



# N810 Newsletter



Updates from the Requirements and Acquisition Branch and Navy JROC POC

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## Analysis of Alternatives (AOA) Procedures

Recently we have received a number of questions concerning the proper procedures to conduct an AOA. We would like to dedicate our main focus this month to go over these procedures and try to clarify some misconceptions. The governing instruction for AOAs for Navy specific procedures can be found in enclosure (7), appendix II, annex A, section 2 of SECNAVINST 5000.2B.

## Purpose of the Analysis of Alternatives

While the use of analyses to support programmatic decisions is not new, the AOA structure, which replaced the Cost and Operational Effectiveness (COEA) process, formalizes this analysis. The AOA provides a forum for involving both the requirements and acquisition communities in analysis of alternative trade-off discussions, and then formulates and documents the analytical underpinning for program decisions.

To work properly, the analysis must be overseen by senior, experienced, and empowered individuals from both acquisition and requirements communities. But before you begin, make sure everybody agrees on the trade space! We have had several recent events where the outcome of the analysis was not given proper oversight or visibility, and resulted in solutions that senior Navy leadership was not prepared to sign up to. AOA cost constraints in particular should be weighed early, and should be agreed to by not only the resource sponsor, but by the programming community (N80), and when appropriate, by N8, VCNO, or CNO. Make sure you have senior Navy leadership buy-in before you decide that the Navy has to spend ten times what it is currently spending on a given capability!

## Preparation Responsibilities

An AOA is normally prepared by an independent analysis activity (e.g., Center for Naval Analyses) for the Service that owns the system. Nevertheless, the program sponsor is responsible for the preparation of the AOA. The whole point of doing an AOA is to prevent the formation of a pre-determination technical solution. We do this by conducting scientific, supportable analysis. **But as you conduct this analysis, it is important that you watch out for pseudo-analytic work intended to provide a façade of analysis in order to lull decision-makers into a particular course of action.** While this kind of analysis may allow the uninitiated to feel good about their decision, giving them the sense that their decision has some kind of analytical underpinning, it won't withstand a modicum of scrutiny by GAO or other outside agencies. Bottom line: don't let your contractor lead you down a primrose path!

Additionally an AOA should do the following:

1. Aid decision making by showing the relative advantages and disadvantages of the alternatives being considered. Are any of the proposed alternatives of sufficient military benefit to be worth the cost?
2. Document acquisition decisions by providing the analytical underpinning, or rationale, for decisions on a program.

AOAs should be tailored to the milestone they support. **Milestone I** AOAs help the Milestone Decision Authority (MDA) choose a preferred system concept and decide whether the cost and performance of the concept warrants initiating an acquisition program. Milestone I AOAs can also illuminate the concept's cost and performance drivers and key trade-off opportunities; and provides the basis for the establishment of operational performance

threshold and objective values for use in the Operational Requirements Document (ORD), the Acquisition Program Baseline (APB), and the Test and Evaluation Master Plan (TEMP). Furthermore, recently the Under Secretary of Defense for Acquisition, Technology and Logistics (USD (AT&L)), directed that AOAs "... should consider the benefits and detriments, if any, of accelerated and delayed introduction of military capabilities, including the effect on life-cycle cost."

At **Milestone II**, the analysis refines the AOA drivers and performance threshold and objective values, if required. Since cost and performance issues are typically resolved prior to **Milestone III**, an AOA is normally not required to support this milestone.

The cognizant PEO/SYSCOM/DRPM, or cognizant Deputy ASN(RD&A), and CNO, **but not the program manager (PM)**, shall have overall responsibility for the AOA. Before initiating the analysis, the program sponsor shall propose a Scope of Analysis for the AOA. **At a minimum, the Scope of Analysis shall identify:** the independent activity responsible for conducting ACAT I and II program analyses, the trade space of alternatives to be analyzed, a proposed completion date for the analysis, any operational constraints associated with the need, and specific issues to be addressed..

**The Scope of Analysis shall be approved before each AOA begins.** Approval authorities for Scope of Analyses: ASN(RD&A) or designee and N8 for ACAT I and II programs; the MDA and N8 for ACAT III programs; and MDA and OPNAV program sponsor (flag level) or designee for ACAT IV programs.

For ACAT I and II programs (and certain lower ACAT level programs requiring additional oversight), an AOA IPT consisting of appropriate members of the core Acquisition Coordination Team

(ACT) organizations, where established, and any other organization deemed appropriate by the MDA, shall oversee the AOA. The AOA IPT and the ACT shall be kept cognizant of the analysis development. The AOA IPT shall be co-chaired by the cognizant PEO, SYSCOM or DRPM, or cognizant Deputy ASN(RD&A), and the program sponsor. At a minimum, the AOA IPT shall receive a briefing of the analysis plan and the final results, prior to presentation to the MDA.

The AOA Scope of analysis and final results must be reviewed by N810 prior to submission for approval. A written formal report or briefing shall be approved as indicated in the following table:

ACAT I & II	ACAT III	ACAT IV
N8 and ASN(RD&A)	N8 and MDA	MDA and Sponsor

N81 is responsible for coordinating final approval.

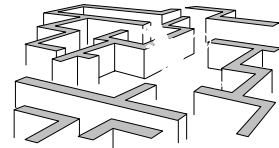
### DOD 5000.2R is Under Revision

News flash: OSD is re-writing the DOD 5000 series of manuals. This change includes things like: lining up the DOD 5000.2-R with the new CJCS 3170.01A requirements instruction, incorporating acquisition reform (Section 912) studies recommendations, and other initiatives and reports, such as "simulation based acquisition", and "reduction in acquisition cycle time".

The change is intended to move DoD acquisition process closer to those used in the commercial world. Perhaps the biggest change in the rewrite will be the "new acquisition model". Under the currently proposed new acquisition model, programs will no longer be initiated without a firm understanding of the technical solution and the readiness of the technology to be incorporated into the new acquisition program. No more Phase 0 and Phase I.

Several serious concerns, such as funding stability, remain to be resolved.

The new acquisition model is intended to be a possible solution to reduced cycle time. If you remember the lamentations (just before Ezekiel) about DoD paying too much to be at the bleeding edge of technology, a new approach might be worth a try. On the other hand, a cynic might point out that DOD seems to be leaning toward fulfilling Congressionally mandated guidance to reduce acquisition time by redefining where a program starts: at MS-III instead of MS-I, producing a change in image only. We will keep you informed of the changes that may affect the requirements process and the link into the proposed acquisition model.



### Answers To Questions Submitted By Readers

**Q:** I just received a memorandum from N810 requesting "Sponsorship" and staffing for a Mission Need Statement (MNS) generated by one of our Fleet Commanders. This is an effort that has very high interest in my warfare area, but WHAT do I do with this document? Why did it come to us?

**A:** Requirements documents are generated by OPNAV or by the fleet. The latter are submitted via their Chain of Command and are forwarded to the OPNAV staff (N83). Based on the subject and the scope of the effort, your Division may be asked to accept sponsorship of a MNS. Additionally, there exist some U.S. Marine Corps programs that are supported by Navy resources. These programs require Navy sponsorship and endorsement prior to final approval by the USMC. These programs are known as "Blue In Support Of Green" programs.

If you have been designated as the Requirements Officer (RO) for a program within your division, that means you are its advocate. One of the first steps to take is to contact the originator to ensure that the mission need is fully understood and that

it really falls under the cognizance of your division. By accepting sponsorship of any of the programs described above, your division becomes responsible for **all the document generation and staffing** (administrative sponsorship) **and for the financial support of the program** (fiscal sponsorship).

If your division accepts sponsorship, you must respond to N810 in writing stating the acceptance of fiscal sponsorship and the plans for staffing the document within OPNAV. It is then your responsibility to initiate staffing of the document to achieve validation and approval.


Note that a fleet generated MNS does NOT get visibility until you initiate the proper reviews. If you have any questions at this point you may call N810 and we will assist you in the processing of the follow-on documentation. Accuracy and completeness are key to a successful requirements document.



### TOP TEN ORD Police Questions

These are the top typical questions we may ask our callers concerning processing of requirements documents:

10. Which Milestone are you supporting?
9. When is your next Milestone Decision Meeting?
8. Where is the ORD?
7. What is the ACAT Level?
6. Where is your AOA scope of analysis?
5. Is your document format in compliance with the CJCSI 3170.01A?
4. Have your KPPs changed from the last validation?
3. How is the funding?
2. You call this a KPP???
1. What do you mean, "Can we get ORD revalidation in TWO WEEKS?"

Contact N810 with your questions, suggestions, or comments at:  (703) 614-7271 / 8 / 9

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 Visit our Web Page on the SIPRNET in the OPNAV SIPRNET: (<http://ww2.cno.navy.smil.mil>) by following the links to N81, Assessment Division, and then to N810, Requirements and Acquisition Branch

