



THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3010

ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

SEP 28 2009

The Honorable Daniel K. Inouye  
Chairman, Subcommittee on Defense  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman:

The senior DoD official responsible for the Navy Enterprise Resources Planning program, the Assistant Secretary of the Navy for Research, Development and Acquisition, has determined, in accordance with title 10, United States Code, section 2445(c), that a critical change in expected performance has occurred as a result of the removal of the intermediate maintenance requirement from the program of record. Enclosed are a Department of the Navy Certification letter and a Critical Change Report for the current program of record.

Similar letters have been sent to the other congressional defense committees.

Sincerely,

A handwritten signature in cursive script, reading "Ashton B. Carter", is positioned above the printed name.

Ashton B. Carter

Enclosure:  
As stated

cc:  
The Honorable Thad Cochran  
Ranking Member



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AND LOGISTICS

SEP 28 2009

The Honorable Carl Levin  
Chairman, Committee on Armed Services  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman:

The senior DoD official responsible for the Navy Enterprise Resources Planning program, the Assistant Secretary of the Navy for Research, Development and Acquisition, has determined, in accordance with title 10, United States Code, section 2445(c), that a critical change in expected performance has occurred as a result of the removal of the intermediate maintenance requirement from the program of record. Enclosed are a Department of the Navy Certification letter and a Critical Change Report for the current program of record.

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cc:  
The Honorable John McCain  
Ranking Member



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**SEP 28 2009**

The Honorable Ike Skelton  
Chairman, Committee on Armed Services  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

The senior DoD official responsible for the Navy Enterprise Resources Planning program, the Assistant Secretary of the Navy for Research, Development and Acquisition, has determined, in accordance with title 10, United States Code, section 2445(c), that a critical change in expected performance has occurred as a result of the removal of the intermediate maintenance requirement from the program of record. Enclosed are a Department of the Navy Certification letter and a Critical Change Report for the current program of record.

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Sincerely,

A handwritten signature in cursive script, reading "Ashton B. Carter", is positioned above the printed name.

Ashton B. Carter

Enclosure:  
As stated

cc:  
The Honorable Howard P. "Buck" McKeon  
Ranking Member



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3010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3010

ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

SEP 28 2009

The Honorable John P. Murtha  
Chairman, Subcommittee on Defense  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

The senior DoD official responsible for the Navy Enterprise Resources Planning program, the Assistant Secretary of the Navy for Research, Development and Acquisition, has determined, in accordance with title 10, United States Code, section 2445(c), that a critical change in expected performance has occurred as a result of the removal of the intermediate maintenance requirement from the program of record. Enclosed are a Department of the Navy Certification letter and a Critical Change Report for the current program of record.

Similar letters have been sent to the other congressional defense committees.

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A handwritten signature in cursive script, reading "Ashton B. Carter", is positioned above the printed name.

Ashton B. Carter

Enclosure:  
As stated

cc:  
The Honorable C.W. Bill Young  
Ranking Member



**THE ASSISTANT SECRETARY OF THE NAVY**  
(RESEARCH, DEVELOPMENT AND ACQUISITION)  
1000 NAVY PENTAGON  
WASHINGTON DC 20350-1000  
**SEP 15 2009**

The Honorable Daniel K. Inouye  
Chairman, Subcommittee on Defense  
Committee on Appropriations  
United States Senate  
Washington, DC 20510-6028

Dear Mr. Chairman:

The Navy Enterprise Resource Planning (ERP) Program Manager identified a critical change in performance as a result of Navy removing the Intermediate Maintenance requirement and associated Intermediate Maintenance Cycle Time (IMCT) Key Performance Parameter (KPP) from the Program of Record (POR) in the June 2009 Navy ERP Major Automated Information System (MAIS) Quarterly Report.

In accordance with Title 10, United States Code, Section 2445c, a Critical Change Team (CCT) was formed and evaluated the Navy ERP Program. Based upon the results of the enclosed CCT report, I certify that the program meets all statutory criteria cited in the statute as follows: the Navy ERP Program is an automated information system that is essential to efficiently manage logistics resources for the DoD; there is no alternative to the Navy ERP Program which will provide equal or greater capability at less cost; the estimates of cost and schedule parameters for the Navy ERP Program are considered reasonable; and the Navy ERP Program management structure, with recommended changes, is adequate to manage and control costs.

In accordance with paragraph (g) of 10 U.S.C. 2445c, obligation of appropriated funds will resume now that this report has been submitted. A similar letter has been sent to Chairmen Skelton, Levin, and Murtha.

Sincerely,

Sean J. Stackley

Enclosure:  
As stated

Copy to:  
The Honorable Thad Cochran,  
Ranking Member

**August 28, 2009**

# **Navy Enterprise Resource Planning**

## **CRITICAL CHANGE REPORT**



**Program Executive Office  
Enterprise  
Information  
Systems  
(PEO-EIS)**



**Deputy Assistant Secretary of the Navy  
Command, Control, Communications  
and Computers Intelligence,  
Information Operations, and Space  
DASN (C4I/IO/SPACE)**



## **EXECUTIVE SUMMARY**

Navy ERP is a Major Automated Information System (MAIS) Acquisition Category (ACAT) 1AM program. A critical change was declared in the June 2009 MAIS Quarterly Report (MQR) as a result of Navy removing Intermediate Level (I-Level) Maintenance (Release 1.2) requirements, the Intermediate Maintenance Cycle Time (IMCT) Key Performance Parameter (KPP), and associated funding from the Program of Record (POR). A CCT was formed to conduct an evaluation of the program in accordance with Title 10 U.S.C. § 2445c.

The evaluation assessed cost, schedule, and technical performance of the program's core capability, which includes Release 1.0 (Finance and Acquisition) and Release 1.1 (Wholesale and Retail Supply).

The CCT completed an evaluation of the Navy ERP Program and finds, with the concurrence of the Director of Cost Assessment and Program Evaluation, that estimates of cost, schedule, and technical performance parameters with respect to the program, as applicable, are reasonable.

In summary the CCT finds:

- (R1) The Navy ERP Program is an automated information system that is essential to the efficient management of the Department of Defense (DoD);
- (R2) There is no alternative to the Navy ERP Program which will provide equal or greater capability at less cost;
- (R3) The new estimates of cost and schedule parameters with respect to the Navy ERP Program are reasonable. The program is meeting its performance parameters to date;
- (R4) The management structure for the Navy ERP Program with appropriate recommended changes is adequate to manage and control costs.



## Table of Contents

<b>EXECUTIVE SUMMARY</b>	2
<b>I. INTRODUCTION AND PROGRAM DESCRIPTION</b>	5
Program Description .....	5
Rationale for Deletion of Intermediate Level Maintenance from Navy ERP .....	6
Background .....	6
Way Ahead .....	7
<b>II. PROGRAM ESSENTIALITY</b>	9
Introduction .....	9
Essentiality .....	9
Conclusion .....	10
<b>III. PROGRAM ALTERNATIVES</b>	11
Introduction .....	11
Analysis .....	11
Legacy Systems .....	12
Independent Analysis .....	13
Conclusion .....	14
<b>IV. REASONABLE PROGRAM ESTIMATES</b>	15
Introduction .....	15
Requirements Modified .....	15
Requirements Not Modified .....	15
Program Overview .....	16
Release 1.0 (Finance and Acquisition) .....	16
Release 1.1 (Wholesale and Retail Supply) .....	16
Cost Assessment .....	17
Schedule Assessment .....	19
Total Program Earned Value Performance .....	19
Release 1.0 (Finance and Acquisition) .....	19
Release 1.1 (Wholesale and Retail Supply) .....	20
Performance Assessment .....	23
Release 1.0 (Finance and Acquisition) .....	23
Release 1.1 (Wholesale and Retail Supply) .....	23
Conclusion .....	23
<b>V. MANAGEMENT STRUCTURE</b>	24
Management Structure .....	24
Program Management .....	24
Contract Management .....	25
Cost Management .....	25
Schedule Management .....	26
Conclusion .....	27
<b>VI. SUMMARY AND RECOMMENDATION</b>	28



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## Table of Figures

<b>Figure 1:</b> Market Scope for Core Financial Management Applications .....	13
<b>Figure 2:</b> Navy ERP Life Cycle Cost Estimate Comparison.....	17
<b>Figure 3:</b> Navy ERP Acquisition Schedule .....	19
<b>Figure 4:</b> Navy ERP Release 1.1 Phased Deployment (CCT interpretation) .....	21

## Appendixes

<b>Appendix A:</b> Acronyms.....	29
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## **I. INTRODUCTION AND PROGRAM DESCRIPTION**

### **Program Description**

Consistent with the objectives of the Defense Reform Initiative of 1997, the Navy ERP Program was established to achieve (a) modernized business practices, (b) streamlined organizations, (c) improved quality, reduced costs, improved response to the warfighter, and (d) re-capitalized infrastructure costs for new weapons to meet the new warfighting environment. The capabilities to be provided by the Navy ERP Program are improved acquisition management, integrated financial and inventory management, and improved operating force logistics. The implementation of Navy ERP will also result in reduced costs of legacy systems through retirements and migrations.

The Navy ERP Program takes advantage of advances in management technology to transform, consolidate, and interrelate the way the Navy manages its money, people, acquisition programs, and supplies.

DoD and Navy directives concerning business transformation, the experiences of other DoD services with ERP programs for portions of their business operations, and the Navy's successful experiences with four pilot ERP programs at Naval Supply Systems Command (NAVSUPSYSCOM), Naval Air System Command (NAVAIRSYSCOM), Naval Sea Systems Command (NAVSEASYSKOM), and Space and Naval Warfare Systems Command (SPAWARSYSKOM) demonstrated the efficacy of an enterprise-wide approach to business management. Those experiences, reinforced by private sector best business practices, compel the conclusion that investment in an ERP management system will significantly enhance the Navy's ability to more efficiently support the Fleet.

Since the program's Milestone C in September 2007, Navy ERP completed Release 1.0 deployment at NAVAIRSYSCOM (October 2007) and NAVSUPSYSCOM (October 2008) and now serves a total of 24,100 users. The SPAWARSYSCOM Release 1.0 implementation scheduled October 2009 will add another 8,569 users. Additionally, on May 12, 2008 the Vice Chief of Naval Operations (VCNO) declared Navy ERP had achieved its Initial Operating Capability. On October 1, 2008 the Assistant Secretary of the Navy (Financial Management and Comptroller) declared Navy ERP to be the financial system of record for NAVAIRSYSCOM and all future users of the system. Most recently on July 20, 2009 the Director Operational Test and Evaluation found the Navy ERP system Release 1.0 to be operationally suitable and operationally effective. At Full Operational Capability (FOC), expected August 2013, Navy ERP will support approximately 64,000 users.

The more obvious benefits of information integration and the reduction of duplicative legacy applications and associated software maintenance expenses are reinforced by positive second and third order effects that flow from the ability of managers to consider



a far broader array of consequences and impacts as a result of the decisions they make. Those broader considerations are more visible in the Navy ERP system.

The emergence of the Navy Enterprise construct for organizing Fleet support has reinforced the requirement for an enterprise management capability. Enterprise information drives the ability to make more informed enterprise decisions. Investment in the Navy ERP solution produces a single set of data applied across multiple activities of the enterprise and results in better support for efficient and effective management.

### **Rationale for Deletion of Intermediate Level Maintenance from Navy ERP**

#### **Background**

The requirement to implement an I-Level Maintenance solution for maritime and aviation maintenance was included in the Navy ERP POR since the inception of the converged program in 2002. The Navy had considered all three levels of maintenance (Organizational (O-level), Intermediate (I-level) and Depot (D-level)), but pursued I-level only during the initial program preparation phase due to the complexity and risk associated with implementing all three levels simultaneously.

At the time, an afloat implementation required for O-level maintenance was considered too complex and risky due to the significant hardware footprint required on ships as well as the unproven nature of performing disconnected, asynchronous operations with the commercial SAP enterprise software product.

D-level maintenance was also considered, but the scalability requirements and complexities in the area of unclassified nuclear data security were considered too significant for inclusion in the initial scope of Navy ERP at that time.

Therefore, I-Level Maintenance, as a discrete solution to be deployed to I-Level Maintenance Facilities, was chosen as the best initial implementation to support a phased approach for addressing maintenance in the enterprise system.

Base Realignment And Closure (BRAC) 2005 language resulted in a change to the Navy's maintenance organization and general philosophy by combining I and D-Level maintenance organizations, thereby eliminating the existence of I-Level facilities. This change necessitated the Navy to reassess validity of the maintenance requirement within the Navy ERP Program. This reassessment considered several options including:

- Maintain status-quo and continue with the I-Level Maintenance requirement despite the organizational changes;
- Expand the scope of the program by adding the D-Level Maintenance requirement in alignment with the organizational changes;



- Decrease the scope of the program by removing the I-Level Maintenance requirement to allow the Navy additional time to redesign a maintenance solution and not impact the Navy ERP Program.

The status quo option was not chosen because the Navy would not have realized sufficient benefits from an I-Level Maintenance specific implementation of enterprise software in maintenance organizations that were realigning their processes. This option would have created unnecessary complexity and certain rework of the implementation, as an integrated approach to maintenance became the requirement for an enterprise system.

The option to expand the scope of the maintenance requirement to add D-Level Maintenance was carefully considered. A four month initiative to create an 'end state vision' for Navy ERP was performed in 2007. The study concluded that D-Level Maintenance should not be included in the scope of the Navy ERP Program due to continued concerns about the SAP product's ability to meet the project scheduling scalability requirements in the shipyards as well as requirements for unclassified Navy nuclear propulsion information. Furthermore, the study concluded that the existing depot level maintenance systems had the capability of performing intermediate level work.

Therefore, based on this analysis, the Navy deleted the Release 1.2 requirement and associated KPP for I-Level Maritime and Aviation Maintenance from the Navy ERP Program. Removing this KPP does not impact the program's ability to deliver the capabilities of improved acquisition management, integrated financial and inventory management, and improved operating force logistics.

### **Way Ahead**

While I-Level Maintenance has been removed from the Navy ERP Program scope, the requirement to perform and manage I-Level Maintenance type activities remains in reorganized and realigned maintenance organizations. This evolving requirement will be fulfilled in the short-term using existing legacy systems/applications.

The Navy recognizes that maintenance ultimately needs to be managed from an enterprise perspective. Therefore, as a next step, the maritime, aviation, and submarine maintenance communities are developing and articulating a future strategy for Navy maintenance that is responsive to the reorganization as a result of BRAC 2005.

In December 2008, the Navy chartered the Logistics IT Executive Committee (IT EXCOMM) to oversee and govern the development of a requirements-based future maintenance strategy that seamlessly integrates with enterprise financial and supply capabilities of the Navy ERP Program. The IT EXCOMM has tasked Logistics stakeholders to develop a comprehensive requirements statement with a gap analysis that compares critical requirements and capabilities that must be met in the new



environment against legacy IT systems. Additionally, as tool and product solutions are mapped to the requirements-based maintenance strategy, the Navy ERP solution will be duly considered as an alternative. Formalization of the maintenance strategy is projected in December 2009.

Significant, externally driven changes in the maintenance philosophy have fundamentally changed the requirement for managing maintenance originally envisioned within Navy ERP. The Navy chose to remove the original maintenance requirement from the program and develop a strategy that addresses the new maintenance philosophy and organization, while remaining aligned with the enterprise solution. This approach minimizes risk to the Navy ERP Program and allows the Navy to properly capture and accurately articulate the maintenance IT requirement.

In sum, following this activity, a final determination on a material solution for maintenance will be made for which Navy ERP will be considered.



## II. PROGRAM ESSENTIALITY

### Introduction

As prescribed in Title 10 U.S.C. § 2445c(f)(1), a program evaluation was conducted to address whether the Navy ERP Program is essential to the efficient management of the DoD.

### Essentiality

Navy ERP is essential to the efficient management of DoD by providing:

- Modernized, streamlined, and standardized processes to manage people, money, programs, equipment, and supplies;
- Means for Navy compliance with federal financial and security standards in accordance with the Chief Financial Officers Act of 1990 and the DoD Information Assurance Certification and Accreditation Process;
- Transparent financial information for decision making;
- Reduced costs through retirement of redundant, stove-pipe legacy systems and reduction of supply inventories and purchases of new material;
- Business process improvement of end-to-end product life cycle management processes focused on acquisition, financial and logistics operations.

The objective of the DoD is to ensure that the right capabilities, resources, and materiel are rapidly delivered to warfighters: what they need, where they need it, when they need it. In order to cost-effectively and prudently meet these requirements, the DoD's current business and financial management infrastructure – processes, systems, data standards – are being transformed. To that end, DoD has adopted a governance structure that implements tiered accountability that includes a "Corporate" or DoD Enterprise level and a Component level.

At the Component level, the Department of the Navy (DON) Business Transformation Vision seeks to significantly increase the readiness, effectiveness and availability of warfighting forces by employing business process change to create more effective operations at reduced costs by exploiting process improvements, technology enhancements, and by initiating a more effective total force management strategy to assure continued mission superiority.

In support of the Navy Business Transformation Vision, the Navy Enterprise alignment establishes a strategic link between the Fleet Readiness Enterprise (currently the Warfare Enterprises) and the Provider Enterprise. The Provider Enterprise are those domains which support the Fleet Readiness Enterprise in managing value streams, promoting cost transparency, and leveraging common processes and metrics to assess effectiveness and efficiency in delivering warfighting capabilities to the combatant commanders.



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Navy ERP is the engine that propels business transformation, helping the Provider Enterprise manage the value chains of people, money, programs, equipment, and supplies, stripping out inefficiencies by redesigning and integrating processes, gaining management visibility into operations, and eliminating costly disparate legacy systems. Navy ERP enables the execution of the Navy's Maritime Strategy and supports the DoD Joint Vision by incorporating business best practices to maintain personnel and equipment at the highest state of readiness.

### **Conclusion**

The Navy ERP Program is essential to the efficient management of the DoD because it transforms and standardizes Navy business processes for key acquisition, financial, and logistics operations; and it provides efficiencies that will free up resources to support re-capitalization and improve the Warfare Enterprise's combat readiness through superior supply chain management and enhanced financial transparency.



### **III. PROGRAM ALTERNATIVES**

#### **Introduction**

The CCT conducted an independent assessment of alternatives to determine if there were other systems which could provide equal or greater capability at less cost. This assessment was tempered by the fact that the core Navy ERP Program is healthy and has not breached cost or schedule. The IMCT KPP was removed from the POR by the Navy as discussed earlier in this report.

#### **Analysis**

The Team reviewed the Navy ERP Milestone A/B Analysis of Alternatives (AoA) Study Plan of November 21, 2003 to determine what developments, if any, have occurred since that document's publication. The AoA Study was conducted to gather information to facilitate the Assistant Secretary of the Navy for Research, Development and Acquisition (ASN (RD&A)) decision to converge Navy ERP pilots into a single program.

Since the program's Milestone C in September 2007, Navy ERP completed Release 1.0 Go Live and deployment at NAVAIRSYSCOM (October 2007) and NAVSUPSYSCOM (October 2008) and now serves a total of 24,100 users. The SPAWARSYSCOM Release 1.0 implementation scheduled October 2009 will add another 8,569 users.

The recently completed Navy ERP Planning System Operational Test Agency Follow-On Evaluation Report (Commander Operational Test and Evaluation Force (COMOPTEVFOR) 3980 (1682-OT-D1A Ser 654/509 of July 20, 2009)) assessed the system's operational effectiveness and suitability for Fleet introduction. Operational Test and Evaluation Force (OPTEVFOR) analyzed Navy ERP operations during 1,768 hours accumulated over a 75-day period (February 23, 2009 to May 8, 2009), at multiple activities within NAVAIRSYSCOM and NAVSUPSYSCOM. This analysis determined that Navy ERP is both operationally effective and operationally suitable and recommended full fielding of Release 1.0 (Finance and Acquisition).

Lessons learned from successful deployments at NAVAIRSYSCOM and NAVSUPSYSCOM support the conclusion that continued deployment of Navy ERP across the DON continues to be a valid strategy. In addition, these lessons learned will be applied by future Systems Commands (SYSCOMs) and other commands to ensure greater implementation success of Navy ERP.



Navy ERP is the cornerstone of the DON future business environment and enables:

- Standard business processes;
- Financial accounting and funds control as the system of record for both the General Fund and the Working Capital Fund (WCF);
- Compliance with United States Standard General Ledger/ Standard Financial Information Structure, and the Business Enterprise Architecture; and
- Legacy system retirements.

As a result of Release 1.0 and Release 1.1 rollout across the Navy SYSCOMS, the SYSCOMS have identified approximately 136 legacy systems/applications that are scheduled to be retired.

The Navy ERP Program performance as a Financial System of Record is sufficiently strong to support the DON Financial community down to the lowest transaction level.

### **Legacy Systems**

Legacy Systems are not considered viable alternatives to Navy ERP. A key objective of Navy ERP is to enable Navy business process modernization.

The existing collection of segregated resource management systems imposes significant limitations on operational and support commanders to respond rapidly to emergent operational requirements and redirect assets as needed. Many of the systems and processes currently in use were designed to support logistics and support practices developed by industrial engineering studies and design work for functional organizations of the 1960s and cannot support the logistics capabilities and interoperability required in 2010. Shortcomings of existing legacy systems include:

- Information systems that are non-integrated and support only local organizations. The data integrity problems caused by having disparate systems result in increased workload and inefficient performances;
- Systems characterized by non-standard human-to-computer interfaces, unnecessarily complex processes, non-standard data with high error rates and significant information exchange delays. In the legacy environment, users are compelled to focus on learning the intricacies of computer systems vice the specifics of the business processes they support;
- Processes associated with legacy systems often require a large number of individual entries; paper-based forms; high transaction rates; and multiple levels of authorization, approval, or audit;
- Legacy systems support specific functional processes, leading to non-interoperable systems requiring many interfaces that are expensive to develop and maintain;
- Lack of cross-functional decision support tools makes it difficult for Navy to analyze and act on information. Legacy system software built for specific



hardware does not transfer to different hardware easily and economically. Finally, current tools do not provide for the effectiveness gains that are possible with an enterprise view of logistics data and processes;

- Systems that do not employ labor saving technologies or best practices;
- Systems that do not provide real or near-real time information exchange.

Legacy systems lack the ability to perform real time transaction updates and provide instantaneous visibility of assets and working process. Some of these systems were built using the COBOL computing language which is quickly becoming obsolete, and finding practitioners of this code is increasingly difficult. COBOL-based systems are also difficult to upgrade to current compliance requirements, including Chief Financial Officer Regulations and Net-Ready interoperability requirements or address emergent information assurance threats.

### Independent Analysis

SAP is the fourth largest enterprise software provider in the world. SAP is recognized by Gartner, Inc., an information technology research and advisory firm, as having comprehensive financial functionality, including treasury management for large and midsized organizations. Gartner also finds that the platform has potential as a repeatable propagation platform that can be developed for one business unit and copied/leveraged across similar units and that SAP's Supply Chain Management technology provides many of the technologies required to adopt best business practices based on Service Oriented Architecture. Figure 1 summarizes the Gartner rating of market scope for Core Financial Management Applications.

**MarketScope for Core Financial Management Applications**

	RATING				
	Strong Negative	Caution	Promising	Positive	Strong Positive
ODD Solutions				X	
Epicor				X	
Exact Software				X	
Infor				X	
Lawson				X	
Microsoft				X	
Oracle					X
Sage Group				X	
SAP					X
Unit 4 Agresso				X	

As of June 2009

Source: Gartner (June 2009)

**Figure 1: Market Scope for Core Financial Management Applications**



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## **Conclusion**

Navy ERP cost and schedule estimates are reasonable (as presented in the Program Estimates section) and Navy ERP is projected to realize a positive return on investment following their break-even point, anticipated in Fiscal Year (FY) 2013. The CCT concluded there is no viable alternative to the Navy ERP Program which will provide equal or greater capability at less cost. This is especially true given DON's substantial investment to date in customizing SAP software to satisfy Navy ERP requirements and deploying Release 1.0 at NAVAIRSYSCOM and NAVSUPSYSCOM.

The lessons learned from the successful deployments of Navy ERP strongly support the continued planned rollout of the system across the DON.

Navy ERP remains a valid element of the DON Business Transformation while enabling the warfighter to interact expeditiously and effectively with systems or programs such as the Global Combat Support System Family of Systems, Global Information Grid, and the Network Centric Enterprise System providing a critical link between operating forces and support activities.



## **IV. REASONABLE PROGRAM ESTIMATES**

### **Introduction**

As prescribed in Title 10 U.S.C. § 2445c(f)(3), a program evaluation was conducted to address the following:

- 1) The projected costs and schedule, and performance parameters to complete the program based on reasonable modification of such requirements.
- 2) The projected costs and schedule, and performance parameters to complete the program if current requirements are not modified.

### **Requirements Modified**

The CCT evaluated the current Navy ERP Program of Record (POR), Release 1.0 and Release 1.1. The CCT did not evaluate further modifications to the POR because the program is within approved cost, schedule, and performance parameters for current requirements.

As a result, the CCT did not complete a Rough Order Magnitude (ROM) of the cost and schedule for any reasonable alternative system/capability per Title 10 U.S.C. § 2445c(e)3.

The CCT reviewed the Program Life Cycle Cost Estimate (PLCCE) from the successful Navy ERP Milestone C review, as well as the adjustments of that estimate as a result of the programmatic changes described in this report. Additionally, the CCT concluded that the program is thus far meeting performance parameters for Release 1.0 and 1.1.

### **Requirements Not Modified**

For the purpose of this evaluation, the Navy ERP POR is defined as consisting of Release 1.0 (Finance and Acquisition) and Release 1.1 (Wholesale and Retail Supply). This evaluation considered only those costs allocated and managed by the Navy ERP Program Office.

The CCT determined that modifications to the current program were not required because the removal of Release 1.2 is viewed as a "fact-of-life" change and did not unduly affect the program.

Since Milestone C in September 2007, several other directed cost and schedule changes were incorporated into the program. Additional changes to Navy ERP's cost and schedule (which were reflected in the President's Budget (PB) for Fiscal Year 2010 (PB-10) submission) included:

- The ASN (RD&A) memo of March 21, 2008 directed a schedule change to the Navy ERP Program:



- Implementation of lessons learned from deployment of Release 1.0 to the NAVAIRSYSCOM;
- All Release 1.0 deployments were reset to an October Go Live to align with the beginning of the Fiscal Year. Several planned mid-year deployments were deemed too risky and required re-planning;
- Data conversion resources were added. Data conversion and cleansing of legacy data required more effort than originally anticipated;
- A three-month extended stabilization period was added to each deployment. Organizational complexity required additional time;
- Release 1.1 Go Live at NAVSUPSYSCOM was delayed until February 2010 to reduce risk and ensure the Release 1.0 Go Live at SPAWARSYSCOM was fully supported.
- General “fact of life” cost adjustments to the program included:
  - Economic assumptions;
  - Inflation adjustments;
  - Contract service reduction;
  - Other minor “fair share” issues as a result of the Program Reviews prior to the PB-10 submission.

## **Program Overview**

The current POR consists of two releases including Release 1.0 (Finance and Acquisition) and Release 1.1 (Wholesale and Retail Supply), which when combined will provide the Navy with financial transparency and asset visibility.

### Release 1.0 (Finance and Acquisition)

Release 1.0 provides the SYSCOM Headquarters, Office of Navy Research (ONR) and Strategic Systems Program (SSP) the capability to manage General Fund and Navy WCF finance applications, such as billing, budgeting, and cost planning. In addition, the Release supports acquisition functions such as activity based costing and contract awards. It also provides workforce management functionality such as personnel administration, training and events management.

Release 1.0 was fielded to 14,250 users at NAVAIRSYSCOM on October 1, 2007 and to 9,850 users at NAVSUPSYSCOM on October 1, 2008. Release 1.0 is scheduled to be fielded at the SPAWARSYSCOM beginning October 2009 and to the NAVSEASYSYSCOM in October 2010 (General Fund sites) and October 2011 (WCF sites). ONR and SSP are scheduled for October 2012.

### Release 1.1 (Wholesale and Retail Supply)

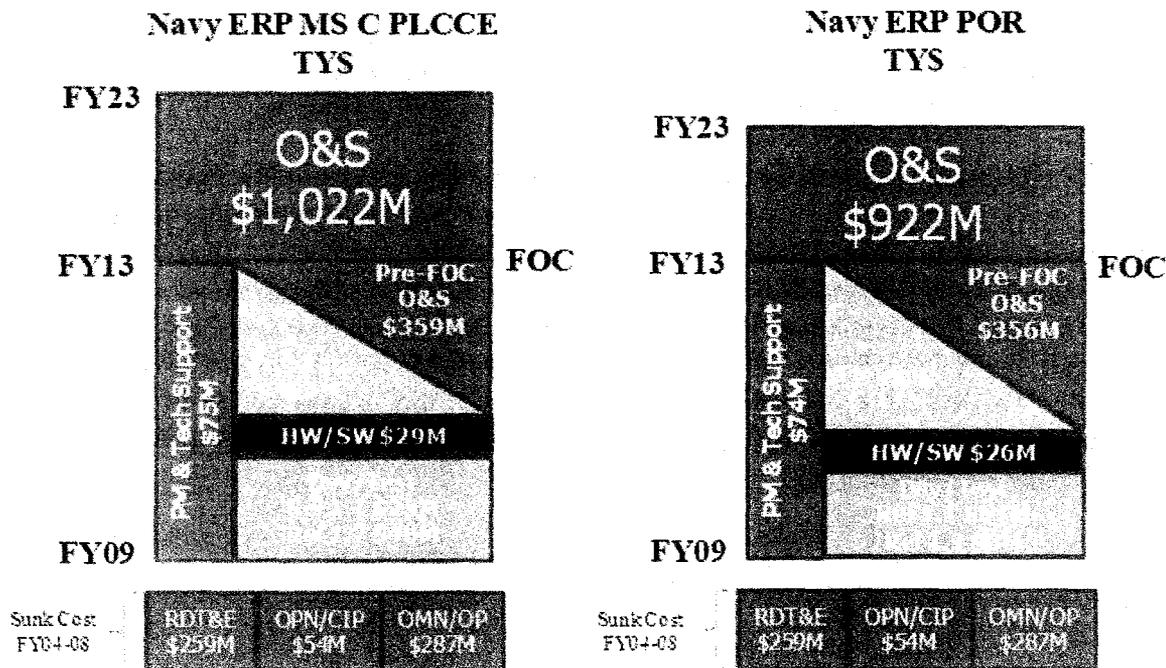
Release 1.1 provides the Navy with both wholesale and retail supply management. This solution will provide functionality in the areas of warehouse applications, such as supply and demand planning, order fulfillment and supply forecasting. In addition, it provides retail supply capability in the areas of inventory management, supply and



demand planning and warehouse management. The initial deployment will begin in February 2010 to NAVSUPSYSCOM's Inventory Control Points (NAVICP) and will then extend to the Fleet Industrial Supply Centers (FISCs) beginning in FY2011.

### Cost Assessment

The CCT reviewed the Program Life Cycle Cost Estimate (PLCCE) from the successful Milestone C review, as well as the adjustments of that estimate as a result of the programmatic changes described previously. Figure 2 depicts a comparison of the Milestone C PLCCE to the current estimate for the POR. Funding associated with Release 1.2, which included development, test, fielding, and sustainment cost from FY2010 to FY2015, was removed from the program during the Program Objectives Memorandum for FY2010 process and applied to other departmental priorities.



**Figure 2: Navy ERP Life Cycle Cost Estimate Comparison**

The cost impact of removing Release 1.2 is most evident in the Operations & Sustainment (O&S) phase. Of the \$103M O&S estimate decrease, \$48M is directly tied to a reduction in the number of system users (approximately 21%), the remainder being the result of program changes unrelated to the removal of Release 1.2. Cost reductions prior to FOC are largely offset by the other programmatic changes.

In the development and test area, the removal of Release 1.2 functionality created a requirement for additional interface support to the maintenance community, as well as the modification of 21 existing Release 1.1 Functional Design Specifications. Combined with the directed schedule extension of Release 1.1, the development and test cost



estimate for Release 1.1 increased from \$25M to \$61M. These increases offset much of the development and test cost reductions associated with removal of Release 1.2. The net cost reduction was \$12M.

The \$3M reduction in Hardware/Software costs is consistent with the removal of license procurement costs for nearly 18,000 users. The pre-FOC O&S reduction is limited since only one year of O&S support to Release 1.2 users would have occurred prior to FY2013.

Fielding cost increases associated with the lessons learned from the NAVAIRSYSCOM deployment and increases to the receiving commands' implementation estimates more than offset the reduction due to the removal of the maintenance sites. A net increase in fielding costs of \$14M was generated.

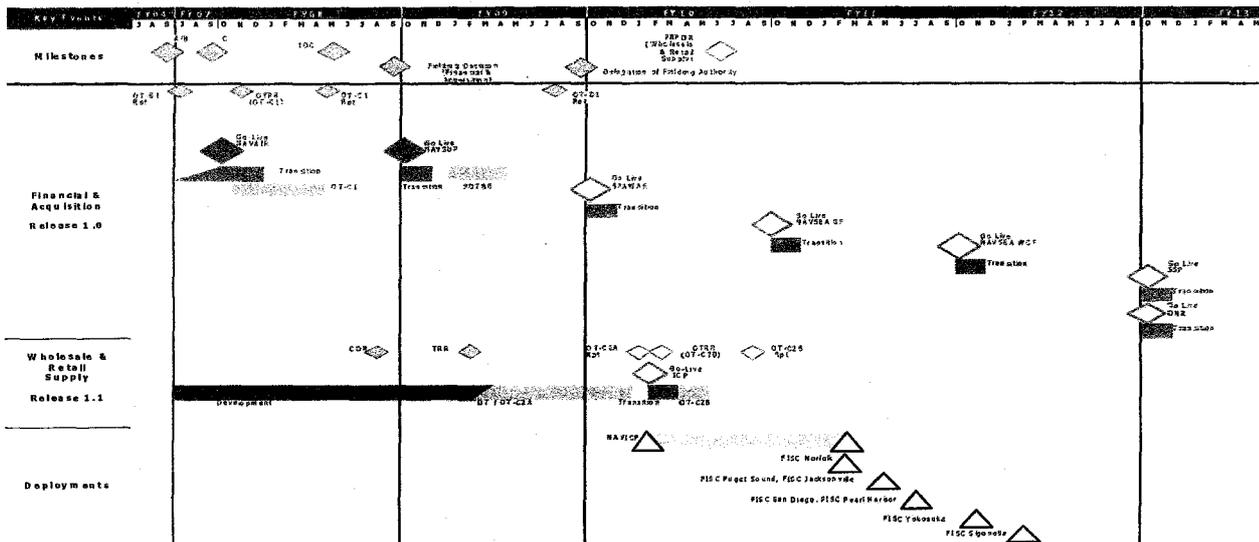
After reviewing the impacts of these programmatic changes on the MS C PLCCE, it was determined that the subsequent cost estimate associated with Releases 1.0 and 1.1 is reasonable based on the latest documented program requirements.

The Navy ERP Program is currently scheduled for a Full Deployment Decision Review (FDDR) in June 2010. In support of this review, the Program Office will update its Cost Analysis Requirements Description (CARD) and corresponding PLCCE. The Naval Center for Cost Analysis will develop an independent cost estimate, review the updated PLCCE in detail, and in conjunction with the PMO, develop a Service Cost Position (SCP) for program life cycle costs based on requirements as defined in the revised CARD. The SCP will address risk-adjusted costs associated with system acquisition (both development and procurement), system implementation and site activation, and system operations and support.



## Schedule Assessment

The current Navy ERP acquisition schedule (as of July 23, 2009) is depicted in Figure 3.



**Figure 3: Navy ERP Acquisition Schedule**

### Total Program Earned Value Performance

The program's cumulative Schedule Performance Index and Cost Performance Index through May 2009 were .96 and .93 respectively. The program's cumulative Schedule Variance (SV) of a negative \$18.7M and Cost Variance (CV) of a negative \$30.1M are within the prescribed +/- 10% threshold tolerance as they represent a variance of negative 7% for cost and negative 4% for schedule.

The program is executing a re-plan to recalibrate cost and schedule to align with the approved modified approach defined below for Release 1.1. Costs used for actuals were understated by negative 4% or \$19M. An adjustment in actuals will be reflected in the June 2009 re-plan to account for the difference. The current CV will be carried forward. However, the re-plan will eliminate prior SV consistent with accepted re-plan guidance, and enable the program to better monitor and assess performance against the re-plan.

### Release 1.0 (Finance and Acquisition)

Preparations for fielding at SPAWARSSYSCOM are currently on schedule. A Navy Enterprise Senior Integration Board Go/No Go Decision was successfully made on July 21, 2009. An Acquisition Review chaired by the ASN (RD&A) was convened on August 11, 2009 and subsequent Investment Review Board meeting was held on August 12, 2009. An Acquisition Decision Memorandum authorizing deployment or "Go Live" at SPAWARSSYSCOM is anticipated to be signed by the Milestone Decision



Authority (MDA), the DoD Assistant Deputy Chief Management Officer (ADCMO), by September 30, 2009.

The May 2009 Cost Performance Report (CPR) for Release 1.0 indicate a negative 7% cumulative Schedule Variance as well as a negative 7% cumulative CV (\$9.7M) (within the +/- 10% variance reporting threshold). Both the planned SPAWARSSYSCOM Go Live for October 2009 and NAVSEASYSYSCOM Go Live for October 2010 do not require schedule mitigation, however schedule progress will continue to be closely monitored and regularly accessed for risk.

#### Release 1.1 (Wholesale and Retail Supply)

##### Two Stage, Phased Deployment Strategy

Release 1.1 is scheduled for a “hub and spoke” phased deployment to NAVICP in Mechanicsburg, PA and Philadelphia, PA; FISCs and their partner sites and locations beginning in February 2010. This two stage, phased approach, developed in collaboration between NAVSUPSYSCOM and Navy ERP and in coordination with COMOPTEVFOR, leveraged lessons learned from Defense Logistics Agency’s and Army ERP supply deployments and previous Navy ERP Release 1.0 deployments to NAVAIRSYSCOM and NAVSUPSYSCOM. Additionally, this approach adopted best industry practice of “20% -- 40% -- 40%” data loading strategy for necessary data migration and data cleansing from legacy systems to Navy ERP. The initial 20% is a representative sample of inventory of all ICP material managed.

This approach was determined to reduce risk to quality of fleet support (maintaining parts support to the fleet during ERP implementation), increase training effectiveness, and help retire aging legacy applications, Uniform Inventory Control Point System at NAVICP locations and Uniform Automated Data Processing System for Stock Points at FISC locations, for best cost savings/cost avoidance. Basically, the approach allows the “hub” to stabilize the ERP product and data migration/cleansing processes on the NAVICP inventory items for more effective implementation at subsequent “spoke” sites. Figure 4 summarizes the CCT interpretation of this two stage, phased deployment approach. The CCT recommends the program update the Navy ERP Program Master schedule to depict this approach.



## CCT Interpretation of the Navy ERP Release 1.1 (Wholesale and Retail Supply) Two Stage, Phased Deployment

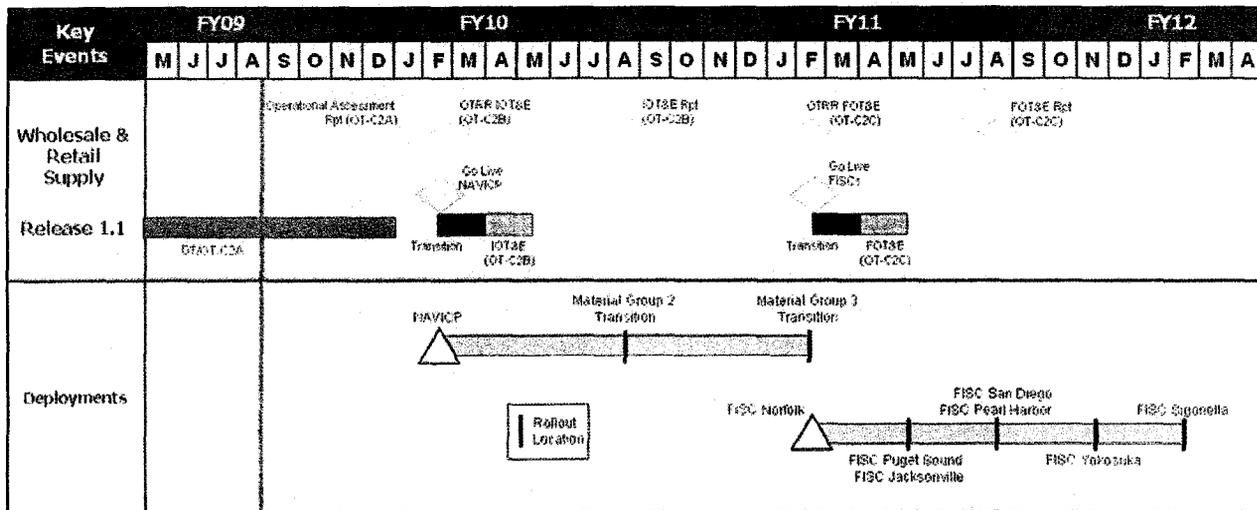
**NAVICP Deployment (Rollout Locations):**

- Material Group 1: 20% of ICP MECH and 20% of ICP PHIL;
- Material Group 2: 40% of ICP MECH and 40% of ICP PHIL;
- Material Group 3: 40% of ICP MECH and 40% of ICP PHIL.

**FISC Deployment (Rollout Locations):**

1. FISC Norfolk\*;
2. FISC Puget Sound\*, FISC Jacksonville\*;
3. FISC San Diego\* and FISC Pearl Harbor\*;
4. FISC Yokosuka\*;
5. FISC Sigonella\*.

\*includes 100% of FISCs deployment areas



**Figure 4: Navy ERP Release 1.1 Phased Deployment (CCT interpretation)**

The first stage and phase of deployment will occur at NAVICP (headquarters) and will deliver the Release 1.1 (Wholesale and Retail Supply) functionality to manage 20% of NAVICP inventory items. This selected inventory is managed by six NAVICP Integrated Weapon Support Teams (IWST). An IWST coordinates all the parts and support material for specific weapons systems or weapon groups. Each of the next two phases of this deployment (NAVICP Material Groups 2 and 3) will add 40% of NAVICP inventory items to the Navy ERP system.

The second stage of the Release 1.1 phased deployment will be to the FISC sites, beginning with the first Rollout Location, FISC Norfolk. In support of the February 2010 deployment, two cycles of integrated system testing are complete. The second cycle, completed in May 2009, resulted in a defect rate of less than three percent. The third cycle of systems integration testing began on May 18, 2009 and is scheduled to complete in October 2009 to support user acceptance testing.

COMOPTEVFOR has been involved throughout required testing for Wholesale and Retail Supply functionality. The independent testing strategy for this phased approach



includes conducting Initial Operational Testing and Evaluation (IOT&E) on the Release 1.1 functionality with a focus on Wholesale functionality used at the NAVICP sites in stage one. Retail functionality will be the focus of Follow-On Test and Evaluation (FOT&E) conducted at the initial FISC site in the second stage of the phased deployment.

### Release 1.1 Go Live Status

The May 2009 CPR for Release 1.1 reflects a negative 30% cumulative CV and a negative 10% SV. The CV is primarily attributed to the decision by both the program and NAVSUPSYSCOM to deploy in the phased approach for Release 1.1. This course of action resulted in NAVSUPSYSCOM reimbursing the program \$7M to cover the associated cost increase. An Earned Value Management (EVM) re-plan is in progress and is scheduled to be completed in September 2009. An Integrated Baseline Review will be conducted within 90 days of the re-plan completion.

User Acceptance Testing (UAT), considered a critical developmental testing element and deployment decision criteria for the Release 1.1 Go Live decision, is scheduled from October 26, 2009 through November 20, 2009. Subject Matter Experts from NAVSUPSYSCOM, NAVAIRSYSCOM, SPAWARSYSCOM, and NAVSEASYSYSCOM, with independent oversight from COMOPTEVFOR, Joint Interoperability Test Command (JITC), and Defense Financial and Accounting Service (DFAS), will participate. Preparations for this event are underway.

Based on May 2009 CPR data, the program developed and initiated risk mitigation steps to maintain the UAT scheduled for November 2009 including:

- Realigning resources to the most critical tasks to mitigate schedule risks in the areas of integrated systems testing and mock data conversions;
- Controlling costs with bi-weekly staffing and resource discussions with Systems Integrator again aligning resources to the most critical tasks;
- Adopting a different approach for maximizing time and resource utilization in integrated systems testing allowing time for defect resolution while focusing on demonstration of functional repeatability;
- Working with NAVSUPSYSCOM leadership to identify additional testing Subject Matter Experts for both testing support and training opportunities;
- Continuing weekly "drumbeat" meetings with NAVSUPSYSCOM Leadership that identify any schedule issues and appropriate mitigations.



## **Performance Assessment**

As discussed in the introduction of this report, the removal of the Release 1.2 requirement and the associated KPP for I-Level Maritime and Aviation Maintenance did not impact the program's ability to deliver the capabilities of improved acquisition management, integrated financial and inventory management, and improved operating force logistics.

### **Release 1.0 (Finance and Acquisition)**

Navy ERP achieved its Initial Operating Capability for release 1.0 on October 1, 2008. FOT&E at NAVAIRSYSCOM and NAVSUPSYSCOM was completed on May 8, 2009. COMOPTEVFOR report dated July 20, 2009, assessed Release 1.0 as both operationally effective and operationally suitable. Additionally, in October 2008, Navy ERP was certified by Navy Financial Management and Comptroller as the Navy's Financial System of Record where deployed.

### **Release 1.1 (Wholesale and Retail Supply)**

The ERP Joint Test Team, including COMOPTEVFOR, is conducting Release 1.1 integrated testing. UAT is scheduled for November 2009 to support Release 1.1 Operational Test Readiness Review. No significant performance issues have been identified thus far during integrated testing.

The CCT concluded that the program is within performance parameters for Release 1.0 and 1.1, to date.

## **Conclusion**

The CCT completed an evaluation of the Navy ERP Program and found that cost and schedule are reasonable.

The CCT recommends PEO-EIS continue monitoring the program's progress on the mitigation steps to maintain the UAT scheduled for November 2009.

The program is scheduled for a FDDR in June 2010. The program will require an independent cost assessment be conducted by the Navy to support the milestone decision. In support of this review, the program will update its CARD and corresponding PLCCE.

The program is within performance parameters for Release 1.0 and 1.1.



## **V. MANAGEMENT STRUCTURE**

### **Management Structure**

The Navy ERP Program was examined to determine if the management structure for the program is adequate to manage and control costs. The evaluation focused on the ability of Navy ERP to manage cost, schedule and performance. The program uses several management tools to manage cost and schedule including Primavera Cost Manager and EVM.

Navy ERP is subject to a significant amount of external review and oversight. The NESIB was established in May 2008 to ensure an acceptable level of performance during site implementations and resolve enterprise issues with DoD. The NESIB, which meets monthly, is chaired by the Principal Military Deputy Assistant Secretary of the Navy (PMDASN) and includes a diverse membership comprised of the Resource Sponsor (Office of the Chief of Naval Operations (OPNAV) Director of Material Readiness and Logistics (N4)), Deputy Assistant Secretary of the Navy (DASN) Acquisition and Logistics Management, DASN (C4I/IO/Space), Business Transformation Agency, Defense Finance and Accounting Service (DFAS), PEO-EIS and the SYSCOMs.

The CCT determines that the management structure of the program is adequate to manage and control cost, schedule, and performance.

### **Program Management**

A May 2009 PEO-EIS manpower assessment concluded that the program is understaffed in 7 unfilled critical positions and 10 unfunded critical positions. These findings were briefed to ASN (RD&A) during the PEO-EIS Portfolio Sufficiency Review in May 2009. The PMO and PEO-EIS are working with SPAWARSYSCOM and Principle Civilian Deputy Assistant Secretary of the Navy (PCDASN) to fill these billets and to develop a process to forecast FYDP manpower requirements. The PSR also identified that the PMO staff does not currently meet the required Defense Acquisition Workforce Improvement Act (DAWIA) certification levels.

The CCT recognizes that the program office has initiated a comprehensive internal review of all billets, their job series, and DAWIA coding to ensure that the current and future workforce is properly aligned and trained to support the program. The program has developed and is executing an updated staffing plan which addresses current and emergent staffing needs through 2012. However, the CCT recommends that the program staffing plan include progress tracking for individual DAWIA certification. Finally, the CCT recommends the program continue to utilize all available hiring incentives.



## **Contract Management**

The Navy ERP Program utilizes a combination of Cost Plus Fixed Fee and Cost Plus Award Fee task orders. All award fee plans include Management and Cost Control evaluation criteria to incentivize cost control. Award fee compensation is based on both prime and subcontractor performance. All contractor employees are required to utilize the program level Earned Value Management System (EVMS).

The program is currently operating under a sole source bridge contract (Implementation and Sustainment effort) since June 2009 and expects to execute a follow-on competitive award before the bridge contract ends in March 2010. The CCT finds that the contract structure is consistent with the Milestone C Acquisition Strategy and Acquisition Plan.

The CCT concludes that the program is using appropriate contract types, and the award fee provisions are effectively incentivizing the contractors' performance.

## **Cost Management**

One of the tools the program uses to manage cost is EVM. Navy ERP's EVM implementation is modified from a traditional EVM process. Typically, program offices are not required to use EVM to manage government efforts, but Navy ERP, as the systems integrator, tracks costs and contributions of all program staff (contractor and government) against program activities, as defined in the Work Breakdown Structure. Consequently, the government has assumed the responsibility for managing and reporting earned value information at the total program level.

Government Accountability Office (GAO) Report 08-896 on the Navy ERP Program states that "To its credit, the program has elected to implement program level EVM, which is a best practice that has rarely been implemented in the Federal Government." Office of Management and Budget (OMB) recently began requiring program level EVM to measure a program's approved cost, schedule, and performance. According to OMB, integrating government and contractor cost, schedule, and performance status should result in better program execution through more efficient management.

Navy ERP was audited by GAO in 2008. Two weaknesses in Navy ERP's EVM were detailed in the GAO report 08-896 of September 2008. The first was an Integrated Baseline Review (IBR) was not conducted. The second was independent surveillance of the Navy ERP EVM process did not occur. The program had done an initial assessment of the EVM process, but no surveillance was conducted after that assessment.

In order to address the GAO findings, Navy ERP held an IBR of program cost and schedule in 2008. This review was conducted by an independent entity, Navy Center for Earned Value Management (CEVM). The CCT concluded that the IBR findings reflected the program's commitment to EVM as a management tool and that the program followed documented processes for cost and schedule management. The CCT also concluded the program has taken appropriate steps in 2008 to address GAO



concerns. Per the GAO report, the CCT recommends that Navy ERP hold an IBR in 2009 and then, at least annually, with appropriate independent surveillance of the process.

Additionally, the Business Financial Manager (BFM) uses the EVM system reports to validate that program costs reflected in the Financial Management system are within budget. Additionally, the BFM and Contracts teams meet regularly to assess planned and future costs maintain within thresholds.

The CCT concludes that Navy ERP is committed to the successful implementation of EVM and believes it provides the information necessary to effectively manage and control costs with noted GAO and CCT recommendations.

### **Schedule Management**

The Navy ERP Program maintains separate master schedules for Releases 1.0 and 1.1 to accurately track manpower and contractor resources required to achieve planned events. CEVM conducted Schedule Risk Assessments (SRAs) on each Release schedule in FY2008. The SRA findings recommended the program integrate the two release schedules into a single Integrated Master Schedule (IMS). Navy ERP has a plan to comply with this recommendation by September 2009. The next SRA will be scheduled in early FY2010.

Additionally, the program office holds weekly production meetings with Government functional leads to validate progress against the IMS and identify emergent issues, in terms of cost, schedule, or performance.

In addition, the NESIB is briefed monthly on Go Live checklists, fielding decisions, and the implementation schedule. The CCT concludes that Navy ERP, in conjunction with the NESIB governance structure, uses master schedules and SRAs to effectively manage the program schedule.

### **Risk Management**

The Navy ERP Program risk management process supports an enterprise-wide layered system view of risk. The process considers both the architecture and components of the enterprise including the IMS, legacy systems, and lessons learned from legacy systems. The PMO has created a lessons learned document that is updated as each SYSCOM is deployed and new risks are encountered. The lessons learned document was integral to the successful deployment of Release 1.0 to NAVSUPSYSCOM and will be consulted and updated during the upcoming SPAWARSYSCOM deployment. The Navy ERP Program has an approved risk management process that is being followed for the development of Release 1.1; this process was proven successful during the development and deployment of Release 1.0.



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The program has a Baseline Change Request process that subjects each requirement change request to an enterprise- and program-level risk analysis. All Engineering Change Proposals are submitted for approval to the NESIB, who acts as the program's Executive Management Board. The NESIB ensures that requirements "creep" does not occur, which reduces risk to the overall program and ensures that the changes made to the baseline are at an enterprise level.

The CCT determines that the risk management process for the Navy ERP Program is sufficient to manage and mitigate risk.

### **Conclusion**

In accordance with Title 10 U.S.C. § 2445c(f)(4), the CCT finds the management structure for the program adequate to manage, control, and execute the program (cost, schedule, and performance).

The CCT recommends the program utilize all available hiring incentives to support Program Management.







## **VI. SUMMARY AND RECOMMENDATION**

The Navy ERP Program has a current and valid requirement to continue operating as the Navy's Financial System of Record where Release 1.0 is and will be deployed and to provide the Navy logistics support through the Wholesale and Retail Supply Solution (Release 1.1). Based upon these findings the CCT recommends that Navy ERP update program acquisition documentation to reflect the program with Release 1.2 removed.

In summary the CCT finds:

- The Navy ERP Program is essential to the efficient management of the DoD;
- There is no alternative to the Navy ERP Program that will provide equal or greater capability at less cost;
- The cost and schedule parameters for Navy ERP Program are reasonable. The program is meeting its performance parameters to date; and
- The management structure for Navy ERP remains adequate to manage and control costs.

As reported herein, the CCT recommends that the cost, schedule and performance parameters established with the removal of Release 1.2 (I-Level Maintenance) are reasonable and the most prudent approach to continue successful operation and deployment of the Navy ERP Program.



## Appendix A: Acronym List

ACAT	Acquisition Category
ADCMO	Assistant Deputy Chief Management Officer
AoA	Analysis of Alternatives
ASN	Assistant Secretary of the Navy
BFM	Business Financial Manager
BRAC	Base Realignment and Closure
CARD	Cost Analysis Requirements Description
CCT	Critical Change Team
CEVM	Navy Center for Earned Value Management
COMOPTVFOR	Commander Operational Test and Evaluation Force
CPR	Contract Performance Report
CV	Cost Variance
D-Level	Depot Level
DASN	Deputy Assistant Secretary of the Navy
DAWIA	Defense Acquisition Workforce Improvement Act
DFAS	Defense Financial and Accounting Service
DoD	Department of Defense
DON	Department of Navy
ERP	Enterprise Resource Planning
EVM	Earned Value Management
EVMS	Earned Value Management System
FDDR	Full Deployment Decision Review
FISC	Fleet Industrial Supply Centers
FOC	Full Operational Capability
FOT&E	Follow-On Test and Evaluation
FY	Fiscal Year
GAO	Government Accountability Office
IBR	Integrated Baseline Review
I-Level	Intermediate Level
IMCT	Intermediate Maintenance Cycle Time
IMS	Integrated Master Schedule
IOT&E	Initial Operational Testing and Evaluation
IT	Information Technology
IT EXCOMM	Logistics IT Executive Committee
JITC	Joint Interoperability Test Command
KPP	Key Performance Parameter
MAIS	Major Automated Information System



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MDA	Milestone Decision Authority
MQR	Major Automated Information System Quarterly Report
NAVAIRSYSCOM	Naval Air Systems Command
NAVICP	NAVSUPSYSCOM Inventory Control
NAVSEASYSYSCOM	Naval Sea Systems Command
NAVSUPSYSCOM	Naval Supply Systems Command
NCP	Navy Cost Position
O-Level	Organizational Level
O&S	Operations & Sustainment
OMB	Office of Management and Budget
ONR	Office of Navy Research
OPNAV	Office of the Chief of Naval Operations
OPTEVFOR	Operational Test and Evaluation Force
PB	President's Budget
PCDASN	Principle Civilian Deputy Assistant Secretary of the Navy
PMDASN	Principal Military Deputy Assistant Secretary of the Navy
PEO-EIS	Program Executive Office - Enterprise Information Systems
PLCCE	Program Life Cycle Cost Estimate
PMO	Program Management Office
POR	Program of Record
RD&A	Research Development and Acquisition
ROM	Rough Order Magnitude
SCP	Service Cost Position
SPAWARSYSCOM	Space and Naval Warfare Systems Command
SRA	Schedule Risk Assessment
SSP	Strategic Systems Program
SV	Schedule Variance
SYSCOM	Systems Command
UAT	User Acceptance Test
WCF	Working Capital Fund

**Navy-ERP Congressional Notification  
Coordination Sheet**

Sent out for coordination: 9/15/2009

Navy Enterprise Resource Planning (Navy ERP) critical change notification to be forwarded to Congress through Mr. Carter. Request your review and comments no later than (NLT) COB, *Wednesday, September 23, 2009.*

Please return to Mr. Art Holland:

Office: 703-607-3455 Fax: 703-607-3002 Email: [Arthur.Holland@bta.mil](mailto:Arthur.Holland@bta.mil)

	<b><u>Printed Name:</u></b>	<b><u>Date:</u></b>	<b><u>Concurrence:</u></b>
1. OSD ADCMO	<u>Ms. Elizabeth McGrath</u>	<u>9/18/09</u>	<u>Concur with Edits</u> <i>"It is unclear to me what the Navy strategy is for maintenance or when they will have one"</i>
2. DoD OGC	<u>Mr. Samuel Novello</u>	<u>9/20/09</u>	<u>Concur with Revised Action Memo</u>
3. OSD (LA)	<u>Mr. John Gilliland</u>	<u>9/16/09</u>	<u>Concur</u>
4. D, CAPE	<u>Ms. Regina Begliutti</u>	<u>9/24/09</u>	<u>Concur</u>

