

Reclamas - Do's and Don'ts

Business Conference 2003

Sharon Richardson
Defense Acquisition University
Curricula Development & Support Center
(703) 805-4455, DSN 655-4455
Sharon.richardson@dau.mil

Reclamas Definitions

Formulation:

A formal appeal to the service comptroller or the Secretary of Defense's tentative budget decision on the service budget estimate.

Source: DAU Glossary

Execution:

Response to a proposed adjustment that requests restoration of funds.

Reclamas – Players

Formulation Phase:

PMO, PEO, Sponsor, PSA, and Comptroller chain

Execution Phase:

Local comptroller, PMO, PEO, Sponsor, HQ comptroller, possibly OSD comptroller

Reclamas - Timeframe

Formulation Phase

Clock starts with budget evaluation issued
Procedures differ for Summer and
Fall submission

Response time - Up to 96 hours

Execution Phase

Anytime but especially:

Apportionment – Taxes

Mid-Year Review

Sweep-Up, End of Year close out

Response time – Varies

Reclamas –Notional Format

Varies by Component

Generally the following elements:

Program Title

Program Element/Line Item

PBD Action – Summarize the adjustment

Impact to Program

Recommended Component Action

Rationale for Reclama

Reclamas - Do's

Operational Impact:

User capabilities will be delayed

Readiness may be impaired

Business case:

Cost will be increased

Policy non-compliance:

Policy (OSD or Congressional) direction will be violated

Risk re-assessment:

Cost and Schedule Risk will increase

Reclamas - Do's (con't)

Maintain integrity – If you lose your integrity, nothing else really matters at all.

Know your program and know the players – internal and external

Know your audience

Be on time – an 80% answer on time is better than a 100% answer too late

Consistency – among exhibits, user, chain of command

Reclamas - Don'ts

Attack or threaten the comptroller

Cry wolf – use the “unexecutable” word

Use technical language

Submit a 2-3 page response

Wave flags, Motherhood and Apple pie statements

Use General Officers as initial entry point

Reclamas - Don'ts (con't)

Go directly to OSD Comptroller

Brief restructure without Service HQ approval

Over use hyperboles

Use empty words or no supporting facts

Blame DFAS

Reclamas - Some Specifics

Budget Scrub areas:

Pricing

Phasing

Policy

Execution Performance

Obligation/Expenditure goals

Risk

Loss of a test window

Contractor layoffs

Next milestone (PDR, CDR, MSII, IOC, etc)

A six month slip to a major milestone is an

Reclamas -General Guidelines

Respond directly to the question

Attack the rationale of the adjustment

Always, always, always respond

Reference Administration/DoD priorities

Reference Departmental or Acquisition initiatives

Reclamas -General Guidelines (con't)

If the result will be a restructure, follow through

Offer alternatives to “manage” the program

Be consistent

Keep acronyms to a minimum

Reclamas - Writing the Reclama

Put the most important point first

Tell why the PBD is not correct – you have new data, logic of the PBD is flawed, etc.

Give factual, quantifiable data to show the impact of the reduction

Be consistent with you story:

Budget justification material

Testimony by Leadership

Combatant Commanders IPL

POM

Use Program Guidance, Joint publications, or other DoD material to substantiate your argument

Reclamas - Exercises

DON Budget Review – Key Management Systems

OSD/OMB Budget Review – Titan Space Boosters

Reclamas - Conclusion

Reclamas – should clearly identify the impact on:

Operational Capability

Readiness

Business case

Risk

Integrity – If you lose your integrity, nothing else really matters at all.

Be on time – 100% answer too late can result in someone else making your case

Consistency – among exhibits, user, chain of command

BACK-UP Charts

Reclamas - Budget Scrub Area: Pricing

Basis of estimates

Analysis of learning curves and production rates

OSD Escalation indices

Contract data/configuration changes

Budget to most likely cost (Target/Ceiling)

Phasing; Policy; Execution Performance

Obligation/Expenditure goals

Reclamas - Budget Scrub Area: Phasing

Development/Production concurrency

Acquisition Schedule – Milestone, Testing, First and Fourth Quarter new starts at risk

**Production Lead-Time/Non-recurring costs
Funded Delivery Period**

Reclamas - Budget Scrub Area: Policy

Incremental Funding - RDT&E

Full Funding – Procurement, MILCON

Annual Funding – MILPRS, O&M

Explanation of Funding Anomalies

Color of Money

Reclamas - Budget Scrub Area: Execution Performance

Obligation/Expenditure goals

Analysis of Accounting Reports

Availability of prior year funds for budget year efforts