OFFICE OF THE SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

1 May 1997

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Requirements for Compliance with Reform Legislation for Information Technology (IT) Acquisitions (Including National Security Systems)

In the past several years, Congress has enacted legislation intended to improve the management and performance of Federal Agencies. These laws include Division E of the Clinger-Cohen Act of 1996 (formerly titled the Information Technology Management Reform Act of 1996 and hereinafter referred to as the ITMRA), the Government Performance and Results Act (GPRA) of 1993, and the Paperwork Reduction Act (PRA) of 1995. Furthermore, recent guidance from the Office of Management and Budget (OMB) places added emphasis on managing investments, to include weapon systems. Most of our regulatory guidance for major Defense acquisitions is consistent with the intent of these laws. However, we need to formally incorporate these requirements into the regulatory guidance and our oversight processes.

The ITMRA applies to all IT acquisitions, including IT supporting weapon systems and other National Security Systems (NSS). It requires the Secretary of Defense to maximize the value and assess and manage the risks of the Department's (IT) acquisitions. As the DoD Chief Information Officer (CIO), the ASD(C3I) is responsible for ensuring that IT is acquired and information resources are managed for the Department within an integrated management framework.

NSS acquisitions will be reviewed by the appropriate Milestone Decision Authority (MDA) to ensure they comply with applicable provisions of ITMRA. Sections 5123, 5125, and 5126 and 5113(b)(5)(except for subparagraph (B)(iv)) apply to all NSS. Initially, sections 5112, 5122, and the remainder of 5113 will apply to individual NSS except as determined not to be practicable on a case by case basis. Guidance to assist in making this determination will be developed by the offices of the DoD CIO and USD(A&T). For NSS subject to review by the Defense Acquisition Board, the DoD CIO shall provide an assessment of ITMRA compliance to the MDA through the DAB integrated product team (IPT) process. Component Milestone Decision Authorities (MDAs) and CIOs should follow similar practices for IT programs subject to their review and approval.

The attached matrix correlates the ITMRA, GPRA, and PRA requirements with the other statutory and DoD regulatory acquisition requirements. To help ensure program success, IPT members should consider these requirements as programs progress through the acquisition process. These requirements shall be applied, as appropriate to each increment of incremental

and evolutionary programs. To the maximum extent possible, these requirements should be addressed by incorporating them into existing acquisition processes, procedures, and documents.

At each major milestone, the MDA and the CIO will address these requirements as follows:

Pre Milestone 0. Some of these requirements (those that address the need for IT and the processes supported by IT) are the responsibility of the user or the functional proponent. Responsibility for ensuring compliance with these requirements prior to MDA Milestone 0 approval belongs to the appropriate user or functional proponent in coordination with the Joint Requirements Oversight Council (JROC) process, the Component, or the Principal Staff Assistant (PSA).

Milestones 0 through III. Many of these requirements are similar to those that are currently provided in DoD 5000.2-R and are, therefore, appropriate for MDA review at each major milestone. For NSS subject to review by the Defense Acquisition Board, the CIO shall provide the MDA an assessment of compliance with these requirements through the DAB IPT process.

Post Milestone III. Milestone III Acquisition Decision Memoranda (ADMs) will include post-deployment performance evaluation and other performance measures guidance, as appropriate. The ADM should be clear that the user or functional proponent will perform this post-deployment evaluation and provide the results to the CIO.

Please submit your MAISRC-related questions to Dr. Margaret Myers at (703) 681-4986, e-mail address: margaret.myers@osd. mil. Your DAB or NSS-related questions should be directed to Ms. Joanne Ferguson, (703) 695-0906, e-mail address: joanne.ferguson@osd. mil. General comments can be submitted to either point of contact.

Paul Kaminski

Paul G. Kaminski
Under Secretary of Defense
(Acquisition & Technology)

John Hamre

John J. Hamre
Under Secretary of Defense
(Comptroller)
Chief Financial Officer

Emmett Paige, Jr.

Emmett Paige, Jr.
Assistant Secretary of Defense
(Command, Control, Communications, and Intelligence)
Chief Information Officer

Attachment

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CIO and DoD Program Requirements

Program Requirement *(Short Title)*	Source of Requirement* Statutory	Source of Requirement* Regulatory	Milestone Applicability 0	I	II	III	Potential Information Source	Prepared By	Approval***/ Considered By
Does it support DoD Core/ Primary mission functions? *(core mission)*	**Sec. 5123 (1),(3)**; *Sec. 3501(10)*; GPRA	Part 2.3; CJCS MOP 77	X	X	X	X	Mission Need Statement (with linkage to DoD Strategic Plan), ORD	Component	JROC***/ PSA***
Is it an inherently government function? *(outsourcing)*	**Sec. 5113 (b)(2)(B)**	Parts 2.3.1, 2.4	X	X			Mission Need Statement, ORD, Analysis of Alternatives	Component PSA/ Component	JROC***/ PSA*** MDA
Have work processes been redesigned to reduce costs and improve effectiveness (including benchmarking against comparable processes in other public or private organizations)? *(BPR/benchmarking)*	**Sec. 5123 (4 & 5)**	Parts 2.3, 2.4; OMB Cir A-130	X	X			Mission Need Statement, Analysis of Alternatives	Component PSA/ Component	JROC***/ PSA*** MDA
Does it maximize use of COTS technology? *(COTS solution)*	**Sec. 5122 (b)(3), Sec. 5201;** 10 USC 2377; FASA Sec 8104	Part 2.3	X	X			Mission Need Statement, Analysis of Alternatives	Component PSA/ Component	JROC***/ PSA*** MDA

CIO and DoD Program Requirements

Program Requirement *(Short Title)*	Source of Requirement*		Milestone Applicability				Potential Information Source	Prepared By	Approval***/ Considered By
	Statutory	Regulatory	0	I	II	III			
Does the projected ROI support this alternative? [ROI includes: improvements to mission performance, resource savings, or qualitative mission benefits]*(ROI)*	**Sec. 5122 (b)(3),(5);** 10 USC 2434; *Sec. 3506 (b)(5)*	Part 2.3, 2.4, 3.5; OMB Cir A-130	X	X X	X	X	Analysis of Alternatives, Life-Cycle Cost (and Benefit) Estimate	PSA/ Component PM	MDA
Are work processes, information flows, and technology integrated to achieve DoD strategic goals? *(strategic goals)*	**Sec. 5123 (1),(5);** *Sec. 3506 (b)(3)(C)*	Part 2.3, 2.6	X	X			Information Technology Management Strategic Plan, PSA/ component strategic plans	PSA/ Component	MDA
Does it reflect DoD's technology vision? *(technology)*	**Sec. 5125 (b)(2);** *Sec. 3506 (b)(2), (h)(1)*	DoDD 4630.5; DoDI 4630.8; CJCSI 6212.01A					Information Technology Management Strategic Plan	CIO	MDA
- Joint Technical Architecture *(JTA)*		Parts 2.2.1, 4.3.5; 22 Aug 96 JTA Memo		X	X	X	Acquisition Strategy, C4I Support Plan	PM	MDA
- Technical Architecture for Information Management *(TAFIM)*		Parts 4.3.4, 4.3.8		X	X	X	Acquisition Strategy	PM	MDA***

CIO and DoD Program Requirements

Program Requirement *(Short Title)*	Source of Requirement*		Milestone Applicability				Potential Information Source	Prepared By	Approval***/ Considered By
	Statutory	Regulatory	0	I	II	III			
Is it Year 2000 compliant? *(Year 2000)*	**Sec. 5122 (b)(3)**	16 Aug 96 Year 2000 Memo; 5 Nov 96 DIST Memo		X	X	X	Acquisition Strategy, Defense Integration Support Tools (DIST)	PM	MDA***
Does it incorporate standards that enable information exchange and resource sharing while retaining flexibility? *(standards/flexibility)*	**Sec. 5122 (b)(3), Sec. 5202;** *Sec. 3504 (h)(1), (4)(B) Sec. 3506 (b)(1)(A)*	DoDD 8320.1-M							
- Defense Information Infrastructure Common Operating Environment *(DII COE)*		22 Aug 96 JTA Memo		X	X	X	Acquisition Strategy	PM	MDA**
- Automated information collection/Continuous Acquisition and Life-Cycle Support (CALS)		Part 3.3.4.5; DFARS 207.105, 227, 252		X	X	X	Acquisition Strategy	PM	MDA***

CIO and DoD Program Requirements

Program Requirement *(Short Title)*	Source of Requirement* Statutory	Source of Requirement* Regulatory	Milestone Applicability 0	I	II	III	Potential Information Source	Prepared By	Approval***/ Considered By
- Software engineering -- Software reuse -- Software language -- DoD standard data		Part 4.3.5; DoDD 3405.1; DoDD 8320.1		X	X	X	Software Engineering Strategy	PM	MDA
- Information assurance	**Sec. 5123 (6)**; *Sec. 3504(g)*	Part 4.3.5 & 4.4.6; DoDD TS-3600.1; DoDD 5200.28		X	X	X	Information Assurance Strategy	PM	MDA
- Electromagnetic Environmental -- Effects (E3) and Spectrum -- Management		Part 4.4.7; DoDD 3222.3; DoDD 4650.1; OMB Cir A-11		X	X	X	C4I Support Plan	PM	MDA
Does it avoid/isolate custom-designed Components? *(open systems)*	**Sec. 5201, Sec. 5202 (a)**	Part 4.3.4; USD(A&T) Memo		X	X	X	Acquisition Strategy	PM	MDA***
Will it have fully tested pilots, simulation, or prototypes before production/deployment? *(OT&E)*	10 USC 2399	Part 3.4			X	X	TEMP	PM	DOT&E***

CIO and DoD Program Requirements

Program Requirement *(Short Title)*	Source of Requirement*		Milestone Applicability				Potential Information Source	Prepared By	Approval***/ Considered By
	Statutory	Regulatory	0	I	II	III			
Are there clearly established measures and accountability for program progress? Are these measures linked to strategic goals? *(performance measures)*	**Sec. 5123 (1),(3),(4);** 10 USC Sec. 2220; *Sec. 3506 (b)(2);* GPRA		X	X	X	X	Mission Need Statement, ORD	Component	JROC***/ PSA**
- Acquisition Program Baseline	10 USC 2220(a)(1), 2435	Part 3.2		X	X	X	APB	PM	MDA***
- Cost as an Independent Variable (CAIV) objectives		Part 3.3.3; DoDD 5000.1		X	X	X	Acquisition Strategy, APB	PM	MDA***
- Milestone Exit Criteria	10 USC 2220(a)(1)	Part 3.2.3		X	X	X	ADM	PM	MDA***
- Software measures		Part 4.3.5		X	X	X	MAISRC Quarterly Report	PM	MDA

CIO and DoD Program Requirements

Program Requirement *(Short Title)*	Source of Requirement*		Milestone Applicability				Potential Information Source	Prepared By	Approval***/ Considered By
	Statutory	Regulatory	0	I	II	III			
Is it supported by all intended users or sponsors? *(full funding)*	**Sec. 5122 (2)**	Part 2.5; DoDD 5134.1; OMB Cir A-11		X	X	X	ORD, Affordability Assessment	Component PA&E	JROC***/ PSA*** MDA
Will it be implemented in phased, successive chunks? *(incremental)*	**Sec. 5202**	Parts 3.3, 4.3.5		X	X	X	Acquisition Strategy	PM	MDA***
Does the acquisition strategy allocate risk between government and contractor? *(contract risk management)*	**Sec. 5201**;	Parts 3.3.2, 3.3.4; FAR; OMB Cir A-131		X	X	X	Acquisition Strategy	PM	MDA***
Does it effectively use competition? *(competition)*	CICA; 41 USC 418; 10 USC 2318	Part 3.3.4.1; FAR 6.3		X	X	X	Acquisition Strategy	PM	MDA***
Are contract payments tied to accomplishments? *(earned value)*	*Sec. 3506 (b)(2), (5)*	Part 3.3.4		X	X	X	Acquisition Strategy, Integrated Baseline Review	PM	MDA***

CIO and DoD Program Requirements									
Program Requirement *(Short Title)*	**Source of Requirement***		**Milestone Applicability**				**Potential Information Source**	**Prepared By**	**Approval***/ Considered By**
	Statutory	**Regulatory**	**0**	**I**	**II**	**III**			
Does it take maximum advantage of commercial technology? *(COTS components)*	**Sec. 5201**; 10 USC 2377; FASA Sec 8104	Part 3.3.1		X	X	X	Acquisition Strategy	PM	MDA***
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* The program requirements listed in this column are simplified statements of investment guidance being used by the Office of management and Budget (OMB). These requirements are even more simplified statements of the statutory and regulatory sources listed in the column labeled "Source of Requirement."

** All statutory references in **bold** type are to Division E of the Clinger-Cohen Act of 1996, (formerly titled the Information Technology Management Reform Act (ITMRA) of 1996). All statutory references in *italics* are to the Paperwork Reduction Act (PRA) of 1995. All regulatory "Part___" references are to DoD 5000.2-R. Division E of the Clinger-Cohen Act of 1996 Sections 5123, 5125, and 5126 apply to National Security Systems (NSS). The extent to which Sections 5112, 5113, and 5122 do not apply to individual NSS will be determined on a case by case basis.

*** Information source explicitly approved by the official indicated.