



OFFICE OF THE SECRETARY OF DEFENSE

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WASHINGTON, D.C. 20301-1800

JAN 04 2019

COST ASSESSMENT AND
PROGRAM EVALUATION

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
UNDER SECRETARIES OF DEFENSE
CHIEF MANAGEMENT OFFICER
CHIEFS OF THE MILITARY SERVICES
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
DEPARTMENT OF DEFENSE CHIEF INFORMATION OFFICER
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Updated Implementation of Cost Data Reporting Requirements in Accordance with Section 2334(g)

References: (a) Implementation of Data Reporting Requirements for Acquisition Programs in Accordance with the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017, February 16, 2018
(b) Implementation of Cost Data Reporting Requirements for Middle Tier Acquisition Programs, August 30, 2018

Section 842 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017, Public Law 114-328, amended section 2334 of title 10, United States Code (section 2334), to require the Director of Cost Assessment and Program Evaluation (CAPE), in consultation with the Under Secretary of Defense for Acquisition and Sustainment, develop policies, procedures, guidance, and a collection method to ensure quality acquisition cost data is collected to facilitate cost estimation and comparison across acquisition programs. In accordance with section 2334(g), this memorandum updates existing cost data reporting policies and in doing so supersedes Reference (a).

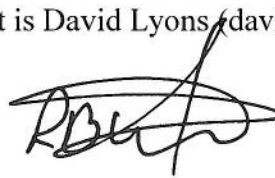
Cost and Software Data Reporting (CSDR), consistent with the requirements of DoDI 5000.02, Table 7 of Enclosure 1, is now required for ACAT II programs. Cost reporting plan approval for ACAT II programs is delegated to the MILDEP Cost Center Director or the Component equivalent. Consistent with statute, the waiver of cost reporting requirements on required programs may only be granted by the CAPE Deputy Director, Cost Assessment.

In accordance with military department requests, CSDR requirements are waived for specific ACAT II programs as shown in Attachment A. Also, CSDR requirements are waived for all ACAT II contracts with a planned final Request for Proposal (RFP) release prior to March 1, 2019. As is the case for all CSDR requirements, tailoring will be considered on a case-by-case basis by the relevant approval authority to ensure the Department receives meaningful insight into actual costs that is useful for preparation of cost forecasts, while minimizing the burdens associated with cost reporting.

For ACAT III and IV programs not identified as pilots in Reference (a), the current waiver of cost data collection requirements is extended indefinitely. The data submissions for the 26 pilot programs will be used to reassess this waiver and, if appropriate, be used to inform a legislative proposal to adjust the statutory cost reporting requirement criteria.

CSDR requirements for ACAT I programs remain unchanged from DoDI 5000.02 and requirements for Middle Tier Acquisition programs remain unchanged from Reference (b). The current thresholds and approval authorities for CSDR reporting are summarized in Attachment B.

My point of contact for this effort is David Lyons (david.w.lyons16.civ@mail.mil).

A handwritten signature in black ink, appearing to read 'Bob Daigle', with a large, sweeping flourish extending upwards and to the right.

Bob Daigle
Director

Attachments:
As stated

Attachment A
Available Upon Request

**Attachment B
Contract Cost Data Reporting Requirements
January 2019**

	ACAT I	ACAT II	ACAT III-IV	Middle Tier Acquisition (Section 804)	
				Above ACAT I Dollar Threshold ¹	Below ACAT I Dollar Threshold ¹
Programs With Cost Reporting Requirements	All	All ²	Only programs identified in Feb-18 D,CAPE memo	All	>\$100M of projected investment
Cost Reporting Contract/Effort Threshold	>\$50M required, at discretion of PM and/or DDCA ³ for \$20-\$50M	>\$50M required, at discretion of PM and/or MILDEP Cost Center for \$20-\$50M	At discretion of MILDEP Cost Center	>\$20M required	>\$20M required
Cost Reporting Plan Approval Authority	CAPE	MILDEP Cost Center	MILDEP Cost Center	CAPE	MILDEP Cost Center
Waiver Authority	CAPE	CAPE	CAPE	CAPE	CAPE
Requirements Source	DoDI 5000.02	This Memo	This Memo	Aug-18 D,CAPE Memo	Aug-18 D,CAPE Memo

¹ACAT I program threshold is RDT&E of more than \$480M (FY 14 \$) or procurement of more than \$2.79B (FY14 \$)

² Reporting required for all ACAT II programs except those explicitly waived in Attachment A

³Program Manager (PM) and/or Deputy Director, Cost Assessment (DDCA)