

Standard: Acquisition Program Baseline
Phase: Concept and Technology Development
Activity: Program Planning/Management
Task: [Establish/Maintain Acquisition Program Baseline](#)
Reference: [Interim Defense Acquisition Guidebook](#)
Effective Date: April 9, 2003

DEFENSE FINANCE AND ACCOUNTING SERVICE

Acquisition Program Baseline

for

Program Name

Date of Issue and Status: *Date document is acknowledged as acceptable (mm/dd/yyyy) and whether plan is draft or approved. Also include version number.*

Issuing organization: *Identify the organization issuing this document.*

ACQUISITION PROGRAM BASELINE

The Acquisition Program Baseline (APB) is established to enhance program stability and provide a critical reference point for measuring and reporting the status of program implementation. It is required for each milestone review for each acquisition program, without regard to acquisition category (ACAT). It is a management document that records an agreement between the acquisition management chain (i.e., Program Manager (PM), Program Director, Functional Manager, and Milestone Decision Authority (MDA)), and endorsed by the Chief Information Officer (CIO) and Chief Financial Officer. For non-Major Automated Information Systems (non-MAIS), the Director, DFAS has delegated approval authority to the DFAS CIO.

The APB is developed and approved prior to Milestones B and C. Prior to each approval, the program office shall enter planned performance, schedule, or cost objectives, as appropriate, for the categories shown in the tables that follow. This will allow reviewers to see the current objective values and compare them with prior approval baselines. For initial APBs, the program office shall enter the value for all objectives in the Milestone B column of the performance, schedule, and cost tables. For subsequent APBs, the program office shall enter values for those same categories in the appropriate milestone column. If new parameters in cost, schedule, or performance are added, the APB shall show "not specified" ("N/S") in previous columns for that parameter. If old parameters no longer apply, the program office should state "Deleted" in the proposed column. Objectives and thresholds for earlier milestones ARE NOT TO BE CHANGED OR DELETED.

If a baseline has changed because of a baseline breach, program offices shall create a new column in the table entitled "Change #__" and enter in it only the values for the parameters that are proposed to be changed (including "DEL"). If the CIO approves the change, that column will remain in the table with only the changed values showing.

The PM may trade-off cost, schedule, and performance within the range between the objective and the threshold values without obtaining CIO approval. (This range is also referred to as the "trade space.") Trade-offs outside the trade space may not be made without the approval of the MDA and Operational Requirements Document (ORD) approval authority. Additionally, for ACAT IA systems, key performance parameters (KPPs) that have been validated by the Principal Staff Assistant (PSA) may not be traded off without PSA review and approval. For DFAS systems, the PSA is Under Secretary of Defense (Comptroller) (USD(C)).

The PM must inform the MDA when the current estimate of the program falls outside one or more APB thresholds. The MDA must be advised of the program breach via a Program Deviation Report (PDR).

1. Background.

1.1. Need: *This section shall summarize the business/mission need as described in the Mission Need Statement (MNS).*

1.2. Program Description: *This section shall describe the high-level program requirements, as contained in the ORD.*

1.3. Acquisition Strategy and Development Approach: *This section shall provide a summary of the Acquisition Strategy (AS) and Analysis of Alternatives (AoA) documents.*

1.4. References: *This section shall reference pertinent program documentation with title, version, and date. If any referenced document is not yet approved, it shall be noted as "Draft". As a minimum, the references shall include the MNS, ORD, AS, AoA, and Life Cycle Cost Estimate (LCCE).*

2. Program Baseline. *This section of the APB shall contain the program's baseline parameters and their associated threshold and objective values. The number of parameters will be the minimum number needed to characterize the program's operational performance, technical performance, schedule, and cost. This minimum number shall include the KPPs described in the ORD, some if not all of the Critical Technical Parameters (CTPs) from the Test and Evaluation Master Plan (TEMP), and any other program characteristics, which, if the thresholds are not met, would require reevaluation of the program and a decision by the MDA. The MDA may add additional parameters (not validated by the Joint Requirements Oversight Council (JROC)) that need to be implemented and validated, such as interoperability with the DFAS Corporate Database (DCD), DFAS Corporate Warehouse (DCW), etc.*

The values of the parameters represent the program as it is expected to be produced and deployed. Each parameter included in the APB must have both an objective and a threshold value. These objective and threshold values for any specific parameter shall be consistent with those contained in the ORD and the TEMP. In addition, the definitions for like parameters in the APB, ORD, and TEMP shall be consistent. Definitions for the terms "objective" and "threshold" are listed below.

At Milestone B, baseline parameters shall be defined in broad terms. The specificity and number of performance parameters will evolve as the program is better defined. An important baseline parameter may involve economic benefit or return on investment.

Threshold. The threshold value is the minimum acceptable value that, in the user's judgment, is necessary to satisfy the need. If threshold values are not achieved, program performance is seriously degraded, the program may be too costly, or the program may no longer be timely.

Objective. The objective value is that value desired by the user for which the PM is contracting or otherwise attempting to obtain. The objective value could represent an operationally meaningful, time-critical, and cost-effective increment above the threshold for each program parameter. If no objective is otherwise indicated, the objective is the threshold.

Threshold values shall be individually set for each program based on the characteristics of the program. If the objective values are not otherwise specified, the objective value for performance shall be the same as the threshold value. The baseline parameters and their associated

thresholds and objectives shown in the below tables must be used for each DFAS system. Additional parameters should be added.

2.1. Performance: The program office shall enter performance parameters tailored to each program in the appropriate column of the below table. Performance thresholds and objectives will be derived from the ORD and the results of the previous acquisition phase. Performance thresholds and objectives must be verifiable by developmental and operational testing. Performance may include operational, technical, and supportability parameters. Provided below is a sample list. Other system-specific requirements such as a cost KPP may be annotated here as applicable.

Measures of effectiveness or measures of suitability shall be used in describing needed capabilities early in a program. More specific program parameters shall be added as necessary to the APB as the program requirements become better defined.

	Milestone B	Milestone C
	<p>Financial Management System Performance. Financial Management System Performance is defined as the overall evaluation of the extent to which the system meets Federal Financial Management Requirements in accordance with the Federal Financial Management Improvement Act of 1996.</p> <p>Threshold: The Financial Management System Performance will be certified as compliant with the Federal Financial Management Improvement Act of 1996. Summary requirements used to measure this compliance can be found in the DFAS "Bluebook."</p> <p>Objective: The Financial Management System Performance will be certified as compliant with the Federal Financial Management Improvement Act of 1996. Summary requirements used to measure this compliance can be found in the DFAS "Bluebook."</p>	<p>Parameter:</p> <p>Objective:</p> <p>Threshold:</p>
	<p>Data Transmission. The act of transferring organized information from the originator or repository to a receiving organization (may be defined for multiple data transactions).</p> <p>Threshold: The system must transfer data completely and accurately from the originator or repository to a receiving organization in __ (time) or less.</p> <p>Objective: The system must transfer data completely and accurately from the originator or repository to a receiving organization in __ (time) or less.</p>	<p>Parameter:</p> <p>Objective:</p> <p>Threshold:</p>

Milestone B	Milestone C
<p>End to End Response Time. End to End Response time is the elapsed time from user input (e.g., pressing enter key) to the notification by the system of the disposition of the action (e.g., notification of action acceptance or rejection). This parameter may be defined for various types of transactions.</p> <p>Threshold: Users must be notified of the disposition of ___ (type) requested actions in __ (time) or less ___ percent of the time. The disposition of the remaining ___ percent of ___ (type) requested actions must be finished within ___ (time).</p> <p>Objective: Users must be notified of the disposition of ___ (type) requested actions in __ (time) or less ___ percent of the time. The disposition of the remaining ___ percent of ___ (type) requested actions must be finished within ___ (time).</p>	<p>Parameter:</p> <p>Objective:</p> <p>Threshold:</p>
<p>Capacity Requirements. The data storage, communications and processor capability is adequate to support defined user requirements during normal workload and peak load periods.</p> <p>Threshold: The data storage, communications and processor capability adequately support at least ___ percent of defined user requirements during normal workload; ___ percent during peak load periods. The system supports at least ___ simultaneous on-line users under all workload conditions.</p> <p>Objective: The data storage, communications and processor capability adequately support all defined user requirements under all workload conditions. The system supports (<i>number</i>) simultaneous on-line users under all workload conditions.</p>	<p>Parameter:</p> <p>Objective:</p> <p>Threshold:</p>
<p>Information (Report) Delivery. Information Delivery, access, processing, and presentation of specified, pre-formatted information (reports), will be accomplished in a timely manner. Note: this parameter should identify specific report types and their associated parameter values.</p> <p>Threshold: _____ (defined type) report will be delivered to the user in __ (time) from the time of request</p> <p>Objective: _____ (defined type) report will be delivered to the user in __ (time) or less from the time of request.</p>	<p>Parameter:</p> <p>Objective:</p> <p>Threshold:</p>
<p>Data Availability (Access). The ability of the AIS to access information at the required level of detail, in the required format, within the required time-frame. The system must be able to access specific categories of data as designed. For example: (1) The current year; (2) data from the previous 4 years; (3) data over 5 years old.</p> <p>Threshold: (Tailor to each category of data as necessary) At least __ percent of ___ requests for information available on-line (current) are answered in __ (time) or less.</p> <p>Objective: (Tailor to each age category of data as necessary) At least __ percent of ___ requests for information available on-line (current) are answered in __ (time) or less.</p>	<p>Parameter:</p> <p>Objective:</p> <p>Threshold:</p>
<p>Interoperability. The ability of the systems, units, or forces to provide services to and accept services from other systems, units, or forces, and to use the services so exchanged to enable them to operate effectively together. The conditions achieved among communication-electronics systems or items of communications-electronics equipment when information or</p>	<p>Parameter:</p> <p>Objective:</p> <p>Threshold:</p>

	Milestone B	Milestone C
	services can be exchanged directly and satisfactorily between them and/or their users. (a) Threshold: The system will accurately process defined interfaces with other automated systems (protocol, media, layout, content). (b) Threshold: The system will convert received non-standard data into a usable, standard DFAS format as defined within data specifications. (c) Threshold: The system will be issued a Joint Interoperability Certificate of compliance by the Joint Interoperability Test Command (JITC). Objectives: Same	

2.2. Schedule. *The program office shall enter the planned completion dates for the events listed in the below table. Dates shall be specified as MON YR. Threshold dates for each event must also be specified. They may be specified once, if appropriate (e.g., 3 months past the objective date) or entered into each cell individually. For ACAT IA programs, the threshold value shall be the objective value plus three months (or less).*

Major Event Completion	Milestone B Schedule	Milestone C Schedule
System Requirements Review	Objective: Threshold:	Objective: Threshold:
Milestone B Review	Objective: Threshold:	Objective: Threshold:
Technical Architecture Review	Objective: Threshold:	Objective: Threshold:
Functional Requirements Review	Objective: Threshold:	Objective: Threshold:
Critical Design Review	Objective: Threshold:	Objective: Threshold:
Application Test Readiness Review	Objective: Threshold:	Objective: Threshold:
Enterprise Test Readiness Review	Objective: Threshold:	Objective: Threshold:
Implementation Readiness Review	Objective: Threshold:	Objective: Threshold:
Milestone C Review	Objective: Threshold:	Objective: Threshold:
Initial Operational Capability (IOC)	Objective: Threshold:	Objective: Threshold:
Final Operational Capability (FOC)	Objective: Threshold:	Objective: Threshold:

2.3. Cost. *The program office shall enter total cost by then-year and base-year dollars in millions. Cost data reflected in the baseline must reflect realistic cost estimates and be supported by bottoms-up cost estimates, but may not exceed the amounts in the Independent Cost Estimate. The amount budgeted shall not exceed the total cost threshold estimated in the APB.*

APB costs must include total program requirements, not just the amount funded in the budget and programmed through the Future Years Defense Program (FYDP) (i.e., baselines costs must include unfunded requirements if those unfunded requirements are a part of the approved program). However, the APB should not include costs that are not part of the program approved by the MDA. The cost categories shall include Operating (operations and maintenance (O&M)), and Capital (working capital).

As the program progresses through later acquisition phases, procurement costs shall be refined based on actual costs from Concept and Technology Development and System Development and Demonstration phases.

If the threshold values are not specified, the threshold value for cost shall be the objective value plus 10 percent.

For ACAT IA programs, the ACAT I cost parameters apply, with the addition of military pay and the costs of acquisition items procured with Defense Working Capital Funds (DWCF). The JROC shall evaluate program cost criteria for ACAT I programs.

The Milestone B column will be provided at the initial submission. Future columns will be added at subsequent milestones or program reviews or as a result of a breach. Future columns will be reflected in every section. If a new parameter is added, state "N/S" in previous columns for that parameter. Previous columns will not be revised to reflect actual results or changes in events or characteristic titles. If old parameters no longer apply, state "deleted" in future columns. DO NOT CHANGE TITLES AND VALUES OF OLD PARAMETERS.

Cost Estimates at Milestone B

Budget for Program _____ in Then-Year Dollars (millions)									
	Prior Yrs	FY XX	FY XX+1	FY XX+2	FY XX+3	FY XX+4	FY XX+5	To Compl	TOTAL
Operating									
Capital									
TOTAL									

Budget for Program _____ in Base-Year Dollars (millions)									
	Prior Yrs	FY XX	FY XX+1	FY XX+2	FY XX+3	FY XX+4	FY XX+5	To Compl	TOTAL
Operating									
Capital									
TOTAL									

ACQUISITION PROGRAM BASELINE
Coordination/Signature

Submitted by:

Program Manager/Functional Project Officer

Date

Reviewed by (no signature required):

Director for Internal Review

Concurred by:

Director for Systems Integration

Date

Business Line Executive *

Date

Director for Resource Management

Date

Director for Information and Technology

Date

Approved by:

Milestone Decision Authority

Date

* or delegated Deputy Business Line Executive or Product Line Executive