Business Capability Acquisition Cycle (BCAC)

DAU Hot Topics Forum

September 20, 2017
• Status of policy and guidance efforts
• Selected content from DAU Rapid Deployment Training
• Q&A

POC: Scott Smith, craig.s.smith.civ@mail.mil
Service / Component Policies:
- Army, Navy and Air Force are all working on policy updates
- Other Components are looking to adopt emerging processes
- Format and content varies by organization

DoD policy and guidance:
- The DoDI 5000.75 will remain a high level policy document
- Requests for change will be worked through the Business Community of Practice, currently hosted at https://www.milsuite.mil/book/groups/bcaccommunity
- OUSD(AT&L), DCMO and DoD CIO will also be working with the community to develop the additional guidance elements required to fulfill the requirements of FY2016 NDAA Section 883(e)
DoDI 5000.75 Business System Requirements and Acquisition

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DoDI 5000.75

- Purpose: Establishes policy for the use of the Business Capability Acquisition Cycle (BCAC)
- DBS that are MAIS must meet the statutory requirements of Title 10 U.S. Code, Chapter 144A, until its repeal takes effect
- Will not apply to: DBS that hit the MDAP threshold after MAIS goes away (OSD is working on a solution for this)
Why the Change to DoDI 5000.75?

- DoDI 5000.02 milestones, models and documentation did not provide the proper structure for managing business systems.
- In practice... tailoring for a business system often took too much time and effort, making it hard to justify the benefits it produced.

Defense Business Systems should not be acquired like Weapons Systems!
## Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td><strong>Business Capability</strong></td>
<td>Delivers products and services, provides value</td>
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</table>
| **Defense Business System** | Information systems for:  
- Finance  
- Contracting  
- Logistics  
- Planning and Budgeting  
- Installations Management  
- HR  
- Training and Readiness   |
Policy and Oversight

Policy:

• Aligned to commercial best practices
  • Minimize customization

• 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

• 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.
USD(AT&L)

- Establishes policy and provides oversight for acquisition of business systems
- Delegates milestone decision authority (MDA) for assigned business systems
DCMO or Component CMO

- Establishes policy and provides oversight for Chief Management Officer (CMO) certification of business system investments
- Maintains the Business Enterprise Architecture (BEA) and requires all functional strategies, capabilities, processes and systems to be reflected in the BEA
- Validation of business needs and identification of capability requirements for business systems
- Validates capability requirements for assigned business systems
DoD CIO or Component CIO

- Establishes policy and confirms Clinger Cohen Act compliance
- Reviews and approves the cybersecurity strategy before decision points or contract awards
- All Chief Information Officer (CIO) reviews of IT infrastructure and hosting solutions
DOT&E

- Oversight of the TEMP and IOT&E if on the DOT&E oversight list
Director, CAPE

- 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.
Roles in Business Systems Requirements & Acquisition

- Functional Sponsor
- MDA
- Program Manager
- Functional Leader & PM
**Functional Sponsor**

- Senior leader with business function responsibility
- Represents user community’s interests
- Leads Solution Analysis phase
- Leads change management
- Programs and budgets for lifecycle costs of solution
- Validates that the deployed capabilities meet business requirements, expected benefits and return-on-investment
Milestone Decision Authority

- Approves critical acquisition decisions for Authority To Proceed (ATP) decision points or concurs in contractual commitments
- Oversees business system delivery within cost, schedule and performance parameters
- Establishes oversight controls
- Cost, schedule and performance reporting procedures
Program Manager

- Leads development and delivery of the business system
- Provides input to the functional sponsor on process design, requirements, training and other matters that may influence the acquisition strategy for business systems.
Roles in Business Systems Requirements & Acquisition

**Functional Leader**
- Leads Business Process Reengineering
- Executes business process change
- Leads definition of functional requirements
- Leads training and deployment

**Program Manager**
- Leads development and delivery of the business system
- Provides input to functional sponsor on process design, requirements, training and other matters influencing the acquisition of the business system
## Business System Categories

<table>
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<tr>
<th>Business System Category/ Reason for Designation</th>
<th>Decision Authorities</th>
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| **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 $250M; 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) |
| **II** Category II: $50M or more over FYDP | Requirements Validation / CMO Certification: MILDEP CMO or as delegated; DoD DCMO or as delegated for all other DoD Components  
MDA: CAE or as delegated |
| **III** Below Category II Threshold | All Decision Authorities: Same as category II, except CMO certification not required. |
Requirements Process

- DBS do not follow the JCIDS process, unless special interest by JROC
- No Problem Statement
- Now called Capability Requirements
  - CMO with support from the Functional Sponsor approves the Capability Requirements at the Solution Analysis ATP
- Capability Requirements must include:
  - A description of the business problem or opportunity and its impact on cost and mission performance;
  - Prioritized business capabilities and their attributes;
  - Capability performance measures and associated current and future values, including threshold and objective values for future capability performance; and
  - Relevant Laws, Regulations, and Policies
Business Capability Acquisition Cycle (BCAC)

- **Capability Need Identification**
- **Business Solution Analysis**
- **Business System Functional Requirements & Acquisition Planning**
- **Business System Acquisition, Testing & Deployment**
- **Capability Support**

**BCAC Phases**

- **Market Research**
- **IT Solution Approach**
- **Selection**
- **Design Specifications**
- **Organizational Change Management**

**Milestone decision**  **Other key program event**
Authority To Proceed (ATP) are milestone-like-events

- 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.

- Entrance criteria are tailorable

- Six ATPs

- ATP decisions must be documented through a formal memorandum. Approval indicates satisfaction of all statutory and regulatory requirements unless otherwise stated in the memorandum.
## ATP Decision Authorities

<table>
<thead>
<tr>
<th>Decision Point</th>
<th>Decision Authority or Authorities</th>
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<tbody>
<tr>
<td>Solution Analysis ATP</td>
<td>CMO</td>
</tr>
<tr>
<td>Functional Requirements ATP</td>
<td>CMO (requirements validation)</td>
</tr>
<tr>
<td></td>
<td>MDA (materiel solution)</td>
</tr>
<tr>
<td>Acquisition ATP</td>
<td>CMO (CMO certification)</td>
</tr>
<tr>
<td></td>
<td>MDA (acquisition strategy)</td>
</tr>
<tr>
<td>Limited Deployment ATP</td>
<td>MDA</td>
</tr>
<tr>
<td>Full Deployment ATP</td>
<td>MDA</td>
</tr>
<tr>
<td>Capability Support ATP</td>
<td>Functional sponsor</td>
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</table>
BCAC Phases

Capability Support
- Provide enduring support for the capability established by the business system
- Information requirements
BCAC Decisions and Information

CMO: validated capability need
MDA: pursue a materiel solution

CMO: validated requirements
MDA: acquire materiel solution

CMO: CMO certification
MDA: limited release to users

MDA: full release to users

Functional Sponsor: accept capability & transition to support

Capability Need Identification
Business Solution Analysis

Solution Analysis ATP
Functional Requirements ATP
Business System Functional Requirements & Acquisition Planning

Business System Acquisition, Testing & Deployment

CMO: Chief Management Officer
MDA: Milestone Decision Authority

Implementation Plan

Plan to Evolve
Show the Money
Deliver Value
Work as a Team
Adopt Best
Do Work Once

BCAC
BCAC Overview

Phase 1: Capability Need Identification
- Solution Analysis ATP
  - Define business need and desired end state, aligned with BEA
  - Laws, Regulations & Policies (LRPs)
  - Future capabilities to achieve end state
  - Performance Measures
  - Workplan and cost estimate for activities until next ATP
  - Capability Requirements Document (CRD) for approval at ATP

Phase 2: Business Solution Analysis
- Functional Requirements ATP
  - High-level business process to support future capabilities and capability process maps
  - Analyze use of existing solutions
  - Initial Business Process Re-engineering (BPR)
  - Develop initial Capability Implementation Plan (CIP) with DOTMLPF-P actions, cost / benefit, and schedule

Phase 3: Business System Functional Reqs & Acquisition Planning
- Acquisition ATP
  - Identify/Define IT Functional Reqs (ITFRs) and Information Assets (IAs) to support business processes
  - Determine evaluation criteria/overall solution approach (market research, etc.)
  - Develop acquisition strategy
  - Update CIP (include acquisition strategy and non-materiel actions)
  - Secure funding
  - Draft Request for Proposal (RFP)

Phase 4: Business System Acquisition, Testing & Deployment
- Limited Deployment ATP(s)
  - Award contract (solution selection)
  - Establish Cost, Schedule, and Performance Baseline(s) and update CIP
  - Requirements modeling and design (detailed fit-gap analysis and design specifications)
  - Testing prior to deployment ATPs
  - Implement solution and measure performance
  - Develop initial Capability Support Plan

Phase 5: Capability Support
- Full Deployment ATP
  - Readiness for capability support
  - Ongoing performance measurement
  - Updated Capability Support Plan

Non-IT Capability Improvements

ATP Decision “Milestone-like Event”

Department of Defense
DoDI 5000.75 compared to DoDI 5000.02, Model 3

**New DoDI 5000.75 model**

- Capability Need Identification
- Business Solution Analysis
- Business System Functional Requirements & Acquisition Planning
- Business System Acquisition, Testing & Deployment
- Capability Support

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**DoDI 5000.02 Model 3**
DoDI 5000.75 Entrance Points

**BCAC Phases**

**Starting Over**
- Software version upgrade which requires significant BPR
- LRP change which drives modification to software or process
- Organizational realignment which modifies roles and responsibilities
- Major budget cuts

**Entering BCAC at a mid-point step**
- Software version upgrade which doesn’t require major process change (i.e., “fact of life”)

Programs in sustainment: You don’t need to do anything unless you have to modernize, upgrade, etc.
Program Management

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

- Program managers will apply commercial best practices and lessons learned to recommend tailoring for business system programs and to develop and deploy business capabilities.

- 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.

- 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.
Program Management (cont.)

- The acquisition strategy reflects the solution approach and describes how the program manager will identify potential business system solutions and perform solution selection.

- The program manager will provide draft RFPs that align to the acquisition strategy for the contract actions that follow the Acquisition ATP.

- The functional lead, with support from the program manager, identifies tailored implementation plans for changes that support continuous process improvement during the Acquisition, Testing and Deployment Phase.

- The functional lead and program manager are jointly responsible for change management.
Program Management (cont.)

Implementation Plans:

- Provide sufficient detail on the work to be performed to manage the delivery of the capability and support leadership decision.
- Tailored to a level of detail appropriate for progress through the cycle.

*Implementation plan is not a document*
Program Management (cont.)

Implementation Plan Content:

• Reference information
• Decision points with governance details
• Description of business process actions and responsibilities
• Description of acquisition actions and responsibilities
• Master Schedule
• Work Breakdown Structure
• Acquisition objectives: business goals, ROI, BCA
• Tailored business system acquisition strategy
Program Management (cont.)

**Change Management:**

- Proactively prepares the functional community for upcoming changes
  - Reduce risk while increasing user adoption
- Ensure user training over the lifecycle
- Responsibility of both Functional lead and Program Managers
- Critical to project success
Program Management (cont.)

Earned Value Management reporting is a requirement that may or may not apply depending on the value and type of contract. Business systems are not exempt from EVM.
Systems engineering practices should be leveraged for the technical management of the project.
Engineering

• 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.

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

- If on DOT&E Oversight List- must have TEMP, if not on oversight list- no TEMP is required, but the test strategy must be addressed in the acquisition strategy.

- 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.

- 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.
Testing (cont.)

Developmental Testing:

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

Initial Operational Test and Evaluation (IOT&E):

- 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.
- If not on DOT&E Oversight List, IOT&E is not statutorily required.
Testing (cont.)

**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.
Cybersecurity Testing & Evaluation

- 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.
LOGISTICS

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

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

- 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, and

- Plans for conducting a post implementation review.
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.

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<th>Statutory Requirements</th>
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<td>Solution Analysis</td>
<td>None</td>
</tr>
<tr>
<td>Functional Requirements ATP</td>
<td>None</td>
</tr>
<tr>
<td>Acquisition ATP</td>
<td>Solution approach (fulfills analysis of alternatives and economic analysis)</td>
</tr>
<tr>
<td>Limited Deployment ATP</td>
<td>Cybersecurity Strategy (for mission essential IT)</td>
</tr>
<tr>
<td>Full Deployment ATP</td>
<td>CCA compliance (separate documentation of CCA compliance isn’t required)</td>
</tr>
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<td>Capability Support ATP</td>
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Listed below are some documents that are no longer required:

- Acquisition Program Baseline (APB)
- Life Cycle Sustainment Plan (LCSP)
- Systems Engineering Plan (SEP)
- Concept of Operations (CONOPS)
- Problem Statement
- Program Protection Planning

*Information-centric approach to evaluating programs rather than reliance on acquisition and requirements documents*
Governance

**Defense Business Council (DBC)**

**Defense Acquisition Board (DAB)**

**Configuration Steering Board**

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.
Summary

- DoDI 5000.75 removes DBS from the DoDI 5000.02, except
  - Will not apply to DBS that hit the MDAP threshold after MAIS goes away (OSD is working on a solution)

- BCAC model
  - Five phases
  - Six ATP (similar to a milestone event)
  - Tailorable process

- Three Business System Categories
  - Category I - FYDP in excess of $250,000,000 or DCMO designation
  - Category II - FYDP in excess of $50,000,000
  - Category - does not meet criteria for category II

- Teaming approach for acquisition with limited documentation
  - Functional Sponsor
  - Functional Lead
  - Program Manager

- Governance to address
  - Version upgrades, technical refresh,
  - Capability gaps and cost impacts
  - Prioritization and funding

For more formation, please click on:
https://www.milsuite.mil/book/groups/bcaccommunity/overview
Point of Contact for DAU

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