



DEPARTMENT OF THE NAVY

NAVAL SEA SYSTEMS COMMAND
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IN REPLY REFER TO
NAVSEAINST 5000.3E
Ser 91Y/011
18 Mar 98

NAVSEA INSTRUCTION 5000.3E

From: Commander, Naval Sea Systems Command

Subj: ACQUISITION PROGRAM REVIEW AND REPORTING

Ref: (a) DoD Directive 5000.1, "Defense Acquisition"
(b) DoD Regulation 5000.2-R, "Mandatory Procedures for Major Defense Acquisition Programs (MDAPs) and Major Automated Information System (MAIS) Acquisition Programs"
(c) SECNAVINST 5000.2B, "Implementation of Mandatory Procedures for Major and Non-Major Defense Acquisition Programs and Major and Non-Major Information Technology Acquisition Programs"
(d) SECNAVINST 5420.188E, "Acquisition Category (ACAT) Program Decision Process"

Encl: (1) NAVSEA Acquisition Review Board (ARB) Procedures
(2) Defense Acquisition Executive Summary (DAES) Procedures
(3) Acquisition Program Status Report (APSR) Procedures
(4) Selected Acquisition Report (SAR) Procedures

1. Purpose. This instruction assigns functions and defines procedures for acquisition program review and reporting in NAVSEA for both weapon systems and Information Technology (IT) programs. This instruction addresses Acquisition Category (ACAT), Abbreviated Acquisition, and Non-Acquisition Programs. This instruction is a major revision and should be read in its entirety.

2. Cancellation. NAVSEAINST 5000.3D of 14 June 1994.

3. Exception. This instruction does not apply to Naval nuclear propulsion matters under the cognizance of SEA 08.

4. Background. This instruction updates NAVSEA acquisition procedures in accordance with references (a) through (d). References (a) and (b) set forth Department of Defense (DoD) acquisition management policies, procedures, documentation, and reporting requirements. Reference (c) implements references (a) and (b) within the Department of the Navy (DoN).

The "Abbreviated Acquisition Program" is a new type of program defined in reference (c) as a relatively small DoN

18 Mar 98

acquisition or modification. Previously, these small programs were not formally included in the acquisition process.

"Non-Acquisition Programs" are defined in reference (c) as efforts that do not directly result in the acquisition of a system, subsystem or equipment for operational use. Non-Acquisition Programs are usually science and technology, research and development programs.

5. Responsibilities

a. COMNAVSEA. COMNAVSEA will chair the Acquisition Review Board (ARB) for NAVSEA ACAT I, II, and III program reviews (except as specified in paragraph 5.c below), and endorse and comment on ARB reports for NAVSEA ACAT IV programs in accordance with enclosure (1); serve as the Milestone Decision Authority (MDA) for ACAT III programs in accordance with reference (c); provide an assessment of the NAVSEA Defense Acquisition Executive Summary (DAES) programs in accordance with enclosure (2); and receive Acquisition Program Status Reports (APSR) for NAVSEA acquisition programs in accordance with enclosure (3).

b. Deputy Commanders (DEPCOM). The cognizant DEPCOM is delegated the MDA for ACAT IV programs and the program decision authority for Abbreviated Acquisition Programs. This delegation includes signature authority for milestone and program documents that otherwise require COMNAVSEA signature. DEPCOMs may redelegate the MDA for ACAT IV programs to an appropriate flag or Senior Executive Service level. DEPCOMs may further redelegate the program decision authority for Abbreviated Acquisition Programs to the Program Manager (PM).

c. Chief Information Officer (CIO). IT ACAT programs will be reported and reviewed in the same manner as weapon system ACATs. The CIO is delegated the MDA for NAVSEA IT ACAT III and IV programs and the program decision authority for NAVSEA IT Abbreviated Acquisition Programs. This delegation includes signature authority for milestone and program documents otherwise requiring COMNAVSEA signature. The CIO will chair the ARB for all NAVSEA IT programs in accordance with enclosure (1).

d. NAVSEA Acquisition Review Board (ARB). In accordance with enclosure (1), the NAVSEA ARB will be the:

(1) Command review forum for NAVSEA ACAT I, IA and II programs scheduled for a higher level review (e.g., Navy Program Decision Meeting (PDM), as described in reference (d)).

(2) PDM for NAVSEA ACAT III and IV programs.

(3) Command review forum for special program reviews requested by COMNAVSEA, DEPCOMs, or the CIO.

6. Action. In our efforts to tailor and streamline processes, it is important to maintain continuity and discipline in the acquisition process across the NAVSEA/PEO team. In the spirit of the Operating Agreement between the Commander, Naval Sea Systems Command (COMNAVSEA) and NAVSEA's affiliated Program Executive Officers (PEOs), all NAVSEA affiliated PEOs are encouraged to adopt the procedures set forth in this instruction.

a. DEPCOMs. For acquisition programs under their cognizance, DEPCOMs will:

(1) Convene and chair ARBs for ACAT IV programs in accordance with enclosure (1). Review Abbreviated Acquisition Programs as described in paragraph 6.c.(8) below, when not delegated to the PM.

(2) Review, approve, and forward the quarterly APSRs in accordance with enclosure (3).

(3) Notify the NAVSEA Acquisition Support Office of all emerging cognizant ACAT, Abbreviated Acquisition Programs, and Non-acquisition programs.

(4) Provide for the identification, reporting, and review of Non-acquisition programs in accordance with reference (c).

b. CIO. For NAVSEA IT acquisition programs, the CIO will:

(1) Convene and chair ARBs for NAVSEA IT ACAT programs in accordance with enclosure (1). Review Abbreviated Acquisition Programs as described in paragraph 6.c.(8) below.

(2) Review, approve, and forward the quarterly APSRs in accordance with enclosure (3).

(3) Notify the NAVSEA Acquisition Support Office of all emerging cognizant NAVSEA IT ACAT programs and NAVSEA IT Abbreviated Acquisition Programs.

(4) Interpret and disseminate IT acquisition policy and regulations. Monitor actions of regulatory bodies to determine the impact on NAVSEA programs and provide information to assist PMs in complying with law or regulation.

c. Program Managers (PMs). PMs will:

(1) Ensure that cognizant programs do not enter into the activities of the next acquisition phase without first having received the appropriate milestone approval.

(2) Notify the NAVSEA Acquisition Support Office of upcoming milestones or program reviews so that an ARB can be scheduled.

(3) As required, prepare and deliver program ARB presentations in accordance with enclosure (1).

(4) Complete ARB action items assigned by the ARB chairperson.

(5) Prepare and submit DAES, APSRs, and Selected Acquisition Report (SAR), as applicable, in accordance with reference (c) and enclosures (2), (3) and (4). Provide DAES briefing, as applicable, in accordance with enclosure (2).

(6) Manage cognizant Non-acquisition programs in accordance with reference (c). Provide copies of current Non-Acquisition Program Definition Documents (NAPDD) to the NAVSEA Acquisition Support Office. Provide an annual review for all Non-acquisition programs in accordance with reference (c).

(7) When delegated by the DEPCOM, serve as program decision authority for Abbreviated Acquisition Programs.

(8) Provide a program review prior to the production decision for Abbreviated Acquisition Programs. The review need not be a formal ARB, but the decision must be documented.

(9) Identify and coordinate Fleet Modernization Program (FMP) installation issues with the appropriate Ship Program Manager(s).

d. NAVSEA Acquisition Support Office. The NAVSEA Acquisition Support Office will:

(1) Publish a joint NAVSEA and affiliated PEO ARB Schedule monthly, and a Long Range ARB Schedule annually.

(2) Maintain the NAVSEA and Affiliated PEO Acquisition Data Base of relevant acquisition program information. Coordinate ACAT and Abbreviated Acquisition Program designation and change requests. Publish the NAVSEA and Affiliated PEO Acquisition Index and Production Decision Report. Submit biannually to Assistant Secretary of the Navy (Research, Development & Acquisition) (ASN(RD&A)) a listing of all NAVSEA and Affiliated PEOs acquisition programs for input into the ASN(RD&A) Acquisition Program listing.

(3) Conduct the affairs of the NAVSEA ARB in accordance with enclosure (1). Maintain an up-to-date viewgraph presentation format for ARB presentations using current standards, policy, and information needs.

(4) Coordinate DAES, APSR, and SAR reporting in accordance with enclosures (2), (3) and (4), respectively, and keep preparers informed of developing guidance.

(5) Interpret and disseminate acquisition policy, regulations, and program specific requirement documents. Monitor actions of regulatory bodies to determine the impact on NAVSEA and affiliated PEO acquisition programs, and provide information to assist Program Managers in complying with law or regulation.

(6) Act as point of contact and coordinate inputs for external acquisition inquiries and initiatives. This includes, but is not limited to, acquisition specific audits, development of higher level acquisition policy, and review of acquisition related instructions.

(7) Provide acquisition support to affiliated PEOs in accordance with established Memoranda of Understanding (MOU).

7. Reports and Forms

a. Reports. Acquisition Program Status Reports are exempt from reports control procedures in accordance with SECNAVINST 5214.2B, and require no report symbol. Report symbol DD-A&T(Q)1429 is assigned to the Defense Acquisition Executive Summary (DAES) Procedures. Report symbol DD-A&T(Q&A)823 is assigned to the Selected Acquisition Reports (SAR).

b. Forms. NAVSEA 5000/5 (11/97), Acquisition Program Status Report (APSR), is available from the NAVSEA Acquisition Support Office in Microsoft Word format and paper form.



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NAVSEAINST 5000.3E

18 Mar 98

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18 Mar 98

NAVSEA ACQUISITION REVIEW BOARD (ARB) PROCEDURES1. Membership

a. The ARB membership for programs will include the following:

SEA 00/DEPCOM/CIO	Chairperson
SEA 01	Member
SEA 02	Member
SEA 03	Member
SEA 04	Member
SEA 05	Member
SEA 00L	Member
SEA 00T	Member
OPTEVFOR	Member
OPNAV Sponsor	Member
SEA 91	Associate Member
SEA 92	Associate Member
Affiliated PEO(s)	Associate Member
SEA 91T	NAVSEA T&E Adviser
SEA 91Y	Acquisition Adviser and ARB Secretary
SEA 91W	Tactical Embedded Computer Resource Adviser

b. The ARB Chairperson will depend on the type of program being reviewed:

(1) COMNAVSEA is the chairperson for Weapon System ACAT I, II, and III programs.

(2) The DEPCOM is the chairperson for Weapon System ACAT IV programs.

(3) NAVSEA CIO is the chairperson for IT ACAT programs.

c. In the absence of an ARB Member, delegation of membership may be made to the deputy level.

d. Associate members will serve as members during review of programs under their cognizance or at the request of the chairperson.

e. Attendance at ARB reviews will normally be open to personnel from OASN(RD&A), OPNAV, OPTEVFOR, and the PEOs, as well as to others approved by the ARB Chairperson.

2. Schedules. All ARBs will meet in accordance with the schedule published by the ARB Secretary. ARBs will normally have one hour (including discussion period) allocated to each program being reviewed. Schedules will be structured to

18 Mar 98

provide a timely review of programs approaching milestones or major decision points, or showing signs of significant problems. Special sessions of the ARB will be arranged as deemed necessary by COMNAVSEA, cognizant DEPCOM, or the CIO. Members and invitees will be notified of ARB schedules, including changes thereto, to enable them to attend reviews.

3. Acquisition Coordination Team (ACT). In accordance with references (c) and (d), ACTs are required for all ACAT IC, IAC, and II programs. ACTs are used to resolve program issues, develop and implement acquisition strategies, review milestone information, and provide recommendations to the MDA. ACTs may be used for ACAT III and IV programs. If an ACT is used, it is not the milestone decision forum. Only the MDA can provide the milestone decision.

4. Paper ARBs. In the absence of issues, the MDA may elect to conduct a paper ARB. Paper ARBs are conducted in the same manner as the paper PDM described in reference (d). A paper ARB should include the same information that would have been presented at the ARB or PDM and does not change the requirements for any documentation. Paper ARBs must be announced in the NAVSEA and Affiliated PEO ARB Schedule (the same as a convened ARB). Paper ARBs are accomplished by route sheet review. The PM will prepare the same presentation material that is required for a convened ARB and provide this package to the ARB Secretary for coordination with ARB members well in advance of the program decision. The ARB members' comments are collected and compiled by the ARB Secretary, and the results are provided to the MDA. If there are substantial comments, they must be adjudicated by the ARB members and the PM prior to milestone approval. When all comments have been adjudicated to the MDA's satisfaction, the ARB Secretary prepares an ARB Report and Acquisition Decision Memorandum (ADM) for MDA signature.

5. Action

a. Program Managers. Program Managers and other heads of offices managing acquisition programs will:

(1) Prepare and present a program review to the ARB in accordance with this enclosure.

(2) Provide 15 copies of the ARB presentation material to the ARB Secretary no later than four working days in advance of the scheduled ARB.

(3) For COMNAVSEA chaired ARBs, in addition to the ARB presentation material, provide a one page point paper. The point paper should contain the following: a brief description of the system; the ultimate decision sought, the final

decision forum, and the decision authority; any outstanding issues; any known positions of OPNAV, ASN staff, OPTEVFOR, or other major organizations.

(4) Invite the OPNAV Sponsor, the OASN(RD&A) action officer, OPTEVFOR, acquisition managers of interfacing programs, and appropriate Ship Program Manager(s), to attend the ARB. Also, arrange for appropriate senior level representation from the lead laboratory, Program Manager's Technical Representative, or other technical activity at program milestone reviews.

b. ARB Members. ARB members will review each scheduled program to determine if the program is technically, financially, logistically, legally, and administratively sound and executable. ARB members will review the presentation material to ensure that the areas under their cognizance are reported correctly.

c. NAVSEA Acquisition Support Office. The Director of the NAVSEA Acquisition Support Office is the adviser and consultant to the ARB Chairperson and PM on acquisition matters. In addition, a representative from the NAVSEA Acquisition Support Office serves as the ARB Secretary, and the point of contact for NAVSEA ACAT program reviews by the ARB. The ARB Secretary will:

(1) Schedule ARB reviews upon request from PMs, DEPCOMs, CIO, PEOs, or COMNAVSEA.

(2) Publish schedules for ARB reviews and notify members and invited attendees when there are changes to the schedule.

(3) Make advance arrangements for scheduled ARB reviews assuring that adequate space and facilities are provided, and coordinate the ARB attendance list.

(4) Provide Program Managers with presentation viewgraph formats and samples.

(5) Distribute advance copies of viewgraphs to ARB membership three working days before each ARB.

(6) Record the transactions of the ARB by preparing an ARB report, including the attendance list. The report will identify significant issues and will list action items as determined by the ARB. Provide follow-up on deferred questions and directed actions.

(7) Prepare, for signature by COMNAVSEA or CIO, correspondence authorizing the PM to proceed to a higher level review.

(8) Prepare, for signature by the MDA, the ADM for ACAT III and IV programs.

(9) Maintain the Command data base for approved Production Decisions, and ARB action items.

d. NAVSEA Test and Evaluation (T&E) Office. The Director of the NAVSEA T&E office is the adviser to the ARB Chairperson on test and evaluation matters. In addition, the Director serves as the Command interface with COMOPTEVFOR.

e. Tactical Embedded Computer Resource (TECR) Adviser. Serves as the adviser to the ARB Chairperson in matters related to the use and support of Tactical Embedded Computer Resources, and will provide input to the ARB as to program compliance with Navy TECR policy. In addition, the TECR adviser will provide recommendations on actions to be taken by programs to correct areas of noncompliance.

6. Presentation

a. The format used for the ARB presentation will be tailored to the nature and development phase of the program, and the objectives of the ARB. Where applicable to the program, the presenter will display viewgraphs reflecting the program status in the following categories:

- Title Page
- Purpose
- Program Overview
- Key Issues (including Congressional, Audit, Legal)
- Acquisition Strategy (including Cost as An Independent Variable)
- Acquisition Reform Initiatives
- Program Status
- Manager, Agents, and Contractors
- Program Production/Fleet Introduction
- Program Schedule
- Milestone Documentation Status
- Financial
- Logistics Status
- Program Resources (other than funding)
- Test and Evaluation
- Electromagnetic Compatibility
- Electronic Counter Countermeasures
- Environmental Considerations

- Information Technology
- Risk Assessment
- Exit Criteria
- Summary and Recommendation(s)

b. Briefing guidelines for ACAT I, IA, and II programs proceeding to a PDM are addressed by reference (d).

DEFENSE ACQUISITION EXECUTIVE SUMMARY (DAES) PROCEDURES

The DAES is a quarterly reporting system designed to provide, on a regular and systematic basis, advance indication of both potential and actual program problems before they become significant. It includes unit cost reporting required quarterly by Section 2433, Title 10, U.S.C.

The Office of the Secretary of Defense (OSD) determines the list of NAVSEA programs and NAVSEA affiliated PEO programs which are required to submit a DAES. Typically, programs designated ACAT ID and IC are subject to reporting after Milestone I.

ASN(RD&A) requires that programs submit, as a supplement to the DAES, ASN Oversight Charts for the contracts reported in the DAES (excluding Firm Fixed Price contracts). An overview sheet summarizing potential or actual problems must also accompany each DAES report.

The Program Manager (PM) who assesses any aspect of a program subject to DAES reporting as "yellow" or "red" will prepare DAES Section 4 comments. The PM of a DAES reporting program will schedule a DAES briefing with the cognizant PEO, typically prior to the eleventh of the month, and provide the old DAES and a draft new DAES (with changes highlighted) to cognizant PEO three working days prior to the scheduled brief. The cognizant PEO will personally review the DAES and provide or revise Section 4 comments. The PM will coordinate and deliver the updated DAES to the NAVSEA Acquisition Support Office, who will secure the cognizant PEO's signature on Section 4. The PM will then provide the DAES (original, five copies, and two diskettes) to the NAVSEA Acquisition Support Office by the fifteenth of the month, for delivery to ASN(RD&A) in accordance with reference (c). The PM will provide copies of the final DAES to the CNO sponsor and to NAVSEA Cost Estimating office.

The NAVSEA Acquisition Support Office will keep PMs informed of current reporting group identities; provide the PMs with any current variations on the typical schedule; provide guidance and consultation; attend DAES briefings to the cognizant PEO; confirm the correct incorporation of revisions directed; deliver the assembled DAES submittal to ASN(RD&A) by the fifteenth of the month; and promptly deliver feedback comments received from higher echelons. The NAVSEA Acquisition Support Office will maintain office copies of the current DAES notebooks for COMNAVSEA and PEOs, in accordance with guidelines set forth in established MOUs. Following is a typical time line for submittal of DAES:

TYPICAL TIME LINE FOR SUBMITTAL
OF
DEFENSE ACQUISITION EXECUTIVE SUMMARY (DAES)

	Day	
Prior month	27	OSD feedback on group's previous quarterly
	28	DAES received and delivered to PMs.
	29	Program Offices preparing DAES, including
	30	consideration of OSD feedback.
Month in which the DAES are due for a reporting group	1	Reminder and guidance calls to
	2	Program Offices.
	3	
	4	
	5	
	6	DAES in Program Office review cycle.
	7	
	8	PM reviews DAES.
	9	PM's comments incorporated into the DAES.
	10	Draft Section 4 coordination and PM briefing
	11	with cognizant PEO
	12	Program Office personnel incorporating
	13	cognizant PEO comments into DAES.
	14	DAES due from PMs (typically).
	15	DAES due to OASN(RD&A) (typically).
	16	DAES distributed to ASN(RD&A) staff analysts.
	17	These analysts review the DAES to
	18	recommend Service Acquisition Executive
	19	comments to be included in DAES, and they
	20	check for baseline breaches and funding
	21	or contractual problems.
	22	
	23	
	24	
	25	
	26	
	27	ASN(RD&A) staff coordinate recommended
	28	comments; ASN(RD&A) reviews and approves.
	29	
	30	DAES reports are due from OASN(RD&A) to
	Under Secretary of Defense (Acquisition).	

ACQUISITION PROGRAM STATUS REPORT (APSR) PROCEDURES

APSRs are required quarterly for all NAVSEA ACAT and Abbreviated Acquisition Programs except as noted below:

- When the program is more than 90% delivered or more than 90% expended;
- When the program is terminated; or,
- When the program is a DAES reporting program.

When a program meets one of the criteria above, it reports one last time stating that this will be the last report, and explaining why. APSRs will be forwarded to the NAVSEA Acquisition Support Office within 10 working days after the end of each fiscal quarter.

The NAVSEA Acquisition Support Office will compile an organized notebook of APSRs for submittal to COMNAVSEA/PEO within 20 working days after the end of each fiscal quarter. APSR notebooks are also voluntarily forwarded to ASN(RD&A) and CNO N4, N85, N86, N87, and N88.

PROCEDURES FOR FILLING OUT AN APSR

BLOCK 1: Enter the security classification of the information contained in the APSR.

BLOCK 2: Enter the Directorate or PEO responsible for this program.

BLOCK 3: Enter the code responsible for this program.

BLOCK 4: Enter the Program's title.

BLOCK 5: Enter the approved acquisition designation of the program.

BLOCK 6: Enter the current reporting period (FY/Q).

BLOCK 7: Enter the Program Element number and Project number for this program.

BLOCK 8: Enter the CNO sponsor's name, code, and phone number for this program.

BLOCK 9: Enter the Program Manager's name, code, and phone number for this program.

BLOCK 10: Enter the title and number of the Operational Requirements Document (ORD) and Acquisition Program Baseline (APB) which authorizes this program. Provide the date of the latest approved document. In determining program assessment

NAVSEAINST 5000.3E
18 Mar 98

ratings, the APB should be considered the baseline for which all comparisons are made. When used to report an Abbreviated Acquisition Program, cite the written requirement authorized by CNO.

BLOCK 11: Briefly describe the program's mission. -

BLOCK 12: List any programs that interface or integrate with this program.

BLOCK 13: Fill in each significant event with accomplished date (e.g., 12 MAR 97) or projected date (e.g., MAR 97 or 2Q FY97). If the Initial Operational Capability (IOC) date is classified, make sure that Block 1 shows proper classification.

BLOCK 14: Fill in each area with "G" for green (on track); "Y" for yellow (potential or actual problem); or "R" for red (major weakness), and with arrows pointing up or down to indicate an improving or worsening condition within a single assessment level.

BLOCK 15: Provide an explanation and planned resolution for any "Y" or "R" areas indicated in block 14 categories. Explain any change from an assessment of "Y" or "R" in the preceding APSR.

BLOCK 16: Ensure that the Program Manager for this program initials and dates this APSR before forwarding it to your Deputy Commander.

BLOCK 17: Ensure that the approving official, the Deputy Commander or PEO, for this program initials and dates this APSR before forwarding it to the NAVSEA Acquisition Support Office.

ACQUISITION PROGRAM STATUS REPORT		CLASSIFICATION	DIR/PEO	PM CODE
		1	2	3
Program Title			ACAT	5
			FY/Q	6
P. E. No./Project No.	Resource Sponsor Name	Code	Phone No.	
7		8		
Program Manager Name		Code	Phone No.	
		9		
Authorizing Document(s)		Date of Latest Approval		
		10		
System Mission		11		
Interfacing Programs		12		
Significant Events		13		
Milestone I	_____	Milestone III	_____	
Milestone II	_____	Material Support Date (MSD)	_____	
LRIP (1)	_____	Navy Support Date (NSD)	_____	
LRIP (2)	_____	Initial Operational Capability (IOC)	_____	
Program Manager's Assessment		Initial	16	Date _____
		14		
Financial	_____	Schedule	_____	Operational & Technical Performance _____
Logistics	_____	Documentation	_____	Production Readiness/Fleet Introduction _____
Personnel Resources	_____	Overall	_____	
		15		
Approving Official's Comment		Initial	_____	Date _____
		17		

SELECTED ACQUISITION REPORT (SAR) PROCEDURES

The SAR is the single annual report to Congress that provides key cost, technical and operation information, scheduled milestones, and contractual data. It is required by Section 2432, Title 10, U.S.C. and is used by Congress for budget hearings and oversight and by the General Accounting Office and DoD for comprehensive, consistent, and reliable information. The SAR is required for OSD designated Major Defense Acquisition Programs (ACATs ID and IC).

Programs which are pre-Milestone II that do not have an approved Acquisition Program Baseline (APB) can request a waiver from the SAR on an annual basis. Waiver requests should be submitted to the Undersecretary of Defense for Acquisition and Technology (USD(A&T)) via the NAVSEA Acquisition Support Office, no later than 15 November of each year.

Termination of the requirement to submit a SAR will be considered by OSD when a program has been canceled or when 90 percent of expected production deliveries or 90 percent of planned acquisition expenditures have been made. When a program is canceled or meets the criteria considered as completed, and termination of the SAR has been approved by USD(A&T), the program is required to go through the annual SAR process one last time. Termination of a SAR is not automatic, but must be requested by the DoD Component and approved by the USD(A&T). To request termination, program offices are required to provide working papers to the NAVSEA Acquisition Support Office for submittal to USD(A&T). The NAVSEA Acquisition Support Office will contact OASN(RD&A) in October of each year with a list of those programs that should be considered for SAR termination.

Annually, the SAR is prepared by those designated program offices for their individual program. The SAR year ends 31 December. Typically, the preparation process begins in mid October and concludes with submission of the final SAR on approximately 1 April.

The three types of SAR submissions are the advance SAR, the final SAR, and an out-of-cycle quarterly SAR. The advance SAR gives OSD an opportunity to get a quick look at the SARs and to correct any serious deficiencies prior to the Final SAR going to Congress. The Out-of-Cycle SAR is required by law when a program experiences a unit cost breach or a schedule milestone breach of six months or more.

The formal submission of each DoD Component's advance SAR will be due to USD(A&T) on the working day immediately

NAVSEAINST 5000.3E

18 Mar 98

preceding the 30th calendar day after the President sends the budget to Congress for the following fiscal year.

The NAVSEA Acquisition Support Office will assist and represent Program Offices at mark-up meetings with ASN(RD&A) and OSD staff. Following the review and processing (SAR markups) by the OSD, the final annual SAR will be sent to the appropriate Congressional Committees 60 days after the President sends the budget to Congress.

Out-of-cycle SARs are required for SAR reporting programs which experience a unit cost breach or a schedule milestone breach of six months or more. Breaches which are a result of the President's Budget are typically handled during the annual SAR cycle process. All other breaches which occur from March through December require an out-of-cycle quarterly SAR. This SAR is due at the end of the fiscal quarter in which the breach occurred. Note that an out-of-cycle SAR may also be referred to as a "quarterly SAR" or an "exception SAR".