OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
HEALTH AFFAIRS
SKYLINE FIVE, SUITE 810, 5111 LEESBURG PIKE
FALLS CHURCH, VIRGINIA 22041-3206

TRICARE
MANAGEMENT
ACTIVITY

AUG 3 1 2010

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Management Authority for Military Health System Automated Information System Acquisitions

References: (a) Department of Defense (DoD) Instruction 5000.02, "Operation of the Defense Acquisition System," December 8, 2008
(b) Department of Defense (DoD) Directive 5000.01, "The Defense Acquisition System," May 12, 2003
(c) Chairman of the Joint Chiefs of Staff Instruction 3170.01G, "Joint Capabilities Integration and Development System, 1 March 2009

The purpose of this memorandum is to establish on oversight and management structure policy for acquisitions within the Military Health System (MHS). This policy applies to all MHS automated information systems (AISs) funded with the Defense Health Program Appropriation. AIS is defined in Enclosure 3, Table 1 of reference (a).

In accordance with references (a), (b), and (c), attachment 1 defines the acquisition category (ACAT) and the corresponding Milestone Decision Authority (MDA) as it relates to MHS acquisition programs. An acquisition program is a directed, funded effort that provides a new, improved, or continuing materiel, weapon or information system, or service capability in response to an approved need. An ACAT designation shall only be assigned after approval of the appropriate capabilities documentation establishing the need for a new acquisition program. This is typically done after completing the Joint Capabilities Integration and Development System (JCIDS) process resulting in an approved Initial Capabilities Document by the Joint Requirements Oversight Council. ACAT designations shall generally be determined based upon an assessment of acquisition cost, complexity, and risk. Potential ACAT programs shall not be artificially divided into separate entities for the purpose of qualifying as a lower ACAT level. The TRICARE Management Activity (TMA) Component Acquisition Executive (CAE) shall resolve any question of program or potential program classification below the ACAT IA level and shall maintain a list of all MHS ACAT programs. This list shall be the authoritative source of MHS ACAT programs. TMA CAE is the approval authority for MHS acquisition program names and acronyms.

TMA CAE shall be notified when an increase in approved acquisition program cost or a change in acquisition strategy results in reclassifying a formerly lower ACAT program to a higher ACAT level. ACAT level changes shall be reported as soon as the program is anticipated to be within 10 percent of the next ACAT level. ACAT level reclassification to ACAT IA shall occur upon designation by the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)). ACAT level reclassification to ACAT III shall occur upon designation by TMA CAE. Program Executive Officer (PEO) or Direct Reporting Program Manager (DRPM) requests for reclassification of an ACAT IA or III program to a lower ACAT level shall identify the reasons for the reduction in ACAT level. The ACAT level reduction shall become effective upon approval of the request by USD(AT&L) or TMA CAE.

To ensure clear lines of responsibility and reporting, each MHS acquisition program will have only one designated MDA: USD(AT&L), Assistant Secretary of Defense (Networks and Information Integration), or TMA CAE. TMA CAE shall be the MDA for all MHS ACAT IAC programs; this cannot be further delegated. Unless delegated in writing by TMA CAE, MDA for MHS ACAT III and below programs shall be TMA CAE. MDA delegation for MHS ACAT III and below programs shall be a flag or general officer or member of the Senior Executive Service. MDA delegation shall not be reassigned or redelegated. All MDA delegation requests for MHS ACAT III programs and below shall be submitted to TMA CAE.

All MHS acquisition programs, regardless of ACAT, shall be managed by a Program Manager (PM) who shall be accountable to the MDA for credible cost, schedule, and performance reporting. The PM title shall only be used for those designated individuals with responsibility for and authority to accomplish program objectives for development, production, and sustainment to meet the validated user's operational needs consistent with the relevant capability development process (e.g., JCIDS). Upon designation by TMA CAE, a PM will be given budget guidance and a written charter that delineates authority, responsibility, and accountability for accomplishing approved acquisition program objectives. PM designation will be made no later than program initiation; usually this is Milestone B. A PM will report directly to either a PEO or TMA CAE. A PM reporting directly to TMA CAE shall be referred to as a DRPM. In no case, shall there be more than two levels of review between a PM and MDA as depicted in attachment 2.

The minimum Defense Acquisition Workforce Improvement Act (DAWIA) certification level for ACAT IA and III programs is Program Management – Level III. DAWIA certification level for ACAT IV programs is Program Management – Level II.

TMA CAE shall assign acquisition program responsibilities to a PEO for any MHS acquisition program that is determined by TMA CAE to require dedicated executive management. TMA CAE shall designate all PEOs through a written charter

that delineates authority, responsibility, and accountability for assigned program objectives. A PEO shall report directly to TMA CAE. A PEO shall be dedicated to executive management and shall have no other Component responsibilities unless waived by USD(AT&L). The minimum DAWIA certification level for a PEO is Program Management – Level III.

TMA CAE reviews and accepts transfer of acquisition program responsibility from sources external to TMA. TMA CAE reviews and approves the transfer of management responsibility for acquisition programs between PEOs and PMs. TMA CAE reviews and approves the merger of Program Management Offices (PMOs) for acquisition programs between PEOs and PMs. Termination of a PMO or a program occurs after program management responsibility for all assigned programs has been satisfactorily completed or when directed by USD(AT&L), ASD(NII), or TMA CAE. The PM is responsible for preparing the termination plan. TMA CAE approval is mandatory to terminate an acquisition program.

A TMA Acquisition Review Board (ARB) is being instituted as the venue to conduct reviews for ACAT programs at major milestone and decision points and to review certain Acquisition of Services categories. Decisions resulting from the review will be documented in an Acquisition Decision Memorandum. In compliance with reference (a), the AMB shall meet at least annually as the Configuration Steering Board to review all requirements changes and any significant technical configuration changes for all MHS ACAT IA and III programs in development that have the potential to result in cost and schedule impacts to the program.

This policy is effective immediately. It takes precedence over and cancels any existing Assistant Secretary of Defense (Health Affairs) or TMA issuances conflicting with this policy.

Should you require additional information, please contact Mr. Robert Bolluyt at (703) 681-1116 or robert.bolluyt@tma.osd.mil.

Michael P. Fischetti
Component Acquisition Executive

Attachments:
As stated

DISTRIBUTION:

SURGEON GENERAL OF THE ARMY
SURGEON GENERAL OF THE NAVY
SURGEON GENERAL OF THE AIR FORCE
OFFICE OF THE GENERAL COUNSEL
DEPUTY DIRECTOR
PRESIDENT, UNIFORMED SERVICES UNIVERSITY OF THE HEALTH
  SCIENCES
CHIEF INFORMATION OFFICER
CHIEF FINANCIAL OFFICER
CHIEF MEDICAL OFFICER
CHIEF FORCE HEALTH PROTECTION AND READINESS PROGRAMS
CHIEF PHARMACEUTICAL OPERATIONS
DIRECTOR, DEFENSE CENTER OF EXCELLENCE
DIRECTOR, BUSINESS OPERATIONS
DIRECTOR, PROGRAM AND OPERATIONS DIRECTORATE
DIRECTOR, TRICARE REGIONAL OFFICE-NORTH
DIRECTOR, TRICARE REGIONAL OFFICE-SOUTH
DIRECTOR, TRICARE REGIONAL OFFICE-WEST
DIRECTOR, TRICARE AREA OFFICE-LATIN AMERICA AND CANADA
DIRECTOR, TRICARE AREA OFFICE-PACIFIC
DIRECTOR, TRICARE AREA OFFICE-EUROPE
PROGRAM EXECUTIVE OFFICER, JOINT MEDICAL INFORMATION SYSTEMS
PROGRAM MANAGER, DEFENSE HEALTH INFORMATION MANAGEMENT
  SYSTEM
PROGRAM MANAGER, DEFENSE HEALTH SERVICES SYSTEMS
PROGRAM MANAGER, TRI-SERVICE INFRASTRUCTURE MANAGEMENT
  PROGRAM OFFICE
DIRECTOR, ACQUISITION PROGRAM SUPPORT
DIRECTOR, COMPUTER/ELECTRONIC ACCOMMODATIONS PROGRAM
DIRECTOR, EXTERNAL RELATIONSHIPS MANAGEMENT
DIRECTOR, INFORMATION ASSURANCE
DIRECTOR, NETWORK OPERATIONS
DIRECTOR, PERFORMANCE IMPROVEMENT
DIRECTOR, PORTFOLIO MANAGEMENT
DIRECTOR, SYSTEMS INTEGRATION
DIRECTOR, TEST AND IV&V

Description and Decision Authority for ACAT I-IV Programs

ACAT	CRITERIA FOR ACAT DESIGNATION	MILESTONE DECISION AUTHORITY (MDA)

IA[1]	• Major Automated Information System (MAIS)[2]—A DoD acquisition program for an automated information system (AIS)[3]—either as a product or a service—that is either:
	  o Designated by the MDA as a MAIS or
	  o Estimated to exceed:
	    ▪ $32 million in FY00 constant dollars for all expenditures, for all increments, regardless of the appropriation or fund source, directly related to the AIS definition, design, development, and deployment, and incurred in any single fiscal year; or
	    ▪ $126 million in FY00 constant dollars for all expenditures, for all increments, regardless of the appropriation or fund source, directly related to the AIS definition, design, development, and deployment, and incurred from the beginning of the Material Solution Analysis Phase through deployment at all sites; or
	    ▪ $378 million in FY00 constant dollars for all expenditures, for all increments, regardless of the appropriation or fund source, directly related to the AIS definition, design, development, deployment, operations and maintenance, and incurred from the beginning of the Material Solution Analysis Phase through sustainment for the estimated useful life of the system
	OR
	• MDA designation as special interest
		ACAT IAM: USD(AT&L) or, if delegated, Deputy Chief Management Officer or Assistant Secretary of Defense (Networks and Information Integration) (ASD(NII))
		
		ACAT IAC: Head of DoD Component or, if delegated, the CAE (not further delegable)

III	• Does not meet the criteria for ACAT IA or above
	AND
	• A DoD acquisition program for an AIS—either as a product or a service—that is either:
	  o Designated by the MDA as an ACAT III or
	  o Estimated to equal between:
	    ▪ $5 million and ≤ $32 million in FY00 constant dollars for all expenditures, for all increments, regardless of appropriation or fund source, directly related to the AIS definition, design, development, and deployment, and incurred in any single fiscal year; or
	    ▪ $15 million and ≤ $126 million in FY00 constant dollars for all expenditures, for all increments, regardless of the appropriation or fund source, directly related to the AIS definition, design, development, and deployment, and incurred from the beginning of the Material Solution Analysis Phase through deployment at all sites; or
	    ▪ $45 million and ≤ $378 million in FY00 constant dollars for all expenditures, for all increments, regardless of the appropriation or fund source, directly related to the AIS definition, design, development, deployment, operations and maintenance, and incurred from the beginning of the Material Solution Analysis Phase through sustainment for the estimated useful life of the system
	OR
	• MDA designation as special interest
		CAE or, if delegated, an SES or Flag/General Officer (not further delegable)

Description and Decision Authority for ACAT I-IV Programs

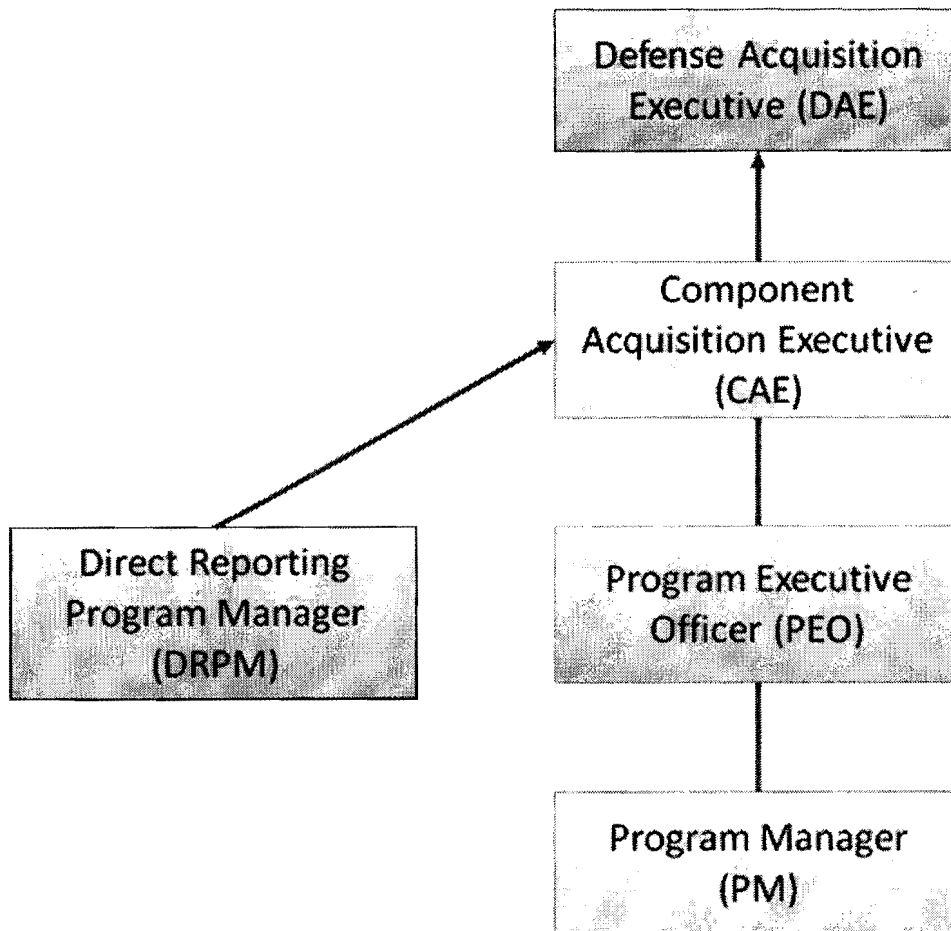| ACAT	CRITERIA FOR ACAT DESIGNATION	MILESTONE DECISION AUTHORITY (MDA)

IV	• Does not meet the criteria for ACAT III or above
	
	AND
	
	• A DoD acquisition program for an AIS—either as a product or a service—that is either:
	  o Designated by the MDA as an ACAT IV or
	  o Estimated to equal between:
	    ▪ $1 million and < $5 million in FY00 constant dollars for all expenditures, for all increments, regardless of appropriation or fund source, directly related to the AIS definition, design, development, and deployment, and incurred in any single fiscal year; or
	    ▪ $1 million and < $15 million in FY00 constant dollars for all expenditures, for all increments, regardless of the appropriation or fund source, directly related to the AIS definition, design, development, and deployment, and incurred from the approval of Milestone B through deployment at all sites; or
	    ▪ $1 million and < $45 million in FY00 constant dollars for all expenditures, for all increments, regardless of the appropriation or fund source, directly related to the AIS definition, design, development, deployment, operations and maintenance, and incurred from the beginning of the Material Solution Analysis Phase through sustainment for the estimated useful life of the system
	
	OR
	
	    ▪ MDA designation as special interest
		Designated by the CAE

Notes:

[1] The MDA (either the USD(AT&L)), or, if delegated, the ASD(NII)/DoD CIO or other designee) shall designate MAIS programs as either ACAT IAM or ACAT IAC.

[2] Chapter 144A, Title 10 USC.

[3] AIS is defined as a system of computer hardware, computer software, data or telecommunications that performs functions such as collecting, processing, storing, transmitting, and displaying information. Excluded are computer resources, both hardware and software, that are: (a) an integral part of a weapon or weapon system; (b) used for highly sensitive classified programs (as determined by the Secretary of Defense); (c) used for other highly sensitive information technology programs (as determined by the ASD(NII)/DoD CIO); or (d) determined by the USD(AT&L) or designee to be better overseen as a non-AIS program (e.g., a program with a low ratio of RDT&E funding to total program acquisition costs or that requires significant hardware development).

TMA Acquisition Authority Chain

Defense Acquisition Executive (DAE)	**UNDER SECRETARY OF DEFENSE FOR ACQUISITION, TECHNOLOGY, AND LOGISTICS (USD(AT&L))—MDA FOR ACAT IAM (UNLESS DELEGATED TO ASSISTANT SECRETARY OF DEFENSE (NETWORKS AND INFORMATION INTEGRATION (ASD(NII))**
Component Acquisition Executive (CAE)	**DIRECTOR, ACQUISITION MANAGEMENT AND SUPPORT (AM&S)—MDA FOR ACAT IAC & BELOW**
Direct Reporting Program Manager (DRPM) / **Program Executive Officer (PEO)**	• **JOINT MEDICAL INFORMATION SYSTEMS (JMIS)** • **OTHERS - TBD**
Program Manager (PM)	