



## DoD DIRECTIVE 5105.84

### DIRECTOR OF COST ASSESSMENT AND PROGRAM EVALUATION

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**Originating Component:** Office of the Chief Management Officer of the Department of Defense

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**Reissues and Cancels:** DoD Directive 5105.84, "Director of Cost Assessment and Program Evaluation (DCAPE)," May 11, 2012, as amended

**Approved by:** David L. Norquist, Deputy Secretary of Defense

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**Purpose:** This issuance updates the responsibilities and functions, relationships, and authorities of the Director of Cost Assessment and Program Evaluation (DCAPE), pursuant to the authority vested in the Secretary of Defense by Sections 113 and 139a of Title 10, United States Code (U.S.C.).

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## **SECTION 1: GENERAL ISSUANCE INFORMATION**

### **1.1. APPLICABILITY.**

a. This issuance applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff (CJCS) and the Joint Staff, the Combatant Commands (CCMDs), the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the DoD (referred to collectively in this issuance as the “DoD Components”).

b. Nothing in this issuance should be construed as preventing the Inspector General of the Department of Defense from fulfilling his or her duties, pursuant to the Inspector General Act of 1978, as amended, of the Title 5, U.S.C., Appendix.

## SECTION 2: RESPONSIBILITIES AND FUNCTIONS

The DCAPE is the Principal Staff Assistant (PSA) and advisor to the Secretary of Defense and other senior officials in the DoD, for independent cost assessment, program evaluation, and analysis. Specifically, the DCAPE has the following responsibilities and functions:

a. Provides acquisition support on matters relating to cost analysis and analysis of alternatives (AoA). Responsibilities in this area include:

(1) The DCAPE is the principal official for independent cost estimation and cost analysis, ensuring that the cost estimation and cost analysis processes of the DoD provide accurate information and realistic estimates of cost for the acquisition programs of the DoD. In fulfilling this responsibility, the DCAPE:

(a) Conducts or approves independent cost estimates, and cost analyses covering the life cycle of major defense acquisition programs (MDAPs), in support of milestone reviews, sustainment reviews (if requested by the Secretary of a Military Department or if directed by the DCAPE), congressional certifications, and budget requests.

(b) Prescribes policies and procedures for the conduct of cost estimation and cost analyses in the DoD.

(c) Reviews all cost estimates and cost analyses conducted in connection with MDAPs.

(d) Prescribes the policies, procedures, and guidance for the collection and distribution of data on actual costs.

(e) Establishes policies and procedures for the collection of cost data, the conduct of all cost estimates, and the analysis of solution approaches for the acquisition of defense business systems, in accordance with DoD Instruction (DoDI) 5000.75.

(f) Conducts independent cost assessments of defense acquisition programs that have experienced a critical Nunn-McCurdy cost breach, pursuant to Sections 2334 and 2433a of Title 10, U.S.C.

(g) Supports milestone decision authority certifications and determinations for MDAPs, prior to Milestones A and B that reasonable estimates have been developed for the program.

(h) Conducts cost analyses of defense acquisition programs before a multi-year procurement is authorized by law and after it has been authorized prior to contract execution.

(i) Issues guidance for the treatment of risk in support of preparation of cost estimates within the DoD.

(j) Periodically assesses and updates cost indexes, including the labor and material inflation indexes, used in the preparation of cost estimates in the DoD.

(k) Initiates or participates in any discussions relating to program costs deemed appropriate by the DCAPE, the Under Secretary of Defense for Research and Engineering, or the Under Secretary of Defense for Acquisition and Sustainment.

(l) Prepares or approves independent cost estimates, pursuant to Section 3097(b)(2) of Title 50, U.S.C., for joint DoD and intelligence community programs.

(2) The DCAPE is the principal authority to guide and assess AoA to support military acquisition decisions. The DCAPE ensures that AoA consider trade-offs among effectiveness, suitability, and life-cycle costs (or total ownership costs, if applicable) of alternatives that satisfy established capability needs among a comprehensive set of potential materiel solutions. In fulfilling this responsibility, the DCAPE:

(a) Develops AoA study guidance for MDAPs and approves AoA study plans for each MDAP.

(b) Evaluates the adequacy of each AoA. Upon completion of an AoA, the DCAPE will provide to the DoD Component head or PSA and to the milestone decision authority an assessment of the AoA, to include a determination on whether the analysis is consistent with the AoA guidance.

b. Provides resource planning, analysis, and advice on matters relating to the planning and programming phases of the Planning, Programming, Budgeting, and Execution (PPBE) process. Responsibilities include:

(1) Conducting analyses in support of the planning phase of the PPBE process. Additionally, as the principal analytic organization in OSD, the Office of the DCAPE will conduct other analyses.

(2) Preparing programmatic guidance for the Future Years Defense Program and preparing fiscal guidance, in coordination with the Under Secretary of Defense (Comptroller)/Chief Financial Officer, Department of Defense (USD(C)/CFO).

(3) Managing the program review phase of the PPBE process, and charged with overseeing the development of those issues, and preparing the programmatic decision documents to codify the decisions resulting from the program review phase for Secretary of Defense or Deputy Secretary of Defense approval.

(4) Co-chairing with the Office of the USD(C)/CFO the senior leader programmers' decision making forum, titled the Program and Budget Review Meeting, in accordance with the September 13, 2019 Deputy Secretary of Defense Memorandum.

(5) Providing direction and oversight, along with the Under Secretary of Defense for Policy and the CJCS, to the DoD analytic community, to include:

- (a) Identifying priorities for DoD-wide analysis.
- (b) Establishing standardized reference data, common analytic starting points, and metrics to support analysis.
- (c) Building and maintaining a repository to facilitate the management and distribution of analytic products and associated data, as well as the DoD Component studies and analyses supporting the development and implementation of defense strategy, planning and programming, and resourcing activities.
  - (6) Leading strategic portfolio reviews and associated team support for priority defense issues. Identifying and analyzing critical issues for leadership consideration.
  - (7) Advising and assessing DoD Components on analytic methods, data, and expertise to support warfighting, capability, and institutional studies.
  - (8) Co-chairing with the Assistant Secretary of Defense for Nuclear, Chemical, and Biological Defense Programs, the Nuclear Deterrent Senior Oversight Group, in accordance with the July 16, 2018 Deputy Secretary of Defense Memorandum.
- c. Provides analysis and advice for resource and capability discussions relating to requirements, including issues under consideration in the Joint Requirements Oversight Council. In addition, the DCAPE provides:
  - (1) Reviews, analyses, and evaluations of programs for executing approved strategies and policies, ensuring that information on programs is presented accurately and completely.
  - (2) Assessments of alternative plans, programs, and policies with respect to DoD acquisition programs. Assessments of the effect of DoD spending on the U.S. economy.
  - (3) Assessments of special access programs and compartmented intelligence programs, in coordination with the Under Secretary of Defense for Research and Engineering, the Under Secretary of Defense for Acquisition and Sustainment, the Under Secretary of Defense for Policy, and the Under Secretary of Defense for Intelligence and Security, in accordance with DoD Directive (DoDD) 5205.07.
  - (4) Assessments of plans to improve the quality and productivity of DoD business operations, along with the Chief Management Officer of the Department of Defense and the Secretaries of the Military Departments.
- d. Leads the development of improved analytical skills and competencies within the cost assessment and program evaluation workforce of the DoD, including improved tools, data, and methods to promote performance, economy, and efficiency in analyzing national security planning and the allocation of defense resources.
- e. Ensures that assigned policies and programs are designed and managed to improve standards of performance, ethics, economy, and efficiency.

f. Periodically assesses the DoD Executive Agent assignments, under the cognizance of the DCAPE, for continued need, currency, and effectiveness and efficiency in satisfying end-user requirements, in accordance with DoDD 5101.1.

g. Uses existing systems, facilities, and services of DoD and other federal departments and agencies, when possible, to avoid duplication and achieve maximum efficiency and economy.

h. Performs such other duties as the Secretary of Defense may prescribe.

## **SECTION 3: RELATIONSHIPS**

### **3.1. DCAPE.**

In performing his or her assigned responsibilities and functions:

- a. Reports directly to the Secretary of Defense.
- b. Exercises authority, direction, and control over such positions and organizations as may be established by the DCAPE, consistent with applicable law, using resources provided by the Secretary of Defense, to include:
  - (1) Principal Deputy Director of Cost Assessment and Program Evaluation.
  - (2) Deputy Director for Cost Assessment.
  - (3) Deputy Director for Program Evaluation.
- c. Coordinates and exchanges information with other OSD officials, the DoD Component heads, and federal, State, or local officials having collateral or related functions.

### **3.2. OSD PSAS AND DOD COMPONENT HEADS.**

The OSD PSAs and DoD Component heads:

- a. Ensure that the DCAPE has timely access to any records and data in the DoD (including the records and data of each Military Department, Defense Agency, and DoD Field Activity, including classified and proprietary information) that the DCAPE considers necessary to review in order to carry out any duties in this issuance, except where limited by law.
- b. Coordinate with the DCAPE on matters under their purview related to the authorities, responsibilities, and functions assigned to the DCAPE in this issuance.



## SECTION 4: AUTHORITIES

Pursuant to the authority vested in the Secretary of Defense, and subject to his or her authority, direction, and control, and in accordance with DoD policies and issuances, the DCAPE is hereby delegated authority to exercise, within assigned responsibilities and functions, all authority of the Secretary of Defense derived from statute, Executive order (E.O.), or interagency agreement, except where limited by statute or E.O. to the Secretary of Defense. The DCAPE is specifically delegated authority to:

a. Establish DoD policy, through DoDIs, Directive-type memorandums (DTMs), and rules published in the Federal Register (FR), within the authorities and responsibilities assigned in this issuance and in accordance with DoDI 5025.13 or Administrative Instruction 102.

(1) In those documents, assign responsibilities related to the authorities and responsibilities in this issuance to other OSD PSAs and the DoD Component heads. Assignment of responsibilities in DoD issuances or rules published in the FR to Military Department officials must be made through the Secretaries of those Departments. DoD issuances or rule published in the FR assigning responsibilities to the CCMDs must be coordinated with the CJCS.

(2) DoDIs and DTMs must be fully coordinated, in accordance with DoDI 5025.01. Rules published in the FR must be coordinated in accordance with impacted OSD and DoD Component heads and be consistent with Administrative Instruction 102.

(3) This authority may not be redelegated.

b. Approve other DoDIs, DoD manuals, and DTMs, in areas of assigned responsibilities and functions that implement policy already established by a DoDD, DoDI, DTM, or policy memorandum issued by the Secretary or Deputy Secretary.

(1) In these documents, assign responsibilities related to the authorities and responsibilities in this issuance to other OSD PSAs and the DoD Component heads. Assignment of responsibilities in these DoD issuances to Military Department officials must be made through the Secretaries of those Departments. DoD issuances assigning responsibilities to the CCMDs must be coordinated with the CJCS.

(2) Such documents must be fully coordinated, in accordance with DoDI 5025.01.

(3) This authority may only be redelegated to subordinate officials, as specified in DoDI 5025.01.

c. Approve FR publication of significant guidance documents as defined by E.O. 13891 and determined by the Office of Management and Budget. This authority may not be delegated.

d. Approve the FR publication of documents other than rules and significant guidance documents (e.g., notices, orders, and non-significant guidance documents as defined by E.O. 13891 and determined by the Office of Management and Budget) in accordance with Administrative Instruction 102. Unless otherwise restricted by law, this authority may be further

delegated only in writing to subordinate officials at or above the level of a general officer or flag officer, senior executive service member, or equivalent.

e. Communicate directly with the DoD Component heads, as necessary, to carry out assigned responsibilities and functions including transmitting requests for advice and assistance. Communications to the Military Departments must be transmitted through the Secretaries of the Military Departments or as otherwise provided in law or directed by the Secretary of Defense in other DoD issuances. Communications to the Combatant Commanders must be in accordance with DoDD 5100.01.

f. Communicate with other government officials, members of the public, and representatives of foreign governments, as appropriate, in carrying out assigned responsibilities and functions. Communications with representatives and members of the legislative branch must be conducted through the Office of the Assistant Secretary of Defense for Legislative Affairs, except for communications with the defense appropriations committees, which must be coordinated with the Office of the USD(C)/CFO.

g. Obtain reports and information, in accordance with DoDI 8910.01, as necessary, to carry out assigned responsibilities and functions.

h. Establish arrangements for DoD participation in non-DoD governmental programs for which the DCAPE is assigned primary DoD cognizance.

i. Enter into support agreements, as required, for the effective performance of responsibilities and functions assigned to the DCAPE, in accordance with DoDI 4000.19 and the February 13, 2020 Deputy Secretary of Defense Memorandum.

## GLOSSARY

### G.1. ACRONYMS.

<b>ACRONYM</b>	<b>MEANING</b>
AoA	analysis of alternatives
CCMD	Combatant Command
CJCS	Chairman of the Joint Chiefs of Staff
DCAPE	Director of Cost Assessment and Program Evaluation
DoDD	DoD directive
DoDI	DoD instruction
DTM	Directive-type memorandum
FR	Federal Register
E.O.	Executive order
MDAP	major defense acquisition program
PPBE	Planning, Programming, Budgeting, and Execution
PSA	Principal Staff Assistant
U.S.C.	United States Code
USD(C)/CFO	Under Secretary of Defense (Comptroller)/Chief Financial Officer, Department of Defense

## REFERENCES

- Administrative Instruction 102, “Office of the Secretary of Defense (OSD) Federal Register (FR) System,” November 6, 2006, as amended
- Deputy Secretary of Defense Memorandum, “Chartering the Nuclear Deterrent Enterprise Review Group,” July 16, 2018<sup>1</sup>
- Deputy Secretary of Defense Memorandum, “Changes to Decision Process and Forum for FY 2021-2025 Integrated Program/Budget Review,” September 13, 2019
- Deputy Secretary of Defense Memorandum, “Delegation of Authority for OSD Component Heads to Enter Into Support Agreements,” February 13, 2020
- DoD Directive 5100.01, “Functions of the Department of Defense and Its Major Components,” December 21, 2010
- DoD Directive 5101.01, “DoD Executive Agent,” September 2, 2002, as amended
- DoD Directive 5205.07, “Special Access Program (SAP) Policy,” July 1, 2010, as amended
- DoD Instruction 4000.19, “Support Agreements,” April 25, 2013, as amended
- DoD Instruction 5000.75, “Business Systems Requirements and Acquisition,” February 2, 2017, as amended
- DoD Instruction 5025.01, “DoD Issuances Program,” August 1, 2016, as amended
- DoD Instruction 5025.13, “DoD Plain Language Program,” January 23, 2020
- DoD Instruction 8910.01, “Information Collection and Reporting,” May 19, 2014, as amended
- United States Code, Title 5, Appendix
- United States Code, Title 10
- United States Code, Title 50, Section 3097(b)(2)

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<sup>1</sup> Available on the DoD Directives Division website at <https://www.esd.whs.mil/DD/>.