



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

JAN 09 2009

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Standardization of Work Breakdown Structures to Support Acquisition Program Management

Effective program management requires a comprehensive and consistent structure that addresses all programmatic needs. The work breakdown structure (WBS) provides this essential framework for communicating information about program requirements and program performance. The Department of Defense (DoD) needs standard data groupings to effectively plan and execute programs and assess progress in meeting stated objectives.

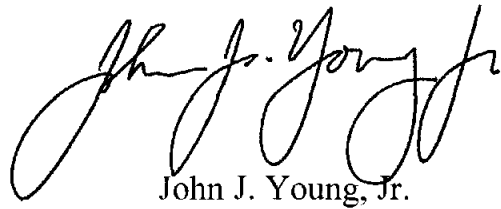
The WBS Handbook (MIL-HDBK-881A) prescribes a standard WBS for each major commodity and serves as the cornerstone for much of DoD's program management and contract data collection and analysis efforts. While the Handbook has proven to be useful in implementing the WBS, its effects have been somewhat limited because of its designation as guidance only. Consequently, many program offices have deviated from the standard work breakdown structures contained in the WBS Handbook in both their program and contract documents. This lack of standardization has resulted in several significant problems, such as: (1) poorly constructed work breakdown structures that impede effective program management practices; (2) contractors having to maintain two work breakdown structures; (3) difficulty in understanding and comparing contractor proposals; (4) inconsistent contract data requirements lists; (5) difficulty in reconciling data submissions; and (6) more time consuming, less accurate data collection and analysis. These problems often result in increased costs for both the government and contractor.

We are addressing these problems in two ways. First, we will convert the WBS Handbook to a Military Standard, thereby rendering its requirements mandatory. Second, we have begun the process of updating the work breakdown structures currently contained in the Handbook to reflect changes in the acquisition environment since the last release in 2005. This effort will involve all program management disciplines, including systems engineering, cost analysis, earned value management, business management, etc. The process will culminate in a new WBS Standard that is expected to be published some time next year.



In the interim, all contracts awarded after April 2005 that are subject to the earned value management (EVM) policy prescribed in USD(AT&L) memorandum, Revision to DoD Earned Value Management Policy, dated March 7, 2005, and subsequently included in DoD Instruction 5000.02, dated December 2, 2008, will continue to implement standard work breakdown structures as prescribed in the existing WBS Handbook. DoD EVM policy requires a common, product-oriented WBS that follows the Handbook.

My points of contact for this matter are Ms. Debbie Tomsic, ARA, at 703-695-0707 or deborah.tomsic@osd.mil and Dr. Ronald Lile, CAIG, at 703-601-4875 or ronald.lile@osd.mil.



John J. Young, Jr.

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