

## Selected Acquisition Report (SAR)

### Description

The SAR provides standard, comprehensive summary reporting of cost, schedule, and performance information for major defense acquisition programs (MDAPs), both ACAT IC and D programs, within the Department of Defense (DoD) and to Congress. The current estimate of total program acquisition cost, schedule, and performance data is compared against the SAR baseline, and a disciplined approach to the calculation and categorization of cost variances is applied.

The SAR also includes unit cost reporting and Nunn-McCurdy unit cost breach information in accordance with 10 USC 2433 for programs beyond Milestone II.

These instructions replace and expand upon DoD 5000.2-M, Part 17, "Selected Acquisition Reports" (dated February 1991), which has been canceled.

The SAR is assigned Report Control Symbol DD-COMP(Q&A) 823.

Training in the preparation and review of the SAR is provided by the Defense Acquisition University, Course Nos. BFM 209 and BFM 210. Prior to each major release, a CARS hands-on conference is usually held which exposes CARS preparers and reviewers to software and reporting content changes.

Author: Chris Knoche, OUSD(A&T)/API

Phone: (703)695-5166

Email: knocheca@acq.osd.mil

File Last Reviewed: November 1996

### Background

In 1967, in order to obtain consistent, reliable data on the status of major defense acquisition programs (MDAPs), the Department instituted a reporting system to summarize program cost, schedule and performance information, and named it the Selected Acquisition Report (SAR). Its purpose was not to be a decision document, but to report on the progress in meeting designated program cost, schedule and performance targets, to focus management attention primarily on changes to the program acquisition plan, and to highlight breaches of program thresholds.

In 1969, the Secretary of Defense decided to use the SAR to satisfy a Senate Armed Services Committee request to be provided periodic status reports on MDAPs. In 1975, the FY 1976/77 Authorization Act established the SAR as a statutory reporting requirement to be submitted to Congress.

Over the past 3 decades, the SAR has changed several times. In 1983, a SAR Improvement Task Force significantly reduced the content of the SAR, but in 1985 the FY86 Authorization Act restored the information that had been removed and added production rate and operating and support cost information. The FY87 Authorization Act provided for limited reporting for pre-Milestone II programs and relaxed some reporting criteria. The FY 1990 Authorization Act merged the Unit Cost Exception Report with the SAR and eliminated separate unit cost exception reporting. The FY92 Authorization Act gave

the Secretary of Defense the authority to waive selected acquisition reporting for certain programs and to change the content of the SAR as long as the appropriate House and Senate committees were notified in advance. The Federal Acquisition Streamlining Act of 1994 changed the baseline for unit cost reporting purposes from the prior President's budget to the approved acquisition program baseline and substituted "procurement unit cost" for current [year] procurement unit cost. In 1996, the Department made additional changes in SAR format and content which reduced the volume of the SAR by about 20-30%.

The most significant change in the preparation of the SAR was the development of the Consolidated Acquisition Reporting System (CARS) which, for the first time in 1990, provided a standardized, automated system for generating the SAR. Use of CARS for the preparation of the SAR is now mandatory.

## Mandatory Reference

DoD 5000.2-R, Sections 6.2.4 (and related Sections 6.2.2 and 6.2.5)  
Title 10, Section 2432, USC, "Selected Acquisition Reports (SARs)"

## General Guidance

### 1. Overview.

The Secretary of Defense is required to submit to Congress a SAR on each Major Defense Acquisition Program (MDAP) as defined in 10 USC 2432; this includes all ACAT I programs. Waivers may be granted by the USD(A&T) for certain pre-Milestone II programs (which have not previously reported) in accordance with 10 USC 2432 (see paragraph 3, below).

### 2. Annual and Quarterly SARs.

a. Annual SARs. The annual SAR, generated for the period ending December 31, is mandatory for all reporting programs in accordance with 10 USC 2432 and as reflected in DoD 5000.2-R. The "as of" date of December 31 is a nominal date for cost, schedule, and performance data.

(1) The annual SAR reflects the President's budget and supporting documentation, and the remainder of the program if the total program is not reported in the President's budget and supporting documentation. For example, the annual SAR should reflect the R-1/P-1 Exhibits (see DoD 7000.14-R, "Financial Management Regulation") plus initial spares, unless the R-1/P-1 and the SAR reflect different aggregations of cost, in which case, the common portions should agree. For those years not covered by the R-1/P-1, the SAR would reflect other budget supporting documentation such as the Future Years Defense Program (FYDP), the R&D Descriptive Summaries, or other documentation of appropriate decision authority (e.g., the Secretary of Defense or the Congress).

(2) When the second year of a biennial budget is amended without a FYDP update, the annual SARs will be consistent with any budget backup documents forwarded to Congress in support of the budget amendment. Additionally, absent specific guidance to the contrary, (1) outyear programs will be restructured only to the extent necessary to be consistent with budget decisions, and (2) total quantities should remain the same as in the initial biennial budget submission unless the program is cancelled.

b. Quarterly SARs. SARs for the second, third, and fourth quarters of the fiscal year (March 31, June 30, and September 30, respectively) are submitted on an exception basis when there has been (a) a 15 percent or more increase in the Current Estimate of the program acquisition unit cost (PAUC) or average procurement unit cost (APUC) (in base-year dollars) compared to the Acquisition Program Baseline (APB) PAUC or APUC, (b) a 6-month or greater delay in the Current Estimate of any schedule milestone since the Current Estimate of the previous SAR, or (c) a Milestone II or Milestone III and associated APB approval within 90 days prior to the quarterly 'as of date'. Additionally, any corrections to funding, variance calculations, or categorizations directed by the Under

Secretary of Defense (Acquisition & Technology) (USD(A&T)), or SAR baseline adjustments may require submission of a quarterly SAR.

c. Joint Program SARs. For programs involving the participation of more than one DoD Component, Selected Acquisition Reporting is required for the lead DoD Component and for the other participating DoD Components. Selected Acquisition Reporting of such programs is accomplished by the lead DoD Component submitting a composite SAR that reflects the total program of all participating DoD Components, and includes separate program funding summaries (see paragraph 16.b of attachment 1) for each participating DoD Component.

d. RDT&E-Only SARs. In accordance with Title 10, United States Code, Section 2432, "Selected Acquisition Reports," pre-Milestone II programs may submit RDT&E-only SARs that exclude procurement, military construction, and acquisition-related operation and maintenance costs, if:

(1) The DoD Components submit to the USD(Acquisition & Technology) 45 days before the end of the reporting quarter the names of those programs for which they intend to submit RDT&E-only SARs, and

(2) The USD(A&T) notifies Congress 15 days before a report is due of the newly reportable programs for which RDT&E-only SARs will be submitted.

### 3. Waivers, Initial Submission, and Terminations.

a. Waivers. Waivers from Selected Acquisition Reporting may be requested only for pre-Milestone II programs that do not have an approved APB. Waiver requests should be submitted to the USD(A&T) not later than November 15th of each year. Each waiver request should include a current status of the program, to include projected date for Milestone II, and a detailed justification for not reporting.

(1) The waiver justification should demonstrate the lack of a reasonably firm system configuration, and why a reasonable program cost estimate cannot be developed in accordance with established DoD estimating procedures. (Note: the approval of an APB is perceived as evidence that the system configuration is reasonably firm and a reasonable cost estimate has been developed.)

(2) These justifications are the basis for developing the Secretary of Defense waiver notification to the Congressional Authorization Committees that must be submitted 60 days prior to the President's budget submission.

b. Initial Submissions. Proposed SAR data elements and baseline values (to include cost-quantity information) for newly reportable programs will be provided to the USD(A&T) within 30 days after approval of the APB, or the Milestone II decision, or within 30 days after the date a program which does not have a reporting waiver first appears on the USD(A&T) Major Defense Acquisition Program (MDAP) List. This information will be consistent with the content and format of the applicable sections of the sample SAR (see attachment 3), to include reference citations.

The initial SAR shall be submitted for the fiscal year quarter in which the Milestone II decision is made, the APB is approved, or a program without a reporting waiver appears on the USD(A&T) MDAP list. Note that if the APB associated with a Milestone II decision is not approved until the

quarter after the Milestone II decision, then the initial SAR shall be limited for the fiscal year quarter in which the APB is approved. In any case, the initial SAR shall be submitted no later than the fiscal year quarter after the program becomes subject to reporting as discussed above.

Note that the SAR baseline, the APB, and the Current Estimate are normally the same in an initial submission. In initial submissions where the SAR baseline and the APB are not the same as the Current Estimate, the differences will be reported as current changes in the schedule, performance, and cost (in the appropriate cost variance categories) sections of the SAR.

c. Terminations. SAR termination will be considered when 90 percent of expected production deliveries or 90 percent of planned acquisition expenditures have been made, or when Selected Acquisition Reporting criteria are no longer met.

(1) Termination of a SAR is not automatic, but must be requested by the DoD Component and approved by the USD(A&T). The names of proposed terminations should be submitted to the USD(A&T) not later than thirty days before the end of the proposed final SAR reporting quarter.

(2) If SAR termination is approved, a final SAR will normally be required. This requirement may be waived by the USD(A&T) under certain circumstances, such as Presidential cancellation of a program.

(3) Department of Defense acquisition programs may be added to or deleted from Selected Acquisition Reporting based on recommendations made to the USD(A&T) by the responsible DoD Component, principal Office of the Secretary of Defense staff assistants, or appropriate Congressional committees. Such requests will be submitted to the USD(A&T) for review and approval in coordination with the Under Secretary of Defense (Comptroller)/Program Analysis and Evaluation, the Director of Operational Test and Evaluation, and the Director, Test, Systems Engineering and Evaluation.

Note: SAR termination is not to be confused with program termination. A program may be terminated by having previously programmed budget and/or outyear funding zeroed out, and yet not qualify for SAR termination because the Selected Acquisition Reporting criteria still apply and neither of the 90 percent conditions identified in this paragraph have been satisfied.

4. SAR Baseline. The SAR baseline (i.e., Planning Estimate (PE), Development Estimate (DE), or Production Estimate (PdE)) normally reflects the cost, schedule, and performance estimates of the program at the most recent major milestone decision point (i.e., Milestone I, II, or III), as documented by the milestone decision APB. When both objectives and thresholds have been established in the APB or other official decision documentation, SAR baseline values are expressed in terms of objectives rather than thresholds. Once established, the SAR baseline remains in effect until the program transitions to a new SAR baseline at the next major milestone decision point (i.e., to a Development Estimate at Milestone II or to a Production Estimate at Milestone III). (This means that the SAR baseline and the currently approved APB are usually only the same in initial SARs or rebaseline SARs submitted after a major milestone decision, since the APB may change several times between major milestone decisions.) There are some exceptions to the rule that the SAR baseline equal the APB approved at the most recent major milestone decision:

- a. For a program submitting an initial SAR between major milestones, the SAR baseline will reflect the currently approved APB, which may not necessarily be the same as the APB approved at the major milestone decision.
- b. In an initial SAR for a program for which an APB has not yet been approved, the SAR baseline may reflect the Current Estimate of cost, schedule, and performance for the “as of” date of initial submission. The Acquisition Decision Memorandum (ADM), major milestone decision documentation, Program Budget Decision, test and evaluation master plan, R&D Descriptive Summary, Future Years Defense Program, or a similar document or combination of documents may also be used to define the SAR baseline milestone in the absence of an approved APB. In this case, the SAR data elements and baseline values will be reviewed and approved by the USD(A&T) in coordination with the Under Secretary of Defense (Comptroller)/Program Analysis and Evaluation, the Director of Test, Systems Engineering and Evaluation, and the Director of Operational Test and Evaluation.

## 5. SAR Baseline Changes

- a. SAR Rebaselining. As discussed above, baseline performance characteristics, schedule milestones, and cost estimates are established for the initial SAR. Depending on the phase of the acquisition cycle at the time the initial SAR is submitted, the baseline values are represented by a Planning Estimate (PE), a Development Estimate (DE), or a Production Estimate (PdE).
  - (1) Baselines will be changed (i.e., from PE to DE or DE to PdE) at major milestone decision points after review and approval by the USD(A&T). A PE is reflected in the SAR up to and including the first time a DE is approved as the SAR baseline at Milestone II. A DE is reflected in the SAR up to and including the first time a PdE is approved as the SAR baseline at Milestone III.
  - (2) SAR Rebaselining is a two-step process. The first step is the submission of a SAR which shows the still old SAR baseline with the new SAR baseline being reported in the Approved Program column; this SAR is usually called the “transition” SAR. The second step is the submission of a SAR that shows the new SAR baseline in the SAR baseline column.
  - (3) The new SAR baseline must reflect, as a minimum, the APB elements and values that were approved by the USD(A&T) at the most recent major milestone decision review. For RDT&E-only programs that pass Milestone II, procurement and other appropriations costs will be added to the SAR baseline to reflect the total program acquisition cost.
  - (4) In those cases where the Current Estimate is different from the APB costs approved at the Milestone II or III decision in a SAR baseline transition SAR, the difference between the Previous Current Estimate (PCE) and the Current Estimate will be reflected in the appropriate cost variance categories of current changes, and the difference between the previous SAR baseline and the Previous Current Estimate will be reflected in the appropriate cost variance categories of previous changes.
  - (5) If the base year has been updated in the new APB, then the SAR baseline must also be updated to the new base year dollars and (see paragraph 11 of attachment 1), the overall base-year conversion factors for each appropriation must be reported in the SAR the first time the new base-year dollars are included.

(6) As noted above, SAR baseline values for performance characteristics, schedule milestones, and program acquisition cost will not change until the next major milestone is approved. Therefore, when existing APB data elements change between major milestones, SAR baseline values will be retained at the initial major milestone decision values. Demonstrated Performance and Current Estimates values will continue to be reported for these data elements as long as this information is available to the Program Office.

b. Other SAR Baseline Changes. When it is determined that costs previously excluded from the program acquisition cost are unique to or otherwise chargeable to a program, those costs will be added to the Current Estimate and reflected in the variance categories that best explain the difference. Conversely, when previously included costs are determined to be no longer unique to or otherwise chargeable to a program, their deletion will be treated similarly. There are two general exceptions to this rule.

(1) First, when the added or deleted costs represent formal requirements that existed at the time the PE, DE, or PdE was established, the SAR baseline may be adjusted retroactively after review and approval by the USD(A&T) in coordination with the Under Secretary of Defense (Comptroller)/Program Analysis and Evaluation, the Director of Operational Test and Evaluation, and the Direction, Test, Systems Engineering and Evaluation. In such cases, the value added to or subtracted from the SAR baseline will be the value in existence at the time of the milestone decision review, and any difference between the adjusted baseline and the Current Estimate will be reported in the cost variance analysis section (see paragraph 13 of attachment 1), using the variance category that best explains the difference.

(2) Second, when a program that has previously submitted RDT&E-only SARs rebaselines to a Development Estimate (DE) at Milestone II, the previously excluded procurement and military construction will be added to the new DE baseline at the current APB value.

6. Acquisition Program Baseline. The currently approved APB is reflected as the approved program in all quarterly and annual SARs (in SAR sections 9 (Schedule), 10 (Performance), and 11 (Total Cost and Quantities)).

## 7. SAR Submission

a. The formal submission of 15 collated sets of each DoD Component's annual SARs (hardcopy and disk) with proper security markings is due to the USD(A&T) five (5) working days immediately preceding the 30th calendar day after the President sends the budget to Congress for the following fiscal year. These SARs are referred to as the "Preliminary SARs." Following review and processing by the Office of the Secretary of Defense, the final annual SARs will be sent to the appropriate congressional committees 60 days after the President sends the budget to Congress in accordance with 10 USC 2432 and DoD 5000.2-R.

b. For any quarterly SAR (i.e., March, June, or September) that is submitted, the DoD Component provides 15 collated sets of its quarterly SAR (hardcopy and disk) with proper security markings to the USD(A&T) on the working day immediately preceding the 28th calendar day after the end of each reporting period. Following review and processing by the Office of the Secretary of Defense, the

quarterly SARs will be sent to the appropriate congressional committees 45 days after the end of the March 31, June 30, and September 30 reporting periods.

c. In accordance with DoD Security procedures, the SARs must be reviewed by the DoD Security Office prior to Congressional distribution. The DoD Security Office requires that two copies of each SAR be submitted; one of those copies will serve as the master from which Congressional distribution will be made and the other remains on file in the DoD Security Office.

8. Additional SAR Guidance. The detailed preparation instructions and required reporting formats are provided in attachments 1 and 3. When required, specific SAR preparation guidance will be issued by the USD(A&T). For the quarter ending March 31, guidance will be issued as soon as possible following submission of the annual SARs to Congress.

9. Responsibilities and Points of Contact.

a. Within the Office of the USD(A&T) and the Office of the Director, Acquisition Program Integration, the Deputy Director, Performance Management, is responsible for review of the SARs, coordination with the OSD staff, and submission to the Congress.

b. The OSD staff is responsible for the review of the SARs with respect to specific areas of responsibility. For example, the OUSD (Comptroller) is responsible for reviewing the funding profiles of the December SARs to ensure that they reflect the President's budget and supporting documentation. The OIPT leaders or their designated action officers are responsible for ensuring that the ACAT ID program SARs reflect the official Department position. PAE is responsible for ensuring that the program costs are consistent with the CAIG presentations. ODTSE&E and OTEA are responsible for ensuring that the SARs reflect the results of recent tests. The Deputy Director, Acquisition Systems Management, is responsible for ensuring that the APBs for DAB programs are accurately reflected.

c. OSD SAR Review Responsibilities

SAR Section	COMPT	PA&E	TSE&E/ OTEA	OIPT Leaders	DP	API
1. Designation and Nomenclature						*
2. DoD Component						*
3. Responsible Office and Telephone Number						*
4. Programs Elements/ Procurement Line Items	X	X				*
5. Related Programs						*
6. Mission & Description				X		*
7. Program Highlights	X	X	X	X	X	X

8. Threshold Breaches				X		X
9. Schedule				X		X
10. Performance			X	X		X
11. Total Program Cost and Qty		X				X
12. Unit Cost Summary						X
13. Cost Variance Analysis				X		X
14. Program Acq Unit Cost History						*
15. Contract Information					X	X
16. Program Funding Summary	X					*
17. Production Rate Data						*
18. Operating & Support Costs		X				X
19 Cost Quantity Information.						X

b. The following are the primary office points of contract:

DoD Components	Points of Contract	
	General	Specific
OSD	Dir, Acq Prog Integration (API)	
ARMY	ASA(RDA)	SARD-DE
NAVY	ASN(RNA)	Dir, RE
USAF	ASAF(FM)	SAF/FMC
BMDO	Dir, PO	POC

## SELECTED ACQUISITION REPORT (SAR) PREPARATION INSTRUCTIONS

General. The SAR provides key cost, schedule, and performance information on major defense acquisition programs. Each SAR should be prepared in a concise, summary form with emphasis on new information or significant changes. Unusual or system-specific acronyms should be spelled out the first time they occur. The use of footnotes should be minimized to those absolutely necessary for understandability.

SAR Report Format. There are 19 reporting sections in the SAR, 18 of which are reported to Congress. Section 19, "Cost/Quantity Information," is for internal Department of Defense use only. The reporting format is the same for the annual and quarterly SARs (see sample at attachment 3). It is mandatory to use the latest release of the Consolidated Acquisition Reporting System (CARS) to prepare the SAR.

Consolidated Acquisition Reporting System (CARS). The sections of the SAR are intended to continue successively from one section to the next without beginning a new page for each separate section. However, because CARS pulls select cost information from one section to another so that it will not have to be reentered, the SAR preparer should prepare the SAR in the following order: section 16.a first, then section 11, section 13.a (previous changes, if applicable), section 13.b, section 12, and section 14 (if necessary), and then the remaining sections. CARS also provides a "Data Checks" routine which identifies changes since the last report and internal inconsistencies.

Cover Sheet. Enter the program's preferred name, the "as of" date, an index of contents, the security classification, and the associated declassification information. CARS will provide the name of the report, "SAR (RCS:DD-COMP(Q&A)823)," the "as of" date, and the index of contents. Note that when printing the SAR, the first page comes out last because CARS determines the starting page number of each section.

1. Designation/Nomenclature (Popular Name). Enter the preferred name, and the designation and nomenclature of the acquisition program. (See section 1 of attachment 3.)
2. DoD Component. Enter the responsible DoD Component, or the lead Department of Defense Component and the other joint program Components, if applicable. (See section 2 of attachment 3.)
3. Responsible Office and Telephone Number. Enter the DoD Component's responsible office, address, Program Manager's name, date of assignment, and DSN and commercial telephone numbers. (See section 3 of attachment 3.)
4. Program Elements/Procurement Line Items. List the applicable program elements and procurement line items by appropriation that are included in the current estimate of the program acquisition cost. (See section 4 of attachment 3.)
  - a. Research, Development, Test, and Evaluation (RDT&E). Show all RDT&E program elements (PEs) included in the funding shown in section 16 of this report. If a PE funds both the reporting program and another program, indicate the project number(s) of those projects included in the SAR. For those programs that share a listed program element or project with one or more other programs, select the option "Shared" within CARS. PEs and project numbers should be traceable to the "Research and Development Project Listing" in DoD 7000.14-R, "Financial Management Regulation."

b. **Procurement.** Show the appropriation (treasury) code and item control number for each procurement line item included in the funding shown in section 16 of this report. The appropriation (treasury) code is in columns 1 to 4 and the item control number is in columns 10 to 19 of the Procurement Data Format of the Automated Procurement Annex Data Base in DoD 7000.14-M, "Financial Management Regulation." The item control number is equivalent to: the Standard Study Number (SSN), Army; the Budget Line Item (BLI), Navy; or the Weapon System Code (WSC), Air Force.

c. **Military Construction.** Show those system-specific military construction program elements included in the funding shown in section 16 of this report. The program elements should be traceable to the Automated Construction Annex Data Base in DoD 7000.14-R, "Financial Management Regulation."

d. **Operation and Maintenance.** Show those acquisition-related operation and maintenance program elements included in the funding shown in section 16 of this report. The program elements should be traceable to the operation and maintenance budget justification materials in DoD 7000.14-M, "Financial Management Regulation." Include only those PEs associated with funding to be used to "acquire" the reporting program, such as funding to buy mod kits for acquisition upgrade programs. Operating and support costs, which are not included here, are reported separately in section 18.

5. **References.** Identify the reference documents and dates associated with the SAR Baseline (i.e., the PE, DE, or PdE (whichever is applicable)) and the currently approved APB. If a program does not currently have an APB, so state.

6. **Mission and Description.** Enter a brief description of the Department of Defense acquisition program and its intended mission, such as that provided in the Research and Development Descriptive Summary. Enter the names of other defense systems the subject program will replace or, if none, so state. (See section 6 of attachment 3.)

7. **Executive Summary.** Briefly summarize significant accomplishments and developments from program inception to date, as appropriate, with concentration on the accomplishments and developments since the previous SAR. Limit this section to a maximum of one page, if possible. (See section 7 of attachment 3.)

a. Specifically address the significant cost, schedule, and performance changes since the last report. Include any significant acquisition reform savings or avoidances that have been identified.

b. Include a status report on developmental test and evaluation (DT&E), as well as operational test and evaluation (OT&E) since the last SAR. If operational testing has not been conducted, an explanatory statement or projected start date will be provided.

c. In the quarterly SAR, provide the reason for the submission of a quarterly SAR; e.g., 15 percent or more increase in program acquisition unit cost (PAUC) or average procurement unit cost (APUC), 6-month or greater schedule delay, initial submission, final submission, baseline transition, or correction.

d. When applicable, a notice of initial or final (when approved) submission of SARs will also be included. For final submissions, include (a) the reason for SAR termination and (b) a statement that Nunn-McCurdy unit cost reporting is not applicable beyond the "as of" date of the current submission

e. For pre-Milestone II programs that report development funds only, indicate that limited reporting (i.e., RDT&E-only) is permitted for pre-Milestone II programs in accordance with Title 10, United States Code, Section 2432, "SARs."

8. Threshold Breaches. (See section 8 of attachment 3.)

a. Summarize the breaches of the current APB, including the types of breaches (e.g., development, procurement, military construction, O&M (acquisition related), or average procurement unit cost in base-year dollars, schedule slip of 6 months or more, or performance threshold) in the table provided. CARS will determine schedule and cost breaches based on the information contained in SAR sections 9 and 11, and automatically update this table based on that information.

b. Identify any breaches to the Nunn-McCurdy unit cost baselines (i.e., the APB PAUC and APUC) in the table provided. CARS will determine the Nunn-McCurdy unit cost breaches based on the information contained in section 12 of the SAR. For pre-Milestone II programs that submit RDT&E-only SARs, include a statement that Nunn-McCurdy reporting is not applicable.

c. Provide an explanation of the breaches identified in parts 8.a and b, above. Indicate when unit cost breach information (for a Nunn-McCurdy unit cost breach) is being provided in sections 12.c through 12.m of the current SAR. If there are no APB breaches or Nunn-McCurdy unit cost breaches, no explanation is required.

9. Schedule. (See section 9 of attachment 3.)

a. Milestones. List the milestones specified in the currently approved APB, and any other significant program milestones, such as those shown in the Acquisition Decision Memorandum (ADM), major milestone decision documentation, or Research and Development Descriptive Summary. Express the milestone dates in month and year. Milestones should encompass the entire period from the point in time the program was designated by title as a program element or major project within a program element (i.e., the first year of funding through initial operational capability (IOC)). Include program decision milestones, Milestones 0, I, II, and III, and the level of decision (e.g., Defense Acquisition Board); key system-level development milestones, such as engineering and manufacturing development contract award, preliminary and critical design reviews, and first full-up system tests (start and completion dates); key system-level production milestones, such as production contract award, first delivery, and initial operational capability; and other significant system-specific milestones.

(1) SAR Baseline (Specify). Enter the dates for the Planning Estimate Baseline(PE), Development Estimate Baseline (DE), or Production Estimate Baseline (PdE) (whichever is applicable). (The CARS baseline disk will provide the dates for the SAR baseline.) The PE dates will be reflected up to and including the first time the DE is reported as the SAR baseline, and the DE will be reflected up to and including the first time the PdE is reported as the SAR baseline. For any APB milestones that are not SAR baseline elements, CARS will enter "N/A" in the SAR baseline column.

(2) Approved Program (APB). Enter the dates (i.e., the objectives) for the currently approved APB. (The CARS baseline disk will provide the dates for the APB.) If a SAR baseline milestone is not an APB milestone, CARS will enter "N/A" in the Approved Program column.

(3) Current Estimate. Enter the completion dates that actually have occurred and the DoD Component's estimated completion dates for milestones that have not occurred yet. These milestone dates will represent the Current Estimate of the latest approved program. Changes in the Current Estimate column since the previous report should be indicated by the sequential notation "(Ch-1)," "(Ch-2)," etc., to the right of the changed data. (Note that "N/A" or "TBD" is considered an APB breach when the APB milestone has an approved date.)

b. Current Change Explanations. Explain changes in Current Estimate milestones since the current estimate of the previous report. The magnitude of the changes ("from ... to ...") should be included along with the explanation. Arrange the explanations according to the sequential notation of the Current Estimate column.

10. Performance. (See section 10 of attachment 3.)

a. Performance Characteristics. List the quantifiable system performance parameters that are the primary indicators of technical achievement of engineering objectives and thresholds, and of operational capability to accomplish the mission and be supported in that mission. This list should be representative of those characteristics that will be subject to development and operational test and evaluation. As a minimum, include those characteristics specified in the acquisition program baseline.

(1) SAR Baseline (Specify). Enter the performance characteristic values for the PE, DE, or PdE (whichever is applicable). (The CARS baseline disk will provide the performance parameters for the SAR baseline.) The PE values will be reflected up to and including the first time the DE is reported as the SAR baseline; the DE values will be reflected up to and including the first time the PdE is reported as the SAR baseline. For any APB characteristics that are not SAR baseline elements, CARS will enter "N/A" in the SAR baseline column.

(2) Approved Program (APB). In a dual entry, enter the performance characteristic objectives and thresholds for the APB. (The CARS baseline disk will provide the performance parameters for the APB.) If a SAR baseline element is not also an APB element, CARS will enter "N/A" in the Approved Program column for that performance characteristic.

(3) Demonstrated Performance. For each data element being reported, enter that value (relative to the objective and/or thresholds) actually achieved in the latest development or operational testing program. The reported value will be the best objective measure of technical progress as determined by the project manager. The results of advanced development testing should be displayed until engineering development data are available. The results of operational testing will take highest precedence in determination of demonstrated performance. Note that changes in demonstrated performance from the prior report are not to be marked by the change notation which is used to indicate changes in Current Estimate values from the prior report.

(4) Current Estimate. Enter the DoD Component's Current Estimate of each performance characteristic. Changes in the Current Estimate values since the current estimate in the previous report should be indicated by the sequential notation "(Ch-1)," "(Ch-2)," etc., to the right of the changed data. (Note that "N/A" or "TBD" is considered an APB breach when the APB performance parameter has an approved value.)

b. Current Change Explanations. Explain changes in Current Estimate values since the previous report. The magnitude of the changes ("from ... to ...") should be included along with the explanation. Arrange the explanations according to the sequential notation of the Current Estimate column.

11. Total Program Cost and Quantity. This section contains base-year and then-year cost element detail for the SAR baseline, the Approved Program, and Current Estimate of the total program. Supplementary program information on foreign military sales (FMS) and nuclear costs is reported when applicable. (See section 11 of attachment 3.)

a. Cost. Report the required level of cost detail specified in the program acquisition cost data elements approved by the USD(A&T) for each SAR program. All system-specific program acquisition costs will be included, regardless of the program's stage of development, unless the program is pre-Milestone II and reports development costs only in accordance with 10 USC 2432. Generally, development, construction, and acquisition-related operation and maintenance costs will be shown as one

line entries at the appropriation level (RDT&E, military construction, and operation and maintenance, respectively).

Procurement costs will be displayed in four increments: flyaway, rollaway, or sailaway cost; initial spares; other weapon system cost; and peculiar support equipment. This breakout will conform to the definitions in Chapter 3 of DoD 5000.4-M, and DoD 7000.14-R, "Financial Management Regulation." The level of detail within each major increment should be tailored to the particular program being reported. The DoD Component should recommend additional detail within the flyaway increment (for example, level three of the work breakdown structure (WBS)).

For all programs, the cost element breakout, including prebase-year costs, will be shown in true base-year dollars (not budget-year constant dollars), followed by escalation totals at the appropriation level. Base-year dollars do not contain any adjustments for inflationary changes that have occurred or are forecast to occur outside the base year. The escalation totals shall include both economic escalation and escalation related to program changes, estimated from the first year of funding through the spendout period of the program.

For programs reflecting a Planning Estimate (PE), the first year of funding is normally established as the base year. For programs reflecting a Development Estimate (DE) or Production Estimate (PdE), the base year would normally be the fiscal year in which the estimate was made or the fiscal year of the base-year dollar estimate in the Milestone II or III decision documentation.

(1) SAR Baseline (Specify). Enter the baseline cost in base-year and then-year dollars for the PE, DE, or PdE (whichever is applicable). (The CARS baseline disk will provide the cost elements for the SAR baseline.) The PE will be reflected up to and including the first time the DE is reported as the SAR baseline. The DE will be reflected up to and including the first time the PdE is reported as the SAR baseline. (A one-time analysis of the differences between the PE and the DE or between the DE and PdE will be included in the first report containing the DE or PdE.) The entry for escalation will reflect the amount of economic and program change related escalation experienced and projected at the time of SAR baseline approval.

(2) Approved Program (APB). Enter the costs for the APB in base-year and then-year dollars. (The CARS baseline disk will provide the cost elements for the APB.) The entry for escalation will reflect the amount of economic and program change related escalation experienced and projected at the time of acquisition program baseline approval. In the first report of a SAR rebaselining, this column will reflect the new SAR baseline.

(3) Current Estimate. Enter the costs for the Current Estimate in base-year and then-year dollars. For the annual SAR, the Current Estimate will agree with the President's budget and supporting documentation. Costs for the quarterly SARs will reflect updated program estimates available to the DoD Component by the "as of" date for that submission. In quarterly SARs, the Current Estimate should agree with program decisions made since the President's Budget via the milestone review process, reprogrammings, and Secretary of Defense or USD(A&T) memoranda (excluding Planning, Programming, and Budgeting System (PPBS) memoranda such as the Program Decision Memorandum). Program changes that are exclusively Program Objective Memorandum (POM) changes will generally not be included; however, this restriction will not be used to exclude actual and projected cost changes only because such changes are included in the PPBS process. The entry for escalation will reflect the amount of economic and program change related escalation experienced and projected in the Current Estimate.

b. Quantity. Enter the quantity of development and procurement units (see definitions of "program acquisition quantity" and "fully configured end item" in attachment 2). For the annual SAR, the quantities must agree with those shown in the President's budget and supporting documentation (e.g., the Future Years Defense Program (FYDP), the Research and Development Descriptive Summary), except when the President's Budget does not reflect the total program for those years beyond the FYDP. Show all quantities, including those being procured for other DoD Components.

For joint programs, show the quantities being procured by each joint participant.

For some multiple end item programs (for example, air defense systems that may include a platform, a weapon, and a command, control, communications, and intelligence system), a single grouping or unit of equipment will be established as a common denominator for unit cost reporting. The unit of equipment will normally represent the smallest organizational or operational configuration necessary for a fully operational system.

In those cases where the unit of measure is not obvious (i.e., not a missile system, aircraft, truck, etc.), define it in a memo entry in this section.

(1) SAR Baseline (Specify). Enter the quantity for the SAR baseline (PE, DE, or PdE, whichever is applicable). (The CARS baseline disk will provide the quantity for the SAR baseline.)

(2) Approved Program (APB). Enter the quantity for the APB. (The CARS baseline disk will provide the quantities for the APB.)

(3) Current Estimate. Enter the quantity for the Current Estimate. (CARS will provide the section 16.b quantities for the Current Estimate. These can be overwritten if necessary.)

(4) Low Rate Initial Production (LRIP) Quantity. In a note to this section, identify the quantity to be procured for LRIP (including preproduction verification articles) as approved at Milestone II or subsequent LRIP decision. Any change in the approved LRIP quantities will also be identified ("from ... to ..."). The reporting of this information will start in the first SAR submitted after that quantity is determined at Milestone II or subsequent LRIP decision. (Applies only to programs receiving Milestone II or subsequent LRIP approval after December 1989.) If the current LRIP quantities are more than ten percent of the total procurement quantity determined at the time of the LRIP decision, provide the reasons for the given LRIP quantity.

(5) In a note to this section, identify the number of non-fully configured research and development units not included in the development quantity reported under this section.

c. Foreign Military Sales (FMS), International Cooperative Programs, and Direct Commercial Sales. Display foreign military sales, international cooperative program, and direct commercial sales information, including the quantity and estimated cost by recipient country. The foreign military sales, international cooperative program, or direct commercial sales costs and quantities will be reported on a non-add basis to the DoD program; however, reflect the schedule and cost variance impact of these activities on the DoD program under "Schedule" (paragraph 9, above) and "Cost Variance Analysis" (paragraph 13, below). This information will be based on actual cases such as evidenced for foreign military sales by accepted DD Forms 1513 ("Offer and Acceptance"), as amended. The reported cost will reflect the amount shown on DD Form 1513, line 8, "net estimated cost."

d. Nuclear Costs. Report the costs for associated nuclear armament and propulsion as a separate, non-add entry.

12. Unit Cost Summary. This section compares Current Estimate unit costs and unit cost baselines for the total program and the procurement program, and provides additional information for those programs that have experienced unit cost breaches of 15 percent or more against the unit cost baseline. The unit cost baseline for unit cost reporting purposes is the currently approved APB. Unit costs are computed to at least three significant figures. When unit costs are identified for more than one end item, show cost, quantity, and unit cost for each end item.

Only those programs having unit cost breaches of 15 percent or more are required to provide additional unit cost exception information in SAR sections 12.c through 12.m.

This section is not required for pre-Milestone II programs submitting RDT&E-only SARs. All other exceptions must be approved by the USD(A&T) and annotated appropriately in the SAR. (See section 12 of attachment 3.)

a. Program Acquisition Unit Cost (PAUC) (Base-Year Dollars). Enter the total program acquisition cost in base-year dollars, the quantity, and program acquisition unit cost (PAUC) in base-year dollars for the Current Estimate and the unit cost reporting baseline (i.e., the APB), and the percent change between the unit cost reporting baseline (i.e., the APB) PAUC and the Current Estimate PAUC (see the example in subsection 12.a of attachment 3). The PAUC is the total program acquisition costs divided by the total number of fully configured end items. Note that the quantity reflected here should agree with the number of fully configured quantities reported in subsection 11.b of the SAR (see paragraph 11.b, above).

(1) Current Estimate. Enter the Current Estimate of the total program acquisition cost, quantity, and program acquisition unit cost (PAUC) in base-year dollars. (CARS will provide the default values for the Current Estimate; these can be overwritten.) This information will agree with the base-year dollar totals shown under "Total Program Cost and Quantity" (paragraph 11.a, above) and under "Program Funding Summary" (paragraph 16.b, below).

(2) Unit Cost Reporting Baseline. The unit cost reporting baseline for the Program Acquisition Unit Cost (PAUC) is the PAUC of the currently approved APB in base-year dollars. (CARS will provide the default values for the APB; these can be overwritten.) For initial SARs or for programs reporting unit costs for the first time, that do not yet have an approved APB, there will be no unit cost baseline. Include the appropriate baseline reference in the column header (date and document name, for example, Dec 91 APB or N/A).

(3) Percent Changed. Enter the change in percent between the Current Estimate PAUC and the APB PAUC. (CARS calculates this value.)

b. Average Procurement Unit Cost (APUC) (Base-Year Dollars). Enter the procurement cost in base-year dollars, the quantity, and average procurement unit cost (APUC) in base-year dollars for the Current Estimate and unit cost reporting baseline (i.e., the APB), and the percent change between the unit cost reporting baseline APUC and the current estimate APUC (see the example in subsection 12.b of attachment 3). The APUC is the total procurement costs divided by the total procurement quantity. Note that the quantities reflected here should agree with the procurement quantity reported in subsection 11.b of the SAR (see paragraph 11.b, above).

(1) Current Estimate. Enter the Current Estimate of the total procurement program, quantity, and average procurement unit cost (APUC) in base-year dollars. (CARS will provide the default values for the Current Estimate; these can be overwritten.) This information should agree with the base-year dollar totals shown under "Total Program Cost and Quantity" (paragraph 11.a, above) and under "Program Funding Summary" (paragraph 16.b, below).

(2) Unit Cost Reporting Baseline. The unit cost reporting baseline for the average unit procurement cost (APUC) is the APUC of the currently approved APB. (CARS will provide the default values for the APB; these can be overwritten.) For initial SARs or for program reporting unit costs for the first time, that do not yet have approved APB, there will be no unit cost baseline.

(3) Percent Changed. Enter the change in percent between the Current Estimate APUC and the APB APUC. (CARS calculates this value.)

c. Program Acquisition Unit Cost (Then-Year Dollars). Enter the total program acquisition cost in then-year dollars, the quantity, and program acquisition unit cost (PAUC) in then-year dollars for the Current Estimate and unit cost reporting baseline (i.e., the APB), and the percent change between the unit cost reporting baseline PAUC and the Current Estimate PAUC. This section is the then-year dollar

equivalent of section 12.a (see paragraph 12.a, above), and is provided by CARS with write-over capability. These unit costs will agree with those displayed under "Program Acquisition Unit Cost History" (paragraph 14, below). This and the following subsections are required only for those programs reporting unit cost breach information (except for terminated programs which are not required to complete subsections 12.h through 12.m).

d. Average Procurement Unit Cost (Then-Year Dollars). Enter the procurement cost in then-year dollars, the quantity, and average unit procurement cost (APUC) in then-year dollars for the Current Estimate and unit cost reporting baseline, and the percent change between the baseline APUC and the Current Estimate APUC. This section is the then-year dollar equivalent of section 12.b (see paragraph 12.b, above), and is provided by CARS with write-over capability.

e. Changes from the Previous SAR. Enter the net change and percent in the program acquisition quantity, program acquisition unit cost (base-year and then-year dollars), and average procurement unit cost (base-year and then-year dollars) since the previous SAR. Provide the previous SAR reference (for example, "Mar 92 SAR") after the subsection title.

f. Initial SAR. In this section, provide the date of the initial SAR and the program acquisition cost (in then-year and base-year dollars) reported in the initial SAR.

g. Unit Cost Changes. Provide a brief explanation of the reasons for the increase in the program acquisition unit cost (PAUC), the average unit procurement cost (APUC), or both.

h. Impact of Performance or Schedule Changes on Unit Costs. Identify changes made in the performance or schedule milestones of the program and the extent to which such changes have contributed to the change in unit costs. Address changes from the approved acquisition program baseline and changes since the baseline report. This and the following subsections are required only for those nonterminated programs reporting unit cost breach information.

i. Program Management and Control. Identify the military and civilian personnel responsible for program management and cost control of the program.

j. Cost Control Actions. Identify actions taken and proposed to be taken to control future cost growth of the program.

k. Contract Information

(1) Provide the following information for each contract reporting in section 15 (paragraph 15, below): Contractor Name(s), Contract Title, Contract Number, Actual Cost of Work Performed (ACWP) to Date, and Percent Contract Completed (i.e., budgeted cost of work performed (BCWP) divided by target cost).

(2) Provide the contract cost and schedule variances and percentages for each of the following: the SAR which is the "baseline report" (see definition, below) (column (a)), previous SAR (not applicable if previous SAR is the baseline report) (column (b)), current SAR (column (c)), changes from the baseline report (column (c) minus column (a)), and changes from the previous SAR (if different than the baseline report) (column (c) minus column (b)). The cost variance percentage is the cost variance divided by the budgeted cost of work performed, and the schedule variance percentage is the schedule variance divided by the budgeted cost of work scheduled (columns (a) through (c)). The "baseline report" is the first cost performance report received after the most recent APB approval

(3) Also, provide the following narratives for each reporting contract: explanation of variances, impact of variances on the contract, and impact of variances on unit costs.

l. Contracts Exceeding Contract Cost Baseline Thresholds. For each contract reporting in section 15 (paragraph 15, below), identify by name and contract number each contract that has exceeded its contract cost baseline by 15 percent or more, and the percentage by which the contract cost baseline is exceeded.

m. Remarks. Enter here any additional comments which are appropriate.

13. Cost Variance Analysis. Quantify and briefly summarize the significant cost variances between the SAR baseline (specify Planning Estimate (PE), Development Estimate (DE), or Production Estimate (PdE), whichever is applicable) and the Current Estimate. (See section 13 of attachment 3.)

a. Summary. The cost variances will be identified and reported according to the change categories defined in paragraphs 13.a.(1) and 13.a.(2), below, and tabulated as previous changes or current changes. Previous changes are the cumulative total of all changes identified through the previous SAR (annual or quarterly), and current changes are those occurring since the previous SAR. The SAR baseline and Current Estimate as well as the previous and current changes will be shown in then-year dollars (first table) and in base-year dollars (second table) for RDT&E, procurement, military construction, and acquisition-related operation and maintenance.

(1) Changes. All changes to the cost variance categories (defined in paragraph 13.a.(2), below), whether in the previous changes section or in the current changes section, are defined as either "economic" or "program" changes.

(a) Economic Changes. As defined in paragraph 13.a.(2), below, these include changes in the Current Estimate resulting from actual escalation different from that previously assumed and from revisions to prior assumptions of future escalation. Since this category includes only those changes due to revisions in the assumptions of historical and future escalation, it applies only to the then-year dollar variance analysis. The Office of the Secretary of Defense escalation rates published with the President's Budget will be reflected in the annual SAR; these same rates will be reflected in subsequent 2nd, 3rd, or 4th quarterly SAR submissions. Prior approval of the USD(A&T) is required for economic changes based on system-specific rates in prior years.

(b) Program Changes. These include all types of cost changes listed in paragraph 13.a.(2), below, other than economic changes. Such program changes will provide the best estimate of costs including experienced and projected escalation. Enter the cost for the program changes in then-year dollars (first table) and in base-year dollars (second table) by appropriation for each cost variance category. When negative program changes affect the current provision for economic escalation, report their associated escalation as an economic change, to the extent such escalation previously was reflected in the Current Estimate; adjust the other categories as appropriate.

(2) Cost Variance Categories. Identify cost estimate variances separately for RDT&E, procurement, military construction, and acquisition-related operation and maintenance. Classify each according to the following categories: economic, quantity, schedule, engineering, estimating, other, and support. When multi-category changes occur, variances will be calculated in the above order to ensure the appropriate cost allocations are made. (NOTE: The quantity, schedule, engineering, estimating, and other categories are associated with changes in the work breakdown structure (WBS) elements identified as flyaway, rollaway, or sailaway costs in DoD 5000.4-M, "Cost Analysis Guidance and Procedures.") Changes associated with acquisition reform (AR) savings should be explicitly identified. An example of a savings or change associated with an acquisition reform initiative would be an estimating change due to switch from annual to multi-year procurement; if possible, the initiative should be identified in the change explanation. Quantity-related changes should also be explicitly identified. An example of a quantity-related change would be a reduction in initial spares requirement due to a quantity reduction. (The CARS software will allow the identification of cost changes that are associated with AR savings and quantity changes; it

will also automatically print "(AR)" at the end of a designated acquisition reform savings change explanation; quantity-related changes will not be specially designated on the printed copy.)

(a) Economic Change. A change due only to price level changes in the economy. This includes changes in the Current Estimate resulting from actual escalation different from that previously assumed and from revisions to prior assumptions of future escalation. As previously noted, economic changes apply only to the then-year dollar variance analysis and the same rates are to be applied throughout the fiscal year. (Economic changes are not acquisition reform savings or quantity-related changes.)

(b) Quantity Change. A change in the number of development or production units of an end item of equipment. Ordinarily, categorization as a quantity change will be limited to those end items for which unit costs are required and for which cost-quantity information (see paragraph 19, below, and section 19 of attachment 3) has been submitted. All quantity changes will be calculated using the baseline cost-quantity relationship in effect (Planning Estimate (PE), Development Estimate (DE), or Production Estimate (PdE), whichever is applicable). (Note that the baseline cost-quantity relationship is expressed in base-year dollars.) The difference between the cost of the quantity change based on the baseline cost-quantity relationship and the cost based on the Current Estimate cost-quantity relationship will be allocated to schedule, engineering, and estimating categories, as appropriate (for example, "allocation to estimating category due to quantity decrease"). Quantity changes in support items are categorized as "support," and are not included here. Also, quantity changes are not applicable to the military construction and operations and maintenance appropriations. (Quantity changes may be acquisition reform savings changes.)

(c) Schedule Change. A rephrasing of development effort or a change in a procurement or delivery schedule milestone. Changes in support items are not included. (Schedule changes may be acquisition reform savings and quantity-related changes.)

(d) Engineering Change. An alteration in the physical or functional characteristics of a system or item delivered, to be delivered, or under development, after establishment of such characteristics. Changes in support items are not included. (Engineering changes may be acquisition reform savings and quantity-related changes.)

(e) Estimating Change. A change in program cost due to refinement of a prior Current Estimate, a change in program or cost estimating assumptions and techniques not provided for in the quantity, engineering, or schedule variance categories (for example, the adjustment for assumptions on current and prior escalation rates), or correction of an error in preparing the baseline cost estimate. Changes in support items are not included. (Estimating changes may be acquisition reform savings and quantity-related changes.)

(f) Other. Use of this category must be pre-approved by the OUSD(A&T) and is appropriate only for the most unusual circumstances such as a change in program cost due to natural disasters, work stoppage, and similarly unforeseeable events not covered in other variance categories. The only other use for this category is to record the RDT&E and military construction reductions to terminated programs that have not yet entered production. (Other changes are not acquisition reform savings or quantity-related changes.)

(g) Support Change. Any change in cost, regardless of reason, associated with any work breakdown structure element not included in the flyaway, rollaway, or sailaway costs as defined in DoD 5000.4-M, "Cost Analysis Guidance and Procedures." This category generally includes all costs changes associated with training and training equipment, peculiar support equipment, data, operational site activation, and initial spares and repair parts. However, construction costs funded by the military construction appropriation associated only with operational site activation will be categorized elsewhere (except quantity). Note that the total

support change (previous plus current) will equal the difference between the support items in the SAR baseline and the support items in the Current Estimate as shown in SAR paragraph 11.a. (Support changes may be acquisition reform savings and quantity-related changes.)

(3) SAR Baseline (Specify). Display the baseline PE, DE, or PdE in then-year dollars and in base-year dollars (in separate tables) for RDT&E, procurement, military construction, and acquisition-related operation and maintenance. (CARS will pull the SAR baseline from the CARS baseline disk into the first line of the then-year and base-year tables.) The then-year and base-year totals should equal those contained under "Total Program Cost and Quantity" (see paragraph 11.a, above).

(4) Previous Changes. For each cost variance category, enter the cumulative cost of changes through the previous SAR. (CARS will pull these forward from the previous SAR.) Corrections to previous changes will be shown as current changes.

(5) Current Changes. For each cost variance category, enter the cost variance that reflects changes for the period since the previous SAR. In an initial SARs where the Current Estimate is not equal to the SAR baseline, reflect the differences as current changes.

(6) Total Changes. Enter the sum of the subtotals for previous changes and current changes. The base-year and then-year dollar total changes shown here will agree with those appropriation changes implied in the "Total Program Cost and Quantity" display (see paragraph 11.a, above).

(7) Current Estimate. Enter the sum of the baseline estimate and total changes for each column. (If the Current Estimate on the last line of the then-year and base-year tables doesn't agree with the Current Estimate reported in section 16.b, the Current Estimate numbers in this section's tables will turn magenta.) The then-year and base-year dollar totals shown here will equal those under "Total Program Cost and Quantity" (see paragraph 11.a., above) and "Program Funding Summary" (see paragraph 16, below).

(8) Adjustments. The adjustment line is only used after Milestone II approval to add procurement, MILCON, and O&M to the SAR baseline for a formerly pre-Milestone II program which reported only development costs. Select the SAR baseline type "PE to DE" to open these fields. Note that the previously excluded procurement, military construction, and operation and maintenance are added to the DE at the current APB value.

b. Current Change Explanations. For each appropriation, provide concise but complete narrative explanations for the current changes in the cost variance categories identified in paragraph 13.a.(2), above. Associated base-year and then-year dollar impacts also will be shown. These explanations of changes since the previous SAR should be grouped under a specific reason for or major cause of the cost variance (e.g., Congressional actions and threat changes). When a reason for or cause of a cost variance results in a quantity change, all associated cost variances will be grouped and subtotaled to show the entire dollar impact of the quantity change. Maintain the basic integrity of the standard cost variance categories under the major causes. In initial SARs where the Current Estimate is not the same as the SAR baseline, treat the differences as current changes.

#### 14. Unit Cost and Other History. (See section 14 of attachment 3.)

a. Track the PAUC from the SAR baseline shown in the first SAR to the Current Estimate. All values are in then-year dollars and should reflect at least three significant figures. If a program has employed only one SAR baseline (answer "no" to the CARS query "Has this program ever rebaselined?"), a single table will track the Program Acquisition Unit Cost (PAUC) history from the SAR baseline to the Current Estimate. If a program has employed two SAR post-Milestone II baselines, e.g., a DE and a PdE (answer "yes" to the CARS query "Has this program ever rebaselined?"), the unit cost history will be accomplished in a two-step display, namely, from the DE to the PdE and from the PdE to the Current Estimate. (Normally, programs with a PE SAR baseline are pre-Milestone II and do

not report procurement funds, procurement quantities, or program unit costs, and therefore would not have a unit cost track from PE to DE. In that case, you would answer "no" to the CARS query. There are some exceptions.) (Note that this section is not required for RDT&E-only SARs. All other exceptions must be approved by the USD(A&T) and must be annotated appropriately in the SAR.)

(1) If the current report is a transition SAR (the first phase of a SAR rebaselining which shows both the old SAR baseline and the future SAR baseline (i.e., the approved program, answer "no" to the CARS query.)

(2) The prior SAR will be helpful in filling in the first table in a two-table display for a program which has rebaselined. Once it is filled out, this information will automatically roll forward to the next submission.

(3) All unit cost variance values with the exception of quantity are calculated by dividing the cumulative cost variance for a particular category (previous plus current changes) by the current program acquisition quantity. The total program acquisition quantity used to calculate the unit cost variances will be consistent with the quantity used to calculate the PAUC in paragraph 12.a, above. The quantity unit change is calculated by the following equation:

$$\text{Unit Change Qty} = \frac{\text{SAR Program Acquisition Cost Baseline} + \text{Cost ChangeQ}}{\text{Current Procurement Quantity}} - \text{PAUC}_{\text{SAR Baseline}}$$

- Initial SAR Baseline to Current SAR Baseline. Provide unit cost calculations from the initial SAR baseline to the current SAR baseline.
- Current SAR baseline to Current Estimate. Display unit cost calculations from the current baseline estimate to the Current Estimate. Note that this table should be filled out only if the program has previously rebaselined (e.g., from DE to PdE). ). *CARS will calculate this information automatically from the information provided in SAR sections 11 and 13*

b. Track the procurement unit cost (PUC) from the SAR baseline shown in the first SAR to the Current Estimate. All values are in then-year dollars and should reflect at least three significant figures. If a program has employed only one SAR baseline (answer "no" to the CARS query "Has this program ever rebaselined?"), a single table will track the Program Unit Cost (PUC) history from the SAR baseline to the Current Estimate. If a program has employed two SAR post-Milestone II baselines, e.g., a DE and a PdE (answer "yes" to the CARS query "Has this program ever rebaselined?"), the unit cost history will be accomplished in a two-step display, namely, from the DE to the PdE and from the PdE to the Current Estimate. (Normally, programs with a PE SAR baseline are pre-Milestone II and do not report procurement funds, procurement quantities, or procurement unit costs, and therefore would not have a procurement unit cost track from PE to DE. In that case, you would answer "no" to the CARS query. There are some exceptions.) (Note that this section is not required for RDT&E-only SARs. All other exceptions must be approved by the USD(A&T) and must be annotated appropriately in the SAR.)

(1) If the current report is a transition SAR (the first phase of a SAR rebaselining which shows both the old and new SAR baseline, answer "no" to the CARS query.

(2) The prior SAR will be helpful in filling in the first table in a two-table display for a program which has rebaselined. Once it is filled out, this information will automatically roll forward to the next submission.

(3) All unit cost variance values with the exception of quantity are calculated by dividing the cumulative procurement cost variance for a particular category (previous plus current changes) by the current procurement quantity. The total procurement quantity used to calculate the unit cost variances will be consistent with the quantity used to calculate the APUC in paragraph 12.a, above. The quantity unit change is calculated by the following equation:

$$\text{Unit Change Qty} = \frac{\text{SAR Procurement Cost Baseline} + \text{Cost ChangeQ}}{\text{Current Procurement Quantity}} - \text{PUC}_{\text{SAR Baseline}}$$

(4) Initial SAR Baseline to Current SAR Baseline. Provide unit cost calculations from the initial SAR baseline to the current SAR baseline. (This table only appears if you answer "yes" to the CARS query "Has this program ever rebaselined?")

(5) Current SAR baseline to Current Estimate. Display unit cost calculations from the current baseline estimate to the Current Estimate. Note that this table should be filled out only if the program has previously rebaselined (e.g., from DE to PdE). *CARS will calculate this information automatically from the information provided in SAR sections 11 and 13.*

c. Schedule, Cost and Quantity History. For each applicable major milestone decision (i.e., I, II, and III, and IOC/FUE), provide: (1) the milestone dates for the SAR Planning Estimate (Milestone I), the SAR Development Estimate (Milestone II), the SAR Production Estimate (Milestone III), IOC/FUE, and the Current Estimate; and (2) the total acquisition cost, total quantity, and program acquisition unit cost for the SAR Planning Estimate (Milestone I), the SAR Development Estimate (Milestone II), the SAR Production Estimate (Milestone III), IOC/FUE, and the Current Estimate. If this information was provided in the prior SAR, CARS will reproduce that information here; however, some of that information, e.g., Current Estimate, will need to be updated. (Note that total program acquisition cost information for the SAR Planning Estimate may not be applicable, since most pre-Milestone II programs (i.e., programs with a SAR PE) report only development (RDT&E) costs.

15. Contract Information. Report information on a program's major contracts for RDT&E, procurement, military construction, and acquisition-related operation and maintenance. Include the six largest, currently active contracts (excludes subcontracts) that exceed \$40 million in then-year dollars. For a given reporting quarter, these are generally the same contracts reporting in Section 6 (Program Background Data) of the Defense Acquisition Executive Summary (see Part 2.B.4.1 and section 15 of attachment 3). If a previously reported contract is now over 90 percent complete, do not include it as one of the six reporting contracts. Instead, explain in the memo entry for the last contract in this section that such contract is over 90 percent and is no longer reporting. (Note that, in some cases, the OSD staff has continued to request reporting for certain contracts over 90 percent complete.)

a. System/Subsystem. For each appropriation, list each major contract by system or subsystem and the contractor's name, location, contract number, type, award date, and definitization date.

b. Initial Contract

(1) Target. Enter the initial contract target price as stipulated in the original contract. When an undefinitized contract is in effect, enter the limitation on funds contained in the contract. Normally, the initial contract price will change only once, when the contract is definitized. For firm fixed price contracts, show the initial negotiated price.

(2) Ceiling. Enter the contractor's initial estimated contract ceiling price (if applicable). For firm fixed price contracts, indicate not applicable (N/A).

(3) Quantity. Enter the initial deliverable end item quantity as stipulated in the original contract.

c. Current Contract

(1) Target. For a cost-type contract, enter the current estimated cost plus all fees, including the estimated cost and fee for authorized unpriced effort. For fixed-price incentive contracts, enter the current target price. For firm-fixed-price contracts, enter the firm-fixed-price. In all cases include the not to exceed value of authorized unpriced work. Specify the options that have been exercised and are included in the current contract price.

(2) Ceiling. Enter the contractor's estimated current contract ceiling price (if applicable); i.e., the initial ceiling price plus the ceiling price of definitized changes, plus the contractor's estimated ceiling price for authorized, unpriced work. For firm fixed price contracts, indicate not applicable (N/A).

(3) Quantity. Enter the current deliverable end item quantity as stipulated in the current contract.

d. Estimated Price at Completion

(1) Contractor. Enter the contractor's current estimated price at completion. Include the estimated cost for authorized work, plus applicable fee or profit, considering award fees, incentive arrangements, or other contract pricing arrangements.

(2) Program Manager. Enter the Program Manager's current estimated price at completion. When the Program Manager's estimated price at completion differs from that of the contractor, the DoD Component may elect to designate this information as "For Official Use Only" (FOUO) and "Non-Security Exempt" (NSE). The Program Manager's estimated price at completion may be omitted entirely if disclosure could jeopardize the negotiating position (provide justification for such deletions).

e. Cost/Schedule Variances and Explanations of Change

(1) Cost/Schedule Variances. For contracts requiring contractor cost performance reports (CPRs) or cost/schedule status reports (C/SSR) (see Parts 3.3.4.3 and 6.4 of DoD 5000.2-R), enter the cumulative cost and schedule variances reported in the previous SAR, the cumulative cost and schedule variances to date (indicate "as of" date), and the net changes in cumulative variances since the previous SAR. Cost variance is the budgeted cost of work performed less the actual cost of work performed; schedule variance is the budgeted cost of work performed less the budgeted cost of work scheduled.

(2) Explanations of Change. Explain changes in cost and schedule variances since the previous SAR (i.e., the "net change"). The variance explanations will address the significant reasons for change, the effect on the Program Manager's estimated price at completion, and any potential effect on future program cost and schedule. Explicitly state when net changes are not significant in relation to the current contract target price. Also explain any significant changes in current contract target price. These explanations should be consistent with the variance explanations reported in the Defense Acquisition Executive Summary (see Part 2.B.4.1 of this Manual).

16. Program Funding Summary. Display program funding information for the Current Estimate. In the annual (December) SAR, this information should reflect the current President's Budget. (See section 16 of attachment 3.)

a. Appropriation Summary. For each appropriation, enter those portions of the current estimate (in then-year dollars) identified with the fiscal years prior to the first budget year, the first budget year and the second budget year (associated with the current President's biennial budget), the balance-to-complete the program, and the total of the program. When more than one procurement appropriation is involved, display each separately.

(1) Prior Years. For each appropriation, enter that portion of the Current Estimate appropriated by Congress for all years prior to the first budget year, plus or minus approved reprogramming actions (including reprogramming requests officially forwarded to Congress but not acted on). Below threshold reprogrammings are considered official on approval by DoD Component headquarters. Adjustments to the obligation level should be made for those years for

which obligational authority has expired. Identify the applicable fiscal years in parentheses (e.g., (FY 87-91)).

(2) First Budget Year. For each appropriation, enter that portion of the Current Estimate associated with the first budget year of the President's biennial budget. In the annual SAR, these entries will agree with the first budget year shown in the President's Budget (except for approved reprogramming actions). Identify the first budget year in parentheses (e.g., (FY 92)).

(3) Second Budget Year. For each appropriation, enter that portion of the Current Estimate associated with the second year of the President's biennial budget. In the annual SAR, these entries will agree with the second budget year shown in the President's Budget (except for approved reprogramming actions). Identify the second budget year in parentheses (e.g., (FY 93)).

(4) Balance-to-Complete. For each appropriation, enter that portion of the Current Estimate necessary to complete the total program for the remainder of the Future Years Defense Program (FYDP) and beyond the FYDP. In the annual SAR, this entry will agree with the President's budget except when the President's budget does not address the program years beyond the FYDP. In such case, this entry will reflect the balance-to-complete for the entire acquisition program (i.e., for the FYDP and beyond). Identify the applicable fiscal years in parentheses (e.g., (FY 94-97)).

(5) Total. For each appropriation, enter the total of paragraphs 16.a.(1) through 16.a.(4), above. These totals will agree with the then-year dollar totals shown under "Total Program Cost and Quantity" (see paragraph 11.a, above) and under the "Annual Summary" portion of this section (see paragraph 16.b, below).

*(The appropriation summary information is computed by CARS from the information provided in SAR section 16.b.)*

b. Annual Summary. This section displays flyaway costs and fiscal year funding, quantities, obligations and expenditures, and escalation rates by appropriation for the current estimate of the program. In the annual SAR, these entries will agree with the President's budget as reflected in the FYDP and supporting documentation (except when the President's budget does not address the program years beyond the FYDP). When more than one procurement appropriation exists, display each separately. Appropriation subtotals will be provided as well as a total for all appropriations.

(1) Fiscal Year (FY). For each appropriation, enter the applicable fiscal years individually, not grouped. The table should include the first appropriation year through completion.

(2) Quantity. For research and development units cannot be identified with a specific fiscal year, indicate the quantities in the total line only. For procurement, enter by fiscal year the number of fully configured end items included in the procurement portion of the program acquisition funding (see paragraph 11.b, above). (Military construction units are not applicable.) The quantities reported here will agree with those shown under "Total Program Cost and Quantity" (see paragraph 11.b, above).

(3) Flyaway. Annual flyaway, rollaway, or sailaway costs will be reported on a non-add basis in base-year dollars for both RDT&E and procurement, and will be divided into recurring and nonrecurring portions. These costs are defined in Chapter 3 of DoD 5000.4-M. (See also AMCP 715-8, NAVMAT-5241, AFSC/AFLP 800-15, "Contractor Cost Data Reporting System" for additional guidance.) Base-year dollar recurring flyaway costs will reflect true end item costs for each fiscal year; i.e., advance procurement, outfitting, post delivery, cost growth, etc., should be included. The recurring flyaway costs will relate to the end item quantities shown.

(4) Total Base-Year. For each appropriation, the annual funding totals for the current estimate in base-year dollars is computed from the year-by-year then-year dollars and the Component weighted inflation indices. (See "Total Program Cost and Quantity," paragraph 11,

above, on establishing the appropriate base year.) The entries reported here will agree with those shown under paragraph 11, above.

(5) Total Then-Year. For each appropriation, enter the annual funding totals for the current estimate in then-year dollars. The entries will agree with those shown under "Total Program Cost and Quantity" (see paragraph 11.a, above) and under the "Appropriation Summary" portion of this section (see paragraph 16.a, above).

*Note that CARS provides for the input of the currently approved escalation rates. These rates are the weighted (composite) rates (incorporating Component outlay rates) calculated by the Components (normally the Component Comptroller), and normally released by the Department in late January or February for the coming year. The weighted escalation rates reflect the outlay rates directed by the USD(Comptroller). The use of escalation rates other than those directed by the Department must be approved by the USD(A&T).*

17. Delivery/Expenditure Data.

a. Deliveries (Plan/Actual).

(1) For planned deliveries, enter the units scheduled to be accepted up to the "as of" date under the current plan. The current plan is that plan upon which the current estimate is based. Include the research and development quantity (excluding any nonfully configured deliverables), advanced development and engineering development items, to the extent such quantities are included in the program acquisition cost estimate and displayed in the quantity entries under "Total Program Cost and Quantity" (paragraph 11.b, above) and "Program Funding Summary" (paragraphs 16.a and 16.b, above). The procurement portion of the planned deliveries will agree with the delivery information contained in the backup documentation submitted for the President's budget. For actual deliveries, enter the units (research and development and procurement) accepted up to the "as of" date.

(2) Percent Program Delivered to Date. This applies to the total program quantities and is calculated by dividing the number of R&D and procurement quantities delivered to date divided by the current estimate of the total planned program quantities multiplied by 100. (*CARS calculates this automatically based upon the information reported in section 16.b and part a.(1), above.*)

b. Expenditures to Date:

(1) Expenditures to Date: Enter total program expenditures to date (in millions of then-year dollars).

(2) Percent Program Expended: Divide the total expenditures to date by the current estimate of the total planned program, and multiply by 100. (*CARS calculates this automatically based upon the information reported in section 16.b and part b.(1), above.*)

18. Operating and Support (O&S) Costs. Provide the most recent estimate of program O&S costs, along with the underlying assumptions and ground rules whenever those costs are developed on an ongoing basis (e.g., routine updates for DoD Component reviews or milestone decision reviews). If a SAR program that meets these criteria has an antecedent system, O&S costs and assumptions will be submitted for the antecedent system whenever those costs have previously been developed. (O&S costs are defined in Chapter 3 of DoD 5000.4-M, and antecedent systems are defined in attachment 2. The O&S cost element breakout defined in DoD 5000.4-M and illustrated in attachment 3 is strongly recommended.) Note that this section is not required for pre-Milestone II programs.

a. Assumptions and Ground Rules. Specify the conditions under which the O&S costs were estimated; e.g., operating tempo, reliability/maintainability, maintenance concept, manning and logistics policies. Provide the source and date of the cost estimate also will be noted. (See section 18.a of attachment 3.)

b. Costs. Enter the average annual operating and support cost per unit of measure in base-year dollars, according to the data elements approved at the Milestone II decision. The unit of measure should be determined by the DoD Component (e.g., average annual cost per aircraft, squadron, or wing). A sample format of an operating and support cost breakout, to include an antecedent system, is shown in section 18.b of attachment 3.

19. Cost-Quantity Information - Addendum (For DoD Use Only). This section contains the SAR baseline cost-quantity relationship used in calculating the quantity change variances resulting from the addition or deletion of major end items. Base-year dollar flyaway, rollaway, or sailaway cost-quantity information is required to be submitted only with the first SAR in which the current SAR baseline (normally the Development Estimate (DE) or Production Estimate (PdE)) is reported. (See section 19 of attachment 3.) This information will include the following:

a. The type of the current SAR baseline (specify Planning Estimate, Development Estimate, or Production Estimate, whichever is applicable) and the base year of the base-year dollars. (Do not enter the Current Estimate here unless it is the same as the current SAR baseline.)

b. The end item represented.

c. The current SAR baseline cost-quantity relationship (i.e., log-linear unit or log-linear cumulative average).

d. The theoretical first unit cost, if applicable.

e. The percentage slope and exponent of the slope, if applicable.

f. A tabular display of the current SAR baseline flyaway costs (nonrecurring and recurring) and quantities by fiscal year along with the associated plot points used in developing the mathematical relationship. NOTE: Flyaway costs will reflect the true end item cost for each fiscal year without regard to funding rules, i.e., advance procurement, outfitting, post delivery, cost growth, etc., will be included. The annual flyaway costs will relate to the end item quantities shown for that fiscal year. Full engineering development vehicles or hardware used in research and development testing are to be included as part of the cost-quantity information, unless it can be shown that the units are being produced in an environment other than that planned for the production units (e.g., model shop). When a mathematical expression is inappropriate (for example, ships), provide only the tabular data.

SAR DEFINITIONS

1. Acquisition Program Baseline (APB). A program baseline established by the DoD Components and approved by the milestone decision authority. The APB for cost, schedule, and performance characteristics will be included as Approved Program values (in SAR sections 9, 10 and 11) in all quarterly and annual SARs. Additionally, the APB values will be reflected in the SAR baseline in initial or rebaselined SARs.
2. Advance Procurement. Advance procurement is used to purchase components that have significantly long lead time to warrant early purchase to reduce the overall procurement lead time of the primary end item.
3. Annual Production Rate. The annual production rate is equivalent to the fiscal year buy quantity.
4. Antecedent System. A system that has been replaced by another due to obsolescence (technical or otherwise). Operating and support (O&S) costs will be reported for antecedent systems when the replacement system is required to report operating and support costs (see paragraph 18 of attachment 1).
5. Approved Program. The cost, schedule, and performance parameters reflected in the latest acquisition program baseline (APB).
6. Average Procurement Unit Cost (APUC). The unit cost that equals the sum of all procurement funds divided by the total number of fully configured end items to be procured. For unit cost reporting and APB purposes, the APUC is calculated in base-year dollars.
7. Baseline Report. In contract cost reporting, the baseline report for a specific contract is the first cost performance report received on that contract after the most recent APB approval.
8. Current Estimate (CE). A DoD Component's latest estimate of program acquisition cost, quantity, schedule milestone dates, and performance characteristics of the approved program (i.e., the approved program as reflected in the currently approved APB, ADM, or in any other document containing a more current decision of the MDA or other appropriate approval authority). In most cases, this will be the Program Manager's current estimate. Changes reflected in the PPBS that do not reflect fact-of-life changes are not to be reported until approved and included in the President's budget. Conversely, fact-of-life changes (i.e., events which have already happened or are unavoidable) such as contract awards, official reprogrammings irrecoverable schedule slips, and cost growth will always be included in the Current Estimate, even if they are included in the PPBS memorandums.
9. Development Estimate (DE). The SAR baseline estimate of program acquisition cost (by appropriation), schedule milestones, and performance characteristics that is approved at or subsequent to Milestone II, but before Milestone III. The DE is reflected in the SAR up to and including the first time the Production Estimate (PdE) (approved at Milestone III) is reported as the SAR baseline.
10. Economic Change. A change in program cost due to revisions in the assumptions of historical and future escalation. (See paragraph 13.a.(2) of attachment 1.)

11. Fully Configured End Item. The final combination of end products, component parts, and/or materials which is fully ready for its intended operational use. Normally all production units are fully configured. Research and development units may be considered fully configured if they are or are planned to become operationally equivalent to the production units.
12. Planning Estimate (PE). The SAR baseline estimate of program acquisition cost (by appropriation), schedule milestones, and performance characteristics that is approved before Milestone II. The PE is reflected in the SAR up to and including the first time the Development Estimate (DE) (approved at Milestone II) is reported as the SAR baseline.
13. Primary End Item. The end item of a multiple end item program that accounts for the majority of the total program acquisition cost. Normally, a multiple end item program will be included under the primary end item in Exhibit P-1 of DoD 7000.14-R, "Financial Management Regulation."
14. Production Estimate (PdE). The SAR baseline estimate of program acquisition cost (by appropriation), schedule milestones, and performance characteristics that is approved at or subsequent to Milestone III.
15. Program Acquisition Cost. The estimated cost of development (RDT&E), procurement, system-specific military construction, and acquisition-related operation and maintenance necessary to acquire the defense system. RDT&E costs will accumulate from the time when the Department of Defense acquisition program is designated by title as a program element or major project within a program element. Generally, the RDT&E portion of the program acquisition cost is reflected in the program element (PE) listing of the Department of Defense budget (see Exhibit R-1 of DoD 7000.14-R, "Financial Management Regulation"). Military construction costs will include only those projects that directly support and are uniquely identified with the subject program. Acquisition-related operation and maintenance costs may include acquisition costs which, in special cases, have been funded by operation and maintenance. Generally, the procurement cost portion of the program acquisition cost is reflected in the acquisition program line item listing of the Department of Defense budget (see Exhibit P-1 of DoD 7000.14-R, "Financial Management Regulation" for program costs plus associated initial spares). For Navy shipbuilding programs, outfitting, post delivery, and cost growth also are included. A detailed definition of program acquisition cost is provided in Chapter 3 of DoD 5000.4-M. When the P-1 Exhibit does not include all procurement costs as defined by DoD 5000.4-M, such costs should be identified in the SAR. The determination of add or non-add status for such costs will be made at the time the data elements are established and approved.
16. Program Acquisition Quantity. The total number of fully configured end items a DoD Component intends to buy through the life of the program. This quantity will be consistent with the current approved program for the Future Years Defense Program (FYDP) years and beyond, but will not be limited to the FYDP years if the DoD Component intends to buy beyond the FYDP years.
17. Program Acquisition Unit Cost (PAUC). The unit cost that equals the total program acquisition cost (as defined above) divided by the program acquisition quantity (i.e., the total number of fully configured end items). For unit cost reporting and APB purposes, the PAUC is calculated in base-year dollars.
18. Program Change. Any change in program cost other than economic change. For SAR purposes, each program change is classified under one of the following cost variance categories: quantity, schedule, engineering, estimating, other, or support. (See paragraphs 13.a.(1) and 13.a.(2) of attachment 1.)
19. Selected Acquisition Reports (SARs). Standard, comprehensive summary status reports on major defense acquisition programs (MDAPs) for external reporting to Congress.

- a. Annual SAR. The SAR for the fiscal year quarter ending December 31 (mandatory for all reporting programs). The specific reporting requirements are described in attachment 1.
- b. Initial SAR. The first SAR on a program, which may be submitted for any quarter of the fiscal year. The specific reporting requirements are described in attachment 1.
- c. Quarterly SAR. The SAR for the fiscal year quarters ending March 31, June 30, and September 30, which is submitted on an exception basis, according to the criteria stated in paragraph 2 of Part 2.B.4.2. Initial SARs, rebaselined SARs, termination SARs, and SARs that incorporate OUSD(A&T)-directed corrections may be submitted as quarterly SARs. Specific reporting requirements are described in attachment 1.
- d. RDT&E-Only SAR. A SAR that contains costs only on the development program (i.e., excludes procurement, military construction, and operation and maintenance costs). This limited reporting is permitted for pre-Milestone II programs (with Congressional notification).
- e. Transition SAR. The first report submitted in the two-step, SAR rebaselining process after a major milestone decision. The transition SAR contains both the old and the new SAR baseline. The subsequent report (step two) contains only the new SAR baseline.