



DEPARTMENT OF THE NAVY  
DEPARTMENT OF THE NAVY CHIEF INFORMATION OFFICER  
WASHINGTON DC 20350-1000

10 January 2014

MEMORANDUM FOR DISTRIBUTION

Subj: DEPARTMENT OF THE NAVY SERVER-BASED SYSTEM AND APPLICATION  
MIGRATION AND HOSTING BEST VALUE POLICY GUIDANCE

Ref: (a) Department of Defense Chief Information Officer memo of July 11, 2013,  
Subj: Department of Defense Joint Information Environment: Continental  
United States Core Data Centers and Application and System Migration

This memorandum provides supplementary guidance for the migration and hosting of all Department of the Navy (DON) server-based systems and applications, as required by reference (a). System and/or application migration should be aligned with either a data center consolidation or tech refresh plan, whichever occurs sooner, but all migrations must be completed by the end of Fiscal Year 2018. As it executes these migrations, the Department seeks to reduce operational costs, increase standardization, improve cyber security posture, and gain information technology infrastructure flexibility by employing best value hosting solutions. For this purpose, best value is defined as hosting that satisfies all mission and security requirements at the most competitive price.

All activities associated with data center consolidation (DCC), migration and hosting will be coordinated, reviewed and submitted for DON Chief information Officer (CIO) approval by the respective DON Deputy CIOs (DDCIO) for Navy and Marine Corps organizations or by the DON Assistant for Administration (DON/AA) for Secretariat organizations. Any DCC or migration initiative approved for Fiscal Year 2014 execution by DON CIO or a DDCIO prior to the date of this memorandum may continue as planned. Hereafter, to meet National Defense Authorization Act (NDAA) law and DoD/DON policy requirements, all DCC and migration plans submitted to DON CIO for approval must include best value determinations and must be submitted using current routing tools (NAV-IDAS for Navy and Secretariat, ITPRAS for Marine Corps). Every value analysis will include an appropriate DoD Core Data Center (CDC), as defined in reference (a), as an option.

To ensure that the pertinent value analysis information is available, all DON owned CDCs and Installation Processing Nodes (IPNs) not designated for closure will publish annual rate cards using the DON Enterprise Rate Card Development Tool (<http://www.doncio.navy.mil>) not later than 90 days before the new fiscal year. DON owned CDCs and IPNs not designated for closure that have not published Fiscal Year 2014 rate cards will do so within 90 days of the date of this memorandum.

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To ensure consistency, all value analyses will consider the following cost factors:

- Labor (Civilian & Contract)
- Facilities
- Utilities
- Information Assurance Vulnerability Management
- Maintenance (Software, Hardware, Plant)
- Network/Bandwidth
- Software Licensing
- Tech Refresh

Any review recommending a hosting option other than a DoD CDC must include a business case analysis (BCA) comparing the recommended alternative to a DoD CDC using the DON Abbreviated BCA template (<http://www.doncio.navy.mil>). Similar systems (i.e., those with the same classification and sensitivity levels) should be grouped together in one, versus multiple system BCAs. All completed BCA packages will be submitted to the DON CIO for approval and forwarding to the DoD CIO.

The DON CIO point of contact for this effort is Mr. Randy Darrow, 703-695-1986, [randy.darrow@navy.mil](mailto:randy.darrow@navy.mil). The point of contact for the DON Enterprise Rate Card Development Tool is Mr. Scott Hargate, 703-695-2907, [robert.hargate@navy.mil](mailto:robert.hargate@navy.mil).



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