

Defense Business Transformation Agency

Fiscal Year 2007 Budget Estimates

February 2006



Research, Development, Test and Evaluation, Defense-Wide

Appropriation/Budget Activity	Engineering and Manufacturing Development		Item Nomenclature		Business Transformation Agency			
	RDT&E, DW, Budget Activity: 5		PE 0605020BTA					
Cost (\$ in Millions)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	
Total PE Cost	0.000	0.000	91.898	80.803	79.942	82.006	83.912	

A. Mission Description and Budget Item Justification

The mission of the Business Transformation Agency (BTA) is to facilitate the transformation and modernization of Department of Defense's (DoD) business processes and systems through cross-domain integration to make relevant, reliable, and timely business information available on a routine basis to support informed decision making at all levels throughout the DoD. Specific BTA functions include:

- Provide the architectural content, integration, and mapping necessary for effective portfolio management of DoD business systems within the DoD and Federal portfolios.
- Develop, maintain, coordinate, and oversee implementation of a transition plan for the DoD Business Transformation and migrate from the "As-Is" to the "To-Be" business environment.
- Ensure and measure the effectiveness of the Business Enterprise Architecture's (BEA) ability to accurately reflect DoD business missions and strategies to sufficiently drive acquisition of solutions that directly support and realize those missions and strategies.
- Develop, extend, and maintain DoD BEA in collaboration with BTA Governance.
- In collaboration with the DoD Global Information Grid (GIG) Chief Architect, develop, promulgate, and maintain enterprise architecture (EA) methodologies and standards for the DoD Business Mission Area.
- Establish and maintain mission, vision, strategy and processes for BTA.
- Serve as the enterprise-level integration point to keep the Department's business transformation activities and investments aligned with the BEA.
- Build and maintain stakeholder "buy in" of BTA goals and methodologies.
- Enable BTA resources to achieve BTA mission, vision, and strategy through adequate funding, training, and technology.
- Review and recommend Comptroller certification action of Core Business Mission Area supported business system Information Technology (IT) investments.
- Develop guidance to ensure business systems IT investments are aligned with BTA goals and objectives and are consistent with the BEA and Transition Plan (TP).

In accordance with the National Defense Authorization Act for FY 2005, the Secretary established the Defense Business Systems Management Committee (DBSMC), chaired by the Deputy Secretary of Defense with the Under Secretary of Defense (Acquisition, Technology, and Logistics) (USD (AT&L)) as the Vice Chair. The DBSMC will provide recommendations to the Secretary that will ensure the use of common decision criteria for DoD business system modernization to align business transformation to Warfighter capabilities and objectives. The Vice Chair will provide acquisition oversight of the Department's business transformation efforts along with the four appointed Approval Authorities for defense business systems; USD (AT&L), USD (Personnel and Readiness), USD (Comptroller), and Assistant Secretary of Defense (Networks and Information Integration). The DBSMC is under charter as defined by Section 186 of USC Title 10. The DBSMC will comply with the mandated reporting requirements. In setting up the IRBs, the DBSMC conducts formal reviews of the Defense Business Systems Modernization Program's accomplishments to date; and reviews and ratifies new program objectives.

Program Accomplishments and Plans/New Starts:

FY 2007:

1. Ensure new priorities are incorporated into the ETP and BEA.
2. Continue implementing the ETP (bi-annual updates).
3. Continue rapid deployment of capabilities to the Warfighter such as those listed below:

Name	Description	Impact
Acquisition and Financial System Interfaces	This initiative will use existing technology to move legacy systems to American National Standards Institute (ANSI) X.12 or extensible mark-up language (XML) standards based interfaces.	This effort will improve accuracy, timeliness and integrity of data exchanges while avoiding the costs and rework associated with manual data entry.
Common Adaptive Strategy	Provide a set of procedures to allow ERPs and other legacy systems to connect to the SPS utilizing the PD2 interface.	Consistencies of transactions throughout DoD, reduce operating costs, reuse of existing resources and provide for a common framework for future connectivity projects.
Contingency Contracting SF44 (CC-SF44)	Develop a man-portable, stand-alone capability that can allow Contingency Contracting Officers (CCOs) or Ordering Officers to work independently in an austere environment, to publish both purchase orders and contracts.	Updates the paper-based SF44 process for CCOs with portable electronic solution. Provide near-real-time visibility on items procured, delivered, and money obligated throughout the CCO community, as well as the ability to transfer information easily to home offices.
DoD EMALL	Enables shared user profile between EMALL and GSA Advantage to provide an integrated shopping experience	Will eliminate the current disparate process to catalog purchases and spend data

- a. Wide Area Work Flow - Provides DoD and the Warfighter insight into the supply chain for goods/services received
- b. Online Representations and Certifications Application - Ensures that the DoD and the Warfighter do business with commercial entities that comply with U.S. law. Provides the authoritative source of representations and certifications.
- c. Business Enterprise Information Services - Standardizes the Treasury reporting process
- d. Defense Acquisition Management Information Retrieval - Enterprise acquisition visibility to programs and status. Ability to share information that is accurate, relevant, consistent, and accessible in near real-time.
4. Continue to identify and rectify gaps in the BEA (bi-annual updates).
5. Review all systems requiring Certification.

	FY 2005	FY 2006	FY 2007
B. Program Change Summary			
FY 2006/2007 President's Budget			0.000
FY 2007/FY 2008 President's Budget			91.898
Total Adjustments			
Congressional Adjustments(Distributed)			
Congressional Adjustments(Undistributed)			

Current Budget Submi/Budget Estimate

Program Change Summary Explanation: The change from FY 2006 to FY 2007 reflects the Deputy Secretary of Defense decision to consolidate and centrally manage Defense-wide business systems and initiatives into the Business Transformation Agency. The increase in the financing represents the functional transfer of the associated business missions and resources from various defense components.

C. Other Program Funding Summary: N/A

D. Acquisition Strategy: The needs of the BTA arise at different times with different levels of support for varied subject expertise. The strategy is to consolidate contractor support service and award competitively competed contracts with the private sector. The best approach to acquire as-needed services for a wide variety is through multi-award contracts. The delivery of services will vary based on the needs of the program. Each of the primary areas of work is identified in the statement of needs. The Defense Business Systems Acquisition Executive is overseeing the acquisition process. Additional details about the Acquisition Strategy are listed in the Exhibit 300/Modified 300 Business for the Transformation Agency.

E. Performance Metrics: The performance metrics for these resources are separately addressed in the Exhibit 300, Part 1.C. Performance Goals and Measures. A separate exhibit is also included in the FY 2007 President's Budget in support of the Program Assessment Rating Tool. Additional performance metrics, other than those reported, are currently under development.

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Exhibit R-3, RDT & E, DW Project Cost Analysis

Appropriation: RDT&E, DW, Budget Activity: 5	Program Element: 0605020BTA	Date: February 2006
		Business Transformation Agency

Cost Categories	Contract Method & Type	Performing Activity & Location	Total FY Pys Cost	FY 2005 Cost	FY 2005 Award Date	FY 2006 Cost	FY 2006 Award Date	FY 2007 Cost	FY 2007 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Architectural Development/ Maintenance	Competitive Blanket Purchase Agreement	BTA						20.5	Oct 2006	Cont.	Cont.	20.5
Independent Verification and Validation and OCI functions; Risk assessment; Systems Engineering Support	Competitive Time & Material	BTA						2.7	Oct 2006	Cont.	Cont.	2.7
Program Support	Competitive Time & Material	BTA						7.5	Dec 2006	Cont.	Cont.	7.5
DBSE		BTA						20	March 2006	0	20	20
Business Enterprise Priorities (Details Provided in Transition Plan)								37.698	Oct 2006	Cont.	Cont.	37.698
Governance, Transition, IRB & Start-up costs for Defense								3.5	Oct 2006	Cont.	Cont.	3.5

Exhibit R-4, Schedule Profile

Date: February 2006

Appropriation: RDT&E, DW, Budget Activity: 5

Program Element: 0605020BTA

Business Transformation Agency

Fiscal Year	2005				2006				2007				2008				2009				2010				2011				2012							
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4				
Gap Analysis																																				
ETP Update																																				
BEA Update																																				
Advancing Current BEPs																																				
Annual Review of Business System Investments																																				

R-4 Schedule Profile -

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Exhibit R-4a, Schedule Detail

Date: February 2006

Appropriation/Budget Activity RDT&E, DW, Budget Activity: 5	Program Element Number and Name 0605020BTA Business Transformation Agency		Project Number and Name 016 Business Transformation Agency						
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Schedule Profile									
Gap Analysis			Oct 2007 Sept 2007	Oct 2008 Sept 2008	Oct 2009 Sept 2009				
ETP Update			Oct 2007 Sept 2007	Oct 2008 Sept 2008	Oct 2009 Sept 2009				
BEA Update			Oct 2007 Sept 2007	Oct 2008 Sept 2008	Oct 2009 Sept 2009				
Advancing Current Business Enterprise Priorities			Oct 2007 Sept 2007	Oct 2008 Sept 2008	Oct 2009 Sept 2009				
Annual Review of Business System Investments			Oct 2007 Sept 2007	Oct 2008 Sept 2008	Oct 2009 Sept 2009				

R-4a Schedule Profile -

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R-1 Shopping List Item No. 101

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Exhibit R-2/R-2a, RDT&E Budget Item Justification

Date: February 2006

Appropriation/Budget Activity Engineering and Manufacturing Development RDT&E, DW, Budget Activity: 5		110 Item Nomenclature: BTA Weapon System Lifecycle Management - Core Business Mission Area 0605020BTA					
Cost (\$ in Millions)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Total PE Cost			3.100	0.000	0.000	0.000	0.000

A. Mission Description and Budget Item Justification

The Business Transformation Agency (BTA) Core Business Mission Areas were established as part of the program's governance approach. The mission of the Core Business Mission Areas is to lead business process transformation through business process reengineering (BPR) and system integration. The Supply Chain Systems Transformation (AQ) Core Business Mission Area leads the transformation to strategic acquisition by integrating the people, processes, and technologies required to implement a modern acquisition environment that supports the Warfighter's needs.

The Weapons System Lifecycle Management (WSLM) Core Business Mission Area (CBMA) is one of five end-to-end functional business areas established by the Department as a framework to transform business operations, implement the Department's Business Enterprise Architecture, and manage the Core Business Mission Area's Information Technology (IT) portfolio. Key mandates for the WSLM include the President's Management Agenda, the E-Government Act of 2002, and the National Defense Authorization Acts of 2003 and 2005. The WSLM Core Business Mission Area includes 153 reported procurement systems and almost 176,000 systems users, representing \$124 million. In addition to managing its Defense Department investments, WSLM must also align federal enterprise systems and initiatives with DoD enterprise initiatives.

WSLM is an end-to-end functional area that includes systems and capabilities to better provide for the Warfighter's needs. Through determination of common business processes and management of enterprise wide investments in information technology for WSLM business solutions, and within the framework of its governance structure, WSLM brings transparency to acquisition information. This transparency is critical to supporting full life-cycle management of the Department's processes that deliver weapon systems and automated information technology support systems.

Accomplishments/Planned Program:

FY2007:

1. Funds will continue to be used in support of the Standard Procurement System proposed enhancement to enable deployment to all Military Departments and Defense Agencies.
2. Funds will also be used to enhance and sustain OSD supported integrations.

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
B. Program Change Summary			
FY 2006/2007 President's Budget	0	0	0
FY 2007 BES	0	0	3.100
Total Revised Estimate	0	0	3.100
Total Adjustments			
Congressional			
Adjustments(Distributed)			
Congressional			
Adjustments(Undistributed)			

Current Budget Submit/Budget Estimate

Funding: The change from FY 2006 to FY 2007 is due to the fact that Weapon System Lifecycle Management - Core Business Mission Area is being transferred to the Defense Business Transformation Agency in FY 2007.

Schedule: Business process reengineering was started following completion of the first version of the BEA. The reengineering will be on-going in an incremental approach consistent with the increments of BTA. All results will be documented in updates to the BEA.
 Technical: Not Applicable

C. Other Program Funding Summary: N/A

D. Acquisition Strategy: Program will make use of competed vehicles or internal resources. The strategy will be to competitively contract with the private sector for required effort. Additional details about the Acquisition Strategy are listed in the Exhibit 300/Modified 300.

E. Performance Metrics: The performance metrics for these resources are separately addressed in the Exhibit 300/Modified 300.

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Exhibit R-3, RDT & E, DW Project Cost Analysis

Appropriation: RDT&E, DW, Budget Activity: 5 Date: February 2006
 Program Element: 0605020BTA Weapon System Lifecycle Management
 Core Business Mission Area

Cost Categories	Contract Method & Type	Performing Activity & Location	Total Pys Cost	FY 2005 Cost	FY 2005 Award Date	FY 2006 Cost	FY 2006 Award Date	FY 2007 Cost	FY 2007 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Additional System Eng Changes	Time and Material							3.1	Oct 2006	3.1	3.1	3.1

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R-4 Schedule Profile - Item No. 20-3 of 20-4

Exhibit R-4, Schedule Profile

Date: February 2006

Appropriation/Budget Activity RDT&E, DW, Budget Activity: 5		Program Element Number and Name 0605020BTA Weapon System Lifecycle Management Core Business Mission Area												Project Number and Name Weapon System Lifecycle Management Core Business Mission Area																										
Fiscal Year	2005				2006				2007				2008				2009				2010				2011				2012											
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4								
WAWF Eng Changes																																								

R-4a Schedule Profile - Item No. 20-4 of 20-4

Exhibit R-4a, Schedule Detail		Date: February 2006										
Appropriation/Budget Activity	Program Element Number and Name	Project Number and Name										
RDT&E, DW, Budget Activity: 5	0605020BTA Weapon System Lifecycle Management Core Business Mission Area	Weapon System Lifecycle Management Core Business Mission Area										
Schedule Profile	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	2013			
WAWF Eng Changes												
Merge Electronic Document Access (EDA) and Navy Air Force Interchange (NAFI)												
SPS Eng Changes												
Additional System Eng Changes			IQ									

Exhibit R-2/R-2a, RDT&E Budget Item Justification

Date: February 2006

Appropriation/Budget Activity Engineering and Manufacturing Development RDT&E, DW, Budget Activity: 5	100 Item Nomenclature: Business Transformation Agency - Real Property and Installation Lifecycle Management and Financial Management - Core Business Mission Area PE 0605020BTA						
Cost (\$ in Millions)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Total PE Cost	0.000	0.000	12.386	13.158	13.191	13.568	13.459

B. Mission Description and Budget Item Justification

The Business Transformation Agency (BTA) Core Business Mission Areas (CBMA), were established as part of the program's governance approach. The mission of the CBMAs, is to lead business process transformation through business reengineering (BPR) and system integration in order to deliver end-to-end capabilities in support of the Warfighter. The results of the reengineering efforts will be documented in the Business Enterprise Architecture (BEA) and together with the Enterprise Transition Plan (ETP) will serve as a framework to guide investments in business management operations and systems. The BEA and ETP are both living evolving documents. Investment Review Boards (IRB) are being established to review and make recommendations for investments that should be certified to the Defense Business Systems Management Committee (DBSMC). Individual CBMA sponsored initiatives will complement business enterprise programs in the execution of business transformation.

In accordance with the National Defense Authorization Act for FY 2005, the Secretary established the Defense Business Systems Management Committee (DBSMC), chaired by the Deputy Secretary of Defense with the Under Secretary of Defense (Acquisition, Technology, and Logistics) (USD (AT&L)) as the Vice Chair. The DBSMC will provide recommendations to the Secretary that will ensure the use of common decision criteria for DoD business system modernization to align business transformation to Warfighter capabilities and objectives. The Vice Chair will provide acquisition oversight of the Department's business transformation efforts along with the four appointed Approval Authorities for defense business systems; USD (AT&L), USD (Personnel and Readiness), USD (Comptroller), and Assistant Secretary of Defense (Networks and Information Integration). The DBSMC is under charter as defined by Section 186 of USC Title 10. In setting up the IRBs, the DBSMC will conduct a formal review of the Defense Business Transformation Agency's accomplishments to date; and review and ratify new program objectives, structure and baseline. The Program has established the DBSMC to comply with all aspects of the law by September 30, 2005 mandate.

Accomplishments/Planned Program:

FY 2007:

1. The FM CBMA will model the entire Planning, Programming, and Execution (PPBE) processes information structure to ensure integration across the PPBE. All efforts will be fully integrated within previously developed standard data structure and documented in the BEA. In addition models will be developed to ensure deployment can be accomplished given current and future systems and processes.
2. The FM CBMA will continue reengineering the cost accounting process with a focus on data standardization. The BPR will result in standard business processes that incorporate leading practices from both government and industry.
3. The RP&LM CBMA will continue implementing, refining, and updating the RP&LM Strategic Plan, Enterprise Architecture and Transition Plans linked with the BEA, BPRs, IT systems portfolio management; and develop transition plans for completed BPRs.
4. The Real Property and Installations Lifecycle Management Core Business Mission will support Financial Management's financial backbone projects.

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	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	
B. Program Change Summary				
FY 2006/2007 President's Budget	0.000	0.000	0.000	
FY 2007 President's Budget	0.000	0.000	12.386	
Total Adjustments	0.000	0.000	0.000	
Program Adjustment				
Congressional adjustments (distributed)				
Congressional adjustments(undistributed)			0.000	

Current Budget Submit/Budget Estimate

Program Change Summary Explanation: The change from FY 2006 to FY 2007 reflects the Deputy Secretary of Defense decision to consolidate and centrally manage Defense-wide business systems and initiatives into the Business Transformation Agency. The increase in the financing represents the functional transfer of the associated business missions and resources from various defense components.

C. Other Program Funding Summary: N/A

F. Acquisition Strategy: The strategy will be to competitively contract with the private sector for required effort. Additional details about the Acquisition Strategy are listed in the Exhibit 300/Modified 300.

G. Performance Metrics: The performance metrics for these resources are separately addressed in the Exhibit 300/Modified 300. A separate exhibit is also included in the FY 2007 President's Budget in support of the Program Assessment Rating Tool.

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Exhibit R-3, RDT & E, DW Project Cost Analysis

Appropriation: RDT&E, DW, Budget Activity: 5

Program Element:
0605020BTA

Date: February 2006
Business Transformation Agency - Real Property and Installation Lifecycle Management and Financial Management - Core Business Mission Area

Cost Categories	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2007 Cost	FY 2007 Award Date	Cost to Complete	Total Cost						
Financial Management Core Business Mission	Interagency Agreement	OSD	0	3.926	N/A	16.334	20.26						
RP&ILM CBMA Technical and Administrative Services	GSA MOBIS Schedule Time and Material	OSD	0	4.16	May 2007 Sep 2007	17.742	21.902						
JFMIP compliant DEAMS initiative support	Interagency Agreement	OSD	0	4.3	N/A	19.3	23.6						
RP&ILM CBMA AoA	GSA IT Schedule Time and Material	OSD	0	0	April 2007	0	0						

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Exhibit R-4, Schedule Profile

Date: February 2006

Appropriation/Budget Activity RDT&E, DW, Budget Activity: 5	Program Element Number and Name 0605020BTA Real Property and Installation Lifecycle Management and Financial Management - Core Business Mission Area		Project Number and Name 210 Business Transformation Agency - Real Property and Installation Lifecycle Management and Financial Management - Core Business Mission Area																																					
	2005				2006				2007				2008				2009				2010				2011				2012											
Fiscal Year	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4				
Increment 4																																								
BPR																																								

R-4 Schedule Profile - Item No. 20-3 of 20-4

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Exhibit R-4a, Schedule Detail		Date: February 2006										
Appropriation/Budget Activity RDT&E, DW, Budget Activity: 5	Program Element Number and Name 0605020BTA Real Property and Installation Lifecycle Management and Financial Management - Core Business Mission Area	Project Number and Name 210 Business Transformation Agency - Real Property and Installation Lifecycle Management and Financial Management - Core Business Mission Area										
Schedule Profile		FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013		
Increment 4				Oct 2006								

R-4a Schedule Profile - Item No. 20-4 of 20-4

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Exhibit R-2/R-2a, RDT & E Budget Item Justification

Date: February 2006

Appropriation/Budget Activity		Item Nomenclature				Business Transformation Agency	
Engineering and Manufacturing Development		Electronic Document Access/Wide Area Work Flow/Federal				PE 0605020BTA	
RDT&E, DW, Budget Activity: 5		Technical Data Solutions					
Cost	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
(\$ in Millions)							
Total PE Cost	0.000	0.000	3.308	3.317	3.326	3.453	3.592

Mission Description and Budget Item Justification

This program supports initiatives to increase the application of Electronic Business/Electronic Commerce (EB/EC) across the Department of Defense (DoD). Program funding is being reduced due to a transition from a development to a sustainment posture. This program element is under Budget Activity 5 because it involves the development of upgrades that increase the functional performance of the existing eBusiness systems.

FY 2007
Subtotal Cost 1.787

Wide Area Workflow (WAWF) – WAWF was designed to eliminate paper from the receipts and acceptance process of the DoD contracting lifecycle. The goal is to enable authorized Defense contractors and DoD personnel to create invoices, receive reports, and access contract related documents. The contract is available through a seamless interface with Electronic Document Access (EDA). WAWF supports DoD's efforts to reduce unmatched disbursements in the DoD receipt, acceptance, entitlement, and payment process through data sharing and electronic processing. The benefits to DoD are global accessibility of documents, reduced need for re-keying, improved data accuracy, real-time processing, secure transactions with audit capability, and faster processing resulting in fewer interest penalties. For vendors, benefits include the capability to electronically submit invoices, reduction of lost or misplaced documents, and online access to contract payment records.

Accomplishments and Planned enhancements are as follows:

FY 2007: Release 4.0 - 4.x will expand to other Federal customers as appropriate. Continued sustainment is also needed for the program.

FY 2007
Subtotal Cost 1.839

System/Program Testing and Analysis – The DISA Electronic Commerce Infrastructure consists of multiple systems developed for multiple organizations by multiple vendors. These individual systems are integrated into the Electronic Commerce Infrastructure. The Joint Interoperability Test Command (JITC) performs testing ranging from developmental, system/integration, Operational Acceptance Testing (OAT), database conversion, migration, validation, stress, performance, load, Common Access Card (CAC), Section 508 compliance/accessibility testing and end-to-end in support of

all releases and patches for eBusiness applications. The JITC supports DoD Electronic Business Exchange (DEBX), Electronic Document Access (EDA), Central Contractor Registration (CCR), WAWF, and the Federal Technical Data Solutions (FedTeDs). JITC also provides assistance in trouble-shooting issues that arise in deployed applications. Additionally, JITC provides service, that includes configuration management support, help desk support, and business support. Planned Enhancements are as follows:

FY 2007: JITC will provide end-to-end integrated operational testing for all major eBusiness applications to include DEBX, EDA, WAWF, CCR and FedTeDs.

C. Program Change Summary:

	<u>FY 2007</u>
Previous President's Budget	-----
Current Submission	3.308
Total Adjustments	3.308

Change Summary Explanation:

FY 2007 changes are due to revised fiscal guidance.

D. Other Program Funding Summary:

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	To	Total	<u>Complete</u>	<u>Cost</u>
O&M, DW	20.968	21.629	22.474	20.142	20.421			Contg	Contg



E. Acquisition Strategy: Various types of contracting vehicles are utilized in accomplishing the overall mission objectives. Several vendors provide analysis and development of system interoperability to legacy systems, thus eliminating the duplication of effort and functions. Both large and small businesses have been put on contract to support eBusiness applications and eBusiness engineering. All of these efforts will allow DoD to improve business efficiency by drastically reducing processing time and the amount of paper received, processed, and stored.

F. Performance Metrics: Initially, because the emphasis was on rapid transition from prototype to operating environment, early focus was on prototype, production, and functionality rather than program performance. However, the intent was to migrate to a more formal program management process once WAWF matured as a product while still maintaining the tenets of streamlined evolutionary acquisition. Currently, with each fiscal year, a prioritized list of requirements is developed and agreed to by the WAWF Joint Requirements Board (JRB). The JRB has representatives from the military Services and DoD agencies. Based on the list of requirements, a WAWF overall schedule is produced which includes integration activities with other EB applications, and it identifies products and milestones. A detailed work breakdown structure is then developed internal to each WAWF contractor. Fiscal year funds are allocated to contractors based on the amount of work scheduled per quarter or per year and appropriate Statements of Work are written. WAWF Program Management hosts monthly integration meetings to ensure that all integrating applications are meeting assigned target goals. This is our first step towards an integrated performance management approach. WAWF Program Office reviews monthly status reports that charts budgeted costs against actual costs. WAWF Program Office also provides monthly status updates to JRB members, where some requirements are then “fine tuned” or changed and hence, these changes are recorded and appropriate cost/schedule impact is reviewed.

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Exhibit R-3, RDT & E, DW Project Cost Analysis

Date: February 2006

Appropriation: RDT&E, DW, Budget Activity: 5

Program Element: 0605020BTA

Electronic Document Access/Wide Area Work Flow/Federal Technical Data Solutions

Cost Category	Contract Method & Type	Performing Activity & Location	FY 2007 Cost	Award Date
WAWF- RA	PR	CACI Inc. Chantilly VA, Jacksonville, FL	1.787	10/06
WAWF - INT	PR	Science Applications International Corporation (SAIC) Falls Church, VA	0.000	N/A
WAWF - Training	PR	Concurrent Technology Corp. (CTC) Seminole, FL	0.000	N/A
	PR	NGIT Reston V/A	0.000	N/A
	PR	Merim	0.000	N/A
JITC	MIPR	JITC Ft Huachuca, AZ	1.521	10/06
TOTAL			3.308	

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Exhibit R-4, Schedule Profile

Date: February 2006

Appropriation: RDT&E, DW, Budget Activity: 5

Program Element: 0605020BTA

Electronic Document Access/Wide Area Work
Flow/Federal Technical Data Solutions

Fiscal Year	FY2005				FY2006				FY2007				FY2008				FY2009				FY2010				FY2011				FY2012			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Develop Business Enterprise Architecture 1.0									△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△
SYS/PROG Test & Analysis- Application T&A									△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△
SYS/PROG Test & Analysis- Integration T&A									△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△
PRODUCT IMPROVEMENT									△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△	△
WAWF																																

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R-1 Shopping List Item No. 101

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Exhibit R-4a, Schedule Detail

Date: February 2006

Appropriation: RDT&E, DW, Budget Activity: 5	Program Element: 0605020BTA						Electronic Document Access/Wide Area Work Flow/Federal Technical Data Solutions					
Schedule Profile	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013			
<u>DEVELOPMENT TECHNICAL TESTING</u>												
SYS/PROG T&A – Application Test and Analysis			Oct 2006- Sept 2007	Oct 2007- Sept 2008	Oct 2008- Sept 2009	Oct 2009- Sept 2010	Oct 2010- Sept 2011					
SYS/ PROG T&A – Integration Test and Analysis			Oct 2006- Sept 2007	Oct 2007- Sept 2008	Oct 2008- Sept 2009	Oct 2009- Sept 2010	Oct 2010- Sept 2011					
<u>PRODUCT IMPROVEMENT</u>												
Wide Area Work Flow (WAWF)			Oct 2009- Sept 2010	Oct 2009- Sept 2010	Oct 2009- Sept 2010	Oct 2009- Sept 2010	Oct 2010- Sept 2011					

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Exhibit R-2/R-2a, RDT&E Budget Item Justification

Date: February 2006

Appropriation/Budget Activity Engineering and Manufacturing Development RDT&E, DW, Budget Activity: 5		110 Item Nomenclature: Capital Asset Management Systems- Military Equipment Evaluation PE 0605020BTA								
Cost (\$ in Millions)	FY 2005	FY 2006	FY 2007	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011		
Total PE Cost			5.648	5.648	6.149	-----	-----	-----		

A. Mission Description and Budget Item Justification

CAMS-ME has been approved by the Finance and Accounting, Logistics, and Acquisition Domains as the Mid-Term Systems Solution for reporting the value of military equipment (ME). As part of the Department's enterprise system solution for valuing and reporting ME, CAMS-ME will maintain the work in process (WIP) cost, calculate the value of ME, and depreciate delivered ME end items over the course of their useful lives. CAMS-ME will be developed by the Department of the Navy working with OUSD(AT&L), and with Air Force and Army assistance, to ensure that all ME valuation requirements are met.

Implementation of CAMS-ME will:

- Provide reliable and accurate information to decision makers
- Consistently determine total acquisition cost of assets
- Decision makers will get comparable information over time and between programs
- It will allow better investment planning for replacements

Increase public confidence in the Department's ability to account for its assets and help achieve a clean audit opinion.

Bring the Department into compliance with the Chief Financial Officers Act of 1990 and the Federal Financial Management Improvement Act of 1996.

The RDT&E budget funds business process modeling & analysis, configuration management, system engineering, reports design, hosting implementation, and software development costs for the CAMS-ME DoD-wide Enterprise Solution.

Accomplishments/Planned Program:

FY 2007 Plans:

Capital Asset Management System-Military Equipment (CAMS-ME)

- The primary purpose is to automate the interfaces necessary for calculating the 'full cost' of an asset on a per/individual asset basis
- Data exchanges/interfaces utilizing Wide Area Work Flow, Unique Identifiers, and service logistics systems will be leveraged to compute transaction level asset valuations, as appropriate
- This system will be used until long-term Service-specific solutions (phase 4) are developed, tested and fully implemented

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B. Program Change Summary	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
FY 2006/2007 President's Budget	0	0	0
FY 2007 BES	0	0	5.648
Total Revised Estimate	0	0	5.648
Total Adjustments			0
Congressional Adjustments(Distributed)			
Congressional Adjustments(Undistributed)			

Current Budget Submit/Budget Estimate

Funding: The change from FY 2006 to FY 2007 is due to the fact that Capital Asset Management Systems- Military Equipment Evaluation Area is being transferred to the Defense Business Transformation Agency in FY 2007.

C. Other Program Funding Summary: N/A

Acquisition Strategy: N/A

Performance Metrics: The outcome goals for the Military Equipment Valuation project and CAMS-ME are to implement a system (CAMS-ME) that will provide reliable and accurate information to decision makers so that total acquisition cost of assets will be consistently determined; decision makers will get comparable information over time and between programs; and to allow better investment planning for replacements. In addition, CAMS-ME will help increase public confidence in the Department's ability to account for its assets and help achieve a clean audit opinion. It will also bring the Department into compliance with the Chief Financial Officers Act of 1990 and the Federal Financial Management Improvement Act of 1996.

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Exhibit R-3, RDT & E, DW Project Cost Analysis

Date: February 2006

Appropriation: RDT&E, DW, Budget Activity: 5

Program Element:
0605020BTA

Capital Asset Management Systems-
Military Equipment Evaluation

Cost Categories	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2005 Cost	FY 2005 Award Date	FY 2006 Cost	FY 2006 Award Date	FY 2007 Cost	FY 2007 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Development support	MIPR	DFAS Columbus						1.694	Oct 2006	1.845	3.539	
Training Development	MIPR	DFAS Columbus						3.954	Oct 2006	4.304	8.258	

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R-4 Schedule Profile - Item No. 20-3 of 20-4

Exhibit R-4, Schedule Profile

Date: February 2006

Appropriation/Budget Activity RDT&E, DW, Budget Activity: 5	Program Element Number and Name 0605020BTA Capital Asset Management Systems- Military Equipment Evaluation												Project Number and Name Capital Asset Management Systems- Military Equipment Evaluation																											
	FY2005				FY2006				FY2007				FY2008				FY2009				FY2010				FY2011				FY2012											
Fiscal Year	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4				
Additional System Eng Changes								△																																

R-4a Schedule Profile - Item No. 20-4 of 20-4

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Exhibit R-2/R-2a, RDT&E Budget Item Justification

Date: February 2006

Appropriation/Budget Activity Engineering and Manufacturing Development RDT&E, DW, Budget Activity: 5						100 Item Nomenclature: Defense Travel System - PE: 0605020BTA				
Cost (\$ in Millions)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011			
Total PE Cost			12.581	21.037	12.264	12.584	12.877			

A. Mission Description and Budget Item Justification

The Program Management Office (PMO) for the Defense Travel System (DTS) was established to provide procurement management and system fielding support worldwide. The DTS is the standard DoD business travel services system that combines reengineered travel policies and procedures with the best industry practices and technology. The DTS provides full travel management support from arranging for travel and approving travel authorizations, to processing reimbursement vouchers following travel and maintaining appropriate government records. The DTS is an end to end fully electronic process that leverages technology to speed the coordination of travel, incorporates a digital signature capability, and embraces standard industry Electronic Commerce procedures. DTS was designated as an ACAT IAM Program on May 28, 2002 and is fully compliant with all statutes and regulations for a DoD Major Automated Information System.

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Accomplishments/Planned Program:

FY2007 PLANS (\$12.581):

1. (\$4.301) Continue development, test, and integration of DADS interfaces and software releases, DADS system changes, MIS Archive, development of Interface Control Document and Memorandums of Agreement (MOA).
2. (\$5.457) Complete Monroe software release development and testing. Start Q. Adams software release development.
3. (\$1.779) Engineering Support.
4. (\$.166) DTS ST&E
5. (\$.878) DEBX to DADS mapping

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B. Program Change Summary	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
FY 2006/2007 President's Budget	0.000	0.000	12.581
FY 2007 President's Budget	0.000	0.000	12.581
Total Revised Estimate	0.000	0.000	0.000
Total Adjustments			
Congressional Adjustments(Distributed)			
Congressional Adjustments(Undistributed)			

Current Budget Submit/Budget Estimate

Funding: The change from FY 2006 to FY 2007 is due to the fact that Defense Travel Service is being transferred to the Defense Business Transformation Agency in FY 2007.

Schedule

Technical: Not Applicable

C. Other Program Funding Summary: N/A

D. Acquisition Strategy: N/A

Performance Metrics: Northrop Grumman Mission Systems (NGMS) is the developer of the DTS software. The corporation is under a contractual EVMS reporting requirement for the cost plus incentive fee (CPIF) contract for the Madison and Monroe releases of DTS. The cumulative CPI to date (data ending 31 December 2005) is 1.063 and the cumulative SPI to date (data ending 31 December 2005) is 0.999. Cost and schedule performance are currently green. The "To Complete Performance Index" TCPI – which is based on the actual budgeted amounts (BAC) in the CPR, is .900 at the 65.01% complete state for the Madison and Monroe releases.

The incentives for the Madison and Monroe releases are being tracked by cost (30% of fee pool), schedule (40% of fee pool), and quality (30% of fee pool) with upper and lower boundaries to ensure success.

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Exhibit R-2, RDT&E Budget Item Justification

Date: February 2006

Appropriation/Budget Activity: 0400D/05

R-1 Item 94 Nomenclature:
Information Technology Standard Procurement System (SPS): PE 0605020BTA

Cost (\$ in millions)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Total PE Cost	N/A	N/A	4,624	3,610	3,814	3,915	4,018
Standard Procurement System (SPS)	N/A	N/A	4,624	3,610	3,814	3,915	4,018

A. Mission Description and Budget Item Justification

DoD initiated the Standard Procurement System (SPS) in 1994 to enhance readiness and support to Warfighters through standardization and optimization of procurement systems and activities. SPS is currently supporting over 21,000 users in the field and is the largest standard business system in DoD. The program is designed to enable compliance with Acquisition Reform, align with expanded DoD goals and missions, and replace legacy systems with a single standard procurement system. During fiscal year 2005, operational procurement professionals relied on SPS to complete contracts awards in excess of 73 billion dollars.

The SPS is fully aligned with the following President's Management Agenda (PMA) initiatives:

- 1) Expanded Electronic Government - The President's Management Agenda focuses on advancing E-government strategy by supporting projects that offer performance gains across agency boundaries, such as e-procurement, e-grants, e-regulation, and e-signatures. The SPS supports this strategic goal by sharing information more quickly and conveniently between DoD contracting activities and financial systems. The benefits of this data sharing flow to industry and the citizens because contracts and payments can now be processed much more rapidly and with reduced data entry errors. The SPS provides automated creation of contracts and grants and the electronic sharing of obligation data with DoD's financial systems. Invoices can be paid faster and excess funds are available to the Government more quickly. In addition, contract reconciliation requires fewer resources than prior manual processes. All of this helps cut Government operating costs and provides citizens and the Congress with easier access to contracting information. Further, the next major software release being developed, Version 4.2 Increment 3, will provide web-based access for all SPS users. In addition, Increment 3 will provide Public Key Infrastructure (PKI) based digital signatures. SPS is the primary system within the Weapons System Lifecycle Management Business Mission Area (formerly the Acquisition Domain) for incorporating procurement capabilities in response to the President's Management Agenda with the eGov Integrated Acquisition Environment (IAE) initiative. SPS was awarded the 2003 Grace Hopper Government Technology Leadership Award for "Leadership in the innovative application of information technology that breaks down barriers between offices, agencies and departments, or between federal, state and local governments".

Exhibit R-2, RDT&E Budget Item Justification (Continued)

Date: February 2006

A. Mission Description and Budget Item Justification (Continued)

- 2) Strategic Management of Human Capital - The President's Management Agenda focuses on concerns over a declining federal workforce, which moves skills out of balance with the needs of the public it serves. Part of the Administration's expressed initiative is to adopt information technology systems to capture some of the knowledge and skills of retiring employees. The Standard Procurement System (SPS) supports this initiative through its web-accessible Knowledge Base that shares information throughout the Department of Defense's (DoD's) procurement community. In addition, the SPS contains an extensive on-line help feature that provides step-by-step guidance in using the software for both functional users and system administrators. It also contains an easily accessible Reference Library with links to a wide variety of procurement reference materials (regulations, manuals, policy documents) via web sites. Further, the system provides access to local procedures and policy guides which can be tailored for each location. The SPS Program is currently implementing web-based training for Version 4.2 Increment 3.
- 3) Competitive Sourcing - The President's Management Agenda focuses on achieving efficient and effective competition between public and private sources. The SPS, which is the result of a competitive contracting initiative, supports this agenda by utilizing a commercial software application as the basis for its automated system. When the concept of the standard procurement system began, it was envisioned that the target system would utilize the "best of the breed" from Government-owned and operated migration systems. A model of Procurement was constructed in 1992 and was used to aid in the selection of migration systems. Later, the Procurement Corporate Information Management Council determined that a commercial industry product should be acquired and then modified to meet the Department of Defense needs. In addition to providing the basic software application, industry provides the Help Desk functions, program management support, training, installation, on-site support, interfaces and any other modules or support services needed to maintain the Standard Procurement System.

A. Mission Description and Budget Item Justification (Continued)

- 4) Improved Financial Performance - The President's Management Agenda focuses on ensuring that federal financial systems produce accurate and timely information to support operating, budget and policy decisions. The SPS is listed as a critical feeder system in the DoD Financial Management Improvement Plan. As such, the SPS automates the capture of contractual obligations and, through interfaces with DoD financial systems, provides improved visibility for funds tracking and enables more rapid release of excess funds (thus contributing to the unqualified audit opinion). The single data entry and shared standard data reduces the opportunity for error in matching disbursements with obligations. The re-engineered reporting processes for the Federal Procurement Data System enables acceleration of end-of-year reporting and provides greater visibility into DoD obligations, enabling more informed operational decisions. Version 4.2 Increment 3, which will comply with the Federal Financial Management requirements, successfully completed the Business Management Modernization Program (BMMP) approval process in October 2003.
- 5) Budget and Performance Integration - The President's Management Agenda focuses on linking budget decisions with performance (measurable outcomes). The SPS supports performance-based service acquisitions. Internal to the Program Office, performance criteria and monitoring mechanisms are put in place to measure contractor performance. For example, the Version 4.2 Increment 3 delivery order has set forth performance based payments based upon achievement of specific events or accomplishments that are defined and valued in advance by the Government and the contractor. In addition, the Program Office measures contractor performance on the Help Desk Order by monitoring metrics monthly for call volume and to ensure that the contractor is meeting the performance criteria. When working on service requests, the SPS Help Desk is required to meet target percentages for average response and average resolution times. The Program Office measures contractor performance on the Deployment Order by (1) successful execution of the deployment process and (2) a favorable rating on the Exit Checklist. A deployment process is executed successfully if an installation or upgrade is completed within benchmark timeframes that are based on hardware configurations. The Exit Checklist is completed by sites following the installation or upgrade of the SPS software and returned to the Program Office's Contracting Officer within 7 days. The contractor receives 70% of payment upon successful completion of the installation or upgrade. The remaining 30% of the payment is issued upon receipt of a favorable rating on the Exit Checklist. If the contractor exceeds the benchmark timeframe or receives an unfavorable rating on the Exit Checklist, penalties are appropriately applied. The Deployment delivery order currently meets all the criteria of a performance-based acquisition: (1) the work is stated in terms of outcomes/results (2) there are measurable performance standards and (3) there is a mechanism for price reduction if outcomes are not met. The Help Desk delivery order will meet these criteria in FY2006 and beyond (currently it meets criteria 1 and 2). All new contract actions that obligate service dollars will be performance based acquisitions to the maximum extent possible. Payments will not be authorized until satisfactory contractor performance has been demonstrated.

Exhibit R-2, RDT&E Budget Item Justification (Continued)

Date: February 2006

B. Program Change Summary:

	FY 2005	FY 2006	FY 2007
Previous President's Budget			4.624
Current BES/President's Budget			4.624
Total Adjustments			
Congressional Program Reductions			
Congressional Rescissions			
Congressional Increases			
Reprogrammings			
SBIR/STTR Transfer			
Inflation Adjustment			
Agency Reductions			

Funding supports development and testing of service releases in support of software changes identified by the Joint Requirements Board (JRB). The magnitude of these efforts resulting in future software changes is expected to be significant; therefore, software changes are budgeted in RDT&E.

Funding also supports version 4.2 Increment 3 development and testing. Version 4.2 Increment 3 will increase system performance, enhance functional capabilities, maximize modular solution sets, and expand integration among the logistics, procurement, and financial communities of the DoD using web-based technology. Version 4.2 Increment 3 successfully completed the Business Management Modernization Program (BMMP) approval process in October 2003 and was placed under contract. Increment 3 presents significant architecture changes in support of the Services/Agencies server consolidation initiatives as well as BMMP objectives. As a result, extensive testing is required utilizing a three-tiered testing approach to ensure the software meets requirements. This testing approach is discussed below on the R-3.

Beginning in FY 2007, funds are transferred from the Defense Contract Management Agency to the Business Transformation Agency.

- C. Other Program Funding Summary: Displayed on R-2a
- D. Acquisition Strategy: Displayed on R-2a

E. Performance Metrics:

The Program has negotiated substantial configuration management changes under its delivery orders for Version 4.2 Increments 1 (fielded) and 2 (currently fielding) and is continuing this protocol with Version 4.2 Increment 3 (under development). Each delivery order has set forth performance based payments based upon achievement of specific events or accomplishments that are defined and valued in advance by the Government and the contractor. These changes have provided an enhanced technical and schedule focus. In addition, the Government has instituted a three-tier testing approach that involves observation of the contractor's own testing processes in its first phase (Validation). Here the Government observes whether or not the developer has followed a repeatable process and whether the SPS Joint Requirements Board (JRB) and the developer jointly-approved test scripts are accurate and effective in determining whether requirements are met. In the second phase, System Acceptance Testing, the Government performs its own testing against the jointly-approved test scripts, vendor documentation, on-line help, SPS Technical Working Group designated hardware and software platforms, and installation software. Payments are tied to whether or not the software satisfactorily passed the test scripts and that no priority 1 or 2 system deficiency reports exist based upon the IEEE/EIA 12207(replaces MIL-STD-498) criteria. In the third phase, the Government performs its end-to-end testing to verify the software in an operational environment, against functional business processes, and to determine software effectiveness, and suitability. Results at each phase of testing are vetted through scoring conferences using the IEEE/EIA 12207 criteria to assess the severity of needed software fixes. Configuration management is maintained on all functional solutions, functional designs, test scripts, audit results and product deliverables.

Version 4.2 Increment 3, which is currently under development, continues to use the proven process implemented with Version 4.2 Increment 1 and continued with Version 4.2 Increment 2. An incremental development strategy is being used during the development of Version 4.2 Increment 3. This incremental development will include interim build(s) and one final build. The result will be total package fielding approach once the final build has been accepted by the SPS JPMO. During the development process, the Government has inserted decision points (go, no go) at build review period prior to payment authorization. These decisions are based on demonstrated acceptable performance in accordance with the contract requirements.

Exhibit R-2a, RDT&E Budget Item Justification

Date: February 2006

APPROPRIATION/BUDGET ACTIVITY: 0400D/05

R-1 Item 94 Nomenclature:
Information Technology Standard Procurement
System (SPS): PE 0605020BTA

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
COST (In Millions)							
Standard Procurement System (SPS)	N/A	N/A	4.624	3.610	3.814	3.915	4.018
RDT&E Articles Quantity*	N/A	N/A	N/A	N/A	N/A	N/A	N/A

A. Mission Description & Budget Item Justification: (Provide a project overview)

The Standard Procurement System (SPS) is based on modification of a commercial off-the-shelf software application. The software is modified to support DoD requirements not met by the initial commercial product (i.e. requirements prompted by the Federal Acquisition Regulation (FAR) and the Defense Federal Acquisition Regulation Supplement (DFARS)). The SPS follows a spiral development approach, increasing the performance envelope of the existing system incrementally until the objective system is achieved. The SPS is predicated upon 299 functional requirements identified by a DoD inter-service functional requirements team in 1995. RDT&E funds support efforts related to the development, testing, and integration of these functional requirements.

B. Accomplishments/Planned Program:

Accomplishment/Effort/Subtotal Cost (\$M)	FY 2005	FY 2006	FY 2007
Standard Procurement System (SPS)	N/A	N/A	4.624
SPS Product (PD2)/Service Releases/Enterprise Adapter/Data Mapping/BRCCS/Technology Insertion	N/A	N/A	2.113
Testing (JITC, IV&V, SAT, LSVT)	N/A	N/A	1.749
Technical Support	N/A	N/A	.762
RDT&E Articles Quantity*	N/A	N/A	N/A

Exhibit R-2a, RDT&E Budget Item Justification (Continued)

Date: February 2006

B. Accomplishments/Planned Program: Continued

The Government officially accepted SPS version 4.2 Increment 1 on 20 June 2002 and promptly began deployments on 24 June 2002. This version was delivered to the Government on schedule and within cost. Version 4.2 Increment 1 deployment concluded in June 2004 with a user base of 15,327 users.

The Version 4.2 Increment 2 software application is integrated with adaptive technology that presents SPS data in an open Extensible Markup Language (XML) format. This allows data mapping from the application directly to the required legacy formats or through the Defense Electronic Business Exchange to interfacing systems. In support of the adaptive technology, to date, SPS has developed 96 distinct translators that apply 5,480 unique business rules to incoming/outgoing SPS and legacy transactions. As of June 2005, Version 4.2 Increment 2 was deployed to 8,223 users and will be deployed to an additional 14,653 users in FY 2006.

Version 4.2 Increment 3 will increase system performance, enhance functional capabilities, maximize modular solution sets, and expand integration among the logistics, procurement, and financial communities of the DoD using web-based technology. Version 4.2 Increment 3 successfully completed the Business Management Modernization Program (BMMMP) approval process in October 2003 and was placed under contract. The Increment 3 product will evolve through 5 software builds. Build 4 was delivered to the Government in August 2005 for joint testing. Build 5 is scheduled for delivery in February 2006.

Extensive testing is required for all Increments utilizing a three-tiered testing approach to ensure the software meets requirements. This testing approach is discussed below on the R-3.

C. Other Program Funding Summary:

	<u>FY</u> <u>2005</u>	<u>FY</u> <u>2006</u>	<u>FY</u> <u>2007</u>	<u>FY</u> <u>2008</u>	<u>FY</u> <u>2009</u>	<u>FY</u> <u>2010</u>	<u>FY</u> <u>2011</u>	<u>Total</u> <u>Complete</u>	<u>Cost</u>
P-1 Line Item No 29, Standard Procurement System (SPS):	N/A	N/A	9.637	3.350	3.508	3.596	3.686	N/A	N/A
Total O&M Funds:	N/A	N/A	13.100	12.368	12.873	13.218	13.471	N/A	N/A

D. Acquisition Strategy:

The Standard Procurement System (SPS) has an Acquisition Strategy prepared 24 March 1997 by the Defense Procurement Corporate Information Management (CIM) Systems Center in accordance with DoD 5000.2-R. There is an Acquisition Plan for Version 4.2 Increment 3, dated August 2003.

E. Major Performers:

American Management Systems (AMS), the core product developer, was awarded a Firm Fixed Price contract in August 1996. CACI acquired AMS in May 2004. CACI is located in Fairfax, Virginia and is engaged in the development, testing, deployment, training, and integration efforts of the SPS Program.

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Exhibit R-3 Cost Analysis

Date: February 2006

APPROPRIATION/BUDGET ACTIVITY:										Information Technology Standard Procurement System (SPS): 00605020BTA				R-1 Item 94 Nomenclature: Information Technology Standard Procurement System (SPS):			
0400D/05																	
Cost Categories	Contract Method & Type	Performing Activity & Location	Total Pys Cost	FY 2005 Cost	FY 2005 Award Date	FY 2006 Cost	FY 06 Award Date	FY 2007 Cost	FY 2007 Award Date	Cost to Complete	Total Cost	Target Value of Contract					
Product Development																	
SPS Product (PD2)/Service Releases/Enterprise Adapter/Data Mapping/BRC CS/ Technology Insertion	C - FFP	CACI Fairfax/ Arlington, Va	N/A	N/A	N/A	N/A	N/A	2.113	Oct 2006 & Jan 2007	Cont.	Cont.	N/A					

Remarks: Version 4.2 Increment 3 will increase system performance, enhance functional capabilities, maximize modular solution sets, and expand integration among the logistics, procurement, and financial communities of the DoD using web-based technology. Version 4.2 Increment 3 successfully completed the Business Management Modernization Program (BMMP) approval process in October 2003.

Funding supports development and testing of service releases in support of software changes identified by the Joint Requirements Board (JRB). The magnitude of these efforts resulting in future software changes is expected to be significant; therefore, software changes are budgeted in RDT&E.

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Exhibit R-3 Cost Analysis (page 2)

APPROPRIATION/BUDGET ACTIVITY: 0400D/05										Information Technology Standard Procurement System (SPS): PE 0605020BTA				Date: February 2006	
R-1 Item 94 Nomenclature: Information Technology Standard Procurement System (SPS)															
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PYS Cost	FY 2005 Cost	FY 05 Award Date	FY 2006 Cost	FY 2006 Award Date	FY 2007 Cost	FY 2007 Award Date	Cost to Complete	Total Cost	Target Value of Contract			
Support Costs	Various	Various (under \$1M)	N/A	N/A	N/A	N/A	N/A	0.762	Oct 2006 - Jan 2007	Cont.	Cont.	N/A			
<p>Remarks: Key to the program's well being is continued configuration management and compliance with DoD 5000 regulations. The Program is preparing for a Milestone C Review/Fielding Decision Review in April 2006.</p>															
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PYS Cost	FY 2005 Cost	FY 2005 Award Date	FY 2006 Cost	FY 2006 Award Date	FY 2007 Cost	FY 2007 Award Date	Cost to Complete	Total Cost	Target Value of Contract			
Test & Evaluation	MIPR	Joint Interoperability Test Command (JITC) Fairfax, VA	N/A	N/A	QTR 1	N/A	N/A	1.749	Oct 2006	Cont.	Cont.	N/A			

Remarks: The SPS JPMO continues to follow a three-tier testing approach that involves validation of the contractor's own testing (when feasible), system acceptance testing with component representation, and end-to-end testing. Several applications are being integrated with our procurement product suite to take advantage of technology advances and to provide procurement information to other DoD programs. These inserted products help validate data, and to distribute information to other systems. This requires the additional testing of maps and translations to various required formats prior to integration testing with our procurement suite. Changes or corrections to any of the products require an assessment of whether there are additional impacts on our integrated procurement suite. Testing will be required to determine if requirement adjustment(s) or changes have been correctly addressed and whether a previous capability has been affected. If multiple products are changed at the same time, integrated testing becomes more complex and must be properly controlled to determine which product change caused an issue(s). Testing our integrated procurement suite may also be dependent upon other new systems availability to test the interfaces. Testing will be required to be more frequent as additional insertions become necessary and improvements to fielded suites are required.

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R-1 Shopping List Item No. 101

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Date: February 2006

Exhibit R-4, Schedule Profile

APPROPRIATION/BUDGET
ACTIVITY: 0400D/05

Information Technology Standard Procurement
System (SPS): PE 0605020BTA

R-1 Item 94 Nomenclature:
Information Technology Standard
Procurement System (SPS)

Fiscal Year	FY 03				FY 04				FY 05				FY 06				FY 07				FY 08				FY 09							
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4				
(1) v4.2.3 Contract Award																																
v4.2.3 Build 3 Government Validation & Verification																																
v4.2.3 Build 3A Government Validation & Verification																																
v4.2.3 Build 4 Development																																
v4.2.3 Build 4 Government Validation & Verification																																
v4.2.3 Build 5 Development w/CAS																																
v4.2.3 Build 5 Government Validation & Verification																																
(2) v4.2.3 Milestone C Review																																
v4.2.3 System Acceptance Testing																																
(3) v4.2.3 Product Acceptance																																
(4) v4.2.3 Full Deployment Decision Review																																
v4.2.3 Deployment																																

Exhibit R-2/R-2a, RDT&E Budget Item Justification

Date: February 2006

Appropriation/Budget Activity Engineering and Manufacturing Development RDT&E, DW, Budget Activity: 5		100 Item Nomenclature: Joint Advanced Planning and Scheduling Initiative PE 0605020BTA					
Cost (\$ in Millions)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Total PE Cost	0.000	6.700	6.700	6.700	6.400	5.300	5.300

A. Mission Description and Budget Item Justification

The Advanced Planning System (APS) initiative was established to facilitate an expanded and common approach to the application of APS software and business processes within and across the Services and Agencies of the Department of Defense. APS is a supply chain planning solution, consisting of COTS software, collaborative business processes, and properly trained people, designed to improve material readiness of the armed forces, while reducing total supply chain cost. In addition, APS can provide the visibility needed for Asset Decision support, enabling combatant commanders to align logistics plans with operational plans.

The initiative will be managed by the Business Transformation Agency (BTA), and will facilitate collaboration between the components and agencies, and the ERP and GTN programs, all of which are implementing APS technology. The APS initiative will enable the components and programs to improve the effectiveness of the individual APS implementations by reducing time, risk, and cost to benefit, and by promoting operability between APS processes. Interoperability is essential, in order to support DoD mandated planning capabilities which could not adequately be supported by independent APS implementations. These capabilities are documented in authoritative sources including the Focused Logistics Joint Functional Concept, the CINC-129 requirements, the DoD BEA architecture, the DoD Business Enterprise Transition Plan, and DoD Supply Chain Regulation 4140.1-R.

The APS initiative will achieve these objectives providing expertise and funding to support existing initiatives such as the Readiness Based Sparing (RBS) Steering Committee and Working Group, and by providing expertise and funding to form an APS Steering Committee and Working Group. These groups will provide forums for the components, agencies, and programs to identify issues of mutual interest, and develop common and interoperable solutions. Specific out comes will include:

- Development of common APS configuration requirements to speed implementation and enable interoperability
- A common acquisition strategy that provides a single DoD face to the APS vendors
- An APS concept of operations which ties the individual programs and common configuration to the DoD Enterprise planning capabilities.

B. Accomplishments/Planned Program:

FY 2007:

1. The APS initiative will form an APS Steering Committee and an APS working group. These groups will:
 - a. provide forums for the components, agencies, and programs to identify issues of mutual interest, and develop common and interoperable solutions.
 - b. Develop common APS configuration requirements to speed implementation and enable interoperability
 - c. Develop a common acquisition strategy that provides a single DoD face to the APS vendors
 - d. Develop an APS concept of operations which ties the individual programs and common configuration to the DoD Enterprise planning capabilities
 - e. Agree to common metrics for evaluating progress in implementation of APS solutions, supporting DoD enterprise level planning capabilities, and improving supply chain operations in terms of support to the warfighter, and cost management.
2. The APS initiative will continue to provide funding and expertise to the RBS steering committee and working group.

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	FY 2005	FY 2006	FY 2007	
C. Program Change Summary				
FY 2006/2007 President's Budget				
FY 2007 President's Budget			6.700	
Total Adjustments				
Program Adjustment				
Congressional adjustments (distributed)				
Congressional adjustments(undistributed)				

Current Budget Submit/Budget Estimate
 Program Change Summary Explanation:

D. Other Program Funding Summary: N/A

E. Acquisition Strategy: The strategy will be to draw experienced staff from the programs, services and agencies where appropriate. To the extent more staff is needed, this will be filled by means of Highly Qualified Experts recruited to government service from the private sector, and/or use of contractors. For contractors, and required software, we will competitively contract with the private sector for required effort. It remains the responsibility of the ERP and GTN programs to purchase and implement the APS software they will be providing to their services and agencies in order to enable those services and agencies to manage the supply chain.

F. Performance Metrics: The APS portions of the ERP and GTN programs will be measured in terms of metrics developed by the APS Working Group, and approved by the APS steering committee. The APS initiative will be measured in terms of its ability to achieve the planned program listed above.

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Exhibit R-3, RDT & E, DW Project Cost Analysis

Date: February 2006

Appropriation: RDT&E, DW, Budget Activity: 5

Program Element: 0605020BTA
 Joint Advanced Planning and
 Scheduling Initiative

Joint Advanced Planning and Scheduling
 Initiative -

Cost Categories	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2007 Cost	FY 2007 Award Date	Cost to Complete	Total Cost						

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