OFFICE OF THE SECRETARY OF DEFENSE
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APR 24 2007

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Revision of DoD Cost and Software Data Reporting Policy Guidance

Contractor Cost Data Reports (CCDRs) have served as the centralized DoD source of actual cost information for cost estimating purposes during the past 34 years. In 2003 we introduced new Software Resources Data Reports (SRDRs), to augment CCDRs, to support better estimation software development costs. In 2004, the Director, Program Analysis and Evaluation (D, PA&E) issued interim guidance that cancelled the CCDR Manual, DoD 5000.4-M-1, dated April 1999. In its place, draft CCDR and SRDR Manuals were designated for use as interim guidance. D, PA&E further directed that the two draft Manuals be combined and integrated into one Cost and Software Data Reporting (CSDR) Manual. At the same time the Defense Cost and Resource Center (DCARC) led an effort to reengineer related CSDR reporting forms, Data Item Descriptions (DIDs), planning instructions, and contracting language to ease implementation and enhance the use of CSDRs.

My staff, in coordination with the CSDR Focus Group of key government and industry stakeholders, recently completed all the required actions to implement permanent guidance. As a result, the following applies:

1. The recently approved CSDR Manual, DoD 5000.04-M-1, is now effective. It provides detailed requirements for implementing the mandatory CCDR and SRDR policies established in DoDI 5000.2, DoDD 5000.04, and DoD 5000.4-M. We will monitor the currency and effectiveness of the Manual with an annual review and will update the document as needed. A summary of the key changes in the new Manual is provided at http://dcarc.pae.osd.mil/.

2. The following revised DIDs should be implemented on all applicable future contracts that are awarded based on solicitations or requests for proposal issued after May 31, 2007. However, contractors, in coordination with the government program managers, have the option to implement the new DIDs on existing contract actions at no cost to the government.

   a. Cost Summary Data Report (CSDR) (DID number DI-FNCL-81565B)
   b. Functional Cost Hour Report (FCHR) (DID number DI-FNCL-81566B)
   c. Progress Curve Report (PCR) (DID number DI-FNCL-81567B)
   d. Contract Work Breakdown Structure (CWBS) (DID DI-MGMT-81334C)
   e. SRDR Initial Developer Report (DID number DI-MGMT-81739))
   f. SRDR Final Developer Report (DID number DI-MGMT-81740)

We believe the new Manual and updated DIDs will simplify both planning for and cost reporting using CSDRs. A summary of the major changes to the CCDR and SRDR DIDs are also shown at http://dcarc.pae.osd.mil/.

I am confident that the policy and implementing documentation as described herein will improve and stabilize the CSDR process and related contractor reporting. I would like to thank the many government and industry stakeholders who helped in this very successful collaborative effort. I look forward to seeing the results of this joint work effort.

Questions regarding the revised CSDR policy should be directed to Dr. Ron Lile (Ronald.Lile@osd.mil) or Mr. Mike Augustus (Mike.Augustus@osd.mil) at 703-601-4850 at the DCARC office.

Richard P. Burke
Chairman
Cost Analysis Improvement Group

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