

Appendix F: Definitions

Term	Definition
Architecture & Engineering (A&E) Agent	An Architecture & Engineering (A&E) Agent represents both a firm that does only design work, and a firm that can do design and construction. In the case of the latter, the combination is usually a construction contractor that sub-contracts a design firm to assist in the Design Build acquisition strategy.
Capital Improvement	The term capital improvement includes any improvement that increases the useful life, efficiency, capacity, size of an existing asset or modifies the functionality or use of the asset, regardless of the source of funding or capitalization threshold.
Capital Improvement Placed In Service Date ¹⁹	The calendar date the improvement to a real property facility is available for use by DoD. The date on which a leasehold improvement (capital improvement) is made to a leased facility. On this date, the government assumes liability and the warranties begin for the capital improvement to which they have received title. Also includes date of leaseholds.
Completeness	Financial statement assertions regarding management's completeness address whether all transactions and accounts that should be presented in the financial statements are so included. When conducting tests to verify the completeness assertion, auditors search for understatements. Testing begins with the supporting source documents and progresses toward the accounting records.
Construction in Progress (CIP)	In the context of real property construction, this represents the accumulation of costs of construction for or by the sponsoring entity since project inception.
Design Build	A design build contract or order indicates that both the design and construction of a real property asset is awarded and executed by the same Architecture & Engineering (A&E) agent (s) as part of one contract or order. I.e. the same A&E agent(s) conducts the design of a required real property asset and also executes the construction of the design upon completion. For the Army this would include an adapt build contract or order that indicates that the construction agent (USACE) will adapt an existing standard design (representing approximately 85% design complete) to meet local design criteria and the space available on the site. The final USACE design will be a 100% complete design. A construction contract will be awarded to build the project.
Design Bid Build	A design bid build contract or order indicates that design and construction of a required real property asset is executed by the two or more different Architecture & Engineering (A&E) agents. The design contract is initially awarded to a design agent (s) and once the design is completed, the construction agent(s) required to execute the construction of the completed design is sourced through a competitive bid process
Direct Cite	When funds are provided on a Direct Cite basis, the executing contracting agent will use the accounting codes (Line of Accounting) provided by the Sponsor (Funding Activity). All accounting relevant actions will be reported to the Funding Activity - Commitments, Obligations, Accrued Cost/Payables, and Disbursements/Expenditures for their Financial Reports.
Direct Costs	Direct costs are costs that can be specifically identified with an output. All direct costs should be included in the full cost of outputs. Typical direct costs in the production of an output include: (a) Salaries and other benefits for employees who work directly on the output; (b) Materials and supplies used in the work; (c) Various costs associated with office space, equipment, facilities, and utilities that are used exclusively to produce the output; and

¹⁹ For additional detail see table for “Placed in Service Date for Improvement Methods” refer to the Real Property Acceptance Requirements document, August 2006 at <http://www.acq.osd.mil/ie/bei/library.htm>.

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	(d) Costs of goods or services received from other segments or entities that are used to produce the output (See discussions and explanations in the next section on "Inter-Entity Costs").
DoD Construction Agent	In accordance with DoDD 4270.5, the U.S. Army Corps of Engineers, the Naval Facilities Engineering Command, or such other approved DoD activity assigned the design or construction execution responsibilities associated with the military construction program.
Existence or Occurrence	Financial statement assertions regarding existence or occurrence address whether assets and liabilities exist at a given date and whether recorded transactions occurred during a given period. When testing existence or occurrence assertions, auditors search for overstatements. Existence or occurrence testing should begin with the accounting records and progress toward the supporting evidence.
Indirect Costs	Indirect costs are costs of resources that are jointly or commonly used to produce two or more types of outputs but are not specifically identifiable with any of the outputs. Typical examples of indirect costs include costs of general administrative services, general research and technical support, security, rent, employee health and recreation facilities, and operating and maintenance costs for buildings, equipment, and utilities.
Logical Data Model (OV-7)	The OV-7 provides an integrated view of the data pertinent to DoD Business Mission Areas.
Military Construction	The term military construction as used in 10 USC §2801 includes any construction, development, conversion, or extension of any kind carried out with respect to a military installation. A military construction project includes all military construction work necessary to produce a complete and usable facility or a complete and usable improvement to an existing facility.
Military Department	In accordance with DODD 5110.4, for purposes of the Pentagon Reservation, Washington Headquarters Services shall be considered a Military Department and its Director the secretary thereof.
Operational Event-Trace Description (OV-6c)²⁰	These high-level views are useful for representing key performance parameters, thresholds, and objectives, and for building conceptual operational threads throughout the model. Operationally significant data objects and the information they contain form the information building blocks that are used to describe significant operational flows through the use cases. The OTS provides a way to represent the CONOPS and thread the pieces of the model productively ²¹ .
Operational Rules Model (Business Rules) (OV-6a)	The OV-6a captures business rules that constrain an enterprise, mission, operation, business, or architecture. The business rules describe what the business can and cannot do.
Operational Views (OV)	The OV is a description of the tasks, activities, operational elements, and information exchanges required to accomplish DoD missions. DoD missions include both warfighting missions and supporting business processes. The OV contains graphical and textual products that identify the operational nodes and elements, assigned tasks and activities, and information flows required between nodes. It defines the types of information exchanged, the frequency of the exchanges,

²⁰ Depiction of objects with explanation are located at end of this section

²¹ DoD Architecture Framework Version 1.0, Deskbook, DoD Architecture Framework Working Group, 15 August 2004, p. 2-63.

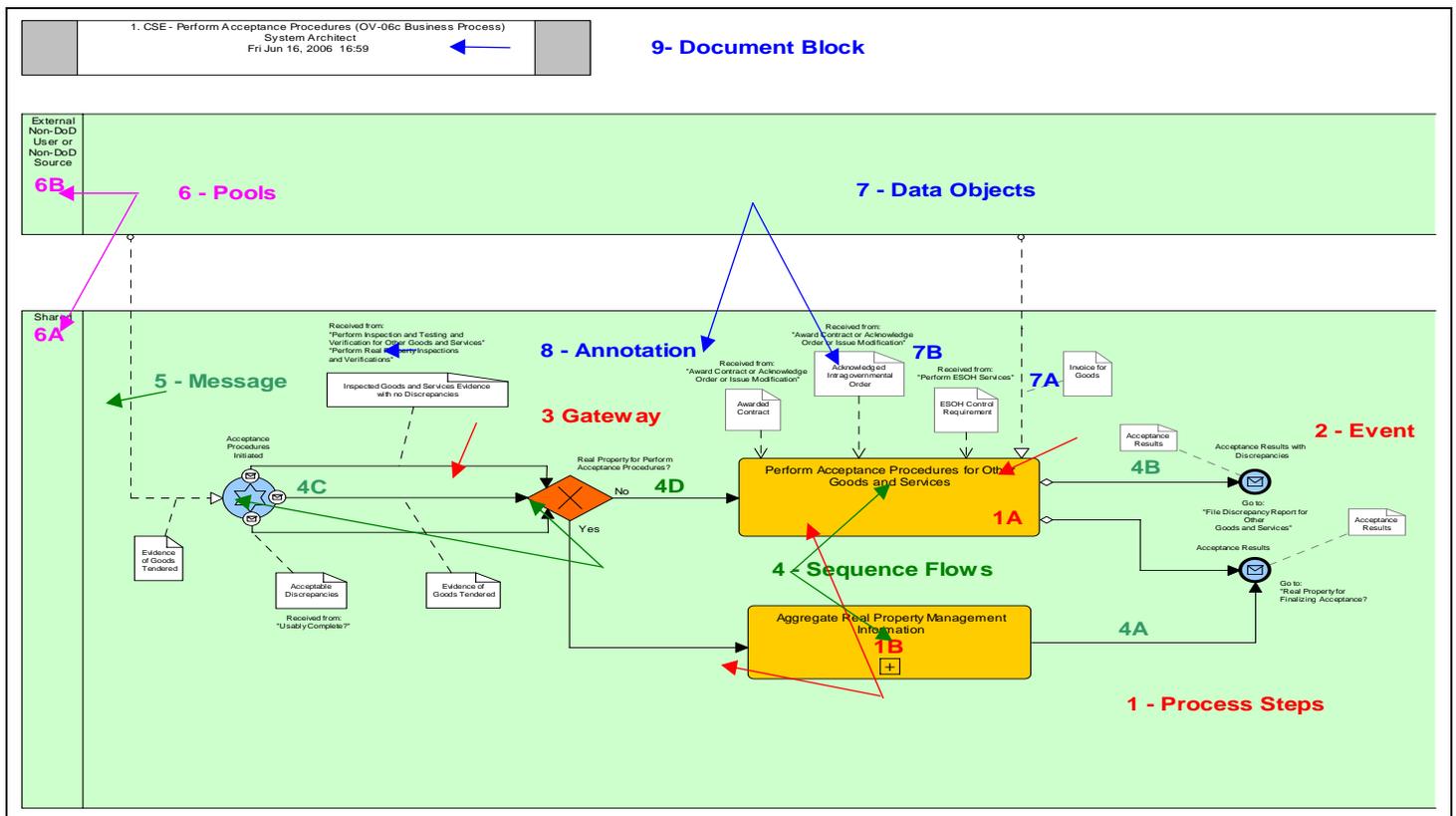
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	which tasks and activities are supported by the information exchanges, and the nature of information exchanges ²² .
Preponderant User	The DoD Component whose activities comprise the predominant use of a facility, as measured by using the largest quantity or unit of measured space. When determining which DoD Component must recognize a General PP&E asset for accounting and financial statement reporting purposes, refer to DoD FMR Volume 4, Chapter 6, 060105B.
Presentation and Disclosure	Financial statement assertions regarding presentation and disclosure address whether transactions are recorded in the proper accounts and whether particular components of the financial statements are accurately classified, described, and disclosed.
Real Property Accountable Component	The Military Department authorized under Title 10 to hold real property. In accordance with DODD 5110.4, for the purposes of the Pentagon Reservation, Washington Headquarters Services shall be considered a Military Department.
Real Property Asset Placed In Service Date ²³	The calendar date the real property asset is available for use by DoD. On this date, an interim Transfer and Acceptance of Military Real Property document (DD Form 1354) is signed, title for assets listed on the acceptance form is transferred, and the punch list of additional work and certificate of occupancy by local authorities are attached to the acceptance form. On this date, the government assumes liability and the warranties begin for the asset to which DoD has received title.
Real Property Unique Identifier (RPUID)	As defined in the RPIR, the real property unique identifier (RPUID) is a non-intelligent code used to permanently and uniquely identify a real property asset. Each real property asset in which the DoD has a legal interest must be assigned a Real Property Unique Identifier (RPUID).
Repair	The term repair project as used in 10 USC §2811 means a project to restore a real property facility, system, or component to such a condition that it may effectively be used for its designated functional purpose.
Rights and Obligations	Financial statement assertions regarding management's rights and obligations focus on whether assets and liabilities constitute the rights and liabilities of the entity on a given date. Audit procedures designed to test rights and obligations assertions often involve reading documents such as deeds, contracts, and vendor invoices to determine whether the organization has satisfactory title to its assets and whether the entity is obligated to pay the liabilities.
Sponsoring Entity	The military department, DoD agency or combatant command that sponsors the construction project. DoD agencies and combatant commands are not authorized to own real property and as such these assets are owned by and held in the real property inventory of real property accountable Component for the site where the asset is located.
Supervision, Inspection, and Overhead	Supervision, Inspection, and Overhead (SIOH) is a fee applied to the cost of a construction contract to recover direct and indirect expenses for a project's construction management services. Examples of Supervision, Inspection, and Overhead may include but are not limited to the following: administration of social programs, claims analysis, constructability review, contract/project administration, cost estimation, cost management, labor rates, materials testing, post construction activities, procurement of materials, equipment, project management, quality

²² DoD Architecture Framework Version 1.0, Volume I: Definitions and Guidelines, DoD Architecture Framework Working Group, 15 August 2004, p. 1-2.

²³ For additional detail see table for “Placed in Service Date for Acquisition Methods” refer to the Real Property Acceptance Requirements document, August 2006 at <http://www.acq.osd.mil/ie/bei/library.htm>.

Term	Definition
	assurance, scheduling, and value engineering.
Valuation or Allocation	Financial statement assertions regarding valuation or allocation address whether assets and liabilities are valued properly and whether costs are allocated reasonably among assets and time periods.
Work in Progress (WIP)	In the context of real property construction, this represents the accumulation of costs by the construction agent that will be billed to the sponsoring entity since project inception. The billed costs are recorded in the corresponding construction in progress (CIP) account by the sponsoring entity.

Figure 1, Objects of an OV-6c Diagram



Flow Objects are actually perform the work and produce the products, synchronize the Process Steps, and direct the process flow. Red numbers identifies these on Figure 1. The flow objects are:

1. **Process Steps** perform the work and produce the product. Process steps, called *tasks* (1A), are not further broken down into more detail. Other Process Steps, *sub-processes* (1B), are further broken down in another diagram. Sub-processes are identified with a “+” stereotype.
2. **Events** act like traffic signals and hold up the Process or allow it to proceed in response to things that happen, called *triggers*. A *Start Event* starts the Process in response to a trigger (in this case receipt of one of many allowable messages, shown by the envelope stereotype). An *End Event* (2) signifies the completion of the Process. End Events may cause an Event to happen; in this case, it sends a message when the Process ends.
3. **Gateways** act like switch tracks. Depending on decision criteria, the correct process path among many possible alternatives or synchronizing multiple Process paths is taken.

Arrows that show the process flow via process sequence or passing synchronizing messages represent *Connection Objects*. Green numbers identifies these on Figure 1. The connection objects are:

1. **Sequence Flows**, shown by solid arrows, are like railroad tracks that simply take the process flow from one Process Step to the next. Many Sequence Flows (4A) are neither labeled nor have conditions associated with them. *Conditional Sequence Flows* (4B) are identified by a diamond icon at the starting end and are taken when the condition is true. Some Sequence Flows have an *initiating event* (4C) that triggers the Sequence Flow, as when receiving a message. Finally, some Sequence Flows are *named Sequence Flows* (4D) for clarity, such as after making a choice in a Gateway.
2. **Message flows**, shown by dotted arrows, are messages between independent organizations (represented by separate *Pools*) that synchronize their separate internal processes. Message Flows are not the same as data flows; their *only* purpose is to signal readiness to proceed.