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**Exhibit R-2, RDT&E Budget Item Justification:** PB 2015 Office of Secretary Of Defense **Date:** March 2014

<b>Appropriation/Budget Activity</b>					<b>R-1 Program Element (Number/Name)</b>							
0400: Research, Development, Test & Evaluation, Defense-Wide / BA 5: System Development & Demonstration (SDD)					PE 0605075D8Z / DCMO Policy and Integration							
<b>COST (\$ in Millions)</b>	<b>Prior Years</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015 Base</b>	<b>FY 2015 OCO #</b>	<b>FY 2015 Total</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>Cost To Complete</b>	<b>Total Cost</b>
Total Program Element	27.594	22.429	19.969	19.351	-	19.351	16.227	16.499	16.258	16.158	Continuing	Continuing
075: DCMO Policy and Integration	27.594	22.429	19.969	19.351	-	19.351	16.227	16.499	16.258	16.158	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

# The FY 2015 OCO Request will be submitted at a later date.

**A. Mission Description and Budget Item Justification**

The Deputy Chief Management Officer (DCMO), a position created by the National Defense Authorization Act for 2008, is the Principal Staff Assistant (PSA) and advisor to the Secretary and Deputy Secretary of Defense for matters relating to management and improvement of integrated DoD business operations. The Office of the DCMO (ODCMO) was created to integrate business processes and over 2,400 business systems costing approximately \$7B / year to acquire, modernize and operate. Following FY 2012 disestablishment of the Business Transformation Agency (BTA), the ODCMO conducts research and development of the Business Enterprise Architecture (BEA), develops or acquires tools, and pilots activities for technology, policies and processes for the Department's Business Mission Area (BMA). The BEA, along with data standards development and war fighter support, provides the foundation for several Departmental priorities to include Financial Auditability and directed efficiencies.

<b>B. Program Change Summary (\$ in Millions)</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015 Base</b>	<b>FY 2015 OCO</b>	<b>FY 2015 Total</b>
Previous President's Budget	25.269	22.297	25.135	-	25.135
Current President's Budget	22.429	19.969	19.351	-	19.351
Total Adjustments	-2.840	-2.328	-5.784	-	-5.784
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-2.124	-2.200			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-0.716	-			
• Efficiencies savings	-	-	-5.784	-	-5.784
• FFRDC	-	-0.128	-	-	-

**Change Summary Explanation**

In FY 2013 -\$2.124M reductions were due to statutory Sequestration.

In FY2013 -\$0.716M reduction due to SBIR/STTR.

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Congressional Mark -2.200 and FFRDC -.128 Note: FY 2015 Efficiencies savings of -\$5.784M				
<b>C. Accomplishments/Planned Programs (\$ in Millions)</b>		<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Title:</b> DCMO Policy and Integration  <b>FY 2013 Accomplishments:</b> Developed and employed Integrated Business Enterprise Architecture (BEA) <ul style="list-style-type: none"> <li>Continued evolution of the BEA to meet the 2012 NDAA direction to effectively guide, constrain and permit implementation of interoperable defense business system solutions.</li> <li>Evaluated adherence to the Defense Business Systems Investment Management Process and oversee the development of the BEA, as well as the development and testing of tools and methods to build, analyze and execute the BEA throughout the Business Mission Area.</li> </ul> End to End (E2E Process) <ul style="list-style-type: none"> <li>Completed mapping Procure-to-Pay (P2P) process mapping; continue Hire-to-Retire (H2R) process mapping; began mapping Budget-to-Report (B2R) as directed by the Defense Business Systems Management Committee (DBSMC).</li> <li>Provided evaluation and test of tools to support management of core business mission process and data teams to the BEA build team in the construction of End to End processes.</li> <li>Deployed and baseline the latest version of the BEA.</li> </ul> Enterprise Information Webs (EIWs) <ul style="list-style-type: none"> <li>Utilized the Initial Operational Capabilities (IOC) of Human Resources (HR) EIW capability to serve as the basis for future EIW releases and transformed it into a Business Intelligence capability using commercially available software. In future years this will be as known Business Intelligence.</li> <li>Via the BEA, continued to manage Enterprise Data standards to include existing standards and emerging standards such as the Procurement Data Standard (PDS), the Standard Line of Accounting (SLOA), etc.</li> </ul> Tools Development <ul style="list-style-type: none"> <li>Established a robust program for “Equipping the Workforce” to enable the implementation of BEA methods and processes across the Department. This includes the training, tools and services to ensure success.</li> <li>Developed and deployed services and support for automated BEA and architecture compliance using federation technologies for enabling compliance.</li> <li>Expanded the role of the BEA to validate and apply viable semantic capabilities to serve the ODCMO and DoD Enterprise and Federal reporting requirements.</li> </ul>		22.429	19.969	19.351

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<b>C. Accomplishments/Planned Programs (\$ in Millions)</b>		<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<ul style="list-style-type: none"> <li>Developed, coordinated and promulgated policies in support of DoD business operations which will uniformly ensure efficiency and consistency.</li> <li>Used the BEA to guide and constrain investment in Information Technology (IT) business systems, to maintain fidelity of existing systems, and to develop new capabilities that translate these results to an executable Enterprise Transition Plan (ETP).</li> <li>Coordinated coupling between BEA and ETP business systems' development and deployment milestones.</li> <li>Provided resources and tools to update milestones, measure guidance, related templates and workbooks to be included in the ETP and reports to Congress.</li> <li>Developed and deployed tools to further the support of DCMO and Business Mission Systems oversight and minor pilot capabilities.</li> </ul> <p>BEA Standards</p> <ul style="list-style-type: none"> <li>Enabled innovation through utilization of technology to support more and better business operations for the Department. Innovations will support the full spectrum of operations to include people, processes and technology.</li> <li>Served as the technology strategic thought leadership for the DCMO. These efforts include the articulation of business strategy, metrics and outreach to business stakeholders, civilian and commercial thought leaders.</li> </ul> <ul style="list-style-type: none"> <li>Collaborated with DoD Chief Information Officer (CIO) for DoD Architecture Framework (DoDAF) implementation methods and standards, IT consolidation and required DoD IT infrastructure to support business operations.</li> <li>Provided input to analyze progress against business system milestones and document analysis in the Congressional Report on Defense Business Operations.</li> <li>Encouraged the evolution of architecture and data standards in support of DoD requirements and processes for engagement with international Standards bodies such as World Wide Web Consortium (W3C) and Object Management Group (OMG).</li> <li>Enabled deployment of Enterprise Resource Planning (ERP) tools consistent with evolving BEA direction and guidance.</li> <li>Assessed and respond to DoD Component CIO Evaluation Scorecard.</li> <li>Provided input to support Acquisition Oversight requirements of Major Automated Information Systems (MAIS).</li> <li>Collaborated with the Federal Chief Technology Officer (CTO) and Federal CIO in support of Federal Reporting and Performance Initiatives.</li> <li>Supported IT Business Acquisition Oversight by providing technical standards and real time support to Investment Review Boards (IRBs).</li> </ul> <p>Acquisition Accountability Office for Afghanistan (AAOA)</p> <ul style="list-style-type: none"> <li>Focus areas for AAOA and Adaptive Logistics Network (ALN) was a continuation of identifying business process gaps and supporting the institutionalization of process improvements. Key activities included oversight in capturing lessons learned and</li> </ul>				

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<b>C. Accomplishments/Planned Programs (\$ in Millions)</b> supporting Joint Staff, Services and OSD offices in developing new processes, policies and other pertinent Doctrine, Organization, Training, Materiel, Leadership, Personnel and Facilities (DOTMLPF) issues.  <b>FY 2014 Plans:</b> BEA Compliance, Standards, and DCMO Tools Implementations <ul style="list-style-type: none"> <li>• Design, develop and deploy a restructured BEA application and information resource capability that provides more efficient and effective execution of DCMO Section 2222 of Title 10, U.S.C. responsibilities for the Defense BEA.</li> <li>• Enable innovation through utilization of technology to support more and better alignment of business operations for the Department. Innovations will support the strategic E2E BEA view of operations to include resources, processes and technologies.</li> <li>• Further develop and implement the technology strategy to improve the articulation of business strategy, requirements and performance metrics and strengthen outreach to DoD and Federal business stakeholders, decision makers and civilian and commercial business leaders.</li> <li>• Collaborate with DoD CIO regarding interoperability and data requirements and Joint Information Environment (JIE) alignment, implementation and compliance methods and information sharing standards for the BMA.</li> <li>• Provide input to analyze progress against business system milestones and document analysis in the Congressional Report on Defense Business Operations.</li> <li>• Encourage the evolution of architecture and data standards in support of DoD requirements and processes for implementing open standards and enterprise level applications.</li> <li>• Enable deployment of ERP tools consistent with evolving BEA direction and guidance.</li> <li>• Provide input to support Acquisition Oversight requirements of MAIS.</li> <li>• Collaborate with the Federal CTO and Federal CIO in support of Federal Reporting and Performance Initiatives.</li> <li>• Support IT Business Acquisition Oversight by providing technical standards and real time BEA compliance reporting and analytical support to IRBs.</li> <li>• Design, develop and deploy tools for management of business system problem statements, support to Combatant Commanders (COCOMS) in support of their business systems, pilots to support process and policy change in the business mission area and oversight tools for DCMO.</li> </ul> <b>FY 2015 Plans:</b> BEA Compliance, Standards, and DCMO Tools Implementations <ul style="list-style-type: none"> <li>• Continue with design and deploy a restructured BEA application and information resource capability that provides more efficient and effective execution of DCMO Title 10 Section 2222 responsibilities for Defense Business Enterprise Architecture.</li> <li>• Continue with innovative utilization of technology to support more and better alignment of business operations for the Department. Innovations will support the strategic E2E BEA view of operations to include resources, processes and technologies.</li> </ul>		<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>

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<b>C. Accomplishments/Planned Programs (\$ in Millions)</b>		<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<ul style="list-style-type: none"> <li>• Further develop and implement the technology strategy to improve articulation of business strategy, requirements and performance metrics, strengthening outreach DoD and Federal business stakeholders, decision makers and civilian and commercial business leaders.</li> <li>• Collaborate with DoD CIO regarding interoperability and data requirements and JIE alignment, implementation and compliance methods and information sharing standards for the BMA.</li> <li>• Provide input to analyze progress against business system milestones and document analysis in the Congressional Report on Defense Business Operations, continue development and enhancement of tools necessary for oversight of the BMA.</li> <li>• Encourage the evolution of architecture and data standards in support of DoD requirements and processes for implementing open standards and enterprise level applications.</li> <li>• Enable deployment of ERP tools consistent with evolving BEA direction and guidance.</li> <li>• Provide input to support Acquisition Oversight requirements of MAIS and complete tool development for DCMO's role in acquisition oversight.</li> <li>• Collaborate with the CTO and Federal CIO in support of Federal Reporting and Performance Initiatives.</li> <li>• Support IT Business Acquisition Oversight by providing technical standards and real time BEA compliance reporting and analytical support to IRBs.</li> <li>• Design, develop and deploy tools for the evolving and changing emphasis in oversight of the BMA with continued emphasis on support to policy and process change and technology insertion. Continue to operate and deploy pilot activities and tools in the BMA.</li> </ul>				
<b>Accomplishments/Planned Programs Subtotals</b>		22.429	19.969	19.351
<b>D. Other Program Funding Summary (\$ in Millions)</b> N/A <b>Remarks</b>  <b>E. Acquisition Strategy</b> N/A  <b>F. Performance Metrics</b> Section 2222 of Title 10, USC required that a single Business Mission Area (BMA) Investment Review Board (IRB) be established. As part of the stand-up of this single IRB, Principal Staff Assistant (PSA) are charged with developing Functional Strategies, which specify required business outcomes for the department. These business outcomes are then incorporated into the department's Business Enterprise Architecture (BEA), under the oversight and direction of the Defense Business Council. This metric measures the incorporation of the PSA identified business outcomes into the BEA. FY 2013 Goal: 70% of PSA Functional Strategy based business outcomes				

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incorporated into the BEA. FY 2014 Goal: 80% of PSA Functional Strategy based business outcomes incorporated into the BEA. FY2015 Goal: 90% of PSA Functional Strategy based business outcomes incorporated into the BEA.		