



## DoD MANUAL 5000.04

### COST AND SOFTWARE DATA REPORTING

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| <b>Originating Component:</b> | Office of the Director, Cost Assessment and Program Evaluation  |
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**Purpose:** In accordance with the authority in DoD Directive 5105.84, Section 2334(g) of Title 10, United States Code, and DoD Instruction (DoDI) 5000.73, this issuance implements policy, assigns responsibilities, and provides direction for developing, implementing, and operating the system to collect cost and software, technical, and maintenance and repair parts data reports, collectively referred to as cost and software data reports (CSDRs).

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## **SECTION 1: GENERAL ISSUANCE INFORMATION**

### **1.1. APPLICABILITY.**

This issuance applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the DoD (referred to collectively in this issuance as the “DoD Components”).

### **1.2. POLICY.**

DoDI 5000.73 establishes the requirement to collect accurate cost data to conduct realistic cost estimates for DoD acquisition programs. Table 1 in DoDI 5000.73 establishes the dollar thresholds and other requirements for cost data reporting. This issuance establishes the procedures and processes for collecting the data.

## **SECTION 2: RESPONSIBILITIES**

### **2.1. DEPUTY DIRECTOR FOR COST ASSESSMENT (DDCA).**

Under the authority, direction, and control of the Director of Cost Assessment and Program Evaluation (CAPE), the DDCA:

- a. Develops CSDR policies, procedures, and processing requirements.
- b. Is the CSDR plan approval authority for all programs that exceed the acquisition category (ACAT) I dollar threshold, regardless of program type, acquisition pathway, or ACAT/business category (BCAT) designation.
- c. Adjudicates DoD Component requests for data collection waivers. This authority cannot be delegated.
- d. Designates individual cost analysts from CAPE to be members of cost working integrated product teams (CWIPTs).
- e. Oversees the Cost Reporting Standards Board (CRSB) in accordance with DoDI 5000.73.

### **2.2. DIRECTOR, DEFENSE CONTRACT AUDIT AGENCY (DCAA).**

Under the authority, direction, and control of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, Department of Defense, the Director, DCAA:

- a. Audits CSDR deliverables pursuant to applicable DCAA policies and at the CSDR plan approval authority's request.
- b. Coordinates with CWIPTs when planning CSDR audits to identify any high-risk or sensitive contracts that should be included in the audit sample.
- c. Advises CWIPTs, if requested.

### **2.3. DIRECTOR, DEFENSE CONTRACT MANAGEMENT AGENCY (DCMA).**

Under the authority, direction, and control of the Under Secretary of Defense for Acquisition and Sustainment, the Director, DCMA:

- a. Provides specific functional expertise to support DCAA audits, if requested.
- b. Determines whether contractor business systems are able to provide proper cost accounting and timely, accurate, and repeatable CSDR data.
- c. Advises CWIPTs, if requested.

## **2.4. DOD COMPONENT HEADS.**

The DoD Component heads, through their Service and Defense Agency Cost Agencies (SCAs):

- a. Implement the processes and procedures in this issuance and, as appropriate, develop DoD Component policy and guidance.
- b. Review all DoD Component CSDR plans and plan changes to ensure usability, consistency of resulting data, and adherence to the procedures in this issuance.
- c. Are the CSDR plan approval authorities for all programs below the ACAT I dollar threshold, regardless of program type, acquisition pathway, or ACAT/BCAT designation.
- d. Designate individual cost analysts from the SCA to be CWIPT members.

## SECTION 3: GROUPS, OFFICES, AND BOARDS

### 3.1. COST DATA SUPPORT GROUP (CDSG).

The CDSG is the division of CAPE responsible for facilitating the development of CSDR plans and collecting, organizing, tracking, validating, and displaying data in an integrated web-based application known as the Cost Assessment Data Enterprise (CADE). There are two divisions of the CDSG:

- a. The Defense Cost and Resource Center (DCARC) division manages CSDR data planning, collection, organization, compliance, and validation.
- b. The CADE division:
  - (1) Manages CADE (<https://cade.osd.mil/>), the internet technology system that serves as the repository for CSDR data.
  - (2) Develops tools to facilitate CSDR data planning, collection, validation, and use.

### 3.2. DOD PROGRAM MANAGEMENT OFFICES (PMOS).

A PMO:

- a. Is any DoD Component responsible for managing, overseeing, and executing funding (either appropriated funding or working capital funds) for developing, procuring (either initial procurement or procurement of spares or replacement parts), testing and evaluating, or sustaining a DoD acquisition program at any phase of the lifecycle.
- b. Notifies CAPE and the SCA of upcoming contracts or actions requiring CSDRs with sufficient time to incorporate an approved CSDR plan into a solicitation (e.g., request for proposal (RFP)) or agreement (e.g., military interdepartmental purchase request, memorandum of agreement, statement of understanding) to formalize a government-performed effort, in accordance with the guidance in Paragraph 5.1.a.
- c. Works with other CWIPT members to prepare CSDR plans, plan revisions, and associated CDRLs and scope of work language.
- d. Works with the procuring contracting officer (PCO) to ensure the solicitation and its associated contract include:
  - (1) The approved CSDR plan, CSDR-related CDRLs, scope of work language, and data item descriptions (DIDs) pursuant to Section 252.234-7004 of the Defense Federal Acquisition Regulation Supplement (DFARS); or
  - (2) Their equivalent for government-performed efforts.

e. Ensures that CSDR deliverables are submitted in a timely, accurate, and complete manner by the reporting entity pursuant to approved CSDR plans.

f. Submits program resource distribution tables (RDTs) to CADE in accordance with the DDCA recommended timeline.

g. Provides support to CWIPTs and designates individual cost analysts and other relevant PMO representatives to be CWIPT members.

### **3.3. CWIPT.**

A CWIPT:

a. Is a cross-organizational group responsible for:

- (1) Preparing CSDR plans and plan revisions.
- (2) Reviewing CSDR plan waiver requests.
- (3) Reviewing CSDR-related CDRL and scope of work language.
- (4) Providing recommendations to the CSDR plan approval authority.
- (5) Reviewing CSDR submissions for completeness and accuracy.

b. Is chaired by a designated representative from the office of the CSDR plan approval authority, unless that designated representative delegates that chairperson authority to a representative from another organization on the CWIPT.

c. Is composed of team members from:

- (1) PMO.
- (2) SCA.
- (3) DCARC.
- (4) CAPE (whose participation is required for CSDR plans for which DDCA is the approval authority, and optional for other CSDR plans).
- (5) Other organizations, as needed and recommended by CAPE, the SCA, and the PMO.

d. For joint programs, must be composed of representatives from:

- (1) PMO.
- (2) Each of the SCAs representing a Service or Defense Agency participating in the joint program, DCARC, and CAPE.

### **3.4. COST REPORTING STANDARDS BOARD.**

The Cost Reporting Standards Board:

- a. Creates and maintains standard CSDR plans, CSDR-related scopes of work, and CSDR-related CDRLs for use in contracts to meet CSDR reporting requirements. These materials will be available to CWIPTs when preparing and reviewing individual CSDR plans, plan revisions, and waiver requests.
- b. Identifies and recommends resolutions to CSDR implementation challenges and provides policy recommendations to the CDSG.
- c. Advises CWIPTs on the topics in Paragraph 3.4.a and b. and other cost data reporting issues if requested.
- d. Is composed of cost data collection experts from OSD CAPE, the SCAs, and other organizations as requested by the DDCA, and chaired at the DDCA's discretion.

## SECTION 4: INFORMATION REQUIREMENTS

### 4.1. REPORTING REQUIREMENTS.

#### a. Intent.

(1) The intent of CSDRs is to capture expenditure, technical, and programmatic data on efforts that are significant either for a current program or when a similar effort may be required for a future program. The collected data is the primary data source utilized when completing cost estimates.

(2) Programs, contracts, subcontracts, and agreements for government-performed efforts are required to provide CSDRs based on all anticipated costs that individually or collectively surpass the corresponding dollar thresholds established in DoDI 5000.73.

#### b. Applicability.

(1) The CSDR process is flexible and adaptable to every acquisition strategy, ACAT/BCAT, sustainment strategy, contract type, ordering mechanism, and effort the DoD implements.

(2) CSDR collection typically begins at the first formal decision point (e.g., Milestone A) for all acquisition pathways, and extends throughout sustainment to the end of the program lifecycle.

(3) For CSDR reporting purposes, the term “contract” (or “subcontract”) may refer to an entire standalone contract, to a specific task or delivery order, to a series of tasks or delivery orders, to a contract line item number, or to a series of line item numbers within a contract, and includes Federal Acquisition Regulation (FAR), non-FAR agreements (e.g., other transaction authority), and agreements for government-performed efforts.

(4) Table 1 in DoDI 5000.73 identifies the various dollar thresholds at which different CSDR deliverables become required. The basis of comparison against program-level thresholds is the government cost estimate for the program (e.g., CAPE Independent Cost Estimate, Service Cost Position) the CWIPT considers. The basis of comparison against contract-, subcontract-, and effort-level thresholds is the Independent Government Cost Estimate completed before RFP release (or comparable estimate and event for non-FAR agreements or for government-performed efforts), and not relative to a proposed, negotiated, or awarded contract value. CSDR requirements included in the RFP are not automatically waived or removed from the RFP or associated contracts if the proposed or awarded price falls below a threshold identified in DoDI 5000.73, Table 1.

### 4.2. CSDR DELIVERABLES.

a. CSDR deliverables require a reporting entity to capture and report actual costs incurred in order to perform the scopes of work (or equivalent) on contracts, subcontracts, and government-

performed efforts, irrespective of contract or agreement type (e.g., firm-fixed price, cost-plus fixed fee, reimbursable order, direct citation) or funding source (e.g., via government-funded contract line item number, via contractor internal research and development funds). The CSDR plan associated with each contract, direct-reporting subcontract, and government-performed effort includes the work breakdown structure that the reporting entity must use to capture and report actual costs. Actual costs must also be captured and reported as either “recurring costs” or “nonrecurring costs.” The CSDR plan may include additional requirements the reporting entity is required to follow (e.g., collecting and reporting costs by unit, providing information on the sequence in which units were built).

b. Table 1 provides information on CSDR deliverables, including the corresponding DID that defines the data content, format, intended use, and preparation instructions. The DIDs and forms are available on the CADE website at <https://cade.osd.mil/policy/dids>, along with examples of CDRLs that show how to cite these DIDs in solicitations and contracts.

**Table 1. CSDR Deliverables**

| <b>CSDR Deliverables</b>                                 | <b>Legacy Form?</b> | <b>DID Number</b> | <b>Form Number</b> |
|--|---------------------|-------------------|--------------------|
| Contract Work Breakdown Structure                        | Yes                 | DI-MGMT-81334D    | N/A                |
| Cost Data Summary Report                                 | Yes                 | DI-FNCL-81565C    | DD Form 1921       |
| Functional Cost-Hour Report                              | Yes                 | DI-FNCL-81566C    | DD Form 1921-1     |
| Progress Curve Report                                    | Yes                 | DI-FNCL-81567C    | DD Form 1921-2     |
| Sustainment Functional Cost-Hour Report                  | Yes                 | DI-FNCL-81992     | DD Form 1921-5     |
| Contractor Business Data Report                          | No                  | DI-FNCL-81765B    | DD Form 1921-3     |
| Cost and Hour Report (FlexFile)                          | No                  | DI-FNCL-82162     | N/A                |
| Quantity Data Report                                     | No                  | DI-MGMT-82164     | N/A                |
| Technical Data Report                                    | No                  | DI-MGMT-82165     | N/A                |
| Maintenance and Repair Parts Data Report                 | No                  | DI-MGMT-82163     | N/A                |
| Software Development Report                              | No                  | DI-MGMT-82035A    | DD Form 3026-1     |
| Software Maintenance Report                              | No                  | DI-MGMT-82035A    | DD Form 3026-2     |
| Enterprise Resource Planning Software Development Report | No                  | DI-MGMT-82035A    | DD Form 3026-3     |
| Resource Distribution Table                              | No                  | N/A               | N/A                |

## SECTION 5: COST DATA COLLECTION PROCESS

### 5.1. CSDR PLAN DEVELOPMENT.

#### a. Notification of Need for CSDR Plan.

The PMO becomes aware of the need for a CSDR plan when preparing for an upcoming acquisition decision point, solicitation, or equivalent for government-performed efforts. The PMO must notify DCARC and the SCA of the need for a CSDR plan when it identifies a future action which it estimates may meet the reporting requirements in DoDI 5000.73, leading to the formation of a CWIPT to prepare a CSDR plan.

##### (1) Decision Point.

If a program is approaching a decision point that will result in a contract award or initiation of a government-performed effort for which cost reporting is required, the PMO must notify the SCA and DCARC of the potential need for a CSDR plan(s) at least 210 days before the decision point for programs that are not exclusively using the middle tier of acquisition (MTA) pathway. For programs that are exclusively using the MTA pathway, the PMO must notify the SCA and DCARC of the potential need for a CSDR plan(s) as soon as there is adequate definition of the program to initiate CSDR planning. Early engagement is encouraged to allow for deliberate development and approval of the plan and to avoid delays to other parts of program execution.

##### (2) Solicitation.

If a program is planning to release a solicitation, the PMO must notify the SCA and CAPE of the need for a CSDR plan(s) at least 90 days before the planned solicitation release date for contracts that are not part of an MTA pathway. For contracts that are part of an MTA pathway, the PMO must notify the SCA and CAPE of the need for a CSDR plan(s) at least 21 days before the planned solicitation release date. Excluding a contract RDT, offerors will not be required to submit CSDR deliverables as part of their proposal unless the CSDR deliverables are a formally evaluated feature of the proposal.

#### b. CSDR Plan Format and Tools.

##### (1) Format.

The required format for the CSDR plan is the DD Form 2794, “Cost and Software Data Reporting Plan.” The form and instructions for completing the form are available at <https://cade.osd.mil/policy/dd2794>.

##### (2) Tools.

The CSDR plan is drafted, modified, and submitted using the CSDR Planning and Execution Tool (also known as “cPet”), available for download at <https://cade.osd.mil/tools/csdr-tools>, or the web-based version in CADE.

### c. Preparing the CSDR Plan.

After the PMO notifies CAPE and the SCA of the need for a CSDR plan, the CWIPT will begin drafting the CSDR plan.

(1) The starting point for CSDR plan development is the appropriate commodity's latest CSDR Standard Plan, derived from Military Standard-881, available at <https://cade.osd.mil/policy/csdr-plan>. The CWIPT will create a plan by adding or removing reporting requirements (e.g., work breakdown structure elements, end-items, unit-level reporting requirements) relative to the CSDR Standard Plan, resulting in a level of detail that is compliant with Military Standard-881's requirements.

(2) Subject matter experts from the PMO should provide advice to develop the cost reporting requirements. If applicable, CSDR plans will include developmental, live fire, and operational testing.

(3) The CWIPT will consider the available forms identified in Table 1. Forms marked "No" under the "Legacy Form?" column are the most current and are the starting point when preparing new plans. The CWIPT may recommend forms marked "Yes" under the "Legacy Form?" column for use on established programs, and those forms will be approved for use on a case-by-case basis.

(4) Prime contractors are required to flow down CSDR requirements to subcontractors based on the reporting requirements established in DoDI 5000.73 and the relevant DFARS clause(s) included on the prime contract. If the CWIPT is aware of subcontractors who are expected to be direct-reporting subcontractors, the CWIPT will prepare the subcontractor CSDR plan(s) as soon as possible, ideally at the same time as the CSDR plan for the prime contractor. The subcontractor plan(s) will be available for distribution to the subcontractor(s) as early as possible to enable effective cost data collection.

(5) Before including technical data reports or maintenance and repair parts data reports in a CSDR plan, the PMO will consider whether different, contractually required deliverable(s) (e.g., data provided in response to a CDRL) provide comparable information, and inform the CWIPT of the existence of the deliverable(s). The CWIPT can recommend that the PMO-identified deliverable(s) be collected and submitted to CADE instead of the technical data report or maintenance and repair parts data report, or in addition to those reports if other PMO-identified deliverable(s) provide only partial elements. If PMO-identified deliverable(s) are used instead of technical data reports or maintenance and repair parts data reports, the CSDR plan's "Remarks" section must identify these deliverable(s) by CDRL number and title (or similar identifying information). The submission instructions for the PMO-identified deliverable(s) will be updated to require the reporting entity to submit the deliverable(s) to CADE, or the program manager and DCARC will sign a memorandum of agreement to codify that arrangement. If the program manager provides the documents, this arrangement will be documented in the CSDR plan approval memo.

(6) A CWIPT member will upload the proposed CSDR plan to CADE for approval by the CSDR plan approval authority.

## 5.2. CSDR PLAN APPROVAL PROCESS.

a. Proposed CSDR plans are routed through DCARC for a final review by the Director, DCARC and CSDR plan approval authority. The Director, DCARC or CSDR plan approval authority may return a proposed plan to the CWIPT for revision.

b. The CSDR plan approval authority typically considers feedback from the CWIPT before approving plans, but may unilaterally approve plans at their discretion. A representative from each organization on the CWIPT may have an opportunity to vote on the plan in CADE before approval. If the CSDR plan approval authority considers CWIPT feedback and their votes are not unanimous, the CWIPT must document the reason(s) votes were not unanimous and provide it to the CSDR plan approval authority for consideration.

c. Proposed CSDR plans and related documentation for urgent operational needs and the MTA pathway must be approved within 21 days of notification of the need for a CSDR plan. Proposed CSDR plans and related documentation for all other programs must be approved no later than 30 days before solicitation release.

## 5.3. IMPLEMENTATION OF CSDR PLAN.

Irrespective of the underlying ordering mechanism (e.g., contract, agreement, military interdepartmental purchase request, memorandum of agreement), acquisition strategy (e.g., sole source or competitive), ACAT/BCAT designation, sustainment strategy, or contract type, the program manager must ensure that approved CSDR plans and associated requirements (e.g., scopes of work, CDRLs, clauses) are included in solicitations and final agreements with external organizations (e.g., contractors, government entities).

### a. Solicitations and Subsequent Awards.

(1) The program manager and PCO must ensure that the approved CSDR plan, associated scope of work language, CSDR-related CDRLs, and appropriate CSDR DFARS clauses are included in solicitations and in awarded contracts that are expected to meet the reporting requirements in DoDI 5000.73. CSDR requirements must be included in solicitations so that reporting entities are aware of the CSDR requirement and can set up their data collection systems so that CSDR deliverables will be in compliance with the approved CSDR plan's requirement.

(2) The program manager and PCO must notify the CWIPT if an offeror's proposal takes exception to the terms and conditions of a CSDR-related requirement. At the PCO's discretion, a CSDR readiness review (CSDR-RR, formerly known as the CSDR Post Award Conference) may be held before contract award to allow the CWIPT and offeror(s) to clarify CSDR plan requirements or identify potential CSDR plan revisions which, if approved by the CSDR plan approval authority, will be incorporated by the PCO via solicitation amendment or at the time of contract award. The program manager and PCO are not authorized to:

(a) Modify CSDR requirements in solicitations unless the CSDR approval authority approves such modifications.

(b) Remove, omit, or waive CSDR requirements unless such requirements are waived by the Director of CAPE or by the DDCA if the Director of CAPE delegates waiver approval authority to that level.

**b. Non-FAR Agreements.**

(1) Government-funded agreements not subject to the FAR (e.g., other transaction authority) are subject to CSDR requirements. The program manager, government team, PCO, and/or agreement officer must ensure that the approved CSDR plan, associated scope of work language, requirements equivalent to CSDR-related CDRLs, and requirements equivalent to appropriate CSDR DFARS clauses are included in solicitations, when publicizing for solutions, and in awarded contracts or agreements that are expected to meet the reporting requirements in DoDI 5000.73. CSDR requirements must be included in solicitations and when publicizing for solutions so that reporting entities are aware of the CSDR requirement and can set up their data collection systems so that CSDR deliverables will be in compliance with the approved CSDR plan's requirement.

(2) The program manager, government team, PCO, or agreement officer must notify the CWIPT if an offeror's or respondent's proposal or solution takes exception to CSDR requirements. A CSDR-RR may be held before contract or agreement award to allow the CWIPT and offeror(s) to clarify CSDR plan requirements or identify potential CSDR plan revisions which (if approved by the CSDR plan approval authority) will be incorporated by the PCO or agreement officer. The program manager, government team, PCO, or agreement officer is not authorized to:

(a) Modify CSDR requirements unless the CSDR plan approval authority approves such modifications.

(b) Remove, omit, or waive CSDR requirements unless such requirements are waived by the Director of CAPE, or by the DDCA if the Director of CAPE delegates waiver approval authority to that level.

**c. Government-Performed Efforts.**

(1) The program manager must ensure that the approved CSDR plan, associated scope of work language, requirements equivalent to CSDR-related CDRLs, and requirements equivalent to appropriate CSDR DFARS clauses are included in agreements for government-performed efforts expected to meet the reporting requirements in DoDI 5000.73. Alternatively, at the CSDR plan approval authority's discretion, CSDR requirements may be implemented through a memorandum of agreement among the CSDR plan approval authority, the relevant PMO, and the reporting government entity. CSDR requirements must be considered early in the government-performed effort planning process so that reporting entities are aware of the CSDR requirement and can set up their data collection systems so that CSDR deliverables will be in compliance with the approved CSDR plan's requirement.

(2) A CSDR-RR may be held before an agreement for government-performed efforts to clarify CSDR plan requirements or to identify potential CSDR plan revisions which, if approved

by the CSDR plan approval authority, will be incorporated into the agreement. The program manager is not authorized to:

(a) Modify CSDR-related requirements unless the CSDR plan approval authority approves such modifications.

(b) Remove, omit, or waive CSDR-related requirements unless such requirements are waived by the Director of CAPE, or by the DDCA if the Director of CAPE delegates waiver approval authority to that level.

#### **5.4. CSDR-RR.**

a. The CSDR plan, requirements, and data collection methodology must be discussed at the CSDR-RR in accordance with Section 242.503-2 of DFARS. The timing of the CSDR-RR is at the PCO's discretion, but should occur as early as possible, possibly before contract award if the PCO permits.

b. At the CSDR-RR, the reporting entity and CWIPT will resolve concerns or questions about the CSDR plan, its content, its planned deliverables, the report approval process, and subcontractor flow-down requirements.

c. The CWIPT will consider the standard questions outlined in the CSDR-RR Guide and other applicable guides or instructions available on the CADE website at <https://cade.osd.mil/>.

d. Proposed changes to the CSDR plan discussed during the CSDR-RR will be incorporated into a proposed CSDR plan revision and forwarded to DCARC and the CSDR plan approval authority for review. The PCO will place the revised requirements on contract only after approval by the CSDR plan approval authority, either in the base contract award or in a subsequent contract modification.

#### **5.5. CADE.**

CADE is a secure web-based information system that hosts the controlled unclassified CSDR repository, the Defense Acquisition Cost Information Management System, and the forward pricing rate library. CADE also contains a selected acquisition report database, a contracts database, data analytics capabilities, and a library containing cost estimating content such as cost analysis requirement descriptions and cost estimates. CADE is access-controlled, and available through the public-facing CADE Portal website at <https://cade.osd.mil/>.

##### **a. Content.**

CADE includes:

(1) CSDR content, including supporting CSDR materials such as CSDR plans, work breakdown structure dictionaries, RDTs, DIDs, and CSDR validation memos.

(2) Various implementation guides and instructions for planning, collecting, reviewing, and validating CSDR submissions.

**b. Registering with CADE.**

Prospective users may request a CADE account by registering through the CADE Portal website at <https://cade.osd.mil/> with a DoD-issued Common Access Card, an External Certification Authority certificate, or a user name and password. During the registration process, users will specify requested roles (e.g., analyst, submitter, reviewer). After the registration information has been verified and trust has been established, the CDSG will create a CADE user account, authorize the approved roles, and provide instructions to the user via e-mail. All CADE user accounts must be renewed annually.

**5.6. CSDR SUBMISSION AND VALIDATION.**

a. Controlled unclassified CSDRs must be submitted to the CADE Submit-Review System in accordance with the required format and timeline in the CSDR plan.

b. PMOs or organizations that cannot submit CSDRs to CADE for classification reasons must work with CAPE to develop a CAPE-approved alternative method to collect and store these reports for appropriately cleared analysts to use when needed. For data that is classified but can be stored in a CAPE repository approved for the appropriate level of classified data, the PMO must submit CSDRs to CAPE pursuant to the submission schedule in the CSDR plan.

c. Upon receipt of controlled unclassified CSDRs in the CADE Submit-Review System, the reports are processed in accordance with the established routing sequence for review and approval, which may differ for programs that exceed the ACAT I dollar threshold versus other programs.

d. Within 30 days of receipt, reviewers identified in CADE's established routing sequence must finalize their review, provide validation results of the submitted CSDRs, and determine whether to accept or reject the reports.

(1) If DCAA or DCMA finds faults in a contractor's accounting system that cause CDSG to question its data report validation, CDSG will delay processing current and future data reports from the specified contractor until the concerns are remedied and the report is resubmitted.

(2) If a CSDR deliverable is rejected, the PMO or contractor must resubmit the corrected report(s) within 30 days of the rejection date unless correspondence with CDSG results in a formal change to this requirement (e.g., approved CSDR plan revision and subsequent contract modification). Late resubmissions are considered in the CDSG assessment of program CSDR performance in OSD management oversight.

## GLOSSARY

### G.1. ACRONYMS.

| <b>ACRONYM</b> | <b>MEANING</b>                                    |
|----------------|---|
| ACAT           | acquisition category                              |
| BCAT           | business category                                 |
| CADE           | Cost Assessment Data Enterprise                   |
| CAPE           | Cost Assessment and Program Evaluation            |
| CDRL           | contract data requirements list                   |
| CDSG           | cost data support group                           |
| CSDR           | cost and software data report                     |
| CSDR-RR        | cost and software data report-readiness review    |
| CWIPT          | cost working integrated product team              |
| DCAA           | Defense Contract Audit Agency                     |
| DCARC          | Defense Cost and Resource Center                  |
| DCMA           | Defense Contract Management Agency                |
| DDCA           | Deputy Director for Cost Assessment               |
| DFARS          | Defense Federal Acquisition Regulation Supplement |
| DID            | data item description                             |
| DoDI           | DoD instruction                                   |
| FAR            | Federal Acquisition Regulation                    |
| MTA            | middle tier of acquisition                        |
| PCO            | procuring contracting officer                     |
| PMO            | program management office                         |
| RDT            | resource distribution table                       |
| RFP            | request for proposal                              |
| SCA            | Service and Defense Agency Cost Agency            |
| ST&E           | system test and evaluation                        |

**G.2. DEFINITIONS.**

These terms and their definitions are for the purpose of this issuance.

| <b>TERM</b>                           | <b>DEFINITION</b>  |
|---------------------------------------|--|
| <b>actual costs</b>                   | The costs sustained in fact, based on costs incurred, as opposed to standard or predetermined costs. Estimated actual costs may be used for actual costs that have not been recorded in the books of record, when based on verifiable records such as invoices and journal vouchers that have not yet been accrued in the books of record, to ensure all valid costs are included. Actual costs to date include cost of direct labor, direct material, and other direct charges specifically identified to appropriate control accounts as incurred, and any overhead costs and general administrative expenses allocated to control accounts. |
| <b>anticipated costs</b>              | Includes contractor expenditures, government expenditures, advance procurement, long lead materials, multiyear procurement, inter-division or inter-company work orders, foreign military sales, and warranties.   |
| <b>contract</b>                       | The estimated cost at contract completion (i.e., initial contract award plus all expected authorized contract changes) and is based on the assumption that all contract options will be exercised. If an indefinite delivery, indefinite quantity contract, a basic ordering agreement, a blanket purchase agreement, or a similar type of contract is estimated to exceed the designated threshold in total, the CWIPT will determine which individual task or delivery orders require CSDRs and if CSDRs are required at the total contract level. The FlexFile, however, allows for data collection of multiple orders.                     |
| <b>day</b>                            | Calendar day.  |
| <b>direct-reporting subcontractor</b> | A subcontractor that is required to submit CSDRs directly to the Government. In some instances, the subcontractor may be a government entity such as in public/private partnerships between government and industry for depot activities.  |
| <b>government-performed efforts</b>   | Efforts in which a government laboratory, depot, test management organization, or other organization serves as a developer, a primary integrator, tester, maintainer, or sustainer of some portion of the system. This includes public-private partnerships using workshare, direct sale or lease agreement approaches.  |

| <b>TERM</b>               | <b>DEFINITION</b>  |
|---------------------------|--|
| <b>nonrecurring costs</b> | <p>Non-repetitive elements of development, investment or sustainment costs that generally do not vary with the quantity being produced or maintained, irrespective of system life cycle phase and the appropriation. Nonrecurring cost categories include product design and development activities, including those for modifications; system test and evaluation (ST&amp;E) including ST&amp;E for modifications; tooling; pre-production or pre-maintenance activities; design and development of support equipment, training, and data; and certain elements of systems engineering and program management. Examples of product design and development activities include preliminary, critical, prototype, and test article design activities and software design and maintenance, regardless of whether the purpose is to correct deficiencies or add capabilities. (The CWIPT can require the contractor to classify software maintenance costs as recurring if a determination is made that such costs are significant for cost-estimating purposes and can reasonably be accounted for by the contractor). Examples of ST&amp;E activities include test articles built for testing purposes only (i.e., units that are not production-representative) such as test stands, wind tunnel models, and bench and coupon test articles; structural development, static, fatigue, software, and ballistics testing; stress analysis; flight, ground, or sea testing of system properties; redesign as a result of testing; and retesting efforts. Examples of nonrecurring tooling activities include special test equipment, special tooling, procurement of initial and rate tooling, tool replacement (with the exact same tool), and tool modification (to accommodate product configuration changes). Examples of pre-production activities include production planning and production line or maintenance line set-up. Examples of nonrecurring support equipment, training, and data activities include initial equipment design and test efforts, test program sets, initial courseware development, and simulator development. Systems engineering and program management activities occur throughout the system life cycle and are supportive in nature; as such, these costs take on the characteristics of the underlying activities being performed. Examples of nonrecurring systems engineering and program management activities include system development and design, testing, planning, organizing, and monitoring activities.</p> |
| <b>RDT</b>                | <p>A CSDR deliverable that provides data about organizations assigned responsibility and the anticipated price to complete work associated with each work breakdown structure element.</p>   |

| <b>TERM</b>             | <b>DEFINITION</b>  |
|-------------------------|--|
| <b>recurring cost</b>   | Repetitive elements of development, investment or sustainment costs that may vary with the quantity being produced or maintained, irrespective of system life cycle phase and appropriation. Recurring cost categories include procurement, and production and maintenance activities; acceptance testing; maintenance and support equipment, training, and data; test articles built to an operational configuration; and certain elements of systems engineering and program management. Examples of procurement and production activities include fabrication; assembly; procurement of raw materials, purchased parts and equipment, and major and minor subcontracts; integration; installation and checkout; and quality assurance (inspection efforts). Examples of recurring maintenance and support activities include product and tooling maintenance (to restore a product or tool to its original condition); production of support and training equipment, initial spares, repairable items and simulators; reproduction of maintenance or technical data; and courseware updates. Recurring test articles are only those units built to a completed operational configuration, including full-scale, fatigue, static, and avionics equipment test articles. Systems engineering and program management activities occur throughout the system life cycle and are supportive in nature; as such, these costs take on the characteristics of the underlying activities being performed. Examples of recurring systems engineering and program management activities include sustaining engineering, logistics support, planning, organizing, monitoring, and reporting activities. |
| <b>reporting entity</b> | Any contractor, subcontractor, or government entity required to provide a CSDR deliverable.  |
| <b>subcontract</b>      | Any agreement, purchase order, or instrument other than a prime contract calling for work or for the material required for the performance of one or more prime contracts. It usually covers procurement of major components or subsystems that require the subcontractor to do extensive design, development, engineering, and testing to meet a prime contractor's procurement specifications. All efforts by a particular company are included when calculating subcontract value.  |

## REFERENCES

- Cost Assessment and Program Evaluation, “Cost and Software Data Reporting – Readiness Review (CSDR-RR) Guide,” current edition<sup>1</sup>
- Defense Contract Audit Agency Contract Audit Manual 7640.1, current edition
- Defense Federal Acquisition Regulation Supplement, current edition
- Department of Defense Standard Practice, Military Standard 881, “Work Breakdown Structures for Defense Materiel Items,” current edition
- Director of Cost Assessment and Program Evaluation Memorandum, “Reorganization of Cost Assessment and Program Evaluation,” February 16, 2018
- DoD Directive 5105.84, “Director of Cost Assessment and Program Evaluation,” August 14, 2020
- DoD Instruction 5000.73, “Cost Analysis Guidance and Procedures,” March 13, 2020
- Federal Acquisition Regulation, current edition<sup>2</sup>
- FlexFile and Quantity Implementation Guide<sup>2</sup>
- United States Code, Title 10, Section 2334

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<sup>1</sup> <https://cade.osd.mil/>

<sup>2</sup> <https://www.acquisition.gov/browse/index/far>