

## Acquisition Management Policy - (1/2021)

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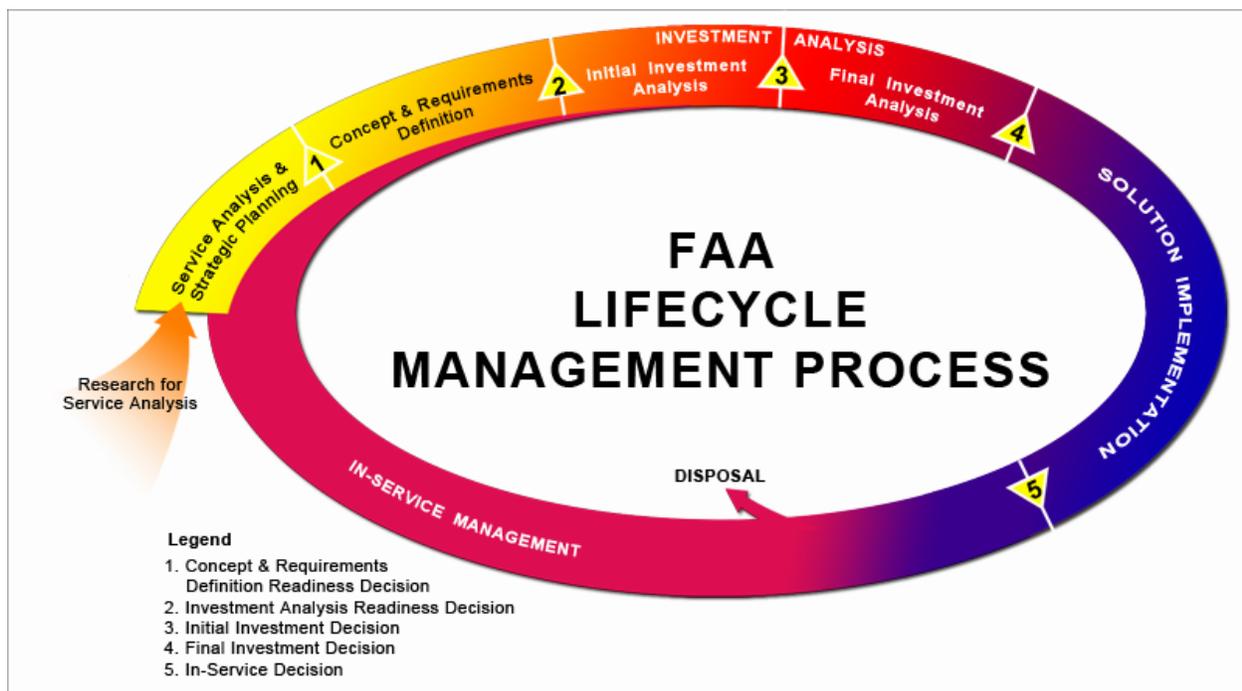
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## 2.1 Overview Revised 4/2013

Lifecycle acquisition management is built around a logical sequence of phases and decision points (see Figure 2.1-1). The FAA uses these phases and decision points to determine and prioritize its needs, make sound investment decisions, implement solutions efficiently, and manage services and assets over their lifecycle. The overarching goal is continuous improvement in the delivery of safe, secure, and efficient services over time. Application is flexible and may be tailored by the Acquisition Executive or Joint Resources Council.

The lifecycle management process is the FAA's Capital Investment Planning and Control Process. Service analysis and investment analysis constitute the select process. Solution implementation is the control process. In-service management is the evaluation process.

*Figure 2.1-1 The FAA Lifecycle Management Process*



### 2.1.1 Key Elements of Lifecycle Management Policy Revised 1/2021

FAA lifecycle management policy emphasizes the following:

- Service organizations are responsible and accountable for managing service delivery throughout the AMS lifecycle management process;
- Service organizations manage fully integrated portfolios of investment and operational assets to optimize service delivery over time;
- Portfolio managers coordinate implementation of all materiel and non-materiel investment increments necessary to obtain an operational capability;
- Service analysis is the foundation for long-range planning by service organizations and the FAA as a whole;

- Users, customers, and industry work together to define affordable and sufficient requirements so practical solutions can be developed;
- The Acquisition Executive Board assigns an acquisition category to all investment initiatives early in concept and requirements definition to ensure the appropriate level of oversight and artifact development;
- Investment decisions are based on the relative merit of different investment opportunities for satisfying priority service needs and FAA performance goals;
- Commercial and non-developmental solutions are preferred when they satisfy customer needs and make economic sense;
- Investment programs are approved and funded in manageable phases or segments;
- Lifecycle supportability is designed into products and services to minimize both cost and risk;
- Investment programs are managed within approved cost, schedule, and performance baselines;
- In-service decisions are based on demonstration that operational requirements and readiness are satisfied;
- Evolutionary improvement of service delivery and the quick insertion of productive new technology is encouraged; and
- Operational performance, costs, and benefits are evaluated periodically throughout in-service management as a basis for improving cost-effective service delivery.

### **2.1.2 Evolutionary Product Development Revised 4/2013**

The FAA employs evolutionary product development to limit the design challenge for any one product development cycle by deferring risky technology and immature requirements to later updates. The objective is to minimize risk and facilitate the achievement of cost, schedule, and performance goals. Product development and implementation are appropriate when risk is low, requirements are known and stable, and resources are available.

Evolutionary product development begins during research for service analysis when the FAA develops and evaluates new concepts and technology for possible application to the aviation service environment. Only the best new concepts validated to be technically, operationally, strategically, and financially mature and beneficial enter into the NAS Concept of Operations as candidates for investment and deployment.

During concept and requirements definition, service teams conduct a final assessment of the maturity of marketplace technology and customer requirements. Only low-risk, high-value investment increments proceed to investment analysis and solution implementation. Higher risk concepts are deferred, terminated, or designated for additional research or technology development.

### **2.1.3 Knowledge-Based Decision-Making Revised 4/2013**

The FAA employs knowledge-based decision-making throughout the lifecycle management process. Specific knowledge, as defined by decision criteria, must be achieved for entry into AMS decision points. These criteria are defined as entrance criteria in the AMS policy section for each decision point. Investment programs that develop systems or software must capture

additional design and manufacturing knowledge about their products as prescribed in Section 2.6.1, and base decisions on whether to proceed further in the lifecycle management process on that knowledge.

**2.1.4 Investment Planning Revised 4/2019**

Investment planning occurs throughout the AMS lifecycle management process (see Table 2.1.4-1). During service analysis and strategic planning, the focus is on defining corporate service needs and shortfalls and deciding when to seek solutions within realistic budgetary constraints. Investment planning during the remainder of the AMS lifecycle management process supports the definition, acquisition, deployment, and lifecycle support of affordable solutions to approved service needs. Throughout this management process, FAA service organizations employ standard scheduling practices, standard program milestones, and the standard lifecycle work breakdown structure.

**Table 2.1.4-1 Investment Planning During the AMS Lifecycle Management Process**

<b>Lifecycle Management Phase</b>	<b>Focus of Investment Planning</b>
Service analysis and strategic planning	FAA service needs and service shortfalls
Concept and requirements definition	Program requirements and alternative solutions for approved service needs
Initial investment analysis	Business case analysis to determine the best overall solution
Final investment analysis	Final business case and implementation planning for the alternative selected for acquisition and deployment based on vendor proposals and operational support needs
Solution implementation	Program implementation consistent with the acquisition program baseline or execution plan approved at the final investment decision
In-service management	Sustainment of operational assets including product improvements and technology upgrades as defined in the business case

**2.1.4.1 FAA Scheduling Practices Revised 10/2014**

Service organizations and program offices employ FAA scheduling best practices when planning investment programs. This includes communicating up-to-date acquisition and site-specific waterfall

deployment schedules to all key stakeholders by means of the corporate work plan. Guidance for FAA scheduling practices is located in FAST on the investment analysis page.

#### **2.1.4.2 Standard Program Milestones Revised 4/2019**

Service organizations and program offices employ standard program milestones when planning, executing, and reporting progress on agency investment programs, including entries in the OMB Major IT Business Case (designated programs only) and acquisition program baseline or execution plan. Standard milestones for system and facility investment programs are located in FAST on the decisions / reviews / standard milestones page.

#### **2.1.4.3 Standard Lifecycle Work Breakdown Structure Revised 10/2014**

Service organizations and program offices employ the FAA standard lifecycle work breakdown structure when estimating total lifecycle cost and constructing initial program plans and schedules for each alternative solution during initial investment analysis. They use it during final investment analysis to develop a program work breakdown structure and implementation planning for the alternative approved by the Joint Resources Council.

#### **2.1.5 Measurement and Analysis Revised 4/2019**

Measurement and analysis is a management and control process applied throughout the lifecycle of an investment program or operational asset to assess progress, forecast performance, determine status, and define corrective action. Measurement and analysis provides information and visibility toward accomplishing program goals and supporting management information needs.

Each line of business or staff office institutes measurement and analysis processes in accordance with AMS policy and guidance that:

- Collect, store, analyze, and report data on seventeen standard measures defined in [Standard Program Performance Measures](#);
- Collect, store, analyze, and report baseline performance data defined in the Acquisition Baseline Management Standard Operating Procedure for those programs with an approved acquisition program baseline or execution plan; and
- Provide early warning indicators of program issues before they become major problems.

Measurement and analysis information needs include, but are not limited to:

- Contract information that supports management and executive monitoring of vendor performance;
- Contract information that supports acquisition quality assurance;
- Program, operational, risk, and contract information that supports monitoring of lifecycle cost, schedule, performance baselines, as well as benefits and technical progress;
- Program information that supports achievement of FAA strategic goals and alignment with the enterprise architecture; and
- Operational and business case information that supports investment decision-making.

## 2.1.6 Verification and Validation Revised 10/2014

The FAA employs verification and validation throughout the acquisition management lifecycle in accordance with AMS verification and validation guidelines to support investment decisions and approvals. Validation ensures the right product is built (fulfills its intended use). Verification ensures a product is built right (according to specifications). Verification and validation are performed early and incrementally throughout the lifecycle management process on select work products, product components, and products. Products are intended for delivery to a customer or end user. Product components are lower-level configuration items of the product. Work products represent, define, or direct product development. The following are sample work products, work components, and products subject to verification and validation:

- Operational concept or procedures
- Planning documents
- Requirement and specification documents
- Procurement and contractual documents
- Models, prototypes, and simulations
- Design documents
- Products and product components

## 2.2 Research for Service Analysis Revised 4/2013

Research and systems analysis are often required during service analysis to mature operational concepts, reduce risk, or define requirements before a decision is rendered to proceed further in the lifecycle management process. Research for service analysis (RSA) policy also applies when research and systems analysis are required to develop NAS architecture products to meet the criteria to enter concept and requirements definition. In addition, AMS portfolio management policy applies when alignment across related initiatives is necessary to mature concepts to move through the AMS lifecycle.

During RSA, the FAA engages in two general areas of applied research activity:

- Research, Engineering, and Development (RE&D)
- Concept Maturity and Technology Development (CMTD)

The RE&D process governs selection and execution of the RE&D portfolio. This portfolio includes systematic studies to gain knowledge or understanding of concepts, products, or procedures that could potentially benefit the aviation community with or without specific application or means by which a specific need may be met such as research related to materials and human factors. These activities inform FAA strategic planning, the NAS architecture, and CMTD activities, but do not lead directly to concept and requirements definition.

The CMTD process governs activities directed toward the production of useful materials, devices, systems, and methods, as well as advance the maturity of new concepts. Typical activities include concept feasibility studies, technical analysis, prototype demonstrations, and operational assessments that identify, develop, and evaluate opportunities for improving the delivery of NAS services. These efforts reduce risk, define requirements, demonstrate operational requirements,

inform concept and requirements definition activities, and generate information required to support agency investment decisions and product lifecycle management.

RSA activities related to the NAS are performed in coordination with the NextGen organization to ensure alignment with the enterprise-level technical strategy as reflected in the NAS architecture.

### **2.2.1 Research, Engineering, and Development Process Revised 4/2013**

The RE&D process supports aspects of aviation with research on materials and human factors to support development of new products, services, and procedures. These aspects include regulation, certification, and standards for aircraft, air operators, manufacturers, aircrews, and other aviation personnel; airports; commercial space transportation; environment; modernization, operation, and maintenance of the NAS; and aerospace policy formulation, planning, and analysis.

RE&D activity across FAA is coordinated through the RE&D portfolio process. The RE&D executive board develops the RE&D portfolio each year using strategic planning in the National Aviation Research Plan as a guide. This plan links FAA research activities to broader strategic planning in the NAS ConOps, NextGen Implementation Plan, the NAS Architecture, and the Joint Planning Development Office. The RE&D executive board is supported by program planning teams assigned to prepare and manage specific research areas.

Program managers execute research programs. They work closely with research sponsors (business units that own or share the RE&D requirement) to ensure results meet customer needs.

Annual evaluations determine whether research results are meeting performance targets and supporting FAA strategic goals. Evaluations also determine whether FAA strategic planning is leading the RE&D portfolio in the right direction.

The RE&D Advisory Committee and its associated subcommittees review the RE&D portfolio twice a year, first during budget formulation and later during portfolio evaluation.

#### **2.2.1.1 What Must Be Done Revised 4/2013**

Service organizations:

- Identify, justify, and manage research, study, and analysis within their service area of responsibility;
- Prepare budget formulation documents for research programs approved for inclusion in the RE&D portfolio;
- Submit research, study, and analysis proposals to the RE&D portfolio development process for evaluation and possible inclusion in the RE&D portfolio;
- Facilitate peer reviews by subject-matter experts to improve the quality and timeliness of ongoing research programs; and
- Maintain documentation of research methodology, activities, and results.

NextGen organization:

- Manages the RE&D planning and budget process;
- Coordinates annual development of the National Aviation Research Plan;
- Ensures the RE&D portfolio is aligned with FAA strategic goals and the NAS architecture;
- Coordinates annual updates to the NAS architecture and ensures concept RE&D activities are properly depicted;
- Identifies and analyzes potential solutions to service need, including feasibility analyses;
- Evaluate prototypes and conducts feasibility demonstrations to validate and refine initial requirements, operational concepts, and potential solutions;
- Integrates FAA research activity with research sponsored or conducted by industry, universities, and other government organizations;
- Interfaces with Office of the Secretary of Transportation, OMB, Congress, trade associations, international organizations, and other state and federal government organizations for agency-level research issues; and
- Identifies, justifies, and manages research, study, and analysis programs.

#### RE&D Executive Board:

- Coordinates with the lines of business to develop the FAA RE&D portfolio each year;
- Reviews and approves the non-NextGen-funded portion of RE&D portfolio each year; and
- Coordinates sequential review of the RE&D portfolio with the Chief Operating Officer, Associate and Assistant Administrators, and Joint Resources Council.

#### **2.2.1.2 Outputs and Products Added 7/2010**

- FAA RE&D portfolio;
- Budget formulation documentation;
- National Aviation Research Plan; and
- Research products addressing the needs of the FAA and aviation community.

#### **2.2.1.3 Who Approves? Revised 4/2013**

Joint Resources Council approves the RE&D budget.

The Administrator approves the National Aviation Research Plan.

#### **2.2.2 Concept Maturity and Technology Development Process Revised 1/2021**

The concept maturity and technology development process governs conduct of NAS activities such as feasibility studies, technical analysis, prototype demonstrations, and operational assessments that identify, develop, and evaluate potential concepts for improving service delivery by the FAA. These activities may be for a single initiative or multiple initiatives related to a single concept (a portfolio, as described in section 1.2.4.2.). They may play a role in the development of service analysis products, as described in section 2.3.1. Key outputs are mature,

beneficial concepts that can progress toward entry into the NAS ConOps and NAS architecture and then into concept and requirements definition phase of AMS.

If a concept maturity and technology development initiative requires F&E resources for implementation, the project office prepares an ACAT determination form and submits it to the Acquisition Executive Board for consideration. If approved, the Acquisition Executive Board assigns the appropriate acquisition category to the initiative which determines the acquisition management path to be followed and key artifacts to be developed (link to ACAT Table).

The CMTD process supports concept maturity through the following three stages:

- **Concept Exploration** identifies promising concepts with sufficient definition to begin development of a concept of operations and plan follow-on activities. Work starts with the collection of a broad and varied range of potential approaches for meeting agency strategic goals, objectives, and service needs, and organizes them into candidate concepts. Outputs are promising and feasible concepts that warrant further maturation and development.
- **Concept Development** matures and evaluates promising concepts to determine which should continue further development. Activities include modeling, simulation, and detailed analysis.
- **Concept Evaluation** confirms that a concept has great promise toward meeting the needs of the agency and begins to determine operational and technical feasibility. Concept evaluation can include concept integration, evolution, or scalability. Representative activities include prototyping and field demonstration.

Individual projects reside in one of the stages, but may not pass sequentially through each, depending on the maturity level of the concept and the progress of related initiatives.

CMTD activities are selected according to their relative potential for achieving needed operational improvements identified in the NAS ConOps and NAS architecture. CMTD activities include development of mid-term operational concepts, concept evaluation studies, human factors analysis, preliminary requirements development for individual concepts, prototypes, demonstrations, and concept development. These activities generate information supporting the validity of identified capability shortfalls, future service needs, capability requirements, expectations of benefits, and design alternatives. See [CMTD guidance](#) for a list of products and how CMTD supports the development of those products.

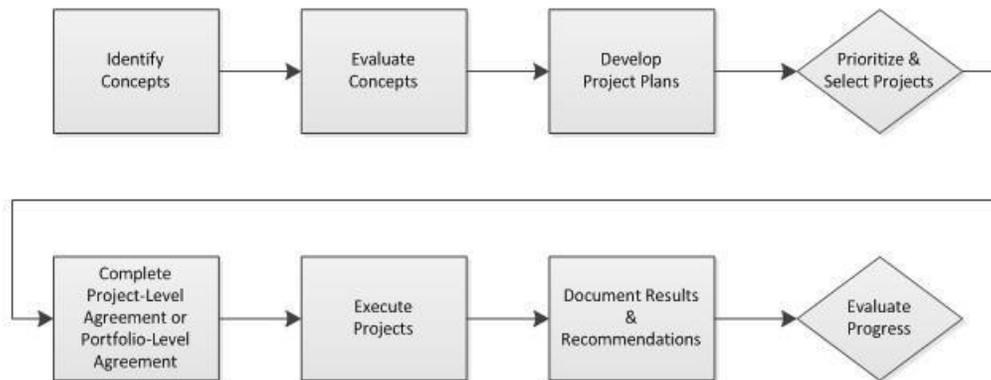
### 2.2.2.1 What Must be Done? Revised 4/2013

CMTD encompasses activities designed to validate concepts for improving performance. A concept is a broad area of potential operational improvement to be explored for applicability to agency strategic goals and objectives. Concepts are evaluated for technical and operational feasibility as they progress through the CMTD process where they are prepared for entry into the NAS ConOps and NAS architecture, and eventually on to concept and requirements definition.

Individual projects are discrete efforts that evaluate specific aspects of the concept and provide data necessary to assess technical maturity and operational feasibility. The objective of each project must be defined, have definitive deliverables, and have clear success criteria. An

individual project is most often completed during one stage of the CMTD process, and is always conducted in accordance with a project-level or portfolio-level agreement. Several CMTD projects may need to be completed for a concept to be deemed mature enough to continue with service analysis or enter concept and requirements definition.

The following flowchart describes the steps that projects move through during the CMTD process. The steps are cyclic and apply to each stage of the process.



- **Identify concepts.** All potential concepts for satisfying immediate or future priority service or performance needs are gathered and acknowledged. The FAA strategic plan, NAS architecture, NAS ConOps, NextGen Implementation Plan, and prior research are various sources from which to identify concepts.
- **Evaluate concepts.** Concepts are evaluated annually to determine which have the greatest potential for improving performance and service, and which need to mature in the near future. The NAS architecture links operational improvements to strategic goals and identifies when they are needed.
- **Develop project plans.** A project plan is completed for each potential project. The plan defines project goals and objectives; explains how it will mature the research concept; identifies interdependencies, related projects, risks, and safety concerns; and documents expected outputs and measures for success.
- **Prioritize and select projects.** The portfolio manager collects all project plans and prioritizes them based on immediate needs, dependencies, and projected results. Highest priority research projects are selected to be carried out based on available funding. Projects not selected return to the identify concepts step of the CMTD process for the next funding cycle.
- **Complete project-level agreement or portfolio-level agreement.** The project team completes the project-level or portfolio-level agreement, which is reviewed by the portfolio manager. This document builds on the project plan and defines project objectives, scope, schedule, deliverables, measures of success, and resources.
- **Execute projects.** The project team carries out the research in accordance with the project-level or portfolio-level agreement.
- **Document results and recommendations.** The project team documents all findings and products completed during the research. Depending on the stage, findings could be a refined concept of operations, preliminary requirements, the identification of alternative solutions, the analysis of multiple alternatives, the feasibility and scalability of a single alternative, or the demonstration of a proposed concept. The project team also

recommends what should happen next based on the findings. Depending on which stage the concept is in, recommendations could consist of: continue working on the concept, the concept is mature, or terminate further consideration of the concept.

- **Evaluate progress.** Individual projects are evaluated periodically and project results are used to develop documentation for service analysis and concept and requirements definition. Often, completion of multiple projects through many cycles will be required to mature a concept from exploration to evaluation. When a concept is deemed mature, the initiative may continue in service analysis or progress to concept and requirements definition as described in section 2.4.

### 2.2.2.2 Outputs and Products **Revised 4/2013**

- Project plans and project level or portfolio level agreements
- Project research results and recommendations
- Information that validates new ideas and concepts strategically, operationally, technically, and financially for inclusion in the NAS ConOps

### 2.2.2.3 Who Does It? **Revised 4/2013**

Organization	Responsibilities
NextGen organization	<ul style="list-style-type: none"> <li>□ Develops and maintains the NAS architecture;</li> <li>□ Coordinates annual development of the NextGen Implementation Plan;</li> <li>□ Manages the NextGen planning and budget process;</li> <li>□ Defines project plan selection, management, and evaluation criteria for CMTD activities in coordination with project sponsors and stakeholders;</li> <li>□ Assesses progress of research activities toward achievement of documented project plans and ensures documentation of results and recommendations;</li> <li>□ Facilitates coordination with trade associations, international organizations, and other state and federal government organizations for agency-level research and concept development initiatives; and</li> <li>□ Functions as the CMTD portfolio manager.</li> </ul>
Service organizations	<ul style="list-style-type: none"> <li>□ Identify service gaps and prepare research proposals for activities to identify and evaluate alternative solutions to eliminate service gaps;</li> <li>□ Prepare budget formulation documentation for CMTD activities for which the organization serves as the performing organization;</li> <li>□ Execute projects as documented in project-level agreements and project plans;</li> <li>□ Document project results; and</li> <li>□ Plan and obtain support for operational prototypes as specified in the Integrated Logistics Support Process Manual. This may include training, manuals, spare parts, repair, and support services, as well as decisions related to removing prototypes and restoring sites when activity is complete.</li> </ul>

**2.2.2.4 Who Approves? Revised 4/2013**

Artifact	Approval Authority
CMTD activities as part of the F&E budget	Joint Resources Council
Project-level agreements or portfolio-level agreements	NextGen organization or service organization portfolio manager

**2.3 Service Analysis and Strategic Planning Revised 4/2013**

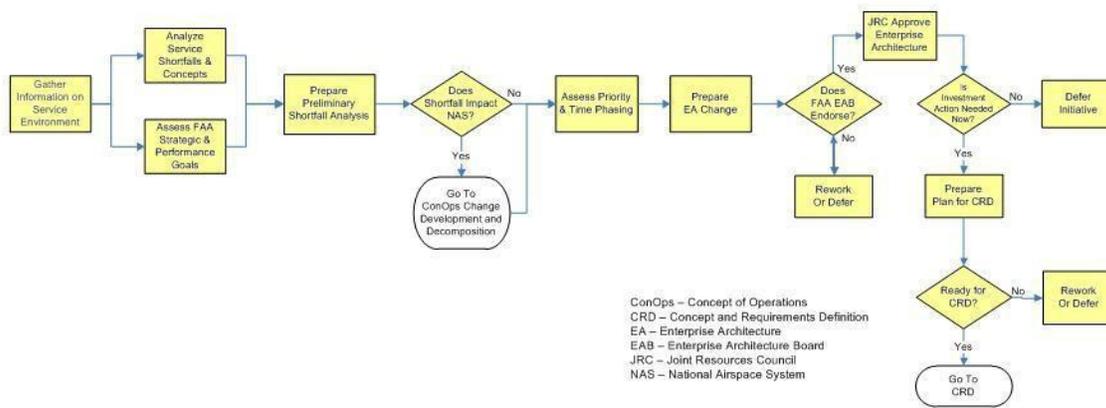
Service analysis and strategic planning determines what capabilities must be in place now and in the future to meet agency goals and the service needs of customers. Results are captured in the “as is” and “to be” states of the enterprise architecture, as well as the roadmaps for moving from the current to the future state. Results are also captured in line-of-business business plans and service organization operating plans, which specify how each will manage its RE&D, F&E, and OPS resources over time. These plans integrate new investment initiatives with the operation and support of fielded assets and other necessary actions to optimize service delivery. Continuing analysis keeps planning current with changes in the service and operational environment.

Industry best practices (e.g., technology and service demand forecasting, portfolio management, customer surveys) are employed during service analysis to align service outcomes with actions and activities necessary and sufficient to realize benefits for the FAA and its customers. Service analysis may lead to the refocus, reduction, or elimination of ongoing investment programs, and may identify new and more productive ways of doing business. It may also identify alternative paths for achieving service goals in a dynamic environment, and may identify opportunities for improving FAA strategic planning when the service environment evolves in ways not anticipated. Some investment opportunities may require research and development to demonstrate operational concepts, reduce risk, or define requirements before proceeding further in the lifecycle management process.

**2.3.1 What Must Be Done Revised 4/2017**

Figure 2.3-1-1 portrays the key activities of service analysis and strategic planning. These activities develop the information necessary for determining which service shortfalls or new ideas for improving service delivery are approved for inclusion in agency strategic planning documents. When a service shortfall impacts the National Airspace System, it enters the NAS ConOps change development and decomposition process (see Figure 2.3.1-2) to determine how it fits within the National Airspace System.

*Figure 2.3-1-1 Key Activities of Service Analysis and Strategic Planning*



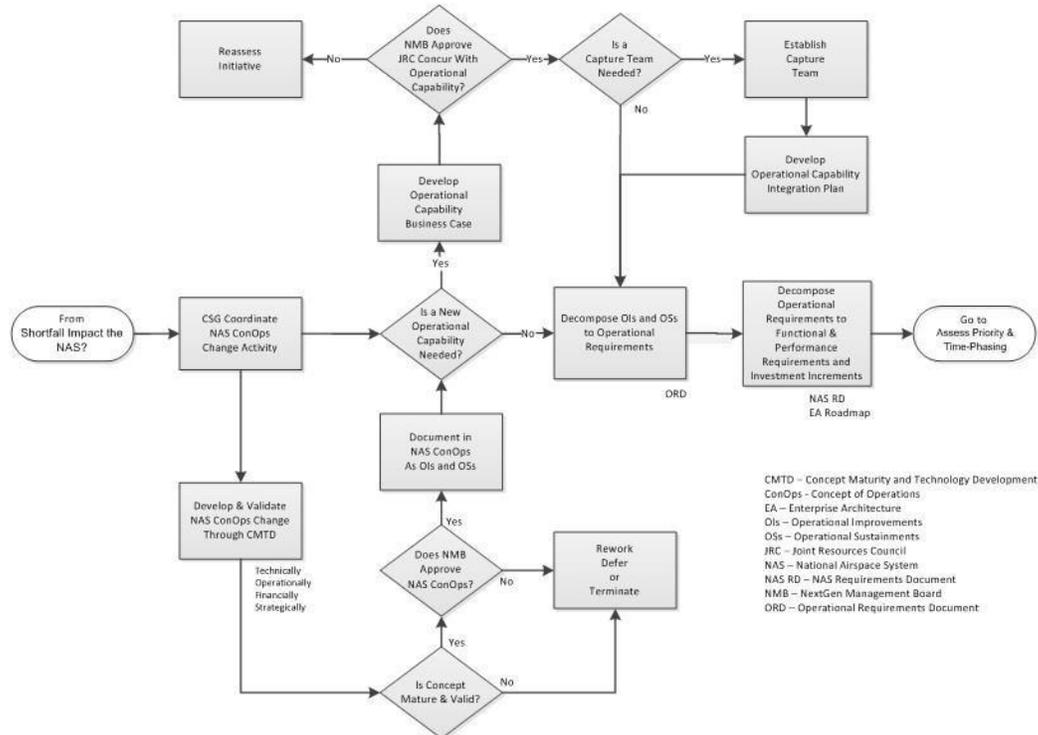
- **Gather Information on the Service Environment.** Service organizations analyze forecasts for aviation service needs and stay abreast of opportunities for improving service delivery as a basis for determining and prioritizing service needs and shortfalls. A continuing dialog with and feedback from customers (e.g., commercial air carriers, general aviation, air transport industry, state and local airport authorities) and users (air traffic and technical operations) are crucial, as is the supportability and operational outlook for fielded assets.
- **Analyze Service Shortfalls and Concepts.** Lines of business use service environment performance information to identify shortfalls and ideas for improving service delivery within their domain. Aviation research by NASA and other industry and government organizations may also identify emerging service shortfalls or technological opportunities for improving service delivery. This activity identifies business, technology, organizational, process, and personnel issues that affect service outcomes, as well as assumptions, risks, and dependencies.
- **Assess FAA Strategic and Performance Goals.** Service shortfalls or new ideas for improving service delivery should support current services or fulfillment of FAA strategic and performance goals. When they do not, the shortfall or new idea must be shown to have sufficient merit to warrant inclusion in agency strategic planning documents. Agency strategic plans and performance goals may also define service shortfalls that must be addressed in lower-level agency planning.
- **Prepare Preliminary Shortfall Analysis.** The service organization analyzes the shortfall or new idea as a foundation for understanding the problem and its urgency and impact. The shortfall is the difference between future service need and current capability. A service shortfall is usually addressed by a sustainment action for existing assets or a new service delivery idea including cloud services for predicted gaps. A new idea or concept should deliver existing services more efficiently or provide new services of value to the FAA and aviation industry. At this stage, the service shortfall is expressed as levels of service improvement, not by specific performance values.
- **Does Shortfall Impact the National Airspace System?** A new service need or shortfall that impacts the National Airspace System is assessed by means of the NAS ConOps Change Development and Decomposition Process (see Figure 2.3.1-2) to determine whether or how the NAS ConOps should be changed. Once NAS needs or shortfalls have been appropriately included in the NAS ConOps as operational improvements or sustainments, they move forward with Mission Support shortfalls to determine how they should be integrated within the FAA enterprise architecture.
- **Assess Priority and Time-phasing.** A new service shortfall or need must be shown to

have sufficient merit to warrant inclusion in the enterprise architecture when evaluated against other service needs of the agency. The line of business works with the Technical Review Board (NAS) or the Architecture Review Board (Mission Support) and other lines of business to determine how a new service need, technology refresh, or sustainment activity should be planned, time-phased, and integrated within the architecture relative to all other agency service needs. This activity may require rework of existing shortfalls and improvements already in the architecture.

- **Prepare Enterprise Architecture Change.** The service organization prepares change documents reflecting the service need or shortfall and submits them to the FAA Enterprise Architecture Board for endorsement. NAS service needs and shortfalls are expressed as operational improvements and operational sustainments.
- **Does FAA Enterprise Architecture Board Endorse the Change?** The FAA Enterprise Architecture Board determines whether and how to integrate new service needs within the enterprise architecture and its roadmaps. In making this determination, the board analyzes and assesses the new service need against all other service needs of the FAA using such criteria as contribution to agency strategic goals, monetary or performance benefits, compatibility with the enterprise architecture, risk, and political sensitivity. The decision to endorse and place a new service need, improvement, or sustainment within the enterprise architecture validates that this service need is an agency priority and warrants further action.
- **Joint Resources Council Approves the Enterprise Architecture.** The Joint Resources Council approves the FAA Enterprise Architecture annually. No service need can proceed further in the AMS lifecycle management process unless it is in the enterprise architecture approved by the JRC. Emergency needs not contained in the JRC-approved architecture may be presented to the FAA Enterprise Architecture Board by exception.
- **Rework or Defer.** Service needs, shortfalls, improvements, and sustainments not approved for inclusion in the enterprise architecture are reworked or deferred according to the direction of the FAA Enterprise Architecture Board or Joint Resources Council, as appropriate.
- **Is Investment Action Needed Now?** The investment increment enters concept and requirements definition at the appropriate time as determined by its time-phasing in the appropriate enterprise architecture roadmap.
- **Defer Initiative.** Investment action is deferred when action is not needed now to meet agency plans and schedules.
- **Prepare Plan for Concept and Requirements Definition.** NAS Systems Engineering Services (NAS) Office of Information & Technology, Solution Delivery Service, Solution Strategy Division, EA Branch (Mission Support) works with the implementing and operating service organizations to prepare a plan for concept and requirements definition. This plan (1) specifies how tasks will be accomplished; (2) defines roles and responsibilities of participating organizations; (3) defines outputs and exit criteria; (4) establishes a schedule for completion; and (5) specifies needed resources. By signing the plan for concept and requirements definition, organizations that will do the work agree to provide the necessary resources.
- **Ready for Concept and Requirements Definition?** The FAA Enterprise Architecture Board makes the decision to enter concept and requirements definition or directs other action.
- **Rework or Defer.** The investment initiative is reworked or deferred when planning or organizational support is not sufficient to enter concept and requirements definition.

**Figure 2.3.1-2 NAS ConOps Change Development and Decomposition Process**

*(Applies to the NAS only)*



- **Concept Steering Group Coordinates NAS ConOps Change Activity.** The Concept Steering Group reviews the preliminary shortfall analysis to determine whether the service shortfall or new idea is addressed in the NAS ConOps. New shortfalls or ideas that are already within the scope of the NAS ConOps move to decomposition into operational requirements and investment initiatives after determining whether they should be incorporated into a new or existing operational capability. For shortfalls and ideas not addressed in the NAS ConOps, the Concept Steering Group coordinates discussion with the sponsor and the lines of business to determine what development or validation activity is needed.
- **Develop and Validate NAS ConOps Change Through Concept Maturity and Technology Development.** New ideas for improving NAS service or eliminating a shortfall must be validated to be technically and financially feasible, strategically aligned with agency goals and objectives, and have significant operational benefit to warrant inclusion in the NAS ConOps. The Concept Steering Group coordinates activity to develop and validate new ideas and concepts. Typically, the concept maturity and technology development process is applied to the point where technical risk is sufficiently low and potential benefits sufficiently high to justify inclusion. This activity includes safety and security assessments to identify and characterize any safety hazards and information security factors associated with the idea or concept.
- **Is Concept Mature and Valid?** The NAS ConOps is a stable document that evolves over time. Only the best high-value new concepts and ideas are added. The Concept Steering Group assesses development and validation results and records their findings

and recommendations in a memorandum to the NextGen Management Board, which approves all changes to the NAS ConOps.

- **Does NextGen Management Board Approve NAS CONOPS?** The NextGen Management Board approves changes to the NAS ConOps. Changes are presented to the Joint Resources Council. Any JRC concerns or issues are resolved to ensure approved concepts are beneficial *and* affordable and supported by both management bodies.
- **Document Changes in NAS ConOps as Operational Improvements or Sustainments.** Service shortfalls and new concepts are documented in the NAS ConOps as operational improvements and operational sustainments.
- **Is a New Operational Capability Needed?** Grouping and managing operational improvements and sustainments with a high degree of interdependency may result in a high-value operational capability for the agency and aviation community. In such cases, one or more operational improvements will be organized and managed as a portfolio to ensure all essential elements of the operational capability are obtained and deployed.
- **Develop Operational Capability Business Case.** Advanced Concepts and Technology Development works with the ATO Program Management Office and Investment Planning & Analysis to develop a business case for the operational capability. The business case contains a rough estimate of the costs and benefits associated with developing and deploying the operational sustainments and improvements necessary to enable the operational capability. The PMO coordinates with ATO service organizations to derive rough cost estimates for the work required to develop and deploy the investment increments necessary to achieve the operational capability. These same organizations derive a rough monetized estimate of benefits that will accrue to the FAA and aviation community when the operational capability is fully deployed. A preliminary assessment of risk, priority, affordability, and political sensitivity complete the business case.
- **Does NMB Approve and JRC Concur With the Operational Capability?** The NextGen Management Board decides whether to approve and establish the operational capability. The decision is based on the business case, contribution to agency strategic and performance goals, and affordability. The operational capability is implemented through its constituent investment increments approved and baselined individually by the Joint Resources Council. Obtaining these capabilities may require establishment of a capture team to integrate and coordinate activity by multiple program offices or service organizations providing the investment increments necessary to achieve the overall operational capability. By concurring with the NextGen Management Board decision, the Joint Resources Council acknowledges the operational capability and its constituent investment increments are agency priorities. The business case for the operational capability is a determining factor at future investment decisions for increments necessary to achieve the operational capability.
- **Reassess Initiative.** If the NextGen Management Board does not approve the operational capability, it may terminate the effort or recommend other activity to amend the concept or reduce risk. Any issues or concerns of the Joint Resources Council must be resolved before the operational capability is implemented.
- **Is a Capture Team Needed?** The NextGen Management Board decides whether to establish a capture team to coordinate the development, integration, and deployment of investment increments necessary to achieve an operational capability. In making this decision, the board evaluates the complexity and risk associated with the operational capability and the availability of resources. The capture team brings together cross-agency empowered representatives from each organization that must develop and deploy

an investment increment to achieve the operational capability. The objective is informed, integrated, and coordinated decision-making by all parties.

- **Establish Capture Team.** Each line of business that must contribute to achieve the operational capability provides an empowered representative to the capture team. The capture team monitors development, integration, and deployment of all elements of the operational capability, as well as plan and oversee a post-implementation evaluation to confirm that forecast benefits are being achieved or to define and implement corrective action when they are not.
- **Develop Operational Capability Integration Plan.** The team works with the portfolio manager to develop an Operational Capability Integration Plan (OCIP) that specifies responsibilities and agreements among all team members and organizations. The OCIP also defines the lifecycle plan, performance goals and measures, and operational benefits that will accrue from implementation of the operational capability.
- **Decompose Operational Improvements and Operational Sustainments to Operational Requirements.** A cross-organizational team with members from all lines of business and led by Advanced Concepts and Technology Development decomposes the NAS ConOps narrative of operational improvements and operational sustainments into NAS operational requirements. These requirements are recorded in the NAS Operational Requirements Document.
- **Decompose Operational Requirements to Functional and Performance Requirements and Investment Increments.** A cross-organizational team decomposes NAS operational requirements to NAS functional and performance requirements. These requirements are specified with sufficient detail for allocation to investment increments that will be undertaken to achieve the operational improvements and sustainments in the NAS ConOps. The goal is clear and unambiguous traceability of requirements from the NAS ConOps to the NAS Operational Requirements Document to the NAS Requirements Document and then to the program requirements document of specific investment increments. Each investment increment enters concept and requirements definition at the appropriate time as determined by their time-phasing in the enterprise architecture roadmap.

## 2.3.2 Outputs and Products **Revised 4/2013**

### 2.3.2.1 Service Analysis and Strategic Planning **Revised 4/2013**

- Preliminary shortfall analysis that describes qualitatively the service need, shortfall, and legacy assets;
- Enterprise architecture change notices, products, and amendments;
- Updates to the enterprise architecture; and
- Plan for concept and requirements definition.

Key work products are verified and validated according to the FAA AMS Verification and Validation Guidelines before the CRD readiness decision.

### 2.3.2.2 NAS ConOps Change Development and Decomposition **Revised 4/2013**

- White papers, research reports, and outputs from concept maturity and technology development;

- Updates to the NAS ConOps;
- Operational capability business case;
- Operational capability;
- Capture team;
- Operational Capability Integration Plan;
- Updates to the NAS Operational Requirements Document; and
- Updates to the NAS Requirements Document.

Key work products are verified and validated according to the FAA AMS Verification and Validation Guidelines before the CRD readiness decision.

### 2.3.3 Who Does It? Revised 4/2013

#### 2.3.3.1 Service Analysis and Strategic Planning Revised 4/2017

<b>Organization(s)</b>	<b>Responsibilities</b>
Service organizations	<ul style="list-style-type: none"> <li><input type="checkbox"/> Conduct service analysis</li> <li><input type="checkbox"/> Prepare preliminary shortfall analysis reports</li> <li><input type="checkbox"/> Prepare EA change notices, products, and amendments</li> </ul>
Advanced Concepts and Technology Development Office (ANG-C), NextGen Lifecycle Integration Office (ANG-D)	<ul style="list-style-type: none"> <li><input type="checkbox"/> Assists NAS service organizations when preparing service analysis outputs and products</li> </ul>
Office of Information & Technology, Solution Delivery Service, Solution Strategy Division, EA Branch (Mission Support)	<ul style="list-style-type: none"> <li><input type="checkbox"/> Assists Mission Support service organizations when preparing service analysis outputs and products</li> </ul>
Lines of Business	<ul style="list-style-type: none"> <li><input type="checkbox"/> Prioritize LOB service shortfalls and new ideas</li> <li><input type="checkbox"/> Determine whether a service shortfall impacts the National Airspace System</li> <li><input type="checkbox"/> Work with the Technical Review Board to time-phase operational improvements and operational sustainments in the NAS architecture roadmaps</li> </ul>
Technical Review Board	<ul style="list-style-type: none"> <li><input type="checkbox"/> Works with the lines of business to time-phase operational improvements and operational sustainments in the NAS architecture roadmap</li> </ul>
Architecture Review Board	<ul style="list-style-type: none"> <li><input type="checkbox"/> Works with the lines of business to prioritize Mission Support service shortfalls and needs</li> </ul>
FAA Enterprise Architecture Board	<ul style="list-style-type: none"> <li><input type="checkbox"/> Manages the FAA Enterprise Architecture</li> </ul>

#### 2.3.3.2 NAS ConOps Change Development and Decomposition Revised 4/2013

Organization(s)	Responsibilities
Service organization with shortfall/concept, Advanced Concepts and Technology Development Office (ANG-C), NextGen Lifecycle Integration Office (ANG-D)	<input type="checkbox"/> Develop information needed to assess impact of shortfall/concept on the NAS ConOps
Service organization with shortfall/concept, Advanced Concepts and Technology Development Office (ANG-C), Investment Analysis and Planning (IP&A)	<input type="checkbox"/> Develop and validate shortfalls and new concepts technically, operationally, strategically, and financially
Advanced Concepts and Technology Development Office (ANG-C), CSG, service organization with shortfall/concept	<input type="checkbox"/> Present shortfall/concept to the NextGen Management Board for inclusion in the NAS ConOps
NAS Systems Engineering Services Office (ANG-B), Advanced Concepts and Technology Development Office (ANG-C), NextGen Lifecycle Integration Office (ANG-D)	<input type="checkbox"/> Document shortfall as operational improvements or sustainments in the NAS ConOps
ANG-B/C/D, PMO/LOB	<input type="checkbox"/> Determine need for new operational capability
ANG-C, ANG-5, PMO/LOB, IP&A	<input type="checkbox"/> Develop operational capability business case <input type="checkbox"/> IP&A reviews the business case for the Joint Resources Council
ANG-C, ANG-5, PMO/LOB	<input type="checkbox"/> Contribute to and participate in the decision to create a new operational capability
ANG-C/D, PMO/LOB	<input type="checkbox"/> Determine the need for a capture team to plan and oversee a new operational capability
ANG-C/D, PMO/LOB, operating organization	<input type="checkbox"/> Contribute to and establish a capture team
ANG-C, AJV-7, LOBs, service organizations	<input type="checkbox"/> Decompose operational improvements and sustainments in the NAS ConOps into operational requirements and investment increments
ANG-B/C/D, operating organization, capture team (if applicable)	<input type="checkbox"/> Decompose NAS operational requirements into NAS functional and performance requirements

### 2.3.4 Who Approves? Revised 4/2013

#### 2.3.4.1 Service Analysis and Strategic Planning Revised 4/2013

Artifact	Approval Authority
Preliminary shortfall analysis	NextGen Lifecycle Integration Office, Director of the service organization with the need
Enterprise architecture products and amendments	FAA Enterprise Architecture Board
Plan for concept and requirements definition	Vice Presidents (ATO) or Directors (non-ATO) of the service organization with the service need and the operating service organization and the FAA Enterprise Architecture Board chairperson
FAA Enterprise Architecture	Joint Resources Council

#### 2.3.4.2 NAS ConOps Change Development and Decomposition Revised 4/2013

Artifact	Approval Authority
NAS ConOps	NextGen Management Board
Operational Capability Business Case	NextGen Systems Analysis and Modeling (ANG-5)
Operational capability	NextGen Management Board (JRC concurs)
Capture team	NextGen Management Board
Operational Capability Integration Plan	NextGen Management Board
NAS Operational Requirements Document	ATO Operational Concepts, Validation & Requirements (AJV-7)
NAS Requirements Document	NAS Systems Engineering Service (ANG-B)

### 2.3.5 Concept and Requirements Definition Readiness Decision Revised 1/2021

The FAA Enterprise Architecture Board makes the concept and requirements definition readiness Decision. This decision occurs when an enterprise architecture roadmap indicates action must be taken to address a critical service shortfall or opportunity. At this decision, the FAA Enterprise Architecture Board verifies: (1) the service shortfall, operational improvement, or operational sustainment is in an enterprise architecture roadmap; and (2) planning and resources for concept and requirements definition are in place.

#### 2.3.5.1 Entrance Criteria Revised 4/2013

The following are required for the concept and requirements definition readiness decision:

- Service shortfall, operational improvement, or sustainment is in an enterprise architecture

- roadmap and represents a compelling need of the FAA; and the
- Plan for concept and requirements definition is approved by the FAA Enterprise Architecture Board.

### **2.3.5.2 Decision Actions Revised 4/2013**

The FAA Enterprise Architecture Board makes the decision to enter concept and requirements definition.

## **2.4 Concept and Requirements Definition Revised 1/2021**

All investment opportunities that require funding outside the scope of an approved acquisition program baseline or execution plan undergo concept and requirements definition. This includes upgrades or replacements to existing capability without approved investment funding.

Activity during concept and requirements definition achieves the following primary objectives:

- Translate priority operational needs in the enterprise architecture into preliminary requirements and a solution concept of operations for the capability needed to improve service delivery;
- Quantify the service shortfall in sufficient detail for the realistic estimation of potential costs; and
- Identify and define the most promising alternative solution(s) able to satisfy the service need, one of which must be consistent with the conceptual framework in the enterprise architecture.

Concept and requirements definition is authorized to begin when the FAA Enterprise Architecture Board determines that action must be taken to address a priority service or infrastructure need in an enterprise architecture roadmap. These needs typically relate to existing or emerging shortfalls in the “as is” architecture or to essential building blocks of the “to be” architecture. Should a service organization wish to pursue an investment opportunity not in an enterprise architecture roadmap, it must first develop architectural change products and amendments and get endorsement from the FAA Enterprise Architecture Board and approval by the Joint Resources Council.

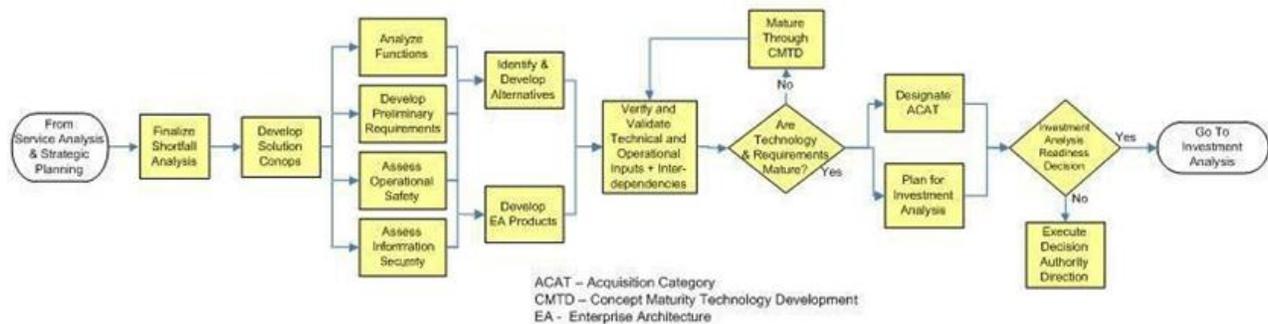
The FAA may undertake research activity during concept and requirements definition or employ research by other agencies or industry to define the operational concept, develop preliminary requirements, demonstrate and refine computer-human interfaces, reduce risk, or achieve customer buy-in to potential solutions to service need.

When the investment initiative entering concept and requirements definition is an element of an operational capability (NAS only), the management team responsible for achieving the operational capability participates in and contributes to CRD activity. The management team is populated with representatives from each service team or program office that will provide an increment of the overall operational capability. These team members ensure all preliminary alternatives emerging from concept and requirements definition for each investment increment fit within the strategy for obtaining the capability and can provide the necessary performance and

functionality.

Figure 2.4-1 defines the key activities of concept and requirements definition for a New Investment Level 1 acquisition category, which is the most complex and highest risk investment initiative undertaken by the FAA. For other acquisition categories, these activities are adjusted to require what is needed for each individual initiative using the ACAT table as the basis. As an example, a Sustainment initiative to replace obsolete processors in a radar system with a form-fit-function equivalent does not impact the solution concept of operations or performance requirements of the operational asset and would not need to develop those artifacts.

**Figure 2.4-1 Key Activities of Concept and Requirements Definition**



### 2.4.1 What Must Be Done Revised 1/2021

- **Convene Collaboration Team.** A collaboration team of key stakeholder organizations and the program office or service organization with the need is formed at the start of CRD phase activity to facilitate determination of the appropriate acquisition category for each initiative and to foster teamwork and shared goals during the conduct of concept and requirements definition. The collaboration team typically has representatives from the program office (or service team) proposing the initiative; key stakeholder organizations such as the NAS Systems Engineering Office, ATO Technical Operations, safety, information security, and testing; and the AMS policy team. The collaboration team is also available throughout execution of concept and requirements definition to resolve issues that are delaying or affecting the quality of the work effort.
- **Finalize Shortfall Analysis.** The service organization or program office updates, refines, and quantifies the preliminary shortfall identified during service analysis in sufficient detail to serve as the basis for (1) clearly understanding the nature, urgency, and impact of the service need; (2) defining preliminary requirements; (3) determining realistic and economic alternative solutions; and (4) quantifying likely program costs and benefits. Results are recorded in the final shortfall analysis report.
- **Determine Preliminary ACAT.** The collaboration team evaluates the complexity, risk, political sensitivity, safety, and security associated with the investment initiative to recommend the appropriate acquisition category. The program office or service team prepares a preliminary ACAT determination request based on this evaluation and presents it to the Acquisition Executive Board for approval.
- **Analyze Functions.** The service organization or program office translates stakeholder needs

in the shortfall analysis, solution concept of operations, and NAS Requirements Document (NAS only) into high-level functions that must be obtained to achieve the desired service outcome. These are then decomposed into sequentially lower level functions. For NAS investment initiatives, this decomposition may have been done during service analysis when operational improvements and sustainments in the NAS ConOps were decomposed into functional and performance requirements and investment increments.

- **Develop Solution Concept of Operations.** The solution concept of operations describes how users will employ the new capability within the operational environment and how it will satisfy the service need. The solution ConOps defines the roles and responsibilities of key participants (e.g., controllers, maintenance technicians, pilots); explains operational issues that system engineers must understand when developing requirements; identifies procedural issues that may lead to operational change; and establishes a basis for identifying alternative solutions and estimating their likely costs and benefits. Multiple solution concept of operations may be required if more than one alternative is proposed and they differ significantly from each other.
- **Develop Preliminary Requirements.** The service organization or program office prepares preliminary requirements in consultation with the NAS Systems Engineering Services organization (NAS) or the Office of Information & Technology, Solution Delivery Service, Solution Strategy Division, EA Branch (Mission Support). Preliminary requirements specify only function and performance, and do not define a solution. They are expressed such that the degree to which different solutions satisfy them can be measured and evaluated. Research and analysis or even prototyping may be necessary to define preliminary requirements adequately. When the investment increment is an element of an operational capability, preliminary *program* requirements must be derived from and be traceable to overall operational capability requirements, when applicable.
- **Develop Alternatives.** The service organization or program office surveys the marketplace to identify feasible and economic solutions to the service need or shortfall. Both materiel and non-materiel alternatives can be evaluated. When multiple solutions are identified, one candidate solution must be the hypothesized "best" alternative in the enterprise architecture. Key factors are safety, security, operational cost efficiencies, technological maturity, and impact on the workforce and enterprise architecture. When multiple alternatives are identified, they should be qualitatively different from each other. Low-risk, cost-effective, and operationally suitable commercial or non-developmental solutions are preferred. Alternative(s) may not meet 100 percent of preliminary requirements. Rough lifecycle costs are developed for each alternative and compared to the monetized shortfall as a basis for determining which should be retained or eliminated from consideration. Rough lifecycle costs are also calculated for sustaining the legacy case in service. When a new capability involves information processing and storage, use of cloud computing is considered and the results of the cloud suitability assessment are documented.
- **Assess Information System Security.** The service organization or program office assesses each proposed alternative solution to determine information security: (1) risk factors, (2) requirements for the preliminary program requirements document, (3) rough cost estimates to mitigate security risk for each alternative solution, and (4) a rough estimate of annual operational benefits to be gained from implementing security requirements.
- **Assess Operational Safety.** The service organization or program office works with ATO Safety and Technical Training to assess the operational safety of each alternative solution. This assessment identifies, assesses, and documents operational hazards and risks. No alternative is pursued whose operational risk cannot be mitigated to an acceptable level at

affordable cost.

- **Develop Enterprise Architecture Products.** The service organization or program office engages with the appropriate architecture organization (NAS or Mission Support) to develop required products, views, and amendments. These include the operational (business rule) and systems (engineering) view families.
- **Verify and Validate Technical and Operational Work Products.** The service organization or program office uses the FAA AMS Lifecycle Verification and Validation Guidelines to evaluate whether key work products produced during concept and requirements definition are sufficiently complete and mature as the basis for proceeding to the investment analysis readiness decision. This includes the solution ConOps, preliminary requirements document, safety and security risk assessments, architecture products, and interdependencies with other investment increments.
- **Are Technology and Requirements Mature?** NAS Systems Engineering Services (NAS) or Office of Information & Technology, Solution Delivery Service, Solution Strategy Division, EA Branch (Mission Support) evaluates preliminary requirements and the technology base to ensure sufficient maturity of singular or multiple solutions for further progression in the AMS lifecycle management process. The objective is to have only low-risk investment initiatives entering investment analysis and solution implementation. Additional research and development may be prescribed when technological risk is too high or when requirements are not mature - or the investment initiative may be deferred or terminated.
- **Conduct Research or Analysis.** For NAS initiatives, the Technical Review Board recommends further research or analysis when technology or requirements are not sufficiently mature. Prescribed activity may take the form of simulation, analysis, operational prototyping, or field demonstration in a controlled operational environment. See the Guidelines for Concept Maturity and Technology Development in the FAA Acquisition System Toolset for more information. For Mission Support initiatives, the Architecture Review Board defines what analytical activity may be needed.
- **Validate Acquisition Category.** The collaboration team either concurs with the preliminary ACAT designation or recommends a different designation based on the results of concept and requirements definition. The concurrence or recommendation is vetted through NAS Systems Engineering Services for NAS initiatives or the Office of Information & Technology, Solution Delivery Service, Solution Strategy Division, EA Branch for Mission Support initiatives and submitted to the Acquisition Executive Board.
- **Plan for Investment Analysis.** The plan for investment analysis: (1) defines scope and assumptions; (2) describes the singular or multiple alternatives and their associated rough lifecycle costs; (3) describes planned activities and specifies how tasks will be accomplished; (4) defines output and exit criteria; (5) establishes a schedule for completion; (6) defines roles and responsibilities of participating organizations; and (7) estimates resources needed to complete the work. By signing the plan for investment analysis, the organizations that will conduct the analysis agree to provide the resources necessary to complete the work. This activity includes development of the investment analysis readiness decision package and pre-briefings to decision-makers

#### 2.4.2 Outputs and Products **Revised 1/2021**

Refer to the ACAT Table found on the FAST website ([link](#)) and the JRC checklist for required outputs and products for each decision point for New Investment Level I.

### 2.4.3 Who Does it? Revised 1/2021

Organization(s)	Responsibilities
Collaboration team	<ul style="list-style-type: none"> <li><input type="checkbox"/> Facilitates determination of the appropriate acquisition category for each investment initiative and fosters cooperation and common goals among key stakeholders of concept and requirements definition</li> <li><input type="checkbox"/> Assists in the resolution of issues delaying or affecting the quality of the work effort during concept and requirements definition</li> </ul>
Implementing service Organization or program office	<ul style="list-style-type: none"> <li><input type="checkbox"/> Leads and completes all activities and outputs of concept and requirements definition unless otherwise specified in the plan for CRD</li> <li><input type="checkbox"/> Prepares the acquisition category designation request</li> </ul>
NAS Systems Engineering Services Office (ANG-B), Office of Information & Technology, Solution Delivery Service, Solution Strategy Division, EA Branch (Mission Support)	<ul style="list-style-type: none"> <li><input type="checkbox"/> Provides engineering services in such areas as specialty engineering, safety and security assessments, and architecture products</li> <li><input type="checkbox"/> Validates technical and operational products of CRD</li> <li><input type="checkbox"/> Assesses maturity of solution technology and requirements</li> </ul>
NAS Lifecycle Integration Office (ANG-D), Program Management Office, lines of business, operating service organization, Office of Information & Technology, Solution Delivery Service, Solution Strategy Division, EA Branch (Mission Support)	<ul style="list-style-type: none"> <li><input type="checkbox"/> Assists the implementing service organization or program office in completing CRD activities</li> <li><input type="checkbox"/> Maintains guidance and acquisition aids for service analysis and concept and requirements definition</li> </ul>
Operational capability management team (NAS only)	<ul style="list-style-type: none"> <li><input type="checkbox"/> Monitors and oversees CRD activity when the investment initiative is an element of an operational capability</li> <li><input type="checkbox"/> Ensures alternatives can provide the performance and functionality necessary to achieve the overall operational capability</li> </ul>

Detailed roles and responsibilities of participating organizations for each CRD activity and output or product are found in the Service Analysis and Concept and Requirements Definition Guidelines.

#### 2.4.4 Who Approves? Revised 1/2021

Artifact	Approval Authority
Acquisition category	Acquisition Executive Board recommends, FAA Acquisition Executive approves, Joint Resources Council concurs
CRD outputs and products	Approval authorities are found in the Service Analysis and Concept and Requirements Definition Guidelines.

#### 2.4.5 Investment Analysis Readiness Decision Added 4/2013

The investment analysis readiness decision determines whether the solution ConOps, preliminary requirements, architecture products and amendments, and preliminary alternatives are sufficiently mature to warrant entry into investment analysis. The decision is made within context of all ongoing and planned investment activities to sustain and improve service delivery. It ensures proposals for new investment are consistent with overall corporate needs and planning.

##### 2.4.5.1 Entrance Criteria Revised 1/2021

The artifacts required for all acquisition categories at the investment analysis readiness decision are located in the ACAT Table found on the FAST website ([link](#)).

##### 2.4.5.2 Joint Resources Council Actions Revised 1/2021

The Joint Resources Council makes the decision to enter investment analysis when it determines:

- The initiative is consistent with agency strategic goals and plans;
- Investment action needs to be taken now; and
- The required artifacts and activities of concept and requirements definition have been completed, validated, and verified.

#### 2.5 Investment Analysis Revised 01/2021

Investment analysis is a disciplined process that supports sound capital investment decisions. Investment analysis is conducted in the context of the enterprise architecture and FAA strategic goals and objectives. Such plans serve as guides to prioritize current and future investment analyses. Investment analyses, in turn, help to refine and mature those plans by providing decision-makers with a clear picture of investment opportunities and their risks and value.

NAS and Mission Support roadmaps in the enterprise architecture establish when an operational capability or service need must be in place. This, in turn, determines when investment analysis should be complete to allow sufficient time to acquire and deploy a suitable solution. The key is to balance timeliness, complexity, and size of the investment analysis with the rigorous development of quantitative data needed by the Joint Resources Council to make an informed investment decision.

Affordability and accurate cost and schedule estimates are important factors in the decision to approve a new investment program. The results of investment analysis help the Joint Resources Council determine which potential investments will improve operations across the air transportation system and by how much. The outcome of investment analysis can be used to make individual, portfolio, and prioritization decisions.

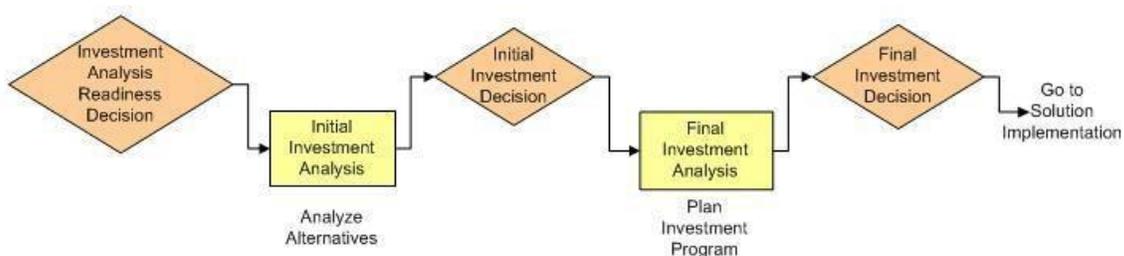
When the investment initiative is an element of an operational capability (NAS only), the management team for the capability (if established) participates in and contributes to investment analysis activity. The management team is populated with representatives from each service team or program office that will provide an increment of the overall operational capability. They ensure the alternative emerging from investment analysis for each increment fits within the strategy for obtaining the operational capability and can provide the necessary performance and functionality.

All proposed investments must answer the same following questions:

- What problem needs to be addressed or resolved?
- What is the range of alternatives that could address this problem?
- What are the costs, benefits, and risks associated with alternative solutions to the problem?
- Based on the above, what is the recommended course of action?

Figure 2.5-1 illustrates the phases and decision points of investment analysis. Initial investment analysis evaluates alternative solutions to service needs, and recommends the most promising for further development. Final investment analysis develops detailed cost and benefits estimates, detailed plans, and final requirements for the most promising alternative.

**Figure 2.5-1 Phases and Decision Points of Investment Analysis**



The level of activity required during investment analysis is based on the acquisition category assigned to the investment initiative. In general, the larger and more complex the initiative, the greater the effort required during investment analysis.

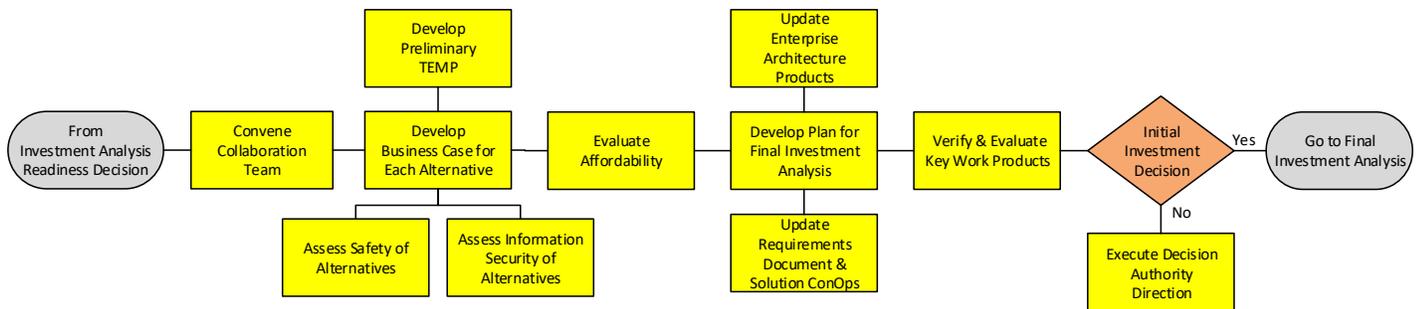
Very complex investment programs are structured into manageable, lower-risk segments and approved incrementally by the Joint Resources Council. When sequential segments are required to fully implement an investment opportunity, the program office (or service organization) conducts final investment analysis for each segment and brings planning and baseline documents to Joint Resources Council for approval.

## 2.5.1 Initial Investment Analysis Revised 01/2021

### 2.5.1.1 What Must Be Done Revised 01/2021

Figure 2.5.1-1 defines the key activities that must be completed during initial investment analysis for the New Investment Level I acquisition category which is the most complex and highest risk initiative undertaken by FAA.

**Figure 2.5.1.1-1 Key Activities of Initial Investment Analysis**



- **Convene Collaboration Team.** The collaboration team convenes to agree on the goals and outcomes of initial investment analysis and to identify participants who will work together to facilitate and contribute to the work effort. The collaboration team will typically have representatives from the program office (or service team) proposing the initiative; key stakeholder organizations such as Investment Analysis and Planning, ATO Technical Operations, safety, information security, and testing; and the AMS policy team. The collaboration team is also available during execution of initial investment analysis to resolve issues that are delaying or affecting the quality of the work effort.
- **Develop Preliminary Test & Evaluation Master Plan.** The test service organization develops a preliminary test and evaluation master plan consistent with the initial requirements document to provide sufficient detail to define the investment program test strategy and scope prior to the initial investment decision.
- **Develop Business Case for each Alternative.** The business case focuses on key factors such as cost, benefits, schedule, and risk associated with each alternative. The objective is to determine which alternative demonstrates the most value and worth to the FAA, aviation industry, and flying public at acceptable cost and risk. When the investment initiative is an increment necessary to achieve an operational capability, the impact on achieving the capability is also a key factor of the business case. See the Business Case Analysis Guidance for more details.
- **Assess Safety of each Alternative.** The system safety organization assists in determining safety risks and the likely cost of mitigation efforts for each alternative. Results are recorded in a comparative safety analysis report in accordance with the Safety Risk Management Guidance for System Acquisitions.
- **Assess Information Security of each Alternative.** The Information Systems Security

organization assists in determining information security risks and the likely cost of mitigation efforts for each alternative. Results are recorded in accordance with the Information Systems Security Guidance for System Acquisition.

- **Evaluate Affordability.** FAA Finance assesses the budget impact and relative contribution to agency goals of each alternative against other ongoing and proposed investment programs in the FAA financial baseline. The impact assessment may shape subsequent deliberations of the investment analysis team.
- **Develop Plan for Final Investment Analysis.** The plan defines work activities, resources, schedules, roles and responsibilities, and products required for final investment analysis. It also specifies exit criteria and a planning date for the final investment decision. See Investment Analysis Plan Guidance and Template for more details.
- **Update Enterprise Architecture Products and Views.** Should the results of initial investment analysis and the determination of the most beneficial and affordable alternative affect the enterprise architecture, the program office (or service organization) prepares the necessary products and views and submits them to the FAA Enterprise Architecture Board for review and approval.
- **Update Requirements Document and Solution ConOps.** The program office (or service team) updates the Program Requirements Document and Solution ConOps to reflect outcomes and trade-off decisions made during initial investment analysis and to reflect the anticipated functional and performance capability of the alternative determined to be most beneficial and affordable from the analysis.
- **Develop, Verify, and Validate Key Work Products.** Validation of the business case is described in the Business Case Evaluation and Assessment Guide. Verification and validation for all other documentation is described in the FAA AMS Lifecycle Verification and Validation Guidelines. The full list of work products that may be required for the initial investment decision is found on the JRC Secretariat website.

### 2.5.1.2 Outputs and Products **Revised 01/2021**

The principal output from initial investment analysis is information that enables the Joint Resources Council to select the alternative that best satisfies agency functional and performance requirements and offers the greatest value to the FAA and its customers. The following are required products:

- Updated program requirements document;
- Business case for each alternative;
- Safety and information security assessment for each alternative;
- Updated enterprise architecture products and views (if the recommended alternative requires change to the enterprise architecture); and
- Plan for final investment analysis.

Key work products are verified and validated according to FAA AMS Verification and Validation Guidelines before the initial investment decision.

### 2.5.1.3 Who Does It? **Revised 01/2021**

Organization	Responsibilities
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Collaboration team	<ul style="list-style-type: none"> <li>• Facilitates agreement on the goals and outcomes of initial investment analysis and identifies participants who will work together and contribute to the work effort</li> <li>• Assists in resolving issues delaying or affecting the quality of the work effort during initial investment analysis.</li> </ul>
Investment analysis team	<ul style="list-style-type: none"> <li>• Performs work activities and prepares the outputs and products of initial investment analysis</li> </ul>
Implementing service organization or program office	<ul style="list-style-type: none"> <li>• Typically leads the investment analysis team</li> <li>• Works with stakeholder organizations to ensure their essential needs are integrated into the analysis of alternative solutions</li> </ul>
Investment Planning and Analysis organization	<ul style="list-style-type: none"> <li>• Verifies and validates the business case for both NAS and Mission Support initiatives</li> <li>• Provides standards, guidance, training, and consulting services to ensure consistency in the conduct of investment analysis</li> <li>• Provides analysts who may lead, conduct, or review business cases as agreed in the investment analysis plan</li> </ul>
Stakeholder organizations	<ul style="list-style-type: none"> <li>• Represent their organizations on the investment analysis team and contribute to the products and outcomes of initial investment analysis</li> </ul>
Capability management team (NAS only)	<ul style="list-style-type: none"> <li>• Ensures the recommended alternative emerging from initial investment analysis can provide the performance and functionality necessary to obtain the overall operational capability ( when the initiative is a building block of an operational capability)</li> </ul>

#### 2.5.1.4 Who Approves? Revised 01/2021

Approval authorities for the outputs and products of initial investment analysis are found in the document template for each artifact located on the initial investment analysis page of the FAST website.

#### 2.5.1.5 Initial Investment Decision Revised 01/2021

The Joint Resources Council makes the initial investment decision. The decision applies to the following acquisition categories:

- New Investment Level I
- Prototype

##### 2.5.1.5.1 New Investment Level I Added 01/2021

For a New Investment Level I initiative, the Joint Resources Council selects the best alternative for the required capability or rejects all alternatives and specifies what action is needed. It uses the following criteria when making the investment decision:

- Lifecycle costs;
- Benefits;

- Risk;
- Benefit to cost ratio;
- Consistency with the FAA enterprise architecture; and
- Impact on FAA strategic goals.

If the Joint Resources Council approves an alternative, it:

- Approves entry into final investment analysis;
- Approves funding for any analytical or developmental work related to the selected alternative; and
- Designates a service organization or program office to lead final investment analysis.

Alternatives can be rejected if the technology is not mature, when requirements are not sufficiently defined, or when relative costs and benefits of the initiative are not favorable. If rejected, the Joint Resources Council can approve such actions as research, further analysis, development, or termination.

When the initial investment decision involves an investment initiative that is an element of an operational capability, the capability portfolio manager attends the JRC decision meeting to explain the interrelationships among capability elements and the impact on the overall operational capability of not approving the initiative.

#### **2.5.1.5.2 Prototype Added 01/2021**

For a Prototype acquisition category, the Joint Resources Council may:

- Approve the prototype concept to continue to final investment analysis;
- Continue prototype development and evaluation;
- Continue to initial investment analysis with the prototype concept as an alternative for a New Investment initiative; or
- Terminate the initiative.

The Joint Resources Council uses the following criteria when determining the course of action following completion of the prototype demonstration:

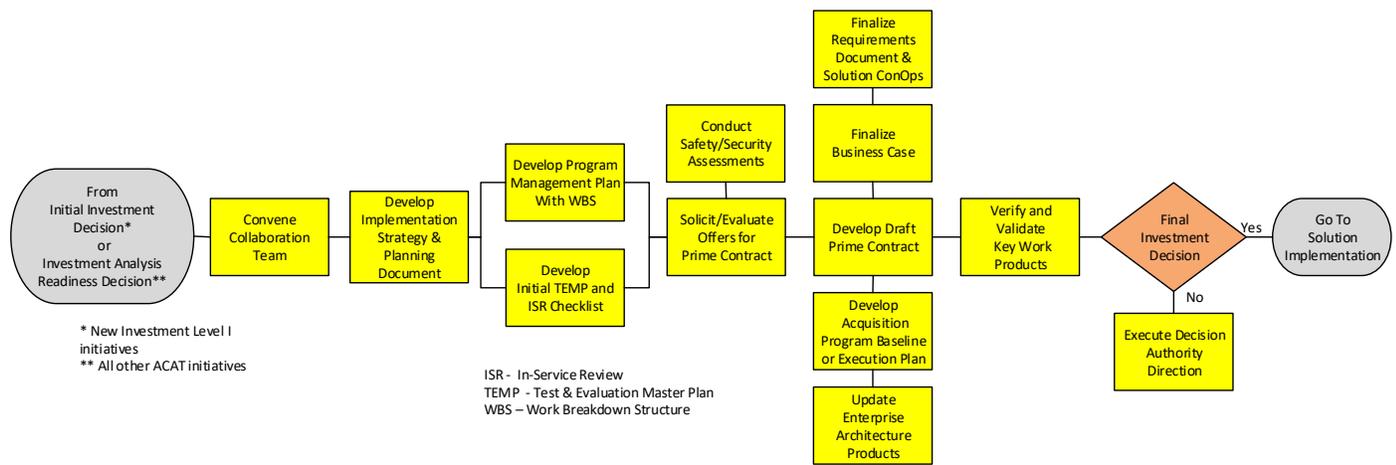
- Cost/risk/performance assessment;
- Safety assessment;
- Information security assessment;
- Maturity of the technology base;
- Maturity of functional and performance requirements; and
- Degree to which the demonstrated capability satisfies priority agency service needs.

### **2.5.2 Final Investment Analysis Revised 01/2021**

#### **2.5.2.1 What Must Be Done Revised 01/2021**

Figure 2.5.2.1-1 defines the key activities of final investment analysis for a New Investment Level 1 acquisition category, which is the most complex and highest risk investment initiative undertaken by the FAA. For other acquisition categories, these activities are adjusted based on artifact requirements in the ACAT table. The flow of activities in Figure 2.5.2.1-1 is intended as a logical guide for the program office or service organization as they complete the work activities of final investment analysis. In actual practice, the outputs and products of final investment analysis are interdependent and will evolve and mature over time during the conduct of phase activities. However, all must be finalized, verified, validated, and have the required approvals before the final investment decision.

**Figure 2.5.2.1-1 Key Activities of Final Investment Analysis**



- **Convene Collaboration Team.** The collaboration team convenes to agree on the goals and outcomes of final investment analysis and to identify participants who will work together to facilitate and contribute to the work effort. The collaboration team will typically have representatives from the program office (or service organization) proposing the initiative; key stakeholder organizations such as Investment Analysis and Planning, ATO Technical Operations, safety, information security, and testing; and the AMS policy team. The collaboration team is also available during execution of final investment analysis to resolve issues that are delaying or affecting the quality of the work effort.
- **Develop Implementation Strategy and Planning Document.** The program office (or service organization) develops a detailed strategy for procuring, implementing, and supporting the solution over its service life with input from key stakeholder organizations. This strategy is the foundation for a request for offer to industry for procurement of the solution and all other program planning and tasking artifacts. Planning is recorded in the implementation strategy and planning document which must be completed and signed before the final investment decision.
- **Develop Program Management Plan with Work Breakdown Structure.** The program office (or service organization) uses the FAA standard work breakdown structure and in-service review checklist as the basis for preparing the program management plan for implementing the solution. This plan specifies how the program office (or service

organization) will execute the implementation strategy in the ISPD and defines the roles and responsibilities of key participating organizations. Planning must cover all aspects of obtaining the solution so costs and schedules are accurately reflected in resource documents and the acquisition program baseline or execution plan. The program work breakdown structure (Section 3 of the FAA standard work breakdown structure) is a required attachment to the program management plan.

- **Develop Initial Test & Evaluation Master Plan and In-Service Review Checklist.** The test organization develops an initial test and evaluation master plan consistent with the final requirements document, program management plan and draft prime mission product contract. The TEMP describes the test program for the initiative, establishes the basis for test requirements in the request for offer to industry, and establishes the basis for test costs and schedules in the acquisition program baseline or execution plan. The in-service decision authority organization works with the program office and key stakeholder organizations to develop the in-service review checklist. Completion of checklist items is a foundational basis for making the in-service decision.
- **Solicit Offers For Prime Contract(s).** The program office (or service organization) with assistance from key stakeholder organizations develops and releases a request for offers and then evaluates industry responses for completeness, technical suitability, and compliance with the statement of work. The most acceptable industry response forms the basis for the final business case, final requirements document, final planning, and the acquisition program baseline or execution plan for the initiative.
- **Conduct System Safety and Information Security Assessments.** The program office (or service organization) works with the system safety organization to develop a preliminary system safety hazard analysis for the proposed solution in support of the final investment decision. It also works with the information systems safety organization to conduct and document a final information security assessment of the proposed solution.
- **Finalize Requirements Document and Solution Concept of Operations.** The program office (or service organization) updates the program requirements document and solution concept of operations as necessary to be consistent with the draft contract to be awarded to the prime mission product contractor.
- **Finalize Business Case.** The investment analysis organization and program office (or service organization) work together to finalize the business case and supporting documents according to templates located on the final investment analysis web page in FAST. The final business case must take into consideration the costs and schedules from the prime contractor proposal selected for award.
- **Develop Draft Prime Contract.** The program office (or service organization) develops the draft contract to be awarded to the prime mission product contractor after the Joint Resources Council approves the initiative for implementation and funding at the final investment decision. Key stakeholder organizations assist by providing statement of work paragraphs and contract deliverable descriptions within their domains of responsibility (e.g., logistics, test and evaluation, information security, safety, configuration management, training, and system engineering).
- **Develop Acquisition Program Baseline or Execution Plan.** The acquisition program baseline or execution plan establishes the cost, schedule, and key performance baselines for the investment initiative. It is the agreement between the program office (or service organization) and the Joint Resources Council concerning the performance that will be obtained and the timeframe and resources agreed to by the agency.

- **Update Enterprise Architecture Products.** The program office (or service organization) works with the enterprise architecture organization to produce the products and views required for the final investment decision and submits them to the FAA Enterprise Architecture Board for review and approval.
- **Verify and Validate Key Work Products.** Investment Planning and Analysis validates the business case as described in Business Case Evaluation and Assessment Guide. Verification and validation for all other program work products is done according to the FAA AMS Lifecycle Verification and Validation Guidelines. The full list of work products that may be required for the final investment decision is found in the JRC Checklist located on the JRC Secretariat website.

In all cases, organizations conducting investment analysis must apply the processes and guidelines located in the investment analysis section of FAST.

### 2.5.2.2 Outputs and Products **Revised 01/2021**

The principal output of every final investment analysis is detailed planning for the alternative selected for implementation. The required outputs and products for a Level 1 New Investment are listed below. Refer to the ACAT table (link) for outputs and products for other acquisition categories.

- Final implementation strategy and planning document;
- Program management plan with program work breakdown structure;
- Initial test and evaluation master plan;
- In-service review checklist;
- Solicitation for prime contract;
- Preliminary system safety hazard analysis;
- Final information security assessment;
- Final program requirements document with concept of operations;
- Final business case;
- Updated architecture products and views;
- Draft prime mission product contract; and
- Acquisition program baseline or execution plan.

Key work products are verified and validated according to the FAA AMS Verification and Validation Guidelines before the final investment decision.

### 2.5.2.3 Who Does It? **Revised 01/2021**

<b>Organization</b>	<b>Responsibilities</b>
Collaboration Team	<ul style="list-style-type: none"> <li>□ Facilitates agreement on the goals and outcomes of final investment analysis and identifies participants who will work together and contribute to the work effort</li> <li>□ Assists in resolving issues delaying or affecting the quality of the work effort during final investment analysis.</li> </ul>

Investment analysis team	<input type="checkbox"/> Performs the activities and prepares the outputs and products of investment analysis
Implementing service organization or program office	<input type="checkbox"/> Typically leads the investment analysis team <input type="checkbox"/> Works with stakeholder organizations to ensure their needs are integrated into the solution especially the draft prime mission product contract
Investment Planning and Analysis	<input type="checkbox"/> Verifies and validates the business case for both NAS and Mission Support investments <input type="checkbox"/> Provides standards, guidance, training, and consulting services to ensure consistency in the conduct of investment analyses <input type="checkbox"/> Provides analysts who may lead, conduct, or review business cases as agreed to in the investment analysis plan
Stakeholder organizations	<input type="checkbox"/> Represent their organizations on the investment analysis team and contribute to the products and outcomes of final investment analysis
Capability management team (NAS only)	<input type="checkbox"/> Ensures the solution emerging from final investment analysis can provide the performance and functionality necessary to obtain the overall operational capability (applies when the initiative is a building block of an operational capability)
Test service organization	<input type="checkbox"/> Develops the initial test and evaluation master plan during final investment analysis

#### 2.5.2.4 Who Approves? Revised 01/2021

Approval authorities for the outputs and products of final investment analysis are found in document template for each artifact located on the final investment analysis page of the FAST website.

#### 2.5.2.5 Final Investment Decision Revised 01/2021

The Joint Resources Council makes the final investment decision except in the case of Tech Refresh Portfolio sub-ACAT 2 initiatives for which the Stakeholder Governance Board is the decision authority. The Stakeholder Governance Board follows the decision guidelines and criteria in the governance board charter approved by the Joint Resources Council.

If the Joint Resources Council approves the initiative for funding and implementation, it:

- Establishes an investment program and delegates responsibility for implementation to the appropriate service organization or program office;
- Approves the final program requirements document, final business case, enterprise architecture products, implementation strategy and planning document, program management plan with program work breakdown structure, acquisition program baseline or execution plan, initial test and evaluation master plan, and draft prime contract;
- Commits the FAA to funding the program, as specified in the acquisition program baseline or execution plan; and

- Approves adjustments to FAA plans and budgets to reflect the investment decision.

If the Joint Resources Council disapproves the recommendation, it returns the investment package to the program office or service organization with specific instructions for further work or it terminates the effort.

When a final investment decision involves an investment initiative that is an element of an operational capability, the portfolio manager attends the JRC decision meeting to explain the interrelationships among capability elements and the impact of not approving the initiative on the overall operational capability.

## **2.6 Solution Implementation Revised 4/2019**

Solution implementation begins at the final investment decision when the Joint Resources Council approves and funds an investment program or segment, establishes the acquisition program baseline or execution plan for variance tracking, and authorizes the service organization to proceed with implementation. Solution implementation ends when a new service or capability is commissioned into operational use at all sites.

Detailed program planning, including the solicitation and evaluation of offers for prime contract(s), occurs during final investment analysis and before the final investment decision. This ensures accurate contract costs, risks, and schedules are reflected in the acquisition program baseline or execution plan and program planning documents. These plans and baselines are revalidated, and updated if necessary, after contract award to ensure they can realistically serve as the management construct for program implementation. They are kept current throughout solution implementation.

The overarching goal of solution implementation is to satisfy requirements documented in the final requirements document and achieve the benefit targets in the business case. To achieve this, the service organization must work with users and stakeholders throughout solution implementation to resolve issues as they arise. Actions outside the direct control of the service organization (e.g., regulatory changes) are recorded in the implementation strategy and planning document and tracked at program reviews throughout solution implementation.

The activities undertaken during solution implementation vary widely and are tailored for the solution or capability being implemented. FAST contains tailored process flowcharts for representative types of investment program (systems and software, facilities, services) and functional disciplines (e.g., human factors, information systems security, configuration management, integrated logistics support). These flowcharts identify actions and activities the service organization may need to execute to achieve projected capability, value, and benefits. Instructions, templates, best practices, good examples, and lessons-learned are attached to many activities in the flowcharts to assist lifecycle management specialists as they plan and execute activities that make sense for their investment program.

Although service organizations are empowered to implement investment programs and manage them over their lifecycle, they must adhere to built-in checks and balances. The acquisition program baseline or execution plan establishes the performance, cost, schedule boundaries

within which the service organization is authorized to operate. The service organization must report all negatives variance from cost, schedule, and performance baseline measures and undertake corrective action in accordance with AMS Section 1.2.3. The assessment of critical performance requirements must be regularly reported during solution implementation and at completion.

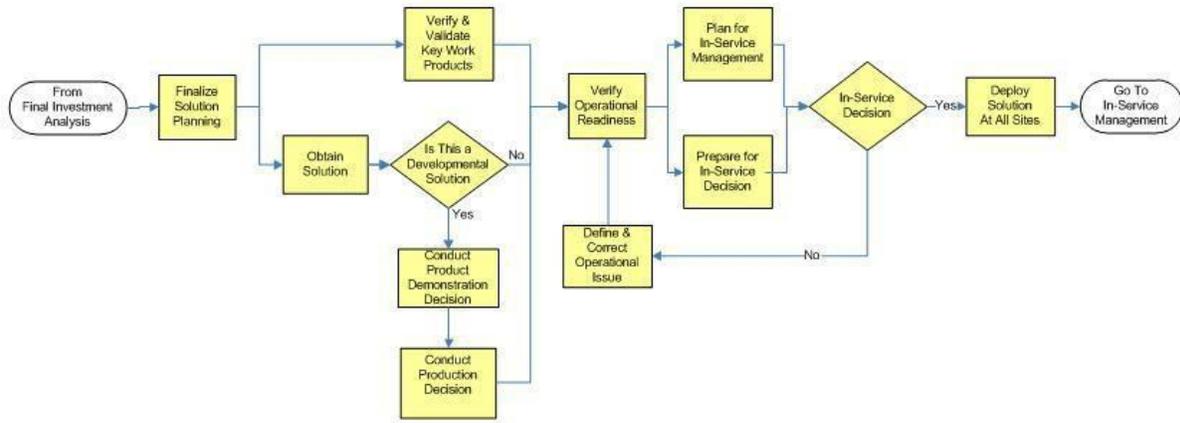
The service organization monitors cost, schedule, and performance status against targets in the acquisition program baseline or execution plan on a continuing basis, and takes corrective action when variances from planning objectives arise. The service organization also reports program status at acquisition quarterly program reviews. The focus of these reviews is to identify high-risk issues requiring resolution and to ensure all actions necessary to achieve projected value and benefits are being executed satisfactorily, particularly those outside the control of the service organization. The service organization applies the principles of earned value management to development, modernization, and enhancement investment programs, and when applicable, uses audits to ensure contract costs are proper and allowable.

The service organization captures expenditures consistent with the program work breakdown structure fashioned during final investment analysis.

For those NAS investment programs progressing through solution implementation as elements of an operational capability, capture team members assess and report progress of each investment increment monthly to the portfolio manager. The portfolio manager reports status of the overall capability to the NextGen Management Board quarterly. These reviews focus on cost, schedule, or performance issues associated with every element of the operational capability. The portfolio manager recommends action for correction of cost, schedule, or performance shortfalls, and may propose the transfer of funding from one investment increment to another when necessary to improve the health and prognosis of the overall capability. The Joint Resources Council evaluates proposed baseline changes among investment increments at acquisition quarterly program reviews. Each service team or program office works with the capture team to ensure each investment increment provides the functionality and performance necessary to achieve the operational capability.

Solution implementation is organized into the activities shown in Figure 2.6-1. These activities are tailored to the special requirements of each investment program.

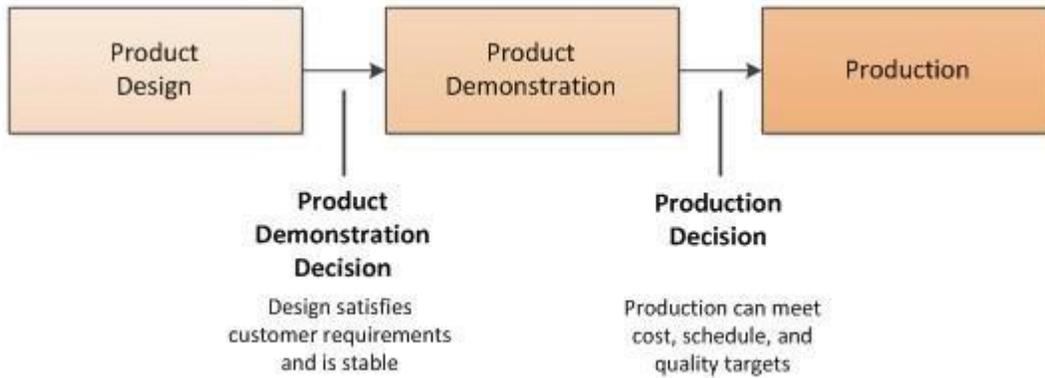
***Figure 2.6-1 Key Activities of Solution Implementation***



### 2.6.1 What Must Be Done Revised 4/2019

- **Finalize Solution Planning.** The service organization or program office reviews and updates program planning completed during final investment analysis (i.e., implementation strategy and planning document, work breakdown structure, ISR checklist). Key stakeholders participate in this activity to ensure planning is complete and realistic. For example, if new systems are to be installed or existing facilities modified, service organization planners work with service-area offices so people and resources will be available when needed.
- **Obtain the solution.** The service organization or program office oversees and coordinates execution of tasks and activities necessary to achieve the benefits projected for the investment program within approved cost and schedule baselines. This includes such activities as contract award, contract administration, program management, resource management, risk management, systems engineering, logistics support, test and evaluation, and site acquisition and adaptation. It may involve developing operational procedures and standards; obtaining physical, personnel, and information security; modifying the physical infrastructure; and coordinating collateral action by the aviation industry.
- **Is This a Developmental Solution?** Investment programs that develop, modernize, or enhance systems or software follow the knowledge-based product development process shown in Figure 2.6.1-1. The following two decisions are intended to ensure the knowledge base is sufficiently mature to warrant proceeding to the next stage of implementation.

*Figure 2.6.1-1 FAA Knowledge-Based Product Development Process*



- **Conduct Product Demonstration Decision.** Table 2.6.1-1 defines the timing, decision authority, and decision criteria for authorizing full development and demonstration of the product.

**Table 2.6.1-1 Timing, Decision Authority, and Decision Criteria for the Product Demonstration Decision**

Timing	Decision Authority	Decision Criteria
After critical design review	Vice President or Director of the implementing service organization	<ul style="list-style-type: none"> <li>□ Key product characteristics are defined</li> <li>□ Stakeholders agree that product design and functionality satisfy program requirements</li> <li>□ System design reviews are complete</li> <li>□ Engineering drawings are complete</li> <li>□ Detailed software/firmware design is complete, including critical software processes and threads</li> <li>□ RMA goals are defined and planning is complete</li> <li>□ Failure modes and effects analysis is complete</li> <li>□ Critical manufacturing processes are identified</li> </ul>

- **Conduct Production Decision.** Table 2.6.1-2 defines the timing, decision authority, and decision criteria for authorizing full production of the product.

**Table 2.5.1-2 Timing, Decision Authority, and Decision Criteria for the Production Decision**

Timing	Decision Authority	Decision Criteria
After completion of operational testing	Vice President or Director of the implementing service organization *	<ul style="list-style-type: none"> <li>□ First-article satisfies program requirements in an operational environment</li> <li>□ Data demonstrate that critical manufacturing processes and components</li> </ul>

		<p>will achieve RMA goals</p> <ul style="list-style-type: none"> <li>• First-article achieves contract RMA requirements</li> <li>• Stakeholders agree design is producible</li> </ul>
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\* Unless otherwise designated by the Joint Resources Council at the final investment decision.

- **Verify and Validate Key Work Products and Products.** The service organization or program office incrementally verifies and validates key work products and products of solution implementation, including the contract to obtain the capability, design documents, specifications, and actual product/product components. Verification and validation activity supports contract award, product demonstration decision, production decision, product acceptance, and the in-service decision.
- **Verify Operational Readiness.** The service organization or program office manages all activities necessary to install the solution at a designated test site(s) and test it thoroughly to verify operational readiness. Operational readiness encompasses operational effectiveness and operational suitability. Operational effectiveness measures how well the solution satisfies mission need and operational requirements. Operational suitability measures how well a product can be integrated and employed for field use, considering such factors as compatibility, reliability, human performance factors, maintenance and logistics support, safety, and training. For designated programs, operational readiness is also assessed by an independent operational assessment. The solution may be installed, as necessary, at the FAA Academy, FAA Logistics Center, and William J. Hughes Technical Center before the in-service decision. In rare cases and with proper justification, the service organization may request authority to install at other specific sites. This authorization does not affect the regular in-service review process culminating in a final in-service decision, which must be adhered to before a product can be placed into operational service through the declaration of operational readiness date (ORD) and commissioning.
- **Plan for In-Service Management.** The service organization or program office plans how it will sustain and manage deployed assets throughout their full lifecycle. This includes in-service logistics support, post implementation review, and other evaluations of operational assets to measure performance, collection of performance data in support of acquisition quarterly program reviews, product sustainment strategy and actions, service- life extension, and eventual removal from service including site restoration.
- **Prepare for In-Service Decision.** The service organization or program office completes all activities necessary for the in-service decision. This includes resolution of all support issues identified by the operating service organization and integrated logistics management team; completion of management actions arising from the in-service review checklist and the independent operational assessment report (designated programs only); resolution of stakeholder issues; development of the in-service decision briefing and action plan; and concurrence of key stakeholders.
- **In-Service Decision Approved?** The in-service decision authority reviews operational test results, the status of in-service checklist items, the independent operational assessment (designated programs only), the perspective of key stakeholders, and other information deemed relevant to the in-service decision. If the in-service request is approved, deployment of the solution may begin. If the request is not approved, the service organization must correct any deficiency and return for the in-service decision upon verification that all outstanding issues have been resolved.

- **Define and Correct Operational Issues.** The service organization or program office takes whatever corrective action is necessary to resolve all remaining operational issues. This may involve a return to concept and requirements definition if correcting the issue involves a change to program requirements or to investment analysis if operational issues require a change to the acquisition program baseline or execution plan.
- **Deploy the Solution at All Sites.** The service organization or program office manages all activities necessary to deploy the solution at each site. This includes transportation and delivery of equipment, installation and checkout, contractor acceptance and inspection, integration, field familiarization, declaration of initial operational capability, joint acceptance and inspection, dual operations, declaration of operational readiness, and removal and disposal of obsolete equipment. Post implementation reviews are conducted at deployment sites to ensure user needs are satisfied, identify systemic problems that must be corrected, and determine whether cost, schedule, and benefits objectives are being achieved. The transition from solution implementation to in-service management extends over time, occurring at each site upon declaration of operational readiness or commissioning.

### 2.6.2 Outputs and Products Revised 4/2019

The primary outcome of solution implementation is a fully deployed and supported operational capability that satisfies requirements (including program requirements and designated specifications), is accepted by users, is compatible with other products and services in the field, and realizes the benefits in the final business case by fully addressing requirements in the final program requirements document. The following are typical products of solution implementation that support the fielding of a satisfactory operational capability:

- Annual updates of the OMB Major IT Business Case for designated programs;
- Continuous evaluation of progress against targets in the acquisition program baseline or execution plan (including status of critical performance requirements);
- Contracts that achieve investment objectives (i.e., cost, schedule, performance, and benefits);
- Successful operational test and evaluation including a final report on the status of critical operational issues and requirements in the final program requirements document, and passing status of critical performance requirements;
- Successful independent operational assessment and report for designated programs;
- In-service decision, including the in-service decision briefing and action plan;
- Declaration of operational readiness and commissioning at each site;
- Program reviews and reports (e.g., baseline management, variance tracking; financial, schedule, performance; earned value, logistics measures, and risk management);
- In-service management plan;
- Monthly capture team assessments, when applicable; and
- Acquisition quarterly program reviews.

Key work products are verified and validated according to the FAA AMS Verification and Validation Guidelines before the in-service decision.

### 2.6.3 Who Does It? Revised 1/2021

Organization	Responsibilities
Performing service organization or program office	<ul style="list-style-type: none"> <li><input type="checkbox"/> Manages all activities necessary to plan, obtain, and deploy the solution, and to obtain the in-service decision. This includes the award and management of contracts, continuing review and evaluation of progress relative to plan, and corrective action to achieve cost, schedule, and performance targets in the acquisition program baseline or execution plan.</li> <li><input type="checkbox"/> Updates program planning to address how the newly fielded capability will be sustained throughout in-service management</li> <li><input type="checkbox"/> Reports status of the investment program to the Joint Resources Council at acquisition quarterly program reviews</li> </ul>
Operating service organization	<ul style="list-style-type: none"> <li><input type="checkbox"/> Conducts joint acceptance and inspection or service acceptance (service contracts) at each site</li> <li><input type="checkbox"/> Declares operational readiness and commissions the solution into operational use</li> </ul>
Key stakeholder organizations	<ul style="list-style-type: none"> <li><input type="checkbox"/> Work with service organizations to identify and resolve all issues and concerns during solution implementation up to and including the in-service decision</li> </ul>
Vice President of the service organization	<ul style="list-style-type: none"> <li><input type="checkbox"/> Notifies the Vice President of ATO Safety and Technical Training when the product is ready for independent operational assessment via the independent operational assessment readiness declaration (designated programs only)</li> </ul>
Director of Policy and Performance, ATO Safety and Technical Training	<ul style="list-style-type: none"> <li><input type="checkbox"/> Evaluates operational readiness of the product and reports findings to the in-service decision authority (designated programs only)</li> </ul>
Information Technology Shared Services Committee	<ul style="list-style-type: none"> <li><input type="checkbox"/> Annually reviews OMB Major IT Business Cases for designated programs as part of the annual budget process</li> </ul>
Office of Information & Technology, Strategy & Performance Service, Enterprise Program Management Service, Budget, Program Control & CPIC Branch	<ul style="list-style-type: none"> <li><input type="checkbox"/> Independently scores all OMB Major IT Business Cases that will be submitted to the Office of Management and Budget through the Office of the Secretary of Transportation</li> </ul>
Capture team members	<ul style="list-style-type: none"> <li><input type="checkbox"/> Assess and report monthly to the portfolio manager the status of each investment increment contributing to an operational capability</li> </ul>
Portfolio manager	<ul style="list-style-type: none"> <li><input type="checkbox"/> Reports status of the operational capability to the NextGen management Board (NAS only)</li> </ul>

	<input type="checkbox"/> Recommends corrective action for cost, schedule, or performance shortfalls within all investment increments contributing to an operational capability
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#### 2.6.4 Who Approves? Revised 4/2019

Artifact	Approval Authority
Acquisition program baseline or execution plan changes	Joint Resources Council
OMB Major IT Business Case (designated information technology programs)	Chief Information Officer, Chief Financial Officer, Acquisition Executive  Chief Financial Officer, Acquisition Executive
OMB Major IT Business Case (designated non-information technology capital investments)	
Product demonstration decision (if applicable)	Vice President or Director of the implementing service organization
Production decision (if applicable)	Vice President or Director of the implementing service organization, unless otherwise designated by the Joint Resources Council at the final investment decision

#### 2.6.5 In-Service Decision Revised 7/2015

The in-service decision (ISD) authorizes deployment of a solution into the operational environment. It occurs after demonstration of initial operational capability at the key test site(s) and before initial operational capability at any non-key site or waterfall facility. The decision is made following completion of the certification of compliance with testing, information security, and safety requirements. It establishes the foundation for operational readiness to be declared at subsequent sites. The ISD uses results from test and evaluation that report on the verification and validation of performance requirements, critical performance requirements, critical operational issues, and operational readiness (e.g., safety, effectiveness, and usability). The in-service review (ISR) checklist is used by the service organization to identify and resolve readiness issues before the ISD and to obtain concurrence from stakeholder organizations.

The Joint Resources Council is the ISD authority. At the final investment decision, the Joint Resources Council may delegate ISD authority to appropriate FAA officials. For any solutions or products that affect multiple organizations, a joint ISD authority may be designated. This decision is documented in the final investment record of decision.

Depending on the implementation strategy of the solution (e.g., phased implementation, segments, multiple releases, several smaller programs executed separately as a part of one solution), multiple ISDs may be required to ensure the operational readiness of each specific component of the overall solution. The ISD strategy is developed by the service team with help from the ISD Executive Secretariat, approved by the Joint Resources Council and documented in the implementation strategy and planning document. Follow-on revisions to the ISD strategy must be approved by the ISD authority.

The ISD is recorded in the record of decision. Action plans for resolving remaining operational readiness issues are included as an attachment to the record of decision. Status of action plans is tracked and reported to the ISD Executive Secretariat until all issues are resolved. Once all action plans are satisfactorily completed, the ISD Executive Secretariat provides a close-out memorandum.

Mission Support and Mission Support IT initiatives do not require an in-service decision nor a waiver from the In-Service Decision Executive Secretariat. Acceptance criteria will be agreed upon by the customer and the service delivery organization.

#### **2.6.5.1 Entrance Criteria Revised 7/2013**

The following artifacts are required for each in-service decision:

- Operational test report(s);
- Independent Operational Assessment Report for designated programs;
- ISR Checklist completed or action plans for those remaining open;
- Safety Risk Management Document approved;
- Information security certification and authorization or certification and authorization;
- Stakeholder concurrence on readiness for the ISD; and
- ISD briefing and action plans.

#### **2.6.5.2 In-Service Decision Authority Actions Added 4/2013**

The ISD Authority:

- Approves the ISD strategy for phased or segmented deployments;
- Agrees to the action plans;
- Makes the ISD; and
- Approves the Record of Decision.

### **2.7 In-Service Management Revised 4/2019**

Activity during in-service management supports execution of the FAA mission of providing air traffic control and other services. This entails operating, maintaining, securing, and sustaining systems, products, services, and facilities in real time to provide the level of service required by users and customers. It also entails periodic monitoring and evaluation of fielded products and services, and feedback of performance data into service and investment analysis as the basis for revalidating the need to sustain deployed assets or taking other action to improve service delivery.

Service organizations are responsible and accountable for managing service delivery within their area of responsibility throughout in-service management. They bring together the multiple engineering, logistics, and other management specialists necessary to operate and sustain fielded systems, services, products, and facilities. This includes managing resources within specific

geographic areas, and may involve emergency sustainment actions in response to natural disasters or other unanticipated events.

Service organizations have flexibility to sustain and enhance fielded capability. They may implement pre-planned product improvements or block upgrades as stipulated at the investment decision, and may use sustainment resources to upgrade components of fielded products as needed (e.g., printers or processors).

In-service management planning documents focus on actions and activities that support continued operation and maintenance of deployed assets. The documents clearly define in-service management activities such as configuration management, preventive and corrective maintenance, training, infrastructure support and logistics support, along with planned activities to support post implementation reviews and operational analyses.

Service organizations evaluate the safety, efficiency, and effectiveness of operational assets throughout in-service management as a basis for improving service delivery over time. This process begins with a post implementation review at one or more early operational sites to determine whether a new investment program is achieving its performance and benefit targets and whether it is meeting the service needs of customers. The primary objective is useful information on how best to eliminate flaws and optimize performance and benefits before deployment at additional sites. This evaluation process continues throughout in-service management with the periodic evaluation of operational assets to determine whether they are continuing to contribute to agency safety, performance, and cost goals or whether they should be modernized, replaced, or removed from service. These operational analyses are the basis for out-year planning in the service organization business plan, which integrates ongoing and planned investment activity with resources for the operation and sustainment of fielded assets over their service life. The overarching goal is the continued best use of agency resources to achieve FAA strategic and performance goals. Click here for links to [post implementation review and operational analysis policy and guidance](#).

When a fielded capability is projected to be unable to satisfy service demand or when another solution offers improved safety, lower cost, or higher performance, the service organization initiates action to enter the service analysis process leading to a new investment decision. The key is to look far enough into the future so there is enough time to approve and implement a solution before the existing capability fails or becomes obsolete.

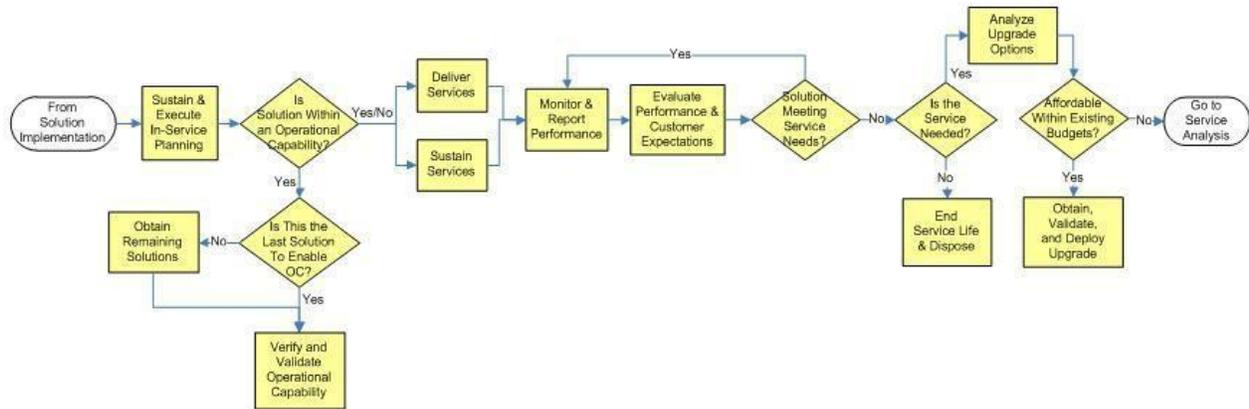
Service organizations must remove and dispose of fielded assets and services when they are no longer needed. This includes restoration of sites where obsolete products or services were deployed, disposal of government property, recovery of precious metals, and cannibalization of useful assets. The cost of removal and restoration is included in the acquisition program baseline or execution plan of the replacement program. If there is no replacement program, the cost must be otherwise factored into the service-area operating plan.

### **2.7.1 What Must Be Done Revised 4/2013**

Figure 2.7.1-1 portrays the activities undertaken during in-service management. They are organized to deliver, sustain, and evaluate operational assets, and to take corrective action when they are projected to be unable to satisfy the service needs of users and customers or when they

are becoming unsupportable or obsolete. The work flow includes actions to verify and validate achievement of projected benefits from an operational capability resulting from completion and integration of multiple investment increments.

**Figure 2.7.1-1 Key Activities of In-Service Management**



**Sustain and Execute In-Service Planning.** Service organizations review and update in-service planning documents as needed. This includes updating the OMB Major IT Business Case each year for designated programs. Annual updates reflect program changes and move the budget submission forward one year. The OMB Major IT Business Case must continue to achieve a passing score from the Office of Management and Budget.

- **Is Solution Within an Operational Capability?** When a recently deployed solution is not an increment necessary to achieve a complex operational capability, it is operated and sustained during in-service management as a stand-alone capability. When it is part of an operational capability, the agency validates that the projected benefits of the operational capability are being achieved once all supporting investment increments are in service.
- **Is This the Last Solution to Enable an Operational Capability?** If the recently deployed solution is the last investment increment necessary to implement an operational capability, a post implementation review is planned and executed to determine whether the performance and benefits projected for the operational capability are being achieved and to identify what corrective action is needed when they are not.
- **Obtain Remaining Solutions.** All investment increments necessary to achieve the operational capability are obtained and deployed before verifying and validating that the performance and benefits of the operational capability are being realized.
- **Verify and Validate Operational Capability.** When the last investment increment of an operational capability is deployed and approved for operational service, the capture team oversees the integration of investment elements necessary to achieve the operational capability and verifies achievement of operational and performance benefits in the operational capability business case. Typically, a post implementation review will be planned and executed for this purpose. Results are presented to the NextGen Management Board, which determines whether performance of the operational capability meets agency expectations or whether further action is necessary.
- **Deliver Services.** The operational workforce provides air traffic control and other

business services using infrastructure, procedures, and other assets as assigned and funded. This includes all safety-related quality assurance actions such as flight inspection, aircraft certification, establishing safety standards for operations, monitoring safety performance, issuing and maintaining certificates and licenses, and developing and revalidating procedures such as approach and landing procedures. Emergency sustainment actions are planned and executed whenever required. During emergencies, highest priority services are sustained even if performance goals for lower priority services cannot be met. In addition, physical, personnel, and information security is maintained at all FAA facilities. This includes environmental threat and facility assessment and accreditation in accordance with FAA internal security planning.

- **Sustain Services.** A variety of actions are undertaken by the FAA workforce during in-service management to ensure operational assets remain in good working order. These include:
  - Corrective and preventive maintenance, supply support, second-level engineering, depot-level repair, modification of hardware and software to improve performance, test and support equipment, and transportation of supplies.
  - Management and engineering actions to sustain and improve service delivery, correct deviations from cost and performance standards, and improve quality. These actions include modifications to hardware and software to solve latent or discovered technical problems, process changes to improve performance, planned block upgrades and product improvements, and sustainment actions that lower operating costs. It involves the management of personnel, information systems, money, logistics support, spare parts, technical resources, and other assigned assets. Management techniques include fiscal and workforce planning, contract award and administration, fiscal and program control, and process management to achieve cost, performance, and benefit objectives. All modifications to fielded assets must be in accordance with the enterprise architecture. If a planned modification requires a change to the architecture, appropriate amendments and products must be developed and approved.
  - Management and control of the configuration of all services and service components. This includes submission of NAS change proposals to the appropriate approval board to baseline, install, and manage changes to NAS systems, software, and equipment. It requires coordination with the appropriate systems engineering organization to ensure changes are compatible with and reflected in the enterprise architecture.
  - Sustainment of utilities, buildings, grounds, structures, roads, telecommunications, handling of hazardous materials, lightning protection, bonding, grounding, heating, cooling, and special access.
  - Participation in cross-organizational planning to review, integrate, and prioritize the allocation of operational resources to fielded services and assets. The objective is to continue support for high-ranking service needs and reduce or terminate support for low-value or redundant assets. Recommendations are presented to the Joint Resources Council for approval.
  - Acquisition and management of FAA-owned and leased properties, as well as management of non-federal facilities with external sponsors. This activity may involve the purchase or lease of buildings, structures, and grounds, as well as removal and disposal of no longer used equipment, systems, services, products, facilities, real property, and resources.

- **Monitor and Report Performance.** Post implementation review(s) at early deployment sites help determine whether performance and benefits are being achieved. When projections are not being realized, corrective action is planned and implemented. Periodic operational evaluations of fielded assets continue throughout in-service management to identify performance shortfalls, determine trends in the cost of ownership, identify adverse support trends, and solve systemic operational or support problems.
- **Evaluate Performance and Customer Expectations.** Operational evaluations are the basis for revalidating the merit of sustaining investment assets or the need for other action. Findings are fed back into service analysis, where it is determined whether to continue to sustain existing assets or recommend new investments to solve systemic problems in the service environment.
- **Solution Meeting Service Needs?** If the solution is meeting service needs and no supportability issues have emerged, the operational workforce continues to operate and sustain the solution, as well as monitor and evaluate it periodically. If supportability issues are emerging or the solution is projected to be unable to satisfy the service need, corrective action is initiated once it is verified the service is supported by the NAS ConOps during timeframe in question.
- **Is the Service Needed?** The operating service organization determines whether the service provided by the solution is still needed. In making this determination, the service organization reviews the NAS ConOps and enterprise architecture roadmaps to confirm the service will continue to be required in the timeframe any upgrade to the operational asset would cover.
- **End Service Life and Dispose of Unneeded Assets.** When an operational asset is replaced by new capability, the program office installing the new capability removes and disposes of replaced assets. When there is no replacement asset, the operating service organization removes and disposes of unneeded assets. Removal and disposal includes decommissioning, dismantling, and demolishing of systems and equipment; restoring sites including environmental cleanup and disposal of hazardous materials; disposing of government property; recovering precious metals; and reusing surplus assets.
- **Analyze Upgrade Options.** When the service is still needed, the service organization investigates ways to upgrade at-risk assets within existing operating budgets and determines whether additional investment funds are needed.
- **Affordable Within Existing Budgets?** When the operational asset can be modernized within existing budgets (e.g., a planned and funded product improvement, operational funds), the upgrade is obtained, validated, and deployed. When new funds outside the scope of available resources are needed, the service shortfall enters service analysis to begin the search for a solution.
- **Obtain, Validate, and Deploy Solution Upgrade.** Any modification to fielded assets (e.g., block upgrade, planned product improvement, problem correction) must be accompanied by concomitant changes to key elements of the support infrastructure such as training, documentation, spare parts, and engineering support. This includes training for personnel who directly operate, maintain, or provide support functions. All key work products and products of in-service management, including NAS change proposals (includes actual changes/improvements to products and product components) and system support directives are verified and validated before an upgrade enters operational service. This includes the modified content of key work products and products that originate in other phases of the lifecycle, but are intended for use during in-service management. Verification and validation activity supports decisions to implement and deploy procedural

or product improvements.

### 2.7.2 Outputs and Products **Revised 4/2013**

- Delivery of FAA enterprise services;
- Post implementation reviews and corrective action as needed to achieve investment performance and benefits;
- Periodic operational analysis of fielded assets including the effectiveness and efficiency of supply chain management;
- Periodic revalidation of the need to sustain fielded assets;
- Enforcement actions, baseline changes, and investment recommendations to maintain or improve service delivery;
- Change proposals to install systems, software, and equipment and to improve capability, safety, or efficiency in accordance with the enterprise architecture;
- Program technical reports and hardware discrepancy reports to correct hardware and software problems;
- Annual OMB Major IT Business Case submissions (designated programs only);
- Emergency sustainment actions to sustain high-priority capabilities and services;
- Up-to-date configuration records for fielded equipment;
- Annual report on critical operational needs;
- Periodic assessment of facility security enhancements;
- Action plans to remedy cost and performance shortfalls;
- Updated in-service management planning documents if needed; and
- Flight inspections, aircraft certification, and regulatory actions.

### 2.7.3 Who Does It? **Revised 1/2021**

Organization	Responsibilities
Service organization or program office	<ul style="list-style-type: none"> <li><input type="checkbox"/> Provides and sustains services</li> <li><input type="checkbox"/> Manages resources to sustain fielded assets</li> <li><input type="checkbox"/> Manages preplanned product improvements</li> <li><input type="checkbox"/> Updates OMB Major IT Business Cases for the annual budget cycle (designated programs only);</li> <li><input type="checkbox"/> Reviews in-service management planning and updates as needed</li> <li><input type="checkbox"/> Manages the configuration of fielded assets consistent with FAA policy and the enterprise architecture</li> <li><input type="checkbox"/> Develops infrastructure for modifications to fielded assets, including training, documentation, spare parts, and repair</li> <li><input type="checkbox"/> Periodically assesses customer satisfaction as the foundation for improving service delivery</li> <li><input type="checkbox"/> Monitors quality, assesses performance, tracks cost, and identifies adverse support trends for fielded assets</li> <li><input type="checkbox"/> Periodically revalidates the need to sustain fielded assets or recommends other action such as upgrade, replacement, or decommissioning and removal</li> <li><input type="checkbox"/> Assesses the impact on sustainment of fielded assets resulting from delays in fielding a new capability</li> </ul>

	<input type="checkbox"/> Sustains the physical infrastructure
Office of Information & Technology, Enterprise Program Management Service, Budget, Program Control & CPIC Branch	<input type="checkbox"/> Reviews and scores OMB Major IT Business Cases as part of the annual budget cycle (designated programs only)
PIR Quality Officer	<input type="checkbox"/> Oversees the quality, planning, conduct, and reporting of post implementation reviews
Integrated Logistics Management Team	<input type="checkbox"/> Assesses the effectiveness of supply chain management and the support concept <input type="checkbox"/> Recommends changes to logistics management to optimize service delivery at best value
ATO Technical Operations	<input type="checkbox"/> Keeps operational assets in good working condition <input type="checkbox"/> Conducts operational analyses periodically and feeds results into service analysis
William H. Hughes Technical Center	<input type="checkbox"/> Designs, develops, tests, and fields changes to operational assets that correct recurrent trouble reports and other operational issues <input type="checkbox"/> Provides second-level engineering
Mike Monroney Aeronautical Center	<input type="checkbox"/> Provides supply chain management, depot support, logistics services, and training for operational assets <input type="checkbox"/> Provides second-level engineering services
Capture team	<input type="checkbox"/> Integrates investment increments necessary to obtain an operational capability <input type="checkbox"/> Assists in the planning and verification that an operational capability is achieving the benefits specified in the operational capability business case

#### 2.7.4 Who Approves? **Added 4/2013**

<b>Artifact</b>	<b>Approval Authority</b>
OMB Major IT Business Cases (designated information technology capital investments)	Chief Information Officer, Chief Financial Officer, Acquisition Executive
OMB Major IT Business Cases (designated non-information technology capital)	Acquisition Executive, Chief Financial Officer

investments	
In-service management planning documents	Vice President (ATO) or Director (non-ATO) of the operating service organization

## 2.8 Mission Support Operations-Funded Lifecycle Management Policy **Added 1/2017**

### 2.8.1 Overview **Revised 10/2018**

The Mission Support Operations-funded process establishes policy and guidance for all aspects of acquisition management for Federal Aviation Administration procurement of Mission Support Operations-funded capital investment initiatives. The objectives are to increase quality, reduce time, manage risk, and minimize the cost of delivering safe and secure Operations-funded capital assets and services. This policy promotes these objectives through partnership among service providers and customers to ensure FAA plans, programs, and budgets address priority agency and end-user needs.

Lifecycle acquisition management for Mission Support Operations-funded capital investments is built around a logical sequence of phases and decision points. The FAA uses these phases and decision points to determine and prioritize its needs, make sound investment decisions, implement solutions efficiently, and manage services and assets over their lifecycle. The overarching goal is continuous improvement in the delivery of safe, secure, and efficient assets and services over time. The Mission Support Operations-funded process is flexible and may be tailored by the Acquisition Executive Board (AEB), Joint Resources Council (JRC), or Operations Governance Board (OGB).

### 2.8.2 Governance **Added 1/2017**

#### 2.8.2.1 Authority **Revised 10/2018**

The JRC oversees all capital investments at FAA regardless of funding appropriation whether Operations and Maintenance, Research, Engineering & Development, Airport Improvement Program, or Facilities and Equipment. The JRC delegates investment decision-making for Mission Support Operations-funded capital investments to the OGB. Mission Support strategy development is conducted by the Information Technology Shared Services Committee (ITSSC), which also oversees the performance of information technology investments.

#### 2.8.2.2 Scope **Revised 10/2018**

The OGB oversees investment initiatives with the following three attributes:

- Mission Support
  - Investments not included in the NAS Enterprise Architecture

- Investments included in the Mission Support Enterprise Architecture
- Investments not included in either architecture, but deemed within scope by the OGB or JRC
- Operations-funded
  - Investments that providers intend to fund entirely from the Operations and Maintenance account
- Capital Investment
  - Acquisition of a new or modernized FAA product, system, or service that results in a capital asset such as land, structures, equipment, or intellectual property (including software)
  - Typically has a useful life of two years or more
  - Generally does not include investments associated with the repair, operation, or maintenance of previously fielded assets

While capital investments are generally funded out of the Facilities and Equipment account, FAA Order 2500.8B specifies that the Operations account can fund capital purchases to support administrative functions. The OGB oversees these investments.

### **2.8.2.3 Operations Governance Board Revised 10/2018**

Through delegation from the JRC, the OGB is the investment decision authority for Mission Support Operations-funded capital investments. It has permanent members from the following organizations:

- Acquisitions & Business Services (ACQ)
- Investment Planning and Analysis (AFI-1)
- Chief Counsel (AGC)
- Air Traffic Organization (ATO)
- Aviation Safety (AVS)
- Information and Technology Services (AIT)

Representatives from the appropriate line of business attend OGB meetings ad hoc when the investment initiative relates to their business or organizational interests.

### **2.8.2.4 Planning Artifacts Revised 4/2019**

The following planning artifacts are required for all Mission Support Operations-funded capital investment initiatives:

- Intake Form
- Management Plan
- Functional and Non-Functional Requirements

- Government and Market Survey
- Acquisition Strategy
- Scaled Business Case

Templates and instructions for these artifacts are located on the FAA Acquisition System Toolset at: <http://fast.faa.gov/>

Artifacts and artifact requirements may be tailored by the AEB, JRC, or OGB.

### **2.8.2.5 Roles and Responsibilities of Key Participants Revised 10/2018**

- Acquisition Readiness Team (ART) - advises and supports customers to develop planning artifacts for Mission Support Operations-funded capital investment initiatives. Typically, ART assists those investments assigned Governance Path C unless otherwise designated by the OGB.
- Shared Services Mission Support Information Technology Portfolio Assessment Subcommittee (reports to ITSSC) - monitors post-decision performance of Mission Support Operations-funded capital investments in accordance with the artifacts provided to support OGB investment commitment decisions. It reports progress, constraints, and challenges to key stakeholders and FAA executives.
- OGB Secretariat – conducts preliminary risk reviews for the purpose of making governance path recommendations to the OGB and provides administrative support and technical advice to the OGB.
- Business Partnership Manager – manages customer relations for AIT to capture new customer needs.
- Customer – any FAA organization seeking to execute a Mission Support Operations-funded capital investment. The customer is responsible for completing the required planning artifacts, securing OGB approvals, and retaining planning artifacts and related decision documents with investment program records.

### **2.8.2.6 Governance Paths Revised 10/2018**

The OGB assigns a governance path to each Mission Support Operations-funded capital investment.

Governance Path A – The OGB determines the initiative poses very low risk and low funding requirements. The program office or service organization is directed to complete the appropriate planning artifacts as directed by the OGB and proceed to solution development and deployment at the governance path readiness decision. Completion of planning artifacts is mandatory although

there is no independent confirmation other than random spot checks and reviews.

**Governance Path B** – The OGB determines the initiative poses low to medium risk and higher funding requirements. The program office or service organization is directed to complete all planning artifacts and any OGB-directed checklist items. Approval to proceed may occur at the governance path readiness decision pending verification by the OGB Secretariat that all planning artifacts and checklist items have been completed. Completion of planning artifacts is mandatory and after verification, the investment is subject to random spot checks and reviews.

**Governance Path C** – The OGB determines the initiative poses medium to high risk and high funding requirements. The program office or service organization is directed to work with an ART to prepare all planning artifacts and any OGB-directed checklist items. The initiative returns to the OGB for a business case decision once all planning artifacts are confirmed as complete and of high quality by the ART and OGB Secretariat. The OGB may approve the program to enter the deployment phase or it may direct further work on the planning artifacts to be presented at the investment commitment decision. Completion of planning artifacts is mandatory and after approval, the investment is subject to monitoring by the Acquisition Policy and Oversight organization (AAP) and ITSSC.

### 2.8.3 Mission Support Operations Funded Process **Revised 10/2018**

The following phases and decision points constitute the Mission Support Operations-funded process. The actual path taken by each investment initiative depends on the governance path assigned by the OGB.



*Figure 2.8.3*

#### 2.8.3.1 Need Assessment **Revised 10/2018**

If the proposed investment is subject to OGB oversight, lines of business / business owners complete an intake form describing the project name, business owner contact information, estimated lifecycle costs, business problem/need description, business drivers/mandates, and when the product needs to be delivered to the user community. The intake form is submitted to the OGB Secretariat at least 21 days before the commitment of funding to any contract, task order, or inter-agency agreement (IAA) in support of the proposed project. The OGB Secretariat reviews the intake form and recommends a governance path for the initiative to the OGB. The FAA Information Technology (AIT) organization will not authorize funds to be expended on behalf of any Path C investment prior to receiving an OGB decision.

#### 2.8.3.2 Governance Path Readiness Decision (decision point 1) **Revised 10/2018**

At the governance path readiness decision, the OGB assigns a governance path to the investment. Based on the approved governance path, the OGB may assign an ART to support the customer to complete the required planning artifacts and any other OGB-directed checklist items.

Entrance Criteria:

- Intake Form

The OGB:

- Approves the governance path recommended by the OGB Secretariat and assigns an ART (if applicable) with representatives from relevant stakeholder organizations; or
- Selects an alternative governance path based on OGB member consensus; or
- Returns the initiative to the sponsoring line of business for additional discovery (e.g., requirements definition or additional market research).

### **2.8.3.3 Alternatives Analysis Revised 10/2018**

The sponsoring line of business / business owner creates the required planning artifacts with support from an ART (if assigned) for the investment initiative. The analysis typically often focuses on alternative acquisition approaches not necessarily on technical alternatives. An ART assesses whether the alternative emerging from the analysis fits within the overall agency strategy for obtaining the operational capability and can provide the performance and functionality needed by users.

The results of alternatives analysis helps the OGB determine which potential investments would improve agency operations and deliver desired outcomes to end users. This supports sound capital investment planning, which guides and prioritizes current and future Mission Support, Operations-funded projects. These analyses also help refine and mature agency plans by providing decision-makers with a clear picture of investment opportunities and their risks and value.

### **2.8.3.4 Business Case Decision (decision point 2) Revised 4/2019**

At the business case decision, the OGB validates that the preliminary scaled business case fits within the overall agency strategy for obtaining the operational capability and can provide the performance and functionality needed by users.

Entrance Criteria:

- Functional and Non-Functional Requirements
- Government and Market Survey
- Preliminary Scaled Business Case

The OGB:

- Approves the investment to enter solution development to complete planning artifacts along with any additional OGB-directed requirements, or

- Returns the investment to alternatives analysis to refine or modify planning artifacts, or
- Recommends the initiative be paused, modified, or cancelled.

### **2.8.3.5 Solution Development Revised 10/2018**

The sponsoring line of business / business owner with support from an ART (if assigned), reviews and revises required planning artifacts, verifies their completeness and accuracy, and executes any other direction from the OGB (e.g., prepares request or offer, task order, or interagency agreement).

### **2.8.3.6 Investment Commitment Decision (decision point 3) Revised 4/2019**

At the investment commitment decision, the OGB accepts the final required planning artifacts and approves the investment for deployment or rejects the planning artifacts and specifies any further required actions.

Entrance Criteria:

- Final scaled business case
- Management Plan
- Acquisition Strategy

The OGB reviews the final scaled business case and other planning artifacts ensuring the investment presents an opportunity to improve operating capability, satisfy customer service needs, and is a sensible use of agency resources. It then:

- Approves the project to enter deployment, or
- Returns the initiative to the solution development phase for additional work, or
- Recommends the initiative for termination.

### **2.8.3.7 Deployment Revised 4/2019**

Deployment begins at the investment commitment decision when the OGB approves an investment program and recommends the line of business / business owner proceed with implementation. The deployment phase ends when the new service or capability is operational at all locations.

The overarching goal of deployment is to satisfy requirements in the Functional and Non-Functional Requirements document and to fulfill the Management Plan approved by the OGB. The line of business is ultimately responsible for end user acceptance. To achieve this, it must work with key stakeholders, especially end users, throughout deployment to resolve issues as they arise.

Actions outside the control of the line of business (e.g., regulatory changes) are recorded in the acquisition strategy and tracked at program reviews throughout deployment. Activities undertaken during this phase vary widely and are tailored for the solution or capability being implemented.

### **2.8.3.8 Operation and Retirement Added 1/2017**

The operating service organization operates, maintains, secures, and sustains systems and services in real time to provide the level of service required by users and customers. The providing line of business oversees and manages service delivery within their area of responsibility. This includes managing resources within specific geographical areas, and may involve emergency sustainment actions in response to natural disasters or other unanticipated events.

When a fielded capability is projected to be unable to satisfy service demand or when another solution offers improved safety or security, lower cost, or higher performance, the providing line of business initiates action to enter the need assessment phase leading to a new initiative. The providing LOB must remove and dispose of fielded assets and services when they are no longer needed. This activity includes restoration of locations where obsolete products or services were deployed, proper disposal of government property and records, recovery of precious metals, and cannibalization of useful assets.

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