Life Cycle Cost Composition

Development Cost
- RDT&E Development Costs of PME & Support Items
- Systems Engineering Program Management Test & Evaluation

Program Acquisition Cost
- MILCON Facilities
- Sustainment O&M, MILPERS (or others as appropriate)

Procurement Cost
- Disposal O&M (or others as appropriate)
- PROCUREMENT Prime Mission Equipment (PME)
- PROCUREMENT Support Items
- PROCUREMENT Initial Spares

Weapon System Cost
- Flyaway Cost

Cost Estimating Requirements

**ACAT IB, IC & ID (MDAP)**
- POE: Program initiation & all subsequent milestones, including FRP DR
- CARD: MS A & all subsequent milestones including FRP DR
  - Draft 180 days prior to OIPT/milestone
  - Final 45 days prior to OIPT/milestone
- CCE: MS A and all subsequent milestones including FRP DR
- ICE: Required by law for all MDAP programs *
  - Prepared by OSD CAPE for ACAT ID, and ACAT IC if discretion of USD(A&S)
  - Prepared by component cost agency (AFACCA, DASA-CE, NCCA) for ACAT IC and ACAT IB (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)

**ACAT IA**
- Program initiation & all subsequent milestones
  - Includes Economic Analysis
- MS A & whenever
  - Draft 180 days prior to OIPT/milestone
  - Final 45 days prior to OIPT/milestone
- Economic Analysis is required
- MS A and whenever an Economic Analysis is required

*ICE statutory requirement (Title 10, US Code, Section 2434) and PL. 111-23, May 22, 2009

Cost Estimating Requirements

**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**
- AFACCA = Air Force Cost Analysis Agency
- DASA-CE = Deputy Assistant Secretary of Army (Cost & Economics)
- NCCA = Naval Center for Cost Analysis
- OIPT = Overarching Integrated Product Team
- POE = Program Office Estimate
- USD(A&S) = Under Secretary of Defense (Acquisition and Sustainment)

ACAT = Acquisition Category
- CAPE = Cost Assessment & Program Evaluation
- CARD = Cost Analysis Requirements Description
- ICE = Independent Cost Estimate
- CCE = Component Cost Estimate
- MDA = Milestone Decision Authority
- MDAP = Major Defense Acquisition Program

Platinum Card POC: james.krott@dau.edu
https://www.dau.edu/tools/t/Funds-Management-Platinum-Card
Below Threshold Reprogramming

Amounts are cumulative over Entire Period of Obligation Availability

<table>
<thead>
<tr>
<th>APPRN</th>
<th>MAX INTO</th>
<th>MAX OUT</th>
<th>LEVEL OF CONTROL</th>
<th>OBL AVAIL</th>
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<tr>
<td>RDT&amp;E</td>
<td>Lesser of + $10 M or + 20%</td>
<td>Lesser of - $10 M or - 20%</td>
<td>Program Element</td>
<td>2 Years</td>
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<tr>
<td>PROC</td>
<td>Lesser of + $10 M or + 20%</td>
<td>Lesser of - $10 M or - 20%</td>
<td>Line Item</td>
<td>3 years SCN: 5 Years</td>
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<td>O&amp;M</td>
<td>+ $10 M</td>
<td>- $10 M</td>
<td>Budget Activity (or Defense Agency) Some Sub-Activity Limitations on Decreases (see reference below)</td>
<td>1 Year</td>
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<tr>
<td>MILPERS</td>
<td>+ $10 M</td>
<td>- $10 M</td>
<td>Budget Activity</td>
<td>1 Year</td>
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<tr>
<td>MILCON</td>
<td>Lesser of + $2 M or + 25%</td>
<td>No Specific Congressional Restriction</td>
<td>Project</td>
<td>5 Years</td>
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Reference Sources: DoDFMR 7000.14-R, Volume 3, Chapter 6 (Sept 2015) and Chapter 7 (Mar 2011)
USD(C) Policy Memo Subject: DD1414 Base for Reprogramming Action, Submission date 9 Jan 2020

Congressional Enactment Timetable

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<th>FEB</th>
<th>MAR</th>
<th>APR</th>
<th>MAY</th>
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<th>JUL</th>
<th>AUG</th>
<th>SEP</th>
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BUDGET RESOLUTION

HOUSE

CONF RESOLUTION

SENATE

BILL/BPI

FLOOR

HASC HRNGS MARK-UP

FINishes MARK-UP FLOOR

SASC HRNGS MARK-UP

FINishes MARK-UP FLOOR

HAC HRNGS MARK-UP

FINishes MARK-UP FLOOR

SAC HRNGS MARK-UP

FINishes MARK-UP FLOOR

Resource Allocation Process

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<th>2021</th>
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Appropriation Life Cycle

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<tr>
<td>MILCON</td>
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<tr>
<td>MILPERS</td>
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Funding for Product Improvements

Funding Decision Tree

IF...

THEN...

Fund development, design, and test (including Mod Kit testing) with...

AND...

Fund purchase & installation of Mod Kits for end Items with...

Purchase of Mod Kits and installation of mod kits often happen in different fiscal years. Source: DoD 7000.14-R Vol 2A, Ch 1, para 010213.C.7

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