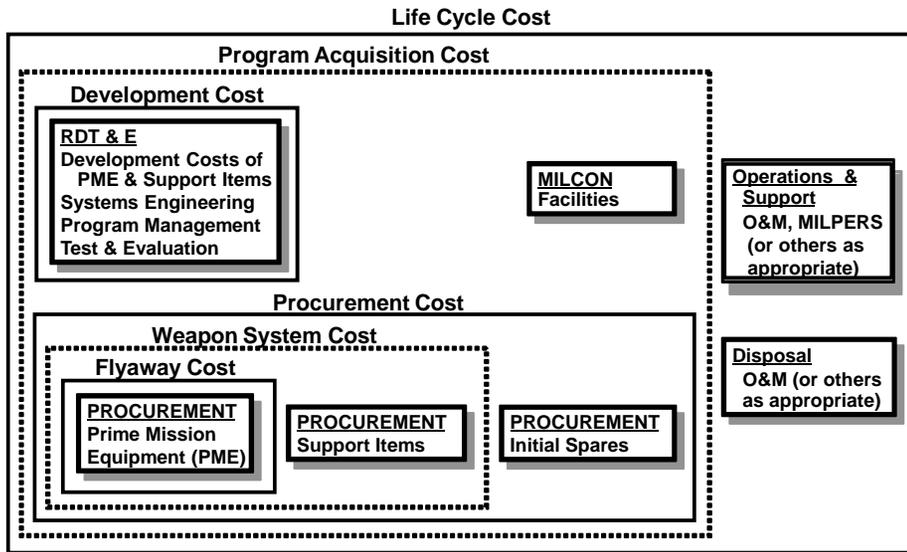


## Life Cycle Cost Composition



## Cost Estimating Requirements

	<b>ACAT IC &amp; ID (MDAP)</b>	<b>ACAT IA (MAIS)</b>
<b>POE</b>	Program initiation & all subsequent milestones, including FRP DR	Program initiation & all subsequent milestones - Includes Economic Analysis
<b>CARD</b>	Program initiation & all subsequent milestones including FRP DR - Draft 180 days prior to OIPT/milestone - Final 45 days prior to OIPT/milestone	Program initiation & whenever Economic Analysis is required - Draft 180 days prior to OIPT/milestone - Final 45 days prior to OIPT/milestone
<b>CCE</b>	MS A and all subsequent milestones including FRP DR	MS A and whenever an Economic Analysis is required
<b>ICE</b>	Required by law for all MDAP programs * - Prepared by OSD CAPE for ACAT ID, and ACAT IC at discretion of USD (AT&L) - Prepared by component cost agency (AFCAA, DASA-CE, NCCA) for ACAT IC (if no CAPE estimate) - In advance of any certification under Title 10, USC, Section 2366a (MS A) and Section 2366b (MS B) - In advance of any decision to enter low-rate initial production (LRIP) (MS C) or full-rate production (FRP DR) - In advance of any certification of MDAPs that experience critical cost growth (Title 10, USC, Sec 2433a) - In advance of any report of Critical Program Changes for MAIS (Title 10, USC, Sec 2445c(f))	

\*ICE statutory requirement (Title 10, US Code, Sec 2434) and P.L. 111-23, May 22, 2009  
Source: DoDI 5000.02, December 2008 and Weapon Systems Acquisition Reform Act of 2009

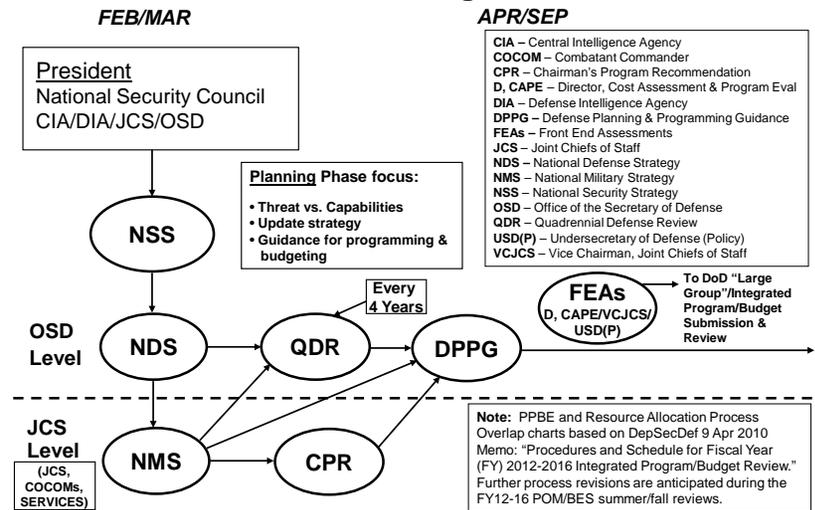
**ACAT II & ACAT III:** POE (and, at MDA discretion, an independent cost estimate prepared by the component cost agency) at program initiation and all subsequent milestones

AFCAA = Air Force Cost Analysis Agency	DASA-CE = Dep Asst Sec of Army (Cost & Economics)	NCCA = Naval Center for Cost Analysis
CAE = Component Acquisition Executive	FRP DR = Full Rate Production Decision Review	OIPT = Overarching Integrated Product Team
CAPE = Cost Assessment & Program Evaluation	ICE = Independent Cost Estimate	POE = Program Office Estimate
CARD = Cost Analysis Requirements Description	MAIS = Major Automated Information System	USD(AT&L) = Under Secretary of Defense (Acquisition, Technology, & Logistics)
CCE = Component Cost Estimate	MDA = Milestone Decision Authority	
	MDAP = Major Defense Acquisition Program	

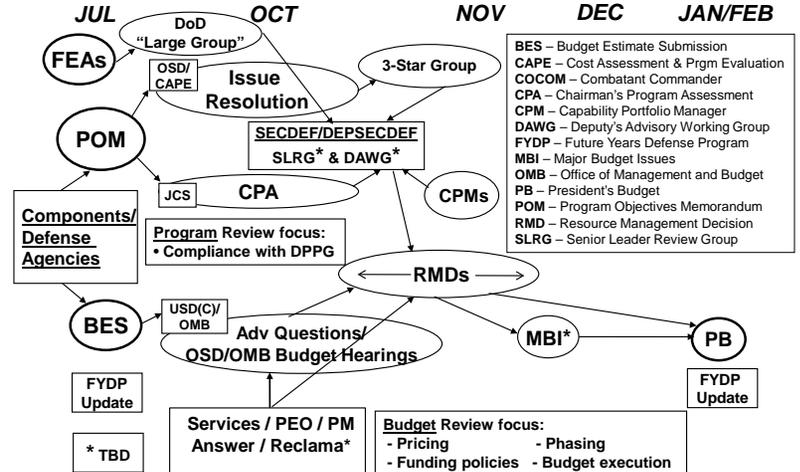
BCEFM Acquisition Community Connection (ACC) Website: <http://acc.dau.mil/bcefm>

Platinum Card POC: julian.roberts@dau.mil, (256) 922-8041

## PPBE – Planning Phase



## PPBE – Integrated Program/Budget Review

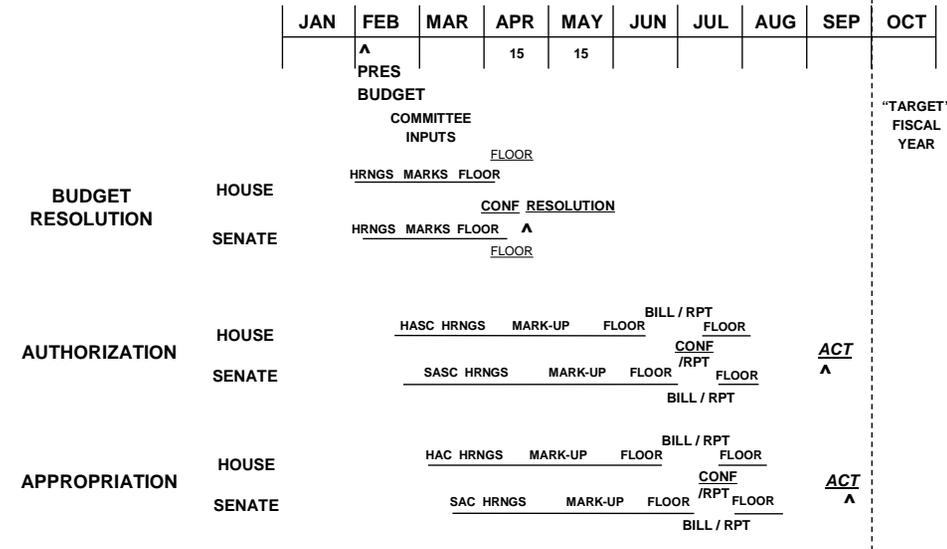


## Resource Allocation Process Overlap

	CY10												CY11												CY12																							
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D												
<b>FY10</b>	Execution												2nd Yr												3rd Yr																							
	FY 10 and prior																																															
<b>FY11</b>	Enactment												Execution												2nd Yr												3rd Yr											
	FY 11 and prior																																															
<b>FY12</b>	Planning / Program/Budgeting												Enactment												Execution												2nd											
	FY 12-16 DPPG												FY 12-16 POM												FY 12												FY 12 and prior											
<b>FY13</b>	Planning												Program/Budgeting												Enactment												Exec											
	FY 13-17 DPPG												FY 13-17 POM												FY 13												FY 13 & prior											
<b>FY14</b>	Planning												Program/Budgeting												FY 14-18 DPPG												FY 14-18 POM											
	FY 14-18 DPPG												FY 14-18 POM												FY 14 BES												FY 14 BES											

DPPG – Defense Planning & Programming Guidance      PB – President's Budget  
POM – Program Objectives Memorandum      BES – Budget Estimate Submission

# Congressional Enactment Timetable



# Below Threshold Reprogramming

Amounts are Cumulative Over Entire Period of Obligation Availability

APPRN	MAX INTO	MAX OUT	LEVEL OF CONTROL	OBL AVAIL
RDT & E	Lesser of + \$10 M or + 20%	Lesser of - \$10 M or - 20%	Program Element	2 Years
PROC	Lesser of + \$20 M or + 20%	Lesser of - \$20 M or - 20%	Line Item	3 Years SCN: 5 Years
O & M	+ \$15 M	- \$15 M	Budget Activity (or Defense Agency) Some Sub-Activity Limitations on Decreases (see reference below)	1 Year
MILPERS	+ \$10 M	No Specific Congressional Restriction	Budget Activity	1 Year
MILCON	Lesser of + \$2 M or + 25 %	No Specific Congressional Restriction	Project	5 Years

Reference Sources: DoDFMR 7000.14-R, Volume 3, Chapter 6 (Sep 2010) and Chapter 7 (Feb 2009)

# Program Cost and Schedule Breach Parameters

	Applicable to Major Defense Acquisition Programs (MDAPs)		
	SAR (Title 10, US Code, Sec 2432)	Unit Cost Report (UCR) (Title 10, US Code, Sec 2433) (Nunn-McCurdy)	APB (Title 10, US Code, Sec 2435)
<b>Schedule Milestones</b>	6 Month Slip From Previous SAR	N/A	Slip beyond threshold date * Default threshold = objective plus 6 mon; MDA discretion
<b>Cost</b>	15/30% PAUC Growth (Current/Original)  15/30% APUC Growth (Current/Original)	15/30% PAUC Growth (Current/Original)  15/30% APUC Growth (Current/Original)	15%/30% PAUC Growth 15%/30% APUC Growth (Current/Original)  * RDT&E Growth * Procurement Growth * MilCon or O&M Growth * 10% default; MDA discretion
<b>Reports Required If Breach Occurs</b>	Quarterly SAR	Quarterly/Exception DAES Service notifies Congress (≥15/30%) SecDef Certification (≥25/50%)	Program Deviation Rpt (PM notifies MDA)

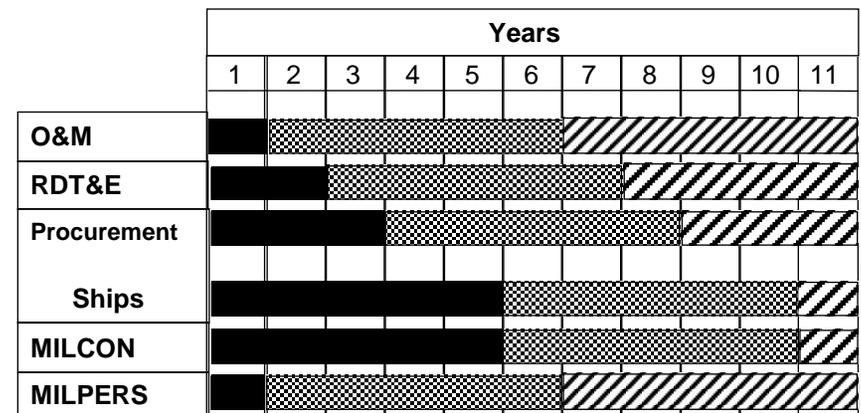
ACAT II & III: 15%/30% PAUC/APUC APB breach parameters are N/A; actual breach parameters at MDA discretion

**Legend:**  
APUC = Average Procurement Unit Cost    APB = Acquisition Program Baseline  
PAUC = Program Acquisition Unit Cost    SAR = Selected Acquisition Report  
DAES = Defense Acquisition Executive Summary  
Dir, CAPE = Director, Cost Assessment & Program Evaluation

**Significant Cost Growth (APB/SAR/UCR):**  
PAUC or APUC increases of 15% of current baseline or 30% of original baseline is "reportable" to Congress

**Critical Cost Growth (APB/SAR/UCR):** PAUC or APUC increases of 25% of current baseline or 50% of original baseline requires Sec Def certification to Congress:  
-- Essential to National Defense  
-- No acceptable alternative capability at less cost  
-- New estimates are reasonable per Dir, CAPE  
-- Program cost growth higher priority than programs providing offsets  
-- Management structure adequate to control costs

# Appropriation Life



**Current Period:** Available for new obligations, obligation adjustments, expenditures, and outlays

**Expired Period:** Available for obligation adjustments, expenditures, and outlays

**Cancelled:** Unavailable for obligations, obligation adjustments, expenditures, and outlays