



DEPUTY CHIEF MANAGEMENT OFFICER  
9010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-9010

SEP 28 2012

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS  
CHAIRMAN OF THE JOINT CHIEFS OF STAFF  
UNDER SECRETARIES OF DEFENSE  
DIRECTOR, COST ASSESSMENT AND PROGRAM EVALUATION  
DIRECTOR, OPERATIONAL TEST AND EVALUATION  
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE  
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE  
ASSISTANT SECRETARIES OF DEFENSE  
ASSISTANTS TO THE SECRETARY OF DEFENSE  
DIRECTOR, ADMINISTRATION AND MANAGEMENT  
DIRECTOR, NET ASSESSMENT  
DIRECTORS OF THE DEFENSE AGENCIES  
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Revised Business Process Reengineering (BPR) Assessment Guidance

Section 1072 of the National Defense Authorization Act (NDAA) for Fiscal Year 2010 introduced new requirements into the Department's investment review process stipulating defense business system modernizations may not be certified to obligate funds in excess of \$1 million without a determination of whether appropriate business process reengineering (BPR) had been completed. Section 901 of the NDAA for Fiscal Year 2012 made significant changes to our investment management process, consolidating its execution to a single Investment Review Board (IRB) and broadening the scope of systems to which it applies to include all defense business systems that have total costs greater than \$1 million across the current future-year defense program, including those in sustainment. Failure to comply with these certification requirements, may result in a violation of title 31, U.S.C. § 1341(a) (1) (A).

Recognizing the significant expansion in scope of this new legislation, changes are necessary in the Department's BPR assessment process to accommodate the broader set of systems that will now be subject to the Department's IRB oversight. Accordingly, the attached guidance revises and updates the Department's assessment process and supersedes the document, *Guidance for the Implementation of Section 1072 – Business Process Reengineering*, dated April 30, 2011. The revised guidance is effective on October 1, 2012.

The Office of the Deputy Chief Management Officer (DCMO) will validate a sampling of BPR assessments certified by Pre-Certification Authorities (PCAs) through their Fiscal Year 2013 Organizational Execution Plans starting in October 2012. A disposition memorandum from the Office of the DCMO containing the results of each validation will be provided to the PCA and the IRB. The IRB will then take appropriate action, which may include levying conditions on defense business systems, decertification of FY 2013 funds until the defense business system becomes BPR compliant, or other action. For all defense business systems for which the PCA indicated BPR non-compliance, PCAs must develop a plan of action to become BPR compliant. This plan of action must be provided to the Office of the DCMO by December 31, 2012.



Questions can be addressed to Ms. Anita Robertson at [anita.robertson@osd.mil](mailto:anita.robertson@osd.mil).

A handwritten signature in black ink, appearing to read "Elizabeth A. McGrath". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Elizabeth A. McGrath

Attachment:  
As stated