter	CAE/regulatory—updated
BPR	IRB/statutory—updated
ADM	MDA/regulatory
Business case, including summaries of the following required documents: ◆ Cost estimate ◆ Acquisition approach, including summaries of the following required documents: ▪ Data management strategy ▪ Information support plan (ISP) ▪ LCSP ▪ Test plan	MDA/regulatory—updated CADA/regulatory—updated CADA/statutory—updated CADA/regulatory CADA/regulatory—updated CADA/regulatory—updated
Risk assessment	CADA/regulatory
AIAS (DoDI 8500.2)	CCMO/regulatory
APB	MDA/regulatory
Certification of compliance with 10 U.S.C. § 2222 (BEA)	IRB/statutory
CCA compliance	CADA/statutory
Component CIO confirmation of CCA compliance	Component CIO/regulatory
Programmatic environment, safety, and occupational health evaluation (including National Environmental Policy Act/Executive Order 12114 and compliance schedule for systems requiring hardware)	CADA/statutory

At the end of the Engineering Development phase, the PM compiles a Milestone C acquisition decision package and submits it to the MDA with a recommendation for a milestone decision. The package includes the updated business case, an AIAS, and an APB. The MDA acknowledges satisfaction of the Engineering Development phase requirements in an ADM.

LIMITED FIELDING PHASE

The purpose of the Limited Fielding phase is to deliver the developed materiel solution to a limited number of users and to conduct OT&E. This phase limits risk by determining the operational effectiveness and suitability of the system before it is deployed to all users.

The Limited Fielding phase begins when the functional sponsor and the MDA have approved fielding the capability into an operational environment for IOT&E and when the MDA has documented the decision in a Milestone C ADM.

The Component Functional Sponsor, informed by IOT&E results, issues a written declaration that the system has achieved IOC.

Table 4-3 lists the information required for a Milestone C decision and shows the authority or nature of the requirement.

Table 4-3. Required Information: Limited Fielding Phase—Milestone C

Required information	Approval or certification authority/ nature of requirement
ADM	MDA/regulatory
Business case, including summaries of the following required documents: ◆ Acquisition approach, including summaries of the following required documents: ▪ Data management strategy ▪ ISP ▪ LCSP ▪ Test plan	MDA/regulatory—updated CADA/statutory—updated CADA/regulatory—updated CADA/regulatory—updated CADA/regulatory—updated
AIAS (DoDI 8500.2)	CADA/regulatory—updated
APB	MDA/regulatory—updated
Certification of compliance with 10 U.S.C. § 2222 (BEA)	IRB/statutory—updated
CCA compliance	CADA/statutory—updated
Component CIO confirmation of CCA compliance	Component CIO/regulatory—updated
Programmatic environment, safety, and occupational health evaluation (Including National Environmental Policy Act/Executive Order 12114 and compliance schedule for systems requiring hardware)	CADA/statutory—updated

During the Limited Fielding phase, the PM verifies that the functional requirements and DOTLMPF-P parts of the solution described in the business case are satisfied and that it is a holistic solution ready for deployment. The Component Functional Sponsor, informed by IOT&E results, issues a written declaration that the system has achieved IOC.

The Limited Fielding phase ends when phase requirements have been satisfied, IOT&E is complete, and the Component Functional Sponsor declares IOC.

FULL DEPLOYMENT PHASE

The purpose of the Full Deployment phase is to field an increment of the operational capability in accordance with the business case.

The Full Deployment phase begins at the FDD, when the MDA reviews the business case, the IOT&E results, and the FDD documentation requirements to determine whether the capability is ready to proceed to full deployment; the MDA documents the decision in an ADM. The Component Functional Sponsor defines the criteria to be considered for an FDD and full deployment in the business case.

Table 4-4 lists the documentation requirements for the FDD phase.

Table 4-4. Required Information: Full Deployment Phase

Required information	Approval or certification authority/ nature of requirement
Post-Implementation Review	CADA/regulatory
Business case, including summaries of the following required documents: ◆ Acquisition approach, including summaries of the following required documents: ▪ Data management strategy ▪ ISP ▪ LCSP ▪ Test plan	MDA/regulatory—updated CADA/statutory—updated CADA/regulatory—updated CADA/regulatory—updated CADA/regulatory—updated
AIAS (DoDI 8500.2)	CADA/regulatory—updated
APB	MDA/regulatory—updated
Certification of compliance with 10 U.S.C. § 2222 (BEA)	IRB/statutory—updated
CCA compliance	CADA/statutory—updated
Component CIO confirmation of CCA compliance	Component CIO/regulatory—updated

The Full Deployment phase ends when the conditions imposed by the MDA at the FDD have been satisfied and the Component Functional Sponsor declares, in writing, that the system has achieved full deployment, as defined in the business case. The PM schedules a closeout review with the IRB upon completion of the Full Deployment phase. The review is done in accordance with the Defense Business Transformation Agency’s “DoD IT Defense Business Systems Investment Review Process: Guidance,” January 2009, and includes the Post-Implementation Review (PIR) report. The purpose of the closeout review is to determine whether the investment has achieved the outcomes defined in the business case.

OPERATIONS AND SUPPORT PHASE

The purpose of the O&S phase is to execute a support program that meets materiel readiness and operational support performance requirements and ensures cost-effective sustainment of the system over its life cycle. Planning for this phase begins prior to program initiation and is summarized in the business case.

O&S includes user support and hardware and software maintenance to ensure that the system meets service level requirements.

The O&S phase begins when an increment or DBS has been fully deployed. The Component Functional Sponsor continually reviews sustainment strategies, comparing performance expectations, as defined in performance agreements and the business case, to actual results.

The O&S phase ends when the DBS reaches the end of its useful life and requires disposal. The PM must dispose of the system in accordance with statutory and regulatory requirements, considering safety, environment, and security of data and information.

Appendix A

Key Resources

Armed Forces, 10 U.S.C. § 186, 2222 (a)(1)(B), 2222(f), 2222(g), 2366(a), 2366(b), 2445(a), and 2445(c).

Clinger-Cohen Act of 1996, 40 U.S.C. § 11103, 11313, and 11317 and Subtitle III, Information Technology Management.

Defense Acquisition University, “Defense Acquisition Guidebook.”

Defense Business Transformation Agency, “DoD IT Defense Business Systems Investment Review Process,” January 2009.

Deputy Chief Management Officer, “Final Guidance for the Implementation of Section 1072–Business Process Reengineering (BPR),” April 30, 2011.

Directive-Type Memorandum 08-020, “Investment Review Board (IRB) Roles and Responsibilities, Incorporating Change 1,” September 3, 2010.

Directive-Type Memorandum 11-009, “Acquisition Policy for Defense Business Systems, Incorporating Change 1,” December 9, 2011.

DoD Directive 5000.01, “The Defense Acquisition System,” May 12, 2003.

DoD Instruction 5000.02, “Operation of the Defense Acquisition System,” December 8, 2008.

DoD Instruction 8410.02 “NetOps for the Global Information Grid (GIG).”

DoD Instruction 8500.2, “Information Assurance (IA) Implementation, February 2, 2003.

National Defense Authorization Act for FY 2005.

National Defense Authorization Act for FY 2010.

National Defense Authorization Act for FY 2012.

National Environmental Policy Act, 42 U.S.C. § 4321 et seq.

Office of Management and Budget Circular A-130, “Management of Federal Information Resources.”

Appendix B

Requirements by Milestone

Table B-1 lists the information documentation requirements by milestone for ACAT III programs.

Table B-1. Required Information for Acquisition Programs Using the BCL

Required information	When required	Approval or certification authority/ nature of requirement
AoA study guidance	60 days prior to MDD	CADA/regulatory
AoA study plan	MDD	CADA/regulatory
Program charter	MS A Updated at MS B	CAE/regulatory
Problem statement	30 days prior to IRB	IRB chair/regulatory
BPR	MDD Updated at ◆ MS A ◆ MS B	IRB/statutory
ADM	MDD MS A MS B MS C FDD	MDA/regulatory
AIAS (DoDI 8500.2)	MS A MS B MS C FDD	CADA/regulatory
Business case, including summaries of the following required documents:	MS A Updated at ◆ MS B ◆ MS C ◆ FDD	MDA/statutory
◆ AoA	MS A	MDA/statutory
◆ Cost estimate	MS A Updated at MS B	CADA/regulatory
◆ Market research	MS A	CADA/statutory

Table B-1. Required Information for Acquisition Programs Using the BCL

Required information	When required	Approval or certification authority/ nature of requirement
◆ Acquisition approach, including summaries of the following required documents:	MS A	MDA
▪ Consideration of technology issues	MS A	CADA/statutory
▪ Data management strategy	MS A Updated at ◆ MS B ◆ MS C ◆ FDD	CADA/statutory
▪ LCSP	MS A Updated at ◆ MS B ◆ MS C ◆ FDD	CADA/regulatory
▪ Test plan	MS A MS B MS C FDD	CADA/regulatory
▪ ISP	MS B Updated at ◆ MS C	CADA/regulatory
Certification of compliance with 10 U.S.C. § 2222 (BEA)	Prior to obligation of funds MS A MS B MS C FDD	DBSMC/statutory
CCA compliance	MS A MS B MS C FDD	CADA/statutory
Component CIO confirmation of CCA compliance	MS A MS B MS C FDD	Component CIO/statutory
Risk assessment	MS A MS B	CADA/regulatory

Table B-1. Required Information for Acquisition Programs Using the BCL

Required information	When required	Approval or certification authority/ nature of requirement
APB	MS B Updated at ◆ MS C ◆ FDD	MDA/regulatory
Programmatic environment, safety, and occupational health evaluation	MS B MS C FDD	CADA/statutory
PIR	FDD	CADA/statutory

Notes: Statutes and regulations require development of certain documents through rigorous analysis. These documents must be developed and summaries of the information they contain are included in the business case. Individual documents are not expected to be coordinated and approved at the OSD level unless necessary to fulfill statutory or other duties or as otherwise specified. The Component Functional Sponsor will provide complete copies of any document summarized in the business case upon request of the responsible officials.

Appendix C

Documentation Descriptions

Table C-1 describes the BCL documentation requirements for ACAT III programs.

Table C-1. Documentation Requirements for ACAT III Programs

Required information	Description
Acquisition approach	A comprehensive, integrated plan that identifies the acquisition approach and describes the business, technical, and support strategies that management will follow to manage program risks and meet program objectives. The acquisition strategy should define the relationship between the acquisition phases and work efforts and the key program events such as decision points, reviews, contract awards, test activities, production lot/delivery quantities, and operational deployment objectives.
ADM	A memorandum, signed by the MDA, that documents decisions made as the result of a milestone decision review or other decision or program review.
AIAS (DoDI 8500.2)	Documentation that ensures that the program has an information assurance strategy consistent with DoD policies, standards, and architectures, including relevant standards.
APB	The threshold and objective values for the minimum number of cost, schedule, and performance attributes that describe the program over its life cycle. Cost values reflect the life-cycle cost estimate; scheduled dates include key activities such as milestones and the IOC; and performance attributes reflect the operational performance required for the fielded system. Key performance parameters are copied verbatim into the APB. The key system attributes are also reflected in the APB. Other significant performance parameters may be added by the MDA.
AoA	An analytical comparison of the operational effectiveness, suitability, and life-cycle cost (or total ownership cost, if applicable) of alternatives that satisfy established capability needs. Initiated after the MDD, the AoA examines potential materiel solutions with the goal of identifying the most promising option.
AoA study guidance	Guidance for carrying out the AoA study. The guidance requires, at minimum, full consideration of possible tradeoffs among cost, schedule, and performance objectives for each alternative.
AoA study plan	A road map that describes how the AoA will proceed and identifies individual responsibilities. At minimum, the study plan should facilitate full consideration of possible tradeoffs among cost, schedule, and performance objectives for each alternative and an assessment of whether the joint military requirement can be met in a manner that is consistent with the cost and schedule objectives.
Business case	A summary of information necessary to enable effective management decisions resulting from the rigorous analysis and associated documentation produced by the Component Functional Sponsor and program manager. The business case clearly defines and articulates the business problem, the desired outcomes, and the holistic plan for delivering the capability. It is continually updated as more knowledge is acquired through the BCL.

Table C-1. Documentation Requirements for ACAT III Programs

Required information	Description
BPR	A logical method for assessing process weaknesses, identifying gaps, and implementing opportunities to streamline and improve these processes to create a solid foundation for success in changes to the full spectrum of operations.
Certification of compliance with 10 U.S.C. § 2222 (BEA)	A self-assertion of compliance with a specific version of DoD's BEA, as required by 10 U.S.C.
CCA compliance	Satisfaction of IT system acquisition justification requirements per Subtitle III of Title 40 U.S.C. (Clinger-Cohen Act).
Cost estimate	A judgment or opinion regarding the cost of an object, commodity, or service. The estimate is a result or product of an estimating procedure that specifies the expected dollar cost required to perform a stipulated task or to acquire an item. The cost estimate may constitute a single value or a range of values.
Data management strategy (DMS)	A strategy or plan for managing all forms of recorded information (both government and contractor-created data), regardless of the method of recording. The DMS must be integrated in the acquisition strategy and with other LCSPs prior to issuing a solicitation.
Component CIO confirmation of CCA compliance	Confirmation that the requirements of Section 11313 of Subtitle III of 40 U.S.C. (Title 40/CCA) have been satisfied. Confirmation is required for non-major programs and information technology systems, including national security systems, before the MDA may initiate a program or an increment of a program or approve entry into any phase of the acquisition process, or before the DoD component may award a contract.
ISP	A plan that addresses the information-related needs of an acquisition program in support of the operational and functional capabilities the program either delivers or contributes to. The ISP provides a means to identify and resolve potential information support implementation issues and risks that, if not properly managed, will limit or restrict the ability of a program to be operationally employed in accordance with the defined capability. The plan focuses on net-readiness, interoperability, information supportability, and information sufficiency concerns. The ISP process is one of discovery, requiring analysis of the program's integrated architecture and processes associated with meeting a capability. This analysis identifies information need, net-centric, interoperability, and supportability issues and assesses compliance with DoD information policy and goals.
LCSP	A plan that demonstrates the early planning, development, implementation, and management of a comprehensive, affordable, effective performance-driven logistics support strategy. The LCSP plays a key role during all phases of the life cycle. Its purpose is to ensure integration of sustainment considerations into all planning, implementation, management, and oversight activities associated with the acquisition, development, production, fielding, support, and disposal of a system across its life cycle.
Market research	The process of collecting and analyzing information about capabilities within the market to satisfy agency needs. Market research consists of gathering data on business and industry trends, characteristics of products and services, suppliers' capabilities, and related business practices.
PIR	A DOTMLPF assessment process for planning, aggregating, and analyzing information needed to evaluate the degree to which a materiel investment operating in its intended environment met the needed capability as described in the business case.

Table C-1. Documentation Requirements for ACAT III Programs

Required information	Description
Problem statement	The foundation of the business case that serves to document that a problem exists and is worth solving. Its purpose is to ensure that an analysis has been done to consider whether the business need can be solved without a materiel solution (results of the DOTMLPF analysis), that external influences have been identified, and that success factors have been defined and can be measured.
Program charter	A companion document to the business case that establishes the roles and responsibilities of those involved in planning and executing the program and identifies the managerial methods for developing and delivering the materiel solution described in the business case. The charter articulates the roles and responsibilities of the program office, functional community, and contractors.
Programmatic environment, safety, and occupational health evaluation (PESHE)	A repository for top-level environment, safety, and occupational health (ESOH) management information, including the following: ◆ Identification, assessment, mitigation, and acceptance of ESOH risks ◆ Ongoing evaluation of mitigation effectiveness ◆ Compliance schedule for documentation related to the National Environmental Policy Act (NEPA) and Executive Order 12114, "Environmental Effects Abroad of Major Federal Actions." The PESHE communicates the status of ESOH efforts and risk management for the system.
Component risk assessment	An examination of each identified risk to refine the description of the risk, isolate the cause, and determine the effects in setting risk mitigation priorities. The assessment considers the likelihood of root cause occurrence; identifies possible consequences in terms of performance, schedule, and cost; and identifies the risk level in terms of risk rating.
Test plan	Documentation of the strategy that will be used to verify and ensure that a product or system meets its design specifications and other requirements and that the system can be operated, maintained, supported, and controlled by user personnel in its intended operational environment with the intended training.

Appendix D

BCL Business Case

The business case is the single document used to justify a DBS investment and acquisition decision in BCL. All DBSs that exceed \$1 million must have a business case. The business case ensures progress and outcomes remain in alignment and further justify continued funding throughout the life cycle of the materiel solution. It must be revalidated upon any major changes to scope, outcomes, cost, schedule, assumptions, risks, constraints, and success factors. Such updates allow DoD to ensure that the problem to be solved, the approach to solving it, and the benefits to be derived remain valid.

The business case ensures that a problem, its root cause, and DOTMLPF-P issues are thoroughly analyzed, that all options are considered, that risks are identified, and that the expenditure of resources and funds can be justified with a high degree of confidence. The business case provides leadership with sufficient information to make informed investment decisions within the context of enterprise priorities and available resources. The owning component is responsible for the development and maintenance of the business case.

The purpose of the business case is to do the following:

- ◆ Facilitate a way of thinking that causes components to consider a business capability's value, risk, and relative priority as fundamental elements of submission.
- ◆ Require those proposing a solution to justify its value and to self-eliminate any proposals that are not of demonstrable value.
- ◆ Enable DoD leadership to determine whether a concept or proposed solution is of value to the enterprise and is achievable compared to the relative merits of alternative proposals.
- ◆ Enable DoD leadership to objectively measure the delivered benefits.

The business case provides a compelling, defensible, and credible justification for the recommended approach to solving a defined problem. The problem is considered solved upon reaching the stated objectives, which have financial and other business values made tangible through the business case analysis. The business case describes the full range of resources and actions required to reach these objectives.

The business case develops in stages based on information known at the time of its creation. Business case revalidation and updates are done throughout the

proposed solution and program's life cycle as more information becomes available, technology changes, statutes and regulations dictate, requirements and outcomes change, or other significant events occur.

The business case development process ensures the following:

- ◆ Thorough consideration and documentation of the required issues
- ◆ Availability of sufficient information to facilitate fair evaluations of different proposals
- ◆ Clarity of both the value and risks inherent in the proposed solution
- ◆ Commitment and sponsorship of an executive with the capability and authority to deliver the benefits
- ◆ Ability to quantify all key aspects so their achievement can be tracked and measured
- ◆ Delivery of the outcomes and benefits that can be tracked and measured
- ◆ Tailoring of the business case to the size and risk of the proposed solution or initiative
- ◆ Focus on the business capabilities and impact, rather than on technical aspects
- ◆ Inclusion of all factors relevant to a complete evaluation
- ◆ Clearly relevant and logical contents that are simple to evaluate
- ◆ Direct justification of key elements in a transparent manner
- ◆ Clear accountability and commitment for the delivery of benefits and management of costs.

The business case will be evaluated by the IRB, DBSMC, and MDA to ensure the following:

- ◆ The investment has value to the enterprise and aligns with enterprise priorities.
- ◆ The proposed solution is properly managed and supported by senior officials.
- ◆ The scope for the proposed solution is defined and desired outcomes are measurable.
- ◆ BPR has been completed or is being completed.

- ◆ The component will be able to deliver the benefits.
- ◆ Dedicated resources are working on the highest value opportunities.

The estimated cost of a proposed solution generally dictates the degree of scrutiny and the level of detail in the business case. The business case will always be judged on the quality of information it contains, not on the length of the content.

The primary sections of a business case are described below.

EXECUTIVE SUMMARY

The executive summary illustrates the essence of the entire business case by providing a cogent summary of the subject, scope, methods of analysis, and major results. This section may provide historical information, but it should be succinct and include only what is deemed directly relevant for providing context in addition to being understandable to the business case's audience.

PROBLEM STATEMENT

The problem statement clearly defines and articulates the business need to be solved, the value of solving it, and the approach to solving it. It presents information in such a way that it enables the decision makers to quickly make decisions and to provide the context for subsequent analysis and execution.

The problem statement results from a structured analysis of an aspect of the business where a perceived business need exists. This stems from either anecdotal evidence or from indications that the value of an operational business metric exceeds boundaries. Developing a problem statement ensures that a problem actually exists, that the root cause of the symptoms is identified, and that the problem is bounded and understood to a level where it can be solved and desired outcomes can be measured. The problem statement provides the foundation for the overall business case and requires IRB review and approval before progressing beyond the BCD phase.

The problem statement may contain multiple subsections that serve to characterize the business need. The PM describes the need in terms of the following considerations:

- ◆ Defining the broader operational environment
- ◆ Summarizing the business problem within the proper context
- ◆ Describing how the problem affects the current operating environment

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- ◆ Describing the business need in terms of underlying root cause and in a specific, quantifiable manner that provides a clear description of the current strategic and tactical environment
 - ◆ Identifying internal and external boundaries and constraints
 - ◆ Scoping the business need in a way that considers the boundaries and constraints and that will enable an incremental approach within BCL time frames
 - ◆ Describing potential DOTMLPF-P drivers of or contributors to the business need, and describing how each driver contributes and how the business need can be changed or eliminated if the contributor is removed
 - ◆ Identifying the expected benefits and improvements, including a description of the desired end state and identifying the metrics by which the improvements will be tracked and measured
 - ◆ Summarizing the recommended course of action upon which further analysis and execution will be based.

BUSINESS CASE ANALYSIS

The business case analysis provides a convincing, defensible, and reliable justification for the recommended approach to solving a defined problem. The problem will be considered solved upon reaching the stated objectives, which have financial and other business values that are made tangible through the business case analysis. This section examines the full DOTMLPF-P range of resources and actions required to reach stated objectives and should be clear in the component's effort to achieve a solution through DOTmLFP-P (nonmateriel) efforts before deciding on a materiel solution.

Changes in the problem scope must be validated against the business case. The full range of potential impacts must be understood before making decisions that affect project boundaries. Updating the business case to reflect such changes requires IRB approval.

SOLUTION SCOPE

Solution scope describes the materiel capabilities needed to solve the problem identified in the DOTMLPF-P analysis. The solution scope section further describes constraints, dependencies, and business outcomes. The solution set is typically defined with increasing detail over time.

ANALYSIS OF ALTERNATIVES

The AoA is based on guidance provided by the CADA during the BCD phase and is summarized in the business case. The AoA focuses on the alternatives for meeting defined objectives and the basis for deciding which alternative best meets those objectives based on the recommended course of action presented in the problem statement.

Each alternative is evaluated against a set of criteria defined by the program. At minimum, for each viable alternative, the following should be documented:

- ◆ Summary of the alternative
- ◆ Assessment of its viability
- ◆ Estimated life-cycle cost and benefits (in comparison to the status quo)
- ◆ Estimated risks and impact
- ◆ Detailed system and business process alternatives
- ◆ Detailed cost, benefit, and sensitivity analyses
- ◆ Recommended course of action.

PROGRAM JUSTIFICATION

The program justification provides a logical and defensible argument for why the recommended material solution is the preferred course of action. At Milestone A, the program justification is an estimate; it will mature as the program develops. Subsections of the program justification include summaries of the following:

- ◆ Assumptions underlying the solution analysis
- ◆ Business process requirements (relevant to BPR efforts)
- ◆ Changes likely to be required across the DOTMLPF-P spectrum to implement the recommended solution
- ◆ Critical success factors
- ◆ Key risk factors
- ◆ Financial analysis
- ◆ Sensitivity analysis

-
- ◆ Funding and resources required to implement the solution
 - ◆ Expected schedule for delivering the capability, including IOC and FDD.

ACQUISITION PLAN

The acquisition plan describes the method for procuring the capability required to solve the business problem, if it has been decided that a nonmaterial solution alone will not solve it. It guides the process of contracting for the materiel solution and the services required to implement it. The acquisition plan also lays out how the program meets the statutory and regulatory requirements for competition and describes the appropriate types of contracts or the contract vehicles, if appropriate, to implement the solution. Finally, the plan describes the process by which the government intends to research the available vendors, small business objectives, incentive method, special contracting considerations, evolutionary acquisition approach, and approach to life-cycle sustainment. This section of the business case includes summaries of the following:

- ◆ Approach to the acquisition and the associated milestones/decision points
- ◆ Results of market research
- ◆ Contracting approach to acquire the services and goods required to implement the recommended materiel solution, including a discussion of contract types, competition, sources identified, and consideration of small businesses
- ◆ Process and parameters by which the system integrator and other vendors will be selected.

TEST PLAN

The test plan summarizes the planning for the materiel solution's test strategy and the technical approach to its implementation. Portions of this section of the business case are updated at specific milestones during the IM phase and the Execution segment. The CADA approves the initial test plan and updates submitted at subsequent decision points.

Appendix E

IRB/BPR Integration

In accordance with public law, an IRB must approve the investment of funds (appropriated and nonappropriated sources) for new system development, legacy system modernization or enhancement, or initiative or program implementation greater than \$1 million over the Future Years Defense Program (FYDP). The National Defense Authorization Act (NDAA) for FY2010 added a new requirement: system owners must affirm whether BPR was performed on such investments from appropriated and nonappropriated fund sources. Public law also requires periodic review, but not less than annually, of every DBS investment, even those systems that are in the O&S phase. This review examines the current status of DBSs to closely monitor program cost, performance, and schedule risks and to determine whether adjustments need to be made in those systems or other systems that are dependent on the system under review.

The Office of the Secretary of Defense uses the IRB review process to determine whether an overlap or gap exists among capabilities for systems supporting DoD BEA operational activities, processes, and functions. DoD components use this information to manage system portfolios to ensure optimal placement and use of investment funds on systems that support DoD business capabilities. The IRB process is also used to identify system interface information on systems seeking certification that requires legacy system owners to list a projected sunset date for their systems. This information is used to facilitate portfolio planning and to manage budget and investment fund allocation for systems.

Section 1072 of the FY10 NDAA integrated the requirement for BPR into the DoD's IRB and the DBSMC governance framework and required that BPR determinations be made by the DoD Deputy Chief Management Officer (DCMO) or one of the military department CMOs, depending on which component's business processes the DBS modernization supports.

Conducting appropriate BPR, starting up front and continuing throughout a DBS's acquisition or modernization life cycle, is critical to improving DBS performance. The BPR assessment is an important step toward ensuring that programs are given the greatest chance of success, are fielded quickly, and are consistent with industry best practices. Conducting appropriate BPR also helps DoD rationalize its DBS portfolio, improve its use of performance management, control scope changes, and reduce the cost of fielding business capabilities. Attachment E-1 is a road map for completing the BPR.

Though the Clinger-Cohen Act has included a BPR-like requirement for some time, Section 1072 placed a renewed emphasis on BPR and integrated it into the IRB and DBSMC governance framework.

DoD does not mandate a specific BPR method within the context of DBSs. However, it has identified a number of key BPR tenets that programs must demonstrate:

- ◆ Outline a clear and reasonable problem statement.
- ◆ Demonstrate alignment between the investment and broader departmental, component, or service goals.
- ◆ Complete analysis of the as-is environment in sufficient detail to illuminate the problem statement and root causes and to justify the need for a particular materiel investment.
- ◆ Consider and implement changes across the full spectrum of operations or DOTMLPF-P, in addition to developing a materiel solution.
- ◆ Complete analysis of the to-be environment in sufficient detail to be translated into clear requirements linked to the selected materiel solution's capabilities. This analysis must illustrate that the investment's underlying business processes are as streamlined and efficient as possible.
- ◆ Eliminate or reduce unique requirements and associated reports, interfaces, conversions, extensions (RICE) objects in commercial and government off-the-shelf implementations to the greatest extent possible through appropriate use of AoA and fit-gap analysis.
- ◆ Eliminate or reduce unique interfaces to the greatest extent possible and design information exchanges logically and efficiently.
- ◆ Identify appropriate outcome-based business performance measures that are consistent and linked to intended benefits of investment.
- ◆ Design a reasonable implementation/change management approach.
- ◆ Detail actual results versus targets.

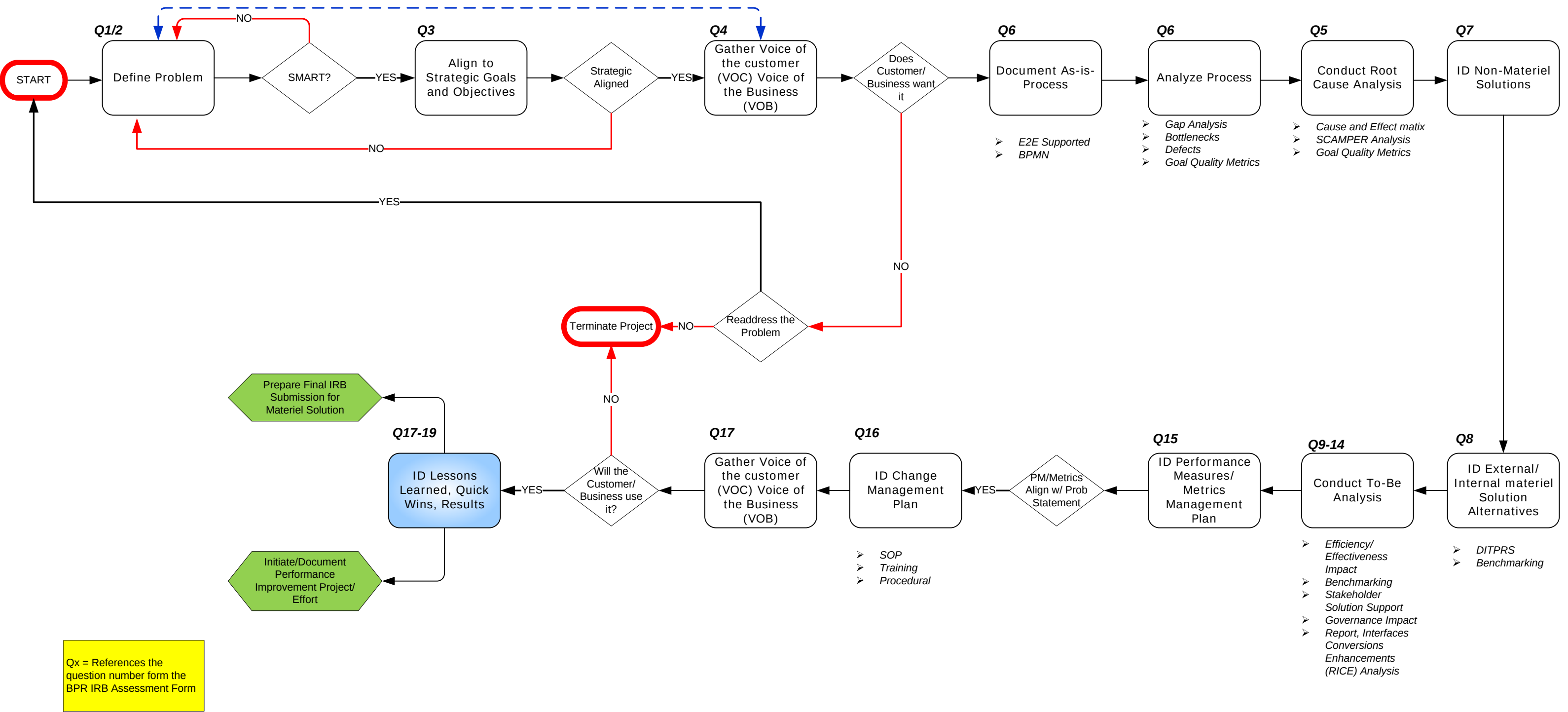
Attachment E-2 is an example of a basic outline for a BPR submission.

To ensure a BPR's compliance with the key tenets, the BPR assessment process uses both a specific questionnaire (a BPR Assessment Form) and supplemental objective evidence to document a program's BPR. Attachment E-3 provides the BPR Assessment Form.

Each program should supplement its answers to the BPR Assessment Form with program documentation to serve as objective evidence. Below are some examples of objective evidence:

- ◆ Architectural diagrams (OV-5, OV-6c, SV-1, SV-8)
- ◆ Other as-is and to-be process maps or analysis at a level sufficient to demonstrate the business problem the program addresses
- ◆ BCL problem statement or business case documents
- ◆ DoD or component strategic plans
- ◆ Baseline performance information
- ◆ DOTMLPF-P analysis
- ◆ Business case analysis
- ◆ Requirements list
- ◆ RICE object list and level-of-effort analysis
- ◆ Governance or configuration control board documentation
- ◆ Analysis of alternatives
- ◆ Fit-gap analysis
- ◆ Interface documentation
- ◆ Data standards documentation
- ◆ Implementation and training plans.

BUSINESS PROCESS REENGINEERING ROAD MAP



ATTACHMENT E-2—EXAMPLE BPR OUTLINE

Shown below is an example of a basic outline for a BPR submission, with standard deliverables. The PM should adjust the outline as needed to accommodate each program.

1. Program name, DoD IT Portfolio Repository (DITPR) number, service/agency, PM name
2. BPR assessment team members
3. IRB information
 - a. System tier level
 - Tier 2—includes all non-Major Automated Information System (non-MAIS) DBS program investments \$10 million or above
 - Tier 3—includes all non-MAIS DBS program investments greater than \$1 million and less than \$10 million
 - b. Current certification request (\$M)
4. Acquisition type (When is the development/modernization approaching its next milestone? What is it?)
 - a. New development/modernization, completed development/modernization
 - b. For ACAT acquisition programs, indicate the next standard acquisition milestone or operational test and evaluation (OT&E) event
 - c. Indicate where the acquisition lifecycle is in the development/modernization
 - d. Identify the legacy systems being eliminated
5. Problem statement (What business problem are you trying to solve through this development/modernization?)
 - a. What's wrong?
 - b. How bad is it (metrics)?
 - c. Where is it occurring?
 - d. When did it start; how long has it been happening?
 - e. What is the impact?
6. Strategic alignment
 - a. Identify goals or objectives of the Department and the Component with which the development/modernization aligns and how it aligns
 - b. Identify which of the 15 Business Enterprise Architecture (BEA) end-to-end process the system supports
 - Acquire-to-Retire (A2R)
 - Budget-to-Report (B2R)
 - Concept-to-Product (C2P)
 - Cost Management (CM)
 - Deployment-to-Redeployment/Retrograde (D2RR)

-
- Environmental Liabilities (EL)
 - Hire-to-Retire (H2R)
 - Market-to-Prospect (M2P)
 - Order-to-Cash (O2C)
 - Plan-to-Stock—Inventory Management (P2S)
 - Procure-to-Pay (P2P)
 - Proposal-to-Reward (P2R)
 - Prospect-to-Order (P2O)
 - Service Request-to-Resolution (SR2R)
 - Service-to-Satisfaction (S2S)
7. As-is analysis
- a. Identify the root causes of the business problem
 - b. Provide an as-is map, using Business Process Model and Notation (BPMN), of the current process that requires change
 - c. Identify other materiel solutions (internal and external to DoD) considered to meet the business need and specify why they were eliminated from further consideration
8. To-be analysis
- a. Provide a to-be map, in BPMN, of the target process that illustrates the improvements to the as-is process the effort will generate
 - b. Describe the business case/impact, specifically how the business process to be supported by the modernization is as streamlined and efficient as possible through, for example, a decrease in the number of process steps or the number of people involved or an increase in output
 - c. Identify the industry best practices/benchmarks that were leveraged to develop and evaluate potential to-be processes and solution
 - d. Summarize assessment of customer and business requirements
 - Customer assessment (what the customer wants or needs, which may be strongly correlated to the “buying decision” and often forms the basis for comparison)
 - Business assessment (what the business wants or needs, summarized as key issues and translated into specific and measurable requirements)
 - e. Constraining factors (What laws, regulations, or policies constrain the to-be process design and prevent it from being as streamlined and efficient as possible?)
 - f. Unique requirements (Were unique requirements and unique interfaces eliminated or reduced?) How many Reports, Interfaces, Conversions, Enhancements (RICE) components are planned as part of the development/modernization? What is the justification for each?
9. Change management plan that includes operating procedures, organization, training, interoperability, personnel, governance, infrastructure, etc., and that explains how stakeholders and solution providers have been involved in the creation of the plan

10. Indicate whether the users/customers have provided confirmation that they are prepared for system turn-on and, if yes, in what form
11. Performance measures and, for each, the baseline/current performance, target performance, and data source (What are the operational/business measures—such as cost savings or cycle time—that will be used to gauge the business success of the development/modernization?)
12. ROI/benefit estimate that delineates the metric; for example, if the cycle time is now 30 days but will be reduced to 23 days, the program will save 7 days, which translates into a dollar savings of \$1.3 million over 5 years.

ATTACHMENT E-3—BPR ASSESSMENT FORM

Business Process Reengineering Assessment Form

Version 30Apr2011

Please fully answer all questions, providing appropriate context and spelling out acronyms where appropriate. When providing reference material or objective evidence to answer a question, please ensure that the materials are submitted with this form and that it is readily apparent which parts of the materials are relevant to which questions on this form.

Program Information

Program Name:	Click here to enter text.	Acronym:	Click here to enter text.
DITPR Number:	Click here to enter text.	Component:	Click here to enter text.
Program Manager:	Click here to enter text.	Phone Number:	Click here to enter text.
Organization:	Click here to enter text.	Email:	Click here to enter text.
Functional Sponsor:	Click here to enter text.	Phone Number:	Click here to enter text.
Organization:	Click here to enter text.	Email:	Click here to enter text.
CMO/PCA Name:	Click here to enter text.	Phone Number:	Click here to enter text.
Organization:	Click here to enter text.	Email:	Click here to enter text.
BPR POC:	Click here to enter text.	Phone Number:	Click here to enter text.
Organization:	Click here to enter text.	Email:	Click here to enter text.

IRB Information

Primary IRB:

IRB Meeting Date: [Click here to enter a date.](#)

System Tier Level:

Current Certification Request (\$M): [Click here to enter text.](#)

Acquisition Information

1. Is this a (*check one*):

☒ New development effort ☐ Modernization ☐ Completed development/modernization

a. Where in the acquisition lifecycle is this development/modernization?

b. When is the development/modernization approaching its next milestone? What is it? For ACAT acquisition programs, if you are pre-delivery, please indicate the next standard acquisition milestone or Operational Test & Evaluation event. If you are already delivering capability, please indicate when the next increment of capability will be delivered. For non-ACAT acquisition programs, please indicate the next major program event or acquisition decision. For modernizations, please indicate when the modernization is scheduled to be complete or if capability will be delivered in increments, when the next increment of capability will be delivered.

[Click here to enter text.](#)

c. If applicable, which legacy systems are being sunset because of this development/modernization (Include DITPR #s)? When are they being sunset? Is it full or partial sunsetting?

[Click here to enter text.](#)

Business Process Reengineering Assessment Form

Version 30Apr2011

d. If applicable, when is this program going to be sunset? Is it full or partial sunseting? (If you are listed as a legacy system, you must answer this question. If you don't know, indicate as such.)

[Click here to enter text.](#)

Problem Statement

2. What business problem are you trying to solve through this development/modernization?

[Click here to enter text.](#)

Strategic Alignment

3. Which goals or objectives of the QDR, SMP, Performance Budget, HPPGs, and/or Component Strategic Plan does this development/modernization align with? How does it align?

[Click here to enter text.](#)

4. Which of the 15 BEA End-to-End Processes does this system support? Additional information is at: http://www.bta.mil/products/bea_7_0/BEA/html_files/end2end.html. (Check all that apply)

- ☐ None
- ☐ Acquire-to-Retire
- ☐ Budget-to-Report
- ☐ Concept-to-Product
- ☐ Cost Managment
- ☐ Deployment-to-Redeployment/Retrograde
- ☐ Environmental Liabilities
- ☐ Hire-to-Retire
- ☐ Market-to-Prospect
- ☐ Order-to-Cash
- ☐ Plan-to-Stock...Inventory Management
- ☐ Procure-to-Pay
- ☐ Proposal-to-Reward
- ☐ Prospect-to-Order
- ☐ Service Request-to-Resolution
- ☐ Service-to-Satisfaction

As-Is Analysis

5. What are the root causes of the business problem identified above?

[Click here to enter text.](#)

Business Process Reengineering Assessment Form

Version 30Apr2011

6. Have you completed an As-Is map of the current process that illustrates the specific problem that requires change? If yes, include objective evidence.

☒ Yes ☐ No

7. What non-materiel solutions are you implementing across the full spectrum of operations to address the business problem? For example, process, organizational, or training changes. Why are non-materiel solutions alone insufficient to solve the business problem?

[Click here to enter text.](#)

8. What other existing materiel solutions (internal and external to DoD) did you consider to meet your business need? Why were these other solutions unable to meet the business need?

[Click here to enter text.](#)

To-Be Analysis

9. Have you completed a To-Be map of the target process that illustrates the improvements to the As-Is process that this effort will generate? If yes, include objective evidence.

☐ Yes ☒ No

10. Explain how the business process to be supported by the development/modernization is as streamlined and efficient as possible? For example, have you reduced the number of process steps or the number of people involved in the process or have you increased throughput, etc?

[Click here to enter text.](#)

11. Which industry best practices/benchmarks were leveraged to develop and evaluate potential to-be processes and solutions? For example, did you consult with industry leaders, use the SCOR model or an equivalent, incorporate written government best practices, incorporate industry leading performance measures, etc?

[Click here to enter text.](#)

12. How have you engaged key stakeholders in your BPR process to ensure that they are willing to change their processes/operations as needed?

[Click here to enter text.](#)

13. What are the laws, regulations, and/or policies that constrain your To-Be process design and prevent it from being as streamlined and efficient as possible? How do they constrain you?

[Click here to enter text.](#)

14. How have you eliminated or reduced the need for unique requirements and unique interfaces? How many RICE objects are planned as part of this development/modernization? Break them down by Reports, Interfaces, etc. What is the justification for the key RICE objects?

[Click here to enter text.](#)

Business Performance Measures

15. What are your operational/business measures, linked to your problem statement, that you will use to gauge the business success of the development/modernization? For example, cost savings measures, cycle time measures, etc. For each measure, identify the baseline/current performance, target performance, and data source.

[Click here to enter text.](#)

Business Process Reengineering Assessment Form

Version 30Apr2011

Implementation/Change Management

16. Have you developed an implementation/change management plan that includes: operating procedures, organization, training, interoperability, personnel, governance, infrastructure, etc? How have your stakeholders and solution providers been involved in the creation of this plan?

[Click here to enter text.](#)

17. Have the users/customers provided confirmation that they are prepared for system turn-on? If yes, in what form?

[Click here to enter text.](#)

Results

18. Briefly describe the results you have obtained using BPR.

[Click here to enter text.](#)

Business Process Reengineering

19. Briefly include any additional comments on your BPR process? If you have not conducted BPR or do not believe you need to conduct BPR, explain why? If you have a plan to conduct BPR, explain what that plan consists of?

[Click here to enter text.](#)

Appendix F

Program Charter

The program charter articulates how the program will be managed. It does not represent a contract.

The program charter is an evolving document to which the program manager adds detail as the program matures. Scope and requirement clarifications, input based on the selected vendor's method, changes to roles and resources, and changes in executive direction continually feed the program charter, ensuring that the program's guiding document always reflects executive leadership's and program management's current approach and expectations regarding the program.

The key sections of the program charter are described below.

MISSION STATEMENT

This section describes, at a high level, how the program intends to execute the solution defined in the business case.

PROGRAM ORGANIZATION

This section describes the program's organizational structure and identifies its key stakeholders. Critical pieces of information within the program organization section are as follows:

- ◆ Identification of the Component Functional Sponsor and a succession plan
- ◆ Graphic of the program/organizational structure and identification of the roles and responsibilities of the organization's members
- ◆ Description of all key functional roles (customer definition)
- ◆ Documentation of the roles of stakeholders with a vested interest in program outcomes.

RESOURCE MANAGEMENT PLAN

This section describes how the program management team plans to ensure the availability to the program of the right skill sets when they are needed and at the level at which they must be committed to the program. This section also shows

the processes by which team members join or exit the program; these processes ensure minimal downtime and maximum knowledge transfer.

GOVERNANCE FRAMEWORK

This section introduces the processes that manage the solution implementation. It describes how leadership ensures that the proper standards and processes are followed and that they achieve their intended result. This section may require revision after contract award to align the system integrator's implementation approach with the program. Key pieces of information captured within the governance framework section include the following:

- ◆ Discussion of the implementation management processes
- ◆ Processes by which external parties engage with the program
- ◆ Issue resolution process
- ◆ Status reporting, including program metrics
- ◆ Risk management approach
- ◆ Contract management system, including change process and description of contractor deliverables
- ◆ Scope management process
- ◆ Engagement of the testing and systems engineering communities.

IMPLEMENTATION METHOD

This section describes the approach to be used to implement the solution, including any phases or key events. The vendor's method should be used as the basis of this section of the program charter. This section remains blank until a system integrator is selected and engaged.

PROGRAM STANDARDS

This section discusses operational aspects of program management that benefit from formal standards (e.g., organizational change management, communication planning, training, testing, document management/version control, software configuration management, control plan, and coding). It focuses on what standards will be created, not the documentation of the standards themselves. This section requires revision after the system integrator is engaged, to be consistent with the contractor's implementation approach or method.

Appendix G

IT Considerations for DBS Acquisitions

The Clinger-Cohen Act of 1996 (40 U.S.C. § 11103, 11313, and 11317 and Subtitle III) applies to all IT investments:

- ◆ For all programs that acquire IT, at any ACAT level, the MDA must not initiate a program or an increment of a program or approve entry into any phase of the acquisition process, and the DoD component must not award a contract, until these conditions have been met in accordance with CCA:
 - The PM has satisfied the requirements of the CCA.
 - The component CIO has confirmed CCA compliance.
- ◆ The CCA requirements must be satisfied to the maximum extent practicable through documentation developed under the BCL. Table G-1 details the actions required to comply with Subtitle III of the CCA. The Component Functional Sponsor, in conjunction with the acquisition community, is accountable for actions 1–5, and the PM is accountable for actions 6–11. The PM prepares a table similar to Table G-1 to indicate which documents (including page and paragraph) correspond to CCA requirements. The component CIO uses the documents cited in the table prepared by the PM to assess and confirm CCA compliance.

Table G-1. Actions Required to Comply with Subtitle III of the Clinger-Cohen Act

Action	Applicable program documentation ^a
1. Determine that the acquisition supports core priority DoD functions ^b	Business case, program charter
2. Establish outcome-based performance measures linked to strategic goals ^b	Business case, APB approval
3. Redesign the processes that the system supports to reduce costs, improve effectiveness, and maximize the use of COTS technology ^b	Business case, program charter
4. Determine that no private-sector or government source can better support the function	Business case, program charter
5. Conduct an AoA	Business case (AoA)
6. Conduct a DoD component cost analysis that includes a calculation of the return on investment	Business case (cost analysis)
7. Develop clearly established measures and accountability for program progress	Business case (APB)
8. Ensure that the acquisition is consistent with global information grid policies and architecture, including relevant standards ^c	APB (net-ready KPP, business case information exchange requirements)

Table G-1. Actions Required to Comply with Subtitle III of the Clinger-Cohen Act

Action	Applicable program documentation ^a
9. Ensure that the program has an information assurance strategy that is consistent with DoD policies, standards, and architectures ^b	AIAS
10. Ensure, to the maximum extent practicable, that modular contracting has been used and that the program is being implemented in phased, successive increments, each of which meets part of the mission need and delivers measurable benefit, independent of future increments	Business case
11. Register mission-critical and mission-essential systems with the DoD CIO ^b	DITPR

^a The documents cited are examples of the most likely (but not the only) references for the required information. If other references are more appropriate, they may be used in addition to or instead of those cited. References should include page and paragraph numbers, where appropriate.

^b These actions are also required to comply with Section 811 of Public Law 106-398, Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, October 30, 2000.

^c DoDI 8410.02, ANSI EIA 748-A-1998 (R2002).

Before providing Milestone A approval for an IT business system, the MDA makes a determination that the system will achieve IOC within 5 years, as established in Section 811 of Public Law 109-364, John Warner National Defense Authorization Act for Fiscal Year 2007, October 17, 2006.

For DBS acquisition programs that have modernization funding exceeding \$1 million, the MDA must not grant any milestone, FDD, or their equivalent, and the authority to obligate funding must not be granted until the certification in paragraph (a) of 10 U.S.C. § 2222 has been approved by the DBSMC.

When the use of commercial IT is considered viable, the PM must ensure maximum use of and coordination with the DoD enterprise software initiative.

Appendix H

Abbreviations

ACAT	Acquisition Category
ADM	Acquisition Decision Memorandum
AIAS	Acquisition Information Assurance Strategy
ANSI	American National Standards Institute
AoA	Analysis of Alternatives
APB	Acquisition Program Baseline
BCD	Business Capability Definition
BCL	Business Capability Lifecycle
BEA	Business Enterprise Architecture
BPM	Business Process Management
BPMN	Business Process Model and Notation
BPR	Business Process Reengineering
CADA	Component Acquisition Decision Authority
CAE	Component Acquisition Executive
CCA	Clinger-Cohen Act
CIO	Chief Information Officer
CMO	Chief Management Officer
COTS	Commercial off-the-Shelf
DAG	Defense Acquisition Guidebook
DAU	Defense Acquisition University
DAWIA	Defense Acquisition Workforce Improvement Act
DBS	Defense Business System
DBSMC	Defense Business Systems Management Committee
DCMO	Deputy Chief Management Officer
DITPR	DoD Information Technology Portfolio Repository
DMS	Data Management Strategy
DoD	Department of Defense
DoDI	DoD Instruction

DOTmLPF-P	Doctrine, Organization, Training, Materiel, Leadership and Education, Personnel, Facility, and Policy (nonmateriel)
DOTMLPF-P	Doctrine, Organization, Training, Materiel, Leadership and Education, Personnel, Facility, and Policy
DTM	Directive-Type Memorandum
EA	Economic Analysis
EIA	Electronic Industries Alliance
E.O.	Executive Order
ESHO	Environment, Safety, and Occupational Health
EV	Earned Value
FD	Full Deployment
FDD	Full Deployment Decision
FOC	Full Operational Capability
FYDP	Future Years Defense Program
GIG	Global Information Grid
IM	Investment Management
IOC	Initial Operational Capability
IOT&E	Initial Operational Test and Evaluation
IRB	Investment Review Board
ISP	Information Support Plan
IT	Information Technology
KPP	Key Performance Parameter
LCSP	Lifecycle Sustainment Plan
MAIS	Major Automated Information System
MDA	Milestone Decision Authority
MDD	Materiel Development Decision
MS	Milestone
NDAA	National Defense Authorization Act
NEPA	National Environmental Policy Act
O&S	Operations and Support
OSD	Office of the Secretary of Defense
OT&E	Operational Test and Evaluation
PCA	Pre-Certification Authority

PDR	Preliminary Design Review
PESHE	Programmatic Environment, Safety, and Occupational Health Evaluation
PIR	Post-Implementation Review
PM	Program Manager
RFP	Request for Proposals
RICE	Reports, Interfaces, Conversions, Extensions
T&E	Test and Evaluation
U.S.C.	United States Code
USD(AT&L)	Under Secretary of Defense (Acquisition, Technology and Logistics)

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QUALITY MANAGEMENT PROCEDURES.

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