1 October 2011

NAVAIR ACQUISITION GUIDE 2012/2013

This is the 24th Edition of the NAVAIR Acquisition Guide. Constructive changes/recommendations are encouraged. POCs: Lola Scott, AIR-1.1 (**lola.scott@navy.mil**) or Florine James, AIR-1.1 (florine.james@navy.mil)

This guide is available for download at the websites listed below:

The NAVAIR Program Management Community Web Tool, available within the NMCI firewall at https://homepages.navair.navy.mil/pmcwebtool/, go to Policies and Processes, then NAVAIR, then click on Acquisition Guide, and select either the MS Word or PDF version.

My NAVAIR at https://mynavair.navair.navy.mil/portal/server.pt; after logging in, click on Acquisition Resources, and then the NAVAIR Acquisition Guide.

The Defense Acquisition Portal at https://dap.dau.mil/Pages/Default.aspx.

TABLE OF CONTENTS

Chapter		Page No.
I.	**INTRODUCTION & OBJECTIVE**	
	1.1. The Guide - What It Is and Is Not	1
	1.2. The Guide - Its Purpose	1
	1.3. Acquisition Training	1
II.	**NAVAL AVIATION ACQUISITION AND SUPPORT ORGANIZATION**	3
III.	**SOURCE DOCUMENTS FOR THE DEFENSE ACQUISITION SYSTEM AND THE JOINT CAPABILITIES INTEGRATION AND DEVELOPMENT SYSTEM**	6
IV.	**THE DEFENSE ACQUISITION PORTAL (DAP)**	8
V.	**PROGRAM INITIATION PROCESS**	10
VI.	**PLANNING, PROGRAMMING, BUDGETING, AND EXECUTION (PPBE) PROCESS**	13
VII.	**MILESTONE REVIEW/APPROVAL PROCESS**	
	A. Acquisition Categories and Abbreviated Acquisition Programs	20
	B. Acquisition Milestones and Phases	23
	C. Interoperability	26
VIII.	**PROGRAM AUTHORIZATION PROCESS**	
	A. Acquisition Strategy (AS)	28
	B. Acquisition Plan (AP)	29
	C. Information Support Plan (ISP)	31
	D. Test and Evaluation Master Plan (TEMP)	36
	E. Program Tailoring/Streamlining	38
IX.	**PROCUREMENT PROCESS**	
	A. PID Process	40
	B. Procurement Planning Conference (PPC)	43
	C. Data Management	47
	D. Procuring Activity to Contract Award	48
X.	**MANAGING PROGRAM MODIFICATIONS**	51
XI.	**CONFIGURATION MANAGEMENT**	
	A. Configuration Management Policy and Procedures	54
	B. Engineering Change Proposal Process	56
XII.	**COMPETITION & SOURCE SELECTION**	
	A. Competition	60
	B. Source Selection Planning	62
	C. Past Performance	65

XIII. **ACQUISITION LOGISTICS SUPPORT**
A. Independent Logistics Assessment (ILA) Process with Post-Initial Operational Capability (IOC) Phase Assessments 66
B. Logistics Requirements Funding Summary (LRFS) 74
C. Acquisition Logistics Support Plan (ALSP)/Life Cycle Sustainment Plan (LCSP) 75
D. Acquisition Logistics Handbook (ALH) 76
E. Logistics Management Information (LMI) 79
F. Initial Operational Capability Supportability Review (IOCSR) 80
G. Warranties 82

XIV. **ENGINEERING DISCIPLINES**
A. Human System Integration Process 83
B. Systems Engineering 85
C. Integrated Baseline Reviews 87
D. Manufacturing Engineering 89
E. Systems Engineering Technical Reviews 91
F. Risk Management 93
G. Software Intensive System (SIS) Acquisition and Program Management 95
H. C5I Modernization Plan (C5IMP) 96
I. Software Data Rights 101
J. Technology Protection 106

XV. **OTHER KEY TOPICS**
A. Alpha Acquisition 110
B. Advisory and Assistance Services 117
C. Small Business Utilization Policy and Procedcures 123
D. Statement of Work (SOW)/Statement of Objectives (SOO) 125
E. Integrated Project Management/Earned Value Management 126
F. Environmental, Safety and Occupational Health Issues 130
G. Core Logistics Capabilities, Title 10 U.S. Code, Section 2464 119
H. Clinger-Cohen Compliance and NAVAIR Information Technology (IT) Approval Process 132
I. Performance Based Service Acquisition (PBSA) 136
J. Management and Oversight Process for the Acquisition of Services (MOPAS) 138
K. Two Pass/Six Gate Process 140
L. Naval Probability of Program Success (PoPS) 142
M. Review for Compliance with Arms Control Agreement 144
N. Joint Depot Maintenance Program / Depot Source of Repair (DSOR) 145

LIST OF ABBREVIATIONS AND ACRONYMS 146

CHAPTER I: INTRODUCTION & OBJECTIVE

1.1. The Guide: What It Is and Is Not

1.1.A This Guide was developed in recognition of the need to:

- Provide a consolidated overview of the major internal Naval Air Systems Command (NAVAIR) acquisition processes.
- Provide a quick, ready reference for identifying the major reviews, approval levels, and documentation requirements associated with the acquisition process.
- Provide helpful advice from "corporate memory" to Program Managers (PMs) and their Integrated Program Teams (IPTs), and to team members who are new to NAVAIR and/or to the acquisition process.
- Provide a list of key acquisition experts and process managers to assist the PMs/IPTs through the acquisition process.

1.1.B The following points represent what this Guide is not intended to do:

- It does not supersede existing Instructions, Directives, Notices, or otherwise established Department of Defense/Department of the Navy DoD/DON/NAVAIR policy on the acquisition process.
- It does not describe every activity and/or document required in managing a program within NAVAIR.
- It is not a "cookbook" approach to our acquisition process. The uniqueness of each acquisition program precludes such an approach.

1.2. The Guide - Its Purpose

1.2.A. The systems acquisition and life cycle management process for the development, production, and support of weapon systems to satisfy the needs of the Fleet is complex and lengthy. There are numerous interrelated DoD and Navy directives and implementing instructions detailing each part of the process.

1.2.B. The purpose of this NAVAIR Acquisition Guide is to identify the key activities and critical documentation required, and to put these requirements in a concise, maintainable, and easy-to-use format to help our PMs/IPTs plan ahead. The need for PMs, IPT leaders, and their attendant team members, particularly members new to Naval Aviation, to know the processes and sequence of events, and the average cycle times to complete events, is essential for planning their programs and ensuring timely obligation/expenditure of funds budgeted. In addition, by seeing the entire process, our NAVAIR leadership can focus on better ways to manage that process by establishing time limits for different parts of the acquisition cycle and minimizing the number of required events, and by monitoring system performance measurement against the established process standards.

1.2.C. Members of the Naval Aviation Enterprise are encouraged to use this Guide as a ready reference, and to make constructive comments for continual improvement to AIR-1.1, NAVAIR Acquisition Guide managing editor.

1.3. Acquisition Training

1.3.A. All personnel in designated Acquisition Technology and Logistics (AT&L) positions have a certification requirement. The certification requirement is determined by the position category and certification level assigned to the acquisition position based on the AT&L Workforce member's duties, responsibilities, and authorities. Individuals may also obtain certification in career fields other than that required by their position (Subsidiary career field certification). DoD publishes the certification standards annually in the on-line Defense Acquisition University

(DAU) Catalog at http://icatalog.dau.mil/ . These standards identify education, training, and experience requirements for the three levels of certification for each career field. The DAU Core Plus standards include both "Core" certification requirements for AT&L positions and "Plus" developmental education, training, and experience beyond that required for certification. Acquisition Workforce members must meet the certification requirements within 24 months of assignment. Once an acquisition workforce member is certified, he or she remains certified even if the certification requirements change. AT&L Career Field Certification is reciprocal among DoD Components. This means that DON certifications are recognized by other Defense Components. Registration for all DAU training is through Electronic Defense Acquisition Career Manager (eDACM) at https://www.atrrs.army.mil/channels/navyedacm/Login/Login.aspx

1.3.B. Additionally, AT&L Workforce members must participate in meaningful Continuous Learning (CL) activities to remain current and proficient in their functional disciplines, AT&L policy initiatives and leadership and management skills. Acquisition community members must participate in at least 80 hours of CL activities bi-annually with a goal of participating in at least 40 hours annually. Workforce members are encouraged to coordinate with managers and supervisors to create a professional career developmental plan that will keep them informed of key initiatives in a rapidly-changing environment.

Effective 30 April 2011, the workforce member's continuous learning cycles will be reset at the end of the 2-year period, not when the 80 point threshold is met. Continuous learning cycles are reset by the eDACM information system (formerly Register-Now). eDACM is the official system for tracking DON AT&L CL points.

Continuous Learning points are self-reported by the Acquisition Workforce member and should be documented at https://www.atrrs.army.mil/channels/navyedacm/Login/Login.aspx Note: Non-acquisition related or annual employee training requirements such as Prevention of Sexual Harassment, Retirement Planning Seminars/Workshops, safety drills, etc., are not applicable to the AT&L Continuous Learning Program and are not to be used for the 80-hour requirement.

1.3.C. Supervisors must ensure that AT&L Workforce members are provided an opportunity to complete certification or continuous learning courses, including distance learning, during duty hours. There is no tuition for DAU training for DoD employees. Travel and per diem funding for eligible Priority 1 and 2 students may be obtained via eDACM. Student's command funds Local Excess (Mileage) travel to a DAU campus.

1.3.D. AIR-1.5 Defense Acquisition Workforce Improvement Act (DAWIA) POCs: DAWIA Program Director, DAU Liaison, Waivers: Joe Wible 301-757-9013; Continuous Learning, Acquisition Workforce Tuition Assistance Program (AWTAP), IPTL Full-Spectrum Training, DAU Liaison: Noreen Morrison 301-757-6606; Section 852 Program Manager: Jennifer Altomare 301-995-7699; PM Career Field Training & Education, Fulfillments: Mary Jo George 301-757-9008; Section 852 CL Funding and DAWIA Metrics: Nancy Wallace 301-757-7684.

CHAPTER II: NAVAL AVIATION ACQUISITION AND SUPPORT ORGANIZATION

2.1. Background. To understand how NAVAIR's acquisition processes operate, it is important to understand the acquisition structure, how we got where we are, and where we are going. During the 1990s, NAVAIR completed an extensive four-year, three-phase transition from a program/functional matrix organization with site specific characteristics, to a Competency Aligned Organization (CAO) that spans seamlessly across all sites encompassed in the Naval Air Systems Team structure. The CAO/IPT concept of operations represents continuing evolution of many of the key management principles originally sought by the Packard Commission of the mid-1980s, the Goldwater-Nichols Reorganization Act of 1986, the Defense Management Review of 1989, and the many on-going Acquisition Reform Initiatives. Clear understanding of individual responsibilities, establishment of authority commensurate with such responsibilities (i.e., empowered individuals taking ownership of their areas of program or functional responsibility), and efficient use of small high quality staffs (i.e., trained, developed, empowered, and equipped with the necessary skills, tools, and work processes to be functionally proficient), are all a part of the overall characteristics of successful commercial and government projects that were the basis for the transition to CAO/IPT. The following discussion synopsizes key events that significantly influenced the evolution and current organization structure, as well as NAVAIR's operating concepts over the last twenty years:

- In July 1989, the Defense Management Report (DMR) directed certain DoD organizational changes to implement the Goldwater-Nichols DoD Reorganization Act of 1986 (Public Law 99-433), to streamline the acquisition process, and to enhance acquisition accountability. The DMR mandated designation of a single civilian official at the Assistant Secretary-level within each Military Department as the Component Acquisition Executive (CAE). Within each Service, the CAE manages all major acquisition programs through Program Executive Officers (PEOs). The Assistant Secretary of the Navy (Research, Development and Acquisition) (ASN(RD&A)) is the Navy CAE.

- In October 1990, the Navy Plan for Initial Implementation of the DMR was issued. This Plan established three Naval Aviation PEOs, reassigned certain major acquisition programs and related non-major programs from NAVAIR to PEO management structures, and redefined the Commander, Naval Air Systems Command's (COMNAVAIRSYSCOM's) principal mission to three primary roles: 1) providing in-service support, 2) managing programs not assigned to PEO structures, and 3) providing support services to the PEO/PMs without duplication of function. The three Naval Aviation PEOs are the PEO for Tactical Aircraft Programs (PEO(T)); the PEO for Air Anti-Submarine Warfare (ASW), Assault, and Special Mission Programs (PEO(A)); and the PEO for Unmanned Aviation and Strike Weapons (PEO(U&W)). The figure at the end of this chapter shows the current program alignment. A joint service PEO has also been established for the Joint Strike Fighter (JSF).

- In May 1995, Secretary of the Navy Instruction (SECNAVINST) 5400.15A was issued by the Secretary of the Navy to describe the relationships between ASN(RD&A), the PEOs/Direct Reporting Program Managers (DRPMs), the Chief of Naval Operations (CNO), and the Commandant of the Marine Corps (CMC) for research, development, acquisition, and associated life cycle management responsibilities. As defined therein, PEOs and DRPMs are responsible for managing assigned programs and all aspects of life cycle management for those programs. In doing so, PEOs and DRPMs report directly to the CNO and CMC, through the applicable Systems Command (SYSCOM) Commander, for matters pertaining to in-service support. However, PEOs and DRPMs will continue to report directly to ASN(RD&A) for all matters pertaining to acquisition.

- In August 1997, NAVAIR concluded a four-year transition from a traditional program/functional matrix organization with unique organizational and functional characteristics inherent at each NAVAIR site/activity, to a seamless (i.e., uniformly configured) organization centered around PM-led IPTs supported by personnel, processes, and facilities provided from seven competencies. The transition began in the spring of 1993 with a Reengineering Study Team consisting of senior management personnel from throughout NAVAIR. This team initiated a review of the NAVAIR/PEO organization in light of the impact of the 1993 Base Realignment and Closure (BRAC) effort and the anticipated future budget outlook for Naval Aviation. This review, generally referred to as CONOPS (Concept of Operations) and presented at the Commander's Conference of October 1993, concentrated on how we could better operate our business and how a potential restructuring could

accommodate and build upon the BRAC consolidation challenges. The results and recommendations of the Reengineering Study Team's review were incorporated into the Commander's Team "Transition Plan" of 31 January 1994. Additional guidance has since been provided by the NAVAIR Transition Plan of February 1996, the IPT Manual of December 1996, and the NAVAIR CAO CONOPS of 25 August 2010. The two major thrusts of CAO/IPT concept of operations focus on how NAVAIR effectively concentrates resources on the needs of our customers and how NAVAIR organizes to preserve and regenerate resources to meet the future needs of Naval Aviation. The Naval Aviation community has developed IPTs, fully empowered under Program Manager, Air (PMA) leadership, to manage their assigned program responsibilities and resources from concept to disposal (i.e., product focused life cycle management), and a CAO to develop and sustain resources in support of IPTs and other needs.

2.2. Teams. The heart of the CAO/IPT CONOPS is the operation of IPTs under the direction of the PMAs. The program managers, in their efforts to develop and deliver products, services, and support to our customers, now have control over their technical and supporting personnel at every site. These IPTs, with responsibility spanning the complete program life cycle, provide a responsive, single face to the customer, improving our ability to control performance, cost, and schedule. Similar benefits have accrued with formation of Externally Directed Teams (EDTs), Enterprise Teams (ETs), and Product Support Teams (PSTs). EDTs are those teams formed to manage support of programs provided to customers external to NAVAIR (i.e., teams supporting non-Naval Aviation customers, including other services). ETs support multiple customers and are formed to manage functions or indirect efforts (e.g., Human Resources, Corporate Operations) essential for the operation of the Naval Aviation community to ensure mission success. PSTs represent direct project-related work that is not easily identified by individual customers but involves hands-on efforts to deliver products (e.g., test ranges for multiple aircraft/weapons) and efforts from individuals who support many customers.

2.3. CAO. The CAO links people with like capabilities across all NAVAIR sites into competencies. The eight national competencies are: Program Management (AIR-1.0), Contracts (AIR-2.0), Research and Engineering (AIR-4.0), Test and Evaluation (AIR-5.0), Logistics and Industrial Operations (AIR-6.0), Corporate Operations (AIR-7.0), Comptroller (AIR-10.0) and the Office of Counsel (AIR-11.0). These competencies provide both organization-wide pools of talent and the leadership to unite people, who are doing similar work by common processes, and to train and develop these people to proficiency. Instead of only thinking of a specific site's personnel and capital resources to solve a problem, the CAO is able to use its total strength. The central functions of the CAO are to develop and nurture processes, prepare and train people, and provide facilities to support the success of IPTs, EDTs and ETs aimed at satisfying customer demand.

2.4. Acquisition Procedures. The charters for the PEOs and DRPMs provide where possible, NAVAIR instructions implementing DoD/DON acquisition policy. These charters will be adhered to in the conduct of acquisition operations. This ensures consistency and uniformity of acquisition and support across Naval Aviation weapon systems/equipment under PEO, DRPM, and NAVAIR responsibility. This Acquisition Guide provides an overview of many of those critical acquisition processes. However, it should be understood that PEO/DRPMs also have the authority to deviate from such instructions in the exercise of sound business and technical judgment.

2.5. POC: Lola Scott, AIR-1.1, (301) 757-7228

NAVAL AVIATION
ACQUISITION PROGRAM ALIGNMENT

ASN (RD&A)
ASSISTANT SECRETARY OF THE NAVY
(RESEARCH, DEVELOPMENT & ACQUISITION)

JOINT STRIKE FIGHTER
(LIGHTNING II)

PMA213 NAVAL AIR TRAFFIC MGMT SYSTEM
JOINT PRECISION APPROACH & LANDING SYSTEM (USAF LEAD)
NAS MOD (USAF LEAD)
MARK XIIA MODE 5
INTERROGATOR SYSTEM
AN / UPX-29(V)

PMA231 C-2A GREYHOUND /
E-2D AHE
C-2A(R) SLEP

PMA234 AIRBORNE ELECTRONIC ATTACK
EA-6B PROWLER
EA-6B ICAP III
ALQ-99 LBT

PMA251 AIRCRAFT LAUNCH & RECOVERY EQUIPMENT
ADVANCED ARRESTING GEAR
ELECTROMAGNETIC A/C LAUNCH SYSTEM

PMA257 A/V WEAPONS SYSTEMS
AV-8B HARRIER

PMA265 F/A18 PROGRAM
F/A-18A/B/C/D HORNET
F/A-18 E/F SUPER HORNET
ADV TFLIR
ALR(V)3 ASR
EA-18G AIRBORNE EA
IRST
DISTRIBUTIVE TARGETING

PMA271 AIRBORNE STRATEGIC COMMAND CONTROL AND COMMUNICATIONS
E-6B MERCURY

PMA272 ADVANCED TACTICAL AIRCRAFT PROTECTION SYSTEMS
ALR67(V)2 ADV SPECIAL RECEIVER
AAR-47 MISSILE WARNING SYSTEM
APR-39AV2 RADAR DECTECTION SYSTEM
INTEGRATED DEFENSE ELECTRONIC COUNTERMEASURES (IDECM)
ALE-50 AAED/ALE-55 FOTD

PMA273 NAVAL TRAINING AIRCRAFT

ADPO ADVANCED SENSOR TECHNOLOGY PROGRAM OFFICE

PMA207 SUPPORT & COMMERCIAL DERIVATIVE AIRCRAFT
KC-130J

PMA261 H-53 HELICOPTERS
CH/MH-53E SUPER STALLION
CH-53K

PMA264 AIR ASW SYSTEMS
SONOBUOYS AND SENSOR SYSTEMS

PMA274 EXECUTIVE TRANSPORT HELICOPTERS
VXX, VH-3, VH-60

PMA275 MV-22, CV-22

PMA276 AH-1W SUPER COBRA
UH-1N HUEY
H-1 UPGRADES (AH-1Z, UH-1Y)

PMA290 MARITIME SURVEILLANCE AIRCRAFT
EP-3E ARIES II
P-3C ORION
P-8A POSEIDON
EP-X (PRE-MDAP)

PMA299 MH-60R
MH-60S
HH-60H
SH-60B/F

CNO
CHIEF OF NAVAL OPERATIONS

PMA201 PRECISION STRIKE WEAPONS
SDB II
JDAM
JSOW
SLAM-ER
HARPOON
DIRECT ATTACK WEAPONS
AAE/FC
CAD/PAD
ADVANCED DEVELOPMENT

PMA208 NAVY AERIAL TARGETS & DECOYS
SUBSONIC AERIAL TARGETS
SUPERSONIC AERIAL TARGETS
FULL SCALE AERIAL TARGETS
TA/AS; TTSP; TARGET CONTROL

PMA242 DIRECT AND TIME SENSITIVE STRIKE
AARGM/HARM
GUIDED/UNGUIDED ROCKETS
JOINT AIR-TO-GROUND MISSILE
AIRCRAFT GUN SYSTEMS

PMA259 AIR-TO-AIR MISSILE SYSTEMS
SIDEWINDER
AMRAMM

PMA262 PERSISTENT MARITIME UAS
BAMS UAS

PMA263 SMALL TACTICAL UAS
STUAS
SURSS
SHADOW
T-HAWK

PMA266 MULTI-MISSION TACTICAL UAS
VTUAV
TACTICAL CONTROL SYSTEM

PMA280 TOMAHAWK WEAPONS SYSTEM

PMA281 STRIKE PLANNING & EXECUTION SYSTEMS
JMPS
TMPC

PMA268 UNMANNED COMBAT AIR SYSTEM CARRIER DEMONSTRATION (UCAS-D)

ADPO UCLASS

PMA202 AIRCREW SYSTEMS
COMMON EJECTION SEAT (NACES)
JT PROTECTIVE AIRCREW ENSEMBLE (JPACE)
JT HELMET MOUNTED CUEING SYS (USAF LEAD)

PMA205 AVIATION TRAINING SYSTEMS
TACTICAL TRAINING RANGES

PMA209 AIR COMBAT ELECTRONICS
ADVANCED MISSION COMPUTER & DISPLAYS
COMMON NAVIGATION SURVEILLANCE / AIR TRAFFIC MANAGEMENT
TACTICAL A/C MOVING MAP CAPABILITY
EMBEDDED GPS INERTIAL NAV SYS (EGI)

PMA226 H-46

PMA260 AVIATION SUPPORT EQUIPMENT CONSOLIDATED
AUTOMATED SUPPORT SYSTEM

PMW/A170 NAVIGATION SYSTEMS

IN ADDITION: 9 ACAT IVs AND 61 AAPs

FLEET SUPPORT
PROGRAM MANAGEMENT
COORDINATION ON
REQUIREMENTS AND RESOURCES

UPDATED: 6 JUNE 2011
DATA SOURCE: PEO(T), GEOFF TISONE, 301-757-7156; PEO(A), CHRISTINE MCLELLAN, 301-757-5380; PEO(U&W), KEITH RIZKOWSKI, 301-757-6306; AIR-1.0,THOMAS MATTHEWS, 301-757-6989; AIR-1.1, LOLA SCOTT, 301-757-7228

CHAPTER III: SOURCE DOCUMENTS FOR THE DEFENSE ACQUISITION SYSTEM AND THE JOINT CAPABILITIES INTEGRATION AND DEVELOPMENT SYSTEM

3.1. Source Documents:

DoD Directive 5000.1 of 12 May 2003
DoDI 5000.02 of 08 December 2008
Chairman of the Joint Chiefs of Staff Instruction 3170.01G of 1 March 2009
The Defense Acquisition Guidebook, promulgated March 2011
SECNAVINST 5000.2E of 1 September 2011
The DON Acquisition and Capabilities Guidebook SECNAV M-5000.2 of December 2008

3.2. Definition

3.2.A The Defense Acquisition System is the management process by which the Department of Defense (DoD) acquires quality products in a timely manner, at a fair and reasonable price, and which satisfies user needs with measurable improvements to mission capability and operational support. The Defense Acquisition System exists to manage the nation's investments in technologies, programs, and product support in such a way so as to achieve the National Security Strategy to support not only today's armed forces, but also the next force and future forces beyond that.

3.2.B. The Joint Capabilities Integration and Development System (JCIDS) provides the procedures used by the Chairman of the Joint Chiefs of Staff (CJCS) and the Joint Requirements Oversight Council (JROC) to identify, assess, and prioritize joint military capability needs, as required by statute

3.3 Discussion

3.3.A. DoD Directive 5000.1, subj: The Defense Acquisition System, dated 12 May 2003 and DoD Instruction 5000.02 subj: Operation of the Defense Acquisition System dated 08 December 2008 and referred to as the DoD 5000 series documents, provide the policy framework for translating mission needs into stable, affordable, and well managed programs. These two documents can be found at https://dap.dau.mil. This website is associated with the Office of the Secretary of Defense (OSD's) Acquisition, Technology, and Logistics (AT&L), Defense Acquisition Portal (DAP) is further described in the next chapter of this Guide. The Defense Acquisition Guidebook, as an electronic reference, replaced the cancelled DoD Regulation 5000.2R by providing discretionary best business practices as well as the supporting policies and statutes, and lessons learned. The Defense Acquisition Guidebook is available at https://acc.dau.mil/dag.

3.3.B. CJCS Instruction 3170.01G, subj: Joint Capabilities Integration and Development System, establishes the JCIDS policies and procedures. In addition, this instruction, and its accompanying CJCS Manual, subj: Operation of the Joint Capabilities Integration and Development System, dated 27 February 2009, provide detailed direction concerning the preparation, staffing, and approval of the key capabilities documents: the Initial Capabilities Document (ICD), the Capability Development Document (CDD), and the Capability Production Document (CPD). Both the instruction and the manual can be found at www.dtic.mil/cjcs/directives.htm

3.3.C. SECNAVINST 5000.2E, subj: Implementation and Operation of the Defense Acquisition System and the Joint Capabilities Integration and Development System, issues mandatory procedures for DON implementation of the DoD 5000 series directives and the CJCS JCIDS directives for both major and non-major defense acquisition programs and major and non-major information technology acquisition programs. The SECNAVINST 5000.2E is at http://doni.daps.dla.mil/. A discretionary DON Acquisition and Capabilities Guidebook providing best practices and other non-mandatory guidance can be found at https://dap.dau.mil/policy/Pages/overview.aspx (under the "DAP

menu" titled "Policy", select "Filter by Organizations", and click on "Navy/Marine Corps Common", then click on "Go to List of Discretionary Documents" and "DON Acquisition and Capabilities Guidebook").

3.4. POC: Lola Scott, AIR-1.1, (301) 757-7228

CHAPTER IV: THE DEFENSE ACQUISITION PORTAL (DAP)

4.1. Defense Acquisition Portal

4.1A. The **Defense Acquisition Portal (DAP)** replaced the AKSS (Acquisition Technology & Logistics Knowledge Sharing System) with a true portal that serves as a gateway to a vast array of knowledge related to the acquisition process, workforce and personnel development, policy, acquisition communities of practice, training and education, and an industry perspective. The DAP represents a new approach that leverages modern web technologies such as Really Simple Syndication (RSS) syndication techniques, blogs, tag clouds, and more to provide the workforce with 24/7 knowledge with greater ease and a higher level of confidence that the content comes from the most credible sources available. For example, the DAP now includes a Career Gateway area with content focused on individual career fields. The Certification Guide and Continuous Learning content is dynamically extracted from the Defense Acquisition University (DAU) iCatalog, Ask A professor content is shown for a given career field automatically based on relevance to that field, policy documents are displayed based on a tagging system that shows related items, the latest appropriate contributions from communities of practice are included, and blogs are part of each Career Gateway to provide a way for DAU Center Directors to communicate with the workforce. That is just one example of how advance web techniques have been integrated into the DAP. A significant number of additional advances are planned for the new two years.

4.1B. The **DAP front page** provides news, highlights, and a variety of quick links and a directory to allow users to quickly jump to key content inside of the DAP and beyond. Just to highlight a few items, there is a rotating Acquisition Today News service to provide quick access to featured updates on what is happening in the Acquisition Workforce, to highlight new policies, and to share other key information of value. The page also includes an Acquisition Reading resource, the link to the Career Field , and for users that have iGoogle pages there is even an initial service offering to place the DAP Quick Links as a gadget on an iGoogle portal. Icons at the top right of every page of the DAP allow users to add available RSS feeds to their own RSS aggregator(s) of choice, to bookmark pages using most of the popular online social bookmarking tools, or just to email a helpful page to a colleague.

4.1C. The **Acquisition Process tab** is where much of the content from the old AKSS site actually resides now, but this area provides knowledge about the larger Big "A" Process, including the Joint Capabilities Integration and Development System; the Defense Acquisition System; and the Planning, Programming, Budgeting & Execution System. Links to those three areas can be found in the left hand navigation or by clicking on the appropriate rings on the page graphic. Like the front page, there is a rotating news feature that focuses specifically on Acquisition Process News, and as in the case in all of the tabs and sub areas on the DAP you will find related tools, videos and tutorials, applicable DAU and rapid deployment training, related websites, and more.

4.1D. The **Workforce tab** includes access to everything from information pertaining to current the Defense Acquisition Workforce Improvement Act (DAWIA) law to links to the Dapartment of Defense, Director Acquisition Career Management Component sites. Key sub areas under this tab include Workforce Development, Human Capital Initiatives, and Career Management.

4.1E. The **Policy tab** represents a significant enhancement over the old AKSS policy area. In addition to the rotating Policy news, the front page of this tab features key Acquisition Process and Service Policies, Recently Added Policy is highlighted, and related Rapid Deployment Training is linked. The left hand navigation of this tab provides a capability to view more than 1,500 policy documents or to filter them by a variety of categories under laws and regulations, organizations, career fields, or special topics. When viewing filtered policy, users will visibly see the type of file, the policy name, a document summary, and the published date before having to click on the item.

4.1F. The **Communities of Practice tab** provides the workforce with a way to monitor the most recent contributions in the communities and special interest areas found in the Acquisition Community Connection (ACC). The front page of this tab includes featured Community News articles, highlights from the ACC, a listing of Hot Topic Forums, a link to the ACC monthly newsletter, cloud tags for ACC content, and links to all communities and

special interest areas. Within the individual community areas on the DAP, users will find links to the latest knowledge and discussions , links to the community topic areas, related policy and guidance, and more as additional services are integrated into the Community of Practice tab.

4.1G. The **Training and Education tab** has already evolved significantly to provide the very best possible knowledge pertaining to Training, Continuous Learning, DAU Student Information, Applying for Courses, Academic Support and Professional Development. This tab also includes a link to the DAU iCatelog, Certification and Core Plus Development Guides, Certification Facts, Schedules and Pre-Course Information, Student Services Frequently Asked Questions (FAQs), and Resources in Industry.

4.1H. The **Industry tab** is the one-stop source for information and links about industry support for defense acquisition. This area is focused on Defense Contractor content. The front page of this tab provides a rotating Industry News area, Industry Problems and available DAU Training Solutions, Business and General Service Administration Links, Small Business Links, Learning & Collaboration Tools, and a link to the DAU Alumni Association. Sub pages in this tab feature Industry Associations, Industry Websites, Industry Articles Online, and a detailed Small Business section.

4.1I. The **DAU tab** takes users to the DAU Website. DAU has completely revised their Website http://www.dau.mil to make sure that resources are as user friendly as possible. The new homepage uses a combination of tabs across the top of the site, a left hand navigation, and a series of 5 web parts on the front page to place information critical to students, publications, and campus information right at the user's fingertips. This site can be accessed directly from the above Uniform Resource Locator or as a tab off of the Defense Acquisition Portal.

4.1J. Perhaps the most important feature on the DAP is the Submit **Feedback Button** located near the top right of the portal, the Defense Acquisition Portal is a tool for the Acquisition Workforce and the team supporting this resource is continuously looking for ideas from the site's users. The DAP was built with a lot of input from the workforce and there are many additional innovations planned for the next two years. Feedback from the workforce is essential to make sure this portal is as good as it can possibly be and to help identify the most critical priorities for development efforts. The feedback button is intentionally large on the site and has already provided many key adjustments in just the first month of operation. All are encouraged to let the Acquisition Knowledge Management System leadership know what additional content would help the Acquisition Worker.

CHAPTER V: PROGRAM INITIATION PROCESS

5.1. Overview. Milestone A, held to obtain the Milestone Decision Authority's (MDA's) approval to enter the Technology Development Phase (TDP), is never used for formal program initiation. Milestone B authorizes entry into Engineering and Manufacturing Development Phase (EMD), and is for most programs the point of formal program initiation. For those programs that do not require a development phase, program initiation can occur at Milestone C, the decision point for Commitment to Production.

5.2. Source Documents:

DoDI 5000.02 of 2 December 2008
CJCSI 3170.01G of 1 March 2009
Manual for the Operation of the Joint Capabilities Integration and Development System (JCIDS) of 27 February 2009
SECNAVINST 5000.2E of 1 September 2011
DTM 10-017, September 13, 2010

5.3 Materiel Development Decision. The Materiel Development Decision (MDD) is the formal entry point to the acquisition system. It authorizes the Analysis of Alternatives (AoA) and prepares the user for the next milestone. Decisions must be based on effective development planning and a strong technical foundation. The DoD Components shall provide evidence at the MDD Review that:

- The candidate materiel solution approaches have the potential to effectively address the capability gap(s), desired operational attributes, and associated dependencies.
- There exists a range of technically feasible solutions generated from across the entire solution space, as demonstrated through early prototypes, models, or data.
- Consideration has been given to near-term opportunities to provide a more rapid interim response to the capability need.
- The plan to staff and fund analytical, engineering, and programmatic activities supports the proposed milestone entry requirements as identified in DoD Instruction 5000.02

5.4. Materiel Solution Analysis. Materiel Solution Analysis is the first phase in the acquisition life-cycle and assesses potential materiel solutions and satisfies phase-specific entrance criteria for the next program milestone designated by the MDA. The Materiel Solution Analysis should be initiated by an MDD, at which the MDA for the prospective program approves the AoA plan and establishes a date for the Milestone A review. The MDA decision to begin Materiel Solution Analysis does not mean that a new acquisition program has been initiated. Entrance into this phase requires:

5.4.A. An approved Initial Capabilities Document (ICD) resulting from the analysis of potential analysis of current mission performance and an analysis of potential concepts. Sources of such concepts to include, as appropriate, other Services and DoD agencies, international systems from allies, and cooperative opportunities. Detailed guidance on ICDs can be found in the CJCSI 3170.01G of 01 March 2009, and its accompanying manual, CJCSM.

5.4.B. An approved plan for conducting an Analysis of Alternatives (AoA) for the selected concept documented in the approved ICD. The AoA shall focus on identification and analysis of alternatives, measures of effectiveness, cost, schedule, concepts of operations, and overall risk. The AoA shall assess the critical technology elements (CTEs) associated with each proposed materiel solution, including technology maturity, integration risk, manufacturing feasibility, and, where necessary, technology maturation and demonstration needs. The AoA should consider existing commercial-off-the-shelf (COTS) solutions drawn from a diversified range of large and small businesses. For potential Acquisition Category (ACAT) I and IA programs, the results of the AoA shall provide the basis for the Technology Development Strategy (TDS) (see DoDI 5000.02, sections 5 for further details on the TDS).

5.5. Technology Development. The Technology Development Phase is entered at Milestone A. The purpose of this phase is to reduce technology risk determine and mature the appropriate set of technologies to be integrated into a

full system, and to demonstrate CTEs on prototypes. Technology Development is a continuous technology discovery and development process designed to assess the viability of technologies while simultaneously refining user requirements. The phase should reflect close collaboration between the Science & Technology community, the user, and the system developer. A favorable Milestone A decision to enter Technology Development does not mean that a new acquisition program has been initiated.

5.5.A. The ICD and the TDS, shall guide the technology development effort. Multiple technology development demonstrations may be necessary before the user and developer agree that a proposed technology solution is affordable, militarily useful, and based on mature technology.

5.5.B. If an evolutionary acquisition strategy is being used, the initial capability represents only partial fulfillment of the overall capability described in the ICD; therefore, successive Technology Development efforts would be initiated until all the required capabilities have been obtained. In an evolutionary acquisition, the identification and development of the technology necessary for follow-on increments continues in parallel with the acquisition of preceding increments.

5.5.C. The potential program exits the TDP when an affordable program or increment of militarily-useful capability has been identified, the technology and manufacturing processes for that program or increment has been assessed and demonstrated in relevant environment; manufacturing risks have been identified, competitive prototyping has occurred and a system can be developed for production within a relatively short timeframe (normally less than five years). During Technology Development the user shall prepare the Capability Development Document (CDD) to support program initiation or evolutionary increment, refine the integrated architecture, and clarify how the program will lead to joint warfighting capability. The CDD builds on the ICD and provides the detailed operational performance parameters necessary to complete design of the proposed system. Detailed guidance on CDDs can be found in the CJCSI 3170.01G and CJCSM. The CDD replaces the requirement for an Operational Requirements Document (ORD); however, ORD updates and annexes developed in accordance with CJCSI 3170.01 G will be accepted to support capability development.

Pre- EMD review authorizes EMD Phase Request for Proposal (RFP) release and source selection.

5.6. Milestone B. A Milestone B decision follows completion of the TDP and is used to start the EMD Phase. Milestone B, for most programs, constitutes formal program initiation and it is usually at or just prior to this point that the program's ACAT designation is assigned.

5.6A. Entrance into EMD depends on technology maturity (including software), approved requirements, and full funding. Prior to beginning EMD, users shall identify and the requirements authority shall approve the Key Performance Parameters (KPPs), which will be incorporated in the CDD. At Milestone B, the PM shall prepare and the MDA shall approve an acquisition strategy to guide the program through EMD, and an Acquisition Program Baseline establishing performance, schedule, and cost program goals, expressed in objectives and thresholds, shall be signed by the PM and the Resource Sponsor, and approved by the MDA. A program is certified and should be fully funded at Milestone B. Further details on the EMD Phase and Milestone B can be found in DoDI 5000.02, section 6.

5.7. Milestone Information/Documentation. Prior to a formal milestone review, certain mandatory acquisition information/documentation for the program is required. Charts depicting the statutory and regulatory information/documentation requirements, and at what specific milestones they are required, can be found in SECNAVINST 5000.2E, Chapter 2, (see pages 2-5 thru 2-15) and the Defense Acquisition Portal on th the Defense Acquisition University (DAU) website at https://dap.dau.mil/aphome/das/pages/mdid.aspx. These charts depict the ACAT level applicability for each information/document requirement and who has preparation and approval responsibility.

5.8. Lesson Learned. The program initiation process described above is extracted from DoDI 5000.02, which is written from the standpoint of ACAT I and IA programs. For many lower ACAT programs, particularly ACAT III and IV programs, a formal Materiel Solution Analysis and TDP may not be necessary if the required technology already exists. In addition, lower ACAT programs are able to tailor required documentation. For many such

programs entry into the acquisition life cycle begins at Milestone B. For situations such as a COTS procurement, where no Navy development effort is required, entry into the life-cycle can begin at Milestone C. However, regardless of where an ACAT program enters the life cycle, an initial Acquisition Strategy Review with the MDA should be held in advance of the initial milestone so as to get the MDA's buy-in on the overall acquisition strategy proposed by the PM.

5.9. Information Support Plan (ISP) Requirements Certifications. The PM is responsible for developing the ISP for IT, including National Security Systems (NSSs), programs based upon documented requirements. (SECNAV 5000.2E) Programs that have ISP requirements must obtain certain certifications as part of the staffing process for ICDs, CDDs, and Capability Production Documents (CPDs). ISP requirements derive from the acquisition and employment of NSSs, which include "equipment that is an integral part of a weapon or weapons systems" (CJCSI 6212.01E). Two primary certifications at Program Initiation are the: 1) IT and NSS Interoperability and Supportability Requirements Certification and the; 2) Intelligence Certification.

5.10. IT and NSS Interoperability and Supportability Requirements Certification. The Joint Staff J-6 will certify all CDDs and CPDs designated as Joint Requirements Oversight Council (JROC) Interest or Joint Integration for conformance with joint IT and NSS policy, and compliance with integrated architectures, interoperability standards, and net-centric data sharing (CJCSM, encl D). The sponsor submits all Naval CDD/CPD documents involving development, acquisition, or modification of ISP systems to J-6 via the Defense Information Systems Agency-managed Knowledge Management/Decision Support (KM/DS) Tool. All ACAT I/IA capability documents are referred to the JROC, and J-6 coordinates the review process with the other commands/staffs/agencies. For further details, refer to Chapter VIII, Part C of this Guide.

5.11. Intelligence Certification. The Joint Staff J-2 will provide intelligence certification as part of the JCIDS staffing of Joint Capabilities Documents (JCDs), ICDs, CDDs, and CPDs, regardless of ACAT level, for those programs that consume, produce, process or handle intelligence data. J-2 will assess intelligence support needs for completeness, supportability, and impact on joint intelligence strategy, policy, and architectural planning. The J-2 certification will also evaluate intelligence handling and intelligence-related information systems with respect to open systems architecture, interoperability, and compatibility standards (CJCSM, encl D). For further details, refer to Chapter VIII, Part C of this Guide.

5.12. POC: Lola Scott, AIR-1.1, (301) 757-7228

CHAPTER VI: PLANNING, PROGRAMMING, BUDGETING, AND EXECUTION (PPBE) PROCESS

6.1. Overall System

6.1.A. Flow Process. A macro view of a procurement program in the PPBE process would cover eight years from the time of identification in the Future Years Defense Program (FYDP) until those funds expire for new obligation. For a procurement program starting in **FY 2012**:

Calendar Year	Identification
06	First identified in FYDP (fifth year of POM-08), (POM-08 submitted in 5/06)
08	Third year of POM-10, (POM-10 submitted in 5/08)
10	First year of POM-12, (POM-12 submitted in 7/10)
11	FY 12 budget sent to Congress (2/11)
11	Current year - first year of availability (beginning 10/1/11)
12	Second year of availability (beginning 10/1/12)
13	Third year of availability (beginning 10/1/13). Expires for new obligations on 9/30/14
19	Appropriation canceled (9/30/19)

6.1.B. Purpose. The Planning, Programming, and Budgeting System (PPBS) process has served as DoD's central strategic planning, program development, and resource determination process since the 1960s. In 1986 Congress authorized biennial budgeting (submitting 2-year budgets). In 2003, Management Initiative Decision (MID) 913, Implementation of a 2-Year Planning, Programming, Budgeting and Execution (PPBE) Process established budgeted execution as a formal process phase, and established concurrent program and budget reviews. In 2010, beginning with the FY 2012 budget, DoD eliminated the biennial budgets, returning to single-year budgets and the budget/program review will focus on a 5-year period each cycle.

The principal purpose of PPBE is to integrate the information necessary to craft effective plans and programs that address existing and emerging needs into a disciplined review and approval process. It is the primary means for the Secretary of Defense (SECDEF) to control allocation of resources, and aims to achieve the best mix of forces, manpower, material, equipment, and support. **Planning** establishes the strategic priorities and capabilities required to achieve the strategy; **programming** applies resources to programs that provide the capabilities required to achieve the strategic priorities; **budgeting** properly prices the programs, develops justification and an execution plan; and **execution** performs the approved plan.

6.1.C. Source Documentation:

- DoDINST 7045.7, Implementation of the Planning, Programming and Budgeting System (dated 23 May 1984)
- DON Budget Guidance Manual, Part I, Chapters 1 and 2 (May 2010) (http://www.finance.hq.navy.mil/fmb/guidance/bgm/bgm.htm)
- MID 913, Implementation of a 2-Year Planning, Programming, Budgeting, and Execution Process (dated 22 May 2003)
- DEPSECDEF memo of 9 Apr 2010, Procedures and Schedule for Fiscal Year (FY) 2012-2016 Integrated Program/Budget Review
- PPBE Training (https://fmbweb1.nmci.navy.mil/fmb32training/ecenter/PPBE.htm)

6.2. Planning Phase

6.2.A. Purpose. The focus of the planning phase is to determine strategic objectives to support national security and U.S. foreign policy two to seven years into the future; plan the military forces to accomplish that strategy; ensure the necessary framework exists to manage DoD resources effectively; and plan and negotiate goals, and revise as necessary and appropriate. Various strategic planning documents are reviewed and revised during the Planning Phase. The major DoD output of the planning phase is the Defense Program and Planning Guidance

(DPPG), issued by SECDEF in late spring/early summer following final decisions by the President on the budget. In addition to the DPPG, a Quadriennial Defense Review (QDR) is conducted at the beginning of each 4-year administration to review the overall Defense assumptions and strategy, as well as to establish overarching Defense initiatives and goals.

6.2.B. Principle Steps in Planning process:

- The National Security Council prepares the National Security Strategy.
- The Joint Chiefs of Staff (JCS) use the National Security Strategy as guidance to develop and present the National Military Strategy.
- Combatant Commanders provide the Secretary of Defense and the JCS with appraisals of issues and major problems.
- OSD and the JCS conduct a combined examination of the major issues and performance metrics.
- OSD issues the DPPG document.

6.2.C. Principle DoD Planning Documents:

- National Security Strategy (NSS) – reflects the Administrations national interests, goals and priorities of the U.S.
- Quadriennial Defense Review (QDR) – foundation document for defense strategy and policy, reviews all elements of defense policy and strategy to support NSS
- National Defense Strategy (NDS) – reflects DoD's strategic context and objectives for military force structure, force modernization, supporting infrastructure, and required funding and manpower resources
- DPPG – provides guidance to the Secretaries of the Military Departments to submit their Program Objectives Memoranda (POMs) within resource constraints

6.2D. Principle Navy Planning Documents:

- Sea Power 21 – provides Navy vision setting the future end state
- Maritime Strategy – determines the specific objectives set in the general vision, describes how Seapower will be applied around the world
- Naval Operations Concept – comprises the commanders' guidance for using current forces to operationally carry out the strategy guidance
- Navy Strategic Plan – frames capabilities-based strategy, aligns resource decisions with strategic objectives, provides a prioritized list of warfighting capabilities for further assessment
- Chief of Naval Operations (CNO) Guidance – identifies CNO intentions and priorities for coming fiscal year

6.2.E. Responsibility. NAVAIR is not involved in the Planning Phase.

6.3. Programming Phase

Flow Process: Dates listed are for POM-12

POM-12 SECNAV Guidance:	November 2009
POM-12 Navy Programming & Fiscal Guidance	February 2010
POM-12 Sponsor Program Proposal (SPP) Build	April-May 2010
POM-12 SPPs to N80	May 2010
POM-12 POM submission to OSD	August 2010
POM-12 Program Decision Memos	December 2010

6.3.A. Purpose. The programming phase is the period when planning decisions, programming guidance, and congressional guidance is converted into a detailed allocation of resources. Programming is the first time in PPBE that resources are allocated. During the programming phase, the Services seek to balance resources between

manpower, investments and readiness, which are reviewed and alternatives are presented to the Deputy Secretary of Defense. The Service's Program Objective Memorandum (POM) is the primary document used to submit programming proposals. The POM is reviewed by program review teams comprising members from the military departments, JCS, defense agencies, and OSD staff. In addition, the Joint Chiefs conduct a concurrent checks-and-balances review of the POM, focusing on the balance and capabilities of the proposed force levels. These reviews are presented to the Secretary of Defense prior to his/her decisions in the Program Decision Memoranda (PDMs). The issuance of the PDMs completes the Programming process.

6.3.B. Principle Steps in the Navy Programming Phase. Programming in the Navy begins in September with reviews of intelligence, strategy, warfare areas and support tasks. The reviews define funding needed to accomplish certain program levels or capabilities and make recommendations to the resource sponsors to use in preparing their SPPs. The reviews are summarized in Investment Strategies in the December/January timeframe. From January until May, the resource sponsors develop their SPPs, which constitute the basic building blocks for the POM. These proposals are submitted to N80, then to CNO.

6.3.C. Principle Documents of the Programming Phase:

- POM – contains specific programs to be pursued in support of the planning guidance and within the resource constraints approved by SECDEF in the DPPG
- Issue Books – single page narratives prepared by OSD staff, DoD Components, and Office of Management and Budget (OMB)
- PDM – final document of the Programming process, contains decisions of the Secretary of Defense regarding programs and resources

6.3.D. Source Documentation/Guidance:

- DON Budget Guidance Manual, Part I, Chapters 1 and 2 (May 2010) (http://www.finance.hq.navy.mil/fmb/guidance/bgm/bgm.htm)
- DoD Directive 7045.14, The Planning, Programming, and Budgeting System (PPBS) (dated 23 May 1984)
  PPBE Training (https://fmbweb1.nmci.navy.mil/fmb32training/ecenter/PPBE.htm)

6.3.E. Responsibility. The programming phase is the responsibility of N8 (Deputy CNO for Resources, Requirements and Assessments) and the Resource Sponsors. While preparing their SPPs, Resource Sponsors consult and involve appropriate offices within DON including the Secretariat, FMB, N80, HQMC, and budget submitting offices. Requiring financial managers in NAVAIR/PEOs are to ensure the existing program is priced accurately and provide any pricing changes to the Resource Sponsor, provide cost estimates for various program alternatives as requested, and inform the Resource Sponsor of any problems. During this phase, program offices are responsible for keeping in close contact with their Resource Sponsor and notifying him/her of their requirements.

6.3.F. POC: Debbie McCann, AIR-10.3, (301) 757-7801

6.4 Budgeting Phase:

6.4.A. Flow Process for the FY 2012 Budget

FY 2012 submitted to ASN(FM&C)	Issues/ Issue Papers	FY 2012 submitted to OSD	OSD Review	PBD/ Reclama	FY 2012 submitted to Congress	FY 2011 Execution Review
15 Jun 10	Jun-Jul 10	Aug 10	Sep-Dec 10	Nov-Dec 10	Feb 11	Mar-Apr 11

6.4.B. Purpose. The Budgeting phase (formulation and justification) provides a platform for a detailed review of a program's pricing, phasing and overall capability to be executed on time and within budget. Budgeting also prepares the programs to be developed into appropriations.

The DON's objective is to translate program resource requirements into a finely tuned budget request that is executable and properly priced. There are three budget cycles each year: submission to DON (June-August), submission to OSD (August-December), and submission to Congress (January-February). With the evolution of PPBS to PPBE, and the increased emphasis on the appropriate allocation of resources and proper execution of the budget, a primary aspect of preparing budget estimates is the inclusion of performance metrics. The Department will shift its focus to program performance and results, and then use that assessment in making budget decisions. The OSD Comptroller and Director, Program Analysis and Evaluation will review program performance to assess the degree to which budget estimates sustain and improve the programmatic results. Performance metrics will be the analytical underpinning to ascertain whether an appropriate allocation of resources exists in current budgets. A budget execution review will provide the opportunity to make assessments concerning current and previous resource allocations and whether the Department achieved its planned performance goals. To the extent performance goals of an existing program are not being met, recommendations may be made to replace that program with alternate solutions or to make appropriate funding adjustments to correct resource imbalances.

Procurement: Complies with full funding policy.
RDT&E,N: Complies with incremental funding policy.

6.4.C. Principle Steps in the Budgeting Phase:

- The Services conduct a review of their programs with the ultimate aim of producing a Budget Estimate Submission (BES).
- The review focuses on congressional interest and direction, execution performance, and fact-of-life changes.
- The BES is submitted for a joint review by OSD and OMB.
- OSD and OMB issue Resource Management Decisions (RMDs) to modify the BES.
- The BES as modified by the RMDs, is the baseline for the DoD budget, which becomes part of the President's Budget submitted to Congress.

6.4.D. Principle Documents of the Budgeting Phase:

- BES –contains recommended budget estimates based on aggregated inputs from operational organizations and field activities
- RMDs – budget decision document issued by OSD and OMB during the joint review of the Service budget submissions
- President's Budget (PB) – budget for a fiscal year, transmitted to Congress by the President by the first Monday in February

6.4.E. Source Documentation/Guidance:

- DoD Financial Management Regulations, Volumes 2A and 2B, Budget Formulation and Presentation (DoD 7000.14R) (http://www.dod.mil/comptroller/fmr/)
- DON Budget Guidance Manual, Part I, Chapters 1 and 2 (May 2010) (http://www.finance.hq.navy.mil/fmb/guidance/bgm/bgm.htm)
- Assistant Secretary of the Navy (Financial Management and Comptroller) (ASN(FM&C) budget guidance memos (https://fmbweb1.nmci.navy.mil/guidance/bg_memoranda.htm)
- PPBE Training (https://fmbweb1.nmci.navy.mil/fmb32training/ecenter/PPBE.htm)

6.4.F. Critical Prior Events. a) Approval for Full Rate or Low Rate Initial Production (or a waiver) must be obtained prior to executing a procurement program, and a carefully constructed and well-defined plan leading to this approval must be available to budget reviewers; and b) current acquisition documents.

6.4.G. Responsibility. The NAVAIR Comptroller (AIR-10.0) and budget divisions (AIR-10.1.1, AIR-10.1.2, AIR-10.1.3, and AIR-10.1.4) are responsible for coordinating the preparation of formal NAVAIR budget requests. The Budget Formulation, Justification and Execution Division (AIR-10.1) promulgates budget preparation guidance

and budget control amounts to the preparing offices. PEOs/program managers and other offices, with the assistance of AIR-4.2 cost analysts, prepare exhibits for the various programs by appropriation, and submit them to the budget divisions for approval, compilation, and transmittal.

6.4.H. Review & Approval. ASN(FM&C) reviews and approves or adjusts the NAVAIR budget submission. OSD and OMB jointly review and approve/mark budgets by issuing Resource Management Decisions (RMDs). The four Congressional oversight committees, the two joint conference committees, and both bodies of Congress review, approve/mark, and enact the President's budget.

6.4.I. Lessons Learned. Reviewers at both Navy and DoD levels scrutinize pricing, status of development, program executability, prior year obligation and expenditure performance, slippage in schedules, and procurement lead-times.

6.4.J. POCs:

Overall:	Patrick Lowien, AIR-10.1, (301) 757-7727
PEO(A)/APN:	Theresa Poston, AIR-10.1.1, (301) 757-7814
PEO(W)/NAVAIR/WPN/OPN/PANMC:	Jennifer Thompson, AIR-10.1.2, (301) 757-7776
PEO(T)/RDT&E,N:	Mike Barnett, AIR-10.1.4, (301) 757-7796
O&M,N/O&M,NR:	John Johnson, AIR-10.1.3, (301) 757-8351

6.5 Execution Phase:

6.5.A. Flow Process:

- Congress passes Appropriation Act and President signs.
- Treasury issues appropriation warrants.
- OMB apportions funds within all appropriations.
- OSD allocates to the Services with such additional restrictions on execution as the Secretary of Defense may direct.
- ASN(FM&C) allocates to OPNAV; OPNAV allocates to NAVAIR and PEOs.
- AIR-10.0 allocates funds to accounts of cognizant managers.
- NAVAIR:
  - Make direct contracts with business
  - Issue allotments, Work Requests, Project Orders, Expense Operating Budgets, and other funding documents as required to subdivide allocated funds to Navy activities performing work
  - Issue Interdepartmental Purchase Requests (IPRs)/Military IPRs (MIPRs) to activities outside Navy

6.5.B. Purpose. Current year budget execution begins on 1 October. During execution, funds are allocated, obligated, and expended to accomplish DoD's plan. In addition, execution entails the rigorous monitoring and reporting of actual results to budgeted, anticipated results, along with causes of variances and planned corrective actions. Execution is that phase of the budget cycle which encompasses all the actions required to accomplish effectively, efficiently, and economically the programs for which funds were requested and approved.

6.5.C. Source Documentation: Allocation documents

6.5.D. Critical Prior Events. a) Acquisition Plan approval; b) Initiation of the PID must take into consideration administrative lead-time to prepare, route, and process by the contracting officer in order to meet the PMAs/RFMs required contract award date; c) If sole source, J&A approval; d) Funding when ready for contract signature; and e) ECP submitted and approved in time to allow contract award by mid-fiscal year.

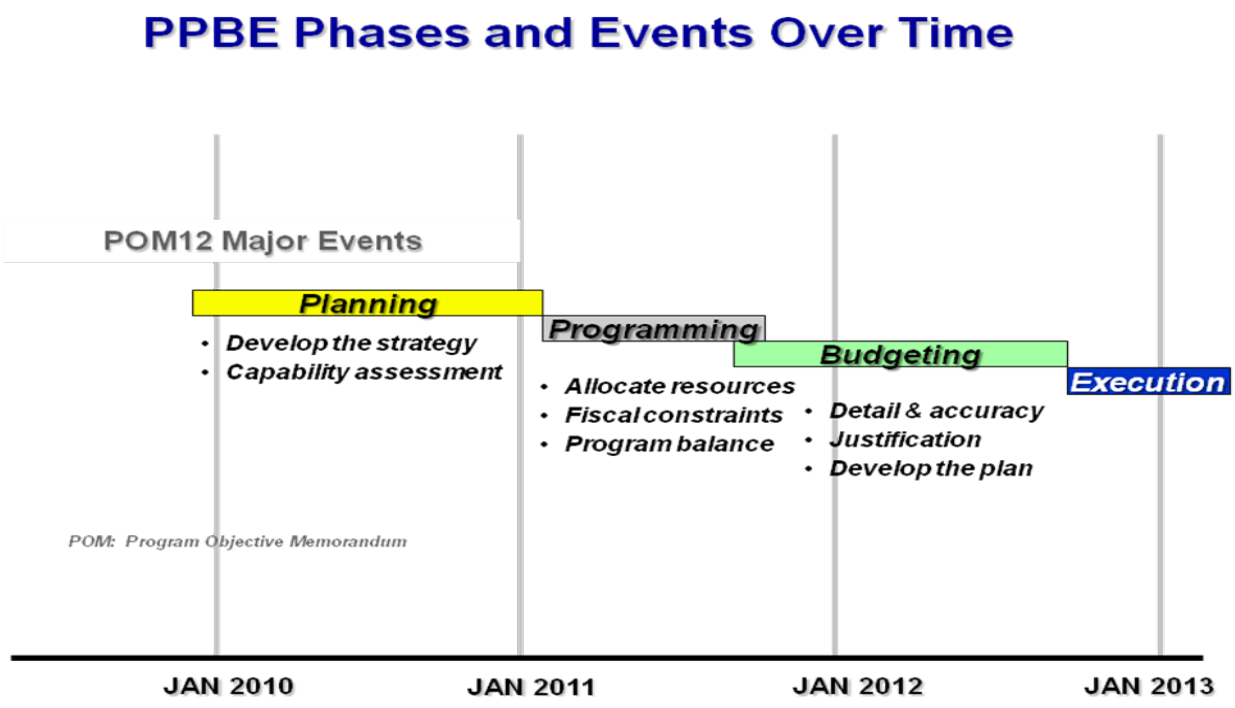
6.5.E. Responsibility. As administering offices, AIR-10.1.1, AIR-10.1.2, AIR-10.1.3, and AIR-10.1.4 control the allocation and availability of funds as well as maintain the integrity and propriety of NAVAIR and PEO funds,

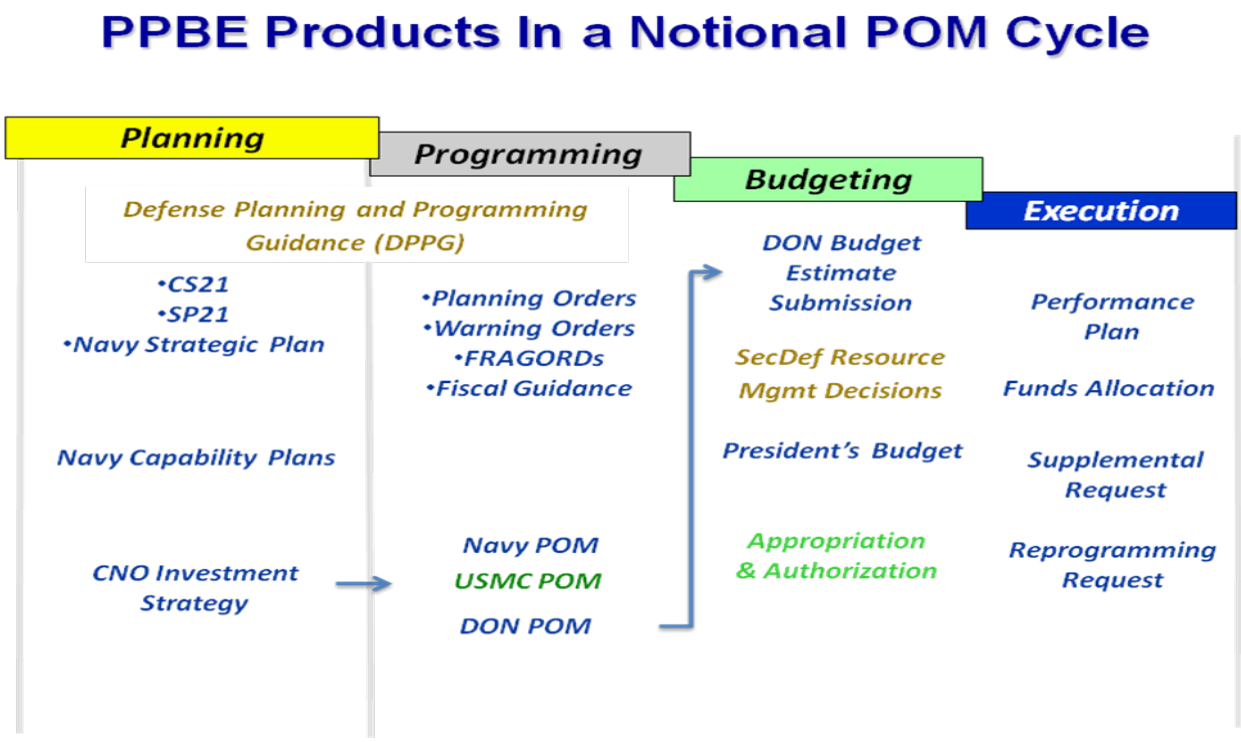
and approve all financial encumbrances which are then recorded in Navy ERP. Requiring financial managers (RFMs), now called Fund Centers, are responsible for all transactions necessary to their programs. AIR-2.0 negotiates headquarters contracts, and various field and other components negotiate and administer their respective contracts as well as perform services, fabricate end items, or undertake a variety of research and development efforts.

6.5.F. Lessons Learned. Early execution planning and close monitoring of execution performance, with a stress on expenditures, are imperative.

6.8.G. POCs: Same as Budgeting Phase

4 Years in the 2-Year Cycle





CHAPTER VII: MILESTONE REVIEW/APPROVAL PROCESS

PART A: ACQUISITION CATEGORIES AND ABBREVIATED ACQUISITION PROGRAMS

7.1. Purpose. Navy acquisition programs are categorized at the time of program initiation as one of four acquisition categories (ACATs) or as an Abbreviated Acquisition Program. Also, modifications and upgrades to programs out of production should be designated as either new start ACAT programs or Abbreviated Acquisition Programs. The ACAT categories, besides establishing the overall visibility of a given program, are used to determine the level of a program's milestone decision authority and, to some extent, the documentation/information requirements associated with the program.

7.2. Source Documents:

DoDI 5000.02, encl (3)
SECNAVINST 5000.2E, Chapter 1 and the DON Acquisition and Capabilities Guidebook, encl (2)

7.3. Definition. The defining criteria and associated milestone decision authority (MDA) for each ACAT level, both for weapon systems and information technology programs, are shown in the table at the end of Part A. Unless otherwise stated, dollar criteria shown in the table are cumulative for the entire life, or anticipated life, of the program.

7.4. Abbreviated Acquisition Programs

7.4.A SECNAVINST 5000.2E, Chapter 1, paragraph 1.4.6, provides for a category of acquisition programs that are not within the ACAT system. These programs, called Abbreviated Acquisition Programs, must meet all of the following criteria:

1) Do not require operational test and evaluation, as concurred with in writing by the appropriate Operational Test Agency.

2) For weapon systems programs,
a. have total development costs of less than $10 million for the life of the program, and
b. have total procurement/services costs of less than $50 million for the life of the program, and
c. have total procurement/services costs of less than $25 million for each year of the program.

7.4.B. An ACAT program or a potential ACAT program may not be artificially divided into separate entities for the purpose of qualifying as several Abbreviated Acquisition Programs in the place of the one ACAT program. ASN(RD&A) or the cognizant SYSCOM, PEO, or DRPM may, for reasons of visibility or other circumstances, elect to designate as an ACAT program any program that otherwise qualifies as an Abbreviated Acquisition Program.

7.4.C. Each SYSCOM, PEO, and DRPM shall be responsible for developing its own policies and procedures for Abbreviated Acquisition Program reviews, documentation, tracking, and designation of program decision authority. Decision authority for Abbreviated Acquisition Programs will normally be delegated to the program manager (PM). Such programs shall not be initiated without funding and a written requirement authorized by CNO/CMC.

7.5. ACAT Designation and Designation Change Requests

7.5.A. Program managers are responsible for ensuring that all acquisition programs they are managing, including upgrades to out of production systems, have either an assigned ACAT or are otherwise designated as an Abbreviated Acquisition Program. To request an ACAT designation, PMs should prepare a memorandum to the designating authority using the format found in the DON Acquisition and Capabilities Guidebook, encl (2) Annex 2F. If a PM believes that a program has been assigned an incorrect ACAT designation, or if reasons such as revised

cost estimates, adjustments to procurement quantities, or directed program changes warrant an ACAT change, a change request should be submitted using the format cited in the previous sentence. Both types of requests should be forwarded by the PM to the appropriate ACAT designating authority:

ACAT Level	**ACAT Designating Authority**
ID and IC	Under Secretary of Defense (Acquisition, Technology, and Logistics) (USD(AT&L))
IC (Component)	Assistant Secretary of the Navy (Research, Development, and Acquisition) (ASN(RD&A))
IAC and IAM	Assistant Secretary of Defense for Networks & Information Integration (ASD(NII))
II	ASN(RD&A)
III and IVT/IVM	PEOs/Cognizant SYSCOMs/DRPMs

7.5.B. In those situations where an ACAT IV or an Abbreviated Acquisition Program designation is being requested, the request needs the concurrence of the Commander, Operational Test and Evaluation Force (COMOPTEVFOR) or the Marine Corps Operational Test and Evaluation Agency (MCOTEA) as to whether operational test and evaluation is needed. If such testing is needed, the program will be designated as an ACAT IVT, regardless of the funding amounts involved.

7.6. Lessons Learned.

7.6.A. For most programs, the formal ACAT designation is made at Milestone B (program initiation), but usually long before Milestone B it is recognized at what ACAT level the program will eventually end up and who the decision authority will be.

7.6.B. It should be noted that the ACAT IV category is only used by the Navy and USMC; DoD and the Air Force only recognize ACAT I, II, and III designations. The Abbreviated Acquisition Program category is also strictly a Navy concept.

7.7. Rapid Deployment Capability (RDC). RDC procedures can be found in SECNAVINST 5000.2E, Chapter 1, paragraph 1.8.2. RDC will enable very quick fielding of a limited number of units of a new system to meet urgent requirements based on combat or potential combat situations, or for safety considerations. It is envisioned that most RDC procurements would evolve into a typical ACAT program after the initial urgent requirement is met.

7.8. POC: Lola Scott, AIR-1.1, (301) 757-7228

Acquisition Category	Criteria for ACAT or AAP Designation	Decision Authority

ACAT I	• Major Defense Acquisition Programs (MDAPs) (10 USC 2430)
	  • RDT&E total expenditure > $365 million in FY 2000 constant dollars, or
	  • Procurement total expenditure > $2.190 billion in FY 2000 constant dollars, or
	• USD(AT&L) designation as special interest
		ACAT ID: USD(AT&L)
		ACAT IC: SECNAV, or if delegated, ASN(RD&A) as the CAE

ACAT IA	• Major Automated Information Systems (MAISs)
	  • Program costs/year (all appropriations) > $32 million in FY 2000 constant dollars, or
	  • Total program costs > $126 million in FY 2000 const. dollars, or
	  • Total life-cycle costs > $378 million in FY 2000 constant dollars
	• ASD(NII) designation as special interest
		ACAT IAM: ASD(NII)/DoD CIO
		ACAT IAC: ASN(RD&A), as delegated by ASD(NII)

ACAT II	• Does not meet the criteria for ACAT I
	• Major Systems (10 USC 2302(5))
	  • RDT&E total expenditure > $140 million in FY 2000 constant dollars, or
	  • Procurement total expenditure > $660 million in FY 2000 constant dollars, or
	• ASN(RD&A) designation as special interest
	• Not applicable to IT system programs
		ASN(RD&A), or the individual designated by ASN(RD&A)

ACAT III	• Does not meet the criteria for ACAT II or above
	• Weapon system programs:
	  • RDT&E total expenditure ≤ $140 million in FY 2000 constant dollars, or
	  • Procurement total expenditure ≤ $660 million in FY 2000 constant dollars, and
	  • Affects mission characteristics of ships or aircraft or combat capability
	• IT system programs:
	  • Program costs/year ≥ $15 million ≤ $32 million in FY 2000 constant dollars, or
	  • Total program costs ≥ $30 million ≤ $126 million in FY 2000 constant dollars, or
	  • Total life-cycle costs ≤ $378 million in FY 2000 constant dollars
		Cognizant PEO, SYSCOM Commander, DRPM, or designated flag officer or senior executive service (SES) official.
		
		ASN(RD&A), or designee, for programs not assigned to a PEO, SYSCOM, or DRPM.

ACAT IVT	• Does not meet the criteria for ACAT III or above
	• Requires operational test and evaluation
	• Weapon system programs:
	  • RDT&E total expenditure ≤ $140 million in FY 2000 constant dollars, or
	  • Procurement total expenditure ≤ $660 million in FY 2000 constant dollars
	• IT system programs:
	  • Program costs/year < $15 million, or
	  • Total program costs < $30 million, or
	  • Total life-cycle costs ≤ $378 million in FY 2000 constant dollars
		Cognizant PEO, SYSCOM Commander, DRPM, or designated flag officer, SES official, or PM.
		
		ASN(RD&A), or designee, for programs not assigned to a PEO, SYSCOM, or DRPM.

ACAT IVM	• Does not meet the criteria for ACAT III or above
	• Does not require operational test and evaluation as concurred with by OTA
	• Weapon system programs:
	  • RDT&E total expenditure ≥ $10 million ≤ $140 million in FY 2000 constant dollars, or
	  • Procurement expenditure ≥ $25 million/year, ≥ $50 million total ≤ $660 million total in FY 2000 constant dollars
	• Not applicable to IT system programs
		Cognizant PEO, SYSCOM Commander, DRPM, or designated flag officer, SES official, or PM.
		
		ASN(RD&A), or designee, for programs not assigned to a PEO, SYSCOM, or DRPM.

Abbreviated Acquisition Program	• Does not meet the criteria for ACAT IV or above
	• Does not require operational test and evaluation as concurred with in writing by OTA
	• Weapon system programs:
	  • Development total expenditure < $10 million, and
	  • Production or services expenditure < $25 million/year, < $50 million total
	• IT system programs:
	  • Program costs/year < $15 million, and
	  • Total program costs < $30 million
		Cognizant PEO, SYSCOM Commander, DRPM, or designated flag officer, SES official, or PM.
		
		ASN(RD&A), or designee, for programs not assigned to a PEO, SYSCOM, or DRPM.

CHAPTER VII: MILESTONE REVIEW/APPROVAL PROCESS

PART B: ACQUISITION MILESTONES AND PHASES

7.9. Discussion. Acquisition milestone decision points provide a basis for the comprehensive management and progressive decision making associated with program maturation. At each milestone, the Milestone Decision Authority (MDA) is provided by the program manager with a formal presentation on the program's progress to date. The MDA then provides direction as necessary and makes a decision as to whether to authorize the program to proceed to the next phase of the acquisition life cycle.

7.10. Source Documents:

DoDI 5000.02
SECNAVINST 5420.188F
NAVAIRINST 5000.20A
SECNAVINST 5000.2E

7.11. Acquisition Model Comparison: There are three versions of the Acquisition Model. DON new start ACAT programs shall follow the acquisition life-cycle model established by DODI 5000.02. Ongoing ACAT programs will follow the guidance provided in enclosure 2, paragraph 1.b of DODI 5000.02 and paragraph 4.3.1 of DODD 5000.01. The 2011 acquisition model includes a new Pre-EMD decision point in the TD phase. During the EMD phase, the MDA must compose a Post-Preliminary Design Review (PDR) and Post-Critical Design Review (CDR) Assessment. These assessments review the extent to which the system meets requirements and design maturity, respectively. In addition during the EMD phase, an Integratred System Design as well as the System Capability and Manufacturing Process Demonstraton are conducted.

7.12. Milestone Tailoring. Many programs, particularly those designated ACAT III or IV, can be executed with tailored schedules that reduce the number of formal milestones and/or acquisition phases. Many if not most ACAT IIIs and IVs will not have a formal Milestone A, and those that are based on a commercial off-the-shelf (COTS) may not need a Milestone B and an EMD Phase. The tailoring of program schedules and the elimination of one or more formal milestone reviews or phases must be approved by the MDA early in the program's life cycle.

7.13. Milestone Approval.

7.13.A. Final approval for a program to pass a milestone and enter into the next phase of the acquisition process is decided by the MDA, who differs depending on the ACAT level of the program. For ACAT ID programs, the final decision is made by the Under Secretary of Defense for Acquisition, Technology and Logistics (USD(AT&L)) at a Defense Acquisition Board (DAB). For Navy ACAT IC and II programs, the MDA is exercised by the Assistant Secretary of the Navy for Research, Development and Acquisition (ASN(RD&A)) at a Program Decision Meeting (PDM). A formal review at which a milestone decision is not being made will be referred to as a Program Review (PR). The PDM and PR procedures are found in SECNAVINST 5420.188F of 2 November 2005. For weapons system ACAT III and ACAT IV programs, the MDA has been delegated to the SYSCOM/PEO level. Milestone reviews for ACAT III and IV programs are also referred to as PDMs. The scheduling of milestone reviews should be arranged by the PM's office with the MDA's office.

7.13.B. For ACAT I and II programs that have the MDA at a higher level than the PEO or SYSCOM, arrangements for a PDM, chaired by ASN(RD&A), should be made by the PM's office with the office of the Deputy Assistant Secretary for AIR Programs (ACAT ID programs are also reviewed by an ASN(RD&A) chaired PDM before proceeding to a Defense Acquisition Board (DAB) review at the USD(AT&L) level). Prior to proceeding to a PDM, ACAT I and II programs are usually reviewed by the cognizant PEO or AIR-1.0 at an Acquisition Review Board (ARB). NAVAIR ARB procedures are covered in NAVAIRINST 5000.20A of 23 August 2010. PMs should consult with their program's PEO/AIR-1.0 acquisition support staff on administrative procedures for scheduling and

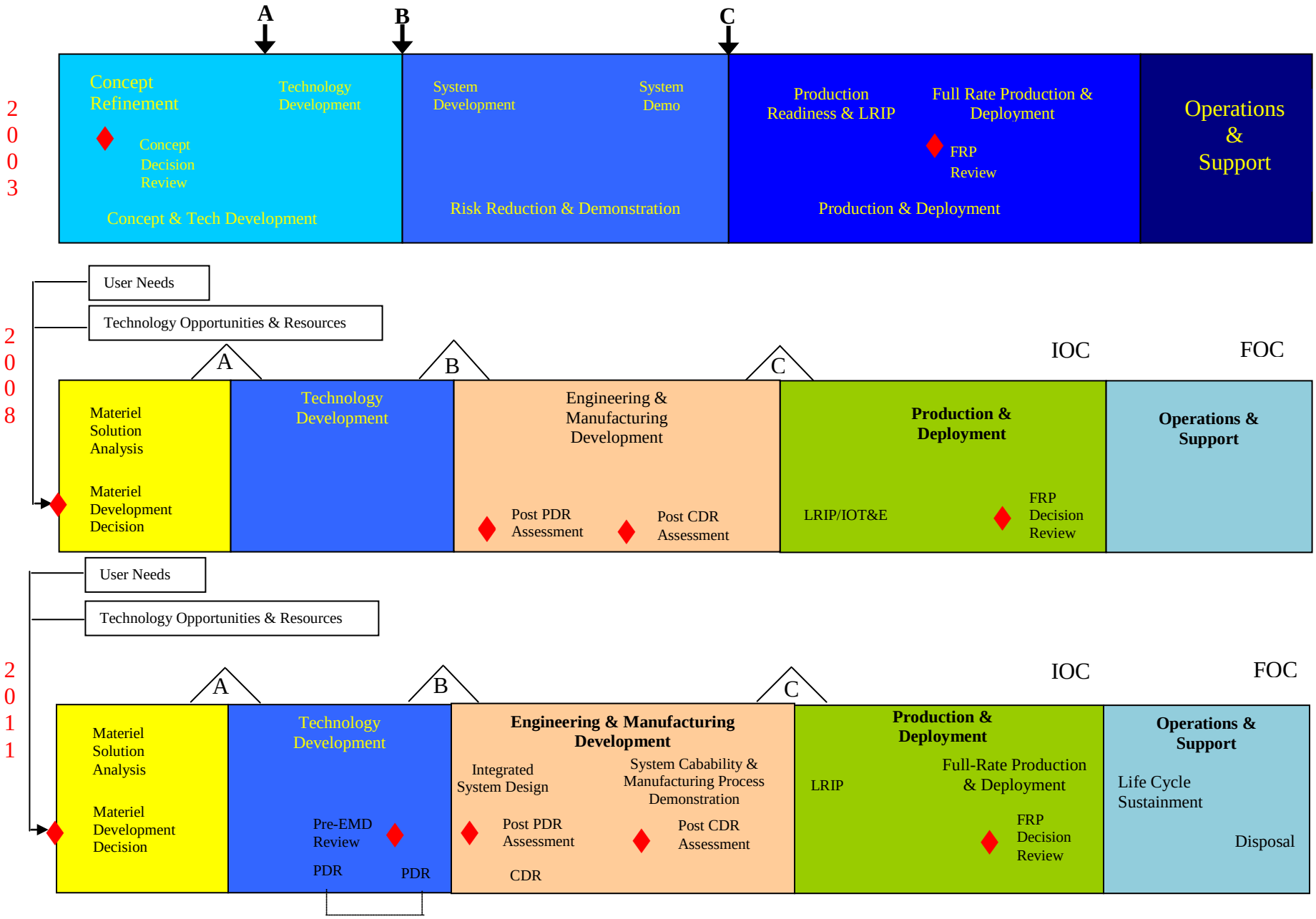
conducting ARBs. An automated NAVAIR/PEO Acquisition Review Board/Program Decision Meeting schedule is maintained by Colin Grey, AIR-1.1, colin.grey@navy.mil.

7.13.C. For Naval Aviation weapon system ACAT III and IV programs, the MDA is either the cognizant PEO or, for those programs not managed within one of the PEO organizations, NAVAIR's Assistant Commander for Acquisition (AIR-1.0). Direction on the conducting of ACAT III and IV milestone reviews can be found in NAVAIRINST 5000.20; in addition each of the PEOs and AIR-1.0 has internal policies for conducting milestone and pre-milestone reviews.

7.13.D. Actual milestone approval is recorded in an Acquisition Decision Memorandum (ADM) that is prepared by the MDA's acquisition staff and signed by the MDA. The ADM authorizes the program to proceed to the next acquisition phase, provides specific direction to the program manager, and establishes exit criteria, which are critical results or events that must be attained in order to exit the next acquisition phase prior to proceeding to the next milestone. Per SECNAVINST 5420.188F, the program manager should propose the exit criteria for the next acquisition phase at the conclusion of the milestone review presentation. Additionally, OSD memo dated 23 Jun 11 Subj: Improving Milestone Process Effectiveness, outlines changes to the milestone review process. This memo may be found at:
https://homepages.navair.navy.mil/pmcwebtool/index.cfm?method=home.viewPDFDocument&document_id=1935

7.14. POC: Florine James, AIR-1.1, (301) 757-9010

MODEL COMPARISONS



CHAPTER VII: MILESTONE REVIEW/APPROVAL PROCESS

PART C: INTEROPERABILITY

7.15. Interoperability Certifications. There are three required interoperability-related certifications, issued by the Joint Staff C4 Systems Directorate (J-6): (1) interoperability & supportability certification (based on the capability documentation (CDD/CPD)), (2) Net-Ready Key Performance Parameter (NR-KPP) certification (based on the Information Support Plan (ISP)), and (3) system validation (based on Joint Interoperability Test Command (JITC)-certified interoperability testing results). The first two are performed prior to both acquisition milestones B and C, while the third occurs concurrent with or subsequent to developmental/operational testing (see "Interoperability Testing" below).

7.15.A. The interoperability & supportability certification results from a successful Joint Staff J-6-led review of the capabilities document(s) for conformance with policy, doctrine, and applicable interoperability standards for joint IT and NSS. The review processes are managed using a web-based software tool (see "ISP Assessment Tool" below).

7.15.B. The ISP/NR-KPP certification verifies that IT and NSS programs of all ACATs adequately address infrastructure requirements, dependencies and interface requirements between systems, the availability of bandwidth and spectrum support, and implementation of the DoD Net-Centric Data Strategy. J-6 reviews, comments on, and certifies ISPs to the Assistant Secretary of Defense for Networks & Information Integration (ASD(NII)) using the ISP/NR-KPP certification process (see "Information Support Plans" below).

7.15.C. JITC-certified interoperability testing evaluates the operational status of the NR-KPP requirements (including interfaces, enterprise-level exchange requirements, and other interoperability requirements). Once the standards conformance and interoperability assessments are completed, and JITC has issued a Joint Interoperability Test Certification, J-6 will issue the System Validation.

7.16. Interoperability Testing. (The following text is extracted from CJCSI 6212.01E, Encl. F.) "All Information Technology (IT) and National Security Systems (NSS) must be evaluated and certified by the Defense Information Systems Agency (DISA) Joint Interoperability Test Command (JITC). All systems – Acquisition Category (ACAT), non-ACAT, and fielded systems – must be evaluated and certified prior to (initial or updated) fielding, and periodically during their entire life – as a minimum, every four (4) years. JITC Joint Interoperability Test Certification is based on Joint Staff J-6 certified I&S requirements, Net-Ready Key Performance Parameters (NR-KPPs), and other applicable requirements. Testing associated with evaluations may be performed in conjunction with other testing (e.g., Developmental Test & Evaluation (DT&E), Operational T&E (OT&E)) to conserve resources. When the DISA/JITC is not the responsible testing organization, the DISA/JITC will provide recommended provisions for incorporation in the DT or OT entrance and exit criteria relating to joint interoperability test certification to the system sponsor (for DT) or appropriate Operational Test Agency (OTA) (for OT). JITC will coordinate with the system sponsor or OTA to ensure test plans, analysis, and reports have sufficient data and information available to support a joint test certification determination." For further details, refer to Enclosure F of CJCSI 6212.01E.

7.17. ISP Assessment Tool. The Joint C4I Program Assessment Tool – Empowered (JCPAT-E), operated and maintained by the Defense Information Systems Agency (DISA), supports document submission, assessor review and comment submission, collaborative workspace, and consolidated review comment rollup. The JCPAT-E is maintained on two websites—one on NIPRNET (https://jcpat.csd.disa.mil/) for unclassified ISPs, and one on the SIPRNET (https://jcpat.csd.disa.smil.mil/JCPAT/) for ISPs classified up to GENSER Secret. Effective 17 Jan 2011, unclassified ISPs are to be submitted via the NIPRNET site, and subsequent comments will be uploaded there. The Navy POC for JCPAT-E entry is ASN(RD&A) CHSENG, Mr. Ken Ives, (301) 757-3257. Program management offices may elect to access the ISP Assessment Tool directly for submission of ISPs and subsequent monitoring of their review progress. Access is controlled by user ID and password (or, for the NIPRNET site, Common Access Card (CAC)) and may be requested via a link on the website(s). Requestors must have a referral from a current JCPAT-E registered user.

7.18. Information Support Plans. The ISP analyzes the scope of external C4ISR interfaces and information support required by the program, as presented in the NR-KPP. It examines the data flows and system dependencies, and the ability of the identified external programs/systems to provide necessary support, to determine potential interoperability problems. The ISP also identifies external C4ISR support that must be provided to conduct the development phase, and

to execute both the TEMP and the training plan. If any issues are discovered, they are documented in the ISP along with the PM's mitigation strategies. The ISP operational concept and operational requirements are taken from the CDD/CPD NR-KPP, as are the bulk of the C4ISR architecture products. An initial ISP is due, along with the CDD, prior to Milestone B, to provide the basis for the initial supportability and NR-KPP certification processes. The ISP is submitted for DoD/Joint assessment via the OASD(NII) ISP tool (see above). For further details on ISP preparation and submission, refer to Chapter VIII, Part C of this Guide.

7.19. POC: Ken Ives, Mission Engineering & Interoperability, AIR-4.1.18, (301) 757-3257

CHAPTER VIII: PROGRAM AUTHORIZATION PROCESS

PART A: ACQUISITION STRATEGY (AS)

8.1. Purpose. The Acquisition Strategy serves as the roadmap for program execution from program initiation through post-production support. Essential elements include, but are not limited to, a summary description of the requirements, the overall acquisition approach including the use of evolutionary acquisition, risk management, affordability requirement, and program management including resources and oversight, interoperability, the use of open systems, the support strategy, and the contracting strategy. The Acquisition Strategy shall be developed to meet the specific needs of individual programs. An Acquisition Strategy is also required for acquisitions of services to ensure adequate planning and oversight (see Chapter XV, Part J on the Management and Oversight Process for the Acquisition of Services (MOPAS)). An approved OSD Acquisition Strategy template dated 20 Apr 11, can be found on the PMC Web Tool.

8.2 Source Documents:

The Defense Acquisition Guidebook, Section 2.3
SECNAVINST 5000.2E, Chapter 2, Paragraph 2.4
DON Acquisition and Capabilities Guidebook, encl (3), Section 3.4
NAVAIRINST 4200.36D

8.3. When Required. A program's MDA will approve the program's initial Acquisition Strategy at the pre-EMD review. The AS shall be provided 45 days prior to the pre-EMD review. An updated, approved Acquisition Strategy is generally required in association with each subsequent milestone and the full rate production decision, or whenever there is a significant change to a previously approved Acquisition Strategy.

8.4. Responsibility. The program manager is responsible for the timely preparation and submittal of the Acquisition Strategy. The PM shall develop the Acquisition Strategy in coordination with the program's Integrated Program Team. The PEO shall concur in the Acquisition Strategy, and the MDA shall approve the Acquisition Strategy prior to release of a formal solicitation.

8.5. Format. The above listed source document references provide a detailed description of topics that should be considered for inclusion in the Acquisition Strategy. Specific attention shall be given to overall affordability; the competition strategy and incentive structure; engineering trades and their relationship to program requirements; should cost initiatives, risk management; and the rationale supporting the program schedule. PMs are to tailor the Acquisition Strategy to each individual program's needs and the expectations of the program's MDA. The requirement for MDA Acquisition Strategy approval can actually be met via a briefing to which the MDA gives verbal or written consent, as opposed to an actual Acquisition Strategy document; however, this approach is rarely used and only with the prior approval of the MDA. Both the AS Outline and guidance on the automated AP/AS template can be found at ttps://homepages.navair.navy.mil/pmcwebtool.

8.6. Lessons Learned

8.6.A. In preparing the Acquisition Strategy, the PM should rely on support from cognizant elements of the various competencies. In addition, draft copies of the Acquisition Strategy should be coordinated with the cognizant PEO/AIR-1.0 acquisition support staff. PMs should allow sufficient time for preparation and approval; generally, the higher the ACAT level the greater the amount of time should be budgeted for preparation and the necessary staffing prior to approval.

8.6.B. If so desired, PMs can use the electronic AP/AS tool in drafting the document to obtain MDA approval of a program's Acquisition Strategy. Such a consolidation is more practical in the case of ACAT III and IV programs, where the AP approval level (PEO or AIR-1.0) is the same as the AS approval level MDA. See Part B of this Chapter for more details on APs.

8.7. POC: Lola Scott , AIR-1.1, (301) 757-7228

CHAPTER VIII: PROGRAM AUTHORIZATION PROCESS

PART B: ACQUISITION PLAN (AP)

8.8. Purpose. The AP is the principal document for in-depth program planning, review, and oversight. The purpose of this planning is to ensure that the Government meets its needs in the most effective, economical, and timely manner.

8.9. Source Document/Guidance:

Defense Federal Acquisition Regulations Supplement (DFARS) subpart 207.1 (provides overall policy, including dollar threshold requirements) at http://www.acq.osd.mil/dpap/dars/dfars/html/current/207_1.htm

DFARS's Procedures, Guidance, and Information (PGI) 207.1 (provides AP content guidance) at http://www.acq.osd.mil/dpap/dars/pgi/pgi_htm/PGI207_1.htm
.
NAVAIRINST 4200.36D and the AIR-1.0 Acquisition Plan Policy Changes memo of 7 Aug 07 (provide guidance on preparation and coordination of APs for NAVAIR and Naval Aviation PEO programs). NAVAIRINST 4200.36D can be found at http://mynavair.navair.navy.mil/ and the AIR-1.0 Acquisition Plan Policy Changes memo at http://homepages/navair.navy.mil/pmcwebtool/.

8.10. Critical Prior Events. APs will not be approved unless there is documentation, usually in the form of a capabilities/requirements document, approved by the OPNAV sponsor. APs for ACAT programs cannot be approved unless the program has an Acquisition Strategy, which is approved by the milestone decision authority (MDA), although for some programs (particularly ACAT IIIs and IVs) the Acquisition Strategy and AP may be combined if the MDA allows.

8.11. When Required

8.11.A. While AP approval is contingent upon prior approval of the capabilities/requirements document and the Acquisition Strategy, development of the AP should begin as soon as the program need is identified, and preferably well in advance of the fiscal year in which initial contract award is necessary. An approved AP is absolutely required for contract award.

8.11.B. Per the DFARS, APs are required for development programs with a total value of $10M or more, and production/service programs with a total value of $50M or more, or with a value of $25M or more in any one fiscal year (for these figures, no FY constant dollar year is specified in the DFARS). Information Technology programs also fall under these AP requirement thresholds.

8.11.C. The AP is not required for a final buy-out (documented last buy of material or services at a point in time, fully funded, for which no documented foreseeable requirement exists) or a one-time buy. Neither a multi-year contract nor contracts with options/phases are to be considered a final buy-out or a one-time buy. See NAVAIRINST 4200.36D for the categories of programs for which APs which were previously exempt, but which now may be tailored as to content (per Navy Marine Corps Acquisition Regulations Supplement (NMCARS) 5207.103(d)(i) at http://acquisition.navy.mil/policy_and_guidance/nmcars_nmcag.

8.11.D. When Foreign Military Sales requirements cause a program to meet the above dollar thresholds, an AP is required.

8.12 Responsibility

8.12.A. The program manager (i.e., the official who provides overall management, direction, control, resource utilization, and integration of a system or item to be purchased) is responsible for seeing that the AP is prepared and submitted for approval in a timely manner.

8.12.B. In preparing the AP, the program manager should rely on his or her Integrated Program Team (IPT) members and their respective competencies for contracting, engineering, logistics, cost, security, business-financial, training, production management, testing, counsel, and any other support required.

8.12.C. If separate documents (such as the Systems Engineering Plan, Acquisition Strategy, Acquisition Logistics Support Plan, Test and Evaluation Master Plan, etc.) address in detail subjects included in the AP content requirements, statements on those subjects given in the AP should be very concise and only provide "highlights" of the program's approach to that area and refer to the cognizant document. More detailed explanations or descriptions that are covered elsewhere in separate documents should not be duplicated in the AP. When appropriate, the team should coordinate development of the draft AP with AIR-4.1G, the Policy and Standardization Competency; AIR-4.0P for flight clearance requirements; AIR-6.8.5 for the Technical Data Package (TDP); NAVICP; and the Aviation Support Equipment Program Office (PMA260) for Consolidated Automated Support System (CASS) support.

8.13 Format. There is no mandatory AP format (see NAVAIRINST 4200.36D). However, the DON AP Guide contains a recommended format and the NAVAIR PMC Web Tool contains a standard AP format. APs should address each of the requirements cited in FAR 7.105 and DFARS PGI 207.105.

8.14 Review & Approval. Once completed and concurred with by the IPT, the AP is submitted for signature by the program manager, the procuring contracting officer, and either the chief of the contracting office for NAWC acquisitions supporting non-NAVAIR/non-PEO programs or the cognizant AIR-2.0 SES department head for all acquisitions supporting AIR-1.0/PEO programs, will sign/concur on the AP signature page (e.g., non-PEO/Non-AIR1.0 Program > $50M shall be signed by AIR-2.0/A via AIR-2.5 for NAWC APs and for non-PEO/Non-AIR1.0 Programs < $50M by the Chief of the Contracting Office). APs for programs ≥ $100M shall be signed by DASN(AP).

8.15 Revisions

8.15.A. The program manager should review the AP annually to see if a revision is necessary. Specific guidance on what constitutes a revision is provided in paragraph 10 of NAVAIRINST 4200.36D.

8.15.B. If the extent of changes to a program warrants a complete rewrite of the AP, an entirely new document will need to be written, reviewed and staffed, and approved.

8.15.C. For a less than complete rewrite, an AP revision may be forwarded for approval in memorandum format explaining the nature of the change(s), including as an enclosure those pages of the original AP that have been changed. A vertical line in the margin and a date in the upper right hand corner will indicate the changed parts. Review of the change memorandum may be confined to those codes responsible for or affected by the particular functional areas being changed. If the change(s) are significant or have an impact on the program's acquisition or contracting strategy, the same signatures as on the original AP will be required on the change memorandum. However, if the change(s) are relatively minor and the acquisition/contracting strategy is not being altered, the program manager should consult with the respective PEO acquisition staff to determine who needs to sign the change memorandum.

8.16. Lessons Learned:

8.16.A. The AP should, whenever possible, reflect a minimum of three years of program effort. The signature page should state the contract years which are covered by the AP and when (FY or milestone) the next revision is planned for or anticipated.

8.16.B. The use of past performance as a source selection factor should be cited, when applicable, in the AP. It can be mentioned in those paragraphs of the AP dealing with proposed sources and basis for selection, small business consideration, competition, source selection procedures, other contract/business considerations and risks.

8.16.C. Be sure to have an approved Acquisition Strategy for an ACAT program prior to submitting the AP for final approval. The AP cannot be approved without it. Ensure there is no conflicting information between the AP and the Acquisition Strategy. For some programs, particularly those for which the PEO and MDA are the same (ACAT III and IV), the Acquisition Strategy and AP may be combined into one document.

8.17. POC: Florine James, AIR-1.1, (301) 757-9010

CHAPTER VIII: PROGRAM AUTHORIZATION PROCESS

PART C: INFORMATION SUPPORT PLAN (ISP)

8.18. Purpose. As stated in DoDI 4630.8, "The ISP provides a means to identify and resolve implementation issues related to an acquisition program's IT and NSS information infrastructure support and information interface requirements. It identifies IT and information (including intelligence) needs, dependencies, and interfaces for programs in all acquisition and non-acquisition categories, focusing on net-readiness, interoperability, information supportability, and information sufficiency concerns."

8.19. Source Documents:

DoDI 4630.8, 30 Jun 04
CJCSI 6212.01D, 8 Mar 06
Defense Acquisition Guidebook [online] (https://acc.dau.mil/dag)
DoDI 5000.2, 12 May 03
SECNAVINST 5000.2E

ASN(RD&A) Memorandum, "Department of the Navy (DON) Information Support Plans (ISPs)," 11 Dec 06
DoD Architecture Framework (DoDAF), Version 1.5, 23 Apr 07 (promulgation memo: 30 Aug 07)
OASD(NII) Memorandum, "Information Support Plan (ISP) Acquisition Streamlining Pilot Program," 26 Aug 05
NAVAIR Standard Work Package, SWP4117-001, "Information Support Plan Review and Approval," 28 Jul 08
NAVAIR Standard Work Package, SWP4117-002, "Information Support Plan Development and Update" [draft]

8.20. Background. CJCSI 6212.01D defines ISPs and provides specific guidance for their submission, and describes the supportability assessment and certification processes. It also provides the criteria against which submitted ISPs will be evaluated (in Encl D). DoDI 4630.8, Encl 4 contains mandatory procedures and formats for ISPs. These procedures and formats are fleshed out and illustrated in Chapter 7 of the Defense Acquisition Guidebook. DoDI 5000.2 ties the development and submission of ISPs to milestone decision reviews in the defense acquisition management process, for all Acquisition Category (ACAT) programs. SECNAVINST 5000.2E implements the DoD ISP policy and procedures for the Navy. The DASN(RDT&E) CHSENG is the DON principal point of contact for ISP issues, processes, and policies.

8.21. Primary Uses. The process of creating an ISP forces a critical examination of the interfaces external to, and the information support required by, the platform/system. This examination brings to light existing or potential shortfalls that could hamper overall system success, as measured against the operational requirements in the CDD/CPD (i.e., the Net-Ready Key Performance Parameter (NR-KPP)). These interoperability and supportability issues are then addressed by the relevant combatant commands/staffs/agencies (CC/S/As) early in the acquisition process, so that cost-effective solutions with broad applicability may be found. The ISP then continues to be a "living document"—incorporating changes to the system's capabilities, its operating environment, and employment concepts—all the while facilitating re-assessment of interoperability and supportability.

8.22. Development. To assist program managers in meeting the requirements of the above policies, NAVAIR has established an Air Systems Interoperability Division within the Systems Engineering department (AIR-4.1.1.7). The competency will work with program teams throughout the entire ISP development process assisting with initial interoperability requirements interpretation, access to related systems' architecture data, mission architecture development and analysis, specification development, and related document review/assessment. Preparing offices are also encouraged to contact ASN(RD&A) CHSENG for guidance in developing and reviewing the document, and the OASD(NII) Architectures and Interoperability Directorate (OASD(NII/A&I)) for further information on the formal DoD/Joint-level review process. Contact the OSD ISP Process Coordination Team at (703) 607-0246.
Some of the following is extracted from the Defense Acquisition Guidebook, Chapter 7.3.6. Please refer to that document for more details concerning ISP preparation.

- Process. The ISP preparing office (the program office) should convene a working-level Integrated Product Team (WIPT), composed of the appropriate subject matter experts who are familiar with the system being acquired, the intended use of the system, and to the extent possible, the operational and system architectures within which the

system being acquired will function. It is important that the WIPT include representatives of those programs with which the new system will interface, as their perspectives can preclude potentially serious misrepresentations in or omissions from the ISP. In accordance with NAVAIR Standard Work Package SWP4117-001, the resulting draft ISP must be coordinated through the NAVAIR Air Systems Interoperability office (AIR-4.1.1.7) for a NAVAIR interoperability review. For ACAT I/IA and II programs, after AIR-4.1.1.7 reviews the ISP draft it is reviewed at DON by ASN(RD&A) CHSENG, DON CIO, NETWARCOM, OPNAV N6F2, SPAWARSYSCOM, and MARCORSYSCOM prior to its being forwarded by ASN(RD&A) CHSENG to OASD(NII) for DoD/Joint review and/or the J-6 supportability certification. *Note: ASN(RD&A) CHSENG, in cooperation with the FORCEnet Coordination Council's Integration and Interoperability Working Group (IIWG), is currently developing policy for the Naval headquarters-managed review process.* The comments generated as a result of these reviews are forwarded to the PM for adjudication and issue resolution and incorporation of the appropriate revisions into the ISP. A copy of the final, PM-signed document is then submitted electronically to OASD(NII/A&I) via the Joint C4I Program Assessment Tool – Empowered (JCPAT-E). See Chapter VII, Part C of this Guide, under "J-6 Assessment Tools," for more information on JCPAT-E.

- Timeline. The initial draft ISP is developed concurrently with the CDD. Both documents are reviewed prior to MS B, and the initial J-6 interoperability requirements and supportability certifications are obtained based on the reviews. The figure below, taken from CJCSI 6212.01D, summarizes the requirements and acquisition interface, and shows the general timetable for document submission and subsequent re-validation/re-certification.

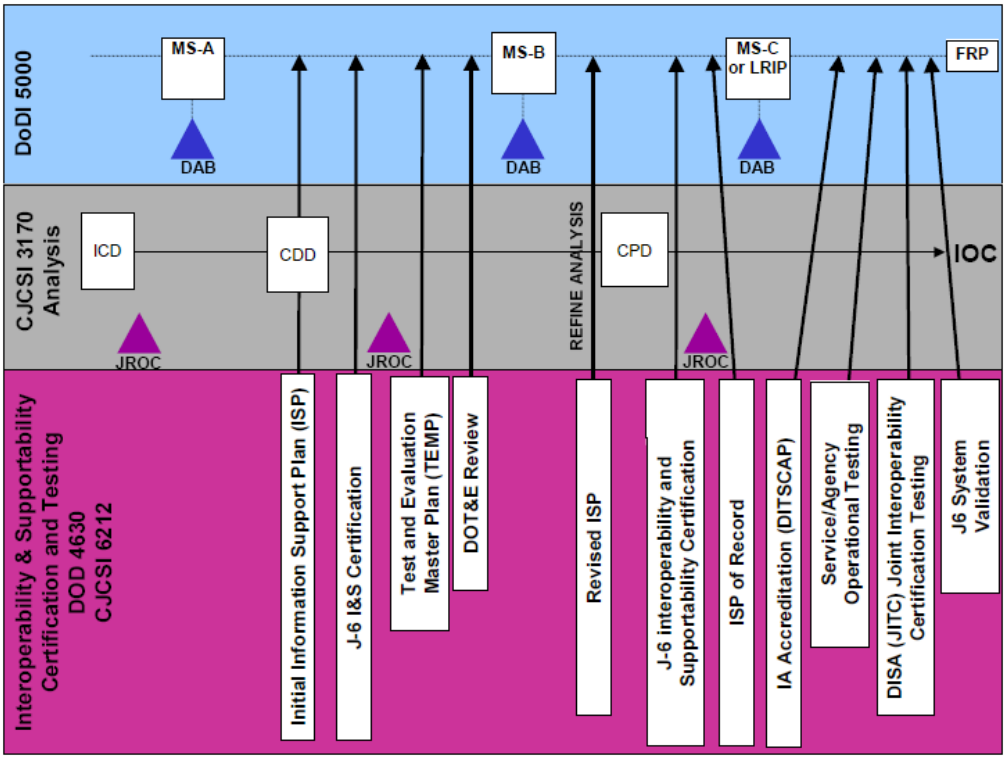


Figure A-1, J-6 Interoperability and Supportability Certification, Testing, and Validation Process for ACAT Programs (from CJCSI 6212.01D).

In general, the process of developing an ISP should start at least 1 year prior to an upcoming milestone. This will permit careful consideration of the infrastructure support requirements levied by and on the program in question, and will allow sufficient time for a thorough (and iterative, if necessary) document review process to take place. The notional timeline in the table below is offered as a guideline. Additional time may be necessary for very large or complex programs.

Table 1. Notional ISP Development Timeline

Activity	Timeline
Start initial plan preparation	Minimum of 1 year prior to the program's next major milestone
NAVAIR ISP review	Approximately 21 days
Navy internal review	Approximately 30 days
Submission of initial draft (to OASD/NII)	At least 6 months prior to the milestone
Review of initial draft	Approximately 30 days
Comment roll-up and provision to program	Approximately 2 weeks
Program Office comment response and submission of the final draft for review	Approximately 30 days
Review final draft	3 weeks

- Updates/Revisions: Components shall keep the ISP current throughout the program's acquisition process. The ISP shall be formally reviewed at each milestone, at each block in an evolutionary acquisition, at decision reviews, as appropriate, and whenever the concept of operations or IT, including NSS, support requirements change. The ISP must be updated to accommodate any program changes incorporated in the CPD, and if the Net-Ready KPP threshold or C4ISR information support requirements for testing are updated, the TEMP also must be reviewed for possible revision. Close coordination with affected external organizations is essential!

- "Streamlined" ISP Process. With the promulgation of the "Information Support Plan (ISP) Acquisition Streamlining Pilot Program" memorandum, 26 Aug 05, OASD(NII) introduced a new model for ISP development and review, with two major changes to the existing process:
  - The new process shortens the review cycle for each ISP submission by eliminating the flag-level review stage. Instead, each ISP submission is subjected to a single 30-day review period.
  - An additional ("Revised") ISP is required to be submitted prior to the Critical Design Review (CDR).

  The PM should coordinate responses to comments received with each reviewer during the comment adjudication period for each review. A completed comment resolution matrix must be provided to JCPAT-E prior to the next ISP submission. The final, PM-signed and PEO/SYSCOM/DRPM-approved "ISP of Record" is submitted prior to Milestone C. Figure A-1 (above) reflects this new ISP process.

8.23. ISP Contents. The Defense Acquisition Guidebook, Chapter 7.3.6, provides a thorough description of the ISP's contents. Programs are well-advised to follow its guidance when developing their ISPs.

Some key things to note (also see Lessons Learned):

-
- Information Exchange Requirements (IERs)
  - A single IER represents a one-way transfer of an information element (aggregated to top-level)—if a needline between two nodes on an Operational Node Connectivity Description (OV-2) diagram represents a two-way communication requirement, it would be entered into the IER matrix (OV-3) as (a minimum of) two separate information exchange requirements. The needline can appear as a single line between nodes with arrowheads at each end to represent bi-directional information flows. All nodes referenced in an IER Matrix must be shown in the OV-2 diagram.
  - Note that System Data Exchange Requirements (DERs) captured in the SV-6 extend the OV-3 Operational IERs—DERs (the machine-to-machine subset of these exchanges) flesh out the connectivity relationships between functional nodes with specific platform and systems data exchange attributes. Also, non-data exchanges (such as analog voice communications) do not appear in the SV-6.

- Analysis. In Section 2 of the ISP, identify the requirements placed on C4ISR information systems external to the system being acquired. This includes any facility, platform, communications system/network, or database that provides information to, or receives information from the system being acquired. The primary purpose of this section is to identify all of the players and the requirements your system places on them, and analyze whether the needed support will be available at IOC. This analysis may identify requirements that must be addressed through an update of the CDD/CPD for either the system being acquired or another information consumer/producer system, or through development of a new Initial Capabilities Document.

- Relationship to the TEMP
  - The system description, including interfaces with existing or planned systems that are required for mission accomplishment, and interoperability with existing and/or planned systems of other DoD Components or allies, is summarized in Section 2 of the ISP. This is presented in Part 1.b of the TEMP.
  - C4I support required for the system's developmental and operational test and evaluation is also discussed in Section 2 of the ISP. This is translated into the TEMP's Future Test and Evaluation sections (both Developmental and Operational) as descriptions of how interoperability with other weapon and support systems will be tested.

- Potential Issues. Section 3 contains an honest appraisal of the program's risk relative to shortfalls in required C4I support capabilities, manpower, training, or doctrine. Specify the impact of failure to resolve the shortfalls in terms of inability to achieve threshold performance. If the system is relying on technology not currently available, this should be stated. If the system is relying on other systems under development, this should be stated. If the system is dependent on milestones of other programs, this should be addressed here. The solution to an identified shortfall may lie outside the control of the program office. Provide a recommendation identifying the organization with the responsibility and authority to address the shortfall.

- C4ISR Architectures. DoDI 4630.8 requires that the Systems Data Exchange Matrix (SV-6) be included in the ISP. It also states that "additional architecture products used in the ISP analysis will be provided in a separate appendix and referenced in the main body of the ISP." CJCSI 6212.01D lists the DoD Architecture Framework (DoDAF) products *required* for ISPs. However, other products (such as OV-3, SV-1) may need to be developed to provide the necessary foundation for the ISP analysis. The DoDAF is the DoD-wide reference for architecture construction, and it should be consulted by the WIPT to ensure that the architecture products conform to the architecture data standards.

- Tailored ISP (TISP). CJCSI 6212.01D, Enclosure C, Appendix B describes the Tailored ISP process. Program managers for ACAT II and below programs not designated OSD Special Interest by ASD(NII)/DOD CIO may request approval from Joint Staff/J-6I to tailor the content of their ISP. The Component will make the final decision of the details of the tailored plan subject to certain minimums and any special needs identified by the J-6 for the Interoperability and Supportability Certification process. Programs must request J-6 approval—via OPNAV N6F22—before submitting a Tailored ISP.

8.24. Who Reviews ISPs. Although DoDI 4630.8 specifically states that "The DoD Components shall manage the review of all ISPs within the Component organization," it also directs the ASD(NII)/DoD CIO to "lead a DoD-wide review of: ISPs for all ACAT I (ID and IC) and IA (IAM and IAC) acquisition programs; and ISPs for other acquisition programs in which ASD(NII)/DoD CIO has indicated a special interest." This means that ACAT II and below ISPs need not go through DoD-wide review unless they are designated "ASD(NII) special interest." However, the instruction also requires (as does CJCSI 6212.01D) that all ISPs—regardless of ACAT—be entered into the ASD(NII) ISP tool. (This is the venue for receiving the J-6 interoperability and supportability certification notifications.) See Chapter VII, Part C of this Guide, under "J-6 Assessment Tools," for more information on the ASD(NII) ISP tool. In accordance with NAVAIR Standard Work Package SWP4117-001, programs submit draft ISPs to the NAVAIR Air Systems Interoperability office (AIR-4.1.1.7) for review and comment prior to signature by the PM. Additionally, programs shall allow AIR-4.1.1.7 access to all architecture data developed during the ISP process.

8.25. Approval. After resolution of any outstanding issues and incorporation of the accepted changes, ISPs are approved by the PEO/SYSCOM/DRPM.

8.26. Lessons Learned

- The basis of a successful Information Support Plan is a thorough understanding of the underlying CONOPs for the system being described, especially the information management aspects. In order to construct architecture products that represent the C4ISR requirements of the system completely, the required operational capabilities and projected operational environment for the system must be clearly spelled out. Any questions involving potential connectivity requirements must be resolved before the ISP is finalized.

- Communities of Interest (COI) are the key to determining what data management strategy facets must be implemented by the program and what will be accommodated externally. Members of the COI(s) will collaborate and decide on key data elements, their authoritative sources, metadata tagging (both content and process (when/how)), and what net-centric enterprise services will be utilized and/or provided. See "Resources," below, for links to COI information.

- Currently, there are no *universal* (i.e., joint) architecture pick-lists from which to select functional node nomenclatures, activities, or information elements. For Naval programs, the Naval Architecture Elements Reference Guide includes the Common Systems Function List (CSFL), which must be used to identify applicable system functions in a Systems Functionality Description (SV-4). Additional architecture element references have been developed, to include the Common Operational Activities List (COAL), Common Information Element List (CIEL), Common Operational Node List (CONL), Common System Node List (CSNL), and Common System List (CSL). Other element descriptions are currently being developed under ASN(RD&A) CHSENG tasking. These lists can be accessed via the ASN(RD&A) CHSENG Naval Collaborative Engineering Environment (NCEE) at https://ncee.navy.mil, or directly at https://stalwart.spawar.navy.mil/naerg. *Note: ASN(RD&A) CHSENG, as a member of the DON Enterprise Architecture Coordination Board (EACB), is finalizing a policy memo and associated Configuration Management procedures. When promulgated, these will implement the DON policy for use of the Naval Architecture Elements Reference Guide.*

8.27. Resources

- ASN(RD&A) CHSENG NCEE, at https://ncee.navy.mil
- Defense Acquisition Guidebook, available at https://acc.dau.mil/dag
- DoD Architecture Framework, at http://www.defenselink.mil/cio-nii/docs/
- DoD CIO COI Resources, at http://www.defenselink.mil/cio-nii/coi/
- DoD COI Directory, at https://metadata.dod.mil/mdr/viewByCOIs.htm
- DoD COI Toolkit, at https://www.us.army.mil/suite/page/479547

8.28. POC: John Funk, Air Systems Interoperability, AIR-4.1.1.7, (301) 995-4261

CHAPTER VIII: PROGRAM AUTHORIZATION PROCESS

PART D: TEST AND EVALUATION MASTER PLAN (TEMP)

8.29. Overview. The TEMP defines overall structure and objectives of the test and evaluation program, integrating necessary developmental, operational, and live fire test and evaluation activities, resources, schedule, management strategy, and evaluation criteria in a framework sufficient for generating other detailed test plans, schedules, and documents. The TEMP may be a stand-alone document, or it may be included as the T&E management section of a Single Acquisition Management Plan (SAMP). TEMPs are required for all Navy ACAT programs at Milestone B. The TEMP is updated at FRP DR, reviewed for currency and updated, if required, at Milestone C. When the program changes significantly, TEMPs may be updated via a formal revision, however minor changes may be accomplished via an N091 published page change. A current approved TEMP is required for milestone decision reviews, for conducting operational testing, and for certification of readiness for operational test phases. The NAVAIR process for TEMP drafting and approval is contained in the draft NAVAIRINST 3960.2D.

8.30. Reference Documents:

DoD Directive 5000.1
DoD Instruction 5000.02
Defense Acquisition Guidebook
SECNAVINST 5000.2E
NAVAIRINST 3960.2

8.31. Process. A completed TEMP is the culmination of a comprehensive coordinated effort between the PMA; the developmental test activities (both contractor and government), live fire test and evaluation, and operational test agencies; N912; the program sponsor; and in the case of oversight programs, the Office of the Secretary of Defense (OSD). The TEMP process steps and associated notional timeframe are outlined in the following table:

PROCESS STEP	AVG TIME (not including issue resolution delays)
Obtain Test and Evaluation Identification Number (TEIN)	1 to 2 weeks
TEMP Drafting and Review (May require multiple Test and Evaluation Working Level IPT (T&EWIPT) meetings)	Normally 3 months. Can be up to 6 months
AIR-5.1.1 TEMP Executive Strategy Review (ESR)	1 week
O-6 Review	1 month
Post O-6 Review T&E WIPT	2 weeks
PMA Approval and Submission	1 week
Approval (ACAT Dependent)	ACAT I - 5 months ACAT II - 4 months ACAT III - 3 months ACAT IVT - 2 months ACAT IVM - 1 month Software Qualification T&E (SQT&E) - 2 months

8.32. TEIN. Test and Evaluation Identification Numbers (TEINs) are used as a tracking number, among other purposes, for acquisition test programs. In general, a signed requirements document (e.g. ICD, CDD, and CPD) is

required before a TEIN is assigned. The Program Office Assistant Progam Manager for Test and Evaluation (APMT&E) requests a TEIN via N88 and N912 assigns a TEIN that is used as the TEMP number.

8.33. Development. Key document inputs to the TEMP are: Initial Capabilities Document (ICD), Mission Needs Statement (MNS) (the MNS is a legacy document replaced by the ICD), the Analysis of Alternatives (AoA), Capabilities Development Document (CDD), Capability Production Document (CPD), Operational Requirements Document (ORD) (the ORD is a legacy document replaced by the ICD, CDD, and CPD), Software Statement of Functionality (SOF) (for software TEMPs), and the Capstone System Threat Assessment Report (CSTAR). The TEMP format found in the DoD Defense Acquisition Guidebook, is required per the SECNAV 5000.2. Deviation from the format must be approved by N912. Use of T&E WIPTs is strongly recommended because they bring together all parties who have a stake in the TEMP to plan test strategy, determine scope of testing and resources required, and document the agreements in the TEMP. **Start early because TEMP development may require 6 months or longer.**(see above table).

8.34. AIR 5.1.1 ESR. After the TEMP is mature and before it is distributed for 0-6 Review, an ESR shall be conducted. The ESR is a competency "graybeard" review to evaluate the draft TEMP for technical correctness, and adherence to DoD, OPNAV, and NAVAIR instructions and guidance.

8.35. O-6 Review. When the TEMP is reasonably mature, it is distributed at the 0-6 level in parallel to all organizations that sign the TEMP. PEO staff review is considered part of the 0-6 review process. One month is the recommended timeframe for each organization to staff the draft TEMP for comments.

8.36. Approval. TEMP routing and typical approval durations are ACAT dependent. **The approval process can be up to 6 months for ACAT IC/D programs, so prior planning is needed** (see above table).

8.37. Lessons Learned. Early involvement of the Operational Test Agency and DOT&E is crucial. Ensure sufficient time is allocated for TEMP review, re-write, and approval. T&E WIPTs are critical to timely TEMP development/updates, and to resolving issues and ensuring operational requirements, thresholds, resources, certification requirements and overall developmental, operational and integrated test plans are clear, accurate and consistent with overall strategy and other documentation.

8.38. POC: J. R. Mathers, AIR-5.1.1.4, (301) 757-9901

CHAPTER VIII: PROGRAM AUTHORIZATION PROCESS

PART E: PROGRAM TAILORING/STREAMLINING

8.39. Source Documents:

DoDD 5000.1
SECNAVINST 5000.2E

8.40. Purpose

8.40.A. DoDD 5000.1, para 4.3.1: "There is no *one* best way to structure an acquisition program to accomplish the objective of the Defense Acquisition System. MDAs and PMs shall tailor program strategies and oversight, including documentation of program information, acquisition phases, the timing and scope of decision reviews, and decision levels, to fit the particular conditions of that program, consistent with applicable laws and regulations and the time-sensitivity of the capability need."

8.40.B. As noted above, responsibility for program tailoring/streamlining lies with a program's PM and Milestone Decision Authority (MDA). As long as tailoring is consistent with any applicable statutory requirements, the MDA has full authority to reduce, consolidate, or eliminate any procedures or documents that do not add value to executing the program. A prime example of tailored procedures would be the combination of two or more milestone reviews, or the elimination of Milestone B and/or the Engineering and Manufacturing Phase for a program where there is no Navy development effort.

8.41. Discussion. While the final decision on tailoring/streamlining rests with the MDA, the key to tailoring in regards to a particular program lies with the PM or IPT lead, who is obviously best situated to identify and recommend what should or shouldn't be tailored in regards to his or her program. DoDI 5000.02 establishes the key issues that must be formally addressed at a milestone review. Milestone documentation serves as a vehicle to address these key issues. If a particular document or part of a document does not show how a PM is addressing a key issue, then it is likely that preparation of that document does not help in program execution but simply utilizes program resources that could best be applied elsewhere. The same would apply to non-statutory procedures or reviews. In such situations, the PM needs to bring tailoring proposals to the attention of the MDA for a final decision.

8.42. Responsibilities. The exact mechanics of how a PM submits a proposed tailoring approach will vary from MDA to MDA, but the key is to get the MDA's concurrence as far in advance of the next milestone or decision review as possible. That way there will be little chance for any last minute surprises just before the program is ready to go to the milestone or decision review.

8.43. Lessons Learned

8.43.A. As a general rule, the lower a program's ACAT designation, the more likely it will be a candidate for tailoring/streamlining.

8.43.B. Capabilities documents are the responsibility of OPNAV, no matter who actually writes them. PMs should work with their OPNAV Sponsor as to how to tailor such documents.

8.43.C. For less than ACAT I programs, there are relatively few acquisition documents required by statute. Prime examples of such documents are the Acquisition Plan (only required if certain dollar thresholds are breached – see Chapter VII, Part B of this Guide); the Environmental, Safety, and Health Evaluation; and the Operational Test and Evaluation Report (except for ACAT IVM programs). PMs should consult Chapter 2, Table E2T1 of SECNAVINST 5000.2E to ascertain which documents are required by statute.

8.43.D. Tailoring for ACAT IC and II programs should be coordinated with OASN(RD&A). PMs for whose programs a PEO is the MDA, should consult with their respective PEO acquisition support staff as to the mechanics of how to present tailoring proposals to their PEO for delegated ACAT III and ACAT IV programs. For programs that have AIR-1.0 as MDA, AIR-1.0D should be consulted.

8.43.E. The bounds of tailoring are limited, aside from statutory requirements, only by our own common sense as to what is needed and not needed to execute programs smartly and to ensure that our limited resources are used in the most efficient and effective manner possible.

8.44. POC: Lola Scott, AIR-1.1, (301) 757-7228

CHAPTER IX: PROCUREMENT PROCESS

PART A: PID PROCESS

9.1. General Discussion. The Procurement Initiation Document (PID) process is initiated with the identification of the program procurement requirement by the program manager (PM). This may be a new requirement or a modification to an existing requirement. NAVAIRINST 4200.37B, dated 27 August 2010, describes the PID process from identification of a requirement by the PM up to the time that Contracts releases a new solicitation to industry, or a modification or order is incorporated into an existing contract. Other funding type PIDs issued through AIR-10.2 (Comptroller and Financial Management Department) to agencies external to NAVAIRHQ may include Military Interdepartmental Purchase Requests (MIPRs), Project Orders (POs), Requests for Contractual Procurement (RCPs), etc. NAVAIRINST 4200.37B focuses on increased flexibility in process procedures to allow for tailoring to meet procurement milestones. It reinforces the leadership role of the PM and empowers the Integrated Program Team (IPT) members to make decisions for their competency. The process goals include:

9.1.A. Ensuring up-front planning and requirements definition, and getting consensus from the IPT on specific services to be procured, as well as establishing the contract line item structure **before** the IPT drafts a PID.

9.1.B. Building a strong, dedicated procurement team led by the PM or designated representative and committed to defining and preparing a quality PID.

9.2. What to Concentrate On

9.2.A. Planning

9.2.A.i. The PM issues a requirements letter to the IPT defining the basic (draft) program procurement requirements and scheduling a Procurement Planning Conference (PPC) for more in-depth discussion. Since the purpose of the PPC is to have well prepared IPT members discuss and reach program requirement and schedule decisions, pre-PPC meetings should be considered to clarify issues and concerns to help with this preparation. The decisions reached at the PPC (see para 9.2.B) should then be documented in a Procurement Planning Agreement (PPA). Allow 18-24 months from requirements definition to contract award/funds obligation. NAVAIR's objective is to have funds obligated as soon as possible following receipt of funds, but not later than 1 April (before mid-year reviews) of the fiscal year of funding availability. During briefings on the process, questions may come up such as, "Why do you start 2 years in advance for an APN-5 OSIP (Operational Safety Improvement Program) program?" You do not have to begin immediately, but the IPT must plan for what needs to be accomplished, and when to start that activity in order to achieve timely contract award/funds obligation.

9.2.A.ii. Things to consider on an OSIP program include such items as: (1) Does a Basic Ordering Agreement (BOA) exist to allow placement of an order for the modification kit? If one exists, will it still be active the fiscal year in which funding becomes available? If the answer is no, you must start the procurement effort immediately. (2) Will Government Furnished Equipment (GFE) be required as part of the installation kit? Are there contracts available to purchase the items? Is coordination with another PMA, Service, or Agency required? Even if NAVICP procures the item for you, they will need advance-planning notification. (3) Have International Program customers been notified? (4) Should options be set up on future contracts to cover the entire OSIP program? (5) When is the Engineering Change Proposal (ECP) required? (6) When should the ECP be taken before the Change Control Board (CCB)? (7) Should PMA205 be notified for potential trainer modifications? These are some of the questions that should be addressed at the Program Planning Conference (PPC).

9.2.A.iii. For production aircraft programs, conduct of a Master Government Furnished Equipment List conference (MGFEL) (which identifies the configuration, quantity and timing of the items the Government must supply to the prime contractors), establishment of the contract line item structure, and development of an appropriate acquisition strategy are important steps. For Research and Development (R&D) programs, outlining what is needed to complete a successful milestone review, and determining where the product (hardware, analyses, reports, etc.) should come from, will assist in identifying what items in the contract line item structure and what data needs to be procured.

9.2.B. Requirements Identification**.** Program offices budget three years in advance using the Planning, Programming, Budgeting, and Execution (PPBE) process. Even though Congress may change the final outcome, there

is no reason not to initiate the PID process by identifying to the IPT on what requirements the budget input is based. Ensure the entire IPT via the PPC process knows what the program baseline is, and what constraints have been placed on the procurement (e.g., number of deliverables, timing for completion of tests to support milestone reviews, competition, small business, etc.). Do this in written form, so as the budget process continues and changes occur or IPT members change, there will be an audit trail for all participants. This written record is the PPA which documents the procurement requirement, the IPT members, and key procurement milestones, as well as actions/issues that must be addressed and resolved prior to contract award to include who is the lead for the action and the due date.

9.2.C. Scheduling. Set dates for completion of tasks and continuous monitoring of the achievement of those tasks. The final product cannot be successful unless the IPT leaders are constantly involved in making decisions, communicating changes, etc., to make it happen. REMEMBER, FOR ALL MAJOR PROCUREMENTS, THE PRODUCT AIR-2.0 RELEASES TO INDUSTRY AS A SOLICITATION MUST BE A TEAM EFFORT. IPT LEADERS CANNOT JUST ASSIGN THE PID EFFORT TO ONE PERSON AND SAY "MAKE IT HAPPEN". The success of the PID process is dependent on all competency members being involved, doing their portion, and commenting on the contribution of others so the final product is integrated and results in a quality PID with which Contracts can work to transform into a solicitation that is responsive to the procurement requirement.

9.3. Lessons Learned

9.3.A. Since the PMAs have the requirement to procure something (small or large), the responsibility lies with them to generate the PID and associated documentation (i.e., J&A, AP/AS, Spec, etc.). Some PMAs may assume it is the role of Contracts to prepare the PID since Contracts issues the solicitation. This is not true; the PMA has the responsibility to generate the documentation.

9.3.B. Designate one person in the PMA to coordinate, control and monitor the PID.

9.3.C. Include Foreign Military Sales (FMS) personnel when holding PPCs for FMS buys.

9.4. Reference Material

9.4.A Naval Air Systems Command PID Guide. This Guide describes in detail how to prepare a PID, which ultimately becomes a solicitation, contract modification, or change order. It contains examples of PID Sections B through H and J to provide preparation assistance, briefly describes the DoD acquisition process and how the procurement process is integrated with the acquisition milestones, discusses the role of the IPT members, the purpose of the PPC, and the importance of the Data Requirements Review Board (DRRB). The Guide is available at https://homepages.navair.navy.mil/pmcwebtool.

9.4.B NAVAIRINST 4200.37B, subj: The Procurement Initiation Document Process, dated 27 August 2010, delineates the PID process roles and responsibilities. It describes each player's part in the process and the thresholds and reasons for holding PPCs. An example of a PPA is provided as an attachment to this instruction. This instruction is also available at https://homepages.navair.navy.mil/pmcwebtool.

9.5. POC: Elveta V. Johnson, Acquisition Policy & Processes, AIR-1.1/AD-1.1, (301) 342-3410 and Stephen J. Weber, AIR-1.1/AD-1.1, (301) 342-7915

9.6 TYPES OF PROCUREMENT INITIATION DOCUMENTS

Document	Purpose
Procurement Initiation Document (PID)	Provides Contracts information necessary for appropriate procurement actions. NAVAIRINST 4200.37B delineates the PID process and responsibilities. The NAVAIR PID Guide details PID preparation.
FUNDING DOCUMENT TYPES OF PIDs	
Request for Contractual Procurement (RCP)	Requests contractual procurement from any Navy activity.
Project Order (PO)/Economy Act Order/Work Request	Limited to funding requirements for work or services to be performed by Navy recipient. Contractual effort cannot exceed 49% of document's reimbursable total.
Order for Work and Services/Direct Citation	Activity determines portion accepted direct cite. Contractual effort cannot exceed 49% of amount accepted on a reimbursable basis but is 100% of amount accepted on direct cite basis.
Allotments	Used to fund procurements when requirements are determined by receiving activity.
Military Interdepartmental Purchase Request (MIPR)	Request work, supplies, or services from other DoD activities (e.g., Army). Also provides funds for ordering items on NAVAIR contracts administered by Defense Contract Management Agency (DCMA).
Interdepartmental Purchase Request (IPR)	Used to procure services, supplies, etc., from activities outside DoD. Requires approval from the Office of Counsel (AIR-11.0) and Contracts (AIR-2.0).
Military Standard Requisitioning and Issue Procedure (MILSTRIP)	Used to requisition supplies or repair parts - from services' stock.
THE FOLLOWING ARE NOT CONSIDERED PIDS	
Data Sheet	PID/Procurement Request (PR)
Letter of Intent	To NWCF activities for procurement purposes when no other document will suffice.

CHAPTER IX: PROCUREMENT PROCESS

PART B: PROCUREMENT PLANNING CONFERENCE (PPC)

PM/IPT LEADER ISSUES PPC ANNOUNCEMENT →	**CONDUCT PPC** →	**PROG MANAGER PREP/COORD PPA** →	**PN CONTROL POINT ISSUE PN** →	**COMMENCE PID PREPARATION**

9.7. Notes

1. Procurement Planning Conferences (PPCs) are used to conduct advanced planning for procurements and Engineering Change Proposals (ECPs).

2. Program Managers (PMs) should allow 2 to 3 weeks from PPC announcement to Procurement Planning Agreement (PPA) signature. Multiple meetings are often required.

3. Processing time for PPC events may vary, depending upon the nature/complexity of the required procurement.

9.8. Purpose. Acquisition of Naval Aviation systems, equipment, software, and contractor support services by NAVAIR is accomplished through the generation of a Procurement Initiation Document (PID) and subsequent award of a contract. PIDs may also be the result of an upgrade or modification to a system as reflected in approved ECPs. Key to the development and timely award of quality contractual vehicles is the proper use of advanced procurement/obligation planning, accomplished through the conducting of PPCs. The PPC is a formal procurement team meeting (or series of meetings) arranged and conducted by the PM in advance of procurement initiation to: (1) identify and/or verify procurement team members; (2) establish a common procurement requirements baseline; (3) establish mutual agreement on the appropriate procurement strategy; (4) acquaint IPT members with issues or technical tasks that must be resolved and/or accomplished prior to release of the solicitation; and (5) establish a schedule for the preparation, review, and processing of procurement documentation from the results of the PPC to contract award. The results of the PPC are documented in the form of a PPA, which is approved by the PPC principals. The approved PPA represents a commitment by all parties, establishes accountability for all required actions, and serves as the PM's management plan to monitor the progress of the procurement action. The key PPC events also serve as milestones to be used by the PEO, PM, and the program team members to track the progress of the procurement and ECP actions that are equal to or greater than $1 million in value. Note: Since IPT members at the PPC should be prepared to discuss and reach program requirement and schedule decisions, pre-PPC meetings should be considered to clarify issues and concerns to help with this preparation.

9.9. Source Documents: NAVAIRINST 4200.37B, and the NAVAIR PID Guide

9.10 Critical Prior Events. The PPC is the first event in the generation of a PID. The PPC should be held as soon as the procurement requirement has been identified. Three related activities precede the PPC: (1) PM identification of the procurement requirement; (2) initiation or update of the Acquisition Plan (AP)/Acquisition Strategy (AS); and (3) initiation of Clinger-Cohen compliance activity. These efforts should be completed prior to PID initiation. Market Research in accordance with FAR Part 10 should be completed prior to initiation or update of the Acquisition Plan.

9.11. PPC Attendees. The PPC is called and scheduled by the cognizant PM. Attendance may vary from PPC to PPC depending on the procurement, but generally includes cognizant NAVAIR offices directly involved in preparation, review, and approval of the PID. For new procurements, the PPC will normally include: (1) the PM (PPC Chairperson or designated representative); (2) the PID originator; (3) the assigned Assistant Program Manager for Logistics (APML) and Industrial Operations, AIR-6.0; (4) the assigned Assistant Program Manager for Systems Engineering (APMSE Class Desk), AIR-4.0; (5) the assigned Assistant Program Manager, Test & Evaluation (APMT&E), AIR-5.0; (6) the Procuring Contracting Officer (PCO), AIR-2.0; (7) the assigned Cost Team Leader, AIR-4.2; (8) a representative from the Comptroller's office, AIR-10.0; (9) a representative from the Office of Small Business Programs, AIR-09D; (10) a representative from Business and Financial Management , AIR-7.8; (11) a representative from Security, AIR-7.4; and (12) a representative from Office of Counsel, AIR-11.0. If formal source selection procedures are required for a competitive procurement, a representative from AIR-4.10C should be included as a member of the PPC. Additional

members may be invited to attend at the discretion of the PM. For smaller procurements, full attendance by all of the above-cited representatives may not be required.

9.12. The Procurement Planning Agreement (PPA). The results of a PPC are recorded in a PPA. The PPA represents an informal "contract" among the PPC principals. It identifies events and projected dates required to affect timely contract award, and records action assignments as a result of discussions held to establish an appropriate procurement strategy. The resultant PPA contains the following procurement information: (1) PID number and procurement item nomenclature; (2) date of PPC meeting(s); (3) list of PPC(s) attendees; (4) topics discussed and action item(s) assigned (with action code and due date) at the PPC(s); and (5) dates for submission of the PID to AIR-2.0, solicitation release date, and target contract award date. Upon approval, copies of the PPA are provided to the PPC principals.

9.13. Responsibilities. The PM is responsible for calling the PPC, preparing and coordinating the PPA, distributing copies to all participants (within 5 workdays after the PPC), and holding the procurement team accountable for schedule and products. The following page provides the PID numbering scheme and attendant PPC requirements. PPC attendees are expected to be trained, knowledgeable of their functional policies/procedures for the competencies they represent, and empowered to make commitments on behalf of the functional competency manager. This will reduce and/or virtually eliminate the need for subsequent staffing of the PID to higher management levels within the competency.

9.14. Lessons-Learned

9.14.A. Too often, PPCs are held for the primary purpose of establishing schedule agreements. While this may be appropriate for routine/follow-on procurements, it is inadequate for new procurements or procurements facing unique issues. NAVAIRINST 4200.37B provides a recommended checklist of discussion topics, which should be reviewed and discussed to surface issues that could impact the PID process and affect timely contract award/fiscal obligation.

9.14.B. While PPC-type reviews should precede each procurement, the review and the required participants should be tailored for each requirement. PPCs for routine follow-on procurements will differ from those for new procurements. Some procurement actions may not necessitate the need for a formal PPC (e.g., admin changes, changes to CDRL, funding documents, etc). However, this should be verified by the PM (or designated IPT representative) with advice of the designated PCO, prior to issuance of the PID number and initiation of the PID. Additionally, the PM should recommend a PPC if programmatic changes are encountered that might impact the procurement strategy or schedule.

9.14.C. PPC attendees should be knowledgeable of the practices and policies of their competency. The PM has the right to expect IPT members to be skilled in their respective areas and empowered to contribute to a quality product. Additionally, the PM must be able to expect schedule adherence by the IPT members to a plan of action and milestones mutually agreed to by PPC participants.

9.15. POC: Elveta V. Johnson, Acquisition Policy & Processes, AD-1.1, (301) 342-3410

9.16 PROCUREMENT CATEGORY CODING DETAIL

CATEGORY "P1" - N00019-XX-P1-XXXXX (MAJOR)

- New program/equipment starts (Research, Development, Test and Evaluation (RDT&E), production, logistics)
- Follow-on hardware procurement (examples follow)
  - Aircraft/Government Furnished Equipment (GFE)/Missile and Components/Support Equipment (SE)/Air Traffic Control (ATC)/Imaging Systems/Launch and Recovery Systems
  - Independent (stand-alone) Foreign Military Sales (FMS) Solicitations for above
- PPC Required

CATEGORY "P2" - N00019-XX-P2-XXXXX (BASIC ORDERING AGREEMENT (BOA))

- PIDs to establish BOA
- PIDs to place BOA orders (with changes required to basic BOA)
- PIDs to place BOA orders (with no change required to basic BOA)
- PIDs to modify or amend BOA
- PPC required for BOAs and BOA orders

CATEGORY "P3" - N00019-XX-P3-XXXXX (OPTIONS)

- Exercising an established option (all types) where changed requirements (e.g., scope of effort, schedule, specification) must be addressed
- Exercising an established option (all types) with no changes
- No PPC is required except when exercising the option is not routine

CATEGORY "P4" - N00019-XX-P4-XXXXX (PROVISIONED/MISCELLANEOUS/MINOR)

- General one-time/miscellaneous/provisioned/line item type requirements
  - One-time microcircuit obsolescence buy
  - Production program spin-off or stand-alone Research and Development (R&D) contracts (engineering studies/ investigations, non-recurring engineering, etc.)
  - Production line support (e.g., test equipment/bailment/lay-way)
  - Spares procurement (as add-on to production buy)
  - Repair of Repairables (ROR) contracts
  - Establish, new provisioned line items (for future consideration)
- PPC optional depending on specific PID

CATEGORY "P5" - N00019-XX-P5-XXXXX (CONTRACTOR CONSULTING SERVICES (CS))

- PIDs to establish basic CS type contract
- PIDs* to place orders against CS contracts
- PPC required for new contracts. PPC not required for individual orders.

CATEGORY "P6" - N00019-XX-P6-XXXXX (SBIR)

- Small Business Innovation Research (SBIR) Program – Phase I
- SBIR – Phase II
- PPC optional for Phase II SBIR requests

CATEGORY "P7" - N00019-XX-P7-XXXXX (CONTRACT/FUNDING/OTHER)

- Largest Category of PIDs for admin/funding etc., type requirement
  - Incremental funding/late funds/line of accounting change
  - CDRL changes/address changes/code changes/part number changes, etc.
  - Change established contract quantities or delivery schedule
  - Solicitations providing funds for change orders for Engineering Change Proposals (ECPs) (Change Control Board (CCB))
  - Spec/SOW changes
  - Adding new line items other than provisioned line items or spares
  - Revised DD Form 254 contract security classification requirements

CHAPTER IX: PROCUREMENT PROCESS

PART C: DATA MANAGEMENT

9.17. Purpose. Data Management is the process of applying policies, systems, and procedures for the identification and control of data requirements for the distribution or communication of the data to point of use; and for analysis of data use. To ensure only minimum essential data is acquired, the data requirements shall be clear, concise, justified, and in accordance with the Statement of Work (SOW). Planning for the acquisition of data is required by the FAR and the Defense Federal Acquisition Regulation Supplement (DFARS) in order for the DoD to carry out missions and programs. Data is required by the Program Manager (PM) and the acquisition team to assure competition among contractor sources; fulfill certain responsibilities for disseminating and publishing the results of acquisition activities; ensure appropriate utilization of the results of research, development, and demonstration activities including the dissemination of technical information to foster subsequent technological development; and meet other programmatic and statutory requirements.

9.18. Source Documentation:

DFARS
Department of Defense Instruction (DoDI) 5000.02, Operation of the Defense Acquisition System
DoD 5010.12-M, Procedures for the Acquisition and Management of
Technical Data Acquisition Streamlining and Standardization Information System (ASSIST):
http://assist.daps.dla.mil/online/start/
SECNAVINST 5000.2E, Implementation and Operation of the Defense Acquisition System and the Joint
Capabilities Integration and Development System
MIL-STD-963B, Department of Defense Standard Practice Data Item Descriptions (DIDs)
NAVAIRINST 4200.21D, Data Requirements Review Board (DRRB)
Department of Defense Handbook Acquisition Data Management MIL-HDBK-X132 (DRAFT)
NAVAIR Program Management Community (PMC) Web Tool:
https://homepages.navair.navy.mil/pmcwebtool/index.cfm

9.19. Responsibilities

9.19.A. PMs are responsible for ensuring their data requirements comply with the policy and procedures set forth in DFARS, DoDI 5000.02, DoD 5010.12-M, and NAVAIRINST 4200.21D.

9.19.B. AIR-1.1 is responsible for providing policy and guidance governing the acquisition and management of data, including the processing of all repetitive Data Item Descriptions (DIDs) and approving all One-Time DIDs.

9.19.C. AIR-1.1 will provide advisory support and assistance to the PMAs as required to establish a formal Data Requirements Review Board (DRRB), and ensure data management policy and procedural changes are communicated to the PMAs. When requested by the PM, AIR-1.1.shall provide assistance in developing standard operating procedures, IAW NAVAIRINST 4200.21D.

9.20 Lessons Learned. Acquisition of data and tailoring data requirements will be discussed as part of the Procurement Planning Conference (PPC) with the appropriate Integrated Program Team (IPT) members and user community involved. Sufficient time should be allowed to produce a quality Performance Based Statement of Work and the minimum data requirements to support the specific Initial Capabilities Document (ICD) or Capability Development Document (CDD). It is imperative that DoD reduce the cost of data acquisitions, such as requesting data in contractor format versus unique DoD format, and ensuring only essential and minimum data is procured. With realistic time schedules established, the rework of Procurement Initiation Documents (PID) can be reduced.

9.21 For additional information on Data Management and One-Time DIDs, please visit the PMC WebTool at https://homepages.navair.navy.mil/pmcwebtool.

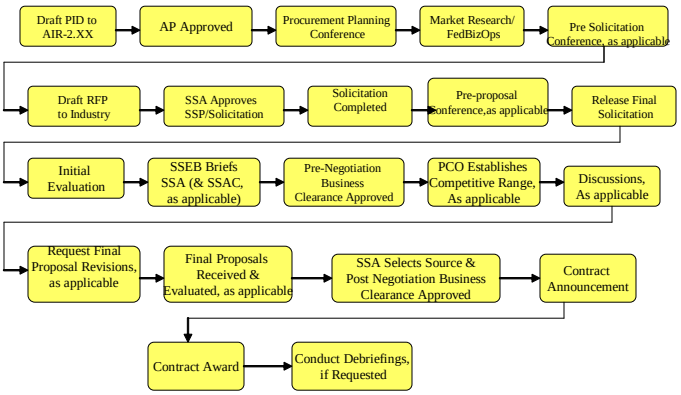
9.22. POC: Chirleen Eaton, AD-1.1.3, (301) 757-6677

CHAPTER IX: PROCUREMENT PROCESS

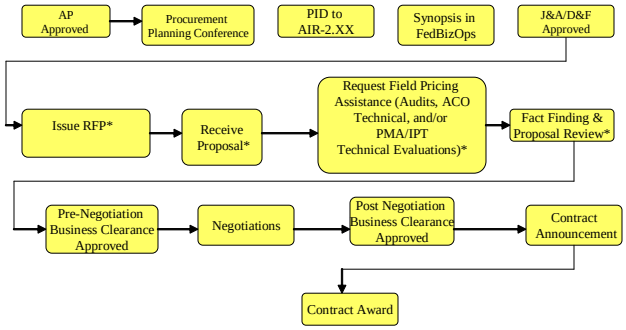
PART D: PROCURING ACTIVITY TO CONTRACT AWARD

9.22. Flow Process. FOR MAJOR DOLLAR VALUE CONTRACTS OF $50M OR GREATER

9.22.A. COMPETITIVE PROCUREMENTS, Typical Events



9.22.B. NON-COMPETITIVE PROCUREMENTS: Typical Events



*In Alpha Acquisition, these steps are concurrent vice linear.

9.23. Purpose. AIR-2.0 is tasked to provide contracting for hardware and services to support the NAVAIR mission. As a major systems command, the contracting effort at NAVAIR is oriented toward those items that are complex and of significant value. For non competitive procurements, the Acquisition Plan (AP), if required, should be submitted to the approval authority (PEO or AIR-1.0) at least 60 days prior to submission of the J&A to ensure that the AP is approved prior to the J&A being forwarded. If events require that the J&A and AP be submitted concurrently, forward the J&A under a cover memo that explains the situation and provides the rationale for why the AP was not submitted earlier. A J&A may be submitted for approval without an approved AP, provided a waiver of the timing of the AP preparation has first been obtained from the AP approval authority.

9.24. Source Documents:

Federal Acquisition Regulations (FAR)
DoD FAR Supplement (DFARS)
Navy Marine Corps Acquisition Regulation Supplement (NMCARS)
Various NAVAIR instructions regarding procurement of supplies and services

9.25. Responsibility. Contracting Officers are responsible for ensuring all requirements of law, executive orders, regulations, and all other applicable procedures including clearances and approvals, have been satisfied in the best interests of the United States. Contracting Officers are given wide latitude to exercise business judgment, and the following actions are just a few required of Contracting Officers in the performance of duties:

9.25.A. Ensure sufficient funds are available for obligation;

9.25.B. Ensure contractors receive fair and equitable treatment;

9.25.C. Request and consider the advice of specialists in audit, law, engineering, transportation, and other fields as appropriate; and

9.25.D. Document that the proposed contract is in the best interest of the Government.

9.26 Reviews and Approvals. The following is the main chain link progression for approvals and their impact on critical events:

9.26.A. The Acquisition Plan (when required: with a development contract worth more than $10M, or a production or service contract worth more than $50M (including all options) or more than $25M in any one fiscal year (see Chapter VIII Part B)) must be approved prior to synopsis;

9.26.B. The results of the synopsis should be known before J&A approval;

9.26.C. The J&A (if applicable) must be approved prior to release of the request for proposal (RFP);

9.26. D. Sec. 818, FY07 National Defense Authorization Act (NDAA) introduced new requirements for selecting contract type, implemented in DFARS 235 and DFARS 234:

9.26.D.1. For major defense acquisition programs as defined in 10 U.S.C. 2430, per DFARS 235.006(b)(i) and DFARS 234.004(2), the contract type for a major defense acquisition development program (i.e., ACAT I) must be selected by the Milestone Decision Authority (MDA) at the point a program enters Milestone B. While the contract type may be either fixed price or cost type, a cost type contract may only be selected if the MDA determines, in writing: (1) the program is so complex and technically challenging that it would not be practicable to reduce program risk to a level that would permit the use of a fixed-price type contract; and (2) the complexity and technical challenge of the program is not the result of a failure to meet the requirements established in section 2366a of title 10, United States Code.

9.26.D.2. For other than major defense acquisition programs, per DFARS 235.006 (b)(ii)(A)(3)(ii), fixed-price development contracts over $25M are reviewed and approved by USD(AT&L) for research and development for a non-major system; the development of a major system (as defined in FAR 2.101); or the development of a subsystem of a major system; or by the contracting officer for any development not covered by the foregoing. In addition, obtain USD(AT&L) approval of the Government's pre-negotiation position before negotiations begin, and approval of the negotiated agreement with the contractor before the agreement is executed, for any action that is: 1) an increase of more than $250M in the price or ceiling price of a fixed-price type development contract, 2) a reduction in the amount of work under a fixed-price type development contract when the value of the work deleted is $100M or more, or 3) a repricing of fixed-price type production options to a development contract which increases the price or ceiling price by more than $250M for equivalent quantities;

9.26.E. Additionally, the USD(AT&L) shall be notified, within a reasonable period of time before option expiration, of the intent not to exercise a fixed-price type production option on a development contract for a major weapon system; all notifications and requests will be forwarded to USD(AT&L) via ASN(RD&A);

9.26.F. Pre-negotiation clearances will be prepared and approved prior to entering negotiations for sole source acquisitions and prior to making a competitive range determination in competitive acquisitions;

9.26.G. Notification to Congress is required prior to any contract award greater than $5.5M; and

9.26.H. Post negotiation clearances will be prepared at the conclusion of negotiations for sole source acquisitions and prior to source selection in competitive acquisitions.

9.27. Lessons Learned

9.27.A. THINK COMPETITION!!! (See Chapter XII, Part A). The time spent in the approval process for a sole source can in many cases exceed the time required to get a competitive contract in place. Check with NAVICP and AIR-6.0 for suppliers and data that could enable a competitive acquisition. If the item is clearly sole source, then the strongest possible justification should be presented from the beginning and in advance of the AP submission.

9.27.B. In compliance with NAVAIR policy, the program/acquisition manager should form a team represented by all competencies to ensure all aspects of the contract and all requirements of the system/service being procured are identified up front. The time spent here can save rework and frustration later.

9.27.C. Keep the contracting officer informed of changes in quantity or requirements. Try to structure quantity options for both the current fiscal year and future fiscal years whenever feasible.

9.27.D. Use the influence of the contracting officer with the contractor to reinforce the one face to industry precept. When contractors know that they cannot run the negotiations, they will come to a settlement agreement earlier.

9.27.E. For aggregate requirement type actions, changes can not only slow your program, but many others as well. Identification of requirements is probably the single most difficult and most important issue. Use of options within fiscal year buys is a very powerful tool.

9.27.F. Past performance/systemic improvement is now evaluated in virtually all competitive contracts, providing an opportunity to focus on specific performance criteria deemed important in selection of a contractor.

9.27.G. Actively seek out, and discuss with contracting officers, contracts that would be suitable candidates for multiyear procurement. Use of multiyear contracts provides for level pricing of requirements and can save money since it usually results in purchase of economic order quantities and reduces the contractor's risk in purchasing long lead items and committing to expensive up-front set-up costs.

9.27.H. Look for areas of larger competitive or non-competitive procurements, which can be broken out for 8(a) procurement or small business competition. Look also for areas of possible subcontractor competition. These will increase our potential for meeting our assigned competition and small business goals.

9.27.I. In order to streamline the acquisition process, make maximum use of a standard source selection plan, consider carefully the use of options (tying the exercise of them to development milestones where possible, and encourage contractors to use electronic submission of proposals and discuss with the contracting officer the potential use alpha acquisition where circumstances warrant.

9.28. POC: Contact the cognizant program contracting officer or, Contract Policy Management Division, AIR-2.1.1, (301) 757-6596.

CHAPTER X: MANAGING PROGRAM MODIFICATIONS

10.1. Source Document:

SECNAVINST 5000.2E, Chapter 1, Paragraph 1.5.5 and Table E1T2

10.2. Discussion

10.2.A The chart on the next page, extracted from SECNAVINST 5000.2E, summarizes the various modification scenarios and the associated actions required of the program manager, CNO/CMC sponsor, and the Milestone Decision Authority (MDA).

10.2.B. Historically, modifications that, due to their cost and complexity, meet the ACAT I designation qualifications have been managed as separate ACAT I programs. Modifications that are below the ACAT I dollar thresholds will be considered part of the program being modified. Such modifications will not require a separate ACAT designation unless: 1) the program being modified is out of production or is in production but does not have an ACAT designation, and 2) the modification exceeds the dollar thresholds and test criteria for being classified as an Abbreviated Acquisition Program (see Chapter VII, Part A). If the program being modified is in production but does not have an ACAT designation, a single ACAT designation covering both the program and the modification(s) will be required. Of course, the MDA always has the option of directing that a modification be managed as a separate ACAT program even if it does not otherwise qualify as such. In addition, a modification could conceivably cause a change in the ACAT level for an ongoing program, in which case an ACAT designation change request shall be submitted for approval.

10.2.C. A modification can result in revisions to the modified program's milestone information and affected documentation (e.g., Acquisition Baseline Agreement, Acquisition Strategy, Test and Evaluation Master Plan) that will need to be approved by the MDA and other required signatories.

10.3 POC: Lola Scott, AIR-1.1, (301) 757-7228

Table E1T2 Modification Initiation Process Conditions

(The answers to the questions in columns 1 through 4 will determine the row that most closely relates to your ongoing program characteristics and proposed modification)

Pgm being modified is an active ACAT?	Mod breaches APB threshold?	Mod requires additional funding?[7/]	Mod cost exceeds "Abbreviated Acqn Program" $criteria[4,5/]	PM action	CNO/CMC action[6/]	Program Decision Authority or MDA action
YES	NO	NO	YES [5/] or NO	Execute mod	Approve/validate CDD/CPD [2,5/]	None
YES	NO	YES	YES [5/] or NO	Prepare funding request Execute mod	Approve/validate CDD/CPD [2,5/] or requirement Provide funding	None
YES	YES	NO	YES [5/] or NO	Revise APB [1/] Revise Test and Evaluation Master Plan [2/] Execute mod	Approve/validate CDD/CPD [2,5/] or requirement Endorse APB [1/] Endorse TEMP [2/]	Approve APB [1/] Approve TEMP [2/]
YES	YES	YES	YES [5/] or NO	Prepare funding request Revise APB [1/] Revise TEMP [2/] Execute mod	Approve/validate CDD/CPD [2,5/] or requirement Provide funding Endorse APB [1/] Endorse TEMP [2/]	Approve APB [1/] Approve TEMP [2/]
NO	N/A	NO	NO	Prepare/submit AAP designa-tion request to approval authority Execute mod	Approve requirement	Approve AAP designation request
NO	N/A	YES	NO	Prepare/submit AAP designa-tion request to approval authority Prepare funding request Execute mod	Approve requirement Provide funding	Approve AAP designation request
NO	N/A	YES	YES	Prepare funding request Prepare APB [1/] Prepare TEMP [2/] Prepare ACAT [3/] desig request Execute mod	Approve/validate CDD/CPD [2/] Provide funding Endorse APB [1/] Endorse TEMP [2/]	Approve APB [1/] Approve TEMP [2/] Approve ACAT [3/] designation request

1/ "Prepare APB" is for the "modification only" if the modification is to be managed as a separate program. "Revise APB" is for the original ongoing program. See APB format in Defense Acquisition Management Information Retrieval (DAMIR) section of the Defense Acquisition Guidebook.

2/ If a new, or change to an existing, CDD/CPD or TEMP is required, see formats for CDD/CPD and TEMP in reference (c) and Defense Acquisition Guidebook, respectively.

3/ "Prepare ACAT designation request" is for the "modification only", unless the original program is still ongoing (i.e., in production), in which case the ACAT designation request shall encompass both the original program and the modification(s). See the ACAT designation request and ACAT designation change request content memorandum in the SECNAV M-5000.2 DON Acquisition and Capabilities Guidebook.

4/ $ criteria for "Abbreviated Acquisition Programs" is less than: for weapon system programs, $10M total development expenditure, $25M production or services expenditure in any fiscal year,

and $50M total production or services expenditure for all fiscal years; for IT programs, $15M program costs in any single year and $30M total program costs.

5/ If answer to column 4 is YES, an approved CDD/CPD or CDD/CPD revision is required.
6/ For IT programs, endorsement is provided by the IT functional area manager, approval is provided by the resource sponsor.

7/ For modifications that require additional funding, see ASN(RD&A) memorandum, Acquisition Program Cost Growth; Management of Engineering Change Proposals, of 21 May 2010.

CHAPTER XI: CONFIGURATION MANAGEMENT

PART A: CONFIGURATION MANAGEMENT POLICY AND PROCEDURES

11.1. Purpose. Configuration Management (CM) is a program management discipline comprised of the combined and systematic application of the following five elements: 1) **Planning and Management**; 2) **Configuration Identification**; 3) **Configuration Audits**; 4) **Configuration Change Management;** and 5) **Configuration Status Accounting**. CM Planning and Management provides the plan to manage the CM process for the context and environment in which CM is to be performed and to provide for monitoring and improving the CM processes. CM planning and management, over the product life cycle, results in defined and effective CM elements. The purpose of CM is to provide an accurate systematic means for documenting and controlling the engineering design of material items so that contract requirements, operational readiness, logistics, and life cycle costs can be properly regulated. Depending upon the complexity of the material item being acquired and the approved acquisition and logistics strategies involved, the application of CM can be rather simple or it can warrant the institution of an elaborate program. CM, when applied over the life cycle of a material item, provides the necessary visibility and control over the item's primary form, fit, function and interface (F3I) attributes as well as its life cycle costs. CM verifies that a material item performs as intended and is identified and documented in sufficient detail to support its projected life cycle requirements (i.e., fabrication or production, operation, maintenance, repair, replacement, and disposal). CM also facilitates the orderly management of change necessary for improving an item's capability, reliability, and maintainability, and correcting inherent design deficiencies. The minimal cost of implementing an adequate CM program is returned many times in cost avoidance. **The lack of a CM Program can become very costly and may result in catastrophic consequences such as failure of equipment and/or loss of human life.**

11.2. Source Documentation and Guidance:

DoD Instruction 5000.02, 8 Dec 08
MIL-STD-973 Notice III, "Configuration Management," 13 Jan 95 (cancelled Sep 00, replaced by ANSI/EIA-649)
ANSI/EIA-836 “Configuration Management Data Exchange and Interoperability,” Jun 02
NAVAIRINST 4130.1D, "NAVAIR Configuration Management Manual,” 19 Dec 06
ANSI/EIA-649, "National Consensus Standard for Configuration Management,” 6 Aug 98
MIL-HDBK-61A, "Configuration Management Guidance,” 7 Feb 01

11.3. When Required. CM is required throughout the life cycle of a material item, from concept exploration through Fielding/Deployment, Operational Support, replacement, and disposal.

11.4. Background. The planning, application, and tailoring of CM requirements for a material item being procured must be documented in a CM Plan prepared by the designated Office of Primary Responsibility (OPR) (e.g. program/project/acquisition manager/Integrated Program/Product Team (IPT)). CM Plans must be maintained as living documents and revised as dictated by the life cycle acquisition requirements of the material item(s) being procured. Approved CM Plans and the establishment/use of formal Configuration Control Boards (CCBs) provide the critical foundation for a long and successful CM program. The cognizant OPR/IPT must work closely with the Program Management Configuration/Data Management Policy & Processes Division (1.1.3), Acquisition Policy and Processes Department (AIR-1.1), to ensure applicable CM Plans and associated contract requirements are adequate.

11.5. Critical Elements. In **Planning and Management** most configuration changes occur in a sole source environment, the initiation of an Engineering Change Proposals (ECP) should be a well-planned and coordinated effort between the government and contractor. A clear mutual understanding of the ECP objective, technical scope and the Government’s performance, cost and schedule constraints shortens the lead-time for ECP preparation. It also results in a complete and comprehensive proposal to facilitate timely and effective implementation. As with most processes, the three C’s: Communication, Cooperation and Coordination are the keys to assuring successful change processing. A Configuration Management Plan CMP includes:

- application of the appropriate level of CM functions throughout the product life cycle;
- assignment of CM functional responsibilities to various organizational elements;
- training of CM personnel and any others who have CM responsibilities;
- determination and application of adequate resources (including CM software tools) and facilities for product implementation;

- measurements as an indicator of performance and a basis for continuous improvement;
- performance of Configuration Management by suppliers and subcontractors;
- integration of the organization's product configuration information processes;
- protection of the intellectual capital of the organization; and
- much more.

Configuration Identification consists of (1) the systematic process of selecting the product attributes, organizing associated information about the attributes, and stating the attributes. (2) unique identifiers for a product and its configuration documents. (3) configuration management activity that encompasses selecting configuration documents; assigning and applying unique identifiers to a product, its components, and associated documents; and maintaining document revision relationships to product configurations. **Configuration Audits** are used to verify that the product has achieved its required attributes (performance requirements and functional constraints) and the product's design is accurately documented and will satisfy life cycle requirements. Product configuration verification accomplished by inspecting documents, products and records; and reviewing procedures, processes, and systems of operation to verify that the product has achieved its required attributes (performance requirements and functional constraints) and the product's design is accurately documented. Sometimes divided into separate functional and physical configuration audits. **Configuration Change Management** is used to (1) ensure that changes to released configuration documentation are properly identified, documented, evaluated for impact, approved by an appropriate level of authority, incorporated, and verified. (2) configuration management activity concerning: the systematic proposal, justification, evaluation, coordination, and disposition of proposed changes; and the implementation of all approved and released changes into (a) the applicable configurations of a product, (b) associated product information, and (c) supporting and interfacing products and their associated product information Configuration control is accomplished primarily through the use of ECP approved by a CCB. **Configuration Status Accounting (CSA)** is the configuration management activity concerning capture and storage of, and access to, configuration information needed to manage products and product information effectively and is used to record the implementation of approved configuration changes to a material item and its approved documentation. All four of these CM elements are critical to establishing a successful CM Program. The overall success of a CM program is dependent upon initial OPR/IPT planning and contractual application, especially the CM Statement of Work (SOW). Additionally, a special Section "H" contract clause, entitled "Configuration Control Procedures," should be included in acquisition contracts for designating the approval authority for Class I & II ECPs and Requests for Minor & Major Deviations (RFDs). (See MIL-HDBK-61A).

11.6. Responsibilities. AIR-1.1.3 is responsible for developing and maintaining the CM policy and procedures governing Naval Aviation. This includes authorizing and administering Decentralized (PM Chaired) CCBs. When chartered by AIR-1.1.3 to operate a Decentralized CCB, PMs are agreeing to comply with the current CM policy and procedures of NAVAIRINST 4130.1D.

11.7. Configuration Steering Boards. ASN(RD&A) memo "Configuration Steering Boards" dated 7 May 2008, directs that the DON forum for CSBs will be Gate 6 Sufficiency Reviews and not Requirements Resources Review Boards (R3Bs). Appropriate OSD and Joint Staff personnel shall be invited to the Gate reviews. Each Gate 6 Review/CSB must satisfy criteria specified in the original CSB memo dated 30 July 2007 in order to successfully complete the review.

11.8. Lessons Learned

11.8.A. All acquisition programs are required to have CM Plans approved by AIR-1.1.3. Programs that don't have approved CM Plans eventually experience costly logistical problems with the material item(s) being delivered to the Fleet. This unfortunate scenario greatly diminishes our war-fighting capabilities.

11.8.B. The inadvertent or sometimes deliberate misclassification or downgrading of proposed Class I ECPs to Class II will inevitably result in costly acquisition and logistical problems, especially in the areas of supply/support (i.e., spare and repair parts).

11.8.C. The improper practice of using Rapid Action Minor Engineering Changes (RAMECs) to retrofit Class I ECP production changes will inevitably drive up life cycle costs. This is especially true of Operational and Support (O&S) Costs, because it forces Fleet personnel to perform a variety of unplanned and unbudgeted modification tasks.

11.8.D. Flight Clearances (FCs) do not and cannot be used to authorize configuration changes/modifications to Naval Aircraft. This authority, with the exception of the one aircraft prototype/modification allowed by OPNAV 4790.2,"Naval Aviation Maintenance Procedures (NAMP)", resides with the NAVAIRSYCOM Configuration Control Board (CCB) managed by AIR-1.1.3. Technical Directives (TDs) are increasing the costs of the Navy Flying Hour Program (NFHP) by redirecting maintenance funds to satisfy unplanned and unbudgeted maintenance actions. As a result, the NFHP is absorbing these additional costs at the expense of the entire NFHP program. During ECP staffing, cognizant Logistics Managers must identify and coordinate any real or potential NFHP cost impact with OPNAV (N88).

11.9. POC: Daniel K. Christensen, AIR-1.1.3, (301) 757-8065

CHAPTER XI: CONFIGURATION MANAGEMENT

PART B: ENGINEERING CHANGE PROPOSAL PROCESS

11.10. Purpose. Engineering Change Proposals (ECPs) are any alteration to a product or its released configuration documentation. Effecting an engineering change may involve modification of the product, product information and associated interfacing products and are generally requested from Original Equipment Manufacturers, Fleet Readiness Centers (FRCs), or any other Government or commercial source for incorporating design changes into material items.

11.11. Source Documentation/Guidance:

MIL-STD-973, "Configuration Management", 13 Jan 95 (cancelled Sep 00, replaced by ANSI/EIA-649)
ANSI/EIA-836, "Configuration Management Data Exchange and Interoperability," Jun 02
NAVAIRINST 4130.1D, "NAVAIR Configuration Management Policy," 19 Dec 06
ANSI/EIA-649, "National Consensus Standard for Configuration Management," 6 Aug 98
MIL-HDBK-61A, "Configuration Management Guidance", 7 Feb 01 (see Appendix D entitled "ECP Management-Guide")

11.12. Critical Prior Events. Conduct engineering investigations to define the scope of the change and find possible solutions to meet the identified requirement. Hold working meetings with contractors and cognizant field activities, logistics managers, and program management personnel to refine the change and establish an adequate acquisition strategy and plan. The PM/IPT initiates the Program Funding Change Proposal (PFCP) and budget process. The AIR-4.1 Class Desk or project engineer drafts the Procuring Contracting Officer (PCO) letter requesting the ECP. The PM ensures that there is an approved PFCP (if required), a decision memorandum and a proper CCB Request/Directive, including logistics impact, prior to submitting the ECP to the Change Control Board (CCB) for approval. Maximum use of Appendix D to MIL-HDBK-61A is recommended. This ECP management process was initially created by NAVAIRSYCOM and subsequently adopted for use by OSD and Industry.

11.13. Lessons Learned

11.13.A. NAVAIR typically processes between 900-1,300 Class I ECPs, Rapid Action Minor Engineering Changes (RAMECs), and Requests for Major Deviations per year.

11.13.B. The time frame for processing varies greatly from urgent safety related ECPs to routine ECPs/VECPs. Most ECPs require 60 to 90 days for approval**. The most prevalent cause for processing delays is lack of prior coordination and planning**. Many program offices fail to establish early acquisition strategies and plans for their ECPs. At times, even informal planning is overlooked. Good coordination between the Program Office/IPT, Class Desk, APML, PMA205 (Training/Trainer change incorporation responsibility) Contracts, and other Government/commercial resources in the planning and development stages of an ECP is essential to avoid program disaster. Poor planning causes excessive delays in ECP processing as a result of logistical problems or technically inadequate ECPS, which must be subsequently revised and resubmitted. Further delays occur due to lack of tracking and attention by functional managers. The primary delay in implementation of retrofit changes is due to the failure to anticipate the contracting administrative lead-time necessary for obtaining bilateral agreement and/or placing orders. With proper planning, parallel accomplishment of these administration times can be easily accomplished in a timely fashion. Experience has shown that the use of Appendix D to MIL-HDBK-61A, entitled "ECP Management Guide," has greatly reduced the ECP preparation, rework, and staffing time for programs which have adopted its use. The need for following these management techniques can not be overstated.

11.13.C. Many ECPs are not processed early enough to allow timely obligation of funds, which often results in budget cuts or reallocation of funds required to implement the change.

11.14. "**Two-Part ECP Process**" has been introduced to reduce the average ECP/modification cycle-time from initial funding to the last modification installation without sacrificing CM process integrity and discipline.
The Two Part ECP process allows PMs to obligate funding for specific non-recurring (NR) services and/or deliverables prior to the actual receipt and approval of a Major (Class I) ECP. Prior to implementation of this process, a complete formal ECP was required to be submitted and approved prior to the release and obligation of

any funding. The Two-Part ECP process will yield benefits to both government and industry by permitting shorter cycle times through earlier contractual commitment. Early NR activity will also lead to a higher quality formal ECP resulting in fewer changes and quicker processing.

"Pre-PBL (Product Baseline) Aviation Weapon Systems Process"
Configuration items used in supporting fielded aviation weapon systems prior to pre-production baseline requires authorization from the NAVAIR Configuration Control Board (CCB) prior to modifying more than one such configuration item. The purpose of this effort is to track and manage major changes incorporated into pre-production baseline systems. Changes that occur on Pre-PCA systems are documented via a letter from the Contractor to the Program Office then utilizing the NAVAIR Configuration Control Board process through the NAVAIR e.Power Workflow system to assign a Technical Directive number. This will allow a Contractor Field Mod team to incorporate necessary modifications to fielded aviation weapon systems during any convenient down time as agreed with the cognizant operational organization.

11.15. The ECP/CCB Review and Approval process has been automated as part of the NAVAIR e.Power Program. Use of the automated workflow tool to conduct ECP/CCB reviews and disposition greatly reduces ECP and CCB Request processing time.

11.16. POC: Daniel K. Christensen, AIR-1.1.3, (301) 757-8065

NAVAIR ECP Process (Planning)

OPNAV **PROGRAM TEAM** **OTHER SYSCOMS** **FLEET**

Operational Requirements Determination & Priorities Via the OAG Process

Planning and Development of the ECP Design and Installation Process

OAG Priority List & Operational Requirements

Interface Control Working Group MOA

POM/Budget Preparation & Submittal

Budget Approval and Appropriation

ECP Development by Program Team

Fleet Assessment/Input

ECP Review by Program Team

Fleet Assessment/Input

Budget Adjustments

ECP Staffing & Approval Process

Fleet Concurrence on ECP Required

CCB Approval of ECP

ACQUISITION

OPERATIONAL

*Shaded Blocks denote **Control** Activities*

NAVAIR ECP Process (Implementation)

OPNAV **PROGRAM TEAM** **OTHER SYSCOMS** **FLEET**

CCB Approval of ECP

Technical Directive (TD) Number Assignment

PMA Management of Program Execution

Sponsors / NAVAIR Functional Area Managers / SYSCOM Interfaces / TYCOMS / Other Fleet Reps

ECP Prototype, Validation by OEM & Verification by Fleet

ILS Checklist Review/Approval

Signed/Issued TD

TD Compliance & Reporting

Modification Complete

ACQUISITION

OPERATIONAL

*Shaded Blocks denote **Control** Activities*

CHAPTER XII: COMPETITION & SOURCE SELECTION

PART A: COMPETITION

12.1. Purpose. Competition is an issue that must be addressed at several points in a program or system's acquisition. Competition can be a powerful and beneficial method of contracting. Conversely, the reasons for not using competition can take time to be approved, and consequently can hold up approval of a program's overall acquisition strategy and of the Acquisition Plan document.

12.2. Background. Consideration of competition in contracting is required by law (Competition in Contracting Act (CICA) of 1984), regulation, and policy. To procure using other than competition requires obtaining specific exception authority, and in most cases approval in the form of a Justification & Approval or Determination & Findings.

12.3. Discussion

12.3.A. In the life cycle of a system acquisition, there are three basic types of competition – technical/design competition, production competition, and Maintenance & Logistics type competitions. Technical/design competition occurs early in the acquisition life cycle (during concept refinement, technology development, and/or early stages of engineering and manufacturing development (EMD)). The objective of concept refinement and technology development (TD) activities in the Defense acquisition life cycle and, therefore the purpose of design competition, is risk reduction, which can be achieved by selecting the one or more concepts or system(s) that will best meet the Government's needs from the competing alternative approaches proposed. Design competition involves two or more contractors competing separate designs without sharing information. A preferred evaluation strategy is to award the TD phase to more than one offeror and then conduct a limited competition at the end of TD to down-select to one contractor for performance of the EMD phase. Production competition, if it occurs, occurs later when the design specification is stable or when two or more contractors are producing similar or identical systems. Competing contractors may be proposing to the same Government-provided specifications. The objective is generally to obtain the required item at a lower cost or price. Maintenance and Logistics type competitions will be most likely conducted several years after production begins and the Maintenance approach is well established. The ability to compete Depot Level Maintenance depends on the extent to which the Government has data rights and the ability of contractors other than the Original Equipment Manufacturer (OEM) to make engineering dispositions.

12.3.B. Whereas technical/design competition is relatively short-lived, production competition may be beneficial throughout the production and maintenance phases, until a final competitive buy-out occurs. Production competition frequently requires competitors to build the same system and to share data and know-how. This often results in contractors teaming with one another, enhancing the maintenance of a competitive base.

12.3.C. A single, integrated procurement planning agreement should be developed that addresses all critical issues, including:

- Funding
- Schedule
- Configuration management
- Technology transfer
- Non-Developmental/Commercial Items
- Contractual arrangements
- Second source qualifications
- Conversion from CFE to GFE
- Small Business Participation

12.3.D. Under the best of circumstances, production competition for a major end-item is a complex undertaking. In some instances it is not possible or advantageous to pursue competition for the end item. The program manager must then aggressively pursue other techniques for controlling and reducing costs. Such strategies include:

- Subcontract competition
- Component/subsystem breakout
- Aggressive value engineering program
- Use of incentive or award fee contracts
- Should cost analysis of the sole source prime
- Product improvement of existing item
- Use of commercial "off-the-shelf" (COTS) and non-developmental item (NDI) products

12.4. Source Documents: Several detailed references on competition exist, including the Federal Acquisition Regulations (FAR) Part 15, the DoD FAR Supplement (DFARS) Part 215, the Navy/Marine Corps Acquisition Regulation Supplement (NMCARS) Part 5215, DoD Directive 5000.1, DoDINST 5000.2, NAVAIRINST 4200.39B, and various implementing Navy and NAVAIR instructions, including SECNAVINST 5000.2E and NAVAIRINST 4200.5C.

12.5. Summary. Competition offers substantial benefits. It also entails some risks. Competition planning must be an integral part of the overall acquisition strategy and must be deliberate and thorough as well as tailored to the specific characteristics of each program.

12.6. POC: Source Selection Process, Alan Goldberg, AIR-4.10E, (301) 757-1810
Competition in contracting, Jessica Blackwell, AIR-2.1.1, (301) 757-6596

CHAPTER XII: COMPETITION & SOURCE SELECTION

PART B: SOURCE SELECTION PLANNING

12.7. Purpose. To provide insight into source selection planning considerations.

12.8. Discussion

12.8.A. Every source selection begins with a basic planning stage. Initially, a requirement must be identified and funding must be obtained. Requirements may include aircraft, missiles, training systems, components, software, technology advancement projects, maintenance and logistics, management training services, other service contracts, etc. In any case, a strategy for fulfilling the requirement must be developed and the type of source selection to be conducted must be determined. In addition, key personnel need to be identified. A myriad of documentation that justifies and plans the acquisition must also be developed and approved. Market research should be conducted to identify industry sources who should then be polled for input into both the feasibility of the requirement and the strategy for fulfilling the requirement. Draft specification, Statement Of Objective/Statement Of Work (SOO/SOW) and eventually the entire Request for Proposal (RFP) should be sent to Industry for comment. The Draft RFP may be sent to Industry without Sections L&M, but eventually a draft of Sections L&M should also be sent to Industry for comment. Allowing this opportunity for communication with Industry is an important part of finalizing a high quality RFP and it is an important early insight for Industry to help them put together a high quality proposal. These are two critical elements that will affect how difficult the evaluation of proposals will be, therefore it is important that sending a Draft RFP to Industry for comment be included the program/source selection schedule. Ultimately the RFP is developed and released, proposals are received, the evaluation is conducted, the source is selected and the contract is awarded. Below is some insight into source selection planning considerations that will improve your ability of completing these source selection efforts on schedule.

12.8.B. Initiating RFP development early enough in the process is one of the keys to a successful source selection schedule. Whenever the scheduled release of the RFP is delayed, there is a tendency towards revising the evaluation schedule to avoid a slip in the award date. This reduces the evaluation process time, thereby increasing the risk of a delay in contract award. Innovative source selection strategies may minimize that risk; however, there are unknowns in the process such as the number of proposals and the quality of the proposals, which tend to be the determining factors in the ability to meet the schedule. The best approach to be used at the start of the process is to plan a low risk schedule by paying particular attention to the details of the RFP development. Careful scrutiny of the Statement of Work/Statement of Objectives (SOW/SOO), the specification, and the Contract Line Item Number (CLIN) structure must be made since these elements of the RFP need to be complete and ready for issue in order to complete the Section M evaluation criteria and the Section L proposal instructions.

12.8.C. Development of the Evaluation Criteria (Section M) and the Proposal Instructions (Section L) can be initiated once the requirements are fairly stable. Sections L&M are critical documents that will set the path towards the selection. Section M identifies what will be evaluated and Section L instructs the Offerors what to put in the proposal in response to the RFP. The documents must be developed such that there is a clear path from the Evaluation Criteria Factors, subfactors and lower level criteria (i.e. areas to be evaluated) to the Proposal Instruction Volumes, Books and paragraphs and then into the Evaluation (i.e. areas which will be assigned worksheets where Subject Matter Expert evaluators document their evaluation of that area). Sections L&M should be developed by a team of program experts and stakeholders. The preferred approach for initiating and developing Sections L&M is as followed.

1) Set up a meeting (probably 2 days) with a working group of program experts and stakeholders. Preparation for the meeting should include a review of the Acquisition Strategy, CDD, SOO, Specification, other requirements, Work Breakdown Structure (if applicable), and Section B (CLINs).

2) The following actions would occur at this meeting:

   a) Start with training on how to develop Section L and M.
   b) Conducting a brainstorming session to identify the evaluation discriminators.
   c) Organize the discriminators into Factors, Subfactors (if needed) and areas to be evaluated.

d) Draft Section M based on the results of the meeting, using the Section M Clause Book Template as a guide.
e) Develop a Section L outline based on the Drafted Section M.
f) Assign actions to complete Section L. Preferably the Team Leaders have been assigned and can be tasked to lead the development of their Volume.

3) In developing Section L, use the Section L Clause Book as a guide and leverage "re-use" language from other RFPs as a starting point. The General Section, the Past Performance Volume and the Experience Volume will not require too much change. The Technical Volume will require most of the work. The Cost/Price Volume will also require some level of work, but much of the language and format can be leveraged from other RFPs for similar programs.

4) Develop a Cross Reference Matrix (CRM) that relates the Proposal Instructions to the requirements. This CRM becomes part of Section L, but should also be used as a tool to identify disconnects between the Proposal Instructions and the requirements. This Cross Reference Matrix should also be used to help identify the evaluator assignments, generate the evaluation worksheets and to guide the evaluators.

5) In general, the Source Selection Evaluation Board (SSEB) and other key program members should meet on a weekly basis from this point on in order to manage the process.

6) After Sections L&M are complete, the PCO can assemble the entire RFP and submit it to the SSEB for review. This review should be an integrated review of the entire RFP to ensure accuracy, consistency, clarity and cohesiveness. Unclear requirements or disconnects between any parts of the RFP can result in flawed proposals that will affect our ability to select the true best value, raise the risk of protest and/or result in unexpected adverse results during contract performance. The team should meet to resolve all comments and to finalize the RFP. The RFP is then ready to be submitted to the Legal Review Board (LRB), if required. (The program's Legal Counsel can advise if an LRB is required.)

7) After the SSEB incorporates the LRB's comments, the RFP is ready for review by the Source Selection Advisory Council (SSAC) and/or the Source Selection Authority (SSA). If a draft RFP with Sections L&M is to be released, then concurrence from the SSAC Chair with his/her consultation with the SSAC members or concurrence from the SSA is required in addition to Legal review. Typically, the order of importance of factors and subfactors are not disclosed to Industry in the Draft Section M. Release of a Draft RFP without Sections L&M or parts of the RFP other than Sections L&M can be released at the discretion of the Contracting Officer, and do not require SSAC or SSA concurrence.

12.8.D. An important part of planning for the evaluation is setting up a limited access share folder and scheduling an evaluation room. (Contact Linda Carrico to schedule AIR-4.10E managed evaluation rooms and to aide in setting up share folders.)

1) Share folders should be set up early in the process to facilitate development of the RFP, particularly Sections L&M, and evaluation planning documents such as the Source Selection Plan (SSP), the Evaluation Plan, Pre-solicitation/Pre-Proposal Conference briefs, etc. It is also useful in sharing various acquisition/source selection documents and training briefings. The share folder is also an important resource for managing the evaluation. The share folder is where evaluators can document their findings and where various documents (e.g. worksheets, SSEB Report, Evaluation Notices, and Evaluation briefings) can be process and filed.

2) Scheduling of evaluation rooms should occur as soon as the time of the evaluation and the number of evaluators can be reliably predicted. Evaluation rooms managed by AIR-4.10E are limited and may not be available. In the event that those spaces are not available, the Program Office would need to seek out other facilities on the base. When seeking out these other facilities, attempt to obtain facilities that have NMCI connections and NMCI computers because without them, the Share Folder cannot be accessed.

12.8.E The following are some critical milestones and process times to consider in developing a low risk source selection:

1) SSEB review of the RFP
2) Release of a draft RFP with Sections L&M to industry for comments;
3) Legal Review Board - a 2 week Legal Counsel review of the RFP;
4) Source Selection Advisory Council (SSAC) and Source Selection Authority (SSA) Meetings to approve the Source Selection Plan (SSP) and release the RFP - 2 weeks after the legal review;
5) RFP release (1-2 days after the SSAC/SSA Meeting); and
6) Proposal receipt - 45-60 days after RFP release.

12.8 F. Training is an essential part of planning for the evaluation. Training modules provided at the appropriate time include L&M Development, SSEB Training, and Technical, Past Performance, Experience, Cost/Price training for Team Leaders and Evaluators. Source Selection Overview Computer Based Training, Module One, and General Evaluator Training, Module Two, are now available at NAVAIR Career Development eLearning. Module One training should be viewed early in the RFP development process to help ensure that the RFP integrates evaluation considerations, resulting in an aligned acquisition and evaluation strategy as well as technical requirements that are good standards for the evaluation.

12.8.G. When developing the evaluation schedule, a low risk schedule should consider a 8 to 12 month process time from proposal receipt through contract award and is dependent upon whether or not external (ASN or OSD) peer reviews are required. Consider the complexity of the evaluation, the number of Offerors, the need for Peer Reviews, and process time historical metrics when establishing the schedule. ASN Peer Reviews are required for Services Procurements over $250M and any procurement over $1B. For Procurements over $1B an OSD Peer Review is an additional requirement. Peer Reviews are accomplished to provide advise at Final RFP Release, Prior to closing Discussions, and Prior to Award. Other milestones that need to be considered in the process include establishment of a technical library for prospective offerors, development of Government Planning estimates, and development of the Evaluation Plan.

12.8.H. Source Selection Office (SSO) personnel can provide valuable insight into the source selection process, and can also provide the program team with insight into various acquisition strategies based on lessons learned. The Source Selection Office (SSO), AIR-4.10E, should be contacted if it is anticipated that they will be requested to conduct a source selection. SSO personnel may serve as the SSEB Chair. If serving as the SSEB Chair, prior to RFP release, SSO personnel will direct the development of the Evaluation Criteria, the Proposal Instructions, the SSP, the Evaluation Plan, and the SSAC/SSA briefings. SSO personnel may also be asked early in the process to be advisors or may be consulted on specific issues at any time even when not participating directly in a source selection. The SSO consists of Expense Operating Budget (EOB) funded source selection experts and exists as a valuable resource to NAVAIR. However, due to the limited number of people in the SSO it is best to give the SSO Director/Deputy Director as much advance warning as possible such that the SSO can properly plan its workload and meet the demands of the Team to the greatest extent possible.

12.9. <u>SSO POCs</u>:

Alan Goldberg	Director	(301) 757-1810
Kevin Kennedy	Deputy Director	“ 757-1806
Jim Stanford	Program Team Lead & PEO(U&W)/AIR-1.0 Coordinator	“ 757-1807
Tom Popp	Program Team Lead & PEO(T)	“ 757-1805
Carl Savillo	Process Team Lead	“ 757-1808
Glenn Woods	Program Team Lead & PEO(A)	“ 757-1823
Linda Carrico	Management Assistant	“ 757-1811

CHAPTER XII: COMPETITION & SOURCE SELECTION

PART C: PAST PERFORMANCE

12.10. Purpose. To provide the NAVAIR position on the use of past performance/systemic improvement in the source selection process.

12.11. Discussion

12.11.A. Past performance risk assessment is used as a tool in the source selection process. NAVAIR has developed a system of evaluating contractor past performance, which is addressed in NAVAIRINST 4200.39B. The objective is to highlight poor performers, hold contractors accountable for their past performance, reduce the Government's overall risk associated with the acquisition, and receive the best value overall for the money spent. Areas to be assessed include technical, cost, management, and adherence to established schedules. Program Managers should note that their due diligence in completing accurate and clearly written CPARS is critical to the effectiveness of a Past Performance evaluation. In turn, contractors will be incentivized to receive good CPARS ratings because they will know that it can make a difference in being successful during the next competition.

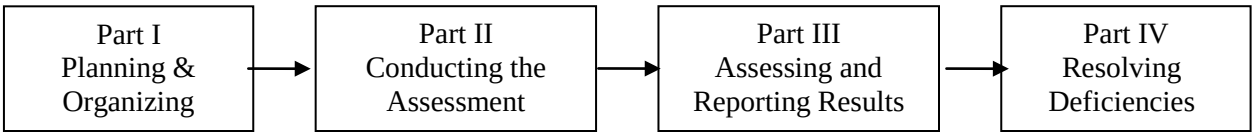
12.11.B. Past Performance is a unique factor in that it assesses the offeror's capability in performing similar work. Experience is another factor that assesses the offeror's capability based on the past. The difference is that Experience assesses **whether** the offeror has performed similar work in the past, while Past Performance assesses **how well** the offeror has performed similar work in the past. These factors assess the offeror's capability to perform future work. The difference between Past Performance/Experience and Technical /Cost/Price is that Technical/Cost/Price are proposal evaluations that assess the Offeror's promises while Past Performance and Experience assess the Offerors capability based on current and previous work.

12.12. Summary. Past Performance and Experience adds a unique insight into the Government's ability to select best value by going out of the proposal and into the offeror's past. These factors are based on what the offeror has done in the past vice whatever promise they can propose. The offeror can propose and change its promises, but cannot propose or change its past. NAVAIR will continue in future evaluations to develop the best method of using past performance and other criteria in the source selection process.

12.13. POC: Alan Goldberg, AIR-4.10E, (301) 757-1810
Kevin Kennedy, AIR-4.10E, (301) 757-1806

CHAPTER XIII: ACQUISITION LOGISTICS SUPPORT

PART A: INDEPENDENT LOGISTICS ASSESSMENT (ILA) PROCESS WITH POST- INITIAL OPERATIONAL CAPABILITY (IOC) PHASE ASSESSMENTS

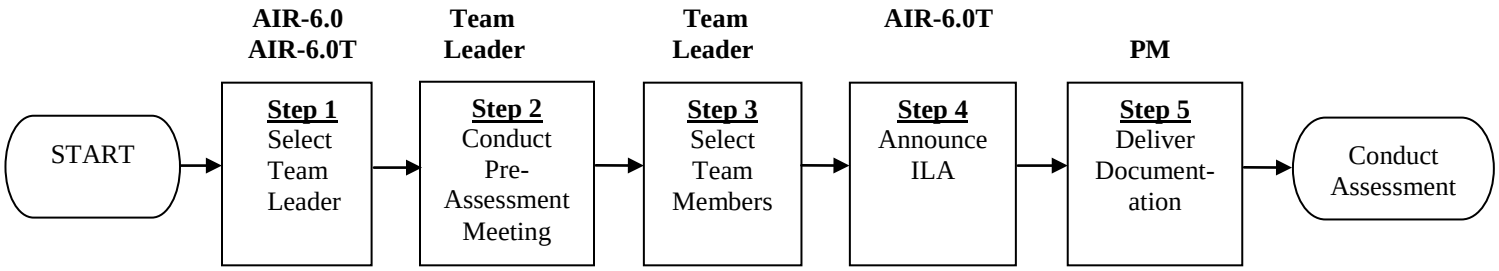


13.1. The ILA processes is divided into four process steps identified above. The ILA will be conducted per the above process and use an independent team of subject matter experts. Each part provides detailed guidance to the program team, the ILA Team Leader and ILA team members on completing that portion of the ILA process as well as respective responsibilities to assist participants in completing ILA functions. Part II of the handbook provides a baseline matrix of assessment criteria for use as a tailorable guide in performing assessments. The subject matter experts must not solely rely on the Part II Criteria, but consider related issues/questions using their own judgment and expertise. All assessors should examine program requirements, the contract/Request for Proposal (RFP) (including Contract Data Requirements Lists /Statement of Objectives, Statement of Work (SOW) etc.,) and the sufficiency of funding and scheduling for their respective element(s). The team should identify all areas of logistics risk and recommend corrective actions. The team will develop a summary assessment of the current Integrated Logsitics Support (IPS) risk(s) and recommend to the PEO or SYSCOM Commander whether the program's IPS is sufficient to proceed, and if so under what conditions or circumstances.

13.2. PART I: Planning and Organizing

13.2.A. Objective. The objective of the Planning and Organizing Part is to ensure the required preparation takes place in sufficient time to properly initiate the ILA.

13.2.B. Process



13.2.C. Process Description

Step 1 - Select Team Leader

Within NAVAIR, AIR-6.0T is responsible for assigning a qualified team leader and providing resources to establish an assessment team. The team leader is selected based on the requirements of SECNAVINST 4105.1B which are identified below in Table 1, Team Qualifications.

Step 2 - Conduct Pre-Assessment Meeting

The team leader conducts a pre-assessment meeting with the program manager, program logistics manager or designee addressing the following:

- Confirm the responsibilities of the program office, team leader and team members;
- Confirm the purpose, scope, and timing of the review;
- Discuss specific review procedures;
- Coordinate the availability and location of IPS and program documentation;
- A tailored listing of IPS and program documentation prepared prior to the assessment for distribution to team members based on Part II and Appendix A;
- Clarify specific logistics assessment schedule of events/agenda;
- Identify the location of all assessment activities;
- Identify program office personnel to respond to ILA team member questions;
- Identify security requirements and arrangements, as well as access to classified material;
- Discuss the conduct of the assessment, including program office responsibilities to develop a program brief;
- Discuss the issuance of draft and final reports;
- Discuss post-review procedures to include follow-up on identified issues;
- Discuss certification criteria and rating process;
- Discuss issuance of an IPS certification letter (certification letter stating the IPS program to be fully, conditionally, or not certified), and
- Rationale for not reviewing a specific ILA element.

Step 3 - Select Team Members

The team leader is responsible for selecting team members.

Step 4 - Announce ILA.

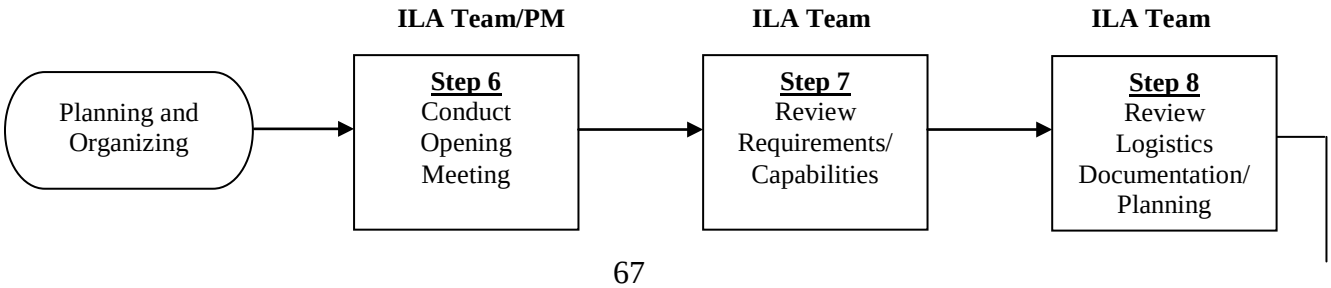
E-mail or letter from AIR-6.0T that identifies the dates of the ILA, the scope, identification of team members, documentation request list, meeting site, schedule, agenda, security and Point of Contact (POC) information. This correspondence should be distributed to the participants and stakeholders about four weeks prior to the start of the ILA.

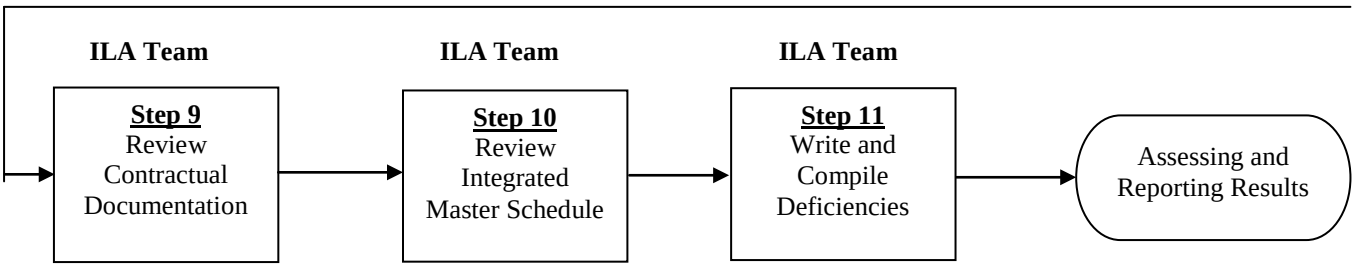
13.3. PART II - Conducting the Assessment

13.3.A Objective

Part II identifies the basic methodology for conducting a successful ILA and provides standard assessment criteria for use. These criteria are neither platform nor system specific; rather, they are critical evaluation factors, which should be tailored/augmented to the specific program being assessed. Individual ILA team members will conduct their assessments using the criteria contained in Section 2.4 and any other SYSCOM or PEO specific criteria, as assigned by the ILA Team Leader.

13.3.B Process





13.3.C Process Description

Step 6 - Conduct Opening Meeting

The opening meeting provides the logistics assessment (LA) team with a foundation of information regarding program background, current status, logistics structure and a review of what is expected during the assessment. It is important to recognize that assessment team members are not familiar with the subject program and the opening briefs are the best opportunity to impart the needed information/background to understand the program in its proper context. The opening briefs consist of the following:

Program brief. The purpose of the program brief, normally presented by the program manager or the deputy program manager, is to impart a basic understanding of the acquisition program. It should address:

- General description of the system, physical as well as functional
- Scope of the LA (a clear description of the scope of the program being assessed, including hardware/software elements)
- System interfaces
- Planned operational use of the system
- Support strategy, e.g., Life Cycle Sustainment Plan (LCSP), including unique considerations and performance objectives, metrics, supportability requirements and assessment strategy
- Hardware if available
- Current status of the program, including any pertinent history and program peculiarities
- Size of the program in terms of number of units and dollars
- Delivery schedules (end items and support elements)
- Program funding status
- Organizational structure of the program office
- Acquisition and sustainment strategy, including contract status and milestones
- Status of the program's documentation (outstanding items from the documentation request)
- Program office and logistics points of contact
- Identification of any developing or signed Program Manager Warfighter Agreements and Performance Based Agreements (PBAs)
- Identification of any Memorandum of Agreement/ Understanding (MOA/U), Expectation Management Agreements, etc. with participating or supporting organizations

Logistics brief. The logistics brief, normally presented by the program's Process Safety Manager (PSM), addresses each of the areas of supportability that will be reviewed by the logistics assessment team. At a minimum, it should address:

- Structure of the program support organization
- Status of supportability documentation (e.g., approval status)
- Contracting approach
- Results of any Business Case Analyses (BCA)
- Support agreement strategy and status (e.g. extent of Performance Based Logistics (PBL) life cycle support (industry/organic) and associated BCAs)
- Top-level schedules and milestones for each IPS element, including detailed support/PBL strategy
- Status of detailed supportability tasks, schedules and milestones tied to the Integrated Master Schedule (IMS) and LCSP for each IPS element

- Logistics and program risk assessment
- Life Cycle Cost Estimate (LCCE)
- Names and phone numbers of program office counterparts
- Budgets (identifying the required, funded and delta amounts) for each IPS element
- Data rights requirements and options pursued/ obtained to ensure logistics supportability products and infrastructure can be developed
- Product Support Arrangements
- Any other special interest items

Step 7 - Review Requirements/Capabilities

Warfighter needs and capabilities form the basis for the support system performance requirements. ILA team members must familiarize themselves with not only the requirements but also the established metrics for measuring attainment of these warfighter needs. Team members must understand and focus on warfighter requirements when assessing the program using the individual "Assessment Criteria."

Step 8 - Review Logistics Documentation/Planning

Review the AS, LCSP, Product Support Management Plan and associated Fielding Plan to ensure the basic requirements have been translated into logistics requirements. The LCSP should also provide a mapping to the primary support product/technical documentation, logistics schedules, and be supported by the logistics budget.

ILA Criteria Requiring Review. The following assessment criteria require review during an ILA regardless of the support strategy. In addition Product Support Budgeting and Funding, and Environment, Safety and Occupational Health (ESOH) should be assessed as separate elements.

1. Product Support Management
2. Design Interface
3. Sustaining Engineering
4. Supply Support
5. Maintenance Planning and Management
6. Packaging, Handling, Storage and Transportation
7. Technical Data Management
8. Support and Test Equipment
9. Training and Training Support
10. Manpower and Personnel
11. Facilities and Infrastructure
12. Computer Resources and Software Support
13. Product Support Budgeting and Funding
14. Environmental, Safety and Occupational Health

Step 9 - Review Contractual Documentation

Review the contract/tasking to ensure appropriate requirements have been identified.

The solicitation package or contract should be assessed for adequacy of supportability requirements. The review should include an assessment of the adequacy of:

1. IPS and related RAM requirements;
2. Required IPS and related RAM analyses and the use of their results to impact design, and
3. Compliance with critical completion and delivery dates.

Similarly, field activity tasking documents (in place and proposed) should be reviewed to ensure the Government supporting activities are appropriately engaged, tasked and funded.

Step 10 - Review Integrated Master Plan (IMP) and Schedule

Review ILA Element Assessment Criteria against the master program schedule. Review reasonableness of the tasks and likelihood of completion of each IPS task within the allocated schedule and man loading.

Step 11 - Write and Compile Deficiencies

As part of their responsibilities, the team leader must review all issues or discrepancies turned in by the team members, review them for accuracy and ensure the proposed rating given by the team member is commensurate with the rating criteria in this guide. The team leader may change a rating and/or modify the content of an issue if it is felt that the issue an d rating are not correct. Only after being vetted by the team leader should issues be formalized.

13.3.D Process Deliverables

- Draft Deficiencies/Recommendations.

13.3.E ILA CHECKLIST – Contact the ILA at one of the following**:**

13.3.F Post-IOC Phase Assessments

13.3.F.1 Objective

This Part addresses the process specific to Post-IOC Phase ILAs. It will address differences between the ILA process as identified in the previous parts of this guide conducted for programs pre-IOC and those conducted after IOC. Processes that are similar between the pre-IOC and Post-IOC Phase ILAs will not be restated.

13.3.F.2 Introduction

Post-IOC Phase ILAs are conducted to assess if the program manager delivered to the user a system that is supportable per the planned requirements, was executed to the program planning documentation, is within the estimated ownership costs, and progress towards addressing deficiencies noted during previous assessments or during operations (e.g., decrease in reliability). It also assesses any IPSEs where the planning was implemented to the requirement but the requirement itself was not adequate. If threats or support postures have changed, the ILA should review the "as planned" supportability posture to determine how to best support the system in the new environment.

13.3.F.3 Timing

ILAs will continue to be conducted after IOC, with the first ILA occurring two years after the FRP decision. These will be conducted on a periodic basis. The default periodicity for conducting Post-IOC Phase ILAs is every five years; however, the following conditions may trigger an ILA earlier. These triggers include:

- If Operational Availability (A_o) or Materiel Availability (A_m) < 10% and continues a from stated requirements for three consecutive reporting periods (e.g., three quarters) then the respective Service will initiate an ILA, or
- If the Ownership cost KSA > 10 % from stated requirements for three consecutive reporting periods then the respective Service will initiate an ILA, or

13.3.F.4 Process

At a minimum, Post-IOC Phase ILAs will include (as applicable):

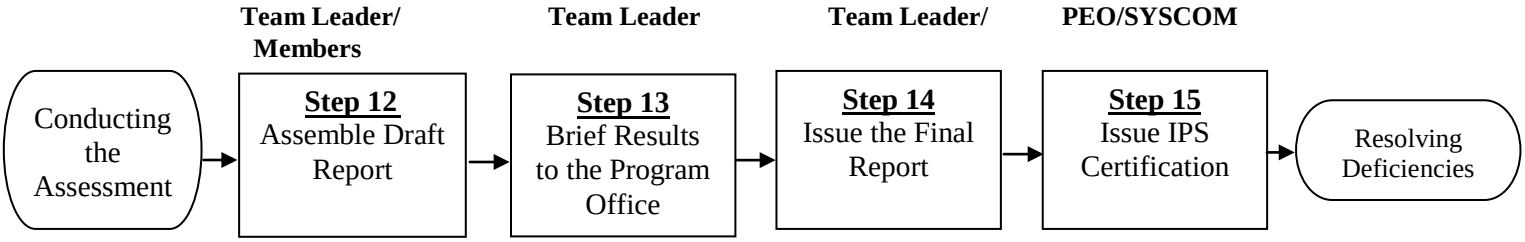
- Validation that actual supportability performance is meeting design thresholds identified in KPP/KSA measures of support called out in the program's CPD and /or Warfighter "User" Performance-Based Agreement if applicable
- Determine if the original requirement is valid based on the Concept of Operations (CONOPS) and threat.
- Validation of Life Cycle Cost Estimate (LCCE)
- Review of the life cycle support funding
- Assessment that the life cycle support strategy, as delineated in the LCSP is being executed as planned, or has been revised to ensure satisfactory support of major design and support product improvements based on updated support analysis (operator and maintainer has been provided with final product support item).
- Confirmation of satisfactory configuration control
- Assessment of obsolescence and diminishing manufacturing and material shortages
- Product Support Integrator (PSI) or Product Support Provider (PSP) actual costs and performance meet or exceed cost and performance baselines established by the Performance Based contractor logistics support (PBCLS) BCA
- Assessment of training effectiveness
- Assessment of customer satisfaction
- Product improvements incorporated
- Assessment of Configuration Status Accounting (including sponsor owned material, government owned material and plant property
- Assessment of the weapon system supply chain

13.4 PART III – Assessing and Reporting the Results

13.4.A Objective

Part III addresses the preparation of the ILA Report, coordination with the program office and submission of the report to the cognizant PEO or SYSCOM. The report will serve as the basis for the IPS certification decision by the PEO or SYSCOM.

13.4.B Process



13.4.C Process Description

Step 12 – Assemble Draft Report

It is the responsibility of the team leader to oversee development of the draft report. The following identifies the process for developing the report.

Draft the Report. The team leader and team members (in conjunction with the program office) must:

Step 13 – Brief Results to the Program Office.

The team leader provides the program manager, logistics manager and other key program office personnel the draft results of the assessment to ensure the content of the report is accurate and understood.

Step 14 – Issue the Final Report.

The team leader incorporates any changes or corrections resulting from discussions with the program office during Step 13 and forwards the final report, to include the final risk matrix and assessment criteria color summary, to his signature authority as appropriate. The final report is forwarded by the team leader to the applicable Program Manager and PEO/SYSCOM Commander, with copy to DASN(AP) and OPNAV (N4) for Navy / HQMC (I&L) (TLCM) for USMC, as well as other stakeholders identified in SECNAVINST 4105.1 Series. For joint programs, a courtesy copy of the ILA report should also be provided to other affected Service's PEO and/or Acquisition Executive (ref DASN(AP) Memo, IPSA Reporting Requirements, dtd 7 Dec 09).

Step 15 – Issue IPS Certification.

Upon receipt of the final report, the cognizant PEO/SYSCOM Commander will review the report and certify the IPS program as Ready to Proceed, Conditionally Ready to Proceed, or Not Ready to Proceed in accordance with SECNAVINST 4105.1 Series. The PEO shall submit their ILA report and associated certification to the MDA and key DON Stakeholders no later than four weeks prior to the scheduled milestone or FRP decision meetings. For ACAT ID programs, PEOs shall also copy the Deputy Assistant Secretary of Defense (Materiel Readiness) (DASD(MR)) (ref DASN(AP) Memo, IPSA Reporting Requirements, dtd 7 Dec 09).

13.4.D Process Deliverables

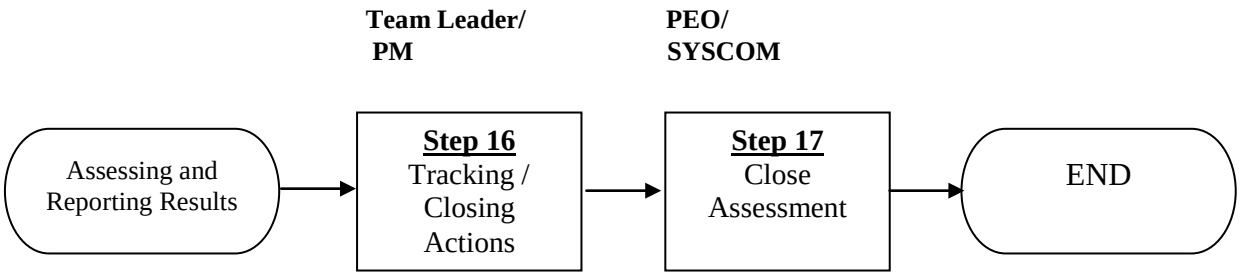
- ILA Report, including POA&M
- IPS Certification Letter

13.5 PART IV - Resolving Deficiencies

13.5.A Objective

The objective of Part IV is to ensure the deficiencies identified in the assessment report are adequately resolved. This is one of the most important tasks in the entire ILA process. If deficiencies in planning, funding, or execution are only documented and not resolved, the end user will not received necessary IPS products. To ensure deficiencies are adequately resolved, the ILA team leader must remain engaged with the Program Office until completion of each deficiency can be independently verified.

13.5.B Process



13.5.C Process Description

Step 16 – Tracking/Closing Actions.

The responsibility for implementing and completing corrective actions remains with the Program Manager. Written status of the actions in the POA&M must be provided to the ILA Team Leader. The periodicity of these status reports will be as agreed to between the Project Management Office and the team leader. The final responsibility for closing ILA deficiencies remains with the team leader, who should consult with the originator of a deficiency prior to closing it. Corrective Action Status will be reported and assessed at Gate reviews that fall in between ILAs.

Step 17 – Close Assessment.

The ILA team leader must remain engaged with the Program Manager to ensure all POA&M actions are completed. Once all deficiencies have been satisfactorily resolved, as agreed to by the team leader, the ILA may be closed. The team leader provides the program office with correspondence identifying that the program has closed all issues and provides recommendation that the certification can be changed to green. The PEO or SYSCOM commander does not have to re-issue a certification but can status the ILA as closed in future IPS briefs or Gate reviews. This process should be documented in the PEO/SYSCOM implementing procedure.

13.5.D Process Deliverables

- Status reports
- Team Leader responses/guidance to status reportsFinal IPS Certification (if appropriate)

Points of Contact	**AIR-6.0T**
John Harris	301-757-3085
Gloria Oliver	301-757-8211
Ed Werkmeister	301-757-8291
Clarissa Dziewit	301-342-0931

CHAPTER XIII: ACQUISITION LOGISTICS SUPPORT

PART B: LOGISTICS REQUIREMENTS FUNDING SUMMARY (LRFS)

13.6. Purpose

13.6.A. The LRFS assists the Director of Logistics/Assistant Program Manager for Logistics (DOL/APML) in maintaining, identifying and understanding all the logistics and funding requirements for a weapons system. If properly formulated, it ties in those requirements (and associated analysis/cost estimates) to specific funding streams in research and development, procurement, and operations funding sources. The LRFS has a symbiotic relationship with the AIR 4-2 Cost Estimating division, other program cost estimating entities, and the program offices financial representatives. It is important to tie in the identification of the requirements, with proper cost estimates, to the proper budget lines.

13.6.B. The LRFS enables the logistician to properly defend the weapons systems budget within the program office and up the chain of command. This will provide the logistician with a well documented program. It will contain the required manning levels and material costs for a program. The logistician will be able to clearly match each requirement to funding, schedule, and document or defend unfunded requirements.

13.6.C. The LRFS assists the DOL/APML in maintaining, identifying and understanding all the logistics & funding requirements for a weapons system. If properly formulated, it ties in those requirements (and associated analysis/cost estimates) to specific funding streams in research and development, procurement, and operations funding sources.

13.6.D. The LRFS is utilized to meet several mandated requirements: the Independent Logistics Assessment (ILA), Acquisition Logistics Support Plan (ALSP), Initial Operational Capability Supportability Review (IOCSR), Full Operational Capability Supportability Review (FOCSR), and numerous other related areas.

13.7 Source Documentation: https://home.navair.navy.mil/air66wiki/

13.8 Discussion. The LRFS tool is available through the above link to the APML Essentials Wiki web page, reference above under Source Documentation. The LRFS should be developed to support each acquisition milestone and maintained as a tool for each acquisition phase.

13.9 POC: Tim Brennan (APEO(L) or John Harris, AIR-6.0T, (301) 757-3085

CHAPTER XIII: ACQUISITION LOGISTICS SUPPORT

PART C: ACQUISITION LOGISTICS SUPPORT PLAN (ALSP)/LIFE CYCLE SUSTAINMENT PLAN (LCSP)

13.10 Discussion.

13.10.A. The Acquisition Logistics Support Plan (ALSP)/Life Cycle Sustainment Plan (LCSP) is used to establish, document, and maintain program Acquisition Logistics Support. DoDI 5000.02 update requires that a LCSP be developed for all acquisition programs, and that the LCSP shall be approved as part of the Acquisition Strategy (AS) at Milestones B, C and Full Rate Production Decision Review (FRP DR). Additionally, SECNAVINST 5000.2E requires a logistics support strategy be documented in the AS, which in turn may be further documented in a discretionary logistics supportability plan.

13.10.B. There currently is no standard format for the LCSP, but theDeputy Under Secetary of Defense Logistics and Material Readiness DUSD(L&MR) is working to provide additional guidance which will be included in the Defense Acquisition Guide later this summer. Until that time, programs may continue to use the format of their existing ALSP or other corresponding plan, but it will need to be included in its entirety as an addendum to the AS from this point forward. In general, the ALSP/LCSP will address all logistics elements.

13.11. The LCSP shall be a part of the program's Acquisition Strategy and integrated with other key program planning documents. The LCSP shall be updated and executed during Production and Deployment and Operations and Support. Life-cycle sustainment planning shall be considered during Materiel Solution Analysis, and shall mature throughout Technology Development.

(a) An LCSP shall be prepared starting at Milestone B, and updated for Milestone C, FRP and Initial Operational Capability (IOC). The planning shall be flexible and performance-oriented, reflect an evolutionary approach, and accommodate modifications, upgrades, and reprocurement.

(b) Life-cycle sustainment considerations include supply; maintenance; maintenance planning and design interface; packaging and transportation; sustaining engineering; data management; configuration management; support equipment; automatic identification technology, radio-frequency identification, and iterative technology refreshment; Human System Integration (HSI) (including training and manpower); environment (including hazardous materials); safety (including explosives safety), and occupational health; protection of critical program information and anti-tamper provisions; supportability; and interoperability; Disposal.

13.12. POC: John Harris, AIR-6.0T, (301) 757-3085

Additional information can be found on the ALSP web site at: https://home.navair.navy.mil/air66wiki/.

CHAPTER XIII: ACQUISITION LOGISTICS SUPPORT

PART D: ACQUISITION LOGISTICS HANDBOOK (ALH)

13.13. Purpose. MIL-HDBK-502 DoD Acquisition Logistics Handbook (ALH) offers guidance on acquisition logistics as an integral part of the systems engineering process. It provides general guidance to members of the DoD workforce directly concerned with the supportability of material systems or automated information systems.

13.14. Source Documents:

Defense Acquisition Guidebook
MIL-HDBK-502 DoD Acquisition Logistics Handbook
MIL-PRF-49506 Performance Specification Logistics Management Information
DI-ALSS-81529 Logistics Management Information Data Products
DI-ALSS-81530 Logistics Management Information Summaries
NAVAIR Contracting for Supportability Guide
Defense Systems Management College Acquisition Logistics Guide

13.15. Discussion

13.15. A. Acquisition logistics is a multi-functional, technical management discipline associated with the design, development, test, production, fielding, sustainment, and improvement/modification of cost-effective systems that achieve the user's peacetime and wartime readiness requirements. The principal objectives of acquisition logistics are to ensure that support considerations are an integral part of the system's design requirements, that the system can be cost-effectively supported throughout its life-cycle, and that the infrastructure elements necessary for the initial fielding and operational support of the system are identified, developed, and acquired. The majority of a system's life-cycle costs can be attributed directly to operations and support costs once the system is fielded. Since these costs are largely determined early in the system development period, it is vitally important that system developers evaluate the potential operational and support costs of alternative designs and factor these into early design decisions. Supportability considerations shall be integral to all trade-off decisions.

13.15. B. The ALH was developed by the joint services technical working group under the direction of the Office of the Deputy Undersecretary of Defense for Logistics. It is the replacement document for MIL-STD-1388-1A Logistics Support Analysis (LSA) and may be used on all new and major modifications to acquisition systems/equipment. This handbook is for guidance only and cannot be cited in a contract as a requirement. Included in this handbook are the following areas of interest:

- How systems engineering fits into the acquisition process
- Supportability analyses as part of the systems engineering process
- How to develop supportability requirements
- The acquisition and generation of support data
- Logistics considerations for contracts
- The logistician's role on integrated product teams
- Samples of Supportability Analysis Summaries (SAS)
- Samples of LMI Worksheet 1 – Supportability Analysis Summaries
- Samples of LMI Worksheet 2 – Data Products Deliverables

13.15. C. The acquisition logistics activities normally encompass the following support elements identified below:

- Maintenance Planning. Planning required to evolve and establish maintenance concepts and requirements for the lifetime of the system. Because of the impacts on systems design and the long term operations and support cost implications, a cost-effective support concept needs to be established early in the program after careful consideration of all viable alternatives and refined concurrently with the design effort into detailed maintenance plans.

- Manpower and Personnel. Military and civilian personnel with the skills and grades required to operate and support the system over its lifetime at peacetime and wartime rates. Program managers should strive to minimize the quantity of personnel and the skill levels required to operate and maintain systems.

- Supply Support. Secondary items necessary to field and support the system including consumables, repair parts, and spares.

- Support Equipment. All equipment required to support the operation and maintenance of the system. This includes associated multi-use end items, ground handling and maintenance equipment, tools, metrology and calibration equipment, test equipment, and automatic test systems. This also includes automatic test equipment hardware and operating system software, test program sets that include the interface test adapter hardware, and software programs to test individual weapon electronic items, and the associated software development environments and interfaces.

- Technical Manuals and Technical Data. Scientific or technical information recorded in any form or medium (such as manuals and drawings). Computer programs and related software are not technical data, whereas the documentation of computer programs and related software is technical data. Also excluded are financial data or other information related to contract administration.

- Training and Training Devices. Processes, procedures, techniques, training devices, and equipment used to train civilian and active duty and reserve military personnel to operate and support the system. This includes individual and crew training (both initial and continuation) and new equipment training – initial, formal, and on-the-job training.

- Computer Resources Support. Facilities, hardware, system software, software development and support tools, documentation, automatic test systems, and people needed to operate and support embedded computer systems.

- Facilities. Permanent, semi-permanent, or temporary real property assets required to support the system, including conducting studies to define facilities or facility improvements, locations, space needs, utilities, environmental requirements, real estate requirements, and equipment.

- Packaging, Handling, Storage, and Transportation. Resources, processes, procedures, design considerations, and methods to ensure that all system, equipment, and support items are preserved, packaged, handled, and transported properly, including environmental considerations, equipment preservation requirements for short and long term storage, and transportability.

- Design Interface. The acquisition logistics interface with the design process is through the systems engineering process. Supportability must be considered as part of the requirements generation and analysis activities and continues through design, test and evaluation, production, and fielding. The early focus should result in the establishment of support related design parameters. These parameters should be expressed both quantitatively and qualitatively in operational terms and specifically relate to systems readiness objectives and the support costs of the system.

13.16. Responsibilities

13.16. A. The APML, as a participant on the program IPT, shall develop and document a support strategy for life-cycle sustainment and continuous improvement of product affordability, reliability, and supportability, while sustaining readiness. This effort shall ensure that system support and life-cycle affordability considerations are addressed and documented as an integral part of the program's overall acquisition strategy. The support strategy shall define the supportability planning, analyses, and trade-offs conducted to determine the optimum support concept for a material system and strategies for continuous affordability improvement throughout the product life cycle.

13.16. B. The APML shall conduct supportability analyses as an integral part of the systems engineering process, beginning at program initiation and continuing throughout the program's life cycle. The results of these analyses shall form the basis for the related design requirements included in the system performance specification

and Acquisition Logistics Support Plan (ALSP). The results shall also support subsequent decisions to achieve cost-effective support throughout the system life cycle. The APML shall permit broad flexibility in contractor proposals to achieve program supportability objectives.

13.16. C. The APML, in coordination with Military Service logistics commands, shall develop a life-cycle product (i.e., ALSP). The plan shall include actions to assure sustainment, and continually improve product affordability for programs in initial procurement, reprocurement, and post-production support. The plan shall demonstrate an integrated acquisition and logistics strategy for the remaining life of the system/subsystem. The plan shall be updated at least every five years during the product's life cycle, or with greater frequency, depending on the pace of technology. As a minimum, the plan shall address how the program will accomplish the following objectives:

- Integrate supply chains to achieve cross-functional efficiencies and provide improved customer service through performance-based arrangements or contracts.
- Segment support by system/subsystem and delineate agreements to meet specific customer needs.
- Maintain relationship with the user/warfighter based on system readiness.
- Provide standard user interfaces for the customer via integrated sustainment support centers.
- Select best-value, long-term product support providers and integrators based on competition.
- Measure support performance based on high-level metrics, such as availability of mission-capable systems, instead of on distinct elements such as parts, maintenance, and data.
- Improve product affordability, system reliability, maintainability, and supportability via continuous, dedicated investment in technology refreshment through adoption of performance specifications, commercial standards, and commercial and non-development items where feasible, in both the initial acquisition design phase and in all subsequent modification and reprocurement actions.

13.17. For a copy of the ALH follow the link to Logistics Tools, then ALH on the following website: http://logistics.navair.navy.mil. Also for additional related information refer to the "NAVAIR Logistics Handbook" located on the AIR-6.6 APML Essentials Page https://home.navair.navy.mil/air66wiki/MainPage.ashx.

13.18. POC: Karen Tippett, AIR-6.6, (301) 757-2766

CHAPTER XIII: ACQUISITION LOGISTICS SUPPORT

PART E: LOGISTICS MANAGEMENT INFORMATION (LMI)

13.19. Purpose. MIL-PRF-49506 Performance Specification Logistics Management Information (LMI) is a contractual method for acquiring support and support related engineering and logistics data from contractors in compliance with DoD acquisition and logistics reform initiatives.

13.20. Source Documents:

MIL-PRF-49506 Performance Specification Logistics Management Information
DI-ALSS-81529 Logistics Management Information Data Products
DI-ALSS-81530 Logistics Management Information Summaries
MIL-HDBK-502 DoD Handbook Acquisition Logistics
NAVAIR Contracting for Supportability Guide

13.21. Discussion

13.21.A. The LMI was developed by a joint services technical working group under the direction of the Office of the Deputy Undersecretary of Defense for Logistics. It is the replacement document for MIL-STD-1388-2B Logistics Support Analysis Record and may be used on all new and major modifications to acquisition systems/equipment. It represents a fundamental change in the way data requirements are levied on contracts, and does not contain any "how to's". This new specification is designed to minimize oversight and government-unique requirements and allow contractors maximum flexibility in designing systems and developing, maintaining, and providing support and support related engineering data through the system engineering process.

13.21.B. The LMI may be tailored up or down for acquiring support data unique to each program's requirements. Contractors are strongly encouraged to offer support and support related engineering data to the Government in their own commercial formats if the data is readily available and can cost-effectively meet DoD's needs. The preferred method of delivery is for on-line access to the contractor's database to eliminate the costly delivery of paper copies.

13.22. Responsibilities. The Assistant Program Manager Logistics (APML) should determine what acquisition logistics products are to be developed and how they will be delivered (magnetic tape, disk, etc.). In keeping with current and evolving policy regarding reduction of data requirements, the importance of acquiring appropriate data must be emphasized. This data forms the baseline from which acquisition logistics products (e.g., technical pubs, provisioning, training, maintenance plans, etc.) are developed. The APML should work closely with functional area Logistics Element Managers (LEMs), cognizant IPT members, and others to determine what data requirements from the LMI will be needed. This logistics planning data will also be included in the Acquisition Logistics Support Plan (ALSP).

13.23. Content

13.23.A. Appendix A of the LMI identifies eight types of supportability analysis summaries in broad, general terms, and worksheet 1 can be used to identify the content of the summaries. Together with DID DI-ALSS-81530, the worksheets will be identified in and attached to the program's Statement Of Work (SOW) for inclusion in the Request For Proposal (RFP).

13.23.B. Appendix B of the LMI identifies definitions, data codes, and field formats of 159 data products to be selected as data deliverables using worksheet 2. Together with DID DI-ALSS-81529, the worksheet will be identified in and attached to the program's SOW for inclusion in the RFP.

13.24. For additional information, follow the link to Logistics Tools, then LMI on the following website: http://logistics.navair.navy.mil or to the KMS website https://kms.navair.navy.mil/kms/index.cfm. Also for additional related information, refer to the "NAVAIR Logistics Handbook" located on the NAVAIR Knowledge Management System (KMS) website at the Logistics Guidance tab.

CHAPTER XIII: ACQUISITION LOGISTICS SUPPORT

PART F: INITIAL OPERATIONAL CAPABILITY SUPPORTABILITY REVIEW (IOCSR)

13.25. Purpose

13.25.A. The purpose of the Initial Operational Capability Supportability Review (IOCSR) is to positively impact supportability programs through augmented management attention, realignment of funds, or other available means, and to communicate the Integrated Logistics Support (ILS) posture of systems & equipment to our fleet customers. The IOCSR process will provide quality and timely information to decision authorities regarding ILS support. The IOCSR replaces the Independent Logistics Assessment (ILA) at IOC, and will be the basis for certifying at IOC the adequacy of logistics support to the Milestone Decision Authority (MDA) for all ACAT I-IV programs.

13.25.B. The IOCSR is a self-assessment, performed by the program logisticians with stoplight criteria agreed upon by the Fleet customer. Each program is required to brief their assessment at a formal Pre-Board, chaired by AIR-6.0, or a Flag Board, chaired by AIR-00.

13.25.C. The IOCSR process consists of five major phases. They are explained fully in NAVAIRINST 4081.3. A brief summary of the phases is provided below. All pertinent documentation is located on the OCSR website located at https://prdwebserv4.navair.navy.mil/ocsr. This is a secure site and registration is required. Site registration is located at http://logistics.navair.navy.mil/ocsr.

13.26. Source Document: NAVAIRINST 4081.3

13.27. Responsibility

13.27.A. Phase I – Identification of Programs to be Assessed. AIR-60T utilizes the AIR-1.0 ACAT Tracking System database to identify all ACAT I-IV program IOC dates. Programs within 24 months of their scheduled IOC dates will be contacted by the IOCSR Process Manager to confirm those dates and will be placed on the IOCSR calendar year (CY) schedule. The schedule is posted on the website and all Pre-Board and Board members are notified. Program personnel are also contacted at this time and encouraged to request training provided by the IOCSR Process Manager.

13.27.B. Phase II – The Self-Assessment. Every Program Manager (PM) and Assistant Program Manager for Logistics (APML) will jointly conduct an IOC self-assessment, using the standard template provided on the IOCSR website. The PM/APML, during the course of the self-assessment, must obtain written user agreement to all workarounds. The name, code, and phone number of the user representative providing concurrence must be identified on a Workarounds & Fleet Concurrence slide. The self-assessment results will be recorded on the IOCSR self-assessment-briefing guide and be made available on the OCSR Website. The program will ensure an accurate assessment is available at least one month prior to the IOCSR Pre-Board or Flag Board meetings.

13.27.C. Phase III – The Pre-IOCSR Board.

Based upon their review of the self-assessments, the IOCSR Pre-Board is responsible for:

- Recommending which programs are briefed to the IOCSR Board
- Resolving support issues
- Recommending actions to be taken by the IOCSR Board (such as delay of IOC/fleet introduction, addition of funding, etc.)
- Recommending any special actions or conditions

13.27.D. The IOCSR Pre-Board is at the O-6/O-7 level and is represented by NAVAIR 1.0/4.0/6.0, CNO N432/781, HQMC, CNAF N43, TYCOM N41/42, the cognizant PEO (A/T/U&W/JSF), NAVICP, NAVSUP, and COMNAVRESFOR.

13.27.E. IOCSR Pre-Board Schedule: The IOCSR Pre-Board meets each month, as required or depending on the number of programs on the CY schedule.

13.27.F. Phase IV – The IOCSR Board. Based upon their review of the self-assessments and the Pre-Board's recommendation, the IOCSR Flag Board is responsible for:

- Recommending actions to be taken by the PM or Sponsor (such as delay of IOC/fleet Introduction, addition of funding, etc.), and
- Recommending any special actions or conditions.

13.27.G. The IOCSR Flag Board is at the O-7 to O-9 level and is represented by NAVAIR 00/1.0/4.0/6.0, CNO N43/78, HQMC, CNAF N4, TYCOM N00, the cognizant PEO (A/T/U&W/JSF), NAVICP, NAVSUP, CNATRA, and COMNAVRESFOR.

13.27.H. The IOCSR Flag Board schedule: The IOCSR Flag Board meets as required.

13.27.I. Phase V – Certification. Certification is achieved when the fleet customer agrees that all elements are GREEN for IOC. In some cases a program may be certified with YELLOW elements, however, that program may be monitored and required to submit an updated assessment

Certification status is recorded on the OCSR website.

13.28. POC: John Harris, AIR-6.0T, (301) 301-757-3085

CHAPTER XIII: ACQUISITION LOGISTICS SUPPORT

PART G: WARRANTIES

13.29. Purpose. To describe the warranty development process.

13.30. Discussion

13.30.A. The Defense Acquisition Guidebook contains the following paragraph (2.3.10.2.7) for warranties: The PM should examine the value of warranties on major systems and pursue them when appropriate and cost-effective. If appropriate, the PM should incorporate warranty requirements into major systems contracts in accordance with FAR Subpart 46.7. Warranty program data should be included in the Life-cycle Sustainment Plan.

13.30.B. A program's Acquisition Plan should state the intent to use a warranty.

13.30.C. The Program Manager is responsible for warranty development and assessment, and shall take all actions necessary to ensure that the warranty is effective and properly administered.

13.30.D. A plan for warranty development shall be a discussion item during the Procurement Planning Conference meeting (see Chapter IX, Part B of this Guide).

13.30.E. The Program Manager should take the following steps to develop the warranty:

- Task the Procurement Contracting Officer (PCO) to develop contractual language to implement the warranty.

- Task the APML/LM to: (a) provide inputs to the warranty based on the maintenance concept and future initial/replenishment spare procurements, ensuring that the maintenance plan and the warranty are compatible, (b) coordinate with the spares procuring agency (e.g., Naval Inventory Control Point) to assure that the warranty and future spares warranties are compatible, and (c) develop a warranty implementation plan.

- Coordinate with the Administrative Contracting Officer (ACO) and document their role in administering the warranty.

13.31. POC: AIR 2.0 , Contracts

CHAPTER XIV: ENGINEERING DISCIPLINES

PART A: HUMAN SYSTEMS INTEGRATION PROCESS

14.1. Purpose. Navy personnel are an integral part of the total system, and as such, human performance and design requirements must be addressed concurrently with other system performance requirements. The quality of the design and support solutions, associated with the system acquisition, directly impacts warfighter effectiveness and total system (hardware, software, human) performance. Nearly 70% of the Navy's budget is spent on personnel related expenses; most of these personnel costs are driven by decisions made during the early phases of the system acquisition process, and shortcuts taken in the design phase can easily become sustainment and operational problems. The assimilation of human performance considerations into the systems engineering and acquisition process is known as Human Systems Integration (HSI) and influences system design and associated support requirements so that developmental, non-developmental, and product-improved systems can be operated and maintained at the highest performance, and in the most cost-effective and safe manner.

14.2. Source Documents:

DoDI 5000.02, Operation of the Defense Acquisition System, Enclosure 8 Human Systems Integration

SECNAVINST 5000.2E, Implementation and Operation of the Defense Acquisition Systems and the Joint Capabilities Integration and Development System, Chapter 6

Defense Acquisition Guidebook, Chapter 6, HSI

14.3. Discussion

In accordance with current DoD policy (DoDI 5000.02, dated December 8, 2008), the Program Manager (PM) shall have a plan for HSI in place early in the acquisition process to optimize total system performance, minimize total ownership costs, and ensure that the system is built to accommodate the characteristics of the user population that will operate, maintain, and support the system. HSI planning shall be summarized in the Acquisition Strategy and SEP and shall address the following disciplines: human factors engineering, personnel, habitability, manpower, training, safety and occupational health, and personnel survivability. Navy policy also reflects its commitment to HSI SECNAVINST 5000.2E, dated 1 September 2011, requires PMs to apply HSI as part of a systems engineering approach. This ensures that existing systems engineering processes and reviews will address the requirements on the human to operate, maintain, and support the resultant design. Analyses to reduce manpower, improve human performance, improve system reliability and usability, and minimize personnel risk are included as part of the HSI process.

The total system includes not only the prime mission equipment, but also the people who operate, maintain, and support the system; the training and training devices; and the operational and support infrastructure. The key to a successful HSI strategy is integration. To optimize total system performance and determine the most effective, efficient, and affordable design entails trade studies both within the HSI disciplines (manpower, personnel, training, safety and occupational health, human factors, survivability, and habitability) and between the HSI disciplines and traditional systems engineering (hardware and software) and acquisition disciplines. Program support (technical personnel, processes, tools) for these disciplines is provided by various NAVAIR engineering and logistics competencies. Beginning at program inception, the HSI effort helps develop system-specific and measurable HSI requirements associated with the disciplines. HSI disciplines are then actively employed throughout the acquisition process to ensure a product is designed and delivered that is operable and supportable within those constraints. Further guidance and HSI process documentation is available from the NAVAIR HSI POCs.

14.4. Why HSI?

Navy systems employed by the fleet today make demands on the readiness, performance effectiveness, and mental and physical capabilities of personnel operating, maintaining, and supporting them. The systems being designed and acquired for tomorrow have the potential to increase these demands on operators and maintainers as system and environmental complexity increases. To address these concerns, HSI integrates the various disciplines of systems

engineering and logistics that address the roles, requirements, provisions, and accommodations for human capabilities and limitations in system developments.

14.5. HSI Information and Lessons Learned

A number of programs in the last several years have made significant strides in implementing HSI within the systems engineering and acquisition processes. Experiences from these programs have provided a number of lessons learned. The following list provides some of these lessons and provides guidance on sources that can assist HSI practitioners in avoiding some of the pitfalls.

a) HSI Planning. As stated in DoDI 5000.02, dated December 8, 2008, HSI planning shall be summarized in the Acquisition Strategy and SEP. The Virtual SYSCOM HSI Plan Preparation Guide can assist HSI teams in the preparation, update, and evaluation of HSI planning. The Virtual SYSCOM HSI Plan Preparation Guide and a Data Item Description for the HSI planning process can be obtained from the NAVAIR HSI POCs.

b) Plan Analysis. Continual analysis of system functionality provides data to help determine the best allocation of functions to personnel, hardware, or software. Results guide human workload predictions, man-machine interface requirements, and procedural, software, and hardware innovations needed to ensure that the human element can fulfill and enhance total system performance.

c) Conduct Proactive Tradeoffs. Tradeoff analysis between design, operational, and support alternatives are an inherent part of system development. In conducting tradeoff analyses both within HSI domains and for the system, the primary HSI goal is to maximize human performance to optimize performance and support capabilities for the total system within cost schedule and performance constraints.

d) Team Effort. DoD acquisition policy stresses the importance of integrated product and process development (IPPD). IPPD is a management technique that integrates all acquisition activities starting with capabilities definition through systems engineering, production, fielding/deployment and operational support in order to optimize the design, manufacturing, business, and supportability processes. At the core of the IPPD are Integrated Product Teams (IPTs). HSI support to Program or IPT level working groups are important integration mechanisms to be considered. Stove-piping IPTs should be avoided.

e) HSI Assessments. The NAVAIR Systems Engineering Technical Review (SETR) process shall be used to assist acquisition and competency personnel in evaluating the application of HSI principles during the acquisition life cycle. The NAVAIR SETR incorporates criteria related to HSI implementation into the review on a par with other design and support criteria for a given acquisition program.

f) Human Systems Information Guides. The Virtual SYSCOM HSI Working Group has developed HSI Guides that complement the DoD and DON acquisition policy. These guides are divided into multiple volumes that address all potential phases of a program from initiation of Concept, through Design and Development, to completion of Operations and Support. In these volumes, PMs, designers and HSI elements specialist will find what they need to do to successfully implement HSI at any stage of their program. Copies of these guides can be obtained from the NAVAIR HSI POCs.

g) Competency Support. The disciplines of HSI are scientifically-based technical disciplines with supporting theories, empirical data, analytical techniques, methodologies, and professional guidelines. Although fleet user representation on design teams is desirable and necessary, HSI professionals are able to provide their expertise for the technical bases upon which to support decision making in tradeoff analyses.

14.6. POCs: Ron Crescini, AIR-4.6.5, (301) 342-8177
John Owen, AIR-4.6.5. (407) 380-8591

CHAPTER XIV: ENGINEERING DISCIPLINES

PART B: SYSTEMS ENGINEERING

14.7. Purpose. Systems Engineering (SE) is a key ingredient of successful Program Management. Although SE is an engineering technical discipline unto itself, it must be viewed as a set of tasks for the Integrated Program Team (IPT)/Fleet Support Team (FST) to apply and implement, rather than just "the (Chief) Systems Engineer's job".

14.8. Source Documents:

NAVAIRINST 4355.19D, Systems Engineering Technical Review Process (17 APR 09)
Naval Systems Engineering Guide of Oct 04
EIA Standard 632, Systems Engineering, Jan 1999
DoDI 5000.02 of 02 Dec 08
SECNAVINST 5000.20 of 16 Oct 08
Defense Acquisition Guidebook of 8 Oct 04
NAVAIRINST 5000.21A of 2 Nov 05
DoD Systems Engineering Plan Preparation Guide, Version 2.01 of Apr 08
Naval Systems Engineering Guide, Oct 04
NAVAIR Systems Engineering Guide – The NAVAIR Systems Engineering Process Working Group added NAVAIR relevant information to EIA-632 (Annexes beyond "G" were added by NAVAIR)
NAVAIR uses the Software Engineering Institute (SEI) Capability Maturity Model for software integration
Naval Systems Engineering Resource Center https://nserc.navy.mil/

14.9. Definitions

System - A system is one or more end products and sets of related enabling products that allow end products, over their life cycle of use, to meet stakeholder needs and expectations.

Systems Engineering - An interdisciplinary approach encompassing the entire technical effort to evolve and verify an integrated and life cycle balanced set of system people, product, and process solutions that satisfy customer needs. Systems engineering encompasses:

a. the technical efforts related to the development, manufacturing, verification, deployment, operations, support, disposal of, and user training for, systems products and processes;
b. the definition and management of the system configuration;
c. the translation of the system definition into work breakdown structures; and
d. development of information for management decision making.

14.10. Discussion

14.10.A. The systems engineering process (shown below) is the heart of systems engineering management. Within NAVAIR, the Assistant Program Manager coordinates SE for Systems and Engineering (APMSE – "Class Desk" or "Chief Engineer" for a PMA). Systems Engineering provides a structured but flexible process that transforms operational requirements into specifications, architectures, and configuration baselines. The discipline of this process provides the control and traceability to develop solutions that meet Fleet needs. SE controls and manages the system design effort via the Risk Management Processes (see Chapter XIV, Part F), and is the major connection between the technical management efforts and the overall acquisition effort. It controls the design effort by developing design baselines that govern each level of development. Systems engineering is a continuous process that spans all phases of the systems' life-cycles.

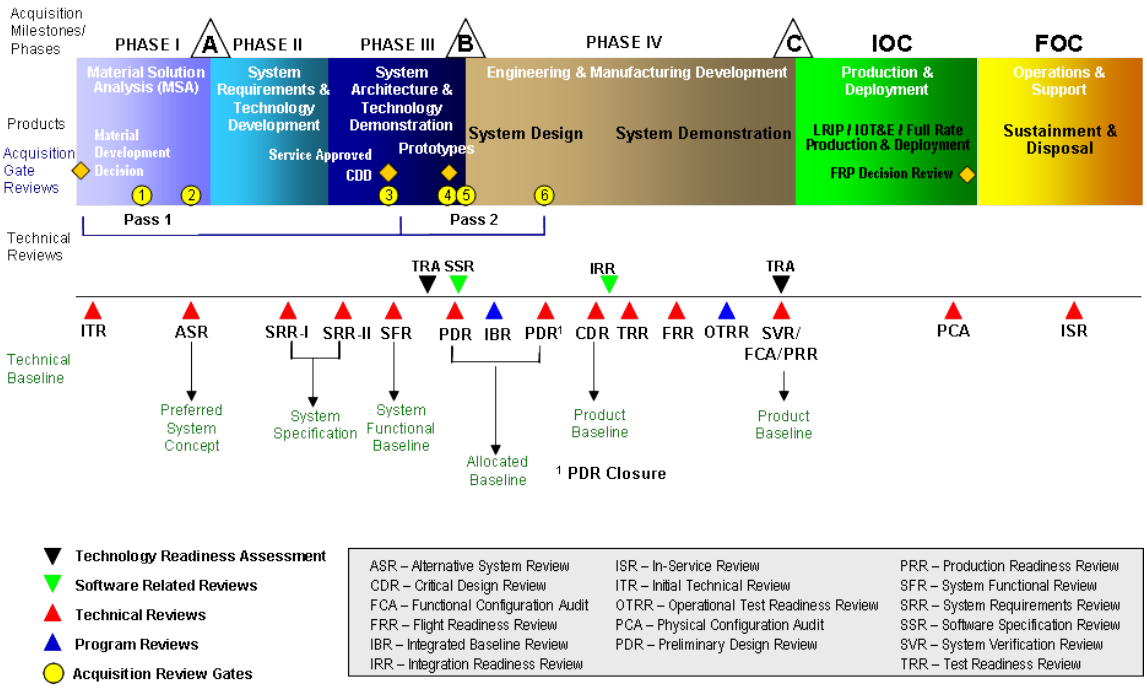


Diagram of the Typical Systems Engineering Technical Reviews

14.10.B. NAVAIRINST 4355.19D establishes the policy, outlines the process, and assigns responsibilities for the conduct of up to 12 different Systems Engineering Technical Reviews (SETRs) on NAVAIR programs. It also requires programs to have a Systems Engineering Plan (SEP -- see https://acc.dau.mil/CommunityBrowser.aspx?id=17799 for detailed guidance), which defines the overall plan for the program's SETRs, and the systems engineering processes to be employed by the program. Additional information concerning implementation of this instruction and procedures for compliance are provided separately in the supplemental SETR Process Handbook which contains stand alone technical review modules and a Risk Assessment checklist for each of the reviews. These documents are living documents, intended to be updated based on user experiences, and are accessible via the NAVAIR Systems Engineering Resource Center (SERC) website at https://nserc.navy.mil/.

14.10.C. Life-cycle integration is necessary to ensure that the design solution is viable throughout the life of the system. It includes the planning associated with product and process development, as well as the integration of multiple functional concerns into the design and engineering process. In this manner product cycle-times can be reduced, and the need for redesign and rework substantially reduced.

14.10.D. In summary, systems engineering is an inter-disciplinary engineering management process that evolves and verifies an integrated, life-cycle balanced set of system solutions that satisfy customer needs. The key to program success is to have an effective SE process in place, and to utilize the process during execution of the program.

14.11. POCs: Jennifer Young, APEO Engineering, AIR-1.0 Programs, (301) 757-4463
John Quartuccio, APEO Engineering, AIR-1.0 Programs, (301) 757-6640.

CHAPTER XIV: ENGINEERING DISCIPLINES

PART C: INTEGRATED BASELINE REVIEWS

14.12. Purpose. The purpose of the Integrated Baseline Review (IBR) is to achieve an understanding of the risks inherent in the planning and management control processes that will operate during a program's execution.

14.13. Source Documents: Defense Acquisition Guidebook (specifically section paragraphs 11.3.1.3, 4.3.2.4.2, and 4.3.3.4.1), SECNAVINST 5000.E (Paragraphs 1.5.4.6, 1.11.4.3.1.2 and Annex 1-A), and NAVAIRINST 4355.19C (subj: Systems Engineering Technical Review Process)

14.14. Discussion. Effective program cost and schedule management depends upon establishment of reliable contractor and organic (in-house) cost, schedule, and technical baselines. By the above references, program managers and their technical staffs of Integrated Program (or Product) Teams (IPTs) are required to review contractor or organic planning baselines either prior to or within six months after contract award (depending on the Federal Acquisition Regulation (FAR) clause used in the solicitation and/or contract). The process should be employed throughout the life of the project to maintain continuing PM's understanding. This review is required for contracts requiring compliance with the Earned Value Management System (EVMS) Guidelines. The objectives of the IBR are as follows:

a. Confirm that the Performance Management Baseline (PMB) captures the entire technical scope of authorized work.
b. The authorized work is logically scheduled to meet the program objectives and risks to meeting planned Milestones are understood.
c. The PMB risks (budget, technical, resources, schedule, management processes) are identified and quantified.
d. The proper amount and mix of resources have been assigned to accomplish all requirements.
e. The management control processes are implemented.
f. Tasks are planned and can be measured objectively relative to the technical progress.

14.15 Responsibilities

14.15.A. The program managers, as leaders of the IPTs, are responsible for planning and executing the IBR (e.g., providing an adequate number of qualified technical personnel to serve as the principal IBR team members, supplemented by applicable support skills; documenting in the risk management plan risks identified during the IBR, and reviewing progress on the actions until issues are resolved).

14.15.B. The Assistant Commander for Research and Engineering (AIR-4.0) is responsible for the development/maintenance of IBR guidelines and processes. Assistant Program Managers for Systems Engineering will lead the technical assessment during IBRs (assisted by assigned Assistant Program Managers for Logistics, NAVAIR Headquarters and field activity personnel, and contract administration offices) as directed by the PMA.

14.15.C. A Management System Assessment (MSA) will be conducted by AIR-4.2.3 prior to the on-site IBR to assist in identifying any management process risk(s). A Management System Assessment (MSA) is an element of the Integrated Baseline Review (IBR) and is conducted to determine whether the contractor/government activity has properly implemented their previously accepted EVM system to the new contract (Note: In situations where a contractor/government activity does not have an accepted system, the team shall assess the system applied to the contract for compliance with the 32 Guidelines). The MSA is typically performed once the Performance Measurement Baseline (PMB) is established and prior to the on-site IBR usually within 60- 90 calendar days after contract award. The contractor's performance measurement system is assessed against the 32 guidelines in the American National Standards Institute/Electronic Industries Alliance 748, *Earned Value Management Systems* (ANSI/EIA-748) and the results are used to rate the IBR Management Processes Risk.

14.15.D. In addition to the MSA, a Schedule Risk Assessments (SRA) will be conducted prior to the on-site IBR as an integral part of the IBR process to identify and quantify milestone/event and task/activity level schedule risk. The SRA is conducted by AIR-4.2.3 with assistance from the various IPT competencies. The SRA is typically performed on the Program Critical Path, Near Critical Paths, and Driving Paths to selected critical milestones. A

schedule risk assessment predicts the probability of project completion by contractual dates. Three-point estimates are developed for remaining durations of remaining tasks/activities that meet any of the following criteria: (1) critical path tasks/activities, (2) near-critical path tasks/activities (as specified in the CDRL), (3) high risk tasks/activities in the program's risk management plan. These estimates include the most likely, best case, and worst case durations which are then used to perform a probability analysis of key contract completion dates.

14.15.E. Procuring Contracting Officers will ensure that contractors are informed, in appropriate Request for Proposal (RFP) language, of the Government's intent to conduct either pre-award or post- award IBRs . (Contractual authority for conducting IBRs may be found in the data access provision of the EVMS Clause 252.234-7001.) In drafting the RFP, IPTs should consider requiring submission of an appropriate level of baseline information as part of the contractor's proposal. This information may then be used in the evaluation of proposals during source selection if a pre-award IBR is not required. Contractor proposals should be prepared and evaluated in full awareness of planned IBR requirements, and IBR schedules promulgated so that the contractor can properly prepare for such reviews.

14.15.F. Upon completion, the results of the IBR need to be understood and documented in the risk management processes. The Government and Contractor PMs should agree on a plan of action and who is responsible for the action for each risk item identified.

14.15.G. With proper planning and preparation, IBRs can provide a means for PMAs to manage program performance through a better understanding of the PMB and the contractor's management control processes.

14.16. POC: Reginald Goodman, AIR-4.2.3, (301) 342-2455

CHAPTER XIV: ENGINEERING DISCIPLINES

PART D: MANUFACTURING ENGINEERING

14.17. Purpose. This section addresses the implementation of Manufacturing Engineering (ME) in the acquisition process. ME includes design producibility, manufacturing planning, quality assurance/engineering, manufacturing readiness level and assessments (MRL/MRA), supply chain management (SCM), and critical safety item and critical item management (CSI/CIM).

14.18. Discussion

14.18.A. AIR-4.1.9 personnel provide ME and quality assurance support and expertise to their assigned Integrated Program (Product) Teams (IPTs). ME requirements will be tailored from FAR sections 46 and 52, DoD Series 5000.1/2, DoD 4245.7-M, NAVSO P-6071, and extensive lessons-learned. ME requirements will typically be placed in the performance specifications, Statement of Work (SOW), equipment specifications, and contract data requirements list. Acquisition plans will reflect consistency with the contract and Navy policy embodied in SECNAVINST 5000.2E. NAVAIRINST 4355.19D (subj: Systems Engineering Technical Review Process; dated 17 April 2009) addresses the technical reviews conducted on each program, and provides a Production Readiness Review risk assessment checklist. Additional information concerning implementation of this instruction, and procedures for compliance, are provided separately in the supplemental SETR Process Handbook, which contains stand-alone technical review modules and a Risk Assessment checklist for each of the reviews.

14.18.B. AIR-4.1.9 support is enlisted for all program phases, well before contract award, in order to influence acquisition planning and to ensure that manufacturing, producibility, production scheduling, and quality are appropriately considered in RFPs. AIR-4.1.9 personnel should participate in source selections and pre/post-award surveys. The ME competency's basic functions are to assess the design, manufacturing processes, and all aspects of manufacturing capability, capacity, and readiness; to mitigate production transition risk through evaluating design and manufacturing alternatives in light of program affordability, manufacturing efficiency, and quality objectives; and to identify and resolve production and quality problems experienced in the field or manufacturing facility.

14.18.C. AIR-4.1.9 personnel actively work to identify, assess, and mitigate manufacturing and quality risks beginning early in development and continuing through production. This role is accomplished through participating in design reviews schedule risk assessment, and program meetings; by reviewing contractor quality, producibility, and manufacturing plans, reports, and internal documents; by reviewing drawings; by leading ME-oriented reviews; and by liaison with the on-site Defense Contract Management Agency (DCMA) representatives. ME competency areas include:

- Design Producibility, including integrated product and process development, design for manufacturing/assembly, key characteristic definition and control, geometric dimensioning and tolerancing, process development, validation and verification, gage and tooling development, and design-to-cost efforts.

- Manufacturing Management, including the development and implementation of production scheduling/control and work measurement systems, work instructions, lean/agile systems, SCM, and manufacturing readiness assessment throughout the acquisition life cycle.

- Quality, including the development and implementation of the quality system, process control, variability reduction, foreign material exclusion, workmanship, and nonconformance prevention.

- CIM (Critical Item Management), including the development and implementation of processes, guidance, handbooks, and instructions related to Critical Application Items and Critical Safety items, with goal of mitigating the risk that a non-conforming critical part will be installed on an aircraft or other aviation equipment and fail in service with adverse affects on safety and/or operational effectiveness.

- SCM (Supply Chain Management) , including the development and implementation of processes enabling enhanced visibility into manufacturing & quality controls from the prime contractor through lower tier suppliers in the acquisition of Naval Aviation aircraft and weapon systems, and coordination with other parties involved in other aspects related to acquisition Supply Chain Management, to mitigate programmatic production technical and schedule risk. Encompassed within this is involvement in acquisition related DoD-wide anti-counterfeit-component developments.

14.19. POC: Allen Heim, AIR-4.1.9, (301) 995-2965

CHAPTER XIV: ENGINEERING DISCIPLINES

PART E: SYSTEMS ENGINEERING TECHNICAL REVIEWS

14.20. Purpose. Systems Engineering Technical Reviews (SETRs) ensure competency insight of the technical aspects of every NAVAIR program. They are a key tool in managing technical progress and communications, and provide an important function in acquisition program management.

14.21. Source Documents:

NAVAIRINST 4355.19D, Systems Engineering Technical Review Process, 17 Apr 09
Naval Systems Engineering Resource Center (SERC) -- https://nserc.navy.mil/
SETR Risk Assessment Checklists (available via SERC website)
NAVAIRINST 13034.1C, Flight Clearance Policy for Manned Air Vehicles, 28 Sep 04
NAVAIRINST 13034.2, Flight Clearances for Unmanned Aviation Systems, 15 Aug 01
Naval Systems Engineering Guide, Oct 04

Tools are available to assist in the development and management of requirements (e.g., Data Object Oriented Repository System (DOORS)) via the NAVAIR Systems Engineering Resource Center
NAVAIR AIR-4.0P Airworthiness Website -- https://airworthiness.navair.navy.mil/
Defense Acquisition University (DAU) -- http://www.dau.mil/

Note: Additional SE Tools are available to assist in the development and management of requirements (e.g., DOORS) via the NAVAIR Systems Engineering Resource Center (SERC)

14.22. Discussion

14.22.A. NAVAIRINST 4355.19D establishes the policy, outlines the process, and assigns responsibilities for the conduct of Systems Engineering Technical Reviews (SETRs -- see figure below) on NAVAIR programs. It also requires programs to have a Systems Engineering Plan (SEP), which defines the overall plan for a program's SETRs, and the systems engineering processes to be employed by the program. From a technical perspective, there are five critical processes that merit thorough planning to properly manage program risk and ensure program success. These program pillars are:

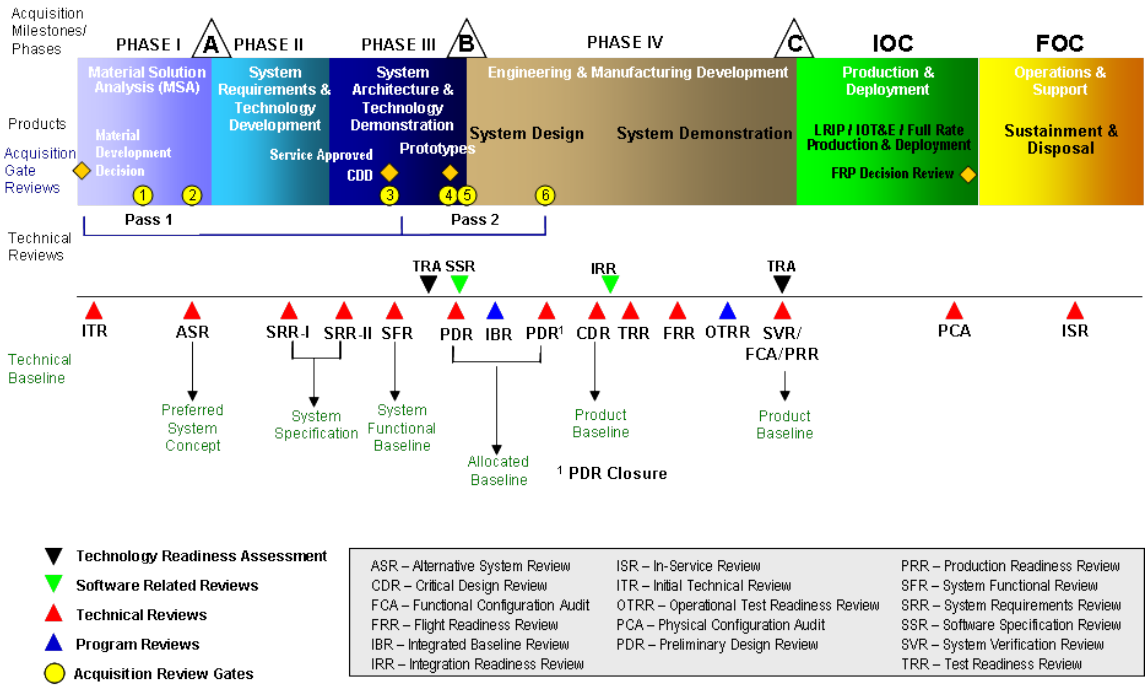
a) the SEP -- see the SERC website or https://acc.dau.mil/CommunityBrowser.aspx?id=17799 for detailed guidance;

b) the Acquisition Logistics Support Plan (ALSP);

c) the Test and Evaluation Master Plan (TEMP)

d) an Independent Cost Estimate (ICE); and if appropriate.

e) the Airworthiness Certification Process -- see the NAVAIR Airworthiness website for detailed processes and guidance https://airworthiness.navair.navy.mil/



Systems Engineering Technical Reviews -- Shown in Chronological Order

14.22.B. Additional information concerning implementation of NAVAIRINST 4355.19D and procedures for compliance are provided separately in the supplemental SETR Process Handbook, which contains stand alone technical review modules and a Risk Assessment checklist for each type of review. These documents are living documents, intended to be updated based on user experiences, and are accessible via the NAVAIR SERC website at https://nserc.navy.mil/.

14.22.C. As a part of the overall systems engineering process, technical reviews enable an integrated assessment of the system's design progress against plans and key knowledge points in the development process. Engineering rigor, interdisciplinary communications, and competency insight are applied to the maturing design in the assessment of requirement traceability, product metrics, and decision rationale. Technical reviews are an integral part of the systems engineering process and consistent with existing and emerging commercial standards. NAVAIR conducts technical reviews on Program Executive Officer (PEO) and NAVAIR managed acquisition programs (Acquisition CATegories ACAT-I through -IV). Technical reviews may also be applied to Abbreviated Acquisition Programs (AAPs) as determined by the cognizant PEO and program manager. Program plans and contracts should provide for the conduct of technical reviews as part of the acquisition process. An objective of these reviews is to provide the program manager with an executive-level engineering assessment. The review may be tailored in accordance with the technical scope and risk of the system. Under no circumstances should the review be tailored completely out of the development plan. Details of any tailoring should be described in the SEP, or should occur as part of the APMSE or systems engineer coordination of the review elements with the AIR-4.1 cognizant authority (APEO(E))

14.22.D. Program managers shall ensure that the results of each technical review (overall technical/risk assessment and resolved action items) are addressed by the program team and are integrated into the management assessment of program technical, cost, and schedule risk. Any attempt to tailor acquisition activities by tailoring Technical Reviews should be guided toward reducing the scope of individual reviews, vice deleting them.

14.23. POCs: Jennifer Young, APEO Engineering, AIR-1.0 Programs, (301) 757-4463
John Quartuccio, APEO Engineering, AIR-1.0 Programs, (301) 757-6640

CHAPTER XIV: ENGINEERING DISCIPLINES

PART F: RISK MANAGEMENT

14.24. Purpose. To establish a standardized Program/Project Risk Management process across Naval Air Systems Command (NAVAIR) programs.

14.25. Definitions

Risk is the potential for variation in cost, schedule, or performance or its products. While such variation can include positive opportunities, risk is more generally considered to be the potential for a negative future reality.

Risk Management (RM) is an organized method for continuously identifying and measuring risk; developing mitigation options; and selecting, planning, and implementing the appropriate risk mitigations. Risk management is a process that evaluates the likelihood, or probability, of an undesirable event occurring; assesses the consequences, or severity, of the event should it occur; evaluates the sources or root causes of the risk; and identifies the available risk mitigations. Effective risk management depends on early identification and analyses of risk; risk management planning; early implementation of corrective actions; continuous tracking and reassessment; and communication, documentation, and coordination.

Issues Versus Risks: Risk Assessments are not to be confused with program performance assessments. If a risk is described in past tense the likelihood of occurrence is 100 percent; it has happened, and it is an issue. The important difference between an issue and a risk is that issue management is focused toward mitigating current effects/impacts, while risk management seeks to preclude/mitigate future effects and address root causes. An issue and a risk are not necessarily independent or easily distinguished; the review of an issue might reveal a continuing risk from the unresolved root cause of the issues. Note that risk management is inherently much more powerful of a tool than issue management, just as preventing a train-wreck is far better than cleaning-up the wreckage after-the-fact.

14.26. Source Documents:
NAVAIRINST 5000.21B, Program/Project Risk Management, of 28 Jan 08
DoD Directive 5000.1 of 12 May 03
DoD Instruction 5000.02 of 8 Dec 08
Risk Management Guide for DoD Acquisition (Sixth Edition/Version 1.0 of August, 2006)
NAVAIR Risk Management Handbook
DSMC Risk Management Guide for DoD Acquisition
Multiple commercial and DoD publications are available
NAVAIRINST 4355.19D, Systems Engineering Technical Review Process, 17 Apr 09
SETR Risk Assessment Checklists

14.27. Discussion

14.27.A. Risk Management is basically comprised of four process elements:

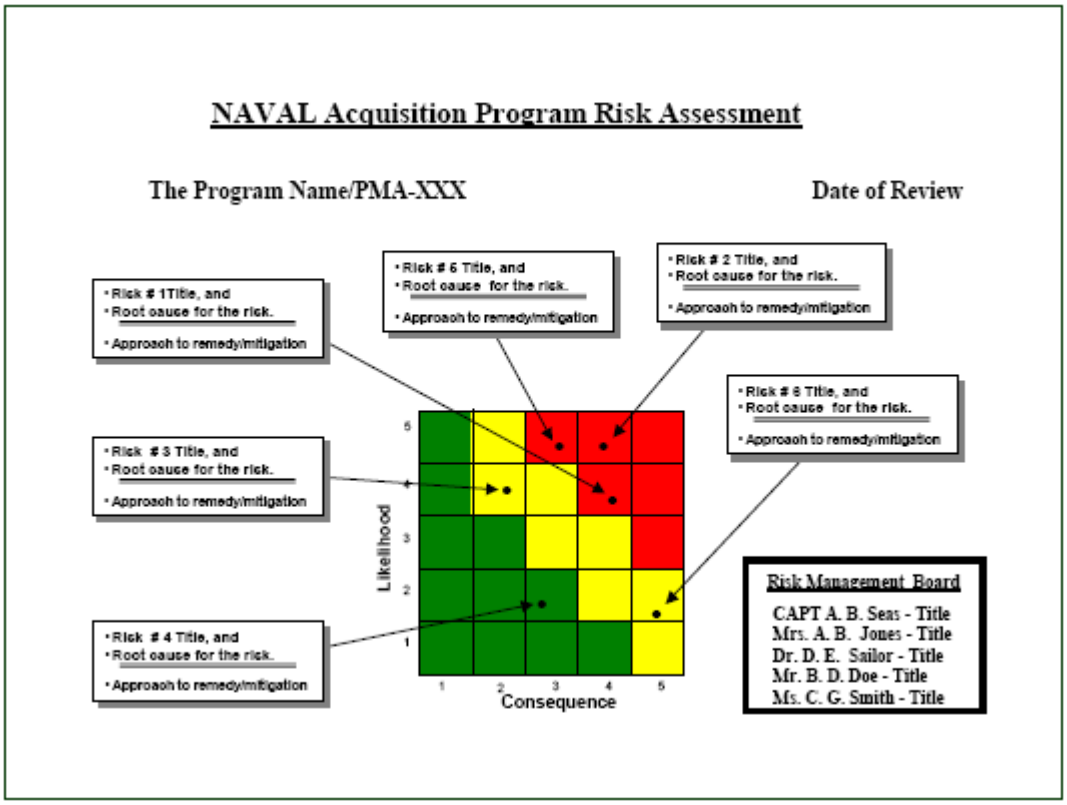
Risk Identification – What can go wrong?
Risk Analysis -- How big is the risk?
Risk Mitigation Planning – How can the risk be reduced?
Mitigation Plan Implementation – a PM function that addresses how the mitigation plan can be implemented?

14.27.B. The source documents require PMs to establish, maintain, and utilize an integrated risk management process. A formal Risk Management Board (RMB) and a Risk Management Plan (RMP) are required components of the risk management process.

14.27.C. NAVAIR risk reporting shall present standard likelihood and consequence screening criteria, as well as the standard risk matrix (see figure below). The plotted position in the standard matrix should show the PM's current assessment of the risk's probability of occurrence, and the estimated severity of its effect on the

program if mitigation fails. As risk mitigation succeeds in a program, a *yellow* or *red* risk position on the risk matrix will migrate in successive assessments from its current location toward the green. Each risk description should include three key elements:

a) a brief description of the risk,
b) a brief description of the root causal factor(s) for the risk, and
c) the proposed/planned mitigations that address the risk source(s) and effect(s).



Sample Program Risk Assessment -- from NAVAIR Risk Mgmt Guide

14.27.D. The NAVAIR Risk Management Handbook and other resources listed above are a supplemental publications that provide guidance and procedures for conducting program risk assessments. These documents are accessible via the Naval Systems Engineering Resource Center (NSERC) website at https://nserc.navy.mil/. The August 2006 DoD Risk Guide is an especially excellent document and has driven updates to NAVAIR's RM directives. Additionally, tailorable checklists for each Systems Engineering Technical Review (SETR) are available via this site.

14.28. POCs: Jennifer Young, APEO Engineering, AIR-1.0 Programs, (301) 757-4463
John Quartuccio, APEO Engineering, AIR-1.0 Programs, (301) 757-6640

CHAPTER XIV: ENGINEERING DISCIPLINES

PART G: SOFTWARE INTENSIVE SYSTEM (SIS) ACQUISITION AND PROGRAM MANAGEMENT

14.29. Successful development and acquisition of software is vital for acquiring naval warfighting and business systems. Software intensive systems are inherent in today's complex systems and are often the primary cost, schedule, and performance drivers in naval programs. The Assistant Secretary of the Navy (Research, Development and Acquisition) (ASN(RD&A)) developed a guidebook to provide a uniform framework for software improvement processes to assist Department of the Navy (DON) acquisition teams through all phases of software acquisition.

14.30. The Guidebook for Acquisition of Naval Software Intensive Systems is intended to provide support for the entire acquisition team by consolidating in one place background information, enterprise-wide policy, guidelines, proven alternatives, access to additional subject matter expertise, and amplifying detail for key software acquisition activities. It includes:

14.31. General information concerning DON and Department of Defense (DoD) software acquisition consideration at various stages of software acquisition planning: pre-solicitation, solicitation, source selection, and contract execution; amplifying guidance for ASN(RD&A) policy regarding software process improvement; assistance with implementation of mandated metrics; and assistance with understanding and implementation of Electrical and Electronic Engineers/Electronic Industries Alliance (IEEE/EIA) Standard 12207.

14.32. The Guidebook is located at: http://acquisition.navy.mil/rda/home/organizations/dasns/rda_cheng

CHAPTER XIV: ENGINEERING DISCIPLINES

PART H: C5I MODERNIZATION PLAN (C5IMP)

14.33. Purpose

14.33.A. This section is intended to help acquisition managers understand the Fleet Commanders' (FLTCOM) process for Ship Alterations (SHIPALT) installations management called the "C5I Modernization Plan" (C5IMP). The applicable "C5I" systems include Command and Control Communications, Computer systems and software, ships' Combat and Intelligence Systems, and systems which interoperate or have interfaces with them. The C5I Modernization Plan applies to new, upgraded, and existing NAVAIR systems that are installed in naval ships, and to certain aircraft systems. These installations may be C4I and/or ships' Combat Systems (C5I) hardware and/or software; software which uses ships' computer Local Area Networks (LAN) and communications systems for their transmission; and systems installed in aircraft which have interoperability with ships' Combat Systems. The C5IMP process is managed, among the acquisition community, by Naval Sea Systems Command (NAVSEA 05) as the FLTCOMs' agent.

14.33.B. The C5IMP process is the tool for obtaining the applicable Fleet Commander's approval to install a proposed C5I system's ship alteration (SHIPALT). Aspects of this process include scheduling C5I Ship Alteration (SHIPALT) installations to ensure they are planned for installation during a ship's Modernization Window. The C5IMP process also involves the assurance and Certification of Interoperability for C5I systems and other certifications (see paragraph 14.37.B). The process thus involves the joint Systems Commands (SYSCOM), Type Commanders (TYCOM) and Fleet Commanders (FLTCOM) in a mutual process.

14.33.C. C5IMP is related to the SHIPMAIN process in that SHIPMAIN provides the authority for a hardware and/or software system to proceed into its installation phase based on both validation of its Operational Requirement, as well as a project's priority with respect to sufficiency of the naval budget (see section on SHIPMAIN regarding "Figure of Merit" (FOM) and budgets).

14.34. Source Documents:

- CINCLANTFLT NORFOLK VA//N00// 061415Z FEB 98 (Battle Group Combat Systems and C4ISR Disconnect)
- CNO WASHINGTON DC//N9// 021648Z MAY 98 (Battle Group Interoperability)
- CFFC/COMPACFLT INSTRUCTION 4720.3B (Management of Afloat Combat and C4I Systems)
- CINCLANTFLT/CINCPACFLT 251912Z MAY 00 (CPF/CLF 4720.3A, Adaptation to Forward Deployed Naval Forces (FDNF))
- CINCLANTFLT/CINCPACFLT 162056Z AUG 00 (IT-21 Shipboard Configuration Management Policy and Procedures)
- CINCPACFLT 092227Z FEB 01 (IT21 Configuration Change Message Format)
- NCTSI INSTRUCTION 9410.1 Series (Procedures for Certification of TADIL and C4I Systems Procedural Interoperability)
- CINCPACFLT/CINCLANTFLT INSTRUCTION 4720.4A (Battle Group Systems Integration Testing Process)
- DCNO(N4) ltr 4000, Ser N4/3S575763 dtd 12 Mar 03
- CNO WASHINGTON DC 111709Z MAY 03 (Fleet Response Plan (FRP))
- COMFLTFORCOM NORFOLK VA 032037Z MAY 04 (C4I and Combat Systems Modernization Process (C5IMP) Policy)
- LANTFLT/PACFLT INST 4790.3 (Joint Fleet Maintenance Manual (Advance Change Notice 02-04) of 8 Dec 04)
- NAVSEA INST 9410.2 | NAVAIR INST 5230.20 | SPAWAR INST 5234.1, Naval Warfare Systems Certification Policy, 18 Jul 05

14.35. Background

14.35.A In the past decade, the Fleet has seen a significant growth in interoperable ships' Combat Systems and C4I systems providing tactical networking capabilities. At the same time, this level of integration of previously-independent combat systems and their parent platforms has led to increased interoperability challenges that need to be addressed prior to actual installation of SHIPALTs and deployment of Strike Forces. As a result, CNO assigned Naval Sea Systems Command (NAVSEA) central responsibility to address Battle Management Command, Control, Communications, Computers, and Intelligence/Combat Systems (C4I/CS) interoperability issues. NAVSEA 05 was assigned as the focal point for coordination and resolution of battle force interoperability issues and establishment of processes for defining, controlling, and certifying each Battle Force configuration prior to deployment. NAVSEA and OPNAV were to coordinate with the Fleet Commanders to develop and implement the improved Battle Force interoperability process that would be managed by NAVSEA. The NAVSEA responsibility currently resides in NAVSEA 05H.

14.35.B. Initially, NAVSEA assisted Fleet Commanders in developing the Battle Force Interoperability (BFI) Process, commonly called the "D-30" process, since the configuration and testing of each Battle Group/Amphibious Ready Group in preparation for deployment commenced 30 months prior to actual deployment. The Fleet Commanders published CINCLANTFLT/CINCPACFLT INST 4720.3A formalizing that process. Promulgation of the CNO's "Fleet Response Plan" (FRP) in 2003 made the D-30 process obsolete, because D-30 was Battle Group-centric and FRP is whole-Navy centric.

14.35.C. In early 2003, the CNO announced the Fleet Response Plan (FRP) as direction to the Fleet for the deployment and maintenance policy for Navy ships. FRP introduced a "Surge" policy for early or emergency deployment of ships to join any already-deployed Strike Group, which made the "D-30" process obsolete. The "C5I Modernization Plan" (C5IMP) was then introduced as the new process for C5I SHIPALT installations management.

14.35.D. In late 2003, an additional process, called "SHIPMAIN", was initiated. The objective of SHIPMAIN is to provide a verification of system requirements and naval budget affordability for C5I systems prior to their installation. Successful results from the SHIPMAIN process provide authority for subsequently scheduling SHIPALT installations using C5IMP.

14.35.E. Current processes involve the development of a ship alteration (SHIPALT) to effect installation of a system into a naval ship, and gaining approval for that installation, installation scheduling, and Configuration Management of the system via several process steps.

14.36. Discussion

Overview. The "Afloat Master Planning System" (AMPS) was developed to assure Interoperability of C4I and ships' Combat Systems proposed for installation in naval ships prior to their being installed as a ship alteration (SHIPALT), and to provide an orderly process and procedures for the efficient implementation of ships' combat systems and C4I systems across the operational Navy Fleets. The primary intent of the process is to ensure combat deployers -- Carrier Strike Groups (CSG); Expeditionary Strike Groups (ESG) with embarked Marine Expeditionary Units (MEU); Pacific Fleet Middle East Force (PACMEF); Forward Deployed Naval Forces (FDNF); Mine Warfare Readiness Group (MIWRG); and other Fleet entities -- receive improved, certified warfighting technologies. The process currently applies to NAVAIR-produced systems that have ships' combat systems and/or interoperability considerations. This includes shipboard systems such as Air Traffic Control and Combat Identification Friend or Foe (IFF); certain weapon systems such as Tomahawk; aircraft systems utilizing Tactical Data Links (TADIL); and systems that integrate on the IT-21 network, such as mission planning and various administrative, logistics and training systems.

14.37. Key Aspects

14.37.A. C5IMP Process. The C5IMP process has as its objective obtaining approval for SHIPALT installations of C5I systems from the Fleet Commanders (FLTCOM). The process is based on conducting three annual meetings at which proposed SHIPALTs are presented to the FLTCOMs the Naval Networks and FORCEnet Enterprise (NNFE) C5I Modernization Conference (NCMC) which consider alterations into all Navy ships that have Availability periods during the following calendar year. Authorized installation periods are called the

"Modernization Window" (MW). The list of all approved SHIPALT installations, as well as completed installations, for a given ship is called that ship's C5I "baseline".

14.37.B. The basis for approval for a SHIPALT being listed in an approved C5I baseline is for a SHIPALT to have the following:

-- SHIPALT approval by the applicable Ship Program Manager (PMS);
-- Ship Change Document (SCD) approved under the SHIPMAIN process;
-- Scheduling of the SHIPALT into the "Navy Data Environment—Navy Modernization" (NDE-NM) database to enable its consideration at the IBR/BRB meetings, and listing in the Afloat Master Planning System (AMPS) database;
-- Approved Ship Installation Drawings (SID);
-- Approved Integrated Logistics Support (ILS) Plan;
-- Weapons Systems Explosive Safety Review Board (WSESRB) approval, as applicable;
-- Preferred Product List (PPL), System/Subsystem Interface List (SSIL), and Qualified Parts List (QPL) approval for use of ships' IT-21 Local Area Network (LAN), as applicable;
-- Human/Systems Interface (HSI) approval;
-- Combat Systems Interoperability Test (CSIT) approval, as applicable;
-- Installation scheduled during the ship's Modernization Window (MW), or approval for installation outside the MW (TCD Waiver).

14.38. Electronic Configuration Control Board (eCCB) Process. The applicable Fleet Commander must approve any changes to a ship's baseline configuration of systems after establishment of that baseline at the Baseline Review Board (BRB). The Fleet Commander's consideration of a change follows review by the Electronic Configuration Control Board (eCCB). eCCB membership consists of various stakeholders in the process, including NAVAIR's eCCB representative. PMs developing and/or upgrading C4I and combat systems must ensure that any change to these systems (hardware/software upgrade; cancellation of a previously planned upgrade; etc.) is submitted to the eCCB for approval. NAVAIR's eCCB representative to NAVSEA can assist in the submission of the required eCCB Risk Forms, and coordinate/advocate for approval.

14.39. Target Configuration Date (TCD) Waiver Process. The TCD is a date when all planned installations and the ILS Plan (especially crew training) in the ship are to be completed. No further upgrades to systems are allowed for the ship unless a waiver is requested to the Fleet Commander and approved. The process to obtain a TCD Waiver is called a "TCD Offer". The Fleet Commander will approve TCD Offers after coordinating with applicable TYCOMs, the ship involved, and Strike Force Commander. Key decision factors are: increased value to warfighter; impact on training and testing; impact if installation does not occur; risk of all kinds; extent of upgrade; proposed installation date. Requests for waiver will be made via an "A-through-O" (A-O) message.

14.40. A-O Message. A "TCD Offer" (A-O message) is required to request either a non-standard system installation or any installation after TCD of software/hardware associated with C4I/Combat Systems. CFFC/COMPACFLT INSTRUCTION 4720.3B specifies the format for the A-O message. The PM must submit the message for approval directly to the applicable Fleet Commander. FLTCOM policy for approval of a TCD Offer is based on if the proposed SHIPALT:
- Corrects a CASREP (original language was "significant deficiency");
- Provides significant C5I capability (originally called "Fleet capability");
- Corrects a safety issue.

A "non-standard installation" is a SHIPALT that is temporary in that it will be removed, and original ship's configuration restored, after its usage. This is frequently the case for systems used in testing (DT/OT), demonstrations of new technology, and for Fleet exercises. NAVAIR's representative to NAVSEA 05H can coordinate and assist in the preparation and submission of the A-O message.

14.41. Action Item Process. Throughout the C5IMP process, "action items" for NAVAIR are received from outside Commands. The actions may be to: resolve configurations of systems; resolution of problems identified in testing (BFIT, DGSIT); responses to A-O messages; solving problems encountered during installations in shipyards; etc. NAVAIR's representative to NAVSEA 62 is often the focal point for C5IMP action items, if not sent directly to a NAVAIR project manager.

14.42. Certifications. System-level Certifications are normally obtained as part of the acquisition process. Certain Certifications apply specifically to C4I/Combat Systems:

-- IT-21 Compatibility. Fleet Commanders have defined a policy and established procedures for IT-21 shipboard configuration management. They have established the Preferred Product List (PPL), System/Subsystem Interface List (SSIL), and Qualified Parts List (QPL) as the controlling authority for systems, computer programs, and hardware to connect with the IT-21 afloat network.

-- NCTSI. The Navy Center for Tactical Systems Interoperability (NCTSI) is assigned as the Chief of Naval Operations (CNO) representative responsible for certifying interoperability of U.S. Navy tactical data systems used in Fleet operations, or in support of Joint or Allied operations. Following successful completion of NCTSI certification, all U.S. Navy TADIL/C4I systems must be tested for Joint Procedural Interoperability Certification through the DISA (JITC).

-- DISA (JITC). For explanation of DISA (JITC) certification refer to Chapter VII Part C, "Interoperability" of this Guide.

14.43. Combat Systems Interoperability Test (CSIT). One of the deliverables that NAVSEA 05H is responsible for to the Fleet Commanders and Strike Group Commanders is a "certification" that the new C5I systems being installed in ships, and delivered to the Fleet for operational use, are both operable and interoperable. The resulting decision is called the Platform Certification Decision (PCD). The Joint Systems Command Instruction, NAVSEAINST 9410.2 | NAVAIRINST 5230.20 | SPAWARINST 5234.1, Naval Warfare Systems Certification Policy, 18 Jul 05, governs this process. CSIT is a test for Interoperability of all systems' software proposed for installation in a given ship, or a group of ships with the same systems' configuration. Prior to installation of software with multi-systems interface, it must have successfully passed the CSIT test applicable to that ship. Weapons Systems Integration and Interoperability Testing (WSI2T) is conducted interconnecting the systems integration laboratories of the applicable combat systems' Software Support Activities (SSA) and exercising the software and hardware in operational scenarios. This consortium use of the labs is known as the Distributed Engineering Plant (DEP). Meetings regarding readiness to commence WSI2T testing, and meetings held after testing that support the PCD decision are:

-- Initial Certification Readiness Review (ICRR): The first meeting, at which the Program Managers announce what systems and their system versions are planned to participate in WSI2T testing so that they can be installed in the ship(s) being considered. ICRR meetings are held several months prior to actual testing, and the PMs report the readiness and risk for meeting the testing event. The decision at the ICRR is to continue planning for WSI2T testing with those systems and their versions.

-- Final Certification Readiness Review (FCRR): Meeting held just week(s) or month prior to commencing WSI2T testing, with the expectation that systems and software are ready to commence testing. Any delay at this time may eventually affect the systems being ready for installation at commencement of the ship(s) Modernization Window (Availability). The decision at the FCRR meeting is to commence WSI2T testing on schedule.

-- Initial Platform Certification Decision (IPCD): After WSI2T testing is completed, and resulting Trouble Reports have been analyzed for operational impacts of risk of occurrence and their severity, a meeting is held to discuss those testing results. The decision at the IPCD meeting is whether to actually commence installation of the systems' ship alterations (SHIPALT) during the ship's Modernization Window (Availability).

-- Platform Certification Decision (PCD): After ship installations are completed and systems have undergone their Systems Operational Verification Tests (SOVT), and the ship has undergone her Sea Trials following her Availability, a meeting is held to discuss results of those completed installations and testing. The resulting decision at the PCD meeting is SEA 05H's "certification" that the new ship's combat systems are both operable and interoperable. The resulting naval message stating that certification for the applicable systems is one of the deliverables that is the responsibility of SEA 05H to the Fleet Commanders, Strike Group Commanders, and the applicable ships' Commanding Officers.

14.44. Capabilities and Limitations (CAPS&LIMS) Document. The other deliverable that is the responsibility of SEA 05H is the Capabilities and Limitations Document for the applicable systems that compose the newly installed system upgrades in ships. This document is a result of operational analysis based on systems descriptions and demonstrated capabilities during the previously held testing events. SEA 05H delivers this document to the Fleet Commanders, Strike Group Commanders, and the applicable ships' Commanding Officers so they will know the upgraded combat systems capabilities of their ships.

14.45. Deploying Group System Integration Test (DGSIT). DGSIT is a Fleet Commander-directed process designed to provide a comprehensive validation of "total force system" performance prior to overseas deployment of a Strike Group (CSG or ESG). This involves not only systems operability and interoperability, but also validates that ships' crews received sufficient training to enable them to satisfactorily operate the ships' C4I and Combat Systems. PM involvement in DGSIT involves providing Subject Matter Experts (SMEs) to ships during conduct of the tests, and coordination in the resolution of reported issues. Issues are reported by the Fleet Commander's DGSIT office via naval message.

14.46. Information on the WEB: https://www.nde.navy.mil/ (for C5IMP, NDE-NM, SHIPMAIN and AMPS)

14.47. POC: Andrew P. Miller, AIR-4.1.5, (301) 757-3252

CHAPTER XIV: ENGINEERING DISCIPLINES

PART I: SOFTWARE DATA RIGHTS

14.48. Source Documents:

- DFARS SUBPART 252.227-7203
- DFARS SUBPART 252.227.7013, .7014, .7015, .7017, 7018, and .7020

14.49. Intellectual Property

The following Intellectual Property (IP) discussion is usually applied to non-commercial software. Acquiring more than Standard rights for commercial software is often cost-prohibitive, but the cost must be carefully weighed against any potential benefits to the government. Program offices need to exercise care to ensure that the context into which COTS items are placed is defined with sufficient rights so that the government can pursue alternative solutions for future upgrades. That is, the interfaces to the COTS products must be available to the government. Also, while many offerors will appear to be providing all COTS, or make grand OA claims, this section still applies to whatever software is required to configure and integrate these COTS items into a system that operates as required. This software includes so-called "glue" code that enables integration, scripts that configure the COTS and the operating systems, database (e.g., Structured Query Language (SQL)) code that drives the COTS, and whatever else that is needed to make it all work. It is recommended that program managers use this section to better understand the requirements going into RFPs and to assure completeness. Table 7-1 describes the technical data rights associated with commercial data items, and Table 7-2 defines those rights for non-commercial items.

14.50. Overview

Intellectual property deals with the rights associated with the products produced by contractors, including the various software products. The establishment of IP terms and conditions is a critical aspect of any software acquisition activity. Without the proper data rights, programs will not be able to legally use their deliverables the way they want or need, regardless of what other portions of a contract appear to say. It is critical, legally speaking, that the RFP and the offeror's response distinguish between commercial and noncommercial software. Commercial software is set forth in DFARS 252.227-7014(a) as software developed or regularly used for non-governmental purposes and either 1) sold, leased, or licensed to the public; 2) offered for sale, lease, or license to the public; 3) doesn't meet the two prior conditions but will be available for commercial sale, lease, or license in time to satisfy the delivery requirements of this contract; or 4) meets any of the prior three conditions and would require only minor modification to meet the requirements of the contract. Commercial computer software should be acquired under the licenses customarily provided to the public unless such licenses are inconsistent with federal procurement law or do not otherwise satisfy user needs. For example, a commercial computer software license may be modified to refer to federal law instead of a particular state law or modified to request source code in order to support a program requirement to integrate the software into an existing system. Noncommercial software is any software that does not meet the description of commercial software. For noncommercial software the DFARS includes a standard set of license rights that delineate what the government can expect, but if these are either 1) not cited, 2) not exercised, or 3) not appropriate for the needs of the government, then the ability of the government to take full advantage of the products being acquired will be compromised. It is important to understand that, according to law, the contractor typically owns whatever they develop, such as computer software, computer software documentation, or technical data unless a special works clause is provided in the contract. The government only receives license rights to use these items. It is therefore crucial that the government negotiates license rights that are needed for any specific acquisition. The DFARS standard license language provides rights only if the DFARS clauses are placed into the contract. Even if cited however, it is possible that the rights might not meet the needs of any specific acquisition. Further, the government may have difficulty exercising its rights in software it does not possess. Appropriate Contract Data Requirements Lists or other contract deliverables should be prepared for any software that the government program intends to use, modify or distribute to other contractors. One effective strategy is to include in the RFP a statement based on DFARS 252.227-7017 that requires offerors to provide unlimited rights for all products except for those that they explicitly list. Beware of software tools that the offeror will use in producing their software. A specific CDRL item should call out tools and the IP or warranty on using them with specific settings to produce the deliverable software product. These details must be called out in the contract for any warranty or future modification or distribution to other government contractors.

14.51. Assessment of Planned Work - Data Rights Requirements Analysis

It is the responsibility of the contracting officer to put the proper data rights clauses into the contract, but it is the responsibility of the program office to provide the contracting officer with a complete assessment of the planned work effort. This assessment should include a determination of the contemplated present uses of the software or other deliverables as well as an assessment of any future uses of the software products or tools used in their production. This assessment is called a "Data Rights Requirements Analysis" (DRRA) and should be conducted prior to contract award using the offeror's response, taking into consideration such factors as multiple site or shared use requirements, and whether the government's software maintenance philosophy will require the rights to modify or have third parties modify the software or the tools used to modify it. Programs should work within their Program Executive Offices (PEOs), sustainment or in-service maintainers, and across their Communities of Interest (COI) in considering future needs for data and other intellectual property rights in a structured, focused manner. The naval portfolio manager may also be able to help, but these contacts must be noted in the SSP or they may not be allowed during deliberations. The goal of this assessment is to identify opportunities or requirements for information and information product sharing and then to structure contracts accordingly. Such an assessment should include both a cross domain and enterprise-wide review of the component "marketplace" – both supply and demand. The results of this analysis should guide the program office in determining the intellectual property and intellectual property rights that it requires the contractor to deliver. If the DRRA determines that the standard data rights clauses do not provide sufficient rights to meet the program's needs and the future needs of the federal government, additional rights may be obtained later through negotiations with the contractor, usually at an additional cost. It is important to perform a trade-off analysis between the additional cost and the benefits realized from obtaining the rights. Tables 7-1 and 7-2 summarize the different characteristics of each rights category including Small Business Innovation Research (SBIR) rights, along with criteria for their application.

Commercial Technical Data (TD) and Computer Software (CS) Data Rights Assertion Categories				
Rights Category	**TD or CS?**	**Criteria for Applying Rights Category**	**Permitted Uses Within Government**	**Permitted Uses Outside Government**
Standard DFARS "7015" Rights	TD only	Default category for all commercial TD (TD pertaining to commercial items) except those qualifying for Unlimited Rights.	Unlimited; except may not be used for manufacture.	Only with contractor's written permission or for emergency repair/ overhaul.
Unlimited Rights (UR)	TD only	Commercial TD that: 1) has previously been provided to government or is already publicly available without restrictions; 2) is "form, fit and function"; 3) is a correction to TD previously delivered to the government; 4) has been provided to the government with UR from a prior contract; or, 5) is necessary for operation, maintenance, installation or training.	Unlimited; no restrictions	
Standard Commercial License	CS only	Default rights category for all commercial CS.	As specified in the license customarily offered to the public. DoD must negotiate for any specialized needs, or if any of the license terms are unacceptable to the government.	
Specifically Negotiated License Rights	Both TD and CS	Mutual agreement of the parties; should be used whenever the standard categories do not meet both parties' needs.	As negotiated by the parties; however, by statute, the government cannot accept less than the minimum standard 7015 rights in commercial TD.	

Table 7-1. Commercial TD and CS Data Rights Assertion Categories[4]

Non-Commercial Technical Data (TD) and Computer Software (CS) Data Rights Assertion Categories				
Rights Category	**TD or CS?**	**Criteria for Applying Rights Category**	**Permitted Uses Within Government**	**Permitted Uses Outside Government**
Unlimited Rights (UR)	TD and CS	Applies to: 1) TD/CS that is developed exclusively at government expense; 2) TD that is test data; 3) TD that is form, fit and function data; 4) TD that is necessary for operation, maintenance or training; 5) Corrections or changes to TD/CS previously delivered to the government; 6) TD/CS otherwise publicly available; 7) CS documentation deliverables; and, 8) TD/CS whose GPR have expired.	Unlimited; no restrictions. Note: If a third party copyright is asserted in TD/CS that is delivered with UR, under DFARS 227.7203-9 the delivering contractor must grant or obtain for the government license rights that permit the government to reproduce, perform or display the software or documentation; distribute copies; and, through the right to modify data, prepare derivative works. If the contractor does not obtain an appropriate license for the government, then the contractor should not incorporate the unlicensed copyrighted material into the deliverable TD/CS without the Contracting Officer's written approval	
Government Purpose Rights (GPR)	TD and CS	Development with mixed funding.	Unlimited; no restrictions.	For "Government Purposes"; no commercial use. Must have recipient sign a Non-Disclosure Agreement (NDA).
Limited Rights (LR)	TD only	Development exclusively at private expense.	Unlimited; except may not be used for manufacture.	Emergency repair/overhaul; evaluation by foreign government; may also disclose subject to a prohibition on any further disclosure after notifying the asserting contractor.
Restricted Rights (RR)	CS only	Development exclusively at private expense	Government may: 1) Use on one computer at a time; 2) Transfer to another government entity (transferor must destroy all copies); 3) Make minimum backup copies; and 4) Modify, provided there is no release or disclosure outside government.	Emergency repair/overhaul (w/NDA). Support contractors may use (w/NDA).
Prior Government Rights (DFARS 252.227-7028)	Both TD and CS	Whenever government has previously acquired rights in the deliverable TD/CS.	Same as under previous contract.	
Specifically Negotiated License Rights (SNLR)	Both TD and CS	Mutual agreement of the parties; use whenever the standard categories do not meet both parties' needs.	As negotiated by the parties; however, must not be less than LR in TD and must not be less than RR in CS.	
SBIR Data Rights	Both TD and CS	Whenever TD/CS is generated under a SBIR contract, **regardless of funding**. SBIR Data Rights expire five years after completion of the SBIR project from which such TD/CS were generated.	Within government, use and disclosure is unlimited.	Cannot release or disclose SBIR data outside of government, other than support services contractors, except: 1) As expressly permitted by the contractor; 2) For evaluation purposes; or, 3) For emergency repair or overhaul. When disclosed outside government, an NDA is required.

Table 7-2. Non-Commercial TD and CS Data Rights Assertion Categories[5]

14.52. Principles of DRRAs

There are some principles to consider when performing a data rights assessment:

- Data rights issues are complex and require careful examination of the program's requirements and overall "fit" within the enterprise. Establishing the data rights strategy for a program requires expert guidance from government attorneys and the contracting officer to determine the best strategy.
- Proper experts should be used to review program data rights requirements – strategy development should involve software and architecture experts, an intellectual property lawyer, a contracting officer and the Program Manager.

- It is typically very expensive to acquire the broader data rights or to create additional options for software maintenance after the initial contract is in place. Inadequate data rights typically result in paying large sums of money to acquire the required rights or having only one option for software maintenance: sole source procurement to the creator of the software. Sole sources have little incentive to offer lowest cost.
- Insufficient data rights prevent the government from using deliverables in the most optimal way.
- Data rights will impact maintenance over 30 or more years of a system's life.
- Programs should perform a Business Case Analysis (BCA) as a part of assessing the IP needs to determine whether obtaining the desired rights is the correct business decision.

14.53. DRRA Considerations

A DRRA should address the following issues:

- Is this a new or existing procurement?
- What type of procurement or assistance vehicle is/will be involved (Federal Acquisition Regulations (FAR)/DFARS contract, grant or cooperative agreement).
- Does the government already have data rights in existing software or other deliverables that permit the government to leverage (i.e., modify and/or enhance) that existing software for this new contracting effort (including necessary architecture/design/interface documentation)?
- What clauses already exist regarding data rights?
- What are the benefits of broader data rights clauses? For example, will acquiring more than restricted/limited rights impact procurement cost without providing value?
- Will one of the standard DFARS levels of data rights ("unlimited," "government purpose" or "restricted/limited") be acceptable, or do the data rights need to be specifically tailored/negotiated for this procurement?
- Does the number of anticipated changes to the software and the required response time for those changes warrant the possible additional cost or fewer bidders on the procurement?
- Will the government obtain at least Government Purpose Rights? If not, is the asset isolated at the lowest component level? If not, is it non-critical? If not, what is the justification for less than GPR?
- Has the Program identified potential components and artifacts that can be provided to the offerors as Government Furnished Information (GFI)?
- Does the government have the right to provide the information to third parties? If not, should the government negotiate a license for this right?
- What is the likelihood that the government will perform the software maintenance (i.e., error corrections and enhancements) in-house?
- What is the likelihood that the software maintenance will be competed and awarded to a third party?
- Might there be any situations that would require licensing outside the federal government (e.g., Foreign Military Sales (FMS) or commercial)?
- Does the government require the rights to modify the deliverables now or in the future (modifications include updates, corrections and enhancements)?
- Will the government need special tools to be able to modify the deliverables?
- Do the components to be acquired fit within an existing, approved government architecture, or can they be easily modified to fit into an approved architecture? Does the government have sufficient rights to perform this modification?
- Does the government need to maintain configuration control over the deliverables? If so, the government needs to obtain sufficient license terms to perform this maintenance.

14.54. When performing the DRRA, it is important to address both the long-term as well as the short-term needs, since software could be in use for 30 or more years. After the DRRA has been conducted, the contracting officer will determine if the standard data rights clauses provide the rights that the contractor and the government need to accomplish the stated objectives. If additional rights are required, the contracting officer can enter into negotiations with the contractor to acquire such rights. Other Sources of Information about Intellectual Property Rights: The Federal Acquisition Regulations (FAR) and Defense Federal Acquisition Regulations (DFARS) are the primary sources of information regarding data rights. Applicable FAR/DFARS intellectual property/technical data/software provisions include:

- FAR 52.227-11, Patent Rights – Retention by the Contractor (Short Form);
- FAR 52.227-12, Patent Rights – Retention by the Contractor (Long Form);
- DFARS 252.227-7013, Rights in Technical Data – Noncommercial Items;
- DFARS 252.227-7014, Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation;
- DFARS 252.227-7015, Technical Data – Commercial Items;
- DFARS 252.227-7016, Rights in Bid or Proposal Information;
- DFARS 252.227-7017, Identification and Assertion of Use, Release, or Disclosure Restrictions;
- DFARS 252.227-7018, Rights in Non-commercial Technical Data and Computer Software – Small Business Innovation Research (SBIR) Program;
- DFARS 252.227-7019, Validation of Asserted Restrictions – Computer Software;
- DFARS 252.227-7020, Rights in Special Works
- DFARS 252.227-7025, Limitations on the Use or Disclosure of Government- Furnished Information Marked with Restrictive Legends;
- DFARS 252.227-7027, Deferred Ordering of Technical Data or Computer Software;
- DFARS 252.227-7028, Technical Data or Computer Software Previously Delivered to Government;
- DFARS 252.227-7030, Technical Data – Withholding of Payment; and
- DFARS 252.227-7037, Validation of Restrictive Markings on Technical Data.

FAR/DFARS materials can be accessed at http://www.acq.osd.mil/dpap/sitemap.html

CHAPTER XIV: ENGINEERING DISCIPLINES

PART K: TECHNOLOGY PROTECTION

14.55. Purpose. This section outlines NAVAIRs implementation of the Department of Navy (DON) standard and approved process for use by both DON employees and contractors involved in the identification of Critical Program Information (CPI) and the identification and implementation of countermeasures in DON Research Development and Acquisition (RDA) Programs (to include: ACAT I-IV programs; Abbreviated Acquisition Programs, Rapid/Quick Reaction Deployment Programs, Technology Spirals (Engineering Change Proposals).

14.56. Source Documents:

a. DoDD 5000.01, "The Defense Acquisition System," 12 May 03 updated through 20 Nov 07 (specifically section paragraphs E1.1.4, E1,1.18, and E1.1.22)
b. DoDI 5200.39, "Critical Program Information (CPI) Protection within the Department of Defense," 16 Jul 08, change 1 incorporated 28 Dec 2010 (specifically Enclosure 2 paragraph 5.c(7)(e))
c. DoDI 5000.2, "Operation of the Defense Acquisition System," 8 Dec 08
d. DoDI 2040.02, "International Transfers of Technology, Articles, and Services," 10 Jul 08
e. JP 1-02. "DoD Dictionary of Military and Associated Terms," 12 Apr 01, Amended through 30 May 08
f. USD(AT&L) Memo, "Horizontal Protection of DoD Critical Program Information," 22 Jul 10
g. Defense Acquisition Guidebook, 5 May 2010
h. SECNAVINST 5000.2E, "Implementation and Operation of the Defense Acquisition System and the Joint Capabilities Integrating and Development System," 1 Sept 11
i. ASN(RD&A) Memo, "Required Use of Standardized Process for identification of Critical Program Information (CPI) in DON Acquisition Programs," 20 Feb 08
j. "DON Standardized Critical Program Information Identification Process in Department of Navy Acquisition Programs," Version 1.01, 26 Sep 07
k. NAVAIR 7.4 Memorandum, Subject: NAVAIR National Security Program Guidance, 27 Jul 10 (specifically, enclosure (8))
l. Principal Deputy Under Secretary of Defense Memorandum, Subject: Document Streamlining – Program Protection Plan, 18 Jul 11

14.57. Definitions.

Critical Information (CI) – Per reference (e); "Specific facts about friendly intentions, capabilities, and activities vitally needed by adversaries for them to plan and act effectively so as to guarantee failure or unacceptable consequences for friendly mission accomplishment."

Critical Technology (CT) – Per reference (d); "Technology or technologies essential to the design, development, production, operation, application, or maintenance of an article or service which makes or could make a significant contribution to the military potential of any country, including the United States. This includes, but is not limited to, design and manufacturing know-how, technical data, keystone equipment, and inspection and test equipment."

Critical Program Information (CPI) – Per Reference (b); "Elements or components that, if compromised could: cause significant degradation in mission effectiveness; shorten the expected combat-effective life of the system; reduce technological advantage; significantly alter program direction; or enable an adversary to defeat, counter, copy, or reverse engineer the technology or capability."

14.58. Responsibilities.

14. 58A. *NAVAIR Program Managers* (PMs) are responsible for evaluating RDA programs for CPI, developing a Program Protection Plan (PPP) and implementing countermeasures in accordance with references (a) - (c) and (g) - (l). The PM is responsible for assigning a Program Office Protection Lead (POPL), making personnel available for participation in the process of identifying potential CPI, conducting criticality analysis of mission-critical functions and components, supply chain risk analysis, and approving process results.

14. 58B. POPL is the individual (Government, contractor or military) assigned by the PM as the primary POC for completing the CPI identification process, developing the program protection plan and uploading the CPI and PPP into the Acquisition Security Database as per references (f) and (i) – (k).

14. 58.C. *NAVAIR Director of Security (AIR-7.4)* will endorse all PPPs for NAVAIR per reference (k).

14. 58D. *NAVAIR Technology Protection Division Head* (*AIR-7.4.3*) is the NAVAIR individual for: providing Technology/Program Protection Guidance; validating and endorsing all NAVAIR CPI Surveys, CPI Identification Assessment results, PPPs; and maintaining an online repository of policy guidance and supporting templates located on https://mynavair.navair.navy.mil (Security 7.4, Technology Protection).

14. 58E. *Operations Security (OPSEC) Manager (AIR-7.4.4)* is responsible for providing OPSEC guidance for protection of unclassified Critical Information (CI) and CPI.

14. 58F. *Lead Engineer, SW/HW Engineer, Technical Experts, etc*. are the personnel who represent the programs as Subject Matter Experts (SMEs) and are under the direction of the PM/POPL to participate in the CPI Identification process and possibly in developing the PPP.

14. 58G. *Principal NAVAIR Foreign Disclosure Authorities* are the Designated Disclosure Authorities (DDAs) AIR 7.4.1, who have broad disclosure authorities regarding the release of Classified Military Information (CMI) and Controlled Unclassified Information (CUI) some of which may be categorized as CPI. These personnel support the process through expertise in foreign information exchange matters and potential foreign interests in program information.

14. 58.H. *Counter-Intelligence (CI) and Intelligence Threat Support* are two supporting efforts. The Naval Criminal Investigative Service (NCIS) CI provides threat analysis products regarding threats to CPI. Defense Intelligence Agency provides threat analysis products regarding suppliers of components and NAVAIR (*AIR-4.12*). Scientific and Technical Intelligence Liaison Officer (STILO) provides intelligence support and liaison with ONI/DIA on CAPSTONE/System Threat Assessment Reports.

14. 58I. *Information Security (AIR-7.4.1)* is responsible for ensuring adequate protection of sensitive and classified information, specifically through the development and implementation of Security Classification Guides.

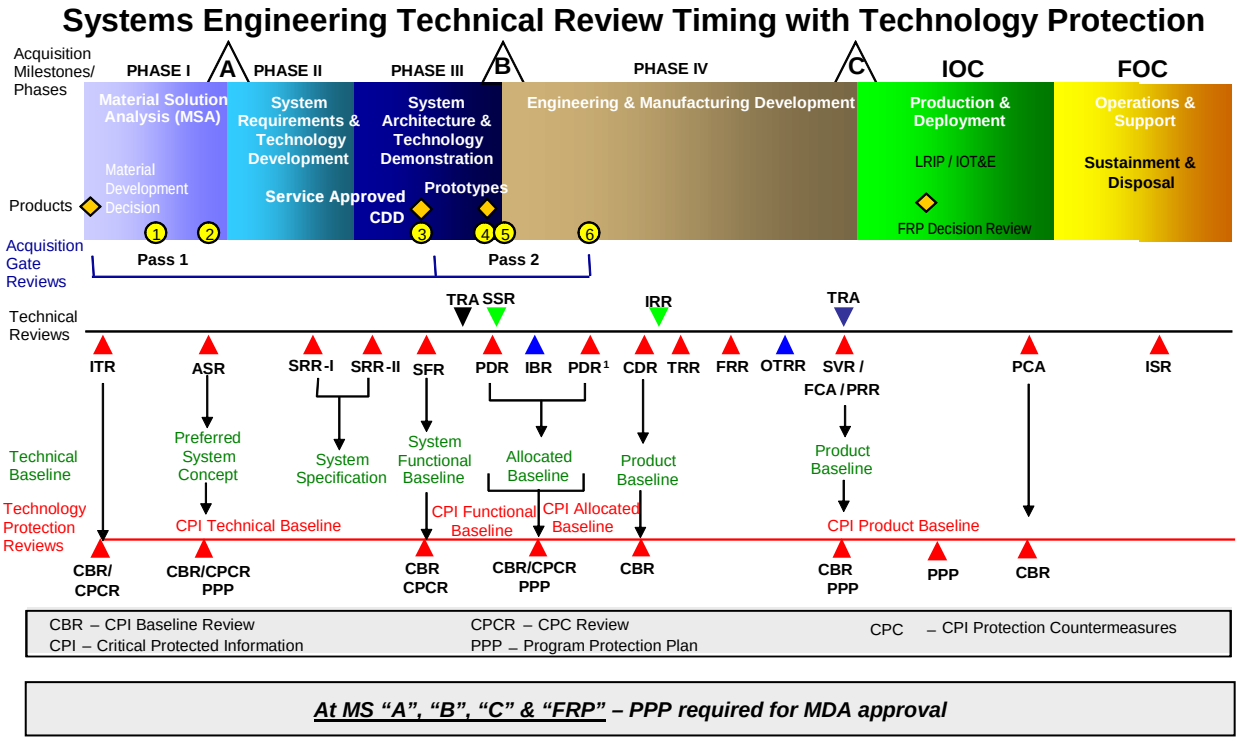
14. 58J. *Anti-tamper Engineering (AIR-4.1.14)* is responsible for providing guidance and support in Systems Engineering activities to impede reverse-engineering.

14. 58K. *Information Assurance (AIR-7.2)* is responsible for ensuring the confidentiality, integrity, availability, non-repudiation, and authorization of digitized information, information systems and networks against unauthorized access to or modification, whether in storage, processing, or transit, and protection against the denial of service to authorized users, including measures to detect, document and counter such threats during development, testing, deployment, and disposal across the enterprise architecture.

14.59. Discussion. United States military superiority is dependent on advanced technology and the ability of that technology to survive the ever emergent "hostile intelligence collection environment" across the acquisition lifecycle. Therefore, "Technology Protection" is one of the 33 domains of Survivability within Specialty Engineering. Technology Protection comprises: (1) the component/systems/integration engineering competencies' identification of components and/or elements within the system, which if compromised, meet one of the 5 criteria of CPI; and, (2) the engineering/security/intelligence competences' identification and implementation of appropriate "cost effective" CPI countermeasures.

Critical Technology (CT) and CI normally require countermeasures; but, may or may not meet any of the criteria for CPI.

CPI is tied to the "Technical Baseline" and requires re-evaluation as the technology baseline matures. CPI identification and appropriate CPI countermeasures start at the beginning of a research initiative or an acquisition program. Re-assessment of CPI follows the Systems Engineering Technical Review (SETR) process and becomes part of the Technical Baseline. As ECPs are integrated within the Technical Baseline, any ECP that changes the Technical Baseline should be evaluated for CPI.



CPI needs to be determined *up-front-and-early*, and re-assessed throughout the acquisition lifecycle in conjunction with the Systems Engineering Technical Reviews process.

The benefits of the prime contractor's involvement in CPI identification and countermeasures are that: (1) the prime contractor is responsible for the design and CPI consideration is part of the design process; (2) cost effective trades in "total ownership costs" involving countermeasures are part of the engineering process; (3) the prime contractor integrates Program Protection into their Integrated Master Schedule (IMS); (4) the prime contractor has a vested profit interest to meet cost, schedule, and performance (which includes Program Protection) in deploying their goods in the Fleet; (5) this adds a Government Quality Assurance (QA) process, which is lacking when the Government does the CPI identification; (6) the risk to the Government that some CPI may not have been identified is reduced; and, (7) other than formal preparation of the updated CPI List and associated CPI Countermeasures documents for PDR and CDR, the engineering effort and associated engineering costs are already in the prime contractor's contract requirements.

14.60. Critical Program Information (CPI) Identification Process.

The PM or designee shall: (1) submit a CPI Survey to AIR 7.4.3; (2) if "Potential CPI" is identified, the PM assigns a POPL; (3) the POPL establishes a CPI/PPIPT with appropriate program SMEs; (4) the team acquires CPI identification training; (5) the POPL oversees the CPI/Program Protection IPT in identification of CPI by using the Navy CPI WBS Tool; and, (6) the POPL acquires AIR 7.4.3 concurrence on the completed CPI WBS Tool. The NAVAIR CPI Assessment Process is located on https://mynavair.navair.navy.mil (Security 7.4, Technology Protection) and the Program Management Community Web Tool, templates.

14.61. No CPI.

If No CPI, per the determination by the PM or designee based on the results of the CPI Survey and/or CPI Identification WBS Tool Assessment, the POPL will develop a PPP in accordance with reference (l).

14.62. CPI Approval and Countermeasures.

If CPI is identified based on the completion of the CPI Identification WBS Tool, the POPL will draft a CPI Approval memorandum which will contain the CPI and countermeasures for PM approval. A CPI Approval memorandum template is located on https://mynavair.navair.navy.mil (Security 7.4, Technology Protection) and the Program Management Community Webtool, templates. The following countermeasures shall be considered:

a. Communications Security
b. Industrial Security
c. Information Security
d. Operational Security
e. Personnel Security
f. Physical Security
g. Systems Security Engineering
h. Foreign Disclosure
i. Anti-tamper
j. Software Assurance
k. IA/Network Security
l. Supply Chain Risk Management
m. Transportation Management

14.63. Program Protection Plan.

The POPL shall develop a PPP per references (b), (c), (h), (k) and (l) for all acquisition programs regardless if CPI, mission-critical functions/components exist. A PPP template is located on https://mynavair.navair.navy.mil (Security 7.4, Technology Protection) and the Program Management Community Web Tool, templates.

14.64. Distribution.

Until the PPP is final, the PM/POPL shall distribute the approved CPI and countermeasures to appropriate Government sites and contractors where the CPI will be stored, handled and/or processed. The PM will require those contractors with his/her program CPI to deliver a Program Protection Implementation Plan (PPIP) to the PM for approval. The PPIP addresses how the contractor will protect the CPI. A PPIP CDRL is located at https://assist.daps.dla.mil/quicksearch.

14.65. POC: Don Bernard, AIR 7.4.3, (301) 757-6420.

CHAPTER XV: OTHER KEY TOPICS

PART A: ALPHA ACQUISITON

15.1. Purpose. Alpha Acquisition is a concurrent versus serial approach which involves the integration of the Program/Project/Acquisition Manager (PM/AM), the Contracting Officer, the Contractor, the Defense Contract Audit Agency (DCAA), the Defense Contract Management Agency (DCMA), various field activities, and AIR-4.2 cost estimators into a cohesive team. The common goal is to acquire high quality goods and/or services for the Government in an expedited and efficient manner and at a fair and reasonable price.

15.2. Discussion

15.2.A. With Alpha Acquisition, Government and contractor personnel are included in the acquisition process from the inception of the requirement. In order to accelerate the time it takes to award a contract once a requirement is known, the Integrated Program (Product) Team (IPT) goes to the Contractor's plant, where they work hand-in-hand with the contractor, DCAA, DCMA, and other units as necessary (i.e., DCMA Quality Engineers). It has been NAVAIR's experience that for major procurements (exceeding $100M), this process reduces to approximately four months the time it takes from agreement on the Statement of Work (SOW) until contract award. Development of the SOW and specification, which normally take about 126 days, is reduced by as much as 52 days (for consolidating responses, formal Command review, data review board, and delivery of a Procurement Initiation Document (PID) to AIR-2.0). Duplication is also eliminated from the procurement process because contractor personnel are involved in the design, manufacturing, and software development decisions of the RFP, if applicable, to the instant contract. Therefore, Government research of, and response to, contractor issues are all resolved during the development of the SOW and specification. These participants take ownership of the acquisition process from the beginning and become a Joint Industry/Government Team with a common purpose.

15.2.B. The benefits of the use of Alpha Acquisition practices are reduced procurement acquisition lead times and also reduced costs. By including the DCAA and DCMA in the proposal preparation process their audits and technical evaluations can be completed more quickly since the need for follow-up audits and evaluations (generally driven by proposal updates) will be eliminated. The contractor benefits by significantly reducing proposal preparation costs.

15.2.C. Alpha Acquisition is a framework for expediting the acquisition process. The purpose is to eliminate any unnecessary processes and reviews, and to streamline and conduct the required ones in parallel. Nevertheless, the same issues addressed in standard procurements are addressed in Alpha Acquisition, the same questions asked, and the same support provided. However, it is all done much more quickly and started earlier in the process.

15.2.D. Alpha Acquisition is a labor-intensive process. For each such procurement, the IPT members may be away from the office for as much as 50 percent of the time over a period as long as a month of the total contracting time. Therefore, before deciding to use the ALPHA approach, the IPT leader should consider:

- While the members of the IPT are away from the office on this one procurement, how will the other program work be handled?
- Should there be specific criteria used to determine whether such a labor-intensive method is worthwhile (i.e., dollar threshold, higher level interest, funding jeopardy, degree of trust between the parties, etc)?
- What opportunities exist for use of video-teleconferencing versus travel?

15.3. Pre-requisites for Alpha Acquisition are:

- Good draft Statement of Work (SOW) with defined requirement,
- SOW, proposal, and business clearance spreadsheet, in accordance with Work Breakdown Structure (WBS),
- Contractor and Government negotiating teams use the same spreadsheet format and software version to facilitate negotiations and documentation,
- Team commitment to use of Alpha Acquisition practices throughout the acquisition process, and
- COMMUNICATION, COMMUNICATION, COMMUNICATION

15.4. A sample Alpha Acquisition approach and a sample Memorandum of Agreement immediately follow this section.

15.5. POC: The cognizant program contracting officer or AIR-2.1.1, (301) 757-6596

SAMPLE ALPHA ACQUISITION APPROACH

15.6. Alpha Acquisition is a concurrent versus serial process, both within the Government team and with the contractor team. The following is a **sample** approach that has been used for a development program. These steps should be tailored or, in some cases, eliminated (if the same technical requirement as the last procurement is to be used, then many of the following technical/Class Desk steps will be inapplicable) to fit the circumstances of the individual procurement:

I. Procurement Planning Conference to develop understanding of requirements
II. Formation of the "Alpha" Team:
- Involve Team in all aspects of pre-procurement planning
- Develop Government technical review team
- NAVAIR/DCMA/etc.
- Develop government cost/price review team
- Investigate available areas of expertise
- Naval Air Warfare Centers (NAWCs)
- Establish relationship and open dialog with Field support agencies
- EARLY INVOLVEMENT

III. Good draft SOW with defined requirement
IV. Preliminary (realistic) schedule
V. ROM of budget parameters (forces contractor to propose creative solutions)
VI. Periodic (i.e., weekly, biweekly) team meetings to discuss status/evolution of requirements.

15.7. PRE-RFP

- Conduct discussions with contractor to finalize a SOW and assure commitment on defined requirements
- Good up-front systems engineering
- Establish SOW based on WBS format
- Assign proposal review responsibilities to Government teams
- Establish proposal review process
- As part of the negotiation team, DCMA conducts a thorough RFP review before issuance of the RFP
- Develop coordinated (Gov't/contractor/DCMA/DCAA) acquisition schedule the team will use to track its success
- Draft RFP, if necessary
- Advanced discussions on terms and conditions

15.8. RFP THROUGH PROPOSAL SUBMISSION

- Issue RFP which incorporates developed SOW, schedule, and format
- Government involvement in Contractor's ground rules meeting
- Commence review and audit of proposal sections as they are written
- Technical review team assembled on-site under the control of the IPT for on-going "fact-finding" during proposal drafting
- Contractor establishes an on-site focal point for technical and contractual issues
- All team players available when required to discuss issues
- Document fact finding results throughout for use in field pricing report

15.9. PROPOSAL SUBMISSION AND REVIEW

- Proposal delivered directly to review activities for initial review
- Proposal review should largely be a formality, as Team reviewed proposal sections as they were completed
- All technical questions processed through IPT
- Conduct joint technical and cost reviews
- Written RFP questions to contractor (should be minimal) require written responses
- Only questionable responses require face-to-face meetings

15.10 NEGOTIATIONS

- The contractor's contracting officer and cost support members available at same location as PCO/contract specialist
- Only specific IPT members (i.e., PCO/contract specialist/technical team leader) are present during formal negotiations with contractor
- Technical sub-team leaders available on both sides to resolve any outstanding issues and fine tune technical requirements
- Standard spreadsheet becomes exhibit in the business clearance

SAMPLE MOA AS AN ALPHA ACQUISITON APPROACH

15.11 Whereas our goal is to continue streamlining the acquisition process through the implementation of "Alpha Acquisition" and the greater use of the Integrated Program (Product) Teams, and whereas our goal is to establish a milestone schedule in order to accomplish an award not later than _____, and whereas the parties (as applicable: Contractor, Navy, DCAA, DCMA, and NAVAIR) agree that this MOA establishes the objectives and assumptions to be used in this process, therefore the parties agree as follows.

15.11.A. The objectives are as follows:

- Improve the quality of the price and delivery proposal
- Increase understanding of the contractor's estimating, price, and delivery proposal methodology
- Reduce the time required for discussions by conducting real time discussions of the cost elements of the proposal as they are completed
- Reduce the time required for Government technical evaluation by completing technical evaluations as the elements of the proposal are prepared
- Research consensus on contract terms and conditions early in the evaluation process
- Continue to pursue affordability initiatives to lower the cost

15.11.B. The proposed Process and Advantages are summarized as follows:

Proposed Process

- Mutual agreement of this MOA
- (Contractor name) provided with draft RFP for comment and discussion of terms and conditions
- Develop proposal evaluation milestones and schedule
- Formal request for proposal issued
- NAVAIR Pre-Negotiation Business Clearance (may be verbal presentation)
- Individual cost elements submitted as they are completed
- Fact-finding and discussions conducted between all parties (as applicable: contractor, DCMA, DCAA, and NAVAIR) according to the milestone schedule
- Frequent team meetings are held to review and understand estimates and proposal methodology as positions are developed and data is compiled for target, minimum, and maximum quantities (if applicable). Consensus on estimating methodology shall be reached to the maximum extent possible.
- Negotiation and Agreement on cost elements during the above process
- Submittal of profit initiative
- Agreement on profit
- Requirements finalized
- Submittal of proposal documenting agreements achieved for requirement
- Settlement with (name of contractor)
- (Contractor name) post negotiation "sweep" of current cost data
- NAVAIR post-negotiation clearance
- Award of contract

Advantages

- (Contractor's name) proposal will correlate with the NAVAIR/(contractor name) agreed-to requirements
- Real-time discussions will identify and resolve issues early in the process and eliminate wasted effort
- NAVAIR/(contractor name)/ DCAA/DCMA will attend same fact-finding/discussion meetings, thereby eliminating the duplication of time and effort associated with multiple reviews
- Preliminary discussions and evaluations will be performed as estimating and proposal methodologies are developed, thereby reducing formal fact-finding and negotiation time
- Government and (contractor name) team members will develop a better understanding of the requirements, estimating methodology, price, and delivery proposal process.

15.11.C. The assumptions and guidelines are as follows:

- This acquisition streamlining effort must be coordinated with the following:

Organization	**PCO**
NAVAIR	(NAME), PCO
(Contractor Name)	(NAME), Contracts and Pricing
DCMA/(Location)	(NAME), ACO
DCAA/(Location)	(NAME), Resident Auditor

- All correspondence between NAVAIR and (contractor name) shall be sent through (Name), (Contractor name) Contracts and Pricing, and (Name), PCO. Copies shall be sent to (Name), ACO, DCMA (location), and (Name), DCAA/(location).

- (Contractor name) shall have full responsibility to prepare the price and delivery proposal. The Government's role is to gain understanding of the proposal process and conduct "real-time" discussions with the objective of increasing the quality of the technical and cost evaluation while expediting the overall acquisition process. In turn, the Government will provide (contractor name) with the "real-time" information concerning non-restricted Government audits in order to gain an understanding of the Government position.

- DCAA auditors will maintain their independence from (contractor name's) price and delivery proposal process. As (contractor name) presents various sections of the proposal, DCAA may attend for informational purposes only.

- The (contractor name)/NAVAIR/DCMA team will discuss and evaluate the methodologies as they are developed in accordance with the attached milestone schedule. Any agreements reached are preliminary in nature and subject to appropriate (contractor name) and NAVAIR management review. Nothing in this agreement will prohibit (contractor name)'s rights and flexibility in the areas of proposal preparation, estimating methodology, or any other contracting aspect. Nothing in this agreement will limit the audit scope on the part of DCAA. In addition, nothing in this streamlining initiative shall be used to circumvent or bypass Government laws, regulations, or the NAVAIR Business Clearance process. The contractor is still responsible for providing current, accurate, and complete cost and pricing data in the final price, and the delivery process shall be certified to the cut-off date agreed to in the milestone schedule. The proposal remains (contractor name)'s responsibility and must be certified.

- (If applicable) The attached schedule is part of this MOA and includes proposal milestones, schedules, and certification cut-off dates. Any revisions to the schedule shall be mutually agreed upon prior to incorporation.

- Key dedicated members of (program/project name) teams are identified in the attached list and will be responsible for obtaining any support needed.

- NAVAIR and (contractor name) will work together to establish ways to accelerate the phase book process. It is recognized that NAVAIR/(contractor name) supplier field audits are critical to reducing the proposal evaluation cycle. Therefore, every attempt will be made to reduce the turnaround time to 30 days (or any more appropriate time for the procurement in question) from the date of request. In addition, issues will be identified in real-time prior to completion of audits to facilitate timely resolution solution.

- The NAVAIR team will coordinate activities with the objective of reducing/eliminating duplicative evaluation efforts.

CHAPTER XV: OTHER KEY TOPICS
PART B: ADVISORY AND ASSISTANCE SERVICES

15.12. Source Documentation:

OMB Circular Number A-11 (Nov 10), Section 83
DoD FMR 7000.14R Volume 2B (Chapter 19)
FAR Subpart 37.2
AIR-7.6 memo 7000 Ser AIR-7.6.2.1/290 of 9 Dec 99

15.13. Definition. Advisory and Assistance Services (A&AS), previously referred to as Consulting Services, Contracted Advisory and Assistance Services, and Contractor Support Services, are services procured by contract from non-Government sources to: a) support and improve organizational policy development, decision making, management, and administration; b) support program or project management and administration; c) provide management and support services for R&D activities; d) provide engineering and technical support services; or e) improve the effectiveness of management processes and procedures. The products of A&AS may take the form of information, advice, opinions, alternatives, analyses, evaluations, recommendations, training, and technical support.

15.14. Discussion. A&AS is identified as object classification 25.1 in the PB-15 budget exhibit. The PMA/RFM is responsible for planning, budgeting, accounting, and reporting A&AS which are procured by a Working Capital Fund (WCF) activity (in support of the customer order). WCF activities are only responsible for A&AS associated with overhead (i.e., indirect) functions.

15.15. Categories. Advisory and Assistance Services are comprised of three categories, which are described below:

15.15.A. Management and Professional Support Services (MSS). Contracted services, usually closely related to the basic responsibilities and mission of the agency contracting the function, that provide assistance, advice, or training for the efficient and effective management and operation of organizations, activities (including management, scientific, and engineering support services for R&D activities), or systems. Examples of MSS services include:

1) efforts that support or contribute to the improved organization of program management, logistics management, project monitoring and reporting, data collection, budgeting, accounting, auditing, and technical support for conferences and training programs;
2) services to review and assess existing managerial policies and organizations;
3) development of alternative procedures, organizations, and policies; and
4) examination of alternative applications and adaptations of existing or developing technologies.

15.15.B. Studies, Analyses, and Evaluations (SAE). Contracted services that provide organized, analytic assessment/evaluations in support of policy development, decision making, management, or administration. Includes studies in support of R&D activities and obligations for models, methodologies, and related software supporting studies, analyses, or evaluations. Examples of SAE services include:

1) analysis of alternatives (previously referred to as cost/benefit, or effectiveness analyses) of concepts, plans, tactics, forces, systems, policies, personnel management methods, and programs;
2) studies specifying the application of information technology and other information resources to support mission and objectives;
3) technology assessments and management and operations research studies in support of R&D objectives;
4) evaluations of foreign force and equipment capabilities, foreign threats, net assessments, and geopolitical subjects;
5) analyses of material, personnel, logistics, and management systems; and
6) environmental impact statements.

15.15.C. Engineering and Technical Services (ETS). Contractual services that take the form of advice, assistance, training, or hands-on training necessary to maintain and operate fielded weapon systems, equipment, and components at design or required levels of effectiveness. Efforts include systems engineering and technical

direction (as defined in FAR 9.505-1(b)) required to ensure the effective operation and maintenance of weapons systems or major systems or to provide direct support of a weapons system that is essential to R&D, production, or maintenance of the system. Examples of ETS services include:

1) determine system performance specifications;
2) identify and resolve interface problems;
3) develop test requirements, evaluate test data, and oversee test design; and
4) develop work statements, determine parameters, oversee other contractor's operations, and resolve technical controversies.

15.16. Funding. Funding for A&AS efforts should be consistent with the appropriation sought to be charged. Specifically, RDT&E may fund A&AS efforts when integral to the technical execution of the R&D project; procurement accounts may fund A&AS efforts directly related to the support of the system being procured; and O&M,N funds A&AS efforts for out-of-production and in-service systems/equipment and A&AS in direct support of NAVAIR headquarters management functions, systems project offices, and acquisition managers.

15.17. POC: Cindy Meyer, AIR-10.3, (301) 757-7807 (Policy)
Debbie McCann, AIR-10.3, (301) 757-7801 (PB-15 Budget Exhibit)
Shawn Danaher, AIR-10.3, (301) 757-7781 (PB-15 Budget Exhibit)

CHAPTER XV: OTHER KEY TOPICS

PART C: SMALL BUSINESS UTILIZATION POLICY AND PROCEDURES

15.18. Purpose

15.18.A. The Small Business Act, Public Law 85-536, as amended, states that "It is the declared policy of the Congress that the Government should aid, counsel, assist, and protect, insofar as is possible, the interests of small-business concerns in order to preserve free competitive enterprise, to insure that a fair proportion of the total purchases and contracts or subcontracts for property and services for the Government (including but not limited to contracts or subcontracts for maintenance, repair, and construction) be placed with small business enterprises..., and to maintain and strengthen the overall economy of the Nation." This statement also includes contracts and subcontracts for subsystems, assemblies, components, and related services for major systems. Heads of contracting activities are responsible for effectively implementing the small business programs within their activities, including achieving small business program targets.

15.18.B. The Act requires each agency with contracting authority to establish an Office of Small Business Programs (OSBP). The NAVAIR OSBP head is appointed by the Commander, NAVAIR, or his Deputy and is responsible for carrying out the functions and duties in sections 8, 15, and 31 of the Small Business Act. The OSBP cooperates and consults on a regular basis with the Small Business Administration (SBA) in carrying out NAVAIR's functions and duties regarding the Act. Small Business Deputies make recommendations in accordance with agency procedures as to whether a particular acquisition should be awarded as a small business set-aside, as a Service-Disabled Veteran-Owned Small Business set-aside, as a Section 8(a) award, as a HUBZone set-aside, or as a Women-Owned Small Business set-aside. Contracting activity Small Business Deputies perform this function by: 1) reviewing and making recommendations for all acquisitions over $10,000; 2) making the review before issuance of the synopsis and documenting it on a DD Form 2579, Small Business Coordination Record; and 3) referring recommendations that have been rejected by the contracting officer to the SBA Procurement Center Representative (PCR).

15.18.C. Section 15 of the Small Business Act states that **each contract for the purchase of goods and services that has an anticipated value greater than $3,000 but not greater than $150,000 shall be reserved exclusively for small business concerns** unless the contracting officer is unable to obtain offers from two or more small business concerns that are competitive with market prices and are competitive with regard to the quality and delivery of the goods or services being purchased.

15.19. Source Documentation and Guidance:

NAVAIRINST 4380.4 - Naval Air Systems Command Small Business Program
NAVAIR OSBP Community of Interest (COI) website at https://mynavair.navair.navy.mil/osbp
NAVAIRINST 4200.36D - Acquisition Plans
Contracts Competency Instruction (CCI) 4200.42B - Procedure for Review and Approval of Small Business Subcontracting Plans
NAVAIRINST 4200.37B - The Procurement Initiation Document Process
SECNAVINST 4380.8B - Implementation of the Department of the Navy Small and Disadvantaged Business Utilization (SADBU) Program NAVAIR OSBP public website at http://www.navair.navy.mil/osbp/
Sources Sought Guidebook located on NAVAIR OSBP COI and PMC Web Tool
Public Law 85-536, as amended, The Small Business Act
Section 1207 of Public Law 99-661, National Defense Authorization Act for FY87
Title 13, Code of Federal Regulations, Business Credit and Assistance
Title 15, United States Code, Section 631, Declaration of Policy on Aid to Small Business
Federal Acquisition Regulation (FAR)
Defense Federal Acquisition Supplement (DFARS)
Navy Marine Corps Acquisition Regulation (NMCARS)
Central Contractor Registration (CCR), Dynamic Small Business Search website: http://www.ccr.gov
Center for Veterans Enterprise web portal at http://www.vetbiz.gov

15.20. Small Business Programs. The Department of the Navy is required by statute to implement several basic small business programs, described below. A business concern may meet the requirements of multiple programs at the same time with the Navy receiving credit towards their small business targets under all applicable programs.

15.20.A. Small Business (SB) – Located in U.S, organized for profit, including affiliates is independently owned & operated, not dominant in field of operations in which it is bidding on Government contracts, AND meets SBA size standards included in the solicitation. Note: The size standard is based upon the North American Industrial Classification Standard (NAICS) assigned to the specific procurement and is dependent upon the product/service being purchased. The Contracting Officer determines the appropriate NAICS code and related small business size standard, in coordination with the requiring office, NAVAIR Small Business Deputy and the SBA PCR. The NAVAIR Small Business Deputy and SBA PCR should be involved in this discussion early in the acquisition process. The NAICS manual is available online at www.census.gov/epcd/www/naics.html.

15.20.B. Women-Owned Small Business (WOSB) – Small Business, at least 51% owned by ≥ 1 women, AND management & daily business operations controlled by ≥ 1 women. **New set-aside program implemented in FY11.**

15.20.C. Small Disadvantaged Business (SDB) – Small Business, unconditionally owned & controlled by ≥ 1 socially & economically disadvantaged individuals who are of good character & citizens of the U.S.

Small Disadvantaged Business 8(a) Certified (8(a) – SDB, SBA-certified into the 8(a) Business Development Program for a period of 9 years. **Limited sole source authority without advertising.** For more information, including an 8(a) Program Fact Sheet, go to the OSBP COI.

15.20.D. Historically Underutilized Business Zone (HUBZone) – Small Business, owned & controlled 51% or more by ≥ 1 United States citizens, AND SBA-certified as a HUBZone concern (principal office located in an economically-distressed HUBZone area AND ≥ 35% of employees live in any designated HUBZone). **Limited sole source authority without advertising**. For more information, including a HubZone Fact Sheet, go to the OSBP COI.

15.20.E. Veteran-Owned Small Business (VOSB) – Small Business, veteran-owned as defined in 38 USC 101(2), ≥ 51% owned by ≥ 1 veterans, AND management & daily operations controlled by ≥ 1 veterans.

15.20.F. Service-Disabled Veteran-Owned Small Business (SDVOSB) – Small Business, veteran-owned, ≥ 51% owned by ≥ 1 service-disabled veterans, AND management & daily business operations controlled by ≥ 1 service disabled veterans OR in the case of veteran with permanent & severe disability, the spouse or permanent caregiver of such veteran, AND with 0% - 100% service-connected disability as defined in 38 USC 101(16) & documented on DD 214. **Limited sole source authority without advertising.** For more information, including an SDVOSB Fact Sheet, go to the OSBP COI.

15.21. Small Business Goals/Targets

Government wide small business goals are established each fiscal year by the President. Notwithstanding these government-wide goals, each procuring agency will have annual targets that represent the maximum practicable opportunity for small business participation as prime contractors. Each fiscal year, the NAVAIR OSBP negotiates small business targets with the Department of the Navy's OSBP. Once these negotiations are complete, the NAVAIR OSBP Associate Director assigns targets to NAVAIR's Business Units. NAVAIR's targets and performance data are available on the NAVAIR OSBP COI as well as the NAVAIR OSBP public web site. Achieving NAVAIR's targets takes teamwork and is the responsibility of all NAVAIR acquisition personnel.

NAVAIR's OSBP manages the activity's small business functions, including providing periodic reports to the Commander/Commanding Officer on overall small business program implementation at the activity. They also assist and advise contracting and requiring office personnel, to include Program Executive Officers and Competency leadership on small business program-related regulatory, policy and directive requirements. The NAVAIR OSBP establishes processes and procedures for the Command's small business program.

By reviewing proposed contracting actions, reviewing acquisition plans and acquisition strategy documents, participating in source selections, and reviewing subcontracting plans, the NAVAIR OSBP works to ensure that small businesses are provided the maximum practicable opportunity within NAVAIR acquisitions.

15.22. Acquisition Planning

15.22.A. Acquisition planners, to the maximum extent practicable, are required to structure contract requirements to facilitate competition by and among small business concerns as prime contractors, and avoid unnecessary and unjustified bundling that precludes small business participation as prime contractors (see NAVAIRINST 4200.36D, FAR 7.107 and 15 U.S.C. 631(j)). At NAVAIR, examination of potential breakout opportunities is especially important when developing acquisition plans. To meet this requirement, the NAVAIR OSBP should be a participant in the development of the Acquisition Strategy and is a required reviewer of Acquisition Plans. The OSBP is also available to assist with Market Research as required by FAR Part 10. Website resources available to locate small businesses are at the NAVAIR OSBP public website and the NAVAIR OSBP COI website.

15.22.B. For Competitive Acquisitions that are not set-aside for small business, DFARS 215.304 states "the extent of participation of small businesses and historically black colleges or universities and minority institutions in performance of the contract shall be addressed in source selection". Your OSBP can assist you with the appropriate language, which will be tailored for individual procurements, for your Source Selection Plan and RFP.

15.22.C. For Broad Agency Announcements, to help achieve the goals of Section 1207 of Public Law 99-661, contracting officers shall 1) whenever practicable, reserve discrete or severable areas of research interest contained in broad agency announcements for exclusive competition among historically black colleges and universities and minority institutions; and 2) indicate such reservation in the broad agency announcement, and in the announcement synopsis.

15.22.D. The use of technologies developed under Small Business Innovative Research (SBIR) programs should be utilized to the maximum extent practicable, in order to leverage NAVAIR investment in these technologies and enable successful transition to production.

15.23. Small Business Set-Asides

The term "set-aside for small business" means the reserving of an acquisition exclusively for participation by small business concerns. Set asides may be total or partial. Set-asides are available for SB, WOSB, HUBZone and SDVOSB concerns. Regulatory coverage of small business set-asides is found at FAR Subpart 19.5.

15.24. Small Business Subcontracting Program

15.24.A. The Small Business Subcontracting Program is another means for supporting the small business industrial base with increased opportunities for participation in procurement by various socio-economic groups. For more information, including a Fact Sheet entitled DOD Subcontracting Program: the Basics, go to the OSBP COI.

15.24.B. FAR 19.7 requires that an acceptable subcontracting plan be submitted to the Government for all contract actions with large business concerns that exceed $650,000 (inclusive of options). The PCO is responsible for reviewing subcontracting plans as specified in FAR 19.705-4 Reviewing the Subcontracting Plan. The Subcontracting Plan must then be routed to the Defense Contract Management Agency, NAVAIR OSBP and the SBA PCR for their review and concurrence. Finally, the contract file must be documented to reflect the review and the PCO's final decision relative to an acceptable subcontracting plan.

15.24.C. NAVAIR CCI 4200.42B identifies the procedures for review and approval of subcontracting plans. Routing and approval of the subcontracting plan, and subcontracting plan checklist should be initiated by the PCO as soon as proposals are received in order for all team members to have adequate time for proper review.

15.24.D If it is determined that there are no subcontracting opportunities available within the procurement and that a subcontracting plan is not required, a determination signed at a level above the PCO must be placed in the

contract file in accordance with FAR 19.705.2(c). This determination shall be made on page three of the subcontracting plan checklist after coordination with the NAVAIR OSBP and SBA PCR.

15.24.E The requiring organization (Program Office or Competency) is responsible for monitoring the prime contractor's performance under the subcontracting plan incorporated into their contract. This ongoing evaluation should be used to determine reasonability of proposed goals on future similar contracts, and also to support the Contractor Performance Assessment Reporting System (CPARS) evaluation of Small Business Utilization. Guidance for this evaluation may be found on the NAVAIR OSBP COI.

15.25. Lessons Learned

- Acquisition Plans that are not reviewed by the NAVAIR OSBP often have missing or inadequate language addressing small business participation in the procurement. The earlier the OSBP is brought into the procurement strategy, the easier and quicker it is for procurement documents to be reviewed. It will also reduce the risk of delays during Navy and OSD level Peer Reviews.

- Market Research (as required by FAR Part 10) must be conducted and documented in order to support the selected acquisition strategy. Too often this critical activity is not thorough enough, and as a result, competitions are reduced, acquisitions are delayed and the likelihood of protests increases. Market Research Training is available of the NAVAIR OSBP COI.

- Industry Days and Sources Sought Synopses are good tools to assist with market research, and should be done early in the procurement cycle. New small businesses enter the marketplace every day. Just because a small business was not found the last time the procurement was competed does not mean that a small business is not available now. A Sources Sought Guidebook is available on the NAVAIR OSBP COI and the PMC Web Tool.

- The Small Business Coordination Record DD Form 2579 must be completed prior to synopsis of a requirement (NAVAIRINST 4380.4). Time is often wasted if an improper NAICS code is selected, or if a competitive requirement is synopsized as full and open competition, and then determined to be set-aside for small business. Another synopsis would be required to correct these errors.

15.26. POC: Emily Harman, Associate Director, NAVAIR OSBP, AIR 09D, (301) 757-9044

CHAPTER XV: OTHER KEY TOPICS

PART D: STATEMENT OF WORK (SOW)/STATEMENT OF OBJECTIVES (SOO)

15.27. Source Documentation:

MIL-HDBK-245D, Preparation of Statement of Work (SOW)
MIL-HDBK-881, Work Breakdown Structure
MIL-HDBK-248B, Acquisition Streamlining
Federal Acquisition Regulations/Defense Federal Acquisition Regulations (**FAR/DFAR**)

15.28. Purpose. The Statement of Work (SOW) should specify in clear and understandable terms the work to be performed in developing or producing goods to be delivered or services to be performed by a contractor. It should provide a consistent, orderly and complete description of the work required. Preparation of an effective Statement of Work requires both an understanding of the goods or services that are needed to satisfy a particular requirement and an ability to define what is required in specific, performance based qualitative terms. It is essential that the person preparing the SOW understand the design concept of the deliverable product and/or the scope of the services to be performed. A SOW prepared in explicit terms will enable offerors to clearly understand the government's needs. This facilitates the preparation of responsive proposals and delivery of the required goods or services. A well-written SOW also aids the Government in conduct of the source selection and contract administration after award. A Data Requirements Review Board (DRRB) may review each SOW to ensure compliance with the policy, guidance and procedures contained in MIL-HDBK-245D.

15.29. Guidance

15.29.A. Prior to the formulation of the (PID), the SOW should be prepared by the Integrated Program Team (IPT), and coordinated with the Program Manager. The PM has overall responsibility for the preparation, review and approval of the SOW. The SOW preparation begins with the review of the Capability Development Document (CDD), and other appropriate planning documents, such as the Systems Engineering Plan (SEP), Acquisition Plan, Acquisition Logistics Support Plan (ALSP), Work Breakdown Structure (WBS), and the specification. Every effort to describe the work with some degree of precision should be made so that the parties will not only have an understanding of what is expected, but the contract itself will not be rendered invalid for vagueness. NAVAIRINST 4120.9A addresses preparation of program unique specifications for NAVAIR programs.

15.29.B. The PM should address the preparation of the WBS, SOW, and CDRLs at the Procurement Planning Conference (PPC) with the IPT functional representatives present. Each IPT must make every effort to adequately describe the work task so that the contractor will have a clear understanding of what is expected. These documents should be consistent with the requirements stated in other acquisition documentation.

15.29C. After contract award, the SOW becomes the standard for measuring the contractor's effectiveness. The contractor will refer to the SOW to determine his rights and obligations with regard to work tasks. A clearly defined scope of effort will enhance the legal supportability, if the need arises. Therefore it is imperative to apply the following rules when writing a SOW:

DOs

- Use the WBS to outline the required work effort.
- Express the work to be accomplished in work terms.
- Explicitly define the tailored limitations of applicable documents.
- Use shall whenever a provision is mandatory.
- Use will only to express a declaration of purpose.
- State what needs to be accomplished, NOT HOW.
- Exclude design control or hardware performance.
- Identify either CDRL number or DID number in parentheses at end of a SOW paragraph when data is to be developed/delivered.

DON'Ts

- Do not develop data content or data delivery schedules in the SOW. The DID describes the data content and format, and the CDRL orders the specific delivery times.
- Do not include proposal criteria
- Do not include instructions to the contractor
- Do not include qualifications of contractor personnel
- Do no include conditions of Security or clearance
- Do not discuss contract clauses.
- Do not amend contract specifications.
- Do not invoke entire applicable documents unless needed to meet minimal need.

15.30. Purpose. A Statement of Objectives (SOO) is an option provided by MIL-HDBK-245Dwhich can be used instead of a SOW. The **SOO** expresses the basic, top-level objectives of the acquisition and is provided in the PID/solicitation in lieu of a government-written SOW. This approach gives Offers the flexibility to develop cost-effective solutions with the opportunity to propose innovative alternatives that meet those objectives.

15.31. Guidance. The SOO is a government-prepared document, usually two to four pages, incorporated into the PID/ solicitation that states the overall solicitation objectives and request that the Offerors provide a SOW in their proposals. The SOO may be included as an attachment to the solicitation, listed in Section J, or referenced in Section L and/or M. The SOO does not become part of the contract. Instructions for the contractor prepared SOW should be included in Section L. This is a fundamental part of the solicitation development with major impacts to Sections L and M. The following provides the conceptual process for developing the SOO.

The IPT team develops a set of objectives compatible with the overall program direction including the following:

a. The user(s) Capability Development Document (CDD),
b. Program Initial Capabilities Document (ICD),
c. Draft technical requirements (system spec), and
d. A draft WBS and dictionary

Once the program objectives are defined, they will need to be focused so that the SOO addresses product-oriented goals rather than performance requirements. The SOO is replaced at contract award by the proposed SOW.

15.32. Lessons Learned. The SOW/SOO developer should:

- know the contract/program detailed requirements
- research the applicable regulations, policies and procedures
- know that the SOW is not a miscellaneous catch-all document
- know that a SOW is a requirements document representing work needs
- know that technical performance requirements (specification) should not be in the SOW
- know that the SOW task may result in the generation of data, and that the task should not directly address the preparation of data, and know that Block 5 of the CDRL must reference the correct SOW paragraph that describes the performance based work effort that results in the data being developed and delivered.

For additional information, please visit the website at: http://homepages.navair.navy.mil/pmcwebtool/.

15.33. Available Training Courses:

Writing Performance Based Statements of Work (listed under the Procurement & Contracting tab)
Writing Better Performance Statements of Work (listed under the DAWIA Continuous Learning tab)

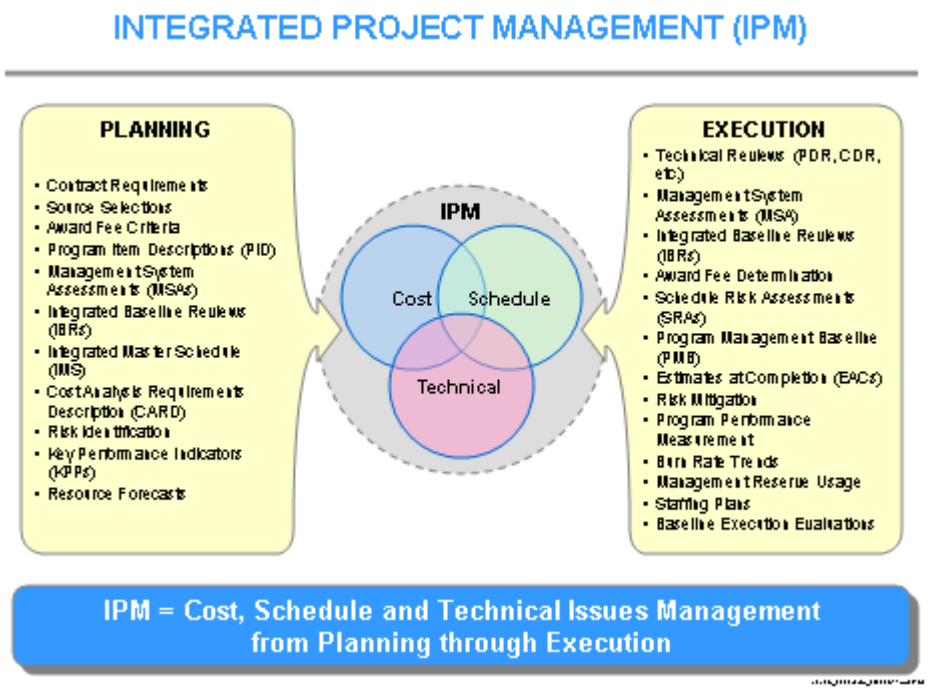
15.34. POC: Each respective PMA APMSE (Class Desk) or Competency designated subject expert

CHAPTER XV: OTHER KEY TOPICS

PART E: INTEGRATED PROJECT MANAGEMENT/EARNED VALUE MANAGEMENT

15.35. Discussion. Integrated Project Management (IPM)/Earned Value Management (EVM) is a systematic approach that integrates the various management subsystems to facilitate the completion of projects within cost, schedule and scope constraints regardless of whether it is contractor or organic (in-house) effort. An EVM System incorporates best business practices that impact all of an organization's subsystems needed to manage and gauge the health of a project. After the management processes are in place, IPM/EVM provides project managers integrated visibility into a project's cost, schedule and technical progress (see "Integrated Project Management" chart). Implementation of EVM should be on projects that are over twelve months in duration, non level-of-effort type work, and over $20M. Efforts greater than $50M require the use of a formerly validated EVM system in accordance with American National Standards Institute/Electronics Industries Alliance (ANSI/EIA) Standard-748. In general EVM is not implemented on Firm Fixed Price efforts; however, if the program manager for a Firm Fixed Price effort believes there is sufficient risk they may choose to require using EVM. The main deliverable reports from contractors for EVM is the Contract Performance Report and the Integrated Master Schedule. An Estimating Technical Assurance Board (ETAB) process has been established to provide credible/defendable estimate inputs for Estimates at Completion (EACs) developed by NAVAIR. The determination of the need for an ETAB will be driven by the visibility and/or risk of the contract. Conducting an ETAB is also based on a joint decision between Program Executive Office (PEO) and AIR-4.2. It is recommended as a best practice to coordinate the completion of EACs in support of the budgetary cycle. Results from the EAC may impact funding decisions and this data is more useful prior to finalized budgets.

15.36. POC: Chris Mushrush, AIR-4.2.3, (301) 342-2396



CHAPTER XV: OTHER KEY TOPICS

PART F: ENVIRONMENT, SAFETY AND OCCUPATIONAL HEALTH ISSUES

15.37. Purpose. This section identifies NAVAIR expertise and resources available to support the integration of environment, safety and occupational health (ESOH) requirements into a program's acquisition life cycle. It is also intended to help acquisition managers understand the ESOH requirements that exist in the acquisition process.

15.38. Source Documents:

DoDI 5000.02, Operation of the Defense Acquisition System, of 8 Dec 08

Defense Acquisition Guidebook, Sections 2.3.14, 4.4.11, 5.5.12, 6.2.5.3, 9.1.7, Encl 7 (E7.1.6)

DoD 6055.9-STD, DoD Ammunition and Explosives Safety Standards, of 5 Oct 04

SECNAVINST 5000.21, Implementation and Operation of the Defense Acquisition System and the Joint Capabilities Integration and Development System, of 1 Sep 11

OPNAVINST 5090.1C, Environmental Readiness Program Manual, of 30 Oct 07

OPNAVINST 5100.23G, Navy Occupational Safety and Health Program Manual, of 30 Dec 05

NAVAIRINST 5090.2, Management and Elimination of Ozone Depleting Substances, of 13 Mar 08

NAVAIRINST 5090.3, Environmental Planning for NAVAIR Actions, of 18 Jun 07

CNO ltr 5090 Ser N45/8U156042, "Environmental Readiness in Systems Acquisition", of 29 Jul 08

Executive Orders (EOs) 12114, 12898, and 13423

42 U.S.C. 4321-4347, National Environmental Policy Act (NEPA) of 1969, as amended

NAVAIRINST 5000.21B Naval SYSCOM Risk Management Policy

15.39. Discussion. The Assistant Secretary of the Navy for Research, Development & Acquisition (ASN(RD&A)) has issued policy requiring that program managers (PMs) ensure their programs have minimal ESOH impacts during fleet operations. Department of Defense Instruction (DoDI) 5000.02 requires program managers to conduct a programmatic ESOH evaluation (PESHE) as part of the acquisition strategy to ensure that impacts are identified and mitigated. AIR-1.6 has developed a PESHE document authoring tool (PESHE DAT). This tool provides a standardized template and a tailored risk assessment module for programmatic and technical risks. The Risk Assessment Module allows the user to create risk assessments and mitigation measures for program Technical risks. Additional guidance can be obtained by contacting AIR-1.6The PESHE document evaluation must address each of the six specific ESOH risk areas: a) National Environmental Policy Act, b) Environmental Compliance, c) Safety and Health, d) Hazardous Materials, e) Pollution Prevention, and f) Explosive Safety.

15.40. Resources

15.40.A The Environmental Programs Department (AIR-1.6) is dedicated to providing oversight for the environmental requirements associated with systems engineering lifecycle management, and ensuring that acquisition program managers understand and comply with environmental requirements identified in DoDI 5000.02, as well as the National Environmental Policy Act (NEPA).

15.40.B AIR-1.6 is NAVAIR's single focal point for the coordination and dissemination of environmental requirements and policies. AIR-1.6's charter is to support the Naval Aviation Enterprise mission by providing Acquisition Program and Fleet Managers with environmental knowledge, expertise, , and services to meet milestone decision authority and operational test requirements.

15.40.C. The AIR-1.6 Environmental Programs Department is comprised of Headquarters and Navy Working Capital Fund (NWCF) staff members who:

- Develop and issue Command Policy, Procedures, and Guidance
- Review program environmental documentation (PESHE, NEPA, etc.) and certify compliance status at Milestones (B, C, and FRP)

- Attend and participate in Systems Engineering Technical Reviews (SETR), and make recommendations as appropriate on the associated ESOH components..
- Continuously track program environmental compliance status
- Provide and maintain a knowledge base of expertise to support Acquisition Program Managers' environmental requirements
- Provide environmental awareness training to acquisition personnel
- Provide environmental regulatory consultation and assistance to acquisition programs.
- Provide technical support required to assist Program Managers with maintaining environmental compliance
- Perform quality assurance/quality control review of applicable acquisition documentation (PESHE, NEPA, TEMP, AS/AP, ORD, etc.)
- Provide pre-OTRR/OTRR reviews of environmental readiness and concurrence to proceed
- Identify and manage environmental business processes and resources to provide program managers maximum efficiency and Life Cycle Cost (LCC) savings
- Develop and maintain tools to support standardization of environmental documents to reduce risks and liabilities.

15.40.D. Environmental experts throughout the NAVAIR community (including the Naval Air Warfare Centers (NAWC) and the Fleet Readiness Centers (FRC)) assist AIR-1.6 personnel to ensure that a Program Manager's environmental risks are adequately addressed and mitigated to the maximum extent practicable in their acquisition documentation and provide technical support in the following areas:

a) ESOH coordination (direct program support);
b) Development of environmental program documentation, including:
   Programmatic Environmental Safety and Health Evaluations (PESHE),
   National Environmental Policy Act (NEPA) compliance schedules,
   Milestone Decision Authority (MDA) exit criteria,
   Hazardous Material Management plans, and
   Deactivation, Demilitarization & Disposal (3D) plans;
c) Performance of environmental analyses;
d) Requirements and data management; and
e) Development and application of tools to support environmental analysis, assessments and the standardization of environmental management processes across the Command;
f) SETR event environmental compliance assessments

15.41. Policy & Programs

15.41.A. AIR-1.6 is responsible for promulgating DoD and SECNAV directives and instructions and issuing supportive environmental policies which impact NAVAIR acquisition programs. Policies are developed and coordinated with Program Executive Offices (PEOs) and/or NAVAIR acquisition staffs through the PEO Acquisition Code Meetings.

15.41.B. AIR-1.6, in conjunction with the Office of Counsel (AIR-11.0), provides technical and legal support to all PEOs and acquisition programs to ensure compliance with environmental laws, regulations and specifically NEPA. AIR-1.6 is responsible for the development of internal processes related to PESHE and NEPA. AIR 1.6 acts as liaison with the Chief of Naval Operations Environmental Readiness Division for adherence to the Navy's environmental policies and procedures.

15.42. AIR-1.6 Products and Services

15.42.A. To ensure an effective ESOH risk management and analysis for the Program Manager's Acquisition Strategy, AIR-1.6 has developed the following products:

- PESHE Document Authorizing Tool (PESHE DAT). The Programmatic Environment, Safety & Occupational Health (ESOH) Evaluation (PESHE) Document Authorizing Tool (PESHE DAT) is a web-based application designed to assist acquisition system program managers and ESOH coordinators with ESOH life cycle planning and development of PESHE documentation. PESHE DAT includes a Risk Assessment Module that will allow the user to

create risk assessments by answering questions for Program Execution risks or by entering data for associated Technical risks. PESHE DAT also serves as a knowledge base and repository of PESHE documents developed within the Tool.

- Environmental Systems Allocation (ESA) Model. The ESA model is a database tool that manages environmental, safety, and health (ESH) information and data from organizational (O), intermediate (I), and depot (D) level naval aviation maintenance operations. The ESA model provides summaries of hazardous material (HM) usage and hazardous waste (HW) generation information that can be presented from a variety of perspectives. ESH information can be presented by platform or activity, and allocated down to O, I, or D level maintenance operations and work centers/shops.
- Hazardous Material Authorized User List Analysis Tool. The Hazardous Material Authorized Use List (HMAUL) Analysis Tool or HAT is a software application intended to assist program managers in the identification and reduction of hazardous materials and obsolete specifications in NAVAIR maintenance manuals which includes:

  -specifications/NSN requirements
  -chemical constituents of products supplied to specifications/National Stock Numbers (NSNs)
  -technology insertion opportunities related to required specifications/NSNs
  -cancelled, inactive specifications
  - capture process changes
  -prioritization of issues (ESA)

15.42.B. To ensure effective transition of environmental technology into the Fleet via NAVAIR's weapons system acquisition program management, AIR-1.6 utilizes Navy Environmental Sustainability Development to Integration (NESDI) funding for the following Environmental Enabling Capabilities (EECs):

- Range Sustainment (EEC-2). Innovations that address environmental impacts and restrictions at Navy ranges to ensure that naval training ranges and munitions testing/manufacturing ranges are fully available and efficiently utilized. Examples of projects in the local area include:
  - ✓ A study to assess the potential effects of lasers on marine life, and
  - ✓ Development of a comprehensive data set on toxicity of munitions constituents to regulatory acceptable marine species and the definition of their potential for bioaccumulation, cellular level impacts, and trophic transfer.
- Ship-to-shore Interface (EEC-4). Develop innovative techniques to manage ship hazardous material/waste offload to shore facilities. Examples of projects in the local area include:
  - ✓ An ongoing effort to select, procure, and integrate proven technologies that collect and concentrate solids and fine particles from dry dock floors, pumps, wells, cross connection channels, trenches, rail tracks, and adjacent areas to the dry dock.
  - ✓ An effort to demonstrate and integrate a low-cost, modular device that combines semi-autonomous motion with portable containment to maximize operator productivity while capturing the paint overspray before it can contaminate the dry dock.
- Weapon System Sustainment (EEC-3). Focus on the organizational- and intermediate-level Fleet maintainer to reduce the cost of compliance and increasing Fleet readiness. Example projects include:
  - ✓ Validating the use of alternative technologies (including corn hybrid polymer) for the effective repair of aircraft radomes, and
  - ✓ Demonstrating and validating the use of High Velocity Oxygen Fuel coatings as a replacement for hard chromium plating on helicopter dynamic components.
- Air and Port Operations (EEC-4). Addresses issues pertaining to air and port operationsthat ensure Fleet readiness. Example projects in the local area include: Validating a cathodic protection system to achieve effective corrosion preventionwhile reducingenvironmental impacts of caisson and floating dry ddock ballast discharges, and

- Assessing the feasibility of coatings and other material advancements for permanent oil booms that mitigate biofouling accumulation and enhance compliance through increased reliability, extended life, and a reduced maintenance burden.

- Regulatory and Base Operations (EEC-5). Cost-effective methods for identifying, analyzing, and managing environmental constraints related to current and projected regulatory impacts. Example projects include:
  - Establishing guidelines and limitations for the use of biodiesel with ground tactical vehiclesand equipment, and
  - Quantifying Navy contaminant loads by demonstrating and validating contaminant source tracking technologies and developing a technical framework that enables water program managers to attribute existing contamination loads to support their compliance programs.

15.42.C. AIR-1.6 Program Services

Through the effective planning, management, tracking, and monitoring of environmental considerations, AIR-1.6 is institutionalizing sound ESOH principles across NAVAIR. The benefits of this process include:

a. Reducing environmental risks and liabilities,
b. Achieving environmental benefits and cost savings,
c. Improving industrial processes,
d. Achieving program missions at a competitive advantage, and
e. Maintaining environmental compliance.

15.42.D. How to Acquire AIR-1.6 Products and Services

AIR-1.6 uses a rolling, 12-month calendar to track ESOH activities and compliance across the Command, including but not limited to Systems Engineering Test Reviews (SETR) and major test events. Acquisition programs can take a proactive role to realize efficiencies and minimize potential risk to cost and schedule through early engagement of AIR-1.6 representatives in the systems engineering process. Upon program initiation or significant restructure, preparation for milestone decision (B, C or FRP), major Engineering Change Proposal (ECP), or Block Upgrade, please contact the POC listed below to schedule an Initial Planning Meeting (IPM). The IPM will be used to establish an overall environmental strategy for your program which will include:

- Identification of current ESOH requirements and program goals
- Review of pertinent program documentation (e.g. Integrated Master Schedule, Test and Evaluation Master Plan, flight test schedules, etc.)
- Evaluation of environmental staffing, tools, and other resources that may be needed

The IPM should result in an established program ESOH Plan of Action and Milestones (POA&M) outlining the timeline for development of requisite environmental documents (e.g., PESHE, NEPA compliance schedule) and a Team Assignment Agreement (TAA) for ESOH support services, if applicable.

15.43. POC: Herman Varmall, Environmental Programs Department Head, AIR-1.6 (301) 757-2155

CHAPTER XV: OTHER KEY TOPICS

PART G: CORE LOGISTICS CAPABILITIES, TITLE 10 U.S. CODE, SECTION 2464

15.44. Purpose. The statutory requirement for "core" depot-level maintenance and repair capability has been in place since the early 1980s, but has gained greater recognition since the release of more precise language in November 1997. There has been increased Congressional interest since 2006 in public depots and how the application of the core statute affects their continued presence. Depot-level maintenance and repair workloads are much more desirable to the private sector now than ever before, due primarily to fewer "new start" programs, the Government's desire to use innovative partnering/contracting approaches, and the private sector's need to diversify. Core represents the minimum amount of maintenance/repair capability that the DoD Components must maintain in organic depot facilities to ensure contingency operations are not compromised because of lack of essential depot-level repair support. The Strategic Planning Imperatives for Industrial Depot Maintenance (SPI/IDM) reinforces the need for early planning of industrial requirements prior to Milestone B by conducting a Core Logistics Analysis (CLA), simply defined as 'core' analysis herein, as mandated by the DoDI 5000.02.

15.45. Discussion

15.45.A. Title 10, U. S. Code, Section 2464, Core Logistics Capabilities, requires DoD to maintain a core logistics capability that is Government-owned and Government-operated (including Government personnel and Government-owned and operated equipment and facilities) to ensure a ready and controlled source of technical competence and resources necessary to ensure effective and timely response to a mobilization, national defense contingency situations, and other emergency requirements.

15.45.B. Exclusions are defined as systems and equipment under special access programs, nuclear aircraft carriers, and commercial items or commercial items with minor modifications to meet Federal Government requirements. Additionally, consideration is given to existing capability that resides within DoD.

15.45.C. The statute states that core capabilities identified must include those capabilities necessary to maintain and repair the weapon systems and other military equipment identified to fulfill the strategic and contingency plans prepared by the Chairman of the Joint Chiefs of Staff (JCS) (including establishment of an organic depot maintenance capability not later than four years after achieving Initial Operational Capability (IOC)).

15.45.D. To comply with statutory and DoDI 5000.02 requirements, a Core Logistics Analysis (CLA) is conducted prior to MS B. As design becomes stable and depot-level repairables become known, NAVAIR requires a final core analysis be conducted (NAVAIRINST 4790.34). To ensure core capability is efficiently and effectively utilized, depot-level core-sustaining workload is calculated per the DoDI 4151.20 to determine the depot-level workloads required to sustain the capability of those depot-level core requirements. The workload quantification stems from the weapon systems identified to support the latest JCS planning scenario(s); whether statutory exclusions are applicable; if capability exists within DoD; and the computation that results in a quantity of core-sustaining workload in depot level hours.

15.45.E. Simply stated: Core is capability, not location; capability consists of the public skills/artisans, equipment, and facilities needed to accomplish the maintenance and repair; and specific workload sustains that capability by exercising the artisans' skills and confirming the availability of specialized equipment, tooling, and facilities.

15.45.F. It's important for acquisition program officials to consider the outcome of the Core Logistics Analysis and final core determination to ensure compliance with statutory requirements. The core or non-core determination can drive the maintenance support concept and follow-on budget exhibits. For these reasons, it's imperative that the Core Logistics Analysis be performed prior to MS B to preclude impediments to the program's progress later on. Additionally, the Core Logistics Analysis and final core determination is required as input to the

Depot Maintenance Interservice (DMI) submission for Source of Repair Analysis SORA/ Depot Source of Repair (DSOR) decisions and included in the ILA and SETR checklists. Disregard for the Title 10 requirements could impact the approval to proceed to the next milestone.

15.46. POC: Ron Klasmeyer, AIR-6.7.7.2, (301) 757-8611 or ronald.klasmeyer@navy.mil

CHAPTER XV: OTHER KEY TOPICS

PART H: CLINGER-COHEN COMPLIANCE AND NAVAIR IT APPROVAL PROCESS

15.47. Background. In 1996, Congress enacted the Clinger-Cohen Act (CCA) Title 40 U.S.C, requiring agencies to use a disciplined capital planning and investment control process to acquire, use, maintain and dispose of information technology (IT). Per CCA, OSD Memo of 08 Mar 2002, DoDI 5000.02 of 8 Dec 2008, and SECNAVINST 5000.2E of 1 Sep 11, CCA compliance is required for all programs that contain Information Technology (IT), including National Security Systems (NSS) or IT in weapons and weapons systems programs. The law provides authority to the agency's Chief Information Officer (CIO) to manage IT resources effectively and the Navy CIO is delegated authority by the Department of Defense (DoD) CIO. The authority to grant compliance with CCA and approve the Information Assurance Strategy (IAS) depends on the Acquisition Category (ACAT) as delineated in SECNAVINST 5000.2E. ACAT III and below acquisitions come under the delegated authority of the NAVAIR Command Information Officer. The NAVAIR Command Information Officer has established a Center of Excellence (COE) to assist programs in achieving CCA compliance. For more information, visit the Clinger-Cohen Center of Excellence at https://mynavair.navair.navy.mil/CIO.

- ACAT programs designated Mission Critical/Mission Essential (MC/ME) IT in accordance with DoDI 5000.2 must be confirmed or certified by the cognizant CIO to be CCA compliant:
  - to achieve milestone
  - prior to contract award
  - before obligation of funds by registering programs in the DoD IT repository (DITPR-DON)
  - by having an approved Information Assurance Strategy (IAS)
- Acquisition programs that contain IT that are not MC/ME are designated Mission Support (MS) in accordance with Navy Information Assurance Manual SECNAV M-5239.1 must be confirmed or certified by the cognizant CIO to be CCA compliance:
  - to achieve milestone
  - prior to contract award
  - before obligation of funds by registering programs in the DoD IT repository (DITPR-DON)
  - are not required to have an IAS
  - are advised to consider having an IAS
- NAVAIR acquisition of IT executed outside of the context of an acquisition program of record is evaluated and confirmed to be compliance with the CCA under the cognizance of the NAVAIR Command Information Officer using the IT approval Process.

15.48. Primary Purpose. To streamline IT acquisitions and emphasize life cycle management of IT as a capital investment. The key reasons for enacting CCA were to:

- Give IT procurement authority back to agencies
- Move the General Services Board of Contract Appeals authority to hear bid protests on IT contracts to the General Accounting Office (GAO)
- Encourage incremental acquisition of IT systems
- Encourage the acquisition of commercial off the shelf (COTS) IT products
- Allow the Administrator for Federal Procurement Policy to conduct pilot programs in Federal agencies to test alternative approaches for acquisition of IT resources

15.49. Risks. Risks associated with non-compliance include:

- Milestone Decision Authority (MDA) can refuse to grant a milestone or major decision for a program
- Withholding or loss of funding
- Loss or delay of contract award and/or schedule delays
- Antideficiency Act violation

15.50. Key IT management actions

- Design and implement an IT management process for maximizing the value and assessing and managing the risks of IT acquisitions
- Integrate the IT management process with the processes for making budget, financial, and program management decisions
- Establish goals for improving the efficiency and effectiveness of agency operations and, as appropriate, the delivery of services to the public through the effective use of IT. Prepare an annual report on progress in achieving the goals, to be included in the agency's budget submission to Congress
- Ensure performance measurements are prescribed for IT by, or to be acquired for, the agency, and that they measure how well the IT supports the agency programs
- Appoint a Command Information Officer (at NAVAIR, this position is AIR-7.0A)
- Inventory all computer equipment and maintain an inventory of any such equipment that is excess or surplus property

15.51. Definition of Information Technology (IT). Any equipment, or interconnected system or subsystem of equipment, that is used in the automatic acquisition, storage, analysis, evaluation, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information.

The term "equipment" means any equipment used by a Component directly or used by a contractor under a contract with the Component that requires the use of such equipment or the use, to a significant extent, of such equipment in the performance of a service or the furnishing of a product.

The term "IT" includes computers, ancillary equipment (including imaging peripherals, input, output, and storage devices necessary for security and surveillance), peripheral equipment designed to be controlled by the central processing unit of a computer, software, firmware and similar procedures, services (including support services), and related resources. The term "IT" also includes National Security Systems (NSSs). It does not include any equipment that is acquired by a Federal contractor incidental to a Federal contract.

15.52. Application. The CCA applies to all federal executive agencies and all software-intensive domains. CCA applies to IT, systems containing IT, information systems and NSSs (refer to NIST SP 800-59 for the definition of NSSs), which are a peculiar kind of telecommunications or information system operated by the United States Government, the function, operation or use of which involves:

- Intelligence activities
- Cryptographic activities related to national security
- Command & Control of military forces
- Equipment that is an integral part of a weapon or weapon system
- is critical to the direct fulfillment of military or intelligence missions
- is protected at all times by procedures established for information that been specifically authorized under criteria established by an Executive order or an Act of Congress to be kept classified in the interest of national security.Classified

15.53. To ensure CCA compliance requirements do not impact program schedules, it is vital that program planning include adequate CCA review and processing time. Programs should plan for no less than 32 business days for NAVAIR CIO review and approval, and an additional 90 calendar days for DON CIO and DASN C4I & Space review, to obtain CCA compliance certification/confirmation. Milestone Approvals cannot occur and contract awards cannot be made without confirmation/certification of CCA compliance. In order to comply with the Clinger-Cohen Act, Title 40 U.S.C. of 1996, a Program must be able to reference the acquisition documentation that meets each of the eleven elements in the CCA Table. To assist Program Managers in achieving compliance with the eleven elements of CCA, NAVAIR Office of CIO, Information Assurance Division, maintains the CCA Center of Excellence (COE). CCA compliance is required for all programs that contain IT, including IT in weapons and weapons systems programs and all NSS programs. The CCA COE personnel meet with clients to determine CCA requirements. The CCA COE reviews all existing acquisition documentation to identify where the eleven elements of CCA are addressed and develops the Information Assurance Strategy. COE personnel also ensure that areas of DCIO responsibility are addressed. In compliance with the Appropriations Act, the COE staff enters the program's

critical information in the Department of Defense (DoD) IT Portfolio Repository – Department of the Navy (DITPR-DON) database.

15.54. Responsibility for IT Oversight. Responsibility for Information Technology (IT) oversight is delineated in DoDI 5000.02, Operation of the Defense Acquisition System, Encl. 5 (IT Considerations), and SECNAVINST 5000.2E, Implementation and Operation of the Defense Acquisition System and the Joint Capabilities Integration and Development System, Encl. 3 (IT Considerations).

15.55. NAVAIR Responsibility for IT Management, Approval, and Oversight of IT Acquisitions. NAVAIR office of Command Information Officer has been tasked with ensuring all IT procurements, including IT in weapons systems, comply with NAVAIR, DoD, DON and Navy statutory and regulatory requirements. The IT Approval process is a fee-based service provided by NAVAIR office of Command Information Officer to ensure compliance in the areas of security, enterprise architecture, FAM, NMCI, IT Budget, Legacy Server Transition/Consolidation, CCA, DITPR-DON and Web Enablement.

In 2007, the NAVAIR office of Command Information Officer released an automated, Web-based version of the IT Approval/ IT Spend Plan forms. Located on the NAVAIR office of Command Information Officer Community of Interest within MyNAVAIR, this tool offers numerous enhancements including a shorter processing time, electronic workflow, e-mail notifications, electronic signature, and a customized dashboard showing real-time status of packages in review and packages that have been approved. The automated IT Approval tool is mandatory beginning 1 October 2007, after which time no paper copies will be accepted. All questions related to the automated IT Approval tool should be directed to the NAVAIR National Help Desk at 301-342-3104 or 888-292-5919.

IT Approval can be obtained in three ways:

- IT Approval form submitted for procurement of an individual product or service.
- IT Spend Plan submitted for annual consolidated projected IT procurements. *IT Spend Plans are the recommended approach because they reduce numerous individual IT Approvals.*
- Evaluation and determination that Clinger Cohen compliance has been confirmed or certified in the context of a program of record. This may include IT procured separately from the primary contracting vehicles of the program of record or Embedded/platform IT. A finding of this sort satisfies the requirement for CCA compliance and exempts the proposed procurement from IT approval. The NAVAIR office of Command Information Officer will check for CCA perform evaluation of proposed IT procurements upon request and provide a determination.

15.55.A. Risks.

- Contracts will not process IT-related procurements without NAVAIR office of Command Information Officer IT Approval.
- Lack of IT Approval may result in withholding or loss of funding, loss or delay of contract award and schedule delays until the program has obtained approval.
- Lack of IT Approval may result in disconnection from the Navy network environment.
- Noncompliance may result in Anti Deficiency Act violation.

15.55.B. Instruction for Obtaining IT Approval. The automated IT Approval/IT Spend Plan tool, including all supporting documentation and user information, is located on the NAVAIR office of Command Information Officer Community of Interest within MyNAVAIR: https://mynavair.navair.navy.mil/CIO.

15.55.C. IT Approval Fee. On 15 Nov 2004, the Council of Competencies and Business Units (CCBU) and Council of Program Executive Officers (CPEO) agreed that NAVAIR office of Command Information Officer support functions are a critical part of the acquisition process in order to ensure all IT programs and capabilities meet Federal, DoD, and DON legal and regulatory requirements. As such, the CCBU/CPEO approved a model to fund the IT Approval Process portion of Command Information Officer functions as a fee-for-service.

Exemptions

The following types of procurements are exempt from the IT Approval fee in FY08; ***however, Program Managers are still required to submit the procurement through the IT Approval process:***

- Procurements less than $3,000
- Procurements funded with CPP and NAWCAD NWCF overhead funds

15.55.D. IT Approval Authority Thresholds and Points of Contact. NAVAIR CIO has delegated IT Approval authority to local IT POCs at each site for up to $25,000. A current listing of site IT POCs is available on the NAVAIR Community of Interest within MyNAVAIR at https://mynavair.navair.navy.mil/CIO. All site IT Approval requests shall be submitted through the automated IT Approval tool. Furthermore, Deputy CIO for Information Resources Management (IRM) staff will review and approve all IT-related procurements entered in Navy ERP.

15.56. Most Important Items to Remember.

15.56.A. The Program Manager is responsible for submitting either an IT Spend Plan (Consolidated, Yearly Procurement Review) or an Individual IT Approval form (Individual Procurement Review) for NAVAIR Office of CIO review. IT POCs and Contracting Officers should ensure all IT procurements have proper IT Approval and any IT-related contract should not be executed without proper IT Approval. All Individual Work Plans (IWP) requests containing IT-related support services should not be approved without proper IT Approval. If a contract contains IT resources (computer hardware, software, hardware maintenance, support services or telecommunications) it MUST receive IT Approval prior to contract award. Failure to do so will result in the illegal award of an IT contract.

15.56.B. Prior to awarding an IT contract, Program Manager should ensure NAVAIR does not have an enterprise software license in place. An enterprise license is a signed contract with a software vendor that provides NAVAIR with a vehicle to acquire deeply discounted software. Please visit the DoD/DON web site at http://www.it-umbrella.navy.mil or http://www.esi.mil.

15.56.C. Per ASN directive of 19 Oct 00 (available on the NAVAIR Office of CIO web site), IT contracts valued at $250K or greater cannot be awarded without prior review/approval by a Flag/SES rank individual or his/her designated delegate.

15.57. POC: Information Resources Management Office, NAVAIR_IRM@navy.mil.

CHAPTER XV: OTHER KEY TOPICS

PART I: PERFORMANCE BASED SERVICE ACQUISITION (PBSA)

15.58. Source Documents:

Public Law 106-398, section 821
FAR 2.101, 37.6, 7.105, 46.103, and 46.401(a)
Seven Steps to Performance Based Service Acquisition: https://www.acquisition.gov/comp/seven_steps/index.html
DFARS 237.170-2
NMCARS 5237.170-2(a)

15.59. Discussion

15.59.A. Performance-Based Service Acquisition (PBSA) has been articulated in regulation, guidance, and policy for over two decades. Progress in implementing PBSA, also known as Performance-Based Service Contracting and Performance-Based Contracting, has been slow. Therefore, acquisition regulations now require all non-performance based services acquisitions to be approved, delegated as follows: > $150K <$5M Chief of the Contracting Office; >$5M ≤ $85.5 AIR-2.0/A/B or 2.0 SES department head; >$ 85.5M DASN(AP).

15.59.B. Several GAO and DoDIG audits of the manner in which services are procured throughout the Government have identified shortcomings. These shortcomings include poor planning, inadequately defined requirements, inadequate competition, and lax Government oversight of contractor performance. Performance-based service contracts are widely believed to provide one significant means to address these inadequacies. Increased PBSA should result in benefits to the Government through savings in acquisition costs, savings in Government oversight costs, and/or improved contractor performance.

15.59.C. Performance-based contracting methods are intended to ensure that required performance quality levels are achieved and that total payment is related to the degree that services performed meet contract standards.

15.59.D. With limited exceptions, when acquiring services, agencies must use performance-based contracting methods to the maximum extent practicable and use the following order of precedence with respect to contract type:

a) A firm-fixed price performance-based contract or task order;
b) A performance-based contract or task order that is not firm-fixed price; and
c) A contract or task order that is not performance-based.

15.59.E. In July 2003, the Office of Federal Procurement Policy (OFPP) issued a report of an interagency task force that reviewed PBSA with a view toward identifying impediments to its increased use. The report recommended several changes to the FAR and improved quality and availability of guidance. The most frequently cited barriers to converting from non-performance based service contracts to performance-based include the difficulty of converting statements of work, lack of measurable performance standards, and the lack of quality assurance surveillance plans (QASP).

15.59.F. Both OFPP and DoD encourage greater use of Statements of Objectives (SOO) as one means to increase PBSA. Utilization of a SOO allows program personnel to summarize their requirements, identify constraints, and request that offerors submit not only a performance-based solution, but also a set of metrics and a QASP. Thus the essential, interrelated building blocks of a performance based service contract become outputs of the competitive acquisition process.

15.59.G. DoD has recognized that a key component for increasing PBSA is to ensure that requirements personnel understand how to prepare performance based specifications. Toward that end, the Defense Acquisition University (DAU) offers Continuous Learning Course (CLC) Performance Based Services Acquisition (CLC 013).

See https://learn.dau.mil/html/clc/Clc.jsp. In addition, OFPP maintains the "Seven Steps to Performance Based Services Acquisition" https://www.acquisition.gov/comp/seven_steps/index.html, a virtual guide for the greater "acquisition community," including the program managers, program staff, customers, and others whose participation is vital to a successful performance-based acquisition. It is also a knowledge management tool that captures and connects the web of information on the Internet into seven critical, strategic steps of performance-based acquisition. Check out the "Library" for guidance and links to samples and examples.

15.60. POC: AIR-2.1.1.1, (301) 757-6571

CHAPTER XV: OTHER KEY TOPICS

PART J: MANAGEMENT AND OVERSIGHT PROCESS FOR THE ACQUISITION OF SERVICES (MOPAS) 2

15.61. Background

Acquisition of services continues to be a special interest area for Congress, the GAO, and the DoDIG. In 2009,the Secretary of the Navy requested a review of MOPAS 2 thresholds to ensure that the Department is keeping a graded approach to managing risk. Pending results of this review, all services acquisitions between $100 and $250 million are designated ASN(RDA) Special Interest items subject to secretariat review under MOPAS 2 (Ref: DASN(AP) memo "Acquisition of Services" of 24 Nov 2009).

15.61A. Section 812 of the FY06 NDAA required USD(AT&L) to issue policies, procedures, and best practices for acquisition planning; solicitation and contract award; requirements development and management; contract tracking and oversight; performance evaluation and risk management associated with the acquisition of services.

15.61B. OSD (AT&L) memo of 2 Oct 06 imposed on the military services this new congressional mandate, updating and superseding previous policy. DASN(ACQ) memo of 1 Dec 06 issued the DON Management and Oversight Process for the Acquisition of Services (Revised) (MOPAS 2). The DON MOPAS 2 retained the earlier acquisition management structure of the original DON MOPAS issued in 2003. The DON MOPAS 2 is implemented by AIR-1.0 memo of 17 May 07, NAVAIR Management and Oversight Process for the Acquisition of Services (Revised) (NAVAIR MOPAS 2). In general, MOPAS policy requires an acquisition planning document, often referred to as a MOPAS Acquisition Strategy (AS), for all acquisitions of services exceeding $150,000 except that the DON MOPAS 2/NAVAIR MOPAS 2 do not apply to major and non-major defense acquisition and information technology programs that are managed and reviewed under DoD/DON 5000 series documents, since OSD 2 Oct 06 policy memo explicitly states that services acquisitions for such programs will be reviewed and approved within that (DoD/DON 5000 series documents) management structure. Hence, a program's services acquisitions should be planned within the program's Acquisition Strategy and approved by the program's Milestone Decision Authority. If not included in program level documentation, a standalone MOPAS2 AS is required for every services acquisition exceeding $150,000. As of 24 Nov 2009, approval authority for MOPAS2 AS documents over $100M was elevated to the secretariat level when ASN(RDA) made services acquisition a RDA special interest item .

15.61C. SECNAVINST 5000.2E, Implementation and Operation of the Defense Acquisition System and the Joint Capabilities Integration and Development System, incorporated the DON MOPAS requirements into Chapter 7, Acquisition of Services.

15.61D. NAVAIRINST 4200.36D, Acquisition Plans, address planning requirements for services acquisitions. Acquisitions of services that are part of a weapons system acquisition program or automated information systems (AIS) managed in accordance with DoDI 5000.02 and SECNAVINST 5000.2E shall be reviewed and approved as part of that program management process. Acquisition of services tied to programs that are not managed in accordance with DoDI 5000.02 and SECNAVINST 5000.2E, or have achieved full operational capability or have not received previous milestone reviews are still subject to the requirements of USD(AT&L) memo of 2 Oct 06, Acquisition of Services, DASN (ACQ) memo of 1 Dec 06, Acquisition of Services, and NAVAIR MOPAS 2 of 17 May 07. Approval of acquisitions of services not managed in accordance with DoD 5000.02 and SECNAVINST 5000.2E shall be obtained by: 1) updating an existing AS; 2) combining an existing AP and AS; or 3) developing a new, stand-alone AS in accordance with MOPAS 2 requirements. The review and approval thresholds for these documents are stated in ASN(RDA) Acquisition Plan Guide, appendix A, section 8.11.a.3 as implemented by NAVAIR MOPAS 2 of 17 May 07 except as noted above for acquisitions over $100M.

15.62. Purpose. MOPAS is intended to ensure that the acquisition of services within DON are strategic in nature, represent sound business practices, and comply with applicable laws, regulations, directives, and other requirements. A major objective is to promote performance based services acquisitions (see Chapter XV, Part I of this Guide) on a

broader scale for small dollar value services acquisitions that are not a part of a major program. As such, DoD excluded services acquisitions that are managed as part of a weapon acquisition program or an automated information system being reviewed and approved under DoDI 5000.02 from complying with the detailed requirements of the MOPAS policy, but improved planning and oversight for the acquisition of services is a primary focus area of DoD efficiency objectives.

15.63. Discussion

15.63.A. MOPAS' major requirement is to develop an acquisition strategy document for non-program services acquisitions—this document is scalable based on the magnitude of the acquisition. Post award requirements are to ensure identification of these purchases (for review) and to ensure oversight of contractor performance through execution reviews. These three facets are basic to all acquisitions; however, numerous DoD IG and GAO reviews had reported inadequacies, thus precipitating the repeated imposition of statutory requirements noted above.

15.63.B. The approval requirements contained in the FY06 NDAA is implemented in the DFARS and the Navy Marine Corps Acquisition Regulation Supplement NMCARS. However, continuing irregularities occurring when non-DoD activities were used to procure on DoD's behalf resulted in another statutory mandate, in the FY05 NDAA, for high-level approvals to use non-DoD contracts. This mandate was the subject of a 29 Oct 04 USD(AT&L) and DoD comptroller joint memo, and on 20 Dec 04, a similar joint ASN(RD&A) and ASN(FM&C) memo on the proper use of non-DoD contracts. These memos require every acquisition of services using non-DoD contracts to be examined and approved on a case-by-case basis. NAVAIRINST 4200.10 of 28 July 06 contains NAVAIR's procedures (see https://mynavair.navair.navy.mil, under Library and Research, Instructions and Notices). In order to take advantage of an existing process, it uses the Economy Act (EA) Determination and Findings process contained in NAVAIRINST 7030.5D for those services acquisitions falling under the authority of that Act. It further establishes an approval process modeled on the existing EA process for those services acquisitions not falling under the Economy Act.

15.64. POC: Cognizant program contracting officer or AIR-2.1.1, (301) 757-6571.

CHAPTER XV: OTHER KEY TOPICS

PART K: TWO PASS/ SIX GATE PROCESS

15.65. Source Documents:

DODD 5000.1
DoDI 5000.02
SECNAVINST 5000.2E
SECNAVINST 5420.188F
Chairman of the Joint Chiefs of Staff Instruction (CJCSI) 3170.01G, Joint Capabilities Integration and Development System, of 1 May 07
Vice Chief of Naval Operations Memorandum 5420N09, Resources and Requirements Review Board (R3B) Charter of 23 Mar 06
Commandant of the Marine Corps (CMC) Policy Memorandum 1-02, Marine Requirements Oversight Council (MROC) of 17 Jan 02
Under Secretary of Defense (AT&L) Memorandum, Configuration Steering Boards, of 30 Jul 07
Under Secretary of the Air Force Document, National Security Space Acquisition Policy 03-01, of 27 Dec 04
Goldwater-Nichols Department of Defense Reorganization Act of 1986, PL 99-433, of 1 Oct 86

15.66. Purpose

The Department of the Navy (DON) Requirements and Acquisition Process Improvements establishes a review process to improve governance and insight into the development, establishment, and execution of acquisition programs in the DON. The goal of the review process is to ensure alignment between Service-generated capability requirements and acquisition as well as improving senior leadership decision-making through better understanding of risks and costs throughout a program's development cycle. The Acquisition Process Improvements establishes a disciplined and integrated process for requirements and acquisition decision-making within DON. It will endorse or approve key Joint Capabilities Integration and Development System (JCIDS) and acquisition documents, and facilitate decisions regarding required Navy and Marine Corps capabilities and acquisition of corresponding materiel solutions.

15.67. Discussion

The process will be implemented in an integrated, collaborative environment that includes participation by appropriate elements from the Office of the SECNAV, the Office of the Chief of Naval Operations (OPNAV), the Headquarters Marine Corps (HQMC), and activities involved in developing JCIDS and acquisition documents.

This applies to all pre-Major Defense Acquisition Program (MDAP) programs, all MDAP (Acquisition Category (ACAT) I) programs, all pre-Major Automated Information System (MAIS) programs, all MAIS (ACAT IA) programs, and selected ACAT II programs. The Gate reviews themselves and Service milestone Program Decision Meetings (PDMs) or Program Reviews (PR) should be combined when appropriate as determined by the Secretary of the Navy (SECNAV), Chief of Naval Operations (CNO), Commandant of the Marine Corps (CMC) or designee. If Gate reviews and PDMs or PRs are combined, the acquisition requirements including statutory and regulatory documentation shall be satisfied and an Acquisition Decision Memorandum shall be issued by the Milestone Decision Authority.

15.68. Gate Review Process

Pass 1. Pass 1 is led by CNO or CMC, and encompasses three requirements Gates. Pass 1 includes Gates 1, 2, and 3. Pass 1 is a process that starts prior to Material Development Decision (MDD), continues through the Materiel Solution Analysis Phase, and ends after Gate 3. All Pass 1 Gate reviews will review program health for satisfactory cost, risks, and budget adequacy.

Pass 2. Pass 2 is led by CAE except Gate 6 CPD chaired by CNO or CMC, and encompasses three acquisition Gates. Pass 2 includes Gates 4, 5, and 6. Pass 2 starts after Gate 3 and ends after Milestone B during the initial portion of the Engineering and Manufacturing Development (EMD) Phase. Follow-on Gate 6 reviews will

occur during the pre- and post Milestone C, Full Rate Production (FRP) Decision Review (DR), Sustainment and annual sufficiency reviews. All Pass 2 Gates reviews will review program health for satisfactory cost, risks, and budget adequacy.

15.69. Responsibilities

All DON organizations shall ensure successful achievement of all DON Requirements/Acquisition Gates for all pre-MDAP, pre-MAIS, and all ACAT programs.

15.70. Source Guidance

Guidance on DON Requirements and Acquisition Process Improvements can be found in SECNAVNOTE 5000, dated 26 February 2008.

15.71. POC: Lola Scott, AIR-1.1, (301) 757-7228

CHAPTER XV: OTHER KEY TOPICS

PART L: NAVAL PROBABILITY OF PROGRAM SUCCESS (PoPS)

15.72. Purpose

The Department Of the Navy (DON) Program Health Assessment Process [(Naval Probability of Program Success (PoPS)] and the DON Two-Pass/Six-Gate Process are separate but related processes with distinct but synergistic objectives; Naval PoPS is a required component of each DON Gate Review. In addition to Gate Reviews, the Naval PoPS v2.0 implementation memorandum states that the objective of Program Health Assessments is to reduce the workload of Program Managers and staffs in the longer term by providing a standardized and practical aide to program management and Program Health reporting. It shall be used to develop the sole authoritative Program Health input in any circumstance when such information is required. Naval PoPS is intended as an aide to PEOs and PMs for internally managing all of their acquisition portfolios/programs (or as a supplement to existing PEO internal processes); and for efficiently responding to numerous requests for portfolio/program status from countless sources. In this regard, Naval PoPS does not prohibit PEOs/PMs from developing greater detail if desired. In fact, it is expected that the PEOs/PMs will develop the tailored level of additional detail they deem appropriate for their specific management needs.

15.73. Discussion

The process will be implemented in an integrated, collaborative environment that includes participation by appropriate elements from the Office of the SECNAV, the Office of the CNO (OPNAV), the Headquarters Marine Corps (HQMC), and activities involved in developing JCIDS and acquisition documents.

This applies to all pre-Major Defense Acquisition Program (MDAP) programs, all MDAP (Acquisition Category (ACAT) I) programs, all pre-Major Automated Information System (MAIS) programs, all MAIS (ACAT IA) programs, and selected ACAT II programs. The Gate reviews themselves and Service milestone Program Decision Meetings (PDMs) or Program Reviews (PR) should be combined when appropriate as determined by the Secretary of the Navy (SECNAV), Chief of Naval Operations (CNO), Commandant of the Marine Corps (CMC) or designee. If Gate reviews and PDMs or PRs are combined, the acquisition requirements including statutory and regulatory documentation shall be satisfied and an Acquisition Decision Memorandum shall be issued by the Milestone Decision Authority.

15.74. Naval PoPS Overview

Naval Probability of Program Success (PoPS) provides Navy and Marine Corps leadership with an objective and quantifiable method for comparing and evaluating the likely successes and issues of acquisition programs during DON Gate Reviews, Acquisition Milestone Reviews, and any other periodic program reviews. Furthermore, the methodology provides PEOs, PMs, Requirements Officers, and Resource Sponsors with a repeatable, defendable, and traceable approach to measuring, managing, and reporting Program Health throughout the acquisition life cycle. Naval PoPS v2.0 guidance in accordance with the implementation memorandum cancels and supersedes Naval PoPS v1 documents and tools. Naval PoPS v2.0 assesses acquisition programs within four key Factors to identify and display current Program Health and significant strengths or issues that may adversely impact successful program execution. The four Factors are:

- Program Requirements;
- Program Resources;
- Program Planning and Execution;
- External Influencers.

Program Health Factors are comprised of Metrics, which are each assessed by Criteria that are tailored to defined phases in the acquisition life cycle in accordance with DoDI 5000.022. Naval PoPS v2.0 Templates are standardized PowerPoint slides that contain additional explanatory or justifying detail and are required for all programs subject to the DON Gate Review process and for all levels of acquisition

programs whenever Program Health reporting is required or desired. The Assistant Secretary of the Navy (Research, Development and Acquisition) developed documents and tools to assist in the implementation of Naval PoPS v2.0 Program Health assessments:

- Naval PoPS v2.0 Guidebook including appendices with supplemental information on Criteria, Templates, and the Database;
- Naval PoPS v2.0 PowerPoint Templates;
- Naval PoPS v2.0 Database.

These documents can be found on the PMC Web Tool.

15.75. Responsibilities

Naval PoPS is applicable to all levels of acquisition programs, and shall be used to develop the sole authoritative Program Health input in any circumstance when such information is required. Naval PoPS provides Navy and Marine Corps senior leadership, PEOs, and PMs with an objective, repeatable, and quantifiable method for evaluating the successes and issues of Naval Acquisition Programs. For fairness and consistency in reporting across all programs, the greatest value is achieved when Naval PoPS is implemented holistically within PEOs and not used solely for ACAT I and II Gate Reviews. In this manner some Naval PoPS products, specifically some of the PowerPoint Templates, may be readily adopted and reused in other internal processes.

15.76. Source Guidance

Guidance on DON Requirements and Acquisition Process Improvements can be found in SECNAVNOTE 5000, dated 26 February 2008.

15.77. POC: Lola Scott, AIR-1.1, (301) 757-7228

CHAPTER XV: OTHER KEY TOPICS

PART M: REVIEW FOR COMPLIANCE WITH ARMS CONTROL AGREEMENTS

15.78. Source Documents:

DoD Directive 5000.1 of 12 May 03

SECNAVINST 5000.2E of 1 Sep 11

DoD Directive 2060.1 of 9 Jan 01

SECNAVINST 5710.23C of 21 Sep 02

SECNAVINST 5420.188F of 2 Nov 05

15.79. Purpose All DoD activities shall be fully compliant with international arms control treaties, agreements and U.S. Government policies. Assistant Secretary of the Navy for Research, Development and Acquisition (ASN(RDA)) is responsible for Department of the Navy (DON) arms control compliance. Arms control compliance requirements, obligations and constraints shall be considered as an integral part of DON [NAVAIR] acquisition processes and operations.

15.80. Discussion

15. 80.A. DON Program Managers, Program Executive Offices, and operational commanders face increasing scrutiny, both at home and abroad, regarding the compliance of their programs with international arms control treaties and agreements. It is DON policy that all DON [NAVAIR] programs and activities be fully compliant with such treaties and agreements.

15. 80.B. A program may raise or appear to raise compliance concerns that could inadvertently waste valuable resources or even trigger a serious international incident if not properly addressed. Early identification of and response to arms control concerns is imperative to reduce programmatic risk.

15. 80.C. ASN(RDA) designated the Director, Strategic Systems Programs (DIRSSP) as the Executive Agent for all Navy and Marine Corps arms control compliance and implementation functions. Under DIRSSP, the Naval Treaty Implementation Program (NTIP), is responsible for administering these functions. All systems developed or acquired by DON [NAVAIR] shall be reviewed by the DIRSSP via the NTIP, with the advice of Navy Office of General Counsel, to certify compliance with arms control agreements. The Compliance Assessment Program (CAP) is a major component of NTIP, providing direct assistance at no cost to Program Managers by identifying and effectively responding to any arms control compliance concerns.

15. 80.D. CAP supports the DON [NAVAIR] Program Manager by:

- Providing arms control treaty expertise to identify and mitigate program risk.
- Conducting comprehensive arms control compliance assessments of DON programs and activities at every stage of the acquisition life cycle, from research, development and acquisition to deployment at no cost to the program office.
- Conducting these assessments using existing program technical documentation, whenever possible, to minimize the burden on the Program Manager.

15.81. More information can be found at the NTIP Web site http://www.ntip.navy.mil,or contact NTIP at: 1-888-867-5880 or (202) 433-6851.

CHAPTER XV: OTHER KEY TOPICS

PART N: JOINT DEPOT MAINTENANCE PROGRAM / DEPOT SOURCE OF REPAIR (DSOR), OPNAVINST 4790.14A

15.82. Background. The Joint Depot Maintenance (JDM) program began back in 1974 to focus on consolidating commonly used systems and equipment to eliminate unnecessary duplication of depot capability. As the program continued into the 1980's, the focus was redirected from review of postured workloads to review of new acquisitions to achieve efficient and effective use of depot capability. The benefits of the DSOR/DMI process is having a solid and auditable process, determine the appropriate depot repair facility to help prevent unnecessary duplication of effort, and provide the potential to substantially reduce costs associated to depot stand-up by leveraging another Service's organic facility where like or similar work is performed.

15.83. Purpose. The Department of Defense (DoD) policy requires the program managers use the most effective sources of support for depot maintenance, organic or commercial, consistent with statutory and regulatory requirements and required military capability. These goals can be obtained through the Depot Source of Repair (DSOR) decision process.

15.84. Discussion

15. 84.A. The governing directive for the JDM Program is OPNAVINST 4790.14A, AMC-R 750-10, AFI 21-133(I), MCO P4790.10B, DLAD 4151.16 Logistics, Joint Depot Maintenance Program,. This joint-Service regulation implements the applicable policies of DODD 4151.18, Maintenance of Military Materiel and DODI 5000.02, Operation of the Defense Acquisition System.

15. 84.B. The DSOR decision process is a mandatory activity in logistics support planning for systems and equipment that will require depot maintenance. The DSOR assignment decision can't be obtained unless first you know if organic or commercial will provide depot support IAW Title 10 USC 2464. Then the DSOR assignment can be rendered by using the DSOR decision process.

15. 84.C. The regulation requires all weapon systems, end items, systems, subsystems, equipment, or components, whether single-Service or jointly managed (used), which require depot level maintenance and meet any of the following criteria shall be submitted for DMI review and assignment of the DSOR. Programs planned for commercial support are not excluded from this requirement.

a. New acquisitions, including modifications to existing items, regardless of the investment required.
b. Existing depot repair programs planned for transition from contract to organic support or from organic to contract support, regardless of the investment required or the value of the program.
c. Existing interservice depot repair program relationships planned for termination, regardless of reason, investment/cost required, or the value of the program.
d. Existing depot repair programs for which a planned expansion of capability requires an additional capital expenditure of $1,500,000 or more.
e. Existing depot repair programs planned for relocation, if the associated total expenditure required is $1,500,000 or more.

15. 85. Hull, Mechanical, and Electrical (HM&E) programs for ships and submarines are excluded from DSOR/DMI process.

15.86. It's important for acquisition program officials to understand that funds shall not be committed to facilitate a specific site for depot maintenance prior to the joint Service DSOR decision in accordance with the Joint Depot Maintenance regulation.

15.87. POC: Dennis Steiger, AIR-6.7.7.1, (301) 757-8231 or dennis.steiger@navy.mil.

LIST OF ABBREVIATIONS AND ACRONYMS

3D	Deactivation, Demilitarization and Disposal
A&AS	Advisory and Assistance Services
ACAT	Acquisition Category
ACC	Acquisition Community Connection
ACO	Administrative Contracting Officer
ADM	Acquisition Decision Memorandum
AKSS	Acquisition Knowledge Sharing System
ALH	Acquisition Logistics Handbook
ALSP	Acquisition Logistics Support Plan
AM	Acquisition Manager
AMPS	Afloat Master Planning System
A_o	Operational Availability
AoA	Analysis of Alternatives
A_m	Materiel Availability
AP	Acquisition Plan
AAP	Abbreviated Acquisition Program
AMPS	Afloat Master Planning System
ANSI	American National Standards Institute
APB	Acquisition Program Baseline
APEO	Assistant Program Executive Officer
APEO (E)	Assistant Program Executive Officer (Engineering)
APEO(L)	Assistant Program Executive Officer (Logistics)
APML	Assistant Program Manager for Logistics
APMSE	Assistant Program Manager for Systems & Engineering
APMT&E	Assistant Program Manager for Test & Evaluation
APN	Aircraft Procurement, Navy
ARB	Acquisition Review Board
AS	Acquisition Strategy
ASD(NII)	Assistant Secretary of Defense for Networks & Information Integration
ASN(FM&C)	Assistant Secretary of the Navy (Financial Management & Comptroller)
ASN(RD&A)	Assistant Secretary of the Navy (Research, Development & Acquisition)
ASN (RD&A) CHENG	Assistant Secretary of the Navy (Research, Development & Acquisition) Chief Engineer
ASPRO	Acquisition Systems Protection Officer
ASR	Acquisition Strategy Report
ASSIST	Acquisition Streamlining & Standardization Information System
ASW	Anti-Surveillance Warfare
ATC	Air Traffic Control
AT&L	Acquisition, Technology and Logistics
ATWAP	Acquisition Workforce Tuition Assistance Program
BCA	Business Case Analyses
BCP	Budget Change Proposal
BES	Budget Estimate Submission
BF	Battle Force
BFI	Battle Force Interoperability
BFIT	Battle Force Interoperability Test
BOA	Basic Ordering Agreement
BRAC	Base Relocation & Closure
BRB	Baseline Review Board
CAE	Component Acquisition Executive (same as SAE)
CAC	Common Access Card
CAO	Competency Aligned Organization
CAP	Compliance Assessment Program
CAPS & LIMS	Capabilities and Limitations

CARD	Cost Analysis Requirements Description
CARS	Consolidated Acquisition Reporting System
CASREP	Casualty Report
CASS	Consolidated Automated Support System
CBT	Computer Based Training
CCA	Clinger-Cohen Act
CCB	Change Control Board or Configuration Control Board
CCBU	Council of Competencies and Business Units
CCR	Central Contractor Registration
CC/S/A	Combat Command/Staffs/Agencies
CD	Compact Disk
CDD	Capability Development Document
CDR	Critical Design Review
CDRL	Contract Data Requirements List
CE	Concept Exploration
CFE	Contractor Furnished Equipment
CFFC	Commander, Fleet Forces Command
CHSENG	Chief Systems Engineer
CI	Configuration Items
CI	Counterintelligence
CIEL	Common Information Element List
CIO	Chief Information Officer
CICA	Competition in Contracting Act
CJCS	Chairman of the Joint Chiefs of Staff
CJCSI	Chairman of the Joint Chiefs of Staff Instruction
CJCSM	Chairman of the Joint Chiefs of Staff Manual
CL	Continuous Learning
CLA	Core Logistics Analysis
CLC	Continuous Learning Courses
CLIN	Contract Line Item Number
CM	Configuration Management
CMC	Commandant of the Marine Corps
CMP	Configuration Management Plan
CNAF	Commander, Naval Air Forces
CNATRA	Chief of Naval Air Training
CNO	Chief of Naval Operations
COAL	Common Operational Activities List
COE	Center of Excellence
COI	Communities of Interest
COMOPTEVFOR	Commander, Operational Test and Evaluation Force
COMNAVRESFOR	Commander, Naval Reserve Forces
CONL	Common Operation Node List
CONOPS	Concept of Operations
COTS	Commercial-Off-The-Shelf
CPARS	Contractor Performance Assessment Reporting System
CPEO	Council of Program Executive Officers
CPD	Capability Production Document (formerly part of Operational Requirements Document (ORD))
CLF	Commander in Chief, Atlantic Fleet
CPF	Commander-in-Chief, U.S. Pacific Fleet
CPI	Critical Program Information
CRM	Cross Reference Matrix
CS	Consulting Services
	Computer Software
CSA	Configuration Status Accounting
CSB	Configuration Steering Board
CSG	Carrier Strike Group
CSI/CIM	Critical Safety Item and Critical Item Management

CSIT	Combat System Interoperability Test
CSFL	Common Systems Function List
CSL	Common System List
CSNL	Common System Node List
CSTAR	Capstone System Threat Assessment Report
CTE	Critical Technology Elements
CUI	Controlled Unclassified Information
CY	Calendar Year
C4I	Command, Control, Communications, Computers, and Intelligence
C4ISR	C4I Support and Reconnaissance
C5I	Command, Control, Communications, Computers, Ships Combat System and Intelligence
C5IMP	Command, Control, Communications, Computers, Ships Combat System and Intelligence Moderization Plan
D	Depot
DAB	Defense Acquisition Board
DAE	Defense Acquisition Executive
DAG	Defense Acquisition Guide
DAMIR	Defense Acquisition Management Information Retrieval
DAP	Defense Acquisition Portal
DASD(MR)	Deputy Assistant Secretary of Defense (Materiel Readiness)
DASN	Deputy Assistant Secretary of the Navy
DASN(ACQ)	Deputy Assistant Secretary for Acquisition Management
DASN(AP)	Deputy Assistant Secretary of the Navy (Acquisition & Procurement)
DAU	Defense Acquisition University
DAWIA	Defense Acquisition Workforce Improvement Act
DCAA	Defense Contract Audit Agency
DCMA	Defense Contracts Management Agency
DCNO	Deputy Chief of Naval Operations
DDA	Designated Disclosure Authority
DEP	Distributed Engineering Board
DER	Data Exchange Requirement
D&F	Determination and Finding
DFARS	Defense Federal Acquisition Regulation Supplement
DGSIT	Deploying Group System Integration Test
DIACAP	DoD Information Assurance Certification and Accreditation Process
DID	Data Item Description
DISA	Defense Information System Agency
DITPR-DON	Department of Defense Information Technology Portfolio Repository-Department of the Navy
DITSCAP	Department of Defense Information Technology Security Certification and Accreditation Process (DIACAP replaced the former process, known as DITSCAP)
DMI	Depot Maintenance Interservice
DMR	Defense Management Report
DNET	Defense Network
DoD	Department of Defense
DoDAF	Department of Defense Architecture Framework
DoDD	Department of Defense Directive
DoDI	Department of Defense Instruction
DoDIG	Department of Defense Office of Inspector General
DOL	Director of Logistics
DON	Department of the Navy
DOORS	Data Object Oriented Repository System
DOT&E	Director, Operational Test & Evaluation
DPAP	Defense Procurement and Acquisition Policy
DPPG	Defense Program and Planning Guidance
DR	Decision Review
DRB	Defense Resources Board/Design Review Board
DRPM	Direct Reporting Program Manager
DRRA	Data Rights Requirements Analysis

DRRB	Data Requirements Review Board
DSOR	Depot Source of Repair
DT	Developmental Testing
DT&E	Development Test & Evaluation
EA	Economy Act
EAC	Estimates at Completion
EACB	Enterprise Architecture Coordination Board
ECCB	Electronic Configuration Control Board
ECP	Engineering Change Proposal
EDT	Externally Directed Teams
eDACM	Electronic Defense Acquisition Career Manager
EEC	Environmental Enabling Capabilities
EEC2	Range Sustainment
EEC3	Weapon System Sustainment
EEC4	Ship-to-shore Interface; Air and Port Operations
EEC5	Regulatory and Base Operations
EIA	Electronic Industries Alliance
EMD	Engineering & Manufacturing Development (also E&MD)
EMI	Electromagnetic Interference
EO	Executive Order
EOB	Expense Operating Budget
ERP	Enterprise Resource Planning
ESA	Environmental System Allocation
ESG	Expeditionary Strike Group
ESH	Environmental Safety, Health
ESOH	Environmental Safety and Occupational Health
ESR	Executive Strategy Review
ET	Enterprise Team
ETAB	Estimating Technical Assurance Board
ETS	Engineering and Technical Services
EVM	Earned Value Management
EVMS	Earned Value Management System
FAQ	Frequently Asked Questions
FAR	Federal Acquisition Regulations
FC	Flight Clearance
FCRR	Final Certification Readiness Review
FDNF	Forward Deployed Naval Forces
FedBizOPs	Federal Business Opportunities.
FLTCOM	Fleet Commander
FMB	Financial Management and Budget
FMS	Foreign Military Sales
FOCSR	Full Operational Capability Supportability Review
FOM	Figure of Merit
FORCEnet	US Navy Enterprise Network
FRC	Fleet Readiness Center
FRP	Full Rate Production
FST	Fleet Support Team
FY	Fiscal Year
FYDP	Future Year Defense Program
F3I	Form, Fit, Function Interface
GAO	General Accounting Office
GENSER	General Service
GFE	Government Furnished Equipment
GFI	Government Furnished Equipment
GSE	Ground Support Equipment
HAT	Hazardous Material Authorized Use List Analysis Tool
HBCU/MI	Historically Black College and University/Minority Institutions
HM	Hazardous Materials

HMAUL	Hazardous Material Authorized Use List
HM&E	Hull, Mechanical and Electrical
HQMC	Headquarters Marine Corps
HSI	Human-System Integration
HUBZone	Historically Underutilized Business Zone
HW	Hazardous Waste
HWIL	Hardware in the Loop
I	Intermediate
IA	Information Assurance
IAS	Information Assurance Strategy
IAW	In Accordance With
IBR	Integrated Baseline Review
ICD	Initial Capabilities Document (formerly Mission Need Statement (MNS))
ICE	Independent Cost Estimate
ICRR	Initial Certification Readiness Review
IEEE/EIA	Electrical and Electronic Engineers/Electronic Industries Alliance
IER	Information Exchange Requirement
IFF	Identification Friend or Foe
IIWG	Integration and Interoperability Working Group
I&L	Installation and Logistics
ILA	Independent Logistics Assessment
ILS	Integrated Logistics Support
IMP	Integrated Master Plan
IMS	Integrated Master Schedule
IOC	Initial Operating Capability
IOCSR	Initial Operating Capability Supportability Review
IP	Intellectual Property
IPCD	Initial Platform Certification Decision
IPM	Initial Planning Meeting
IPPD	Integrated Product and Process Development
IPR	Interdepartmental Purchase Request
IPT	Integrated Program Team/Integrated Product Team
IPTL	Integrated Program Team Lead/Integrated Product Team Lead
IPS	Integrated Program Schedule
IPS	Integrated Logsitics Support
IRM	Information Resource Management
ISP	Information Support Plan
IT	Information Technology
IWP	Individual Work Plans
J&A	Justification & Approval
JCD	Joint Capabilities Document
JCIDS	Joint Capabilities Integration & Development System
JCPAT-E	Joint C4I Program Assessment Tool - Empowered
JCS	Joint Chiefs of Staff
JDM	Joint Depot Maintenance
JITC	Joint Interoperability Test Command
JPD	Joint Planning Document
JPG	Joint Planning Guidance
JROC	Joint Requirements Oversight Council
KM/DS	Knowledge Management/Decision Support
KMS	Knowledge Mangement System
KPP	Key Performance Parameters
KSA	Key System Attribute
	Key Support Areas
LA	Logistics Assessment
LAN	Local Area Network
LCC	Life Cycle Cost
LCCE	Life Cycle Cost Estimate

LCCSP	Life Cycle Sustainment Plan
LEM	Logistics Element Manager
LMI	Logistics Management Information
LM	Logistics Manager
LOA	Line of Accounting
LRB	Legal Review Board
LRFS	Logistics Requirements Funding Summary
LRIP	Low Rate Initial Production
LSA	Logisitics Support Analysis
M&S	Modeling & Simulation
MAIS	Major Automated Information System
MARCORSYSCOM	Marine Corps Systems Command
MC/ME	Mission Critical/Mission Essential
MCOTEA	Marine Corps Operational Test & Evaluation Agency
MDA	Milestone Decision Authority
MDD	Material Development Decision
MDAPS	Major Defense Acquisition Program
ME	Manufacturing Engineering
MEU	Marine Expeditionary Unit
MGFEL	Master Government Furnished Equipment List
MID	Management Initiative Decision
MILSTRIP	Military Standard Requisitioning and Issue Procedures
MIPR	Military Interdepartmental Purchase Request
MIWRG	Mine Warfare Readiness Group
MNS	Mission Need Statement
MOA/U	Memorandum of Agreement/Understanding
MOPAS	Management and Oversight Process for the Acquisition of Services
MRL/MRA	Manufacturing Readiness Level and Assessments
MROC	Marine Requirements Oversight Council
MS	Milestone
	Mission Support
MSA	Management System Assessment
MSS	Management and Professional Support Services
MW	Modernization Window
NAICS	North American Industrial Classification Standard
NAMP	Naval Aviation Maintenance Procedure
NAVAIR	Naval Air Systems Command
NAVAIRHQ	Naval Air System Command Headquarters
NAVAIRINST	Naval Air Systems Command Instruction
NAVAIRSYSCOM	Naval Air Systems Command
NAVCOMPT	NAVAIR Comptroller
NAVICP	Naval Inventory Control Point
NAVSEA	Naval Sea Systems Command
NAVSUP	Naval Supply Systems Command
NAWC	Naval Air Warfare Center
NAWCAD	Naval Air Warfare Center Aircraft Division
NAWCWD	Naval Air Warfare Center Weapons Division
NCEE	Naval Collaborative Engineering Environment
NCMC	Naval Networks and FORCEnet C5I Modernization Conference
NCTSI	Navy Center for Tactical Systems Interoperability
NCW	Network Centric Warfare
NDAA	National Defense Authorization Act
NDE-NM	Navy Data Management-Navy Moderization
NDI	Non-Developmental Item
NEPA	National Environmental Policy Act
NETWARCOM	Naval Network Warfare Command
NFHP	Navy Flying Hour Program
NKO	Navy Knowledge Online

NIPRNET	Unclassified but Sensitive Internet Protocol Router Network
NMCARS	Navy Marine Corps Acquisition Regulation Supplement
NMCI	Navy-Marine Corps Intranet
NMS	National Military Strategy
NNFE	Naval Network and ForceNet Enterprise
NR	Non-Recurring
NR-KPP	Net-Ready Key Performance Parameter
NSERC	Naval Systems Engineering Resource Center
NSN	National Stock Number
NSS	National Security Systems
NTIP	Naval Treaty Implementation Program
NWCF	Navy Working Capital Fund
O	Organizational
OAG	Operational Advisory Group
OAR	Open Air Range
OASD	Office of the Assistant Secretary of Defense
OASD(A&I)	Office of the Assistant Secretary of Defense (Architecture and Interoperability)
OASD(NII)	Office of the Assistant Secretary of Defense (Network and Information Integration)
OASD(RD&A)	Office of the Assistant Secretary of Defense (Research, Development & Acquisition)
OCSR	Organizational Computer Security Representative
ODS	Ozone Depleting Substance
OEM	Original Equipment Manufacturer
OFPP	Office of Federal Procurement Policy
O&MN	Operations & Maintenance Navy (appropriation) (O&MNR is O&M for the Naval Reserve)
OMB	Office of Management and Budget
OPN	Other Procurement, Navy
OPNAV	Office of the Chief of Naval Operations
OPR	Office of Primary Responsibility
OPSEC	Operation Security
OR	Operational Requirement
ORD	Operational Requirements Document
OSBP	Office of Small Business Programs
OSD	Office of the Secretary of Defense
OSIP	Operational Safety Improvement Program
O&S	Operational and Support
OT	Operational Testing
OTA	Operational Test Agency
OT&E	Operational Test & Evaluation
OTRR	Operational Test Readiness Review
OV	Operational View
PACMEF	Pacific Fleet Middle East Force
PB	Presidential Budget
PBA	Performance Based Agreement
PBCLS	Performance Based contractor logistics support
PBD	Program Budget Decision
PBL	Product Baseline
	Performance Based Logistics
PBSA	Performance Based Service Acquisition
PANMC	Procurement of Ammo, Navy and Marine Corps
PCA	Physical Configuration Audit
PCD	Platform Certification Decision
PCO	Procurement Contracting Officer
PCP	Program Change Proposal
PCR	Procurement Center Representative
PDM	Program Decision Meeting
PDM	Program Decision Memorandum
PDR	Preliminary Design Review
PDF	Portable Document Format

PEO	Program Executive Officer
PEO(A)	Program Executive Officer Assualt and Special Mission
PEO(T)	Program Executive Officer Tactical Aircraft Programs
PEO(U&W)	Program Executive Officer Unmanned Aviation and Strike Weapons
PEO(JSF)	Program Executive Officer Joint Strike Fighter
PESHE	Programmatic Environmental, Safety, and Occupational Health Evaluation
PESHE DAT	PESHE Document Authoring Tool
PFCP	Program Funding Change Proposal
PGI	Procedures, Guidance and Information
PHST	Packaging, Handling, Storage, and Transportation
PID	Procurement Initiation Document
PM	Program Manager
PMA	Program Manager, Air
PMB	Performance Measurement Baseline
PMC	Program Management Community
PMS	Program Manager Ship
PN	Procurement Number
PO	Project Order
POA&M	Plan of Actions & Milestones
POC	Points of Contact
POM	Program Objectives Memorandum
POPL	Program Office Protection Lead
PoPs	Probability of Program Success
PPA	Procurement Planning Agreement
PPBE	Planning, Programming & Budgeting and Execution
PPBS	Planning, Programming, and Budgeting System
PPIP	Program Protection Implementation Plan
PPC	Procurement Planning Conference
PPL	Preferred Product List
PPP	Program Protection Plan
PR	Procurement Request
	Program Review
PSI	Product Support Integrator
PSM	Process Safety Manager
PSP	Product Support Provider
PST	Product Support Team
PT	Procurement Team
P2	Pollution Prevention
QA	Quality Assurance
QASP	Quality Assurance Surveillance Plan
QDR	Quadrennial Defense Review
QDR	Quality Deficiency Report
QPL	Qualified Parts List
RAMECS	Rapid Action Minor Engineering Changes
R&D	Research and Development
RCP	Request for Contractual Procurement
RDA	Research Development and Acquisition
RDC	Rapid Deployment Capability
RDT&E	Research, Development, Test & Evaluation
RDT&E,N	Research, Development, Test & Evaluation Navy (appropriation)
RFD	Request for Minor & Major Deviation
RFI	Request for Information
RFM	Requiring Financial Manager
RFP	Request for Proposal
RM	Requiring Manager
RM	Risk Management
RMB	Risk Management Board
RMP	Risk Management Plan

RMD	Resource Management Decision
R&M	Reliability and Maintainability
ROM	Rough Order of Magnitude
ROR	Repair of Repairables
RSS	Really Simple Syndication
R3B	Requirements Resources Review Board
SA	Supportability Analysis
SAE	Service Acquisition Executive
SAMP	Single Acquisition Management Plan
SAS	Supportability Analysis Summaries
SB	Small Business
SBA	Small Business Administration
SBIR	Small Business Incentive Research
SCD	Ship Change Document
SCM	Supply Chain Management
SD&D	System Development & Demonstration
SDREN	Secret Defense Research and Engineering Network
SDVOSB	Service Disabled Veteran Owned Small Business
SE	Systems Engineering
SECNAV	Secretary of the Navy
SECNAVINST	Secretary of the Navy Instruction
SEI	Software Engineering Institute
SEMP	System Engineering Mangement Plan
SEP	Systems Engineering Plan
SERC	System Engineering Resource Center
SES	Senior Executive Service
SETR	System Engineering Technical Review
SHIPALT	Ship Alterations
SID	Ship Installation Drawing
SIPRNET	Secure Internet Protocol Network
SIS	Software Intensive System
SME	Subject Matter Expert
SOF	Statement of Functionality
SOO	Statement of Objectives
SORA	Source of Repair Analysis
SOVT	System Operational Verification Testing
SOW	Statement of Work
SPAWARSYSCOM	Space and Naval Warfare Systems Command
SPG	Strategic Planning Guidance
SPI/IDM	Strategic Planning Imperatives for Industrial Depot Maintenance
SPP	Sponsor Program Proposal
SQL	Structured Query Language
SQT&E	Software Qualification Test & Evaluation
SRA	Scheduled Risk Assessment
SRR	Systems Requirements Review
SSA	Source Selection Authority
SSAC	Source Selection Advisory Council
SSEB	Source Selection Evaluation Board
SSIL	System/Subsystem Interface List
SSO	Source Selection Office
SSP	Source Selection Plan
SV	Systems &Services View
SWP	Standard Work Package
SYSCOM	Systems Command
TAA	Team Assignment Agreement
TADIL	Tactical Data Link
TCD	Target Configuration Date
TD	Technical Directive

	Technology Development
TDP	Technical Data Package
	Technology Development Phase
TDS	Technology Development Strategy
T&E	Test and Evaluation
TEIN	Test and Evaluation Identification Number
TEMP	Test and Evaluation Master Plan
TISP	Tailored Information Support Plan
TLCM	Total Life Cycle Management
TR	Trouble Report
TYCOMs	Type Commanders (Commander in Chief, U.S. Atlantic Fleet; Commander in Chief, U.S. Pacific Fleet; and Commander in Chief, U.S. Naval Forces, Europe)
USD(AT&L)	Under Secretary of Defense (Acquisition, Technology, & Logistics)
USMC	United States Marine Corps
VE	Value Engineering
VECP	Value Engineering Change Proposal
VOSB	Veteran Owned Small Business
WBS	Work Breakdown Structure
WCF	Working Capital Fund
WIPT	Working Integrated Product Team
	Working-level Integrated Product Team
WOSB	Woman-Owned Small Business
WPN	Weapons Procurement, Navy
WR	Work Request
WSESRB	Weapons System Explosive Review Board
WSI2T	Weapons System Integration and Interoperability Testing