Clinger-Cohen Act Implications for the Business Manager

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Briefing Purpose

To inform the BUSINESS MANAGER community about the implications of the Clinger-Cohen Act of 1996 on the IT acquisition process

Briefing Outline

- Background of Legislative Revolution
- CCA overview, policy and elements
- DoD FY01 $$ Acts Sections 811, 8102
- CCA Certification for MAIS
- CCA Compliance Reporting for MDAP
- CFO Financial Statement Reporting of CCA
- Issues

Clinger-Cohen Act of 1996 Overview

- Reform legislation born from Congressional report: "Computer Chaos in Government"
- Established a CIO teamed with the CFO to infuse benefits of digital age into government
- Represents a collection of industry best practices
- Requires performance and results-based management of IT investments
- OMB reports results as part of President's annual budget submission

Background: A Legislative Revolution

- Deputy CIO

CFO: Chief Financial Officers Act of 1990
GPRA: Government Performance and Results Act of 1993
GMRA: Government Management Reform Act of 1994
CCA: Clinger-Cohen Act of 1996
FASA: Federal Acquisition Streamlining Act of 1994
FARA: Federal Acquisition Reform Act of 1996

CCA Implementing Policy

- Executive Order 13011 of 16 July 1996 formed Federal CIO Council and the IT Resources Board
- OSD Policy Memo of 1 May 1997 states requirements that must be met at each Acquisition Program Milestone
- SECDEF Memo of 2 June 1997 implemented CCA and assigned ASD(C3I) duties of CIO with Service CIO's as advisors
- ASD(C3I) Policy Memo of 13 July 2000 states DoD ACAT 1A (MAIS) CCA Certification Requirements
- DODI 5000.2 Ch 1 of 4 January 2001 institutionalizes conformance to CCA for all mission critical (MC) and mission essential (ME) IT investments, including many MDAPs

Integrating CCA into Acquisition Phases & Milestones

EXIT CRITERIA

Determination of Mission Need

- IPT Structure
- AS
- APB
- Threat Assess

Concept & Technology Development

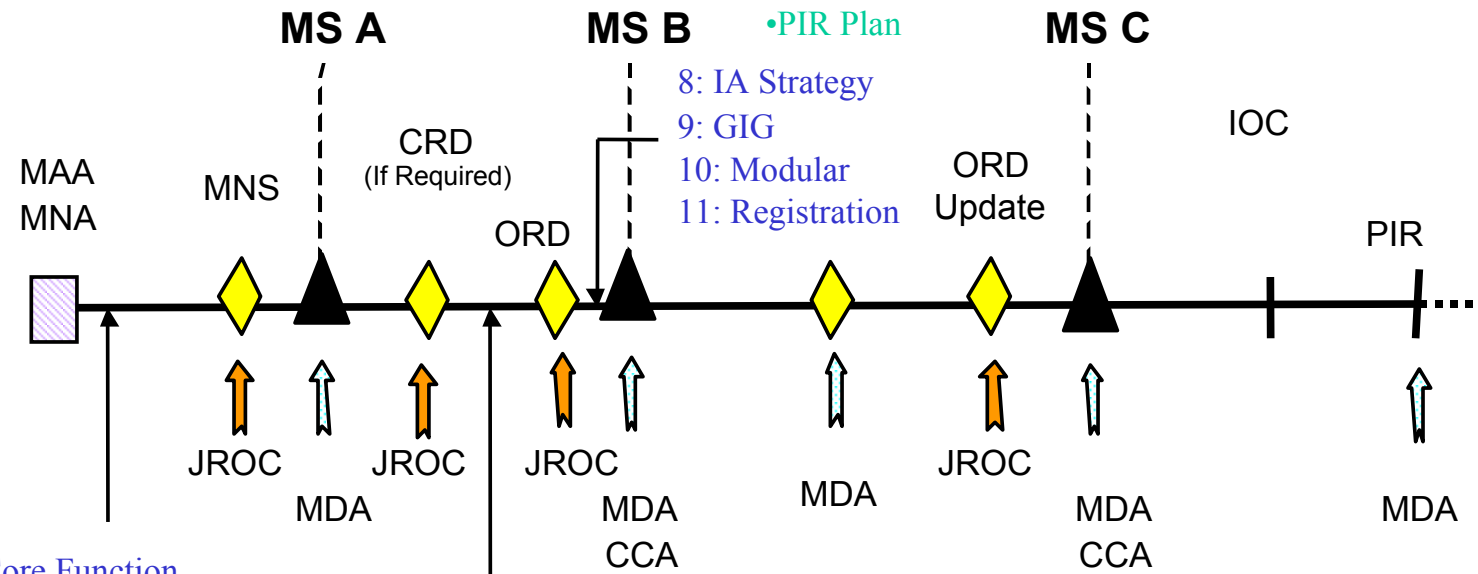
- Update BPR, AS
- TEMP, PM Plan, SEMP
- C4ISP, Interop Cert
- CARD, CCA, Log Strat
- Risk Mgmt Plan, SAMP

System Development & Demonstration

- Update SAMP
- IV&V
- IOT&E
- Roll-out Plan
- ILSP
- PIR Plan

Production & Deployment

- Maintenance
- FOT&E
- PIR Analysis



8: IA Strategy
9: GIG
10: Modular
11: Registration

1: Core Function
Need to be Performed by Gov
2:No Private or Gov Source can
Better Support function
3: BPR

4: AoA
5: EA
6: Acquisition Measures
7: Mission Performance Measures

DODI 5000.2
CCA Requirements
Para 4.7.3.2.3.2.1

April 12, 2001

CCA Requirements

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REQUIREMENT	WHERE ADDRESSED?
Support DoD core missions?	MNS, ORD
Inherently government function?	MNS, ORD, AoA
Business process reengineering?	MNS, AoA
Maximum use of COTS technology and components?	MNS, AoA
Justified by ROI?	AoA, LCCE, CBA
Work processes, info flow & technology integrated with DoD strategic plans?	DoD IM Strategic Plan Component Strategic Plans PSA Strategic Plans
Compliant with DoD technical vision (e.g., JTA, GIG?)	Acquisition Strategy C4I Support Plan
Support information exchange stds (e.g., DII COE, CALS)?	Acquisition Strategy

CCA Requirements (continued)

Deputy CIO

REQUIREMENT	WHERE ADDRESSED?
Software engineering best practices used?	Software engineering strategy
Year 2000 compliant?	Acquisition Strategy
Information assurance adequate?	IA Strategy
Avoids custom components?	Acquisition Strategy
Use pilots, simulation, and or prototypes before production?	TEMP
Performance measures linked to strategic goals?	MNS, ORD
Acquisition Program Baseline?	APB
Cost as an Independent Variable?	Acquisition Strategy APB

CCA Requirements (concluded)

REQUIREMENT	WHERE ADDRESSED?
Milestone exit criteria?	ADM
Software metrics?	DAES Quarterly Report
Full funding?	ORD Affordability Assessment
Incremental development?	Acquisition Strategy
Effectively use competition?	Acquisition Strategy
Good contract risk management?	Acquisition Strategy
Earned value used?	Acquisition Strategy

DoD FY01 Authorization Act Section 811 Requirements

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Directs DoD CIO to maintain consolidated inventory of MC and ME Information Systems (Section 811) Impact: 4,000+ systems

Directs DoD CIO to report annually for 3 years on implementation of Section 811 requirements

- **Identify Interfaces**
- **Develop & Maintain Contingency Plans**
- **Quarterly Updates to OSD**
- **Report MAIS Designations status changes**
- **Change DoD 5000 to:**

Prohibit **award of contracts for MC/ME IT Systems NOT registered with DOD CIO , and NOT having IA strategy by DoD CIO, and NOT having all acquisition documents Impact: Acquisition of a MC/ME IT System, approx. 400 ACAT I-IV**

Prohibit **Milestone approval until DoD CIO Certifies CCA Compliance (811) Impact: 35 MAIS**

DoD FY01 Appropriation Act Section 8102 Requirements

Forbids **use of funds for MC/ME NOT registered with DoD CIO**

Impact: 4,000+ systems

Forbids **MAIS Milestone approval until DoD CIO certifies CCA compliance**

Impact: 19 MAIS in FY01

CCA Certification Reports to Congress

- At each milestone, DoD CIO must certify to Congress that the MAIS acquisition is CCA compliant.
- Additionally, the certification report must specifically address:
  - Business Process Reengineering
  - Analysis of Alternatives
  - Economic Analysis (ROI)
  - Performance Measures
  - Information Assurance
- The Service CIOs are developing a CCA certification template under DoN CIO sponsorship. URL is: `www.bcinow.com/demo/clinger-cohen/`

CCA Certification Process MAIS

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1 PM Convenes CCA Certification WIPT

- PSA
- PM
- PA&E
- C3I
- PEO
- COMPONENT CIO

OIPT
RESOLVE ISSUES
(IF NEEDED)

DoD 5000 Requirements

2
PM DEVELOPS COMPLIANCE REPORT

3 Component CIO Certifies

4 Brief DoD CIO

5 Coordinate / Prepare DoD Certification Package

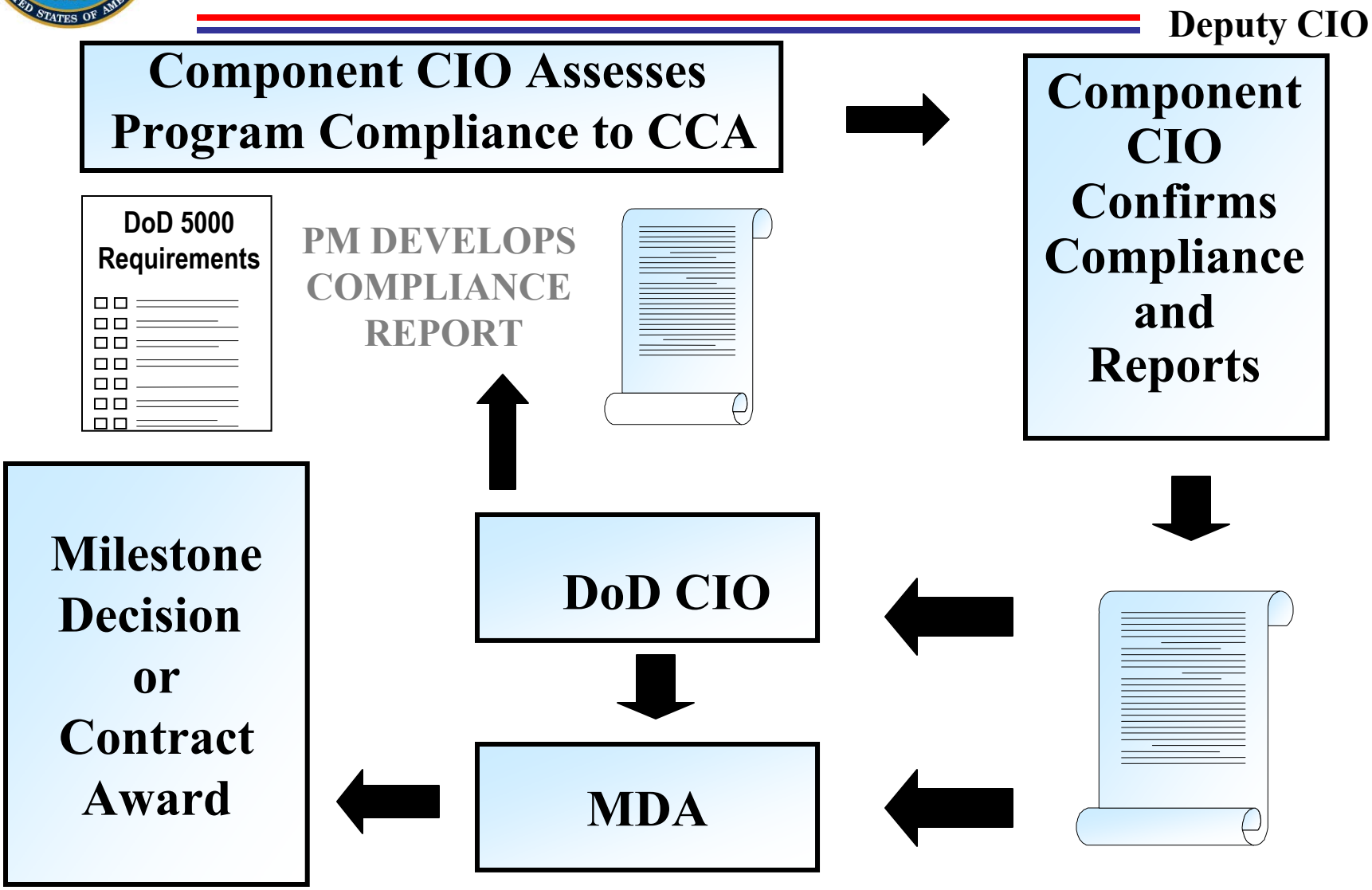
- PSA
- GC
- Service CIO
- USD(C)
- PA&E
- LA

6 DoD CIO Certifies

NOTIFICATION TO CONGRESS

7 Congressional Defense Committees

Evolving CCA Confirmation Process for MC & ME IT in other that MAIS



What Happens To The Non-Compliant

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No Milestone Approval

- Possible Funding Delay
- Possible Schedule Delay

No Further Contract Award

NO WAIVERS!

Bottom Line

CCA Compliance Report should arrive at DoD CIO 90 days prior to Milestone

Keep the CCA report off your critical path. Reporting, Confirming and Certifying become pro forma when CCA is being practiced

Title 40 USC Ch 25, Sec. 1426. Accountability

The head of each executive agency, in consultation with the Chief Information Officer and the Chief Financial Officer of that executive agency Ensure that financial statements support:

- Assessments and revisions of mission-related processes and administrative processes of the executive agency; and
- Performance measurement of the performance in the case of investments made by the agency in information systems.

Issues

- Guidance for development of:
  - AoA, EA, Performance Measures, IA Strategy
- Guidance and precedent for planning and executing a post implementation review (PIR)
- Evolving process for MDAP CCA confirmation
- Value added of multiple CCA Certifications for same increment of functionality

Questions ?

5000 BACK-UP

DoDI 5000.2 Implementation of Sec. 811 of the FY01 Authorizations Act and Sec. 8102(b) of the FY01 Appropriations Act

4.7.3.1.5. DoD Components **shall not** award a contract for the acquisition of a mission-critical or mission essential IT system until (1) the Component registers the system with the DoD Chief Information Officer (CIO), (2) the DoD CIO determines the system has an appropriate information assurance strategy, and (3) the Component CIO confirms that the system is being developed in accordance with the Clinger-Cohen Act (CCA) (reference (k)) by complying with subparagraph 4.7.3.2.3.2. The DoD CIO will review the Component CIO's determination of CCA compliance for sufficiency before contract award, for ACAT I and IA programs.

DoDI 5000.2 Implementation of Sec. 811 & Sec. 8102

4.7.3.1.5.1. For mission-critical or mission essential IT systems being acquired under ACAT I and IA programs, the information assurance strategy shall be submitted to the DoD CIO for review. For contracts for other than ACAT I or IA programs, the DoD CIO's determination that the information assurance is appropriate will generally be based on the certification of the Component CIO. However, even if a certification has been provided, the DoD CIO may conduct a more detailed review of such information assurance strategies.

DoDI 5000.2 Implementation of Sec. 811 & Sec. 8102
4.7.3.2.3.2. IT - Specific Considerations

4.7.3.2.3.2.1. The MDA shall not approve entry into Phase B, or any subsequent phase that requires milestone approval (including Full Rate Production), for an acquisition program (at any ACAT level) for a mission-critical or mission essential IT system until the Component CIO confirms that the system is being developed in accordance with the Clinger-Cohen Act (CCA). At a minimum, the Component CIO's confirmation shall include a written description of the following:

DoDI 5000.2 Implementation of Sec. 811 & Sec. 8102
4.7.3.2.3.2. IT - Specific Considerations (cont)

4.7.3.2.3.2.1.1. The acquisition supports core, priority functions that need to be performed by the Federal Government.

4.7.3.2.3.2.1.2. No private sector or government source can better support the function.

4.7.3.2.3.2.1.3. The processes that the system supports have been redesigned to reduce costs, improve effectiveness and maximize the use of COTS technology.

DoDI 5000.2 Implementation of Sec. 811 & Sec. 8102
4.7.3.2.3.2. IT - Specific Considerations (cont)

4.7.3.2.3.2.1.4. An analysis of alternatives has been conducted.

4.7.3.2.3.2.1.5. For AIS, an economic analysis has been conducted that includes a calculation of the return on investment; or for non-AIS programs, an LCCE has been conducted.

4.7.3.2.3.2.1.6. There are clearly established measures and accountability for program progress.

DoDI 5000.2 Implementation of Sec. 811 & Sec. 8102
4.7.3.2.3.2. IT - Specific Considerations (cont)

4.7.3.2.3.2.1.7. Mission-related, outcome-based performance measures have been established and linked to strategic goals.

4.7.3.2.3.2.1.8. The program has an information assurance strategy that is consistent with DoD policies, standards, and architectures.

4.7.3.2.3.2.1.9. The acquisition is consistent with the Global Information Grid policies and architecture, to include relevant standards.

DoDI 5000.2 Implementation of Sec. 811 & Sec. 8102
4.7.3.2.3.2. IT - Specific Considerations (cont)

4.7.3.2.3.2.1.10. To the maximum extent practicable, (1) modular contracting is being used, and (2) the program is being implemented in phased, successive blocks, each of which meets part of the mission need and delivers a measurable benefit, independent of future blocks.

4.7.3.2.3.2.1.11. The system being acquired is registered with the DoD CIO (see 5000.2-R, Appendix G).

DoDI 5000.2 Implementation of Sec. 811 & Sec. 8102
4.7.3.2.3.2. IT - Specific Considerations (cont)

4.7.3.2.3.2.2. For ACAT ID programs, the Component CIO's confirmation shall be provided to both the DoD CIO and the MDA.

DoDI 5000.2 Implementation of Sec. 811 & Sec. 8102
4.7.3.2.3.2. IT - Specific Considerations (cont)

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4.7.3.2.3.2.3. For MAIS (both ACAT IAM and IAC), the confirmation shall be submitted to the DoD CIO. In addition, for MAIS, the Component CIO must certify to the DoD CIO that the system is being developed in accordance with the CCA. If, based on the Component CIO's submission, the DoD CIO determines that the system is being developed in accordance with the CCA, the DoD CIO will certify same to the congressional defense committees (as required by Sec. 8102(b) of the DoD Appropriations Act, 2001) before approving entry into Phase B or any subsequent phase that requires a milestone approval (including Full Rate Production). For ACAT IAC programs, the MDA shall not approve entry into Phase B or any subsequent phase that requires milestone approval (including Full Rate Production) until the DoD CIO certifies CCA compliance to the congressional defense committees. The DoD CIO will issue guidelines for certifying CCA compliance for MAIS. The Component CIO's certification for a MAIS should be submitted at least 3 months before the milestone approval is needed.

DoDI 5000.2 Implementation of Sec. 811 & Sec. 8102
4.7.3.2.3.2. IT - Specific Considerations (cont)

4.7.3.2.3.2.4. The requirement to confirm CCA compliance applies to milestone decisions for each block of an evolutionary acquisition. The requirements of the CCA apply to all IT (including NSS), but the CCA confirmation requirements described above apply only to mission critical and mission essential IT systems. For purposes of CCA certification (as required by Sec. 8102(b) of the DoD Appropriations Act, 2001), all MAIS shall be considered either mission critical or mission essential. The CCA certification requirement applies only to MAIS.

Mission Performance Measure BACK-UP

A Working Definition of Mission Performance Measures (MPM)

Mission Performance Measures, as used in the Clinger-Cohen Act context, are those elements within an agreement between a mission owner, PSA or equivalent, and an acquisition agent, that will validate the expected outcomes of the IT investment agreement

Characteristics of MPMs are that they are:

- Quantifiable and Measurable
- Characterize the more important aspects of the expected outcomes
- Collected in the actual operational environment
- Independently collected and analyzed
- Reported to the Component CFO

Typical MPMs measure

- Conformance
- Efficiency
- Effectiveness
- Cost for Return-on-Investment validation
- Reaction for user satisfaction with the outcome

Other Performance Measures

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- Acquisition Performance Measures
  - Earned Value
  - Technical Performance Measures
  - Acquisition Program Baseline
- Development Test and Evaluation Measures
  - Measure conformance to contract
- Operational Test and Evaluation Measures Title 10 USC Section 2399
  - Collects and measures system effectiveness and suitability
  - Actual or simulated employment, by typical users, of a system under realistic operational conditions.
- Follow-on OT&E
  - Verification of correction of deficiencies discovered earlier
  - Tactics development
  - OT&E of block upgrades to the system
  - Completion of OT&E of system support materiel (pubs, equipment, etc.)
  - OT&E against emerging threat
  - Completion of deferred OT&E (other climates, unique modes of operation, etc.)

Mission Performance Measures in Acquisition Life Cycle

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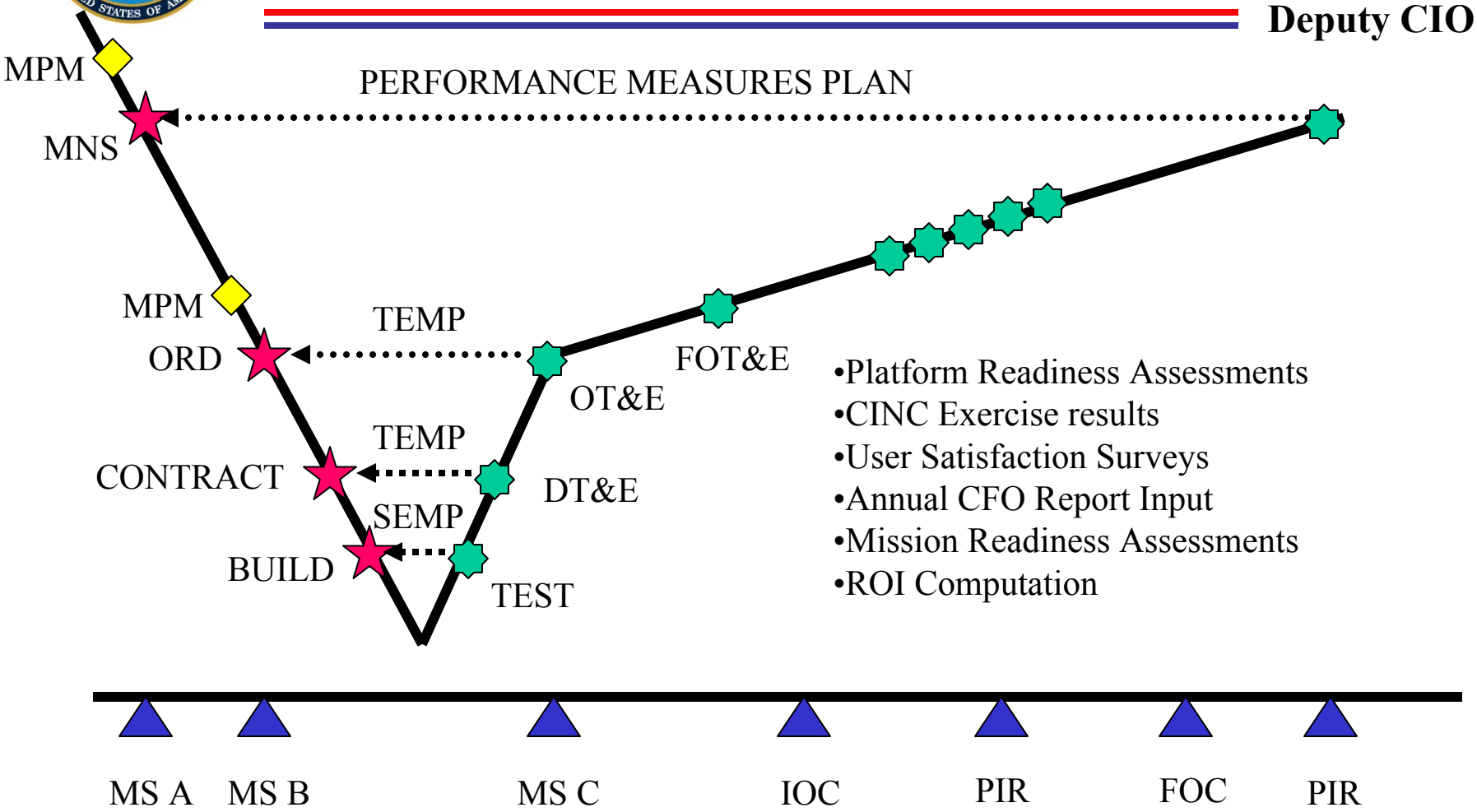

CCA MPM Certification Issues

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- Who will serve as the focal point for MPM in OSD and Components?
  - CIO, MDA, PA&E, DOT&E
- What further OSD guidance is required for Components to implement MPM Programs?
  - Meet OMB Circular A-130 Transmittal Memorandum No. 4 requirements
  - Meet DoD 5000 requirements
  - Meet 811 and 8102 requirements
- How will MPMs be validated?
  - PSA, JROC
- Who will serve as the independent MPM data collector and analyst
- What infrastructure exists to conduct an MPM Program?
  - DON Performance Assessment and Results (PAR4)
  - CINC functional exercises and mission assessments
  - Platform operational readiness assessments
  - Follow-on operational test and evaluation
- What new infrastructure is required for a DoD-wide implementation of MPM?
- Who will plan and fund the new infrastructure?

CCA Certification Requirement for MPM

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Demonstrate the following with assertions and supporting materials of factual information consisting of narrative, charts, references and other evidence:

•That the Program Manager has a plan for conducting a mission performance measures program and that the plan describes processes, organizations, resources and schedule for supporting the development, validation, measurement, analysis and reporting of performance measures

That collection and analysis of the MPMs was or will be conducted objectively

That the resources for conducting the MPM program are available and fully funded

That the selected MPMs adequately represent the desired outcome of the IT investment

•That the Component functional head and appropriate PSAs and JS elements have reached agreement with the acquisition agent on the stated mission performance measures, their data collection, [and] analysis and evaluation process

•Program/System Capability Mission Performance Measures

-- List Program/System Capabilities

-- Identify MPMs for each capability

-- Fully describe how the MPM capability measures support mission outcomes as described in BPRs, UJTLs, experiments, OAs, Strategic Plans, etc.