DoD Instruction 5000.75

Business Systems Requirements and Acquisition

Originating Component:	Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics
Effective:	February 2, 2017
Releasability:	Cleared for public release. Available on the DoD Issuances Website at http://www.dtic.mil/whs/directives.
Incorporates and Cancels:	Enclosure 12 of DoD Instruction 5000.02, "Operation of the Defense Acquisition System," January 7, 2015, as amended
Cancels:	DoD Chief Information Officer (DoD CIO) Memorandum, "Use of Enterprise Information Technology Standard Business Case Analysis," October 23, 2014, for business systems
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Purpose: In accordance with the authorities in DoD Directives 5134.01, 5144.02, 5105.82, 5105.53, the July 11, 2014 Deputy Secretary of Defense Memorandum, and DoD Directive 5000.01 this issuance:

- Establishes policy for the use of the business capability acquisition cycle (BCAC) for business systems requirements and acquisition.
- Implements the statutory requirements of Subtitle III of Title 40, United States Code (U.S.C.) and Section 811 of Public Law 106-398 (referred to in this issuance as the Clinger-Cohen Act (CCA)). The CIO recommends that no reviews beyond those described in this issuance are required for CCA compliance.
- Supersedes DoD Instruction (DoDI) 5000.02 for all business system acquisition programs that are not designated as a Major Defense Acquisition Program (MDAP) according to DoDI 5000.02.

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SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY. This issuance applies to:

a. OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the DoD (referred to collectively in this issuance as the "DoD Components").

b. All DoD business capabilities and their supporting business systems, including software-as-a-service, with the exception that only Appendix 4C of this issuance applies to business systems that are MDAPs.

c. Information systems for business productivity and information technology (IT) infrastructure.

1.2. POLICY. It is DoD policy that:

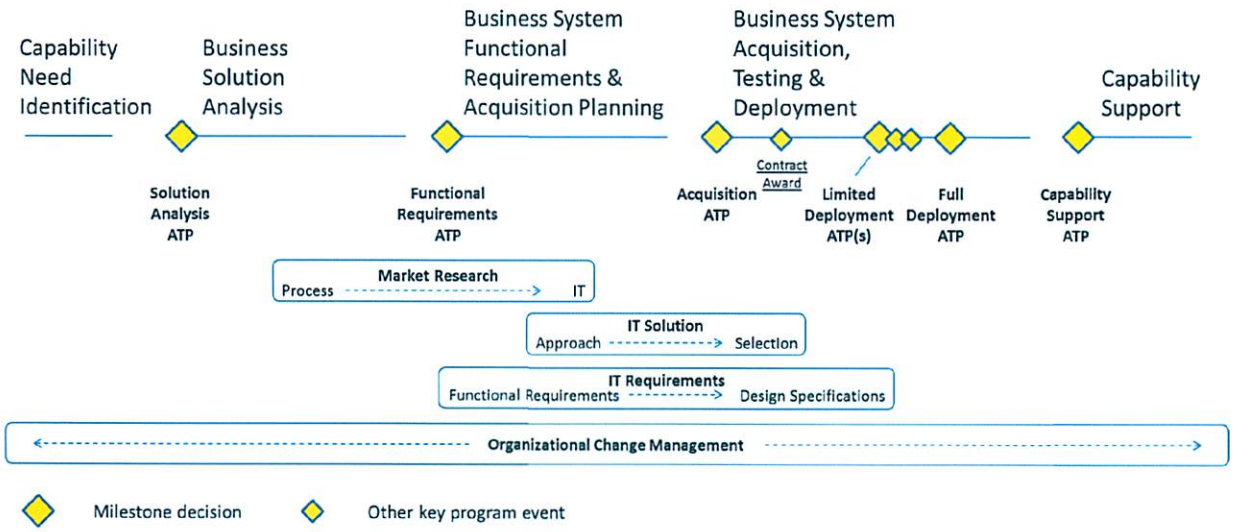
a. DoD acquisition of business systems will be aligned to commercial best practices and will minimize the need for customization of commercial products to the maximum extent possible. Thorough industry analysis and market research of both process and IT are expected.

b. Business systems acquisition will facilitate business changes through doctrine, organization, training, materiel, leadership and education, personnel, facilities, and policy to drive performance improvements, efficiencies and effectiveness.

c. Business systems acquisition is the joint responsibility of the functional and the acquisition communities. Both communities are accountable for the successful delivery of business capability, from business process design through business system deployment and operations. Functional and acquisition leadership emphasis on change management is essential for success, and all leaders must drive toward commercial off-the-shelf (COTS) and government off-the-shelf (GOTS) solutions, to the extent practicable.

d. The authority to proceed (ATP) decision points of the BCAC portrayed in Figure 1 will be tailored as necessary to contribute to successful delivery of business capabilities.

Figure 1: Business Capability Acquisition Cycle



e. Decision authorities in Table 3 of Section 4 of this issuance will tailor the application of regulatory requirements and procedures to best achieve capability outcomes, consistent with established statutory requirements applicable to ATPs which are "milestone-like events". In addition, decision authorities will prevent tailored procedures from including separate reviews and approvals by other organizations when confirmation through direct collaboration is sufficient.

SECTION 2: RESPONSIBILITIES

2.1. UNDER SECRETARY OF DEFENSE FOR ACQUISITION, TECHNOLOGY, AND LOGISITICS (USD(AT&L)). The USD(AT&L) is the Defense Acquisition Executive (DAE). The USD(AT&L):

a. Establishes policy and provides oversight for acquisition of business systems.

b. Delegates milestone decision authority (MDA) for assigned business systems in Table 1 of Section 3:

(1) To a DoD Component head, who then may delegate the authority to the Component Acquisition Executive (CAE), but no further for category I business systems.

(2) To another OSD official as the DAE considers appropriate.

2.2. DEPUTY CHIEF MANAGEMENT OFFICER (DCMO). The DCMO:

a. Establishes policy and provides oversight for Chief Management Officer (CMO) certification of business system investments.

b. Maintains the Business Enterprise Architecture (BEA) and requires all functional strategies, capabilities, processes and systems to be reflected in the BEA.

c. Establishes policy and processes for:

(1) Business system capability portfolio management and its appropriate linkage to the BEA.

(2) Validation of business needs and identification of capability requirements for business systems.

d. Validates capability requirements for assigned business systems in Table 1 to align business capabilities to functional strategies.

e. Delegates requirements validation authority for assigned business systems in Table 1 to a Military Department (MILDEP) CMO.

f. May designate an information system that does not meet the Section 2222 of Title 10, U.S.C., definition to be treated as a business system, as a matter of policy, with the concurrence of the Vice Chairman of the Joint Chiefs of Staff and the USD(AT&L).

2.3. DOD CHIEF INFORMATION OFFICER (DOD CIO). The DoD CIO:

a. Establishes policy and provides oversight for CCA confirmation for business systems.

b. Approves:

(1) Cybersecurity strategies for assigned business systems in Table 1 before ATP decisions or development contract awards.

(2) All Chief Information Officer (CIO) reviews of IT infrastructure and hosting solutions; DoD CIO will review for assigned business systems in Table 1.

2.4. DIRECTOR, COST ASSESSMENT AND PROGRAM EVALUATION. The Director, Cost Assessment Program Evaluation, establishes policies and procedures for the collection of cost data, the conduct of all cost estimates and analysis of solution approaches for the acquisition of business systems.

SECTION 3: ROLES

3.1. GENERAL.

a. The roles described in this section will be performed by OSD, MILDEP or DoD Component level leaders according to designated business system category and delegation of authority.

b. Table 1 defines business system categories based on systems covered by Section 2222 of Title 10, U.S.C., along with decision authorities.

Table 1: DoD Business System Categories

Business System Category / Reason for Designation		Decision Authorities
I	• Priority defense business system expected to have a total amount of budget authority over the period of the current Future Years Defense Program (FYDP) in excess of $250,000,000; or • DCMO designation as priority based on complexity, scope, and technical risk, and after notification to Congress.	Requirements Validation / CMO Certification: DoD DCMO or as delegated
		MDA: DAE or as delegated (not below CAE).
		CCA Compliance / Cybersecurity Strategy: **CCA**: DoD CIO for joint systems; otherwise MILDEP or DoD Component CIO **Cybersecurity**: DoD CIO
II	• Does not meet criteria for category I, and any of the following: • Expected to have a total amount of budget authority over the period of the current FYDP in excess of $50,000,000. • DCMO or MILDEP CMO designation as requiring CMO certification.	Requirements Validation / CMO Certification: MILDEP CMO or as delegated; DoD DCMO or as delegated for all other DoD Components
		MDA: CAE or as delegated
		CCA Compliance / Cybersecurity Strategy: DoD CIO for joint systems; otherwise MILDEP or DoD Component CIO
III	• Does not meet criteria for category II	All Decision Authorities: Same as category II, except CMO certification not required.

1. Transitions from lower to higher business system categories based on FYDP cost thresholds become effective no later than when the President's Budget is submitted to Congress.
2. Business systems will not transition automatically from higher to lower business system category even if FYDP costs no longer exceed thresholds for the higher category.
3. Business systems that meet Major Automated Information System thresholds in Chapter 144A of Title 10, U.S.C., must meet the statutory requirements of Chapter 144A until its repeal takes effect.

3.2. ROLES IN BUSINESS SYSTEMS REQUIREMENTS AND ACQUISITION.

a. Functional Sponsor.

(1) The functional sponsor is the DoD or Component senior leader with business function responsibility seeking to improve mission performance. The functional sponsor confirms the need for improved business operations and represents the user community interests throughout the BCAC. The functional sponsor represents the DoD organization(s) with a business problem or opportunity that may be addressed via the acquisition of a business system, business process reengineering, or related business changes.

(2) The functional sponsor leads solution analysis and change management and creates a successful change environment. The functional sponsor:

(a) Engages stakeholders to keep them actively involved in shaping the complete future solution.

(b) Makes resources available for each phase of requirements and acquisition to include stakeholders and subject matter experts.

(c) Programs and budgets for lifecycle costs of full business spectrum solutions.

(d) Provides input, including market research, to the MDA for the development of the business system.

(e) Validates that deployed capabilities meet business requirements, deliver expected benefits, and provide return on investment.

(f) Designates the functional lead who will report to the functional sponsor and collaborate with the program manager.

b. CMO. The CMO role will be performed by the DCMO or Component CMO identified as the decision authority in Table 1 depending on the DoD Business System Category and any delegation. The CMO:

(1) Determines that business requirements are valid, capability requirements are achievable, and capability development efforts have feasible implementation plans.

(2) Determines that business systems in development are aligned to processes in the BEA and meet applicable enterprise standards.

(3) Provides CMO Certification to fulfill the requirements of Section 2222 of Title 10, U.S.C.

c. Milestone Decision Authority (MDA). The MDA:

(1) Approves critical acquisition decisions for ATP decision points or concurs in contractual commitments.

(2) Oversees business system delivery within cost, schedule and performance parameters.

(3) Establishes oversight controls for programs, including procedures to report cost, schedule and performance variances and to address reported variances. The acquisition chain of command supports the MDA by leading the program manager and program execution. Specific leadership roles vary by organization but often include the CAE and Program Executive Officer.

d. CIO. The CIO role will be performed by the DoD CIO or Component CIO identified as the decision authority in Table 1 depending upon the DoD Business System Category and any delegation. The CIO:

(1) Confirms CCA compliance based on program manager input and supporting artifacts.

(2) Reviews and approves the cybersecurity strategy before decision points or contract awards for system development.

(3) Establishes standards and supports development of program IT infrastructure and hosting solutions developed by the appropriate program executive officer or service provider.

e. Functional Lead. The functional lead:

(1) Leads business process reengineering and execution of business process changes.

(2) Leads definition of functional requirements and training and deployment for business systems.

f. Program Manager. The program manager:

(1) Leads development and delivery of the business systems that support the delivery of business capabilities.

(2) Provides input to the functional sponsor on process design, requirements, training and other matters that may influence the acquisition strategy for business systems.

3.3. PROGRAM MANAGER RELATIONSHIP. The relationship between the program manager and the functional lead is shown in Table 2. The tasks each key leader performs to lead or support the activities are described by phase in Section 4.

Table 2: Functional Lead and Program Manager Interaction

Activity	Paragraph	Functional Lead	Program Manager
Identify business capability needs	4.2.a	Lead	Support
Design future business processes & solutions	4.2.b	Lead	Support
Define functional requirements	4.2.c	Co-Lead	Co-Lead
Define solution approach	4.2.c	Co-Lead	Co-Lead
Evaluate solution selection	4.2.d	Support	Lead
Define detailed design specifications	4.2.d	Support	Lead
Develop and deliver business system	4.2.d	Support	Lead
Support business capability	4.2.e	Lead	Support

SECTION 4: PROCEDURES

4.1. OVERVIEW.

a. Tailoring. The procedures used to develop business capability requirements and supporting systems will be tailored to the characteristics of the capability being acquired. Tailoring will focus on application of best practices to the totality of circumstances associated with the program, including affordability, urgency, return on investment, and risk factors. The functional sponsor, MDA, and CAE or designee will collaborate to tailor program strategies and oversight, including: program information, acquisition phase content, and the timing and scope of decision reviews and decision levels.

b. ATP Decision Points. Decisions will be informed by measures that assess the readiness to proceed to the next phase of the process. Decision-making will focus on executability and effectiveness of planned activities, including cost, schedule, acquisition strategy, incentive structure and risk.

(1) All decisions are coordinated across stakeholders and made in a collective forum so that the decision authority is fully informed by the stakeholders at each decision point.

(2) Depending on the decision point, either the Defense Business Council (DBC) or Defense Acquisition Board (DAB), or Component equivalents, will advise the decision authorities.

(3) Decision authority is determined by phase content and type of decision being made. Decision authorities are described in more detail by phase in this section and summarized in Table 3 of Appendix 4A.

(4) After the Functional Requirements ATP, the timing and number of all subsequent decision points are established as part of the implementation plan.

(5) Statutory requirements, such as Clinger-Cohen Act compliance, that are normally associated with acquisition milestones must be completed and aligned with an appropriate decision point; statutory requirements cannot be waived unless the statute permits. Statutory requirements for decision points are summarized in Table 4 of Appendix 4A.

(6) ATP decisions must be documented through a formal memorandum. Approval indicates satisfaction of all statutory and regulatory requirements unless otherwise stated in the memorandum. Information materials that supported the decision must be maintained in accordance with DoD records management procedures.

(7) Considerations for decision criteria to use in support of decision points are included in Appendix 4A.

c. Governance.

(1) DBC. The DBC provides advice to the Secretary and Deputy Secretary of Defense on developing the BEA, reengineering the Department's business processes, developing and deploying business systems, and developing requirements for business systems. It is the requirements validation authority for business systems. The DBC will convene for decision points up to and including the Functional Requirements ATP for category I business systems. The MDA or designee will participate in DBC decisions that impact their program.

(2) DAB. The DAB provides advice to the DAE or designee on critical decisions concerning acquisition programs. The DAB will convene for decision points from Acquisition ATPs and beyond where the DAE is the MDA. The DBC chairs will serve as members or advisors of the DAB for decision reviews for business systems.

(3) Configuration Steering Board. A steering board will be established for each program to adjudicate unresolved issues between the functional and acquisition communities involving potential customization or process changes. The steering board will consider development cost, schedule implications, and impacts to sustainment in its decision processes. Steering board membership will include the functional sponsor (co-chair), CAE or designee (co-chair), and resource sponsors.

(4) Director, Operational Test & Evaluation (DOT&E) Oversight. Governance boards for business systems on the DOT&E Oversight List will include DOT&E as a member.

d. Change Management. Change management proactively prepares the functional community for upcoming changes from the delivery of a business capability in order to reduce risk and increase user adoption. Change management tasks span the lifecycle of the product's delivery and include the development and delivery of training materials and ongoing capability improvements addressed in the support phase. The functional lead and program manager are jointly responsible for change management.

e. Budgeting by Functional Capability and IT Portfolio. Every phase outlined in this document will be funded in the planning, programming, budget, and execution process. To facilitate this, functional capability and IT portfolio program elements will be established by Components to fund business need definition and business solution design efforts. Funding program elements will be established for requirements development through deployment and capability support.

f. Continuous Process Improvement. The functional sponsor will engage in continuous process improvement throughout all phases of the BCAC, based on opportunities that emerge in analysis of existing capabilities, processes, and supporting IT in use within the existing organization and at other organizations. The functional sponsor will prioritize these continuous process improvement opportunities for current and future initiatives.

g. Industry Analysis and Market Research. The functional sponsor and CAE or designee must provide access to domain experts with functional and technical knowledge to support industry analysis of processes from industry and government for capability delivery options. These domain experts must guide the development of business requirements without preferring

business systems over business process improvements. Market research will identify specific business systems available to support future processes.

h. Prototyping and Demonstrations. Program managers will incorporate prototyping, to the extent practical, and demonstrations to support market research and selection of specific products and services. Program managers will provide the MDA with the expected improvements that prototyping and demonstration will provide at an acceptable cost.

i. Incremental Delivery of Capability. Functional leads and program managers will apply commercial best practices and lessons learned to recommend tailoring for business system programs and to develop and deploy business capabilities. Functional leads and program managers will normally standardize planning and management of business systems by releases and deployments.

(1) A release is a manageable subset of functionality that provides utility in support of the engineered business processes. The utility provided by a release does not have to fulfill the entire future process. Additional utility may be added through iterative releases based on user feedback to minimize risk and increase adoption.

(2) A deployment either introduces a new release into the production environment or expands the user base of existing functionality. Deployment includes training and business systems operations activities such as help desk support.

(3) The functional sponsor and CAE or designee may establish increments of business system programs to organize tracking and reporting of releases grouped by increment.

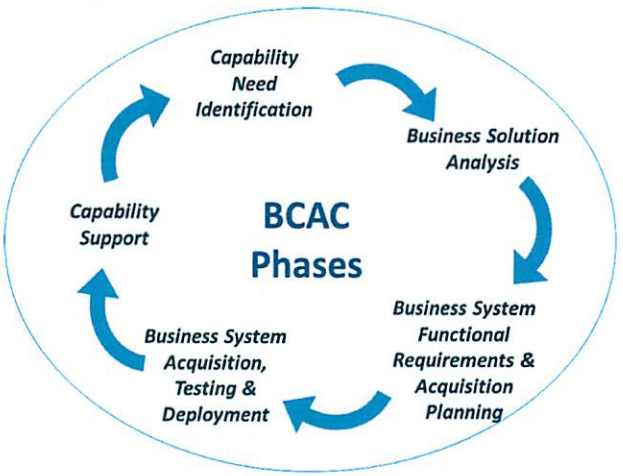
j. Integrated Testing. The CAE or designee will oversee effective use of integrated testing, combining developmental and operational testing where practical. When supported by the appropriate risk analysis, assessments will primarily use data from integrated test events other than a dedicated independent operational test event. For programs on DOT&E Oversight List, the level of test and use of integrated test data as well as dedicated operational test events should be approved by DOT&E using guidance provided by September 14, 2010 DOT&E Memorandum.

k. Delegation. Decision authorities in Table 3 will evaluate remaining risk in business system programs at each decision point and delegate authority, when appropriate, to empower leaders to provide timely guidance and decisions. Specifically, the Acquisition ATP represents significant risk removal, and decision authorities should structure delegation so that leaders can provide timely decisions in support of leveraging COTS/GOTS functionality.

l. Documentation and Deliverables. Information deliverables will generally not be prepared solely for staff review and approval, but be intended primarily for use within the program either as products used in later phases of the process or as planning and management tools. The information produced will be specific to each program and tailored to meet individual program needs. Details will be maintained by the program in a transparent and timely fashion, available for oversight reviews as needed.

4.2. BCAC PHASE ACTIVITIES AND DECISION POINTS. Figure 2 illustrates the five phases in the process. The BCAC is intended to be cyclical and flexible with phases repeating as necessary to drive timely achievement of outcomes.

Figure 2: High-Level BCAC Process



a. Capability Need Identification. The functional sponsor leads this phase with guidance and support from the CMO. The objective is to establish a clear understanding of needed business capabilities so that the functional sponsor and MDA can decide to invest time and resources into investigating business solutions.

(1) Phase Description.

(a) The capability need is based on the desired end state in a business mission area, the problem(s) preventing it, and the future capabilities required to achieve it.

(b) Definition of the future capabilities will include analysis of other organizations with similar capability needs.

(2) Solution Analysis ATP. At this decision point, the CMO, with input from the functional sponsor, approves the capability requirements, approves the work planned for the next phase, and verifies the capability is aligned with the BEA as well as organizational strategy and IT portfolio management goals.

(3) Information Requirements. Machine searchable capability requirements must be provided for the Solution Analysis ATP. Capability requirements must include:

(a) A description of the business problem or opportunity and its impact on cost and mission performance.

(b) Prioritized business capabilities and their attributes.

(c) Capability performance measures and associated current and future values, including threshold and objective values for future capability performance.

(d) Pertinent law, regulations and policies that will either require modification or constrain solutions.

b. Solution Analysis. The functional sponsor leads this phase with guidance from the CMO and support from the CMO and CAE or designee. The objective of this phase is to determine the high-level business processes supporting the future capabilities so that the functional sponsor and CAE or designee can maximize use of existing business solutions and minimize creation of requirements that can only be satisfied by a business system.

(1) Phase Description.

(a) Future capabilities are based on reengineering the high-level future business processes that will deliver the capabilities. This includes selecting and tailoring commercial best practices to meet the needs of the end user community.

(b) Definition of the future capabilities will include industry analysis of other organizations with similar capabilities to identify processes that can be adopted.

(c) The initial implementation plan to achieve the future capabilities will include all business changes to deploy the capabilities, including a rough order of magnitude estimate and cost benefit analysis for any business system.

(2) Functional Requirements ATP. At this decision point:

(a) The CMO validates that sufficient business process reengineering has been conducted to determine that a business system is required.

(b) The MDA approves execution of the implementation plan.

(c) The functional sponsor must provide full funding, to the approved cost estimate, available to support all of the business process activities being approved.

(3) Information Requirements.

(a) Business Processes. High-level business processes must be structured to focus on the work to be conducted and on the information used, not supporting IT.

(b) Market Research. Market analysis must reflect engagement with other organizations with similar capabilities to understand their business process and supporting COTS/GOTS solutions.

(c) Implementation Plan. In this phase, the implementation plan contains detailed plans for business process actions and high-level schedule and resource plans for acquisition actions. Additional information on the implementation plan is in Appendix 4B.

c. Functional Requirements and Acquisition Planning. During this phase, the functional sponsor leads execution of business process actions in the implementation plan, definition of IT functional requirements, and determination of overall solution approach (e.g., COTS, GOTS,

legacy modernization, or new development). Meanwhile, the MDA oversees development of the acquisition strategy. An objective of this phase is to establish the acquisition strategy that will support functional requirements.

(1) Phase Description.

(a) Functional requirements describe how the business system will achieve the future business processes.

(b) The program manager engages further with industry (e.g., market research, benchmarking, requests for information, industry days) so that functional requirements reflect the current state of practice and inform the acquisition strategy. Additional information on requirements is included in Appendix 4D.

(c) The appropriate cost agency will support development of alternatives and determination of the solution approach that best fits the needs and organizational goals based on economic analysis in accordance with DoDI 7041.03.

(d) The acquisition strategy reflects the solution approach and describes how the program manager will identify potential business system solutions and perform solution selection. Additional information on potential business system solutions is included in Appendix 4D.

(e) The program manager may, with the approval of the MDA, conduct design specification activities normally conducted after the Acquisition ATP to inform the acquisition strategy.

(2) Acquisition ATP. At this decision point:

(a) The MDA authorizes acquisition of the business system and approves continued execution of the updated implementation plan.

(b) The CMO approves initial CMO certification based on the chosen solution approach. Additional information on CMO certification is in Appendix 4C.

(c) The MDA will require full funding, to the approved cost estimate, for the program to be available to support all of the acquisition activities approved at this decision.

(3) Information Requirements.

(a) Functional Requirements. Functional requirements will include enough detail to inform definition of potential business system solutions and evaluation criteria, but without including too much detail that would overly constrain solution selection.

(b) Implementation Plan. During this phase, the implementation plan contains detailed plans, including resource loaded schedules, for actions required to deploy the future business processes. Additional information on the implementation plan is in Appendix 4B.

(c) Draft Request for Proposal (RFP). The program manager will provide draft RFPs that align to the acquisition strategy for the contract actions that follow the Acquisition ATP.

d. Acquisition, Testing, and Deployment. During this phase, the CAE or designee leads execution of contract award, supplier management, establishment of baselines, delivery of the business system, and risk management. Meanwhile, the functional sponsor leads training and deployment. The objective of this phase is to achieve organizational change through business process changes and delivery of the supporting business system, with minimal customization.

(1) Phase Description.

(a) Detailed fit-gap analysis follows solution selection based on the acquisition strategy. Fit-gap analysis will be based on the known capabilities of the COTS/GOTS software in the selected business system solution.

(b) Design specifications will reflect fit-gap analysis and prioritization of features to allow for cost and schedule trades within scope.

(c) Development, delivery and capability support plans for the business system will be detailed in the implementation plan, expressed in terms of releases and deployments.

1. A limited deployment is any deployment before the Full Deployment ATP that does not provide full functionality to all planned users of the business system. Limited deployments will be approved at a Limited Deployment ATP.

2. The MDA will require adequate testing before Limited and Full Deployment ATPs. For business systems on the DOT&E Oversight List, DOT&E will approve all operational test plans, and an Initial Operational Test and Evaluation will be conducted before the Full Deployment ATP.

3. Full deployment is the delivery of full functionality planned to all planned users of the business system in accordance with the Full Deployment ATP.

(d) The CAE or designee will oversee establishment of cost, schedule and performance parameters for each release before development or delivery.

(2) Limited Deployment ATP(s). At this decision point, the MDA, in conjunction with the functional sponsor, considers the results of developmental and operational testing and approves deployment of the release to limited portions of the end user community.

(3) Full Deployment ATP. At this decision point, the MDA, with the support of the functional sponsor and CMO, considers the results of limited deployment(s) and operational testing and approves deployment to the entire user community.

(4) Capability Support ATP. At this decision point, the functional sponsor accepts full deployment of the system and approves transition to capability support.

(5) Information Requirements.

(a) Design Specifications. The design specifications satisfy the intent of a DoD CIO information support plan required by DoDI 8330.01. A separate information support plan document is not required for business systems developed in accordance with this issuance.

(b) Test results. Supporting information for a Limited Deployment ATP or Full Deployment ATP must include the status of training and test results. This includes developmental or operational testing before the decision point based on the level of operational risk associated with the capability deployment.

(c) Implementation Plan. The program manager updates the implementation plan throughout this phase to reflect releases, deployments, and capability support beginning with the first deployment.

(d) Capability Support Plan. The capability support plan documents the roles, responsibilities for sustainment activities. The capability support plan must include:

1. A governance structure that provides resources, prioritizes changes, and approves implementation plans for changes that fall within scope of the original capability requirements.

2. A threshold for changes to determine whether or not the change requires a new BCAC initiative. Major capability changes that do not fall within the scope of the original capability requirements will require re-initiation of the process.

3. Plans for conducting a post implementation review.

e. Capability Support. The functional sponsor leads this phase with support from the CAE or designee. The objective of this phase is to provide enduring support for the capability established by the business system. This includes active engagement in both functional and technical opportunities for continuous process improvement to maintain the relevance of the capability, the supporting technology, and the hosting solution.

(1) Phase Description. The functional lead, with support from the program manager, identifies tailored implementation plans for changes that support continuous process improvement. The program manager and functional lead execute the implementation plans and update applicable enterprise architecture repositories to reflect capability changes.

(2) Information Requirements. The functional lead and program manager develop tailored implementation plans and information requirements for this phase.

APPENDIX 4A: SUPPORTING INFORMATION

Table 3 describes decision authorities for each decision point by role. The decision authority will be at the OSD, MILDEP or DoD Component level according to designated business system category and delegation of authority. Table 4 aligns statutory requirements for acquisition milestones to BCAC decision points. Table 5 provides considerations for decision criteria.

Table 3: Decision Authorities

Decision Point	Decision Authority or Authorities
Solution Analysis ATP	CMO
Functional Requirements ATP	CMO (requirements validation) MDA (materiel solution)
Acquisition ATP	CMO (CMO certification) MDA (acquisition strategy)
Limited Deployment ATP	MDA
Full Deployment ATP	MDA
Capability Support ATP	Functional sponsor

Table 4: Statutory Requirements

Decision Point	Statutory Requirements
Solution Analysis ATP	None
Functional Requirements ATP	None
Acquisition ATP, Limited Deployment ATP, Full Deployment ATP	Solution approach (fulfills analysis of alternatives and economic analysis) Cybersecurity strategy (for mission essential IT) CCA compliance (separate documentation of CCA compliance is not required)
Capability Support ATP	None

Table 5: Considerations for Decision Criteria

Decision Point	Considerations for Decision Criteria
Solution Analysis ATP	• Concise business problem and desired end state, with cost and performance improvements. • Documented laws, regulations and policies. • Alignment with and submission to the BEA. • Validated capabilities and capability performance measures. • Affordable capability with compelling business case for committing organizational resources for work planned up to next decision point.

Table 5: Considerations for Decision Criteria, Continued

Decision Point	Considerations for Decision Criteria
Functional Requirements ATP	• High-level business processes include performance measures and supporting activities and tasks with inputs and outputs. • Business processes focus on work and not supporting systems or IT. • Clear understanding of the process and functional changes needed to achieve future business processes. • Key processes identified for improvement documented with changes in process models. • Business processes reflect knowledge of industry state of the art. • Business process actions identified, prioritized and included in implementation plan. • ROM cost estimate for all business changes to achieve future business processes. • Affordability targets for business system with compelling business case for committing organizational resources for work planned up to next decision point. • Acquisition strategy outlines planned decision points and decision authorities. • Consistency with DoD Information Enterprise policies and architecture. • Cybersecurity strategy consistent with DoD policies, standards and architectures.
Acquisition ATP	• Alternatives leverage market research on available COTS and GOTS products and services. • Potential business system solutions reflect traceability to functional requirements and decomposition. • Potential business system solutions include trade space to minimize customization. • Potentially expensive or high risk functional requirements are identified with recommended alternative approaches. • Potential business system solutions address technical and lifecycle support requirements. • Solution evaluation criteria include: economic analysis; satisfaction of functional requirements and information assets; satisfaction of technical requirements and lifecycle support requirements; and overall risk. • Solution evaluation criteria include (if needed): delivery schedule; evaluation of trade space for functional requirements; and enterprise impacts. • Technical management strategy identifies lifecycle methodology for development and delivery of the business system. • Consistency with DoD Information Enterprise policies and architecture. • Cybersecurity strategy consistent with DoD policies, standards and architectures.

Table 5: Considerations for Decision Criteria, Continued

Decision Point	Considerations for Decision Criteria
Limited Deployment ATP	• Maturity of developed or configured software through pre-production assessment of functional requirement coverage and defects impacting users. • Execution of change management, training and deployment plans. • Consistency with DoD Information Enterprise policies and architecture. • Results of cybersecurity adversarial assessment indicating adequate cybersecurity. • Program progress against baselined cost, schedule and performance.
Full Deployment ATP	• Measured performance of operational software in support of future business processes and technical and lifecycle requirements. • Organizational readiness for continued deployment. • Consistency with DoD Information Enterprise policies and architecture. • Results of cybersecurity adversarial assessment indicating adequate cybersecurity. • Program progress against baselined cost, schedule and performance.
Capability Support ATP	• Measured performance of implemented future business processes. • Organizational readiness for capability support.

APPENDIX 4B: IMPLEMENTATION PLAN

4B.1. DEFINITION.

a. The implementation plan provides sufficient detail on the work being performed to manage the delivery of the capability and support leadership decisions at the program level and higher.

b. The implementation plan is not a specific document. Instead, it is the content needed by the program office to manage delivery of the capability, as stored and used by the program office in whatever applicable format or repository is needed. The acquisition strategy content of the implementation plan may need to be maintained separately to compartmentalize acquisition sensitive information. Similarly, technical content concerning cybersecurity may also be maintained separately.

c. The program may rely on external content such as portfolio procedures to govern technical management. In which case, the program implementation plan content supplements the portfolio procedures only as needed to tailor the program.

4B.2. CONTENT. The implementation plan will include:

a. Reference information to identify the capability requirements that the implementation plan supports.

b. A description of planned decision points with governance details that describe decision authorities, information requirements that will support the decision, and actions the decision will authorize.

c. A description of business process actions and leaders responsible. Common business process actions include:

(1) Implementation of law, regulation, policy or business process changes, including those that do not require business systems and those that must occur before the business system can be acquired.

(2) Development of training materials in support of business process changes.

(3) Conduct of user training and deployment in support of the business system.

d. A description of acquisition actions and leaders responsible. Common acquisition actions include:

(1) Requests for information, peer reviews, RFPs, and contract awards for systems integration.

(2) Definition and modeling of functional requirements, inputs and outputs, and design specifications.

(3) Software design, development and testing.

(4) Developmental and operational test and evaluation.

(5) Technical and management assessments on the progress of the program. The technical and management assessment structure will reflect the program's tailored software development lifecycle and may include events such as design reviews and test readiness reviews or short iteration retrospectives and acceptance reviews.

(6) Development of training materials in support of the business system.

(7) Coordination and approval of memoranda of agreement, interface control agreements and service level agreements.

e. Capability integrated master schedule: the combined schedule actions needed to deliver and support the capability. It must include:

(1) The ability to track actual progress against the baselined plan and the ability to load resources to perform actions, at the level of detail appropriate based on lead time.

(2) Technical and management assessments (e.g., engineering, test, and program management) on the progress program to identify risks and issues and address them. At a minimum, the implementation plan will include engineering, test and program management assessments both before releasing an RFP that includes development and following the associated contract award.

f. Capability work breakdown structure: a component-based representation of the decomposition of the work to be executed to deliver and support the capability.

g. Acquisition objectives: a description of the organizational business goals for the development and delivery of the capability in terms of cost and benefits, return on investment, affordability, and overall business case analysis.

h. Tailored business system acquisition strategy.

(1) Acquisition content: a description of the program approach to leverage competition to acquire the required capability at reduced cost and risk. The approach must describe the business strategy, including major contracts planned, contract type(s) and incentives, market research, potential sources, sustainment strategy, subcontracting opportunities, special contracting considerations and special clauses, the business case for or against obtaining warranties, payment methods, contract management and administration, intellectual property strategy, and use of COTS or reasons not to use COTS.

(2) Technical management content: a description of the program approach to leverage systems engineering, test and evaluation (T&E), cybersecurity, and data management processes to reduce technical risk. Specific T&E management content requirements include:

(a) Test events to collect data must be defined, scheduled, and resourced in the implementation plan, including a Developmental Evaluation Framework matrix for developmental testing events.

(b) Cybersecurity developmental and operational T&E must include cooperative vulnerability identification and adversarial cybersecurity testing. Cybersecurity operational T&E must also include a Cyber Economic Vulnerability Analysis as outlined in September 14, 2010 and January 21, 2015 DOT&E Memoranda. The MDA will not tailor cybersecurity T&E solely to meet authority to operate requirements.

(c) T&E planning will include mission-oriented development T&E with actual operators performing end-to-end scenarios in a controlled environment.

(d) Interoperability developmental T&E will include testing with actual representations of interface systems in a controlled environment.

(e) Business systems on the DOT&E Oversight List will document T&E management content in a test and evaluation master plan.

(3) Other content if needed: international considerations, multiyear procurement and integration of intelligence assessments.

4B.3. TIMING OF IMPLEMENTATION PLAN CONTENT.

a. Portions of the implementation plan will contain the level of detail appropriate based on the progress of the program through the BCAC.

b. Table 6 describes the expected progress of implementation plan content as a program progresses through decision points.

Table 6: Progression of Implementation Plan Content for Decision Points

Implementation Plan Content Area	Functional Requirements ATP	Acquisition ATP	Prior to Development	Deployment ATP
Business process actions	Known and scheduled	Updated for selected business system solution	Updated for development	Known and scheduled
Acquisition actions	High-level overview	ROM estimate	Known and scheduled	Known and scheduled
Capability integrated master schedule	Business process detail	Full business spectrum detail	Full business spectrum detail	Full business spectrum detail
Capability work breakdown structure	Business process detail	Full business spectrum detail	Full business spectrum detail	Full business spectrum detail
Acquisition objectives	High-level overview	ROM estimate	Baselined	Baselined
Acquisition strategy	High-level overview	Detailed plan	Detailed plan	Detailed plan

APPENDIX 4C: CMO CERTIFICATION

4C.1. BUSINESS SYSTEM.

a. The Component CMO makes the determination that a program is a business system, with support from the functional sponsor and CAE or designee as needed.

b. A business system can be both a priority business system and an MDAP if it exceeds the thresholds in Section 2430 of Title 10, U.S.C.

4C.2. RESPONSIBILITIES.

a. DCMO. The DCMO:

(1) Provides CMO certification for all priority business systems under Section 2222 Title 10, U.S.C., and for other business systems that are not under the authority of a MILDEP CMO.

(2) May require any business system to receive CMO certification before development and may designate any business system as a priority business system.

b. MILDEP CMOs. The MILDEP CMOs:

(1) Provide CMO certification for any business system of their respective military Department, other than a priority business system.

(2) May designate a non-priority MILDEP business system as requiring CMO certification.

4C.3. CMO CERTIFICATION.

a. The CMO will certify that business systems covered by Section 2222 of Title 10, U.S.C., meet the requirements of subsection (g)(1)(A) of Section 2222 of Title 10, U.S.C., before proceeding to development and on an annual basis thereafter, for any fiscal year in which appropriated or non-appropriated funds are expended for development or sustainment.

b. The initial CMO certification is conducted in conjunction with the Acquisition ATP.

c. Annual CMO certification after the initial CMO certification is conducted before each fiscal year in accordance with the procedures in February 6, 2015 DCMO Memorandum.

APPENDIX 4D: BUSINESS SYSTEM SOLUTIONS AND DOCUMENTATION

4D.1. FUNCTIONAL REQUIREMENTS.

a. Functional requirements will be linked to inputs and outputs that define how the functional requirements support the business processes.

b. Functional requirements will be linked to technical and lifecycle support requirements that constrain how the functional requirements support the business process.

4D.2. POTENTIAL BUSINESS SYSTEM SOLUTION SELECTION.

a. The program manager, with support from the functional lead and the appropriate cost agency, establishes criteria for evaluating potential business system solutions.

b. Evaluation criteria must include:

(1) Economic analysis (cost and benefit).

(2) Satisfaction of functional requirements and inputs and outputs.

(3) Satisfaction of technical requirements and lifecycle support requirements.

(4) Overall risk.

c. Other criteria may also include:

(1) Delivery schedule.

(2) Evaluation of trade space for functional requirements.

(3) Impacts to other programs.

4D.3. BUSINESS SYSTEM DESIGN SPECIFICATIONS.

a. Design specifications provide sufficient detail on the solution or service being acquired or developed to support delivery and verification of the business system.

b. Design specifications are not a specific document. Instead, they are the content needed by the program office to specify the design of the business system, as stored and used by the program in whatever applicable format or repository is needed.

c. Design specifications must be prioritized to the extent practicable to allow for cost and schedule trades within scope.

4D.4. CONTENT OF BUSINESS SYSTEM DESIGN SPECIFICATIONS. Design specifications are based upon the high-level requirements established during functional requirement definition. This includes the functional requirements, along with associated inputs and outputs for the functional requirements, and associated technical and lifecycle support requirements. The detailed design includes:

a. Task-oriented description of end user interaction with the system, e.g., use cases, user stories, or functional requirements statements expressed as functions that "the system shall" perform.

b. Technical requirements, e.g., infrastructure, open architecture, data standards, data management, hosting and security, and lifecycle support requirements (availability, scalability, maintainability, supportability).

c. System and sub-system design, user interface design, logical and physical data models, business rules and related architectural products.

d. Communication-oriented description of system interaction with other systems, e.g., interface control and interface design documents and related system architectural products.

e. Traceability mappings from requirements through design to method of verification.

GLOSSARY

G.1. ACRONYMS.

ATP	authority to proceed
BCAC	Business Capability Acquisition Cycle
BEA	Business Enterprise Architecture
CAE	Component Acquisition Executive
CCA	Clinger Cohen Act
CIO	Chief Information Officer
CMO	Chief Management Officer
COTS	commercial off-the-shelf
DAB	Defense Acquisition Board
DAE	Defense Acquisition Executive
DBC	Defense Business Council
DCMO	Deputy Chief Management Officer
DoD CIO	DoD Chief Information Officer
DoDI	DoD instruction
DOT&E	Director, Operational Test & Evaluation
FYDP	Future Years Defense Program
GOTS	government off-the-shelf
IT	information technology
MDAP	Major Defense Acquisition Program
MILDEP	Military Department
RFP	request for proposal
T&E	test and evaluation
U.S.C.	U.S. Code
USD(AT&L)	Under Secretary of Defense for Acquisition, Technology & Logistics

G.2. DEFINITIONS. Unless otherwise noted, these terms and their definitions are for the purpose of this issuance.

business capability. A business capability is the core ability the organization needs to deliver requisite products and services and provide value.

business enterprise architecture. The business enterprise architecture is a blueprint to guide the development of integrated business processes within DoD. It includes architectural viewpoints that display: capabilities, activities, processes, data, information exchanges, business rules, system functions, services, system data exchanges, technical standards, terms, and linkages to laws, regulations and policies.

business system. Business systems are information systems that are operated by, for, or on behalf of the Department of Defense, including: financial systems, financial data feeder systems, contracting systems, logistics systems, planning and budgeting systems, installations management systems, human resources management systems, and training and readiness systems. A business system does not include a national security system or an information system used exclusively by and within the defense commissary system or the exchange system or other instrumentality of the DoD conducted for the morale, welfare, and recreation of members of the armed forces using non-appropriated funds.

change management. Change management is the process of proactively preparing the user community for changes that will occur to an organization (because of the implementation of a business system, for purposes of this issuance).

deployment. A deployment either introduces a new release into the production environment or expands the user base of existing functionality. Deployment includes training and business systems operations activities such as help desk support.

end state. An end state is a goal to achieve within the context of the business mission area.

IT infrastructure. IT infrastructure is the supporting hardware, software, communication, and information security services that a business system requires to operate, but that can be shared by multiple business systems for scalability.

lifecycle support requirements. Lifecycle support requirements are requirements for availability, scalability, maintainability, supportability, and other requirements as appropriate for the specific initiative.

release. A release is a manageable subset of functionality that provides utility in support of the engineered business processes.

technical requirements. Technical requirements are requirements for infrastructure, hosting, security and lifecycle support requirements.

REFERENCES

Deputy Chief Management Officer Policy Memorandum, "Defense Business Systems Investment Management Process Guidance," February 6, 2015

Director, Operational Test & Evaluation Policy Memorandum, "Cyber Economic Vulnerability Assessments (CEVA)," January 21, 2015

Director, Operational Test & Evaluation Policy Memorandum, "Guidelines for Operational Test and Evaluation of Information and Business Systems," September 14, 2010

DoD Directive 5000.01, "The Defense Acquisition System," January 7, 2015

DoD Directive 5105.53, "Director of Administration and Management (DA&M)," February 26, 2008

DoD Directive 5134.01, "Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L))," December 9, 2005, as amended

DoD Directive 5144.02, "DoD Chief Information Officer (DoD CIO)," November 21, 2014

DoD Directive 5105.82, "Deputy Chief Management Officer (DCMO) of the Department of Defense," October 17, 2008

DoD Instruction 5000.02, "Operation of the Defense Acquisition System," January 7, 2015

DoD Instruction 7041.03, "Economic Analysis for Decision-making," September 9, 2015

DoD Instruction 8330.01, "Interoperability of Information Technology (IT), Including National Security Systems (NSS)," May 21, 2014

Deputy Secretary of Defense Memorandum, "Reorganization of the Office of the Deputy Chief Management Officer," July 11, 2014

Public Law 106-398, Section 811, "Acquisition and Management of Information Technology," October 30, 2000

United States Code, Title 10

United States Code, Title 40, Subtitle III