



DEFENSE CONTRACT MANAGEMENT AGENCY

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FORT GREGG-ADAMS, VA 23801-1809

June 28, 2024

MEMORANDUM FOR COMPONENT HEADS

SUBJECT: DCMA Policy-type Memorandum 24-003, "Updated New Capability Requirements Approval Process"

References: DCMA Manual 4502-01, "Corporate Governance Structure and Procedures," July 22, 2019
DCMA Manual 4501-01, "Agency Issuance Program," March 18, 2024
DCMA Policy Deviation 21-012, July 26, 2021
DCMA Policy Waiver 22-011, September 21, 2022

Purpose.

This DCMA Policy-type Memorandum (DCMA-PTM):

- Amends DCMA Manual (DCMA-MAN) 4502-01, "Corporate Governance Structure and Procedures," to update the requirements approval process for new capability requirements.
- Deletes Paragraphs 5.6., 5.7., and 6.6. entirely.
- Adds g. and h. to Paragraph 6.4.
 - g. Validation Responsibility.
 - h. IPL [integrated priority list] Scoring.
- Renames and changes Paragraph 6.5.
 - Renames paragraph to COMPONENT APPROVAL PROCESS
 - Changes Paragraph a. to describe the Component approval process.
 - Renames and changes Paragraph b. to describe the Component Decision process.
 - Renames and changes Paragraph c. to describe the IPL Scoring process.
 - Renames and changes Paragraph d. to describe the Funding process.
- Rearranges Paragraphs 6.4. and 6.5.
- Captures changes identified in Deviation 21-012 and Waiver 22-011.

- DCMA Policy Deviation 21-012 moved the Mission-Level (M-Level) Reviews required by Section 6 of DCMA-MAN 4502-01 to the Capability Boards.
- DCMA Policy Waiver 22-011 waived the requirements for M-Level and DCMA Requirements Oversight Committee (DROC) review of new requirements required by Section 6 of DCMA-MAN 4502-01.

Applicability.

This PTM applies to all DCMA activities unless higher-level regulations, policy, guidance, or agreements take precedence.

Incorporation.

This PTM incorporates and cancels:

- DCMA Policy Deviation 21-012, “Deviation to Integrate the Mission-Level (M-Level) Committee Requirements into the Capability Board (Cap Bd) Review Process,” July 23, 2021
- DCMA Policy Waiver 22-011, “Waiver to DCMA-MAN 4502-01, ‘Corporate Governance Structure and Procedures’,” September 21, 2022

Policy.

This PTM waives the requirements for the M-Level and DROC review of new requirements. It further changes the new requirements review and approval process.

Responsibilities.

The following are additional responsibilities:

- **CAPABILITY MANAGERS.**

The Capability Manager will:

- Validate a new capability requirement and its assigned IPL score.

- **COMPONENT HEADS AND OPERATIONAL UNIT COMMANDERS/DIRECTORS.**

The Component Head will:

- Review and approve a new requirement and compute an IPL score.

- Create and update the Spend Plan.

Procedures.

The procedures in the applicable DCMA-MAN 4502-01 paragraphs are changed as follows:

- **5.6. MISSION-LEVEL.**

Deletes entirely. Additionally, all references to M-Level are considered no longer applicable.

- **5.7. DCMA REQUIREMENTS OVERSIGHT COUNCIL.**

Deletes entirely. Additionally, all references to DROC are considered no longer applicable.

- **6.4 (6.5). COMPONENT APPROVAL PROCESS.**

Replaces 6.4. M-LEVEL COMMITTEE REVIEW PROCESS with:

- a. Overview.**

Once the requesting organization commander or director endorses the proposed new capability requirement, the Component Head provides functional and operational review of a proposed new capability requirement.

- b. Component Decision.**

The Component Head will evaluate the proposed new requirement for compliance, ensure its purpose aligns with the Agency's priorities, and determine a decision of "Approve," "Defer," or "Disapprove," in a thorough, but timely manner. The Component Head may return a request for additional information.

- c. IPL Scoring.**

The Component Head will generate an IPL score for an approved new capability requirement using the IPL method and Scoresheet (see Paragraph 3.5.c.(4) of the Manual). During the follow-on reviews, the SLT [Senior Leadership Team] and Director may also adjust the IPL score at their discretion.

- d. Funding.**

(1) If funding is needed in the year of execution, the Component Head will decide whether to self-fund or request non-labor funding from the Agency for the approved new capability requirement.

(2) The Component Head will initiate a request for a unique Program Control Document (PCD) identifier to Resource Operations and Analytics Division email inbox, dcma.gregg-adams.hq.mbx.fbp-bus-analysis-and-program@mail.mil, if one does not exist for the new capability requirement.

(3) The Component Head must adjust their annual, SLT approved Spend Plan to include the approved new capability requirement and the funding decision.

(4) The Component Head will submit an Unfunded Requirement Memorandum or Self-fund Notification to the Finance & Business, Stewardship email inbox, dcma.gregg-adams.hq.mbx.stewardship-capability-board-inbox@mail.mil, for a new capability requirement identified on the updated Spend Plan.

- **6.5 (6.4). CAP BD REVIEW PROCESS.**

Adds the following paragraphs:

- g. Validation Responsibility.**

- The assigned Cap Bd will validate a new capability requirement (See Paragraph 3.7. of the Manual). When a new capability requirement requires validation and the Cap Bd Manager is the requestor, the Cap Bd Manager must present to the SLT for validation their new capability requirement as part of the SLT review process (see Paragraph 6.7.).

- h. IPL Scoring.**

- The assigned Cap Bd will validate the IPL score and work with the Component Head on any adjustments.

- **6.6. DCMA REQUIREMENTS OVERSIGHT COUNCIL REVIEW PROCESS.**

Deleted entirely. Additionally, all references to DROC are considered no longer applicable.

Justification.

This DCMA-PTM clarifies and standardizes the new capability requirements approval process to reduce delays in the decision-making process and allows for increased flexibility of Components to respond to execution year ‘fact of life’ changes. Oversight and transparency will be maintained through appropriate documentation of the existing Planning Programming Budgeting & Execution process as well as the SLT review process. A rewrite of DCMA-MAN 4502-01 is currently underway.

Labor Codes.

IDC04 - Readiness

Resource Page.

https://dod365.sharepoint-mil.us/sites/DCMA-BCF-Corporate_Governance/SitePages/4502-01r--Corporate-Governance-Structure-.aspx

Releasability.

Cleared for public release.

Effective.

This DCMA-PTM is effective immediately, will be incorporated into DCMA-MAN 4502-01, “Corporate Governance Structure and Procedures,” and will expire 12 months from the date of issuance.

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