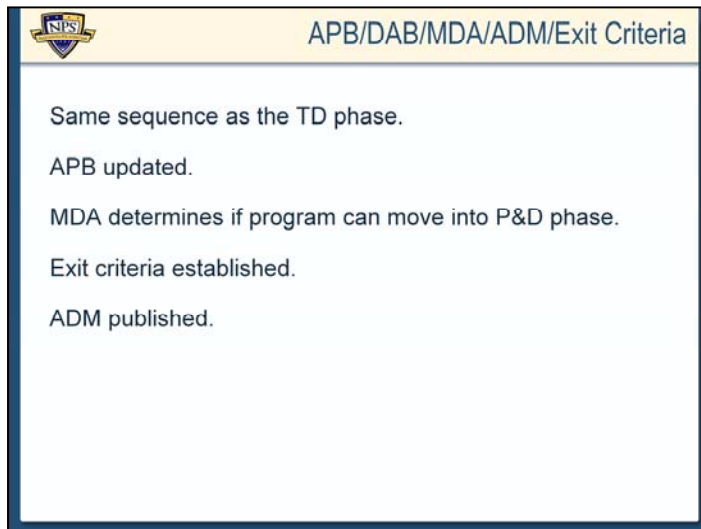**Oversight and Review**
Acquisition Program Baseline
Defense Acquisition Board
Milestone Decision Authority
Acquisition Decision Memorandum
Exit Criteria

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APB/DAB/MDA/ADM/Exit Criteria

Same sequence as the TD phase.

APB updated.

MDA determines if program can move into P&D phase.

Exit criteria established.

ADM published.

There's not much new to tell you about for this sequence of activities. We've seen all of them before. As you'd expect, though, each of these documents or activities are designed to support the MDA's Milestone Decision Review at Milestone C. They're the culmination of the Engineering and Manufacturing Development phase and they set the stage for the Production and Deployment phase.

Here are just a couple of other things to be aware of:

The Acquisition Plan Baseline is updated – especially the cost information.

Based on the recommendation of the Defense Acquisition Board, the outputs from the EMD Systems Engineering Process, and other EMD activities, the Milestone Decision Authority determines whether or not the program is ready to move into the Production and Deployment phase.

If the decision is to move the program forward, then Exit Criteria are developed for the Production and Deployment phase. These are the criteria that have to be met by the end of the Production and Deployment phase.

The MDA's decision, and, if appropriate, the Exit Criteria are documented in the Acquisition Decision Memorandum.
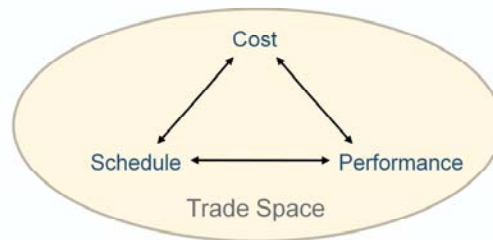
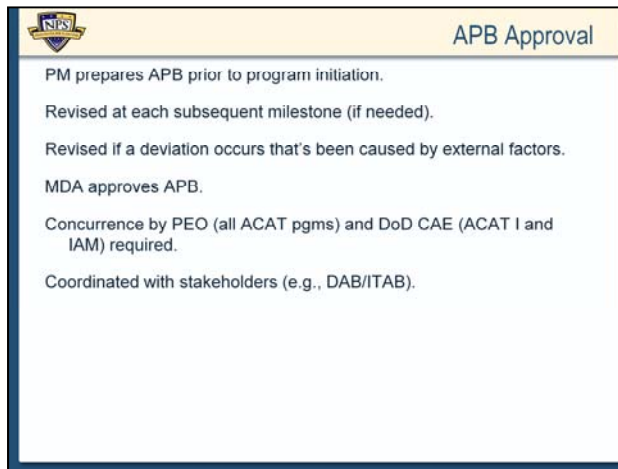The Program Manager develops the APB by starting with some basic information.

The PM considers the users' performance requirements. These requirements should be in the Capabilities-Based Assessment and the Initial Capabilities Document. If those documents don't provide enough information, the PM should work with the sponsor to get what's needed.

In addition to the performance requirements, the PM needs to consider schedule planning and requirements. How long will it take to design and produce the materiel solution? And what constraints exist with respect to schedule?

The other major issue that the PM needs to consider is cost. The PM needs to get the best possible estimate of total program cost. That estimate should also consider the funding that's projected to be available for the program.

The sponsor of the Capability Development Document should provide a threshold and an objective value for each key attribute of the system being acquired. Given this cost – schedule – performance trade space, it's up to the PM to develop the best possible system.

HSI practitioners should be a big part of this process. Given what we know about the human and the various HSI domains, we ought to be able to help the PM maximize human performance and, therefore, total system performance. And we ought to be able to do it in a way that minimizes cost and has the least impact on schedule.

APB Approval

PM prepares APB prior to program initiation.

Revised at each subsequent milestone (if needed).

Revised if a deviation occurs that's been caused by external factors.

MDA approves APB.

Concurrence by PEO (all ACAT pgms) and DoD CAE (ACAT I and IAM) required.

Coordinated with stakeholders (e.g., DAB/ITAB).

The program manager works with the sponsor to prepare the APB prior to program initiation at Milestone B. For many acquisition activities, program initiation occurs at this point.

If necessary, the PM can revise the APB and submit it for approval at each future milestone review. The PM can also propose a revision of the APB if the program undergoes a major revision that has been funded and approved by the Milestone Decision Authority.   An APB revision may also be necessary if there's been a significant deviation in the program AND if that breach has been caused by external factors beyond the control of the PM.

The Milestone Decision Authority is the approval authority for the APB. The APB also requires the concurrence of the Program Executive Officer for all ACAT programs, and the DoD Component Acquisition Executive (or CAE) for ACAT ID and IAM programs.

Also, prior to the Milestone Decision Authority's approval of the APB, it should be coordinated with the appropriate stakeholder. This should include those department or service components who have an interest in the program and members of the Defense Acquisition Board or Information Technology Acquisition Board.

The Program Manager should notify the Milestone Decision Authority immediately when the program's current estimate exceeds the APB threshold values for cost, schedule, or performance. Only the MDA can approve a revision to the APB.

APB Content (Cost)

Realistic cost estimates.

Revised as actual figures are available.

APB cost elements include:
- Research, development, test, and evaluation costs
- Procurement costs
- Military construction costs
- Operations and maintenance (O&M) costs
- Total system quantity
- Average Procurement Unit
- Program Acquisition Unit Cost
- Any other cost objectives established by the Milestone Decision Authority

Cost parameters provide in 'base' year and 'then' year dollars.

I've already said that the APB provides information on Program Goals, Program Objectives, Cost, Schedule, Performance, KPPs, KSAs, Threshold Values, and Objective Values. And, I've mentioned that the role of the PM is to develop the best possible system within the Cost – Schedule – Performance trade space. This slide and the next few provide you with some additional information on cost, schedule and performance.

Cost figures should be realistic estimates of the total program or an increment. The PM's budget should never exceed the maximum costs in the APB. As the program progresses, actual cost figures will become available and these will become the basis for the program manager's revisions.

There are several cost elements that should be included in the APB cost estimate. These elements are listed on this slide.

The cost parameters are presented in both base year and then year dollars. The threshold parameters for cost are only presented in base year dollars.
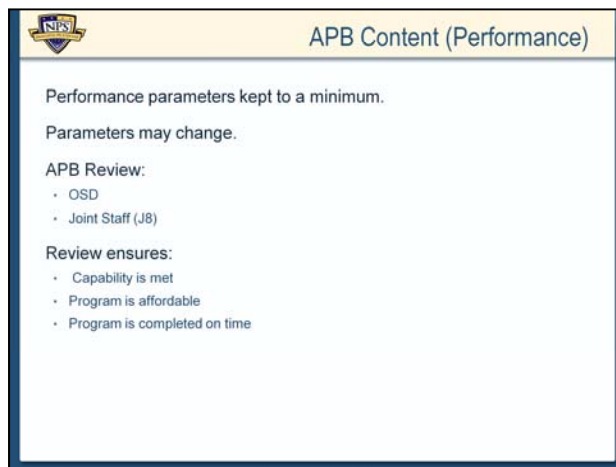
The APB should provide schedule information. This schedule information should include the initiation date of the program.

Schedule parameters should include the projected dates for program initiation, major decision points such as the milestones, and other reviews such as the Preliminary Design Review and Critical Design Review, major testing events, and the date that the program expects to achieve Initial Operational Capability.

If there are other dates that the Program Manager believes to be important, those dates can be proposed by the PM and then submitted to the Milestone Decision Authority for approval.

APB Content (Performance)

Performance parameters kept to a minimum.

Parameters may change.

APB Review:
- OSD
- Joint Staff (J8)

Review ensures:
- Capability is met
- Program is affordable
- Program is completed on time

The number of performance parameters should be kept to a minimum. That number should be only those needed to describe the major drivers of operational performance.

Performance parameters should include the key performance parameters identified in the capability needs documents such as the CDD and the CPD. You can find much more information about KPPs and KSAs if you click on the KPP block in the Technology Development phase on the Interactive DA Framework.

The number and specificity of performance parameters may change over time. Early in a program, the APB should describe broadly defined, operational-level measures of effectiveness or measures of performance for the capabilities that are required. As a program matures, system-level requirements, which are more specific, will emerge. The Milestone Decision Authority may also add performance parameters other than KPPs to the APB if they're seen as appropriate.

In addition to being approved by the Milestone Decision Authority, the APBs are reviewed by the appropriate personnel in the Office of the Secretary of Defense. The Joint Staff (J-8) will review the cost, schedule, and key performance parameters, and their objective and threshold values.

The review will also ensure that the baseline provides the necessary warfighting capabilities, that the program is affordable, and that it will be completed within the required time frame.