



THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

APR 05 2010

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS

SUBJECT: Strengthened Sustainment Governance for Acquisition Program Reviews

As part of the Department's continuing effort to improve program life cycle management, I plan to strengthen sustainment governance by conducting detailed reviews of key elements of sustainment planning for all ACAT ID weapons system programs at decision and other review points in the acquisition process. Increasing visibility of sustainment factors is vital to ensuring we deliver a program that meets Warfighter materiel readiness objectives with long-term affordability consideration.

To facilitate a comprehensive review and provide the required information in a standardized format, program managers are to use the attached sustainment quad chart to report the status of sustainment planning at OIPT and Defense Acquisition Board reviews. Reporting begins at program initiation and continues through each subsequent milestone, the production decision, and at other reviews when directed.

I recommend you use the sustainment information provided in the chart for programs under your cognizance. Using it will enhance the acquisition governance process – one of the primary recommendations of the Weapon System Acquisition Reform Product Support Assessment report – which I endorsed November 12, 2009.

A chart template and instructions will be included in the Defense Acquisition Guidebook. Until then, please address questions regarding creation or formatting of the chart to Anthony Stampone, OASD(L&MR), at anthony.stampone@osd.mil or 703-614-3838.

Ashton B. Carter

cc:

DDR&E

Director, CAPE

Director, J-8, JS

Director, ARA

Director, DPAP

Director, PSA

SAMPLE PROGRAM: "ABC"

Date:

Product Support Strategy

Sustainment Approach

- Current (initial CLS covering total system)
- Future (sub-system based PBL contracts)

Issues

- Shortfall in O&M funding in FYDP
- Reliability and availability estimates are below goals
- LCSP requires update before DAB

Resolution

- POM request for O&M restoration submitted
- Reliability improvement plan with clear RAM goals up for final signature
- LCSP in draft

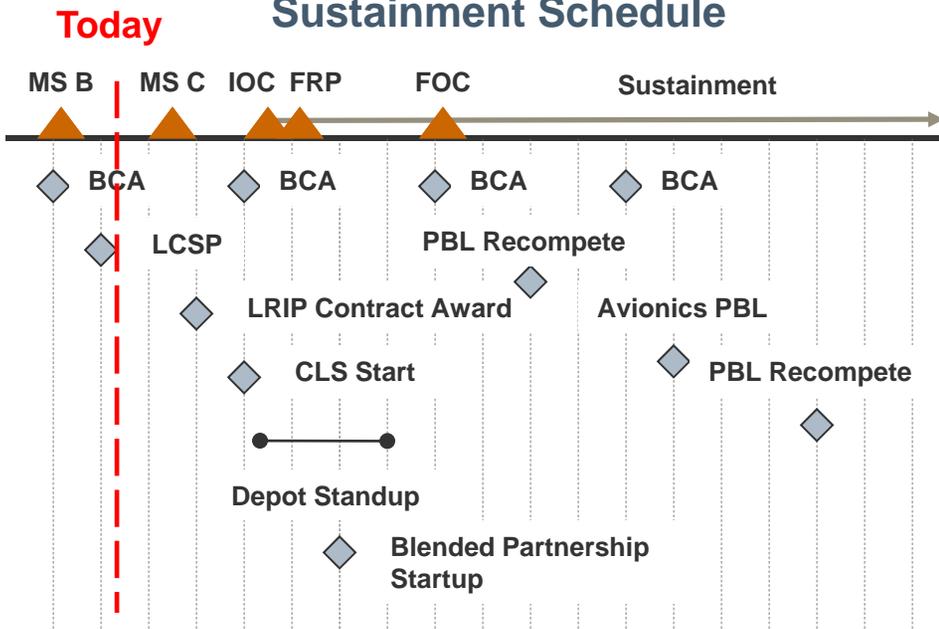
Metrics Data

Metric	Antecedent Actual	Original Goal	Current Goal	Current Estimate/ Actual
Materiel Availability	76%	80%	77%	71%
Materiel Reliability	37 hrs	50 hrs	50.5 hrs	48 hrs
Ownership Cost	245.6B	385.5B	395.1B	395.1B
Mean Down Time	12 hrs	20 hrs	18 hrs	15 hrs

* Test or fielding event data derived from _____

Notes:

Sustainment Schedule



O&S Data

Cost Element	Antecedent Cost	ABC Original Baseline	ABC Current Cost
1.0 Unit-Level Manpower	3.952	5.144	5.750
2.0 Unit Operations	6.052	6.851	6.852
3.0 Maintenance	0.739	0.605	0.688
4.0 Sustaining Support	2.298	2.401	2.401
5.0 Continuing System Improvements	0.129	0.025	0.035
6.0 Indirect Support	1.846	1.925	1.956
Total	15.046	16.951	17.682

Cost based on average annual cost per squadron

Total O&S Costs	Antecedent	ABC
Base Year \$M	102,995.2	184,011.9
Then Year \$M	245,665.3	395,147.2

Sustainment Chart Instructions

Top Left Quad: Product Support Strategy

Purpose: Programs cite current sustainment philosophy and any future differences

Fields:

- **Sustainment Approach**
 - **Current:** State what the current planned or actual maintenance support strategy is (e.g.: Initial 4 year CLS period)
 - **Future:** State planned strategy for future if different than current strategy e.g.: Migrating to a Depot/Industry partnership)
- **Issues**
 - Cite any sustainment issues the program is currently experiencing or projected risks
- **Resolution**
 - Identify planned or potential resolutions to noted issues

Bottom Left Quad: Sustainment Schedule

Purpose: Display planned sustainment schedule milestones

Field:

- **Top Bar (Milestones)**
 - This field should begin from the present (or slightly earlier) through the expected service life of the system.
 - Major events such as Milestones, IOC, FOC, etc. should be displayed appropriately
 - Include a line for current date
- **Events**
 - Ensure important life cycle sustainment events are listed in the chart
 - Examples include but are not limited to: BCAs, PBL decisions, CLS periods, depot standup, sustainment recompetes
 - Use of existing program sustainment schedules in this field is acceptable

Top Right Quad: Metrics Data

Purpose: Display current estimates of sustainment metrics vs. goals and antecedents

Fields:

- **Metrics**
 - At a minimum, address the four metrics, Materiel Availability, Materiel Reliability, Ownership Costs and Mean Down Time as submitted by programs into DAMIR. These metrics are defined or derived from the Sustainment KPP and associated KSAs outlined in the Joint Capabilities Integration and Development System

- (JCIDS) Manual. The manual provides the process details for implementing CJCSI 3170.01G and can be found on intelink (<https://www.intelink.gov/wiki/JCIDS>).
- Programs can include additional metrics beyond the four listed above including: logistics footprint, customer wait time, etc.
 - **Antecedent Actual**
 - Evaluation of the four metrics on the preceding (antecedent) system (e.g. F-15 vs. F-22 or SSN 688 vs. SSN 774)
 - Antecedent is the system cited in Selected Acquisition Report (SAR) to Congress
 - **Original Goal**
 - Value for each metric according to the original baseline goal submitted for the first sustainment metrics transmittal
 - Can be set from an existing sustainment requirement or based on a goal cited in the first submission of the sustainment metrics
 - **Current Goal**
 - Value for each metric according to the current baseline goal for sustainment
 - **Current Estimate**
 - Program evaluation of system performance or projected performance (if still in development) for each metric
 - Color rating assigned by PM, based on estimate vs. goal
 - Green – At or exceeding goal
 - Yellow – Below goal by < 5%
 - Red – Below goal by > 5%
 - **Test or Fielding Event Data Derived From**
 - Cite the event (OPEVAL, IOT&E, etc.) or modeling and simulation tool that led to the current estimate
 - **Notes**
 - Any relevant or pertinent information concerning metrics definitions

Bottom Right Quad: O&S Data

Fields:

Fields are primarily pulled from the SAR O&S section:

- **Cost Element**
 - Refer to 2007 CAIG (now CAPE) Cost Estimating Guide for definitions of individual cost elements
 - These definitions should be consistent with what is submitted in the program's SAR O&S cost section (which should be based on identical definitions)
- **Antecedent Cost**
 - O&S cost of the existing program reported using the CAPE cost elements
 - O&S costs are based on average annual cost per hull, squadron, brigade, etc.
 - Use the SAR as the basis for determining the unit level and cite beneath first box what costs are based on
- **New Program Original Baseline**
 - New program O&S cost broken out over the CAPE cost elements, according to their original SAR submission.
 - Costs are based on average annual cost per hull, squadron, brigade, etc.

- **New Program Current Cost**
 - Current program cost broken out over the CAPE cost elements according to the most recent projections – not last SAR submission
 - Costs are based on average annual cost per hull, squadron, brigade, etc.
 - Color rating assigned by PM, based on increase since original baseline
 - Green – At or below original baseline or < 10% increase
 - Yellow – Increase > 10% but < 20% vs. original baseline
 - Red – Increase > 20%

- **Total O&S Costs**
 - Comparison of antecedent program cost vs. the new program's current cost presented in totals in both TY\$ and BY\$
 - For the new program, use the most recent estimate, not the most recent SAR values
 - O&S cost totals should be consistent with the CAPE estimate