CHAPTER 18
INFORMATION TECHNOLOGY
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CHAPTER 18

INFORMATION TECHNOLOGY

1801   GENERAL

180101 Purpose

A. This chapter provides instructions applicable to budget formulation and congressional justification for Information Technology programs.

B. These instructions apply to the Office of the Secretary of Defense (OSD), the Military Departments (including their National Guard and reserve components), the Joint Staff, Unified Commands, the Inspector General DoD, the Defense Agencies (excluding Defense Security Assistance Agency), the DoD Field Activities, the Joint Service Schools, the Defense Health Program, and the Court of Military Appeals. All DoD appropriation accounts and funds are encompassed.

C. All *Defense* Components that have Information Technology (IT) resource obligations that equal or exceed $2 million in a fiscal year will report an exhibit 43. All Components will report an exhibit 43(IT-1). For those Components that meet the $10 million automated information system (AIS) total cost per year threshold will report an exhibit 43(IT-2). All Components using (regardless of dollar value) any indefinite delivery/indefinite quantity or requirements contracts that meet a $100 million contract life cost or $25 million fiscal year threshold will report exhibit 43(IT-3). Only those Components meeting the central design activity (CDA) $5 million total cost per fiscal year need report an exhibit 43(IT-4).

180102 Submission Requirements

General guidance with regard to submission requirements is presented in Chapter 1. However, this chapter covers specific distribution instructions for the Information Technology Programs. All applicable exhibits and electronic data base will be submitted for both the OSD Budget Estimates Submission (BES) *and the Congressional Justification submission or Presidents Budget (PB).*

180103 Preparation of Material

General guidance with regard to the preparation of material is presented in Chapter 1. This Section covers specified formats and specific material reporting requirements for the Information Technology programs.

180104 References

A. Chapter 1 provides general funding policies; Chapter 3 provides specific policies related to Operation and Maintenance costs; Chapter 4 provides specific policies related to Procurement appropriations; Chapter 5 provides specific policies related to RDT&E; Chapter 6 provides specific policies related to Military Construction appropriations; Chapter 9 provides specific policies related to the Defense Business Operations Fund (DBOF)., and *Chapter 19 provides information on financial and financially mixed systems.* Requirements are also addressed in the Office of Management and Budget (OMB) Circular No. A-11 "Preparation and Submission of Budget Estimates," Section 43, *"Data on Acquisition, Operation, and Use of Information Technology."*

B. *DoD Directive 5000.1, "Defense Acquisition," Dated March 15,1996 (provides guidance for the Life-Cycle Management of Automated Information Systems) and DoD Regulation 5000.2-R, "Defense Acquisition Programs (MDAPs) and Major Automated Information System (MAIS) Acquisition Programs" (provides guidance for the Automated Information System Life-Cycle Management Process, review, and milestone approval procedures) should be referenced in fulfilling 43 Exhibit Life-Cycle Management (LCM) reporting requirements.*

C. The Paperwork Reduction Act of 1995 and the Information Technology Management Reform Act of 1996 should be referenced for the latest definitions regarding IT Resources.

1802   BUDGET ESTIMATES SUBMISSION

180201 Purpose

        This Section provides guidance for preparation and submission of budget estimates for the Information Technology resources to OSD. Supplemental guidance will be issued, if required, to effect any reporting requirements resulting from congressional or Office of Management and Budget (OMB) action.

180202 Submission Requirements

        A. The following exhibits, for which specified formats and detailed instructions are provided in Section 180402, are required:

43ES   Executive Summary

43   Report on Information Technology Resources

43(IT-1)   Information Technology Resources by CIM Functional Area

43(IT-2)   Descriptive Summary

43(IT-3)   IT Resource Requirements and Indefinite Delivery/Indefinite Quantity Contract(s)

43(IT-4)   Central Design Activity Summary

        B. Distribution of the OSD budget estimates material will be made in accordance with the charts contained in Chapter 1. Exhibits shall be (1) in portrait (8 1/2 by 11); (2) double sided; and (3) three hole punched on the left side for assembly in three ring binders. Also, specific instructions will be provided for the automated submission of the exhibits identified above.

        C. Narrative Statement. All Components will provide a narrative summary entitled "Executive Summary." The Executive Summary (43ES) will address, of a minimum, the following areas: (1) describe the Defense Components overall IT program and how it supports the submitting Component's

mission.; (2) describe the major initiatives supported in the budget year estimate; and (3) explain changes to the prior baseline budget submitted to Congress. Additional reporting requirements will be identified in the call memorandum, as necessary.

180203 Definitions

        Section 010201 provides policies and definitions regarding the application of expenses and investment criteria for budgetary purposes. In addition to the definitions listed below, instructions are included either on the exhibit or following the exhibit.

        A. Automated Information System (AIS). A combination of elements that will function together to produce the capabilities required to fulfill a mission need, including functional user, computer hardware and computer software, data and/or telecommunications, personnel, procedures that are designed, built, operated, and maintained to perform the functions such as collecting, recording, processing, storing, reprieving, transmitting, and displaying information.

        B. Information Technology (IT). The term IT is used in Public Law 99-591 of 1986. The Office of Management and Budget Circular A-11 uses the term Information Technology (IT) Resources to describe the resources covered by the Public Law 104-106. See the definition for IT Resources.

        C. Current Services. Current Services represents the cost of operations at a current capability and performance level when the budget is developed. That is, what the cost would be if nothing changes from the baseline other than fact of life reductions, termination's or new systems becoming operational.

Current Services include:

        1.   Those personnel whose duties relate to the general management and operations of information technology.

        2.   Maintenance of existing AIS.

        3.   Corrective software maintenance which includes all efforts to diagnose and correct actual errors (i.e., processing or performance errors) in a system and shall be reported as "Current Services."

4. Maintenance of existing voice and data communications capabilities.

5. Replacement of broken IT equipment needed to continue operations at the current service level.

6. All other related costs not identified as Development/Modernization.

D. Depreciation Expense. For the purpose of Exhibit 43, "Report on Information Resources" reporting DBOF activities will not report depredation expense. For DBOF activities, depreciation expense is built into the billing rates. Therefore, to minimize the reporting burden for DBOF and non-DBOF activities, the depreciation expense included in the payment and collection of services (reported under line 8, "Intra-Governmental Payments, and line 9, "Intra-Governmental Collections," respectively) will not require any special adjustments *(except for the Defense Megacenters as discussed below).* The full purchase price for equipment, software, services, support services and supplies will be reported in the appropriate category. This reporting policy will (1) eliminate duplicate reporting of equipment and software purchases by removing the reporting of past purchases through depreciation; (2) allow comparable reporting for DBOF and non-DBOF activities; and (3) accurately portray the Department total of all Defense Components (the depreciation expense will net to zero for payments and collections).

1. The Defense Megacenters will require special reporting to separately account for depreciation of capital assets on the Exhibit 43 in item 7, Other. Because their capital requirements are collected as part of their rates and also displayed on their Exhibit 43 as purchases or leases an adjustment is required. Depreciation will be included in item 7 to net to zero the purchases/leases of capital assets shown in items 1. Equipment, 2. Software, etc. on the Exhibit 43 for the Defense Information Systems Agency (DISA).

2. The DISA will ensure that this data tracks with the DBOF capital exhibits and does not cause any double accounting of IT resources in the DoD IT total.

E. Development/Modernization. Any change or modification to an existing AIS which

results in improved capability or performance of the baseline AIS. Improved capability or performance achieved, as a byproduct of the replacement of broken IT equipment to continue operations at the current service levels is not categorized as Development/Modernization.

Development/Modernization includes:

1. Program costs for new AISs that are planned or under development.

2. Any change or modification to an existing AIS which is intended to result in improved capability or performance of the AIS. These changes include (a) all modifications to existing operational software (other than corrective software maintenance); (b) acquiring technologically newer IT equipment to replace outdated IT equipment regardless of the age of the equipment or its commercial availability; and (c) expansion of existing capabilities to new users.

3. Changes mandated by Congress or the Office of the Secretary of Defense.

4. Personnel from the project management office and other direct support personnel involved with Development/Modernization.

F. Economic Replacement Economic replacement of outdated IT equipment is not considered "Current Services" and shall be reported under "Development/Modernization."

G Information Technology (IT) Resources. Refer to OMB Circular A-11, Section 43, "Data on Acquisition, Operation, and Use of Information Technology" and the Information Technology Reform Act of 1996 (ITMRA).for the definitions regarding IT Resources. However, section 180402 provides basic definitions and examples of IT Resources. "IT Resources" and "ADPE" are used synonymously in this chapter.

H. General Management Personnel. Includes those people who are in policy, oversight, and/or other functions such as review of AIS program plans, life-cycle management oversight, strategic planning, *headquarters staff, base level operators, engineers,* etc. For the purposes of Exhibit 43 reporting, general management

personnel will be categorized as "Current Services."

I.   Information Technology Resources. The Information Technology (IT) Resources that must be reported under this chapter are defined byOMB Circular A-11. IT Resources covered by ITMRA, P.L. 104-106) are included.

1.   The Exhibit 43 reporting will capture the entirety of the DoD's programmed consumption of IT resources (including any BRAC related IT), as it applies to procurement, maintenance, operation and utilization of IT Resources (formerly referred to as ADPE) whether performed by in-house, by contractor, by other intra-agency, or intergovernmental agency.

2.   No classified IT resources will be reported.

3.   Both system and non-system IT resources including base level units (communications, engineering, maintenance, and installation) and management staffs at all levels are included in exhibit 43 reporting

J. Information Technology Resources Reporting Exemptions. The following IT resources are exempt from Exhibit 43 reporting:

1.   IT Resources (formerly referred to as ADPE) acquired by a Federal Contractor which are incidental to the performance of a Federal Contract;

2.   Radar, sonar, radio, or television equipment;

3. The procurement by the DoD of IT Resources (formerly referred to as ADPE) or services, the function, operation, or use of which:

a.   involves intelligence activities;

b. involves cryptologic activities related to national security;

c.   involves the command and control of military forces which are critical to the direct fulfillment of military or intelligence missions and which is primarily acquired or designed to support the Commander after

deployment. This exclusion shall not include IT Resources (formerly referred to as ADPE) used for routine administrative and business applications such as payroll, finance, logistics and personnel management

d. involves equipment which is an integral part of a weapon or weapon systems which are physically a part of, dedicated to, or essential in real time performance of the mission of the weapon system; or

e.   Involves embedded IT equipment that would need to be substantially modified to be used other than as an integral part of a product; e.g. diagnostic testing and maintenance, or calibration of a weapons system.

NOTE: For all command and control systems, Services, Agencies and Unified Commands will request an exemption from the Exhibit 43 reporting or any exemption for reporting of IT resources not contained in (1) through (3) above must be obtained from the ASD(C3I) during the Program Objective Memorandum (POM) process.

K. Life-Cycle Cost (LCC). The total cost to the Government for an AIS over its full life. It includes the cost of requirements analyses, design, development, acquisition and/or lease, operations, support and, where applicable, disposal. It encompasses both contract and in-house costs, all cost categories and all related appropriations/funds.

L. Life-Cycle Management (LCM). A management process applied throughout the life of an AIS, that bases all programmatic decisions on the anticipated mission-related and economic benefits derived over the life of the AIS.

M. LCM Milestone. The decision point, separating the phases of an AIS life cycle, at which the AIS status is assessed for fitness to proceed to the next phase. The activities that have been performed in the preceding LCM phases, development and validation of an economic analysis (EA), the status of program execution and program management's plans for the remainder of the program area assessed, and exit criteria for the next LCM phase are established during the milestone review and decision process. The LCM milestones are as follows:

- Milestone 0. "Approval to Conduct Concept Studies."

- Milestone I. "Approval to Begin a New Acquisition Program."

- Milestone II. "Approval to Enter Engineering and Manufacturing Development."

- Milestone III. "Production or Fielding/Deployment Approval."

N. LCM Phases:

- Phase O. "Concept Exploration."

- Phase I. "Program Definition and Risk Reduction."

- Phase II. "Engineering and Manufacturing Development "

- Phase III. "Production, Fielding/Deployment., and Operational Support."

O. Major AIS. A Major AIS is an AIS that is not a highly sensitive, classified program (as determined by the Secretary of Defense) and that:

1. Has anticipated program costs, computed in FY 1996 constant dollars, in excess of $120 million; or

2. Has estimated program costs, computed in FY 1996 constant dollars, in excess of $30 million dollars in any single year; or

3. Has estimated life-cycle costs, computed in FY 1996 constant dollars, in excess of $360 million; or

4. Is so designated by the DoD milestone decision authority (MDA).

P. Nonappropriated Funds (NAFs). Cash and other assets received by Nonappropriated Fund Instrumentalities (NAFIs) from sources other than monies appropriated by the Congress of the United States. NAFs are public monies; they are used for the collective benefit of military personnel, their dependents, and authorized civilians who generated them. These funds are separate and apart from funds that are recorded in the books of the Treasurer of

the United States. For the purposes of Exhibit 43 reporting, NAF is excluded.

Q. Non major AIS. An AIS other than a major AIS or a highly sensitive, classified program. For the purposes of Exhibit 43 reporting (1) in the Budget Estimate Submission, a non major AIS is reported at the same threshold as provided in the for the Program Objective Memorandum preparation instructions (e.g., an AIS that does not meet the criteria for a major system yet has a total of $2 million (to include both Development/Modernization and Current Services) obligations (costs) per fiscal year), and (2) for the Congressional Justification submission, a non major AIS is an AIS that does not meet the criteria for a major system yet has a total of $10 million (to include both Development/Modernization and Current Services) obligations (costs) per fiscal year.

R.. Outdated IT Equipment: Outdated ADPE includes any ADPE, regardless of cost, that is over 8 years old (based on the initial commercial installation date of the equipment), and no longer is in current production. Outdated IT equipment shall be reported under "Development/Modernization."

S. All Other. For those "Development/Modernization" and/or "Current Services" costs/obligations as well as AISs not meeting the major system threshold nor non major threshold. All IT resources will be categorized by the applicable Corporate Information management (CIM) functional area (see section 180205) under the 43 (IT-1)

T. Program Cost. The total of all expenditures, in any appropriation and fund, directly related to the AIS definition, design, development, and deployment, and incurred from the beginning of the "Concept Exploration" phase through deployment at each separate site. For incremental and evolutionary program strategies, program cost includes all increments. Program cost does not include operations and support costs incurred at an individual site after operational activation of any increment at that site, even though there may exist other sites that have not completed deployments. Program Cost is the same as Program Acquisition Cost as defined in Chapter 3, DoD Manual 5000.4-M, "Cost Analysis Guidance and Procedures", December 1992.

180204 Arrangement of Backup Exhibits

A. Exhibits will be assembled in the sequence shown in Section 180202, as applicable. Also, a summary index and an index for each set of exhibits (e.g. exhibits 43(IT-1), 43(IT-2), 43(IT-3) and 43(IT-4) shall be prepared. AISs will be listed in alphabetical order for each index and on the exhibits, Note: the index will also identify any changes from the prior year congressional justification baseline

B. A standard designator for Corporate Information Management (CIM) functional areas should align with the Components and/or Principal Staff Assistant (PSA) Migration Strategy Plan. For further clarification, you may contact the Assistant Secretary of Defense (Command, Control, Communications and Intelligence) (ASD(C3I)) and the functional proponent (PSA) for the AIS. These CIM functional areas are contained in section 180205.

1. For exhibits 43(IT-1), 43(IT-2) and 43(IT-4), identify and group the separate AIS or initiatives by CIM functional areas as identified in Section 180205. Arrange all exhibits that identify CIM functional area in the same sequence as the exhibit 43 (IT-1) reports, starting with entries which relate to major AISs, Non Major AISs, and All Other. AISs are to be in alphabetical sequence per section of the report/index.

2. For those Components not meeting the major and non major dollar thresholds, all IT resources will be categorized under "Other" by the applicable Corporate Information management (CIM) functional area (see section 180205) under the 43(IT-1)

C. For the second year of a biennial budget submission, only three fiscal years need to be shown. Simply shift one year to the right and re-label the fiscal years. For example, the biennial FY 19PY--this was CY in the prior years Congressional Justification submission; the biennial FY 19CY--this was BY1 in the prior years Congressional Justification submission; and the biennial FY 19BY1--this was BY2 in the prior years President's budget submission on exhibits 43, 43 (IT-1), 43(IT-2), 43(IT-3) and 43(IT-4).

180205 Corporate Information Management Infrastructure and Functional Areas

All information technology resources that are to be reported will be identified under one of the following Corporate Information Management infrastructure or functional areas:

Atomic Energy

Civilian Personnel (covers civilian personnel life cycle)

Command and Control

Core Infrastructure - Communications (both long haul DISN/non DISN telecommunication services, satellite, long haul other, base level voice, video, and data transmission. Excludes security)

Core Infrastructure - Computing (Defense Megacenters DIAS and users, base level, end-user computing, servers, office automation, headquarters. Excludes end-to-end communications)

Core Infrastructure - Related Technical Activities (technical standards, engineering, testing, data standardization, data sharing)

Core Infrastructure - Value Added Services (Defense Message System, electronic commerce/electronic data interchange; security, video teleconferencing, network and system management)

Core Infrastructure - Other (any that do not fit the other core infrastructure areas)

Economic Security (industrial base information, dual use technology, BRAC, international programs, installation management)

Environmental Security (environmental technology, compliance and Prevention, clean up/restoration, occupational health and safety)

Finance (programming, budgeting, financial operations activities, other financial/PPBES)

Health (medical care, medical logistics, dental, medical readiness, other medical)

Information Management (records management, publications, other information management)

Intelligence

Logistics (distribution centers, material management, depot management, transportation, other logistics activities)

Military Personnel and Readiness (core activities, recruiting, accessioning, training, education, allocation, sustainment, qualify of life, retirement, separations, other human resources)

Other Staff (legal management, IG activities, other)

Policy (special operations forces, other policy)

Procurement/Contract Administration

Reserve Affairs
Science and Technology
System Acquisition Management (oversight, project
*   management, design/engineering)*
Test and Evaluation (acceptance test, contractor
*   test, development test, operational test and*
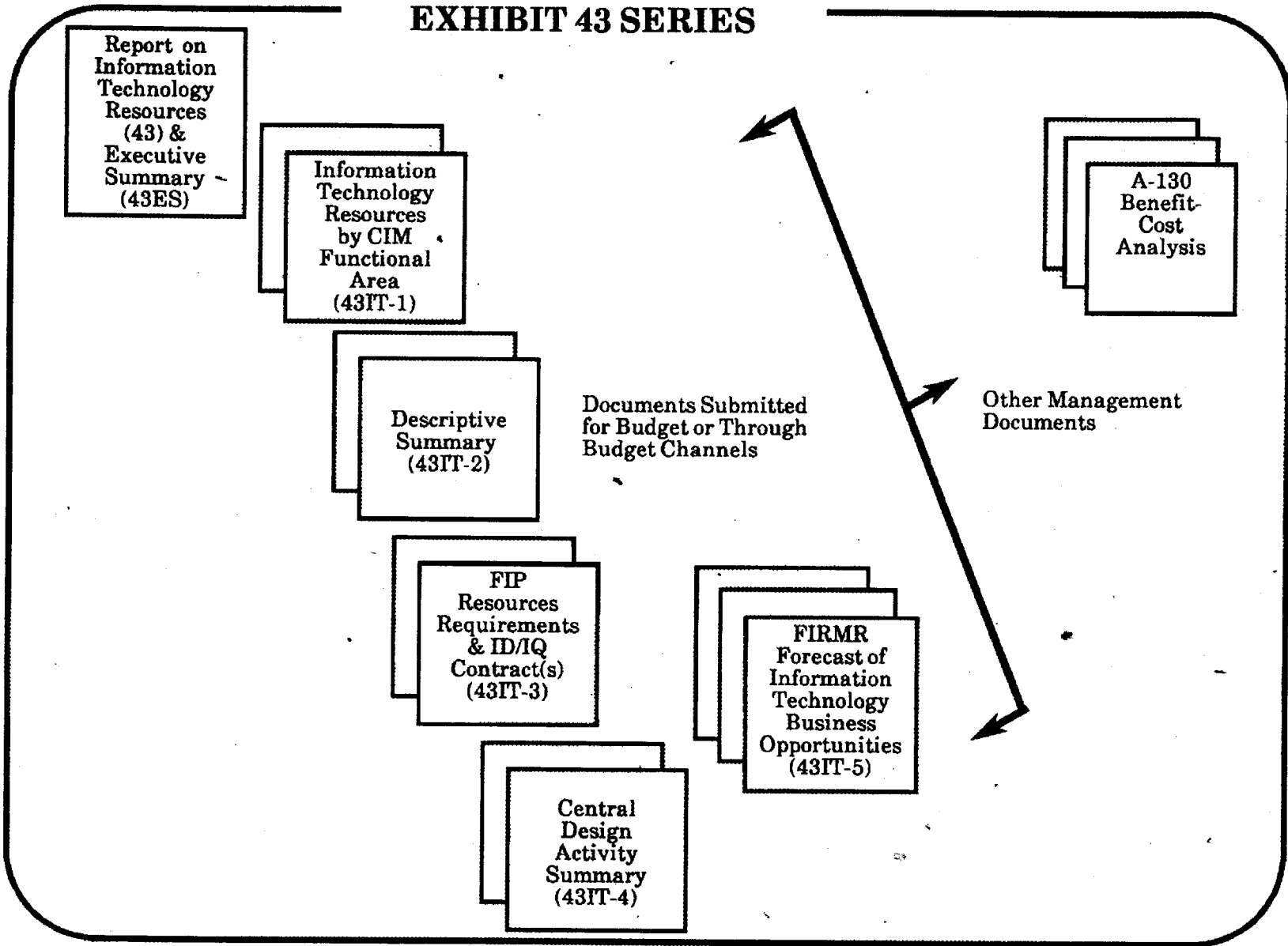*   evaluation, test planning)*

Further definition of these CIM areas can be found in
the Tab G of the POM Preparation Instructions (PPI).
For those resources that cross more than one area,
report only in one place. Choose the area to report
based on the preponderance of the resources concept.
Then explain this application to other CIM areas in
item #2, CIM Functional Area, of the exhibit 43(IT-2).

180206 Financial Management Activities or
*   Systems.*

*   A. The OMB requires the identification of*
financial and financially mixed AIS in Section 40,
"Data on Financial Activities." It is incumbent upon
each DoD Component to ensure that AIS information
reported in the IT budget and in Section 40 are in
agreement.

*   B.   The Exhibit 43(IT-1) for all financial*
AISs must be reconcilable to the Exhibit 40B (as
prescribed in Volume 2, Chapter19 of the FMR) for
both the BES and PB submissions to
USD(Comptroller).

EXHIBIT 43 SERIES

Report on
Information
Technology
Resources
(43) &
Executive
Summary
(43ES)

Information
Technology
Resources
by CIM
Functional
Area
(43IT-1)

Descriptive
Summary
(43IT-2)

Documents Submitted
for Budget or Through
Budget Channels

Other Management
Documents

A-130
Benefit-
Cost
Analysis

FIP
Resources
Requirements
& ID/IQ
Contract(s)
(43IT-3)

FIRMR
Forecast of
Information
Technology
Business
Opportunities
(43IT-5)

Central
Design
Activity
Summary
(43IT-4)

1803   CONGRESSIONAL
        JUSTIFICATION/PRESENTATION

180301 Purpose

This Section provides guidance for the organization of justification material for the Information Technology programs submitted in. support of the Presidents budget. The Department will submit a consolidated report no later than 30 days after the Presidents budget is transmitted to Congress.

180302 Justification Book Preparation

Justification Books will be prepared in the same manner as specified in Section 1802. In addition, the justification books submitted to Congress are to be unclassified.

180303 Submission Requirements

Submission requirements are as specified in Section 1802 except as noted below:

A. Advance copies are required to be reviewed and approved by the Office of the Under Secretary of Defense (Comptroller) (OUSD(Comptroller) prior to DoD Component's official submission and printing. One advance copy of the exhibits (both electronic and hard copy) is to be provided to the USD (Comptroller), Office of the Deputy Chief Financial Officer (Attention ITFM) room 3E831 Pentagon. Two advance copies are also to be provided to the ASD(C3I), DASD(P&R), room 3D228 Pentagon.

B. Forecast of Information Technology Business Opportunities. This information was formerly required for the Congressional Justification materials. *The data for this report shall be based on the Presidents budget* and submitted to ASD(C3I), DASD(P&R), room 3D228 Pentagon. Section 180403 provides reporting instructions.

180304 Input for Summary Information Technology Justification Books

A. General. All exhibit data shall be submitted on paper and in automated form. The OUSD (Comptroller) is responsible for providing the DoD Information Technology summary tables of the Exhibit 43 data in

accordance with prior congressional direction and Section 1804 of this Chapter. *To accomplish this requirement, the Exhibit 43 and the Exhibit 43 (IT-1) electronic formats will be used by the Defense Components as part of their submission. The Office of the Deputy Chief Financial Officer (ITFM) will maintain the electronically submitted Exhibit 43 database. Other specific guidance to electronically submit the Exhibit 43 will be provided as required.*

B. Distribution of the final justification books for Congress, the Office of Management and Budget (OMB), the Government Accounting Office (GAO) and the DoD Inspector General.

1. Distribution will be made by the OUSD (Comptroller) once they have been reviewed and approved

2. All submitting Defense Components are to provide 21 copies of the final IT exhibits (ready for placement in three ring binders) to the OUSD (Comptroller), ITFM Directorate for distribution.

3. OUSD (Comptroller) ITFM will prepare the summary tables, POC list, assemble the justification books, and make distribution to Congress (House National Security Appropriations Subcommittee (1 copy, minority 1 copy), Senate Defense Appropriations Subcommittee (1 copy, minority 1 copy), House National Security Committee (2 copies); Senate Armed Services Committee (2 copies)) OMB (3 copies), GAO (4 copies), PA&E (1 copy), PA (2 copies), OIG (1 copy), ITFM (1 copy), and C3I (1 copy).

C. Once the justification books have been released to the Congress and the OMB, the remaining distribution will be made as soon as possible (but not later than 12 business days) by the Defense Components. The distribution will be made in accordance with the table (Justification Material Supporting the President's Budget Request) in Volume 2, Chapter 1 (less the initial distribution (21 copies) from B.3. above).

1804   INFORMATION   TECHNOLOGY
        PROGRAM   SUBMISSION   FORMATS

180401 Purpose

        The formats provided on the
following pages reflect guidance presented in
previous sections of this chapter. Further
clarification is also provided within the specific
detailed instructions for the exhibits under section
180402. Unless modified in a subsequent budget
call, these formats should be adhered to.

180402 Exhibits in Support of Section 1802 - Budget Estimate Submission

180403 Additional Materials in Support of Section 1803 - Congressional Justification/Presentation

(Name of DoD Component
Executive Summary
(Appropriate Submission Heading)

1. <u>Purpose.</u> For each Component meeting the reporting threshold for an Exhibit 43, "Report on Information Technology Resources," a narrative will also be submitted.

2. <u>Submission.</u> An exhibit 43, "Report on Information Technology Resources" and an "Executive Summary" are required from all Defense Components who have obligations/costs of $2 million or more in any single FY 19PY, FY 19CY, FY 19BY1 or FY 19BY2 for information technology activities.

3. <u>Entries.</u> *Defense Components will provide a narrative summary entitled "Executive Summary" and will address, at a minimum, the following areas to establish a new Congressional Justification baseline budget submission: (a) general description of the Defense Components information technology activities, and how they support the overall Component's mission; (b) major initiatives supported in the budget year estimate (in the biennial year only discuss the FY 19BY1; for the second year of the biennial budget discuss the amended BY or FY 19BY2; (c) explain all significant changes (increases or decreases) to the total on the Exhibit 43 and the total development/modernization and current services on the Exhibit 43(IT-1). Explain how the preceding budget baseline total for FY 19CY and FY 19BY changed by fiscal year to this budget. Explain for this budget submission the changes by FY 19PY, FY 19CY; FY 19BY1 and FY 19BY2 (for the amended budget the FY 19PY, FY 19CY and FY 19BY applies).*

Additional reporting requirements will be identified in the call memorandum, as necessary. The ES should be done in a way that is most useful to provide understanding of the Components IT activities as well as to convey why funding has changed from the prior year baseline. Changes related to a specific exhibit section (e.g., deleting major AIS's from reporting, or eliminating reporting a IDIQ contractor a central design activity from last years budget) should be explained in that section of the Information Technology budget and not here.

<div align="center">

(Name of DoD Component)
Report on Information Technology (IT) Resources
(Appropriate Submission Heading)
(Dollars in Thousands)

</div>

	FY 19PY	FY 19CY	FY 19BY1	FY 19BY2

1. <u>Equipment</u>
    A. Capital Purchases(>Current Capital Investment/Expense Criteria)
    B. Purchases/leases (</=Current Capital Investment/Expense
                  Criteria)
        Subtotal

2. <u>Software</u>
    A. Capital Purchases(>Current Capital Investment/Expense Criteria)
    B. Purchases/leases (</=Current Capital Investment/Expense Criteria)
        Subtotal

3. <u>Services</u>
    A. Communications
    B. Processing
    C. Other
        Subtotal

4. <u>Support Services</u>
    A. Software
    B. Equipment Maintenance
    C. Other
        Subtotal

5. <u>Supplies)</u>

6. *<u>Personnel (Compensation/Benefits)</u>*
    A. Software
    B. Equipment Maintenance
    C. Processing
    D. Communications
    E. Other
        Subtotal

7. <u>Other (Non-IT Resources)</u>
    A. Capital Purchases(>Current Capital Investment/Expense Criteria)
    B. Other Current (</=Capital Investment/Expense Criteria)
        Subtotal

8. <u>Intra-Governmental Payments</u>
    A. Software
    B. Equipment Maintenance
    C. Processing
    D. Communications
    E. Other
        Subtotal

9. <u>Intra-Governmental Collections</u>
    A. Software
    B. Equipment Maintenance
    C. Processing
    D. Communications
    E. Other
        Subtotal

NET IT RESOURCES (sum 1-9 above)
Workyears
    Non-DBOF
    DBOF
Appropriation/Fund (specify)

<div align="right">

Exhibit 43
Page 1 of 5

</div>

1.   Purpose. Data are collected for the management of investments and/or operations of information technology (IT) resources as required by the Paperwork Reduction Reauthorization Act of 1986.

2.   Submission. An exhibit is required from each Executive Branch Department or Agency that obligates $50 million or more in FY 19PY, FY 19CY, FY 19BY1, or FY 19BY2 for information technology activities. This threshold applies to DoD as a Department. Within DoD, all Defense Components who have obligations/costs of $2 million or more in any FY 19PY, FY 19CY, FY 19BY1 or FY 19BY2 for information technology activities must submit this summary exhibit. Amounts will be in thousands of dollars. The electronic format is to be used for this exhibit.

3.   Definitions.

a. Information Technology (IT) Resources. Total of an Agency's yearly obligation/cost for manpower, equipment (for processing and telecommunications), and software for the planning, study, design, development, acquisition, installation, test, operations, maintenance and support of information technology activities.

b. Obligations/Cost. Amounts of orders placed, contracts awarded, services received, or similar transactions made by Federal agencies during a given period, which will require outlays during the same or some future period. For the purpose of exhibit 43 reporting, obligations is the amount an agency has committed to spend on information technology in a given fiscal year. *For the DBOF, cost applies wherever "obligations" is used in this guidance.*

4.   Report of Information Technology Resources. The exhibit 43 is to be completed for all information technology resources and will include telecommunication requirements regardless of whether or not they are associated with an information system. The exhibit will report resources in nine major categories. Refer to OMB Circular A-11 (Section 43, "Data on Acquisition, Operation, and Use of Information Technology") for detailed explanations of the summary level information requested in this exhibit.

5.   Entries.

a. Name of DoD Component. Identify the name of the DoD Component required to submit this exhibit

b. Appropriate Submission Heading. For "Budget Estimates Submission," insert "FY 19XX OSD/OMB Submission." (XX is used for illustration purposes only. Insert the applicable fiscal year in lieu of XX.)

For "Congressional Justification/Presentation," refer to the Budget Call memorandum for the appropriate submission heading.

c.   Equipment. Any equipment or interconnected system or subsystem of equipment used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information. Includes data processing and switching equipment, such as super computers, mainframes, mini-computers, microcomputers, analog and digital private branch exchanges (PBX), ancillary equipment, such as disk drives, tape drives, plotters, printers, storage and backup devices, cable-connected to computers, digital imaging equipment, optical storage and/or retrieval equipment, source data automation/recording equipment (e.g., optical character recognition devices, computer-generated microfilm and other data acquisition devices), card punch accounting equipment, and office automation equipment that was designed for use in conjunction with or controlled by a computer system; telecommunications networks and related equipment, such as voice communications networks; and related equipment, such as voice communications networks; data communications networks; local area networks; terminals; modems, data encryption devices, fiber optical and other communications networks, packet switching equipment, terrestrial carrier equipment (e.g.,

multiplixers and concentrators), lightwave, microwave or satellite transmission and receiving equipment, telephonic (including cellular) equipment and facsimile equipment

Capital Purchases. Identify all equipment purchases meeting the investment criteria. Refer to the investment/expense criteria outlined in Chapter 1 of this regulation for further clarification.

Purchases/Leases. Identify all equipment purchases or leases meeting the expense criteria. All equipment leases should be reported regardless of the cost.

d.   Software. Software is any software, including firmware, specifically designed to make use of and extend the capabilities of Information Technology (IT) equipment as identified above. Such software includes systems programs (e.g., control and library programs, assemblers, compilers, interpreters, utility programs, sort-merge programs, and maintenance-diagnostic programs); application programs; and commercial-available programs/commercial-of-the-shelf (COTS) (e.g., word processing, communications, graphics, file-management and database management system software). The term also encompasses independent subroutines; related groups of routines; sets or systems of programs; data bases; and software documentation. *Excludes software maintenance which is included in Support Services.*

Capital Purchases. Identify all software purchases meeting the investment criteria. Refer to the investment/expense criteria outlined in Chapter 1 of this regulation for further clarification.

Purchases/leases. Identify all software purchases or leases meeting the expense criteria. Refer to the investment/expense criteria outlined in Chapter 1 of this regulation for further clarification.

e.   Services. Purchase of any service, other than support services, performed or furnished by using Information Technology (IT) equipment or software. Includes teleprocessing, local batch processing, electronic mail, voice mail, centrex, cellular telephone, facsimile, and packet switching of data.

Communications. Identify purchases for telecommunication services that provide for the operation, management and/or maintenance of information transport platforms by a commercial vendor. includes both base communications and long-haul services used to support the electromagnetic or optical dissemination, transmission, or reception, and storage/retrieval of information through voice, data, video, integrated telecommunications, wire, cellular, or radio.

Processing. Identify purchases for processing services that provide for the operation, management and/or maintenance of information processing platforms by a commercial vendor. Includes both time-sharing or direct computer support that meet the definition of services as defined above.

Other. Identify purchases of all other services not contained in the "Services, Communications" or Services, Processing" lines above.

f.   Support Services. Any commercial, nonpersonal (labor-intensive) services, including maintenance used in support of Information Technology (IT) equipment, software or services as defined above.

Software. Purchase of custom software development or modernization, software conversion, software modification, and corrective software maintenance.

Equipment Maintenance. Purchase of maintenance to include preventive and remedial equipment diagnostic and repair services; a field engineering change or field modification to equipment and modifications and upgrades to software; examination, testing, repair, or part replacement functions performed on owned or leased equipment.

Other. Identify purchases of all other support services not contained in the "Support Services, Software" or "Support Services, Equipment Maintenance" lines. Purchase of services such as source data entry; computer output microfilming; training; planning for IT resources; capability and performance validations; studies (e.g., requirements analyses, analyses of alternatives, and conversion studies); facilities management of Government-furnished IT equipment; equipment operation; network management; network analysis and design; site preparation; and computer performance evaluation and capacity management. Also includes the portion of IT purchases in contracts other than those reported elsewhere, where such contracts make significant use of IT equipment, software, or services and the IT purchases are separately identified. Significant means: (a) the product or services could not reasonably be produced or performed without the use of IT resources; and (b) the dollar value of IT resources expended by the contractor to perform the service or furnish the product is expected to exceed $500,000 or 20 percent of the estimated cost of the contract, whichever amount is lower.

g.   Supplies. Purchase of any consumable item designed specifically for use with Information Technology (IT) equipment, software, services, or support services as defined above. Purchase of diskettes, CD-ROM and laser optical disks, backup cartridges, cables and wires, print wheels, print ribbons, ink for ancillary equipment, printer paper, IT equipment cleaning kits, magnetic tape, magnetic disks, telecommunications fuses and connectors, and all other similar items designed specifically for use with IT equipment in the creation, transmission, and maintenance on automated information, data, records, or files.

h. Personnel (Compensation/Benefits). Includes the salary (compensation) and benefits for government personnel (both civilian and/or military) who perform information technology functions 51% or more of their time. Functions include but not limited to policy, management including headquarters staff, systems development, operations, telecommunications, computer security, contracting, secretarial support, base level units including engineering, maintenance, installations, and training. Personnel in user organizations who simply use information technology assets incidental to the performance of their primary functions are not to be included. Excludes travel. Travel shall be reported under category 7, "Other.." Civilian personnel costs for both DBOF and appropriated funding will be fully burden including fringe benefits. The DBOF Military Personnel cost in the exhibit 43 will be computed at the equivalent civilian rate as prescribed by the FMR DBOF guidance.

Software. Personnel performing software functions of development or modernization, software conversion, software modification, and corrective software maintenance.

Equipment maintenance. The examination, testing, repair, or part replacement functions performed on IT equipment.

Processing. Personnel performing data processing functions such as operations and management not included in software. or maintenance above.

Communications. Personnel performing communication functions such as operations or management

Other. All other personnel performing all other related functions.

I.   Other. Other in-house support not otherwise specified. Identify DBOF capital budget authority associated with the planning, designing, developing, and implementing a functional initiative for the benefit of a business area (or activity group), i.e., strategic planning, requirements development, and organizational redesigns which are expected to result in improved operational effciency or effectiveness and reduced costs. Also use to report DISA depreciation of capital assets for the Defense megacenters.

Capital Purchases. Identify all other capital purchases meeting the current investment criteria.

Other. Applies to anything not reported in Categories 1 through 6 or 7A, "Capital Purchases."

j.   Intra-Governmental Payments. Identify payments between executive, judicial, and legislative branches for information technology (IT) services; between Defense Components; and between activities within a DoD Component. Payments shall be categorized by type of IT services, namely software, equipment maintenance, processing, communications and other. Should payments and collections be made between activities within a DoD Component, please provide an explanation in a footnote.

Software. As defined in section 5d, "Software."

Equipment Maintenance. The examination, testing, repair, or part replacement functions performed on IT equipment.

Processing. As defined in section 5e, "Services."

Communications. Identify payments for voice and/or data communications services.

Other. Payments to others for all other IT services not specified or identified for software, maintenance, processing or communications services.

k. Intra-Governmental Collections. Identify collections between executive, judicial, and legislative branches for information technology (IT) services; between Defense Components; and between activities within a DoD Component. Collections shall be categorized by type of IT services, namely software, equipment maintenance, processing, communications and other. Should payments and collections be made between activities within a DoD Component, please provide an explanation in a footnote.

l. Net IT (IT) Resources. Identify the Net IT resources (grand total for this exhibit) by summing categories 1 through 9 for each fiscal year. *Identify the workyears for category 6 (Non-DBOF and DBOF).* Include a breakout by type of appropriation and fund for each net total. DBOF activities, specify between DBOF capital authority and DBOF operating authority.

	FY 19PY	FY 19CY	FY 19BY1	FY 19BY2

A. <u>CIM Functional Area X</u>
1. <u>Major Systems/Initiatives</u>

    Automated Information System 1
      Development/Modernization
      Current Services
        Subtotal
      Appropriation/Fund (specify)

    Automated Information System 2
      Development/Modernization
      Current Services
        Subtotal
      Appropriation/Fund (specify)

    Automated Information System N
      Development/Modernization
      Current Services
        Subtotal
      Appropriation/Fund (specify)

2. <u>Non Major Systems/Initiatives</u>

    Automated Information System N
      Development/Modernization
      Current Services
        Subtotal
      Appropriation/Fund (specify)

3.   <u>All Other</u>
      Development/Modernization
      Current Services
        Subtotal
      Appropriation/Fund (specify)

4.   <u>TOTAL CIM Functional Area X</u>:
      Total Development/Modernization
      Total Current Services
        Subtotal
      Total Appropriations/Funds (Specify)

B. <u>CIM Functional Area X1</u>
1. <u>Major Systems/Initiatives</u>

    Automated Information System 1
      Development/Modernization
      Current Services
        Subtotal
      Appropriation/Fund (specify)

2. <u>Non Major Systems/Initiatives</u>

    Automated Information System N
      Development/Modernization
      Current Services
        Subtotal
      Appropriation/Fund (specify)

Exhibit 43(IT-1)

Continued	FY 19PY	FY 19CY	FY 19BY1	FY 19BY2

3. <u>All Other</u>
Development/Modernization
Current Services
  Subtotal
Appropriation/Fund (specify)

4. <u>TOTAL CIM Functional Area X1:</u>
Total Development/Modernization
Total Current Services
  Subtotal
  Total Appropriations/Funds (Specify)

C. <u>CIM Functional Area XN</u>
1. <u>Major Systems/Initiatives</u>

Automated Information System 1
  Development/Modernization
  Current Services
    Subtotal
  Appropriation/Fund (specify)

Automated Information System N
  Development/Modernization
  Current Services
    Subtotal
  Appropriation/Fund (specify)

2. <u>Non Major Systems/Initiatives</u>

Automated Information System 1
  Development/Modernization
  Current Services
    Subtotal
  Appropriation/Fund (specify)

3. <u>All Other</u>
  Development/Modernization
  Current Services
    Subtotal
  Appropriation/Fund (specify)

4. <u>TOTAL CIM Functional Area XN</u>:
  Total Development/Modernization
  Total Current Services
    Subtotal
  Total Appropriations/Funds (Specify)

XX. CIM Grand Total
  Development/Modernization
   Appropriation/Fund (specify)
  Current Services
   Appropriation/Fund (specify)
  Total
   Appropriation/Fund (specify)

Exhibit 43(IT-1)

1.   Purpose. This exhibit provides a more detailed report of a component's estimates for information technology (IT) activities for FY 19PY, FY 19CY, FY 19BY1 and FY 19BY2. The total and the appropriation and fund total for this exhibit shall equal the total of Exhibit 43

2.   Submission. The exhibit is required from each Defense component that obligates or incurs costs for information technology (IT) activities totaling $2 million in FY 19PY, FY 19CY, FY 19BY1 or FY 19BY2 for major, non-major and other. Dollars are to be displayed in thousands. *The electronic format is to be used for this exhibit.*

3.   Entries. For each Corporate Information Management (CIM) Functional Area, the estimates for Development/Modernization (D/M), and Current Services (CS), listed by major Automated Information Systems (AIS), non-major AIS, and total of all other information technology (IT) resources are displayed. The following guidance is applicable

        a. Name of DoD Component. Identify the name of DoD Component required to submit this exhibit.

        b. Corporate Information Management (CIM). Identify each CIM Functional Area as defined in section 180205, "Corporate Information Management Functional Areas" for which the Component has IT resources. Resource display will separately identify major systems, non-major systems, a total for all other, and a total for each CIM Functional Area. Instructions for each reporting category are provided in subparagraphs c, d, e, f, and g below. List each applicable CIM Functional Areas (X through XN) in the same order as contained in section 180205 alphabetically. The "X" and "XN" notations are for illustrative purposes only, use the applicable CIM functional area and the system, program or initiative title.

        c. Major System/Initiatives. For each CIM Functional Area, alphabetically identify the major AIS's by name and system number *(Note an AIS number will be assigned for use in the electronic submission. Do not use your agency number unless approved by OSD (Comptroller)).* A major AIS is defined in section 180203, "Preparation of Material." For each AIS listed (1 through N) include estimates for the development/modernization (D/M), current services (CS), and a subtotal of the AIS obligations (costs) by fiscal year. *For each AIS include a breakout of the subtotal obligations by type of appropriation and fund for each fiscal year. The data entry into the electronic format will require appropriation and fund data by D/M and CS. This level of detail will not be an output on the form until the last CIM Grand Total is shown for the exhibit.*

        d. Non-Major Systems/Initiatives. For each CIM Functional Area, alphabetically identify the non-major AIS's or program initiatives by name and designated system number (form the electronic database). A non-major AIS is defined in section 180203, "Preparation of Material." For each AIS listed (1 through N) include estimates for the D/M, CS, and a subtotal of the AIS obligations by fiscal year. *For each AIS, include a breakout of the subtotal obligations by type of appropriation and fund for each fiscal year. The data entry into the electronic format will require appropriation and fund data by D/M and CS. This level of detail will not be an output on the form until the last CIM Grand Total is shown for the exhibit.*

        e. All Other. The purpose of this entry is to aggregate estimates for those AISs or program initiatives that fall outside the thresholds for Major AISs and Non-Major AISs, i.e., below $10 million total cost in a fiscal year (for the OSD/OMB Budget Estimate Submission this will be the POM Tab G threshold)). Also, include all other IT related obligations (costs) not normally associated with an AIS but part of the total IT resources displayed in the Exhibit 43, Report on Information Technology Resources." Identify estimates for the D/M, CS, and a subtotal of the obligations (costs) by fiscal year. Also include a breakout of the subtotal by type or appropriation and fund for each fiscal year. *The data entry into the electronic format will require appropriation and fund data by D/M and CS. This level of detail will not bean output on the form until the last CIM Grand Total is shown for the exhibit..*

        f. Total CIM Functional Area X. For each CIM Functional Area, display total D/M, total CS, and a subtotal for the CIM Functional Area. For each subtotal, include a breakout of type of appropriation and fund by fiscal year.

      g. <u>CIM Grand Total.</u> Provide at the end of the exhibit a grand total of the estimated obligations (costs) for all CIM functions reported. The grand total shall equal the sum of the CIM Functional Area totals. *Identify "Development/Modernization" and "Current Services" by type of appropriation and fund by fiscal year. Note, this information will be generated from the data entry above and will be displayed on the Exhibit 43(IT-1)from the electronic format. Also note that once the appropriations and fund data is inputted for this exhibit, the same data will be transmitted to the Exhibit 43 electronic format as a check.*

(Name of DoD Component
Descriptive Summary
(Appropriate Submission Heading)

A.   AIS Title and Number:

B.   CIM Functional Area:

C.   *Life Cycle Cost and Program Cost:*

   1.   *Then year (Inflated dollars (in millions of dollars)*

   Approved Life Cycle Cost::   *$* _____
   (state milestone approval reference source: _____)

   Approved Program Cost::   *$* _____
   (state milestone approval reference source: _____)

   2.   *Constant base year (FY 19XX - specify base year) dollars (in millions of dollars)*

   Approved Life Cycle Cost::   *$* _____

   Approved Program Cost::   *$* _____

   3.   Sunk Cost (actual): $ _____ (in millions of dollars)

   4.   Cost To Complete: $ _____ (in millions of dollars)

D.   Cross Reference to Justification Books:

E.   System Description:

F.   *Program Accomplishments and Plans*
   1. Milestone table
   2. FY 19PY Accomplishments:
   3. FY 19CY Planned Program:
   4.. FY 19BY1 Planned Program:
   5. FY 19BY2 Planned Program:

G.   Contract Information:

H.   Comparison with FY 19CY Description Summary:
   1. Technical Changes:
   2. Schedule Changes:
   3. Cost Changes:

Exhibit 43(IT-2)

1. <u>Purpose.</u> *To provide a concise descriptive summary which comprehensively provides visibility for each automated information system (AIS), program (e.g. Local Area Networks (LANs)) or special interest item being funded in the budget. Congress requires this exhibit to bridge the prior budget to the current budget and to have changes explained. It should be written for all audiences--resource managers, technical, and functional reviewers. Summary will be done for both development (including modifications) as well as operational AISs, programs, or special interest items that meet the threshold for reporting.*

2. <u>Submission.</u> *A separate "Descriptive Summary" will be submitted for each Major and Non-Major AIS, program or special interest item that is identified in the "Report on Information Technology (IT) Resources," exhibit 43(IT-1) that have a total costs of $10 million or more in a fiscal year (FYPY, FYCY, FYBY1 or FYBY2).*

3. <u>Entries.</u>

    a. <u>AIS Title and Number.</u> Insert the official title for the Major or Non-Major AIS, program or special interest item, its acronym, and OSD Comptroller assigned number. Indicate if system has been designated by ASD(C3I) as a Migration System and when designated.

    b. <u>CIM Functional Area.</u> Insert the proper Corporate Information Management (CIM) Functional Area as identified and defined in Section 180205, "Corporate Information Management Functional Areas" of this regulation. *Major and Non-Major AIS, program or special interest items that support more than one CIM Functional Area will be reported under the area that is dominate with percentages of each CIM area supported identified in this paragraph.*

    c. <u>*Life-Cycle Cost and Program Cost.*</u> *These values must be current and track to other system documents that support life cycle management in the Department. If no approved cost is available indicate by footnote when, by specific date, one will be available. Do not use TBD.*

    (1.) <u>*Life-Cycle Cost (LCC).*</u> *Insert the approved LCC (in then-year and constant FY 1996 base year dollars) as of the last milestone review. For major AISs (program, special interest item or modernization), approved means the value reported is from an economic analysis (EA) approved by the Major Automated Information System Review Council (MASIRC) at a LCM milestone. For non-major AISs (program, special interest item, or modernization) approved means the EA independently validated and approved by the Milestone Approval Authority (NASRIC, AASIRC, or Component Head) as prescribed in reference DoDD 5001 (see section 180104). For operational systems (past milestone III) indicate the latest LCC that was approved and footnote the milestone data for approval. Note, however, this will require in the accomplishments, paragraph F, some assessment (e.g., current estimate) of achievement of this LCC.*

    (2.) <u>*Program*</u> *Cost. insert the approved program cost (in then-year and constant FY 1996 base year dollars) as of the last milestone review.*

    (3.) <u>*Sunk Cost.*</u> *Actual cost incurred from the initiation phase of the new Major or Non-Major AIS, program or special interest item or modernization through FY 19PY.*

    (4.) <u>*Cost to Complete.*</u> *Cost (in then-year dollars) to be incurred from FY 19CY through the remaining life of the Major or Non-Major AIS, program, or special interest item or modernization (Approved Life Cycle Cost less Sunk Cost equals Cost to Complete).*

    (5) <u>*Footnote.*</u> *Footnote any non-enty in I-4 above to properly explain why a value has been omitted.*

d.   Cross Reference to Justification Books: The purpose of this section is to provide a cross walk between the Information Technology exhibits to all other Budget Justification books. For each appropriation or fund, specify the Budget Activity, Line Item, Line Item Title (Identify title discrepancies between exhibit 43(IT-1) entries and, Justification Book entries). For example, the Procurement Line Item Number, P-1; the Research, Development, Test and Evaluation (RDT&E) Line Item, R-1; or Operation and Maintenance (O&M) Line Item, O-1 should be identified for each budget requirement Identify the appropriation/fund and Budget Activity/Business Area for this AIS, program or special interest item in the same exhibit sequence as contained in the regulation, specifically Military Pay; O&M; Procurement; RDT&E; Military Construction (MILCON); Base Realignment and Closure (BRAC); Real Property Maintenance/Minor Construction; and Defense Business Operations Fund (DBOF).

e. System Description. *The purpose of this paragraph is to provide the reader with adequate information to describe the AIS or its modernization, program/initiative or special interest item. Describe the basic requirements for the Major and Non-Major AIS, program or special interest item within the component's information architecture. Each entry will identify the following: (2) discuss the current status such as being in development or operational, (2) latest and next milestone review, (3) specify the function(s) performed by the AIS, (4) describe interrelationships to other systems or elements of the organization and the Agency it supports, (5) if applicable, identify the DBOF business areas this AIS supports, (6) describe how the major and non-major AIS, program or special interest item supports the Department's Corporate Information Management (CIM) effort, namely, indicate if this is a migratory or designated CIM system, and the systems it will replace. If this AIS, program or special interest item is not a CIM designated system, provide rationale for continued development and modernization, or sustainment of the system, (7) for those development and maintenance efforts or services done within the Department (in-house software development), identify the central design activity (CDA) performing these services and the type of support being provide, , and (8) address problem areas or congressional interest, etc. that impact this budget.*

f. Program Accomplishments and Plans. *The purpose of this paragraph is to provide the reader in laymen terms a clear trail between the Department's funding request verses what the Department actually accomplished with the funding provided in the last Congressional justification submission Specifically, (1) the narrative should identify life-cycle management milestones, milestone approval authority, current life-cycle phase, other significant program accomplishments, and their scheduled completion dates which fall between FY 19PY through FY 19BY2. Explain any change to these dates in paragraph H, (2) There are three main parts after the milestone table to complete this paragraph. In the first part discuss the current status of the AIS in terms of what was actually accomplished for the FY 19PY. Be specific in terms of dates, number of or quantity of activities and functions, etc. and explain any difference between this request and the preceding Presidents budget, (3) In the second and third parts identify what the plan program is for the FY 19CY, FY 19BY1, and FY 19BY2 for the biennial budget (amended budget would discuss the FY 19CY and FY 19BY) so plans can be tracked as accomplishments from the current exhibits to prior/future budgets.*

g. Contract Information. Identify prime contractor(s), their involvement, and type of government obligation (e.g., fixed price, cost plus, etc.), length of contract, key milestones, or when delegation of procurement authority from the General Services Administration (GSA) was obtained. Highlight contract performance (e.g., ahead of schedule, under cost. etc.) and other significant contract information.

h. Changes. *This part provides a clear explanation of changes between budgets and between fiscal years for the budget submission. Identify any significant changes within budget estimates covered between FY 19PY through FY 19BY2. Specifically, explain any change (difference) from the last submission for either the technical, schedule, or cost of the program.*

(1) Technical. *Explain any change from a system equipment, software application, telecommunications, or other change that impacts the basic (approved) technical parameters of the AIS.*

(2) <u>Schedule.</u> Explain any delay that will impact the original (approved) time table of developing, implementing, and operating the AIS.

(3) <u>Cost.</u> Explain cost changes (increase or decrease greater than 15%) in IT resources for a biennial budget between the preceding budget 43(1T-1) FY 19PY and this budget FY 19PY. Explain changes between fiscal year FY 19CY of the preceding budget and FY 19CY of this submission. Then explain the changes between FY 19CY, FY 19B1, and FY 19B2 of this submission. Note year two of a biennial budget, this section would explain changes from the FY 19PY of the preceding budget to FY 19PY of this submission and then explain the change from the FY 19CY this budget to the FY 19BY of this budget. Also in this part, explain any change in (1) the Approved Life Cycle or Program cost between budget submissions (paragraph c). and (2) the development/modernization and current services amounts between budgets.

(Name of DoD Component)

IT Resources Requirements and Indefinite Delivery/Indefinite Quantity Contract(s)
(Specify if <u>Lead Component or User</u>)
(Appropriate Submission Heading)

A.   Contract Name:

B.   Description of Contract:

C.   Contract Number:

D.   Estimated Contract Requirements by appropriation ($000):

<p style="text-align:center"><u>FY 19CY</u>   <u>FY 19BY1</u>   <u>FY 19BY2</u></p>

- Procurement

- O & M

- Other (specify)

Total

E.   Contract Data:

    (1).   Contract awarded to:

    (2).   Contract Award Date:

    (3).   Brand name(s) and model number(s) of primary hardware and software:

    (4)   Contract duration (in years):

    (5).   Contract renewal options:

    (6).   Estimated value of contract:

    (7).   Minimum obligation by FY:

<div style="text-align:right">Exhibit 43(IT-3)
(page 1 of 3)</div>

1. Purpose. The purpose of this exhibit is to provide visibility of actual, budgeted, and required contract obligations for Information Technology (IT) resources under Requirements and Indefinite Delivery/Indefinite Quantity (IDIQ) contracts.

2. Submission.
    A. Each component will submit a separate exhibit for each current or planned contract which:

        (1) will be in effect during the period FY 19CY through FY 19BY2; and

        (2) could exceed $25 million total actual and projected expenditures for any fiscal year of the contract's duration or $100 million total contract life cost (including optional years and quantities). Special interest contracts below this threshold when identified by OSD will be reported.

    B. Data will include actual and planned (budgeted/funded) contract expenditures for any year of the contract's duration, regardless of the amount.

    C. Report all current and planned requirements and IDIQ contracts for all information technology (IT) resources that are part of and/or provide direct support to the IT resources reported in exhibit IT-1, Report on Information Technology Resources."

3. Contract Value. Questions on estimated contract value should be resolved by contacting the lead component for the contract.

4. Definitions. The following definitions apply.

    A. Requirements Contracts (see FAR 16.503) A "Requirements Contract" provides for filling all actual purchase requirements of designated Government activities for specific supplies or services during a specified contract period, with deliveries to be scheduled by placing orders with the contractor.

    B. Indefinite-Delivery/Indefinite-Quantity Contracts (see FAR 16.504). An "Indefinite Delivery/Indefinite Quantity Contract" provides for an indefinite quantity, within stated limits, of specific supplies or services to be furnished during a fixed period, with deliveries to be scheduled by placing orders with the contractor.

5. Entries. The data reported is dependent upon whether you are the lead or user of a contract awarded or not yet awarded. Reporting requirements include:

        (1) Contracts already awarded: Components shall complete items A through D. The lead component shall complete all items A through E.

        (2) Contracts not yet awarded: Components planning to use the contract shall complete items A, B, and D. The lead component shall complete items A, B, D, and E (4), (5), and (6).

    A. Contract Name: If available, insert the name of the contract and any appropriate acronyms.

    B. Description of Contract. Provide a brief but succinct description of the items/services available under the contract. Also indicate whether the contract type is requirements or IDIQ. If the contract type varies, identify type of contract by user.

    C. Contract Number: If available, provide the official contract number.

D. <u>Estimated Contract Requirements by Appropriation.</u> Breakout the component's estimated cost for planned usage, by fiscal year and appropriation/fund for the period FY 19CY through FY 19BY2.

E. <u>Contract Data.</u> Identify the contractor, brand name and model numbers for the primary equipment and software, and award date. Insert the number of years the basic contract is available for procurement and the number of years for which the contract contains option clauses for future procurements. Describe the scope of the contract (i.e., range of potential users) and its purpose. Identify the total estimated value of the contract and the minimum contractual obligation by fiscal year for the period FY 19CY through FY 19BY2.

6. <u>Lead Component for Contracts NOT Yet Awarded</u>. If the acquisition strategy involves less than full and open competition, explain the rationale for the alternate strategy.

(Name of DoD Component
Central Design Activity Summary
(Appropriate Submission Heading)
(Dollars in Thousands)

	FY19PY	FY19CY	FY19BY1	FY19BY2
A. Name of Central Design Activity, Location, (specify DBOF Business Area, if applicable)				
Subtotal of obligations (cost) by CDA:	$ $	$ $	$ $	$ $
Workyears	*xx*	*xx*	*xx*	*xx*

CIM Functional Area X
Automated Information System name, number   (Enter AIS information, not dollars)
Automated Information System name, number

CIM Functional Area X
Automated Information System name, number
Automated Information System name, number

B. Name of Central Design Activity, Location, (specify DBOF Business Area, if applicable)				
Subtotal of Obligations (cost) by CDA:	$ $	$ $	$ $	$ $
Workyears	*xx*	*xx*	*xx*	*xx*

CIM Functional Area X
Automated Information System name, number   (Enter AIS information, not dollars)
Automated Information System name, number

CIM Functional Area X
Automated Information System name, number
Automated Information System name, number

C. Name of Central Design Activity, Location, (specify DBOF Business Area, if applicable)				
Subtotal of Obligations (cost) by CDA:	$ $	$ $	$ $	$ $
Workyears	xx	xx	xx	xx

CIM Functional Area X
Automated Information System name, number   (Enter AIS information, not dollars)
Automated Information System name, number

CIM Functional Area X
Automated Information System name, number
Automated Information System name, number

CDA Grand Total:	$ $	$ $	$ $	$ $
Workyears	xx	xx	xx	x x

Exhibit 43(IT-4)
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1. <u>Purpose.</u> This exhibit provides a summary of obligations (cost), *both contract and in-house,* for a central design activity (CDA) during the period FY 19PY through FY 19BY2.

2. <u>Submission.</u> The exhibit 43(IT-4) shall be completed for each CDA which expends $5 million or more in a fiscal year, during the period FY 19PY through FY 19BY2 for software support. ACDA is defined as a designated organization (or segment thereof) within a component which, at a minimum, has responsibility for supporting AIS software (see a below) in use at more than one location (see b below).

   a. "Supporting AIS software" is defined as performing at least one of the following:

      (1) Designing, converting, coding, testing, documenting or subsequently maintaining or modifying computer operating or applications software for use; or

      (2) Creating, reproducing, disseminating or transmitting the above computer software and documentation for each authorized release of the computer software; or

      (3) Providing technical assistance and corrective programming action on computer trouble calls on the above computer software.

   b. Software is in use at "more than one location" if any portion of it meets at least one of the following:

      (1) It is in use by more than one component; or

      (2) It is in use component-wide, command-wide, or at multiple installations.

3. <u>CDA Functions</u>.
   a. Estimates for measurement against the reporting threshold shall include costs for the following functions, products or services performed by the CDA.

      (1) <u>New Design and Redesign.</u> Efforts associated with initial design of an AIS or application, encompassing requirement determination; analysis; design, programming, documentation; and testing. An AIS or application is considered to be in a new design status from the time the preliminary analysis of user requirements is conducted and system requirements are defined and approved until the AIS or application is made available for operational use by all affected installations. Software redesign means any change to software that involves a change in the functional specification for that software.

      (2) <u>Software Modification and Conversion</u>. Efforts associated with automated translation, recoding and reprogramming. Automated translation means changes to software, including machine processed recoding, that preserves both functional requirements and software design specifications to the extent that no changes are apparent to the user. Recoding means a manual change to software on a line-for-line basis that preserves both the functional requirements and software design specifications. Reprogramming means any change to the software that deviates from design specifications for that software but preserves the functional requirements of the user.

      (3) <u>Software Maintenance.</u> Efforts associated with the elimination of faults in software to ensure that an AIS or application is in a satisfactory working condition.

      (4) <u>Management and Technical Support</u>. Efforts associated with management; administration and clerical functions; field assistance to users; quality assurance and program release control; input preparation; software tools development; magnetic storage media library operations; data standards and programming conventions maintenance; professional career development; and technical aspects of the AIS, including engineering, operations research, mathematics, etc.

4. <u>Entries.</u> The exhibit 43(IT-4) shall include all CDA cost (direct, indirect, and General and Administrative (G&A) cost) as defined in Volume 4 of the Financial Management Regulation (when published), Chapter 23, "Cost Distribution for Information Technology Facilities," and the Defense Business Operations Fund (DBOF) guidance. When a CDA is only a segment of a larger organization, indirect and G&A cost shall be allocated to the CDA function as directed under unit cost guidance.

    A. <u>Name of CDA and Location.</u> Identify each central design activity that your Military Department, Unified Command, or Defense Agency has that meets the criteria above and list by name and location.

    (1) <u>DBOF Business Area.</u> If the systems support is done by reimbursement through the DBOF, identify the DBOF Business Area supported. Also, identify what DBOF Business Area the CDA is in. If funds support more than one DBOF Business Area, indicate the percent of funds for each, e.g. Supply 75%, Finance 25%.

    (2) <u>Subtotal of CDA Requirements.</u> Identify by fiscal year (FY 19PY to FY 19BY2) the CDA total obligations (costs), both contract and in-house, in thousands ($000) and *associated in-house workyears.*

    (3) <u>CIM Functional Area.</u> For each CDA, identify the CIM Functional Area being supported. CIM Functional Areas are identified in section 180205, "Corporate Information Management Functional Areas." Within in each CIM Functional Area, identify the Automated Information System (AIS), program or special interest item being supported by the CDA.

    (4) <u>Automated Information System.</u> List each AIS, program or special interest item the CDA supports, identify by title and number, if applicable. Include both "Development and Modernization" and "Current Services." No dollar values are required.

    Items B. and C. would apply if more than one CDA was to be included on the exhibit. Repeat A. above.

    D. <u>CDA Grand Total.</u> Sum the fiscal year amounts ($000) for each CDA (items A, B, C, etc.) above and show the total on this line. Include a total for workyears (in-house) by fiscal years.

1. <u>Purpose</u>.   This report provides a summary of business opportunities through new acquisitions available for the FY 19BY, FY 19BY+1 and FY 19BY+2.

2. <u>Submission</u>.   The report is not to be included as part of the budget but will be based on the latest budget submission. The report shall be submitted to ASD(C3I), DASD(P&R), room 3D228 Pentagon. Any additional submission requirements (electronic or otherwise) will be provided by separate cover. For each year (Budget Year, Budget Year +1, Budget Year +2) list by appropriate dollar range all the applicable items. Start with the business opportunities meeting the $10-25 million minimum threshold first, followed by $ 25-50M, $ 50-100M, and $ 100M and above. Indicate by an "X" the dollar range most appropriate for the business opportunity item. The dollar range is determined by proposed full contract value.

3. <u>Entries</u>.   Each entry will use the following format numbered sequentially (n, n+1, n+2,... n+n):
<center><u>FY 19BY</u></center>

n.   <u>Name of Business Opportunity</u>: Identify business opportunity (by type of IT resource or category of IT resource with amplifying descriptor -- example: Support Services, CLSRS Software Maintenance).

$ <u>10-25M</u>	<u>$ 25-50M</u>	<u>$ 50-100M</u>	<u>$ 100M and above</u>
X			

Description: Provide a brief but concise description of the acquisition or opportunity (including categories of IT resources to be procured and, if applicable, discuss contract(s) being replaced including estimated date of replacement), length of contract period in years, and potential total value over this period. Cross reference any other source document(s) (such as Agency IRM Plan) that has similar or related acquisition information on this item.

n+n. <u>Name of Business Opportunity</u>: Identify business opportunity (by type of IT resource or category of IT resource with amplifying descriptor such as system/hardware name, etc.)

$ <u>10-25M</u>	<u>$ 25-50M</u>	<u>$ 50-100M</u>	<u>$ 100M and above</u>
	X		

Description: Provide a brief but concise description of the acquisition or opportunity (including categories of IT resources to be procured and, if applicable, discuss contract(s) being replaced including estimated date of replacement), length of contract period in years, and potential total value over this period. Cross reference any other source document(s) (such as Agency IRM Plan) that has similar or related acquisition information on this item.

<center>**43(IT-5) Forecast of Information Technology Business Opportunities**</center>