



# Department of Defense

## DIRECTIVE

NUMBER 5105.84

May 11, 2012

---

---

DA&M

SUBJECT: Director of Cost Assessment and Program Evaluation (DCAPE)

References: See Enclosure

1. PURPOSE. This Directive:

a. Assigns the responsibilities and functions, relationships, and authorities of the DCAPE, pursuant to sections 139a, 181, 2306b, 2334, 2366a, 2366b, 2433a, 2434, and 2445c of title 10, United States Code (Reference (a)) and Public Law 111-23 (Reference (b)).

b. Supersedes and cancels DoD Directive (DoDD) 5141.01 (Reference (c)) and DoDD 5000.04 (Reference (d)).

c. Authorizes the DCAPE, as a Principal Staff Assistant (PSA) reporting directly to the Secretary of Defense, to establish DoD policy in DoD issuances within the responsibilities, functions, and authorities assigned herein, in accordance with DoD Instruction (DoDI) 5025.01 (Reference (e)).

2. APPLICABILITY. This Directive applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, 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 (hereinafter referred to collectively as the "DoD Components").

3. RESPONSIBILITIES AND FUNCTIONS. The DCAPE is the principal advisor to the Secretary of Defense and other senior officials in the DoD for independent cost assessment, program evaluation, and analysis. Many of these responsibilities are codified in References (a) and (b). Specifically, the DCAPE has the following responsibilities and functions:

a. Acquisition Support. The DCAPE provides acquisition support on matters relating to cost analysis, Analysis of Alternatives (AoA), and analytic competency. Responsibilities include:

(1) Cost Analysis. 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 shall:

- (a) Conduct independent cost estimates and cost analyses.
- (b) Prescribe policies and procedures for the conduct of cost estimation and cost analyses in the DoD.
- (c) Review all cost estimates and cost analyses conducted in connection with Major Defense Acquisition Programs (MDAPs) and Major Automated Information System (MAIS) programs.
- (d) Conduct cost analyses of defense acquisition programs to be carried out using multiyear contract authority.
- (e) Issue guidance for the treatment of risk and confidence levels in support of preparation of cost estimates within the DoD.
- (f) Periodically assess and update cost indexes, including the labor and material inflation indexes used in the preparation of cost estimates in the DoD.
- (g) Initiate or participate in any discussions relating to program costs deemed appropriate by the DCAPE or the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)).
- (h) Prescribe policies and procedures for reporting and collection of actual information for MDAPs and MAIS programs.
- (i) Issue guidance relating to full consideration of life-cycle management and sustainability costs in MDAPs and MAIS programs.
- (j) Prepare or approve independent cost estimates, pursuant to section 415a-1(b)(2) of title 50, United States Code (Reference (f)), for joint DoD and intelligence community programs.

(2) AoA. The DCAPE is the principal authority to guide and assess AoAs to support military acquisition decisions. The DCAPE ensures that AoAs 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 shall:

- (a) Develop AoA study guidance for MDAPs and MAIS programs.

(b) Approve AoA study plans for each MDAP and MAIS program.

(c) Evaluate the adequacy of each AoA. Upon completion of an AoA, the DCAPE shall provide to the Head of the DoD Component 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.

(3) Analytic Competency. The DCAPE leads the development of improved analytical skills and competencies within the cost assessment and program evaluation workforce of the DoD, to include improved tools, data, and methods to promote performance, economy, and efficiency in analyzing national security planning and the allocation of defense resources.

b. Resource Planning. The DCAPE provides 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, as assigned.

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

(3) Managing the program review phase of the PPBE process, including serving as the Chair of the group charged with overseeing the development of those issues; and preparing the Resource Management Decision documenting the decisions resulting from the program review phase for Secretary or Deputy Secretary of Defense approval.

(4) Co-chairing, along with the Under Secretary of Defense for Policy and the Chairman of the Joint Chiefs of Staff, and serving as the Executive Secretary of the governance group that oversees Support to Strategic Analysis (SSA) activities. Further responsibilities include:

(a) Maintaining the currency of DoD issuances that implement DoDD 8260.05 (Reference (g)).

(b) Identifying and approving SSA baselines.

(c) Building and maintaining a repository to facilitate the management and distribution of SSA products and associated data, as well as DoD Component studies and analyses supporting the development and implementation of defense strategy, planning and programming, and resourcing activities.

c. Analysis and Advice. The DCAPE provides analysis and advice for resource and capability discussions relating to requirements 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.

(3) Assessments of the effect of DoD spending on the U.S. economy.

(4) Assessments of special access programs and compartmented intelligence programs, in coordination with the USD(AT&L) and the Under Secretary of Defense for Intelligence and in accordance with DoDD 5205.07 (Reference (h)).

d. Annual Report to Congress. The DCAPE shall prepare an annual report summarizing DoD cost estimation and cost analysis activities during the previous year and assessing DoD progress in improving the accuracy of its cost estimates and analyses. The report shall be prepared and transmitted, in accordance with the requirements in section 2334(f) of Reference (a).

e. Other Duties. The DCAPE shall perform other duties assigned by the Secretary or Deputy Secretary of Defense.

#### 4. RELATIONSHIPS

a. In the performance of assigned responsibilities and functions, the DCAPE:

(1) Shall report directly to the Secretary of Defense.

(2) Shall exercise authority, direction, and control over, delegating signature authority when allowable, to the:

(a) Principal Deputy Director of Cost Assessment and Program Evaluation.

(b) Deputy Director for Cost Assessment.

(c) Deputy Director for Program Evaluation.

(3) Shall serve on boards, committees, and other groups pertaining to the DCAPE's functional areas and represent the Secretary and Deputy Secretary of Defense on related matters outside the DoD.

(4) Shall coordinate and exchange information with other OSD officials, the Heads of the DoD Components, and heads of Federal agencies having collateral or related responsibilities and functions.

(5) Shall use existing systems, facilities, and services of the DoD or other Federal agencies, when possible, to avoid duplication and to achieve maximum efficiency and economy.

(6) May communicate views on matters within the responsibility of the DCAPE directly to the Secretary of Defense and the Deputy Secretary of Defense without obtaining the approval or concurrence of any other official within the Department.

b. The other OSD PSAs and the Heads of the DoD Components shall:

(1) 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 Directive, except where limited by law.

(2) Coordinate with the DCAPE on all matters under their purview related to the authorities, responsibilities, and functions assigned in this Directive.

5. AUTHORITIES. The DCAPE is hereby delegated authority to:

a. Establish, in DoDIs and one-time Directive-Type Memorandums (DTMs), DoD policy within the responsibilities, functions, and authorities assigned herein, including authority to identify collateral responsibilities of other OSD officials and the Heads of the DoD Components. This authority shall not be redelegated. Such DoD issuances shall be fully coordinated in accordance with Reference (e). Further, in areas of assigned responsibilities and functions, the DCAPE has authority to approve and sign other DoDIs, DoD Manuals, and one-time DTMs, in accordance with Reference (e), that implement policy approved by the Secretary or Deputy Secretary of Defense. Instructions to the Military Departments shall be issued through the Secretaries of the Military Departments. Instructions to the Commanders of the Combatant Commands normally shall be communicated through the Chairman of the Joint Chiefs of Staff.

b. Obtain reports and information, in accordance with DoDI 8910.01 (Reference (i)), as necessary to carry out assigned responsibilities and functions.

c. Communicate directly with the Heads of the DoD Components, as necessary, to carry out assigned responsibilities and functions, including the transmission of requests for advice and assistance. Communications to the Military Departments shall be transmitted through the Secretaries of the Military Departments, their designees, or as otherwise provided in law or directed by the Secretary of Defense in other DoD issuances. Communications to the Commanders of the Combatant Commands normally shall be transmitted through, and coordinated with, the Chairman of the Joint Chiefs of Staff.

d. Communicate with other Government officials, representatives of the Legislative Branch, members of the public, and representatives of foreign governments, as appropriate, in carrying out assigned responsibilities and functions. Communications with representatives of the Legislative Branch shall be coordinated with the Assistant Secretary of Defense for Legislative

Affairs and the USD(C)/CFO, as appropriate, and be consistent with the DoD Legislative Program.

6. INFORMATION COLLECTION REQUIREMENT. The DCAPE Annual Report to Congress referred to in paragraph 3.d. of this Directive is submitted to Congress, in accordance with section 2334(f) of Reference (a), and is coordinated with the Office of the Assistant Secretary of Defense for Legislative Affairs, in accordance with the procedures in DoDI 5545.02 (Reference (j)).

7. RELEASABILITY. UNLIMITED. This Directive is approved for public release and is available on the Internet from the DoD Issuances Website at <http://www.dtic.mil/whs/directives>.

8. EFFECTIVE DATE

a. This Directive is effective May 11, 2012.

b. This Directive must be reissued, cancelled, or certified current within 5 years of its publication in accordance with Reference (e). If not, this Directive will expire effective May 11, 2022 and be removed from the DoD Issuances Website.



Ashton B. Carter  
Deputy Secretary of Defense

Enclosure  
References  
Glossary

ENCLOSURE

REFERENCES

- (a) Sections 139a, 181, 2306b, 2334, 2366a, 2366b, 2433a, 2434, and 2445c of title 10, United States Code
- (b) Public Law 111-23, "Weapon Systems Acquisition Reform Act of 2009," May 22, 2009
- (c) DoD Directive 5141.01, "Director, Program Analysis and Evaluation (PA&E)," March 16, 2006 (hereby cancelled)
- (d) DoD Directive 5000.04, "Cost Analysis Improvement Group (CAIG)," August 16, 2006 (hereby cancelled)
- (e) DoD Instruction 5025.01, "DoD Directives Program," October 28, 2007
- (f) Section 415a-1 of title 50, United States Code
- (g) DoD Directive 8260.05, "Support for Strategic Analysis (SSA)," July 7, 2011
- (h) DoD Directive 5205.07, "Special Access Program (SAP) Policy," July 1, 2010
- (i) DoD Instruction 8910.01, "Information Collection and Reporting," March 6, 2007
- (j) DoD Instruction 5545.02, "DoD Policy for Congressional Authorization and Appropriations Reporting Requirements," December 19, 2008

GLOSSARY

ABBREVIATIONS AND ACRONYMS

AoA	Analysis of Alternatives
DCAPE	Director of Cost Assessment and Program Evaluation
DoDD	DoD Directive
DoDI	DoD Instruction
DTM	Directive-Type Memorandum
MAIS	Major Automated Information System
MDAP	Major Defense Acquisition Program
PPBE	Planning, Programming, Budgeting, and Execution
PSA	Principal Staff Assistant
SSA	Support to Strategic Analysis
USD(AT&L)	Under Secretary of Defense for Acquisition, Technology, and Logistics
USD(C)/CFO	Under Secretary of Defense (Comptroller)/Chief Financial Officer, Department of Defense