Service Cost Position
SECNAV Guidance

• From SECNAVINST 5223.2 dated 16 Dec 2008:
  - For all ACAT I programs, NCCA shall:
    - Determine a common DON cost position
    - Provide insight into:
      - Cost drivers
      - Cost risk and uncertainty
      - Total Ownership Cost
  - SYSCOMs shall:
    - Support NCCA in reviews
    - Collaborate with NCCA to develop a common DON cost position

Common DON cost position = Service Cost Position
Service Cost Position
OSD CA&PE Guidance

- From OSD CA&PE (formerly OSD CAIG) memo “Required Signed and Documented Component-level Cost Position for Milestone Reviews” dated March 12, 2009:
  - “A signed and documented Component-level cost position will be required for all MS A, B, C, and Full Rate Production Decisions”
  - “The Component must fully fund to this cost position in the current FYDP, or commit to full funding of the cost position in the next President’s Budget FYDP”

Component-level Cost Position = Service Cost Position
ASN (RD&A) and ASN (FM&C) SCP Guidance

- From the ASN (RD&A) and ASN (FM&C) memo “Department of the Navy Service Cost Positions” dated 7 January 2010:

  - “The SCP is the DON official life-cycle cost estimate of all resources and associated cost elements required to develop, produce, deploy, sustain, and dispose of a particular system.”

The SCP is the complete LCCE; program funded items are a subset of the SCP and are presented for comparison to the budget in the “Spruill” chart.
## SCP Schedule

<table>
<thead>
<tr>
<th>Event</th>
<th>Date Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAPE Kick-Off</td>
<td>6-mo prior DAB</td>
</tr>
<tr>
<td>Initial CRB</td>
<td>3-mo prior due date</td>
</tr>
<tr>
<td>Final CRB</td>
<td>1-wk prior due date</td>
</tr>
<tr>
<td>SCP Due Date</td>
<td>The earliest of 2-days prior Gate or 3-weeks prior OIPT</td>
</tr>
<tr>
<td>Gate Review</td>
<td>DAB-4wks</td>
</tr>
<tr>
<td>OIPT</td>
<td>DAB-2wks</td>
</tr>
<tr>
<td>DAB</td>
<td>0 days</td>
</tr>
</tbody>
</table>
## CRB Members

### Principals:

**For all programs:**
- b. Deputy Assistant Secretary of the Navy for Budget (FMB).
- c. Deputy Assistant Secretary of the Navy for the acquisition program.
- d. Program Executive Officer (PEO) of the program.
- e. Department of the Navy Chief Systems Engineer (ASN(RD&A) CHENG)
- f. Director of the respective Systems Command (SYSCOM) cost organization.

**For all ACAT IA programs and other designated AIS programs:**
- a. Department of the Navy Chief Information Officer (DON CIO).

**For all Navy programs:**
- a. Chief of Naval Operations, Director, Programming Division (OPNAV N80).
- b. Chief of Naval Operations, Director of Warfare Integration (OPNAV N8F).
- c. Chief of Naval Operations, Director, Training and Education (OPNAV N15).
- d. Deputy Chief of Naval Operations (Fleet Readiness and Logistics) (OPNAV N4).

**For all Navy ISR, Cyber, C4, EW, Oceanography, Space and other information programs:**
- a. Chief of Naval Operations, Director for Information Dominance (OPNAV N21N6).

**For all Marine Corps programs:**
- a. Headquarters Marine Corps, Director of Programs Division.
- b. Director, Fiscal Division, Headquarters, United States Marine Corps.

### Advisory Members:

Other program stakeholders will be invited to the board as required, in a non-principal role, depending on the nature of the program and responsibility assigned.
# SCP Forecast

<table>
<thead>
<tr>
<th>Program Short Title</th>
<th>ACAT</th>
<th>Milestone Event</th>
<th>MS Event Date</th>
<th>Cost Product</th>
</tr>
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<tbody>
<tr>
<td>SM-6</td>
<td>ID</td>
<td>DAB</td>
<td>March</td>
<td>Revised SCP</td>
</tr>
<tr>
<td>SDB II</td>
<td>ID</td>
<td>MS-B</td>
<td>March</td>
<td>SCP</td>
</tr>
<tr>
<td>DCGS-N</td>
<td>IAM</td>
<td>FDDR</td>
<td>March</td>
<td>SCP and CCA</td>
</tr>
<tr>
<td>ORP</td>
<td>PM</td>
<td>MS-A</td>
<td>April</td>
<td>SCP</td>
</tr>
<tr>
<td>GCCS-M</td>
<td>IAM</td>
<td>MS-C</td>
<td>April</td>
<td>SCP and CCA</td>
</tr>
<tr>
<td>SSN-774</td>
<td>ID</td>
<td>MS-III</td>
<td>April</td>
<td>SCP</td>
</tr>
<tr>
<td>P-8A Poseidon</td>
<td>ID</td>
<td>MS-C</td>
<td>May</td>
<td>SCP</td>
</tr>
<tr>
<td>LCS (Seaframe+MM)</td>
<td>ID</td>
<td>MS-B</td>
<td>May</td>
<td>SCP</td>
</tr>
<tr>
<td>VTUAV</td>
<td>IC</td>
<td>FRP</td>
<td>May</td>
<td>SCP and ICE</td>
</tr>
<tr>
<td>NMT</td>
<td>IC</td>
<td>MS-C</td>
<td>June</td>
<td>SCP and ICE</td>
</tr>
<tr>
<td>LHA Replacement</td>
<td>ID</td>
<td>DAB</td>
<td>July</td>
<td>SCP</td>
</tr>
<tr>
<td>Navy ERP</td>
<td>IAM</td>
<td>FDDR</td>
<td>July</td>
<td>SCP and CCA</td>
</tr>
</tbody>
</table>
Initial CRB Agenda

NCCA:
- SCP schedule

Program Office:
- Program overview
- AoA status
- System configuration
- Development effort
- Risk summary
- GFE list
- Acquisition strategy overview
- Current & prior Presidents Budget position for each appropriation
- Quantity and fielding schedule
- Schedule of major events

SYSCOM:
- Base year selection for the estimate
- Service life
- Start/end dates of the program
- Inflation indices
- WBS
- LCCE items not funded by the program office
- Facilities/Milcon
- Methodology overview
Final CRB Agenda

Program Office:
- Program overview
- Development status
- Risk summary
- Current & prior Presidents Budget position for each appropriation
- Quantity and fielding schedule
- Schedule of major events

SYSCOM:
- Basis of estimate by WBS by appropriation
- Inflation indices
- LCCE items not funded by the program office

NCCA:
- Assessment of PLCCE
- S-Curve basis of estimate
- Recommendations for SCP
Peer Reviews

- SYS.COM conducts initial, mid, and final peer reviews
  - Initial and final held prior to CRBs
  - Objective; detail review of cost estimate by peers (no elephants please)
    - Initial; WBS elements, program scope, potential data sources, materiel solution, intended methodology
    - Mid; Update to initial, risk items, ROM
    - Final; detailed model walk thru