Department of Defense
Fiscal Year (FY) 2017 President's Budget Submission

February 2016

Defense Logistics Agency

Defense-Wide Justification Book Volume 5 of 5

Research, Development, Test & Evaluation, Defense-Wide

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Table of Volumes

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Defense-Wide
FY 2017 President's Budget
Exhibit R-1 FY 2017 President's Budget
Total Obligational Authority
(Dollars in Thousands)

29 Jan 2016

Appropriation: 0400D Research, Development, Test & Eval, DW

Line No	Program Element Number	Item	Act	FY 2015 (Base & OCO)	FY 2016 Base Enacted	FY 2016 OCO Enacted	FY 2016 Total Enacted	FY 2017 Base	FY 2017 OCO	FY 2017 Total	Sec
34	0603264S	Agile Transportation for the 21st Century (AT21) - Theater Capability	03	1,460	1,706		1,706				U
48	0603680S	Manufacturing Technology Program	03					31,259		31,259	U
50	0603712S	Generic Logistics R&D Technology Demonstrations	03	22,224	15,537		15,537	11,011		11,011	U
51	0603713S	Deployment and Distribution Enterprise Technology	03	29,533	29,888		29,888				U
53	0603720S	Microelectronics Technology Development and Support	03	81,199	89,038		89,038	97,826		97,826	U
		Advanced Technology Development		134,416	136,169		136,169	140,096		140,096	
126	0605070S	DOD Enterprise Systems Development and Demonstration	05	13,893	11,912		11,912	12,631		12,631	U
128	0605080S	Defense Agency Intiatives (DAI) - Financial System	05	35,497	31,660		31,660	26,657		26,657	U
129	0605090S	Defense Retired and Annuitant Pay System (DRAS)	05	9,801	10,135		10,135	4,949		4,949	U
		System Development And Demonstration		59,191	53,707		53,707	44,237		44,237	
156	0605502S	Small Business Innovative Research	06	5,711							U
		Management Support		5,711							
237	0708011S	Industrial Preparedness	07	20,405	22,605		22,605				U
238	0708012S	Pacific Disaster Centers	07	1,522	1,770		1,770	1,754		1,754	U
239	0708047S	Defense Property Accountability System	07					2,154		2,154	U
		Operational System Development		21,927	24,375		24,375	3,908		3,908	
Total Research, Development, Test & Eval, DW				221,245	214,251		214,251	188,241		188,241	

R-1C1: FY 2017 President's Budget (Published Version of PB Position), as of January 29, 2016 at 13:46:23

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Program Element Table of Contents (by Budget Activity then Line Item Number)

Appropriation 0400: Research, Development, Test & Evaluation, Defense-Wide

Appropriation 0400: Research, Development, Test & Evaluation, Defense-Wide

Appropriation 0400: Research, Development, Test & Evaluation, Defense-Wide

Appropriation 0400: Research, Development, Test & Evaluation, Defense-Wide

Program Element Table of Contents (Alphabetically by Program Element Title)

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Exhibit R-2, RDT&E Budget Item Justification: PB 2017 Defense Logistics Agency	Date: February 2016
Appropriation/Budget Activity 0400: *Research, Development, Test & Evaluation, Defense-Wide I* BA 3: *Advanced Technology Development (ATD)*	**R-1 Program Element (Number/Name)** PE 0603264S *I Agile Transportation for the 21st Century (AT21) Theater Capability*

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
Total Program Element	8.975	1.460	1.706	0.000	-	0.000	0.000	0.000	0.000	0.000	0.000	12.141
1: *Agile Transportation for the 21st Century (AT21) Theater Capability*	8.975	1.460	1.706	0.000	-	0.000	0.000	0.000	0.000	0.000	0.000	12.141

A. Mission Description and Budget Item Justification

Through the Theater Enterprise Deployment and Distribution (TED2) analysis, the Geographic Combatant Commanders (GCC) identified several gaps between United States Transportation Command's strategic lift processes and GCCs' distribution processes. Highlighted is a lack of capability to (1) manage transportation planning and execution processes for cargo/passenger movement within their respective theaters of operation or (2) match global movement requirements against available lift assets to produce an optimized transportation schedule that meets delivery requirements. AT21 Theater Capability, through the implementation of process improvements, integration of commercial transportation management/optimization tools, and the development of deployment/distribution supporting technologies, will provide the capability for Combatant Commanders to manage theater transportation operations from the port of debarkation to the point of need.

B. Program Change Summary ($ in Millions)	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total
Previous President's Budget	2.544	2.679	0.000	-	0.000
Current President's Budget	1.460	1.706	0.000	-	0.000
Total Adjustments	-1.084	-0.973	0.000	-	0.000
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-0.973			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-1.000	-			
• SBIR/STTR Transfer	-0.084	-			

Change Summary Explanation

FY2014 Support OSD urgent request for funding: -$1.242
FY2015 Other Program Reduction (Budget Control Act 2011): -$5.031 million
FY2016 Other Program Reduction (Budget Control Act 2011): -$5.096 million

In FY 2016, PE was reduced by $0.973M as a result of prior year carryover.

Exhibit R-2, RDT&E Budget Item Justification: PB 2017 Defense Logistics Agency	Date: February 2016
Appropriation/Budget Activity 0400: *Research, Development, Test & Evaluation, Defense-Wide I* BA 3: *Advanced Technology Development (ATD)*	**R-1 Program Element (Number/Name)** PE 0603264S *I Agile Transportation for the 21st Century (AT21) Theater Capability*

In FY 2017, PE 0603264S (BA3) Agile Transportation for the 21st Century (AT21) Theater Capability was transferred to a single PE in the Air Force budget (PE 0604776F) in order to support auditability, increase management efficiency, and reduce administrative actions.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603264S / *Agile Transportation for the 21st Century (AT21) Theater Capability*	Project (Number/Name) 1 / *Agile Transportation for the 21st Century (AT21) Theater Capability*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
1: *Agile Transportation for the 21st Century (AT21) Theater Capability*	8.975	1.460	1.706	0.000	-	0.000	0.000	0.000	0.000	0.000	0.000	12.141

A. Mission Description and Budget Item Justification

Through the Theater Enterprise Deployment and Distribution (TED2) analysis, the Geographic Combatant Commanders (GCC) identified several gaps between United States Transportation Command's strategic lift processes and GCCs' distribution processes. Highlighted is a lack of capability to (1.) manage transportation planning and execution processes for cargo/passenger movement within their respective theaters of operation or (2.) match global movement requirements against available lift assets to produce an optimized transportation schedule that meets delivery requirements. AT21 Theater Capability, through the implementation of process improvements, integration of commercial transportation management/optimization tools, and the development of deployment/distribution supporting technologies, will provide the capability for Combatant Commanders to manage theater transportation operations from the port of debarkation to the point of need.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Agile Transportation for the 21st Century (AT21) Theater Capability	1.460	1.706	-

Description: AT21 Theater will, in conjunction with the GCCs, continue business process analysis, business process automation development, and business process technology integration to improve the integration/transition of business processes between the strategic and theater segments, as well as improve theater deployment and distribution business processes. Theater business process analysis will identify opportunities for insertion of industry best practices and technology to improve the efficiency/effectiveness of managing theater deployment and distribution operations. Based on operational requirements emerging from the theater business processes, AT21 will develop, prototype, adapt and transition technologies to enable theater deployment and distribution capabilities.

FY 2015 Accomplishments:

Continue to develop an AT21 theater optimization tool that automates the Joint Operational Support Airlift Center (JOSAC) scheduling process and optimizes airlift mission schedules for operational support airlift requirements. Complete end-to-end supply chain integration analysis of deployment and distribution requirements. Continue data architecture analysis/services business processes re-engineering work to ensure the seamless transition of deployment and distribution information between strategic & theater legs.

FY 2016 Plans:

Continue data architecture analysis/services work to support reengineered business processes to ensure the seamless transition of deployment and distribution information between strategic & theater legs. Complete development of an AT21 theater

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603264S / *Agile Transportation for the 21st Century (AT21) Theater Capability*	**Project (Number/Name)** 1 / *Agile Transportation for the 21st Century (AT21) Theater Capability*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
optimization tool that automates the Joint Operational Support Airlift Center scheduling process and optimizes airlift mission schedules for operational support airlift requirements			
Accomplishments/Planned Programs Subtotals	1.460	1.706	-

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

N/A

E. Performance Metrics

Development of core integrated strategic and theater process maps delineating gaps in information flow and prototype systems to facilitate synchronized transportation management and execution capabilities to improve performance in theater transportation operations. >80% transition rate of proven technologies/capabilities.

Exhibit R-2, RDT&E Budget Item Justification: PB 2017 Defense Logistics Agency											Date: February 2016	
Appropriation/Budget Activity 0400: *Research, Development, Test & Evaluation, Defense-Wide* / BA 3: *Advanced Technology Development (ATD)*					R-1 Program Element (Number/Name) PE 0603680S / *Manufacturing Technology Program (ManTech)*							
COST ($ in Millions)	**Prior Years**	**FY 2015**	**FY 2016**	**FY 2017 Base**	**FY 2017 OCO**	**FY 2017 Total**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**Cost To Complete**	**Total Cost**
Total Program Element	-	0.000	0.000	31.259	-	31.259	36.483	35.605	35.567	36.035	Continuing	Continuing
7: *Improving Industrial Base Manufacturing Processes (formerly Material Availability)*	-	0.000	0.000	10.924	-	10.924	12.965	12.433	12.203	12.176	Continuing	Continuing
8: *Maintaining Viable Supply Sources (formerly High Quality Sources)*	-	0.000	0.000	16.923	-	16.923	19.056	18.738	18.902	19.360	Continuing	Continuing
9: *Improving Technical and Logistics Information (formerly Industry and Customer Collaboration*	-	0.000	0.000	3.412	-	3.412	4.462	4.434	4.462	4.499	Continuing	Continuing

A. Mission Description and Budget Item Justification

The Defense Logistics Agency (DLA) Manufacturing Technology (ManTech) Program supports the development of a responsive, world-class manufacturing capability to affordably meet the warfighters' needs throughout the defense system life cycle. IP ManTech: Provides the crucial link between invention and product application to speed technology transitions. The program matures and validates emerging manufacturing technologies to support low-risk implementation in industry and Department of Defense (DoD) facilities, e.g. depots and shipyards. It addresses production issues early by providing timely solutions, thereby reducing risk and positively impacting system life cycle affordability by providing solutions to manufacturing problems before they occur.

Beginning in FY 16 DLA ManTech was realigned into three Strategic Focus Areas (SFA): 1) Improving Industrial base Manufacturing Processes; 2) Maintaining Viable Sources of Supply; and 3) Improving Technical and Logistics Information.

• The Improving Industrial Base Manufacturing Processes SFA includes efforts to reduce industrial base material costs and production lead-times, while improving the quality of DLA managed products. This SFA subsumed the former supply chain oriented efforts in Subsistence Network (formerly Combat Rations Network for Technology Implementation), Procurement Readiness Optimization—Advanced Casting Technology (PRO-ACT), Procurement Readiness Optimization—Forging Advance System Technology (PRO-FAST), and Battery Network (BATTNET). New manufacturing processes within the scope of this SFA include emerging technologies such as Additive Manufacturing.

• Maintaining Viable Supply Sources includes efforts to assure the commercial industrial base can satisfy DLA materiel requirements. This SFA subsumed the Material Acquisition Electronics ManTech efforts. In the future it will include other DLA efforts to maintain a viable industrial capability in areas such as Strategic Materials.

• The Improving Technical and Logistics Information SFA include efforts to improve and facilitate the exchange of engineering and logistics information among DLA industry partners and customers. It includes the MANTECH program Military Uniform System Technology (MUST) (formerly Customer Driven Uniform Manufacturing) and the Defense Logistics Information Research Program from P.E. 0603712S. A primary focus of this SFA is to capitalize on the emerging "Model Based Enterprise" paradigm and the semantic web as an enabler to a logistics system that is smart and connected.

Exhibit R-2, RDT&E Budget Item Justification: PB 2017 Defense Logistics Agency	Date: February 2016
Appropriation/Budget Activity 0400: *Research, Development, Test & Evaluation, Defense-Wide I* BA 3: *Advanced Technology Development (ATD)*	**R-1 Program Element (Number/Name)** PE 0603680S *I Manufacturing Technology Program (ManTech)*

Over the FY 17- FY 21 Planning Period, $9.606M per year was realigned within the ManTech PE, from the DLA Log R&D PE (0603712S) and DLA Procurement Defense-Wide Fund. These funds will address critical shortfalls in the Improving Industrial Base Manufacturing Processes and Maintaining Viable Supply Sources. The largest requirement was in the Maintaining Viable Supply Sources to develop a long-term, reliable source of linear microcircuits. These devices are critical to maintaining the readiness of front line weapon system electronics. High priority requirements in the Improving Industrial Base Manufacturing Processes SFA included additional funding for battery technology, castings and forging manufacturing technology.

B. Program Change Summary ($ in Millions)	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total
Previous President's Budget	0.000	0.000	0.000	-	0.000
Current President's Budget	0.000	0.000	31.259	-	31.259
Total Adjustments	0.000	0.000	31.259	-	31.259
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			
• Inflation for Non-Pay/Non-Fuel Purchases	-	-	-0.263	-	-0.263
• Underexecution	-	-	-2.691	-	-2.691
• Civ Pay Adjustment	-	-	0.002	-	0.002
• Program Realignment	-	-	34.211	-	34.211

Change Summary Explanation

MANTECH is being realigned from BA 07 to BA 03 in FY 2017.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603680S / *Manufacturing Technology Program (ManTech)*	Project (Number/Name) 7 / *Improving Industrial Base Manufacturing Processes (formerly Material Availability)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
7: *Improving Industrial Base Manufacturing Processes (formerly Material Availability)*	-	0.000	0.000	10.924	-	10.924	12.965	12.433	12.203	12.176	Continuing	Continuing

A. Mission Description and Budget Item Justification

The Material Availability (MA) Strategic Focus Area (SFA) are R&D efforts undertaken with DLA's industrial base to reduce material costs, reduce the length and variability of Production Lead-Times, assure the DLA managed products meet requirements, and continuously improve quality and reliability. Benefits of this SFA include lower material costs, lower inventory levels and more predictable Customer Wait Times, fewer quality deficiencies, and lower customer support costs. This strategic focus area includes within its scope the former Combat Rations Program, the Battery Program, the Castings and the Forgings programs.

This SFA is comprised of five roadmaps for Batteries, Subsistence Network, Castings, Forgings, and Additive Manufacturing.

The Battery network objective is to develop the next generation of battery manufacturing technologies for cost and price efficiency, longer shelf life, and lighter batteries with higher energy. The network conducts R&D initiatives to address sustainment gaps and bridge technical solutions into higher MRLs for specific groups of batteries. For FY2014, DLA received 139,163 orders for 2.85 million batteries at $183M net value - compared to FY13 $176M and FY12 $216M. The Battery network focuses on projects to develop the production capability for advanced lithium-based non-rechargeable and rechargeable batteries to ensure the prompt and sustained availability, quality, and affordability of batteries. Desired outcomes include: streamlined inventory and associated cost reductions through standardization and improved distribution practices; resolved obsolescence issues; addressed surge and sustainment issues; enhanced security of supply chain; increased competition and manufacturing base; reduced per unit battery cost; and leveraged Service-level (Army, Navy, Air Force) and other governmental (DOE, DOT, NASA) R&D efforts to insert new technology and practices into the existing DLA battery inventory.

The 'Subsistence Supply Chain' which consists of the supply chain for military subsistence including combat rations, field feeding equipment, garrison feeding and 'market fresh.' The Subsistence Network (SUBNET) Program is a Manufacturing Technology Program and is the successor to the CORANET R&D program. SUBNET will form a community of practice to research and promote manufacturing improvements in the Subsistence Supply Chain with the goals of maximizing capability and capacity to produce, and to encourage innovation and modernization needed to leverage the latest technologies.

The Castings consortium objective is to develop new materials and technologies for the metalcasting industry to help DLA improve the supply of parts that contain castings. Weapon system spare parts managed by DLA that contain castings are responsible for a disproportionate share of DLA's backorders or unfilled orders (UFOs). Cast parts are ~2% of National Stock Numbered Class IX parts but represent ~5% of all backorders, and when only the oldest backorders are considered up to 10% are castings. This program includes tasks to develop new capabilities in the areas of inspection, materials, processes, modeling, and design. Once developed these capabilities will support the foundry industry, where the technologies will be tested and implemented in conjunction with the industry associations. These advancements will improve the metalcasting supply chains for the DOD and the DLA to better support the warfighter. This is achieved through investments in projects aimed at reducing lead-time, reducing cost, and improving quality of castings critical to DOD weapon systems.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603680S / *Manufacturing Technology Program (ManTech)*	**Project (Number/Name)** 7 / *Improving Industrial Base Manufacturing Processes (formerly Material Availability)*

The Forgings consortium objective is to develop new materials and technologies for the forging industry to help DLA improve the supply of parts that contain forgings. Weapon system spare parts managed by DLA that contain Forgings are responsible for a disproportionate share of DLA's backorders or unfilled orders (UFOs). Forged parts are ~2% of National Stock Numbered Class IX parts but represent ~5% of all backorders, and when only the oldest backorders are considered up to 10% are forgings. This program includes tasks to develop new capabilities in the areas of inspection, materials, processes, modeling, and design. Once developed these capabilities will support the forging industry, where the technologies will be tested and implemented in conjunction with the industry associations. These advancements will improve the forging supply chains for the DOD and the DLA to better support the warfighter. This is achieved through investments in projects aimed at reducing lead-time, reducing cost, and improving quality of forgings critical to DOD weapon systems.

The Additive Manufacturing (AM) objective is to establish AM as an effective alternative to conventional manufacturing and document the process for AM benefits. DLA needs to exploit AM technology as a lead-time and inventory reduction enabler.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Improving Industrial Base Manufacturing Processes (formerly Material Availability)	-	-	10.924
FY 2017 Plans: The Subsistence Network plan in FY17 is to expand to the broader subsistence network; having awarded the Broad Agency Announcement in 2016. DLA will work STPs with the community of practice partners of the military services, industry and academia. SUBNET plans to improve process capabilities by identifying targets for product, automation and business operation changes, and implementing solutions in the Subsistence Supply Chain to produce such improvements as shorter lead times, higher throughput, reduced inventory and overhead cost, and improved quality. The STPs are required to have a business case, developed in advance to include specific metrics for success as well as return on investment where applicable to ensure that all SUBNET STPs are fully documented, all projects have the potential for implementation in industry; and all projects address a specific DoD/DLA need. The Castings program will receive a significant increase in funding starting in FY17 to cover most of the unfunded requirements identified during the PBR 17 process. Projects identified will investigate, develop and deploy innovative enterprise and technical solutions to improve casting supply chains for the Department of Defense and the Defense Logistics Agency to support the warfighter. Contracts will be competitively awarded in FY17. Proposals are required to include a business case with specific metrics and transition plan for success. The Forging program will receive an increase in funding to cover most of the unfunded requirements identified during the PBR17 process. Proposals are required to include a business case with specific metrics and transition plan for success. The Forging consortium will also pursue additional forging manufacturing advances from successful DLA SBIR projects selected in FY2014.			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603680S / *Manufacturing Technology Program (ManTech)*	**Project (Number/Name)** 7 / *Improving Industrial Base Manufacturing Processes (formerly Material Availability)*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
The Battery Network funding will be applied to pursue additional projects including production readiness of lithium conformable soldier batteries, military ground vehicle batteries, and aviation batteries; manufacturing transition of legacy and obsolete lead acid and nickel cadmium batteries to advanced lithium-ion batteries; and battery manufacturing automation and optimization technologies. These projects will address pressing supply chain issues by migrating from declining manufacturing to a high growth industrial base, and will achieve cost reduction by optimizing the manufacturing design, assembly, and test processes. The Additive Manufacturing plan is for DLA to partner with the Military Services to use AM to produce parts. DLA and the Services will identify candidate parts, convert technical data to 3D format to facilitate AM, procure the parts, and document the process for AM benefits. The Services will review newly created technical data packages (TDP), test the parts, and qualify AM as an acceptable process to produce the parts. FY 16 – FY 20: Funding for Additive projects will be reallocated from other MA SFA thrusts and classified into the Additive Manufacturing Thrust.			
Accomplishments/Planned Programs Subtotals	-	-	10.924

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

The Subsistence Network acquisition strategy is delivery orders against competitively awarded IDIQ R&D contracts via the forthcoming BAA. The current contracts will reach the end of their base period of performance by December 2016. A new BAA has been drafted and will be released in January 2016 with award of contracts in FY16 and FY17. A Joint Steering Group made up of government representatives from the Military Services, DLA, U.S. Department of Agriculture, U.S. Public Health Center, and the Natick Soldier Research, Development and Engineering Center will review ongoing projects, identify new areas for investment, assess proposed projects, examine procedures and processes, keep abreast of new technologies, and understand DLA and DoD subsistence needs and requirements.

The Castings involved a competitive Broad Agency Announcement (BAA). Evaluations were completed and two contracts were awarded competitively September 2011. The current contracts reached the end of their base period of performance on September 30, 2016. A new BAA has been drafted and will be released in FY16 with award of contracts(s) in FY17.

The Battery Network plan is to establish contract partners through a competitive Broad Area Announcement (BAA) based upon proposals that demonstrated knowledge, experience, and expertise in the following areas of interest: Automation, Diminishing Manufacturing & Supply, Battery Safety, Reducing Acquisition Costs, Shelf Life, Supply Chain Logistics, Surge/Sustainment, and Technology Transition/Insertion. A Government Steering Group (GSG) of power source technical experts from the

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603680S / *Manufacturing Technology Program (ManTech)*	**Project (Number/Name)** 7 / *Improving Industrial Base Manufacturing Processes (formerly Material Availability)*

military services R&D groups will inform general R&D requirements for supply chain and technology improvement. The plan also includes awarding Phase 2 and 3 projects from DLA's Small Business Innovation Research (SBIR) in advanced battery manufacturing technology.

The Acq. Strategy for Forgings involved a competitive Broad Agency Announcement (BAA). Evaluations were completed and a contract awarded September 2014.

The Additive Manufacturing plan will partner with the Military Services and use organic and commercial AM parts production capabilities.

E. Performance Metrics

The Battery Network plan is to report returns on investments and achievements to the Joint Defense Manufacturing Technology Panel (JDMTP) for evaluation.

The Subsistence Network plan is to execute reductions in cost for shipping, storage, supply chain process, inventory, waste and inspections, as well as reduced lead times for combat ration production, field feeding equipment, garrison feeding and "market fresh."

For example, SUBNET will provide the following technical achievements: 1) a microwave-assisted capability to sterilize group-sized entrees and components, packaged in Institutional Sized Pouches (ISP) and Polymeric Trays and 2) identify and produce at least one or more alternate sealant layers that can be used by the rations industry to pack high acidic food products and to ensure uninterrupted supply of MRE rations.

The Castings consortium plan is to report returns on investments and achievements to the Joint Defense Manufacturing Technology Panel (JDMTP) for evaluation.

The Forgings consortium plan is to report returns on investments and achievements to the Joint Defense Manufacturing Technology Panel (JDMTP) for evaluation.

The Additive Manufacturing metric is the number of parts qualified for AM and the lead-time savings achieved to make small quantities of items.

At least 30% of the completed projects will transition.

OSD-C financial metrics (obligation and disbursement) will be achieved.

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603680S / *Manufacturing Technology Program (ManTech)*	Project (Number/Name) 7 / *Improving Industrial Base Manufacturing Processes (formerly Material Availability)*	

Support ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Manufacturing Technology Development – Combat Rations	C/CPFF	Clemson University : SC	0.000	-		-		0.015	May 2017	-		0.015	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	Michigan State University : MI	0.000	-		-		0.015	May 2017	-		0.015	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	Rutgers State University of New Jersey Division of Grants & Contracts Accounting : NJ	0.000	-		-		0.000		-		0.000	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	SOPAKO Inc : SC	-	-		-		0.050	Apr 2017	-		0.050	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	University of Illinois : IL	-	-		-		0.015	May 2017	-		0.015	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	University of Tennessee : TN	-	-		-		0.050	Apr 2017	-		0.050	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	Washington State University : WA	-	-		-		0.100	Apr 2017	-		0.100	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	Cadillac Products Inc : MI	-	-		-		0.015	May 2017	-		0.015	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	Oregon Freeze Dry Inc : OR	-	-		-		0.015	May 2017	-		0.015	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	Research and Development Associates : TX	-	-		-		0.015	May 2017	-		0.015	-	-	-

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603680S / *Manufacturing Technology Program (ManTech)*	**Project (Number/Name)** 7 / *Improving Industrial Base Manufacturing Processes (formerly Material Availability)*	

Support ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Manufacturing Technology Development – Combat Rations	C/CPFF	The Wornick Company : AL	-	-		-		0.100	Apr 2017	-		0.100	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	Sterling Foods : TX	-	-		-		0.100	Apr 2017	-		0.100	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	Analytic Strategies LLC : VA	-	-		-		0.202	Apr 2017	-		0.202	-	-	-
Casting Manufacturing Technology Process Development	C/CPFF	Advanced Technology International : SC	-	-		-		4.592	Nov 2016	-		4.592	0.000	4.592	-
Casting Manufacturing Technology Process Development	C/CPFF	Global Support Services LLC : AK	-	-		-		0.150	Mar 2017	-		0.150	0.000	0.150	-
Casting Manufacturing Technology Process Development	C/CPFF	Honeywell International Inc : AZ	-	-		-		0.100	Feb 2017	-		0.100	0.000	0.100	-
Forging Sustainment Manufacturing Technology Process Development	C/CPFF	Advanced Technology International : SC	-	-		-		1.695	Mar 2017	-		1.695	0.000	1.695	-
Advanced Military Battery Manufacturing Technology Process Development	C/CPFF	Alion Science and Technology Corporation : IL	-	-		-		1.445	Mar 2017	-		1.445	0.000	1.445	-
Advanced Military Battery Manufacturing Technology Process Development	C/CPFF	Eskra Technical Products Inc : WI	-	-		-		0.300	Mar 2017	-		0.300	0.000	0.300	-
Advanced Military Battery Manufacturing Technology Process Development	C/CPFF	EaglePicher Technologies LLC : MO	-	-		-		0.350	Mar 2017	-		0.350	0.000	0.350	-
Advanced Military Battery Manufacturing Technology Process Development	C/CPFF	Quallion LLC : CA	-	-		-		0.350	Mar 2017	-		0.350	0.000	0.350	-

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603680S / *Manufacturing Technology Program (ManTech)*	**Project (Number/Name)** 7 / *Improving Industrial Base Manufacturing Processes (formerly Material Availability)*	

Support ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Advanced Military Battery Manufacturing Technology Process Development	C/CPFF	Saft America Inc : MD	-	-		-		0.350	Mar 2017	-		0.350	0.000	0.350	-
Advanced Military Battery Manufacturing Technology Process Development	C/CPFF	American Energy Technologies : IL	-	-		-		0.300	Mar 2017	-		0.300	0.000	0.300	-
Advanced Military Battery Manufacturing Technology Process Development	C/CPFF	Giner Inc : MA	-	-		-		0.300	Mar 2017	-		0.300	0.000	0.300	-
Advanced Military Battery Manufacturing Technology Process Development	C/CPFF	PneumatiCoat Technologies : CO	-	-		-		0.300	Mar 2017	-		0.300	0.000	0.300	-
		Subtotal	0.000	-		-		10.924		-		10.924	-	-	-

	Prior Years	FY 2015		FY 2016		FY 2017 Base		FY 2017 OCO		FY 2017 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	0.000	-		0.000		10.924		-		10.924	-	-	-

Remarks

Exhibit R-4, RDT&E Schedule Profile: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603680S / *Manufacturing Technology Program (ManTech)*	**Project (Number/Name)** 7 / *Improving Industrial Base Manufacturing Processes (formerly Material Availability)*

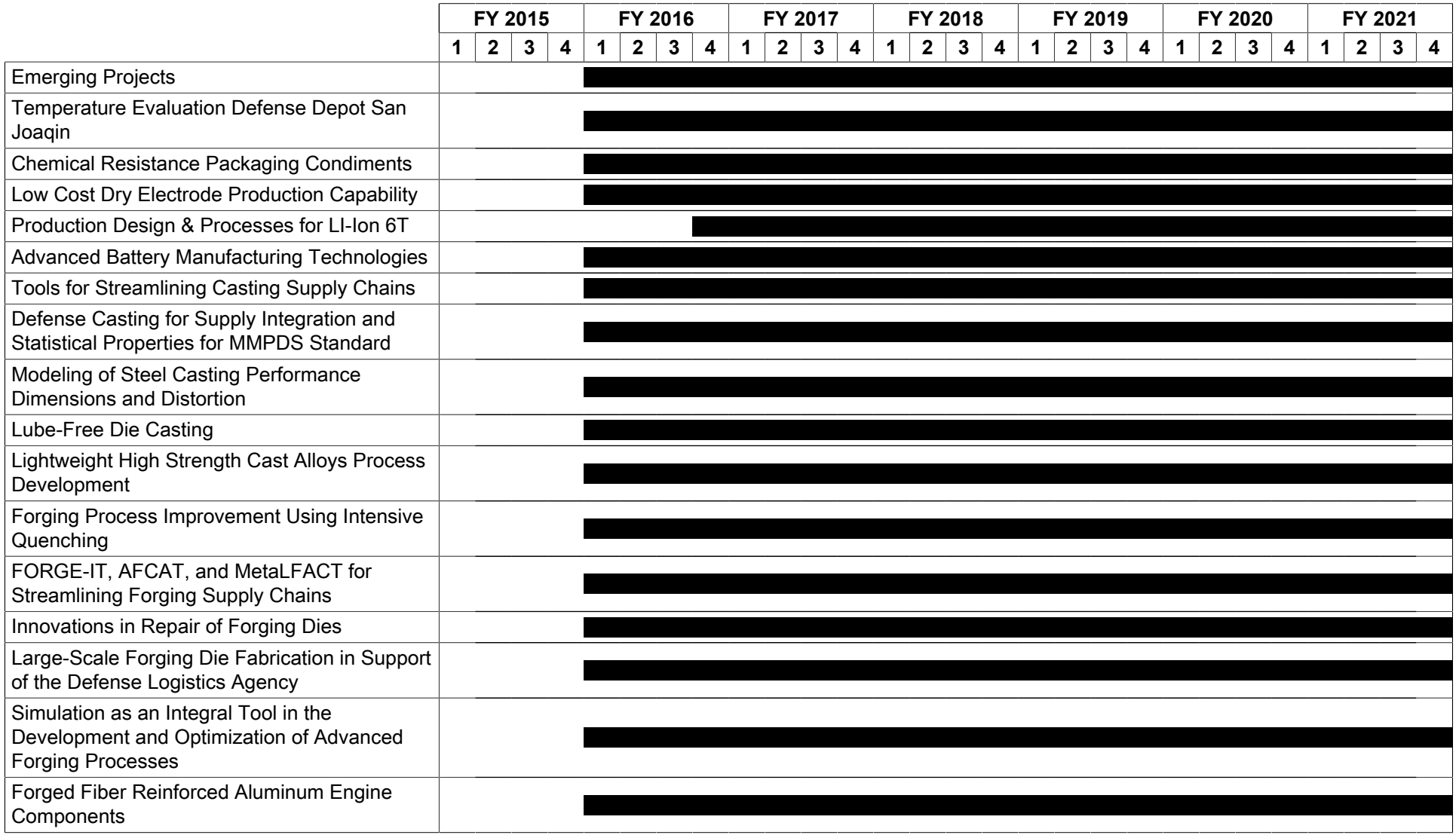

Exhibit R-4, RDT&E Schedule Profile: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603680S / *Manufacturing Technology Program (ManTech)*	**Project (Number/Name)** 7 / *Improving Industrial Base Manufacturing Processes (formerly Material Availability)*

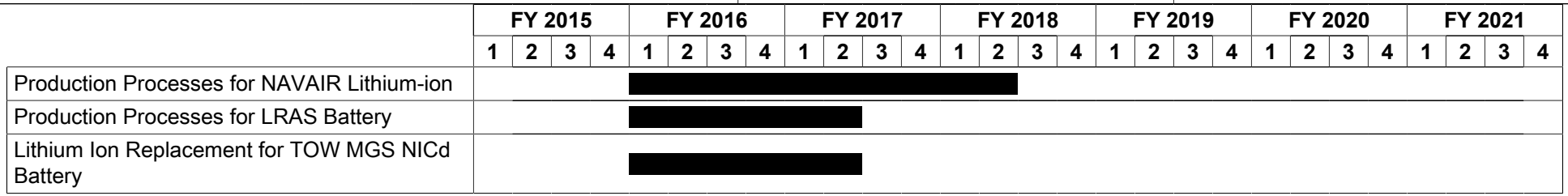

Exhibit R-4A, RDT&E Schedule Details: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603680S / *Manufacturing Technology Program (ManTech)*	**Project (Number/Name)** 7 / *Improving Industrial Base Manufacturing Processes (formerly Material Availability)*

Schedule Details

	Start		End	
Events	**Quarter**	**Year**	**Quarter**	**Year**
Emerging Projects	1	2016	4	2021
Temperature Evaluation Defense Depot San Joaqin	1	2016	4	2021
Chemical Resistance Packaging Condiments	1	2016	4	2021
Low Cost Dry Electrode Production Capability	1	2016	4	2021
Production Design & Processes for LI-Ion 6T	4	2016	4	2021
Advanced Battery Manufacturing Technologies	1	2016	4	2021
Tools for Streamlining Casting Supply Chains	1	2016	4	2021
Defense Casting for Supply Integration and Statistical Properties for MMPDS Standard	1	2016	4	2021
Modeling of Steel Casting Performance Dimensions and Distortion	1	2016	4	2021
Lube-Free Die Casting	1	2016	4	2021
Lightweight High Strength Cast Alloys Process Development	1	2016	4	2021
Forging Process Improvement Using Intensive Quenching	1	2016	4	2021
FORGE-IT, AFCAT, and MetaLFACT for Streamlining Forging Supply Chains	1	2016	4	2021
Innovations in Repair of Forging Dies	1	2016	4	2021
Large-Scale Forging Die Fabrication in Support of the Defense Logistics Agency	1	2016	4	2021
Simulation as an Integral Tool in the Development and Optimization of Advanced Forging Processes	1	2016	4	2021
Forged Fiber Reinforced Aluminum Engine Components	1	2016	4	2021
Production Processes for NAVAIR Lithium-ion	1	2016	2	2018
Production Processes for LRAS Battery	1	2016	2	2017
Lithium Ion Replacement for TOW MGS NICd Battery	1	2016	2	2017

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603680S / *Manufacturing Technology Program (ManTech)*	Project (Number/Name) 8 / *Maintaining Viable Supply Sources (formerly High Quality Sources)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
8: *Maintaining Viable Supply Sources (formerly High Quality Sources)*	-	0.000	0.000	16.923	-	16.923	19.056	18.738	18.902	19.360	Continuing	Continuing

A. Mission Description and Budget Item Justification

The High Quality Sources SFA are projects undertaken to assure that the industrial base can respond to DLA requirements and DLA can fill military customers' material requirements reliably and consistently. Benefits include eliminating cancelled requisitions returned to customers as "non-procurable." This strategic focus area includes within its scope the former Material Acquisition Electronics program.

The Material Acquisition Electronics roadmap has four major thrusts in Digital Microcircuits: Advanced Schottky TTL, TTL Compatible CMOS, 512 Kilobit RAM/ROM and Mega Gate ASIC. The Roadmap also includes a new major thrust area: Linear Microcircuits. Over the past several years, obsolescence in this class of microcircuits has greatly increased and has become a significant concern. These are classes of microcircuits that are expected to become non-procurable in FY 17 and beyond. Without the technologies planned on the MAE Roadmap, DLA will not be able to support DoD's requirements for high quality spare parts for critical electronic systems and subsystems.

The Strategic Materials roadmap is a new thrust for the DLA Mantech program. It is designed to ensure that critical strategic materials are available from domestic sources and that process innovations are in place to efficiently process or recover strategic materials. Domestic capabilities can enhance national security and potentially reduce Defense Stockpile requirements.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Maintaining Viable Supply Sources (formerly High Quality Sources)	-	-	16.923
FY 2017 Plans: MAE will continue planning for the specific emulation technology implementations to support specific device family groups in consonance with Customer and Agency requirements. MAE will begin a major new thrust in emulation to address Linear Microcircuits in addition to its traditional focus on Digital. Several efforts will address basic design, manufacturing, electrical test and quality/reliability requirements for establishing a basis for product-oriented developments across the FYDP. MAE will also complete development and transition Advanced Schottky TTL Digital Microcircuit Emulation capability into full-scale production increasing DLA's ability to re-establish sourcing of non-procurable microcircuit NSNs. The newly transitioned emulation capabilities will address several discontinued device families and will increase the potential emulation production envelope by several hundred NSNs. MAE will also continue development of additional emulation capabilities including TTL-Compatible CMOS. MAE will also initiate several new implementations including development of a 1 million gate Application-			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603680S / *Manufacturing Technology Program (ManTech)*	**Project (Number/Name)** 8 / *Maintaining Viable Supply Sources (formerly High Quality Sources)*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Specific Integrated Circuit (ASIC) and 512K Read-Only and Random-Access Memory Emulation Capabilities. It will complete prototyping 350 nanometer emulation circuitry, bringing emulation capability that re-establishes sources for additional NSNs. Strategic Materials: A request for white paper proposals was recently added to DLA's Emerging R&D Requirements BAA for critical initial manufacturing technology requirements in domestic high strength carbon fibers. Additional targeted requirements will be determined with DLA Strategic Materials. Targeted requests for proposals will be conducted to address specific needs and opportunities to ensure that critical strategic materials are available from domestic sources and that process innovations are in place to efficiently produce strategic materials. Manufacturing technologies and capabilities are expected to transition to Title III or specific Weapon System Program funds for industrial base qualification.			
Accomplishments/Planned Programs Subtotals	-	-	16.923

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

MAE efforts are incremental funding on a competitive awarded 5 year contract.

Strategic Materials efforts will be competitively evaluated and awarded using Broad Agency Announcement (BAA) procedures.

E. Performance Metrics

Transition of one technology implementation (base array) to low-rate initial production or full-scale production. Each technology implementation increases the breadth of microcircuit part types which can be returned to a procurable status; improving readiness and avoiding the need to redesign at the next-higher level. Potential benefit to hundreds of weapon systems.

Strategic Materials: Develop roadmap and transition targeted manufacturing technologies.

At least 30% of the completed projects will transition.

OSD-C financial metrics (obligation and disbursement) will be achieved.

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603680S / *Manufacturing Technology Program (ManTech)*	Project (Number/Name) 8 / *Maintaining Viable Supply Sources (formerly High Quality Sources)*	

Support ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Digital Electronic Device Manufacturing Technology Process Development	C/CPFF	SRI International : CA	0.000	-		-		16.523		-		16.523	0.000	16.523	-
Digital Electronic Device Manufacturing Technology Process Development SETA	MIPR	SPAWAR : CA	0.000	-		-		0.400		-		0.400	0.000	0.400	-
		Subtotal	0.000	-		-		16.923		-		16.923	0.000	16.923	-

	Prior Years	FY 2015		FY 2016		FY 2017 Base		FY 2017 OCO		FY 2017 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	0.000	-		0.000		16.923		-		16.923	0.000	16.923	-

Remarks

Exhibit R-4, RDT&E Schedule Profile: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603680S / *Manufacturing Technology Program (ManTech)*	**Project (Number/Name)** 8 / *Maintaining Viable Supply Sources (formerly High Quality Sources)*

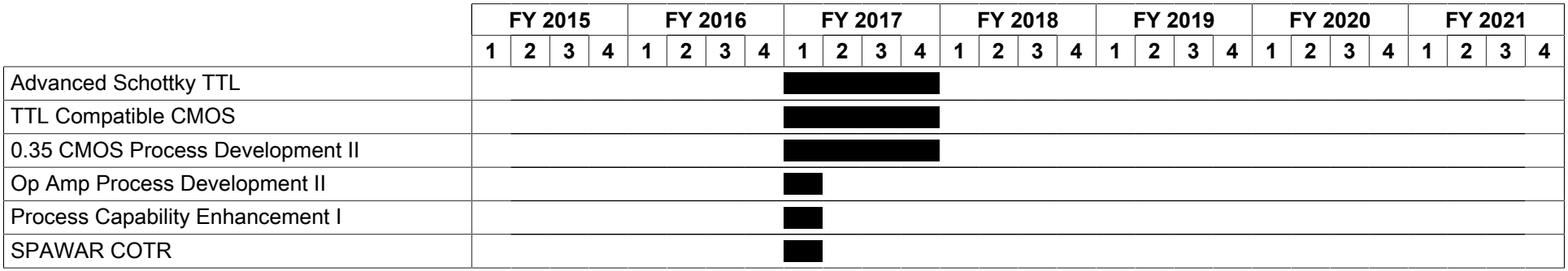

Exhibit R-4A, RDT&E Schedule Details: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603680S / *Manufacturing Technology Program (ManTech)*	**Project (Number/Name)** 8 / *Maintaining Viable Supply Sources (formerly High Quality Sources)*

Schedule Details

	Start		End	
Events	**Quarter**	**Year**	**Quarter**	**Year**
Advanced Schottky TTL	1	2017	4	2017
TTL Compatible CMOS	1	2017	4	2017
0.35 CMOS Process Development II	1	2017	4	2017
Op Amp Process Development II	1	2017	1	2017
Process Capability Enhancement I	1	2017	1	2017
SPAWAR COTR	1	2017	1	2017

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603680S / *Manufacturing Technology Program (ManTech)*	Project (Number/Name) 9 / *Improving Technical and Logistics Information (formerly Industry and Customer Collaboration*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
9: *Improving Technical and Logistics Information (formerly Industry and Customer Collaboration*	-	0.000	0.000	3.412	-	3.412	4.462	4.434	4.462	4.499	Continuing	Continuing

A. Mission Description and Budget Item Justification

The Improving Technical and Logistics Information Strategic Focus Area (SFA) projects improve and facilitate the communication of technical and logistics information among industry, DLA's military customers and DLA. This SFA includes Military Unique Sustainment Technology (MUST) and the Defense Logistics Information Research (DLIR) (P.E. 0603712S) within its scope. The movement of the DLIR related work from P.E. 0603712S to the DOD ManTech Program aligns the funding to the critical interface between DLA and industry and away from internal DLA operations.

The MUST focus addresses GAO Report 12-707 recommendations that DOD to establish a "knowledge-based approach" to collaborate on define and communicate of military unique requirements. DLA has the responsibility to communicate and manage the technical requirements among the Services and the Defense Industrial Base. Currently there is no common environment for collaborating on new requirements among the stakeholders. The strategic objective of the DLA MUST program is to identify, develop and adopt technologies that can significantly reduce the lead-time between Individual Item and Equipment (IIE) development and sustainment from years to months. The Program focuses on technologies that will transform the military IIE supply chain from an "electronic paper" (i.e. PDF/MS Word) based, manual environment into a knowledge based automated environment. The resulting approach will be a neutral platform that will seamlessly communicate military unique technical requirements throughout the end to end supply chain.

The DLIR Model Based Enterprise effort will develop capabilities to systematically accept engineering and design data from the Military Services, validate and store item technical data in 3D models. There are two classes of data that must be addressed: newly designed parts for systems still in development and legacy parts for systems that are in sustainment. The problem with newly designed parts is capturing the complete and accurate designs. The legacy parts do not have digital engineering models which recreating the design in contemporary engineering systems.

The Technical and Logistical Data Interoperability will pioneer methods to capture data from military Services, Original Equipment Manufacturers (OEMs), and suppliers to form a seamless thread of interoperable and linked data models.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Improving Technical and Logistics Information (formerly Industry and Customer Collaboration	-	-	3.412
FY 2017 Plans:			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603680S / *Manufacturing Technology Program (ManTech)*	**Project (Number/Name)** 9 / *Improving Technical and Logistics Information (formerly Industry and Customer Collaboration*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Continue the distributed pilots and begin transition of the technology into the supply chain. Expand the number of companies participating in the pilots and validating the benefits of the knowledge based approach to IIE development.			
Accomplishments/Planned Programs Subtotals	-	-	3.412

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

Delivery/Task Orders are awarded against a competitively awarded IDIQ contracts.

E. Performance Metrics

The metrics for ICC are error elimination in engineering and technical data, including omissions and uncertainties in specifications, streamlining vendor level of effort associated with completing procurements, and improved collaboration among the Services, DLA and the industrial base. The result will lead to reduced lead-time, inventory and to avoid the costs of defective material.

At least 30% of the completed projects will transition.

OSD-C financial metrics (obligation and disbursement) will be achieved.

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603680S / *Manufacturing Technology Program (ManTech)*	**Project (Number/Name)** 9 / *Improving Technical and Logistics Information (formerly Industry and Customer Collaboration*

Support ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Manufacturing Technology – Knowledge Based Individual Items and Equipment Development	C/CPFF	AdvanTech STP : MD	0.000	-		-		0.615	May 2017	-		0.615	0.000	0.615	-
Manufacturing Technology – Knowledge Based Individual Items and Equipment Development	C/CPFF	Logistics Managment Institute : VA	0.000	-		-		0.641	Jan 2017	-		0.641	0.000	0.641	-
Manufacturing Technology – Knowledge Based Individual Items and Equipment Development	C/CPFF	XSB Inc. : NY	0.000	-		-		0.615	May 2017	-		0.615	0.000	0.615	-
Manufacturing Technology – Knowledge Based Individual Items and Equipment Development	C/CPFF	Clemson Partner : SC	0.000	-		-		0.015	Jun 2017	-		0.015	0.000	0.015	-
Automatic Extraction of Product Lifecycle Management Data	C/CPFF	XSB Inc. : NY	-	-		-		1.526		-		1.526	0.000	1.526	-
		Subtotal	0.000	-		-		3.412		-		3.412	0.000	3.412	-

	Prior Years	FY 2015		FY 2016		FY 2017 Base		FY 2017 OCO		FY 2017 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	0.000	-		0.000		3.412		-		3.412	0.000	3.412	-

Remarks

Exhibit R-4, RDT&E Schedule Profile: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603680S / *Manufacturing Technology Program (ManTech)*	**Project (Number/Name)** 9 / *Improving Technical and Logistics Information (formerly Industry and Customer Collaboration*

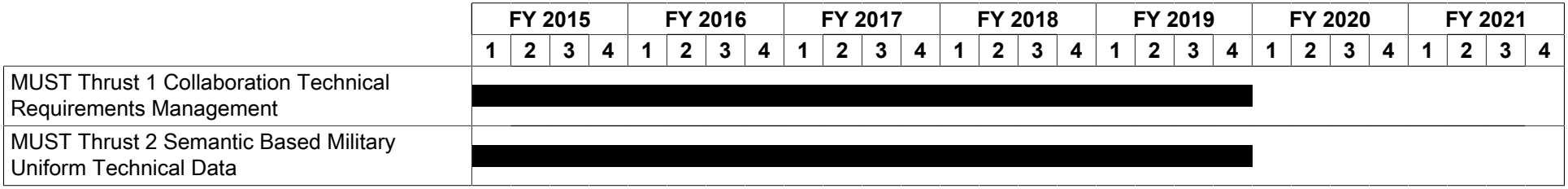

Exhibit R-4A, RDT&E Schedule Details: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603680S / *Manufacturing Technology Program (ManTech)*	**Project (Number/Name)** 9 / *Improving Technical and Logistics Information (formerly Industry and Customer Collaboration*

Schedule Details

	Start		End	
Events	**Quarter**	**Year**	**Quarter**	**Year**
MUST Thrust 1 Collaboration Technical Requirements Management	1	2015	4	2019
MUST Thrust 2 Semantic Based Military Uniform Technical Data	1	2015	4	2019

Exhibit R-2, RDT&E Budget Item Justification: PB 2017 Defense Logistics Agency											Date: February 2016	
Appropriation/Budget Activity 0400: *Research, Development, Test & Evaluation, Defense-Wide* / BA 3: *Advanced Technology Development (ATD)*					R-1 Program Element (Number/Name) PE 0603712S / *Logistics Research and Development Technology (Log R&D)*							
COST ($ in Millions)	**Prior Years**	**FY 2015**	**FY 2016**	**FY 2017 Base**	**FY 2017 OCO**	**FY 2017 Total**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**Cost To Complete**	**Total Cost**
Total Program Element	82.806	22.224	15.537	11.011	-	11.011	11.230	11.520	11.834	12.133	Continuing	Continuing
1: *Medical Logistics Network (MLN)*	8.382	1.952	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
2: *Weapon System Sustainment (WSS)*	23.991	5.634	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
3: *Supply Chain Management (SCM)*	14.844	5.730	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
4: *Strategic Distribution & Disposition (SDD)*	17.345	2.051	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
5: *Energy Readiness Program (ERP)*	10.735	5.061	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
6: *Defense Logistics Information Research (DLIR)*	7.509	1.796	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
7: *Enhancing Analysis, Modeling, and Decision Support (formerly Analytic & Decision Support)*	0.000	0.000	3.423	2.371	-	2.371	2.617	2.681	2.750	2.818	Continuing	Continuing
8: *Improving Logistics Processes (formerly Logistics Process)*	0.000	0.000	7.042	5.236	-	5.236	5.757	5.901	6.051	6.201	Continuing	Continuing
9: *Emergent Logistics R&D Requirements (formerly Innovative Products & Services for DLA Customers)*	0.000	0.000	5.072	3.404	-	3.404	2.856	2.938	3.033	3.114	Continuing	Continuing

A. Mission Description and Budget Item Justification

The Defense Logistics Agency is responsible for providing to the Military Services, and other Federal Agencies, as well as combined and allied forces the full spectrum of logistics, acquisition and technical services. DLA sources and provides nearly 100 percent of the consumable items the military forces need to operate – including food, fuel and energy, uniforms, medical supplies as well as construction and barrier equipment. DLA supplies more than 85 percent of the military's spare parts, provides logistics information data and products, manages the reutilization of military equipment, and offers document automation and production services. DLAs Research and Development (R&D) program helps ensure that advanced logistics concepts and business processes are available in order to accomplish the agency's

mission with the leanest possible infrastructure, using the best commercial and government sources and applying most effective business processes. The Logistics R&D program develops and demonstrates high risk, high payoff technology that provides a significantly higher level of support at lower costs than would be otherwise attainable. The program has a proven track record of implementation and benefits.

In December 2013, the DLA Director called for greater flexibility within the R&D program in support of the agency's efforts to achieve its mission. As a result, the R&D program is evolving from single supply chain efforts to Strategic Focus Areas (SFAs). The SFAs will support DLA's efforts to make the improvements needed to maintain mission readiness rates in a constrained budget environment.

The three Strategic Focus Areas were renamed in FY 17-FY 21 to more clearly capture their focus and scope:

1. Enhancing Analysis, Modeling, and Decision Support (formerly Analytic and Decision Support): R&D efforts to develop decision support tools, such as modeling, simulation, and other analytics to improve operational strategy decision-making, forecasting, and procurement, which support more effective and efficient responses to emerging market and customer requirements.
2. Improving Logistics Processes (formerly Logistics Processes): R&D efforts to develop and implement advanced technology in logistics processes over and above current baseline systems.
3. Emergent Logistics R&D Requirements (formerly Innovative Products and Services for Customers): R&D Efforts to support emergent Logistics R&D requirements that arise out of the budget cycle. These out of cycle requirements always occur. The SFA begins new projects in a timely manner without disrupting ongoing projects by funds reallocation. This SFA includes all DLA supply chains and logistics processes.

B. Program Change Summary ($ in Millions)	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total
Previous President's Budget	16.836	16.543	16.949	-	16.949
Current President's Budget	22.224	15.537	11.011	-	11.011
Total Adjustments	5.388	-1.006	-5.938	-	-5.938
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-1.000			
• Congressional Rescissions	-0.005	-			
• Congressional Adds	4.500	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	1.485	-			
• SBIR/STTR Transfer	-0.592	-			
• FY17 Fund Realignment	-	-	-4.646	-	-4.646
• FFRDC	-	-0.006	-	-	-
• AT&L Top-Line Reduction	-	-	-1.200	-	-1.200
• Inflation for Non-Pay/Non-Fuel purchases	-	-	-0.092	-	-0.092

Exhibit R-2, RDT&E Budget Item Justification: PB 2017 Defense Logistics Agency	Date: February 2016
Appropriation/Budget Activity 0400: *Research, Development, Test & Evaluation, Defense-Wide I* BA 3: *Advanced Technology Development (ATD)*	**R-1 Program Element (Number/Name)** PE 0603712S *I Logistics Research and Development Technology (Log R&D)*

Congressional Add Details ($ in Millions, and Includes General Reductions)	FY 2015	FY 2016
Project: 5: *Energy Readiness Program (ERP)*		
Congressional Add: *Innovative industrial practices for the co-production of fuels, chemicals, and wood fiber products to meet DoD bulk fuel requirements*	0.000	-
Congressional Add Subtotals for Project: 5	0.000	-
Congressional Add Totals for all Projects	0.000	-

Change Summary Explanation

During FY 2017 – FY 2021 funds were realigned from PE LOG R&D (0603712S) to the Industrial Preparedness – Manufacturing Technology Program (PE 0708011S). This realignment was needed to accommodate high priority requirements within DLA to improve the industrial base that supports critical weapon systems. In FY17, $4.646M was realigned from LOG R&D to MANTECH for these high priority requirements.

The consequences to the realignment include: The Medical On-Demand Business Analytics (ODBA) capability will be delayed depriving DLA end-users the ability to easily access and navigate the data from a single interface without requiring the knowledge of database access language (SQL). The Supply Chain management project reductions means additional anti-counterfeiting technology will not be fully developed and implemented, increasing the risk that counterfeit parts will enter the DOD supply system. Reductions to the Energy readiness program mean cost increases to the Services for fuel because fewer alternative fuel additives will be available. Modeling and Simulation tools will not be available for DLA to optimize operations and logistics processes.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603712S / *Logistics Research and Development Technology (Log R&D)*	Project (Number/Name) 1 / *Medical Logistics Network (MLN)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
1: *Medical Logistics Network (MLN)*	8.382	1.952	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing

A. Mission Description and Budget Item Justification

FY2016-FY2020 funding for this effort is split and realigned to Strategic Focus Areas #7, Analytic and Decision Support, and #8, Logistics Processes, depending on the nature of the specific R&D activity being performed.

The Medical Logistics Network (MLN) program supports the Medical Directorate's mission to develop and implement the critical logistics and medical supply chain business practices that ensure the cost-effective and efficient distribution of medical materiel to the full range of Military Health System operations.

The Medical Logistics Network (MLN) program anticipates future medical logistical requirements and develops strategies and tools to meet these requirements. Operating in the unique DoD-Commercial medical logistics environment, the Medical Logistics Network program develops processes for management of DoD Medical Logistics to ensure effective and safe medical supplies support the warfighter. These business process improvements may have potential extensions to other supply chains.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Medical Logistics Network Accomplishments/Plans	1.952	0.000	-
FY 2015 Accomplishments: In FY2015 work continued on the On-Demand Business Analytics (ODBA) project, the Fair and Reasonable Evaluation (FRE) project, and the Clinical Standardization project. Additionally, Advancing Cold Chain Management (ACCM) executed a sub-project in FY2015. MLN Success: The Trade Agreement Act (TAA) requires the Government to acquire end-products which are Manufactured or Substantially Transformed in either the U.S. or a Qualifying or Designated Country, unless there are no offers of such end-products or the offers of such end- products are insufficient to fulfill the Government's requirements. In FY2015 MLN undertook the development of an improved and comprehensive web based custom software solution to automate and support the TAA Compliance Management business function of Customer Pharmacy Operations Center (CPOC) team.			
FY 2016 Plans: Efforts related to MLN have been moved to the Analytic and Decision Support (A&DS) and Logistics Processes Strategic Focus Areas. On-Demand Business Analytics (ODBA), in year 3 of 3, is planned to transition in FY2016.			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603712S / *Logistics Research and Development Technology (Log R&D)*	**Project (Number/Name)** 1 / *Medical Logistics Network (MLN)*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Additionally, the Medical Object Oriented Data Sustainment (MOODS) Project will be initiated in FY2016. MOODS will improve processes and tools to sustain Joint Task-Time-Treater (JTTF) data which will be used by military services to create medical supply forecasts that are based on expected patient treatments. The JTTF helps to define supplies and equipment to treat a population at risk in terms of specific medical conditions. The current processes to sustain JTTF are extremely complex, improvement will help to optimize the standard of care that Warfighters receive.			
Accomplishments/Planned Programs Subtotals	1.952	0.000	-

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

The On-Demand Business Analytics (ODBA) project was competitively bid as a task order on the Defense Logistics Standard Support Blanket Purchase Agreement (DMLSS-W BPA). All new project execution work is being solicited through the DLA R&D Emergent Requirements 2 Broad Agency Announcement (BAA).

E. Performance Metrics

Defense Medical Logistics Transformation (DMLT): 1) The percentage of requirements supported by architecture products – 100% of the MedSurg Prime Vendor Program's Gen IV Requirements were supported by architecture products. 2) Measurement of compliance with laws and regulations (e.g. Clinger-Cohen Act) that require complete enterprise architecture- 93.0% of required products passed first certification review (based on MS-B and CDR).

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603712S / *Logistics Research and Development Technology (Log R&D)*	Project (Number/Name) 2 / *Weapon System Sustainment (WSS)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
2: *Weapon System Sustainment (WSS)*	23.991	5.634	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing

A. Mission Description and Budget Item Justification

FY2016-FY2020 funding for this effort is split and realigned to Strategic Focus Areas #7, Analytic and Decision Support, and #8, Logistics Processes, depending on the nature of the specific R&D being performed.

Support Defense Logistics Agency (DLA) Strategic Plans Goals 1.) Warfighter Support) and 2.) Stewardship Excellence. The program spans multiple weapon systems and supply chains to improve internal processes, provide new methods, reduce costs and lead times, and ultimately, improve readiness for DLA customers.

The program is focused in three initiatives:
1.) Planning Process Improvement: The program improves elements of current inventory policy models, assesses potential benefits of new technologies and seeks more efficient approaches to deliver customer requirements while reducing inventory and order fulfillment costs.

2.) Technical/Quality Process Improvement: The program improves internal efficiency and customer satisfaction through new tools and methods to proactively address supply issues resulting from current technical/quality processes.

3.) Procurement Process Improvement: The program will demonstrate tailored data collection and business processes for well-defined subsets of suppliers and procurement types to improve supplier responsiveness, cycle time and cost.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Weapon System Sustainment	5.634	0.000	-
FY 2015 Accomplishments: Planning Process Improvements: The Supplier Initiated Orders (SIO) project was completed and transitioned to DLA Aviation, which is using the SIO method with Boeing and GE. Substantial cost reductions and improved performance are being realized. Transition to other Aviation weapon systems is on hold until DLA J6 resources are available to move forward with the implementation of the SIO automated workflow. The FINISIM, Returns and Peak/Next Gen enhancements projects were completed and transition efforts started by J343. Peak/Next Gen is being used to set inventory levels for more than 500,000 items, and continues to allow PLFAs to meet stringent Material Availability goals. A project was initiated to improve the accuracy of PLT estimates which will improve support to warfighters and reduce overstocking. A project was initiated to pilot the use of Vendor Owned Inventory, a commercial practice known to reduce costs through more effective inventory management. A new project will develop techniques to link parts in indentured bills of materials to Service maintenance and parts usage data, and use			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603712S / *Logistics Research and Development Technology (Log R&D)*	**Project (Number/Name)** 2 / *Weapon System Sustainment (WSS)*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
modeling and simulation to provide a better estimate of demand for those parts. A Weapon System Demand Mapping project was established to link sales, orders and requisition information to the weapon system the ordered items are used on, which will enable improved collaboration among DLA, its suppliers and its customers. Collaborative efforts were continued with the Planning team to develop new projects for FY 2016 awards. Technical/Quality Process Improvements: Three new projects were started in FY 2015. Technical Data Availability will initiate an attack on the problem of lengthy delays in determining if technical data is current by assessing Services' systems for configuration management could be automatically accessed by EBS or some other method. As part of DLA's initiative in Additive Manufacturing (AM), a project was awarded to take parts from identification of applicability through final approval by the appropriate Service, which will clarify the issues associated with obtaining Service approvals and identify some approaches to resolving those issues. The Cost of Quality in Procurement project will identify and document the specific contractor/bidder characteristics that distinguish the need for oversight, the appropriate oversight actions, and the associated cost of performing the actions. Collaborative efforts were continued with the Technical/Quality team to develop new projects for FY 2016 awards. Procurement Process Improvements: The Performance-Based Logistics (PBL) Process Improvement project provided recommendations to DLA senior leadership for how to improve DLA's use of PBL in its operations. A project was initiated to determine the issues and potential benefits of moving PBL storage and distribution functions from commercial sites to DLA Distribution Centers. A project was awarded to develop improvements to the automated bid evaluation process to reduce the number of manual reviews in order to reduce cost of DLA's operations and reduce the time to award purchase orders. Collaborative efforts were continued with the Procurement Process Owner and his team to develop new projects for FY 2016 awards. ***FY 2016 Plans:*** Funding and efforts related to Weapon Systems Sustainment transferred to Analytic and Decision Support and Logistics Processes.			
Accomplishments/Planned Programs Subtotals	5.634	0.000	-

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

A competitive BAA was issued and awarded in FY 14. Delivery orders will be placed against the contract.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603712S / *Logistics Research and Development Technology (Log R&D)*	**Project (Number/Name)** 2 / *Weapon System Sustainment (WSS)*

E. Performance Metrics

The WSS program supports the Director's strategic goals of Warfighter First, Strategic Engagement, Financial Stewardship and Process Excellence. Projects completed in FY2015 reduced material costs, improved the efficiency of the Material Returns process, reduced backorders, and reduced procurement workload.

At least 30% of the completed projects will transition.

OSD-C financial metrics (obligation and disbursement) will be achieved.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603712S / *Logistics Research and Development Technology (Log R&D)*	Project (Number/Name) 3 / *Supply Chain Management (SCM)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
3: *Supply Chain Management (SCM)*	14.844	5.730	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing

A. Mission Description and Budget Item Justification

DLA operates in a very dynamic environment. To meet customer expectations DLA must be able to address problems in a timely manner and be able to respond to emerging opportunities. The Supply Chain Management Program within R&D provides the Agency with the resources needed to quickly take advantage of new ideas emerging from the Center Commanders, Process Owners, or Staff Directors.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Supply Chain Management Accomplishments/Plans	5.730	0.000	-
FY 2015 Accomplishments: During FY2015 Supply Chain Management will invest in the technologies to implement advanced Supply Chain Management techniques into DLA's Supply Chains. DLA is expecting to reduce the production lead-time needed to produce critical DLA Land and Maritime items. Supply Chain Management initiated an out of cycle requirement to assure the supply of critical carbon fiber for strategic systems and new starts in additive manufacturing. R&D awarded Strategic Materials R&D projects on DLA's Emerging R&D Requirements BAA for critical initial manufacturing technology requirements in domestic high strength carbon fiber material testing.			
FY 2016 Plans: Funding and effort related to Supply Chain Management transferred to Innovative Products and Services for Customers			
Accomplishments/Planned Programs Subtotals	5.730	0.000	-

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

Projects are awarded following competitive Broad Agency Announcement acquisition processes and delivery orders against competitively awarded IDIQ contracts.

E. Performance Metrics

SCM is measured on the ability to meet emerging needs that occur out of phase with the budget cycle.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603712S / *Logistics Research and Development Technology (Log R&D)*	**Project (Number/Name)** 3 / *Supply Chain Management (SCM)*

At least 30% of the completed projects will transition.

OSD-C financial metrics (obligation and disbursement) will be achieved.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603712S / *Logistics Research and Development Technology (Log R&D)*	Project (Number/Name) 4 / *Strategic Distribution & Disposition (SDD)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
4: *Strategic Distribution & Disposition (SDD)*	17.345	2.051	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing

A. Mission Description and Budget Item Justification

This program improves DLA's distribution and disposition capabilities, operational effectiveness, and efficiency in support of the Services, COCOMs, and DOD in CONUS, OCONUS, and deployed locations. Its long-range objectives include but are not limited to: 1) Continued improvement and integration of DLA, TRANSCOM, and Joint Service logistics planning, visibility, and Command and Control (C2) capabilities for military and humanitarian deployments; 2) Development and integration of advanced deployable distribution and disposition capabilities, reducing DLA's expeditionary footprint while improving Warfighter support and resource stewardship; 3) Improvements to DLA Distribution centers and DLA Disposition Services through insertion of state-of-the-art technologies, including intelligent material handling equipment, communications, and workload forecasting tools; 4) Distribution and Disposition workforce developments through advanced training methods and technologies; and 5) Intelligent end-to-end supply chain management from DLA's inventory control points, through its distribution centers to customers' and back to DLA Disposition for final disposition.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Strategic Distribution & Disposition (SDD) Accomplishments / Planned Program	2.051	0.000	-
FY 2015 Accomplishments: Completed a DEMIL "C" vehicle sales project culminating in a Business Case Analysis (BCA) that identified three models of HMMWV suitable for public sale after DEMIL. Courses of action are anticipated to yield up to $155.9M in vehicle sales. Began work on Distribution Automation/Robotics Project designed to improve warehouse performance by incorporating cutting-edge technology.			
FY 2016 Plans: Efforts related to the SDD Program have been moved to the Enhancing Analysis, Modeling, and Decision Support and Improving Logistics Processes Strategic Focus Areas (SFA).			
Accomplishments/Planned Programs Subtotals	2.051	0.000	-

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

N/A

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603712S / *Logistics Research and Development Technology (Log R&D)*	**Project (Number/Name)** 4 / *Strategic Distribution & Disposition (SDD)*

E. Performance Metrics

SDD improves DLA distribution and disposition capabilities. At least 30% of the completed projects will transition. OSD-C financial metrics (obligation and disbursement) will be achieved.

SDD Analytic and Decision Support (A&DS): planned technical performance metrics include completed CAD 2D/3D modeling and simulation analyses of the layout/ design of the EDC in New Cumberland, PA, and a completed Feasibility Study/BCA to determine the need, location, resources, and equipment requirements for a DLA Disposition Customer Kiosk prototype.

SDD Logistics Processes (LP): planned technical performance metrics include a completed survey of technology (report) identifying technology applicable to DLA's warehouse and distribution operations and leveraging Logistics R&D to test commercial applications via the Warehouse Automation and Robotics Exploratory Project (WAREP).

Additionally, SDD will test and document new methodologies and technologies for maintaining DLA Distribution batteries and decreasing battery corrosion due to sulfation. Performance metrics include completed and documented methodologies and test plans as well as completed test results (reports).

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603712S / *Logistics Research and Development Technology (Log R&D)*	Project (Number/Name) 5 / *Energy Readiness Program (ERP)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
5: *Energy Readiness Program (ERP)*	10.735	5.061	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing

A. Mission Description and Budget Item Justification

Program Management Office Support (PMO) for developing program strategies and goals, preparing documentation for the program, and performing quick reaction studies, including Congressionally Mandated Studies (CMS) and analysis. Alternate Energy Development (AED) to include test and certification to support the addition of synthetic and alternative fuels to mobility fuel specifications and acquisition plan; renewable fuels studies and planning; continued study of directives related to the implementation of alternative fuels and renewable energy. Improving Class IIIB supply chain through Current Product Improvement (CPI) (such as the study and development of fuel additives and studies to increase sources of supply) and Infrastructure & Process Improvement (such as the development of analytical tools).

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Energy Readiness Program (ERP) Accomplishments/Plans	5.061	0.000	-
FY 2015 Accomplishments: Continued PMO support in program implementation and planning. Continued support of alternative/renewable energy solution study, test, and demonstration. Continued support Class IIIB supply chain through product improvement to increase sources, improve quality, and reduce cost. Continue to support infrastructure & process improvements. Projects successfully completed projects during FY 15 included “Field Evaluation of Automatic Particle Counters for Aviation Fuels” and “Characterization of Light Cycle Oil Contaminants in Fuels”, both of which have yielded results which will enhance DLA Energy’s capabilities in delivering quality on-spec fuel products to the services and significantly decrease instances of product failures, replacements and military services equipment maintenance efforts which result in mission delays or failures. Transitioning of the results of these project efforts into DLA and DoD specifications, standards and quality surveillance/assurance procedures is currently ongoing.			
FY 2016 Plans: Efforts funding related to Energy Readiness have been moved to the Innovative Products and Services for Customers Strategic Focus area. Continued PMO support in program implementation and planning. Continued support of alternative/renewable energy solution study, test, and demonstration. Continued support Class IIIB supply chain through product improvement to increase sources, improve quality, and reduce cost. Continue to support infrastructure & process improvements.			
Accomplishments/Planned Programs Subtotals	5.061	0.000	-

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603712S / *Logistics Research and Development Technology (Log R&D)*	**Project (Number/Name)** 5 / *Energy Readiness Program (ERP)*

	FY 2015	FY 2016
Congressional Add: Innovative industrial practices for the co-production of fuels, chemicals, and wood fiber products to meet DoD bulk fuel requirements ***FY 2015 Accomplishments:*** Needs to be updated	0.000	-
Congressional Adds Subtotals	0.000	-

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

N//A

E. Performance Metrics

At least 30% of the completed projects will transition.

OSD-C financial metrics (obligation and disbursement) will be achieved.

Technical Achievements: 1. Development of improved test methods for the detection of unstable light cycle oil contaminants in jet fuels; 2. Development of improved test methods to determine the long-term storage stability of diesels fuels per MILSPEC requirements; 3. Development of acceptable lubricity limits/requirements for jet fuels derived from alternative (non-petroleum) sources).

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603712S / *Logistics Research and Development Technology (Log R&D)*	Project (Number/Name) 6 / *Defense Logistics Information Research (DLIR)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
6: *Defense Logistics Information Research (DLIR)*	7.509	1.796	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing

A. Mission Description and Budget Item Justification

FY2016-FY2020 funding for DLIR have been reprogrammed to the DLA Manufacturing Technology Program (P.E. 0708011S). This change will better align the technical work with the OSD Manufacturing Technology Program initiative for the Model Based Enterprise (MBE). The MBE will help DOD move to a completely digital environment for design and engineering data needed to conceive, design, build and support weapon systems.

The Defense Logistics Information Research (DLIR) program objective is to research, identify, and implement potential or existing technologies using high-risk, high payoff tools, methods, techniques, and products. The DLIR program partners with commercial industry to perform short-term projects (STPs) in various logistics business areas which align with the DLA strategic vision. DLIR improves functional and business processes using the latest technologies available to support the nation's warfighter. The technical areas of interest is the development of Logistics Data Interoperability & Availability. Enhances the functionality and compatibility of data in a complex data environment using supply chain relationships and lifecycle management to allow flexible visibility.

DLIR is working several short term projects in the area of interest. These efforts are positioning DLA to move towards a model-based enterprise (MBE), using and acquiring 3-Dimensional model-based data instead of 2-Dimensional hardcopy for weapon system sustainment and support.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Defense Logistics Information Research (DLIR) Accomplishments/Plans	1.796	0.000	0.000
FY 2015 Accomplishments: Completed the concept of operations (CONOPS) for using Model based technical data in Procurement. Develop automated tools and methodologies to store and deliver 3 Dimensional model data to customers so they can use Additive Manufacturing to make the part. The goal is that DLA will store, stock, and ship the model, not the part.			
FY 2016 Plans: Efforts related to DLIR have been moved to the Industry and Customer Collaboration Strategic Focus Area. P.E. 0708011S			
FY 2017 Plans: Efforts related to DLIR have been moved to the Industry and Customer Collaboration Strategic Focus Area. P.E. 0708011S			
Accomplishments/Planned Programs Subtotals	1.796	0.000	0.000

C. Other Program Funding Summary ($ in Millions)

N/A

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603712S / *Logistics Research and Development Technology (Log R&D)*	**Project (Number/Name)** 6 / *Defense Logistics Information Research (DLIR)*

C. Other Program Funding Summary ($ in Millions)

Remarks

D. Acquisition Strategy

N/A

E. Performance Metrics

" Transition may include two scenarios:
1) Transition applications behind the J6 firewall IAW the J6 Front door process.
2) Transition applications as a contractor hosted web based Software as a Service model "

At least 30% of the completed projects will transition.

OSD-C financial metrics (obligation and disbursement) will be achieved.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603712S / *Logistics Research and Development Technology (Log R&D)*	Project (Number/Name) 7 / *Enhancing Analysis, Modeling, and Decision Support (formerly Analytic & Decision Support)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
7: *Enhancing Analysis, Modeling, and Decision Support (formerly Analytic & Decision Support)*	0.000	0.000	3.423	2.371	-	2.371	2.617	2.681	2.750	2.818	Continuing	Continuing

A. Mission Description and Budget Item Justification

R&D efforts undertaken to develop and implement advanced analytical tools, modeling, and simulation of logistics and supply chain processes. These tools will improve DLA forecasting and procurement strategy decisions and lead to faster and more flexible response to emerging market and customer requirements. Currently there are three major analytical thrusts: Planning Processes, Medical Supply Chain, and Distribution/Disposition. Planning processes model and simulate item and customer demand patterns to improve customer support, lower inventories, acquisition costs, and acquisition lead-times for hardware (Class IX items). Medical Supply Chain Modeling will provide DLA the capability to integrate DLA logistics data and commercial data with satellite and political maps; it will automate for DLA Medical planners the ability to identify entities such as suppliers, customers and vendor distribution centers to enhance spatial awareness of incidents such as catastrophic events and military contingencies. The Distribution/Disposition thrust will develop and implement analytical tools, models, and simulations of logistics and supply chain processes related to distribution and disposition.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Enhancing Analysis, Modeling, and Decision Support	0.000	3.423	2.371
FY 2015 Accomplishments: New start in FY 16			
FY 2016 Plans: Planning Process will focus on initial capabilities of supply chain risk management, examine the potential benefits of alternative ownership strategies for inventory and address ways to improve collaboration among DLA, its suppliers and its customers for more effective inventory management. Medical Supply Chain will transition the On-Demand Business Analytics (ODBA) capability. Strategic Distribution and Disposition (SDD) will conduct a current state simulation of DLA's East Coast Distribution Center (EDC). The current state simulation will be compared to new potential redesigns of the EDC. The most promising new designs will be simulated and compared to the current state for labor savings, reduction in fulfillment time/cycle, and reduction of Material Handling Equipment (MHE).			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603712S / *Logistics Research and Development Technology (Log R&D)*	**Project (Number/Name)** 7 / *Enhancing Analysis, Modeling, and Decision Support (formerly Analytic & Decision Support)*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
SDD will also complete Phase I of the Warehouse Automation and Robotics Exploratory Project and provide an initial ROM BCA. ***FY 2017 Plans:*** MLN will transition the Clinical Standardization application to sustainment. A new project in Medical 3D Printing could be undertaken this year. Planning Process will focus on initial capabilities of Supply chain risk management, examine the potential benefits of alternative ownership strategies for inventory and address ways to improve collaboration among DLA, its suppliers and its customers for more effective inventory management. Collaborative efforts will be continued with the Planning Process Owner and his team to develop new projects for FY 2017 awards. Strategic Distribution and Disposition (SDD) will update the Warehouse Automation and Robotics BCA to include results of the East Coast Distribution Center (EDC) study. Additionally, SDD will assist in the economic analysis of new Lithium-Ion battery technology.			
Accomplishments/Planned Programs Subtotals	0.000	3.423	2.371

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

Delivery orders will be issued against competitively awarded contracts.

E. Performance Metrics

At least 30% of the completed projects will transition.

OSD-C financial metrics (obligation and disbursement) will be achieved.

Additional and planned A&DS technical achievements include:

WSS -
Improvements in the planning processes for DLA managed items, more accurate estimates of the cost of medical material and improvements will be made in DLA's capability to plan for contingencies. Improvements in the planning process focus on objectives in the Director's Strategic Goals of Warfighter First (Objective 1:

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603712S / *Logistics Research and Development Technology (Log R&D)*	**Project (Number/Name)** 7 / *Enhancing Analysis, Modeling, and Decision Support (formerly Analytic & Decision Support)*

anticipate, assess and meet current and future Warfighter requirements) and Strategic Engagement (Objective 1: collaborate with providers to incentivize productivity and innovation, eliminate unproductive business processes, and address industrial base vulnerabilities).

SDD -
Planned technical performance metrics include completed CAD 2D/3D modeling and simulation analyses of the layout/design of the EDC in New Cumberland, PA, and a completed Feasibility Study/BCA to determine the need, location, resources, and equipment requirements for a DLA Disposition Customer Kiosk prototype. Additionally, SDD will assist in the economic analysis of new Lithium-Ion battery technology.

MLN -
Improved data access and navigation abilities from a single interface without requiring the knowledge of database access language (SQL) - ODBA.

Developing applications to effectively identify new contracting/sourcing opportunities for medical products based upon best-value criteria such as price, market share, and clinical attributes - Clinical Standardization.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603712S / *Logistics Research and Development Technology (Log R&D)*	Project (Number/Name) 8 / *Improving Logistics Processes (formerly Logistics Process)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
8: *Improving Logistics Processes (formerly Logistics Process)*	0.000	0.000	7.042	5.236	-	5.236	5.757	5.901	6.051	6.201	Continuing	Continuing

A. Mission Description and Budget Item Justification

Logistics Processes are R&D efforts undertaken to develop and implement advanced technology in the internal DLA logistics processes. To qualify for R&D funding, the R&D effort must develop and apply technology and processes over and above current baseline IT systems and continuous improvements efforts.
This strategic focus area has 4 thrusts: Technical/Quality Process Improvements, Selected Process Improvements, Medical Processes, and Distribution/Disposition Processes.

T/Q process improvements to reduce material and internal costs and improve support to warfighters. Services have engineering responsibility for most Class IX parts. Many T/Q sub-processes involve interactions with Service engineering functions, which often are time-consuming and costly. Other key T/Q sub-processes are essential to the procurement function, such as analysis of parts content, source capabilities and problem resolution.

Selected process improvements cover processes outside the scope of the Technical/Quality (T/Q) function. Although all DLA processes are in scope, the focus for FY 2016 is on the Procurement process, especially aspects driving internal costs and delays in awards.

Medical Processes will expand work in critical mechanisms to guarantee product quality of temperature-sensitive medical materiel distributed to our customers, and identify the most efficient and cost-effective means to deliver those medical products in accordance with FDA-labeled and other regulatory requirements.

Distribution and Disposition logistics processes deal with improving distribution and disposition capabilities, operational effectiveness, and efficiency. While numerous technologies and applications have been developed and exploited, DLA has not kept pace with the commercial industry in regards to modernizing its technology systems infrastructure, processes, or mobilizing information for personnel, customers, and processes.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Improving Logistics Processes (LP)	0.000	7.042	5.236
FY 2015 Accomplishments: New Start in FY 16			
FY 2016 Plans: T/Q efforts will include transition of the Quality cost, organic manufacturing process and Critical Application item projects initiated in FY 15. In addition, a new effort will begin in expanding DNA Marking and developing methods to guard against malicious code entering the supply system through acquired items.			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603712S / *Logistics Research and Development Technology (Log R&D)*	**Project (Number/Name)** 8 / *Improving Logistics Processes (formerly Logistics Process)*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Selected Process initiatives for FY 16 in the T/Q area include Cost of Quality in Procurement, Technical Data Availability, processes for Service approval of substituting Additive Manufacturing for selected parts, develop and demonstrate and approach to making information systems containing data on chemical content of parts interoperable to aid in identifying material risk, and creation of a decision support tool to identify problematic parts procurement much earlier.Initiatives in the Procurement area include Reducing Manual Reviews to cut cost and time, Proactive No-Bid Modeling to reduce time to award and improve support to warfighters, and eCommerce to cut internal and parts costs and reduce Production Lead Time. Medical Processes will continue to execute projects that support Advancing Cold Chain Management (ACCM). The Distribution and Disposition initiative will leverage emerging distribution and disposal technologies and state of the art reverse logistics. One promising new project is the DLA Disposition Customer Kiosk. The project will explore the feasibility of using self-service unmanned kiosk type collection points to improve efficiency, and eliminate and/or reduce appointment wait times for customers that use this new service, thereby creating just-in-time disposition services. ***FY 2017 Plans:*** Medical Processes will continue to execute projects that support Advancing Cold Chain Management (ACCM). Additionally, a new project in Medical 3D Printing could be undertaken this year. T/Q efforts will include transition of the Cost of Quality in Procurement and Agile Logistics for Acquisition and Regulated Materials Projects initiated in FY 15 and FY16, respectively. In addition, a new effort will begin in developing methods to guard against malicious code entering the supply system through acquired items. Additional new projects will be awarded as a result of collaborative planning efforts during FY16. Collaborative efforts will be continued with the Procurement and T/Q Process Owners and their teams to develop new projects for FY 2016 awards. Strategic Distribution and Disposition (SDD) will continue beta testing commercial automation and robotics applications as approved by DLA Distribution.			
Accomplishments/Planned Programs Subtotals	0.000	7.042	5.236

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

N/A

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603712S / *Logistics Research and Development Technology (Log R&D)*	**Project (Number/Name)** 8 / *Improving Logistics Processes (formerly Logistics Process)*

E. Performance Metrics

At least 30% of the completed projects will transition. OSD-C financial metrics (obligation and disbursement) will be achieved. Additional technical achievements will include providing extreme ambient profiles for selected shipping lanes to assist in the thermal design of temperature controlled systems.

WSS -
T/Q and Procurement process improvement projects focus on objectives in the Director's Strategic Goals of Financial Stewardship (Objective 4: reduce overall DLA operation and maintenance costs) and Process Excellence (Objective 2: implement and integrate end-to-end process management to optimize enterprise initiatives.

SDD -
Planned technical performance metrics include a completed survey of technology (report) identifying technology applicable to DLA's warehouse and distribution operations and leveraging Logistics R&D to test commercial applications via the Warehouse Automation and Robotics Exploratory Project (WAREP).

Additionally, SDD will test and document new methodologies and technologies for maintaining DLA Distribution batteries and decreasing battery corrosion due to sulfation. Performance metrics include completed and documented methodologies and test plans as well as completed test results (reports).

MLN -

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603712S / *Logistics Research and Development Technology (Log R&D)*	**Project (Number/Name)** 9 / *Emergent Logistics R&D Requirements (formerly Innovative Products & Services for DLA Customers)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
9: *Emergent Logistics R&D Requirements (formerly Innovative Products & Services for DLA Customers)*	0.000	0.000	5.072	3.404	-	3.404	2.856	2.938	3.033	3.114	Continuing	Continuing

A. Mission Description and Budget Item Justification

The Innovative Products and Services for Customers Strategic Focus Area includes R&D efforts to develop new products and services for DLA customers. The Energy Roadmap helps to achieve the operational energy strategy goals of increasing sources of supply, developing and implementing alternative fuels. The Supply Chain Management Roadmap addresses emerging and out of cycle requirements that always occur and new products and services developed by DLA.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Emergent Logistics R&D Requirements	0.000	5.072	3.404
FY 2015 Accomplishments: New start in FY 16			
FY 2016 Plans: Supply Chain Management addresses the emerging technology opportunities that occur out of the budget cycle. This allows DLA to get a head start undertaking new technological advances without disrupting ongoing programs. In the past DLA R&D has been able to cut 12 to 24 months off the project starting lead-times. Saving the lead-time allows the Agency to begin to realize the benefits of implementing new technology sooner than would otherwise be the case and maintain continuity of funding and activity for baseline programs. Energy Readiness will focus on providing additional alternatives for military unique fuels, working with the Service customers to improve specifications and standards for fuel quality, engage in modeling and simulation of the energy supply chain and identifying alternative energy sources for Military Customers.			
FY 2017 Plans: Supply Chain Management addresses the emerging technology opportunities that occur out of the budget cycle. This allows DLA to get a head start undertaking new technological advances without disrupting ongoing programs. In the past DLA R&D has been able to cut 12 to 24 months off the project starting lead-times. Saving the lead-time allows the Agency to begin to realize the benefits of implementing new technology sooner than would otherwise be the case and maintain continuity of funding and activity for baseline programs.			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603712S / *Logistics Research and Development Technology (Log R&D)*	**Project (Number/Name)** 9 / *Emergent Logistics R&D Requirements (formerly Innovative Products & Services for DLA Customers)*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Additional targeted requirements will be determined with DLA Strategic Materials. Targeted requests for proposals will be conducted to address specific needs and opportunities to ensure that critical strategic materials are available from domestic sources and that process innovations are in place to efficiently produce strategic materials. Manufacturing technologies and capabilities are expected to transition to Title III or specific Weapon System Program funds for industrial base qualification. Funding will be reallocated based on project requirements and reclassified into the Strategic Material Thrust. Energy Readiness will continue to focus on providing additional alternatives for military unique fuels, working with the Service customers to improve specifications and standards for fuel quality, engage in modeling and simulation of the energy supply chain and identifying alternative energy sources for Military Customers.			
Accomplishments/Planned Programs Subtotals	0.000	5.072	3.404

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

Competitive awards against a DLA BAA or Delivery Orders against MILSVC IDIQ contracts.

E. Performance Metrics

Implementing new fuel supply technology into the industrial base and meeting emerging requirements and opportunities for logistics technologies that will provide better support to the DLA mission.

At least 30% of the completed projects will transition.

OSD-C financial metrics (obligation and disbursement) will be achieved.

Exhibit R-2, RDT&E Budget Item Justification: PB 2017 Defense Logistics Agency											Date: February 2016	
Appropriation/Budget Activity 0400: *Research, Development, Test & Evaluation, Defense-Wide* / BA 3: *Advanced Technology Development (ATD)*					R-1 Program Element (Number/Name) PE 0603713S / *Deployment and Distribution Enterprise Technology*							
COST ($ in Millions)	**Prior Years**	**FY 2015**	**FY 2016**	**FY 2017 Base**	**FY 2017 OCO**	**FY 2017 Total**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**Cost To Complete**	**Total Cost**
Total Program Element	116.465	29.533	29.888	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
1: *Capabilities Based Logistics*	7.342	0.000	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	0	7.342
2: *Deployment and Distribution Velocity Management*	6.869	0.000	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	0	6.869
3: *Cross Domain Intuitive Planning*	2.408	0.000	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	0	2.408
4: *End-to-End Visibility*	5.973	0.666	0.400	0.000	-	0.000	0.000	0.000	0.000	0.000	0	7.039
5: *Distribution Planning and Forecasting*	8.504	0.000	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	0	8.504
6: *Joint Transportation Interface*	14.917	0.000	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	0	14.917
7: *Distribution Protection/Safety/ Security*	15.135	0.000	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	0	15.135
8: *Command and Control/ Optimization/Modeling and Simulation*	35.724	21.735	16.492	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
9: *Cyber*	3.690	2.090	5.436	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
10: *Global Access*	15.903	5.042	7.560	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing

Note

NOTE: In FY 2017, PE 0603713S (BA3) Deployment and Distribution Enterprise Technology and PE 0603264S (BA3) Agile Transportation for the 21st Century Theater were transferred to a single PE in the Air Force budget (PE 0604776F) in order to support auditability, increase management efficiency, and reduce administrative actions.

A. Mission Description and Budget Item Justification

USTRANSCOM is tasked to provide globally integrated, agile deployment and distribution solutions as well as related enabling capabilities to support national security, force readiness and sustainability within an increasingly constrained defense budget. Unpredictable/extended global distribution routes, limited visibility of sustainment requirements, force packaging limitations, lift constraints, anti-access/area denial concerns, complex supply chains, as well as non-networked battlefield command and control, planning, and decision support tools impede timely customer logistical support. To project unimpeded global power and influence, USTRANSCOM must have access to relevant, real-time information, invest in enabling capabilities that contribute to mission success, ensure the viability of our capabilities, and implement a relevant transportation strategy. Effective knowledge sharing, decision support and transparency across the joint logistics enterprise, facilitated by secure enterprise-

Exhibit R-2, RDT&E Budget Item Justification: PB 2017 Defense Logistics Agency	Date: February 2016
Appropriation/Budget Activity 0400: *Research, Development, Test & Evaluation, Defense-Wide I* BA 3: *Advanced Technology Development (ATD)*	**R-1 Program Element (Number/Name)** PE 0603713S *I Deployment and Distribution Enterprise Technology*

wide visibility into logistical processes as well as the ability to effectively collaborate/operate in a contested cyberspace, is required to promote the effective/efficient/ responsive global management of force projection and sustainment resources.

B. Program Change Summary ($ in Millions)	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total
Previous President's Budget	29.683	29.888	0.000	-	0.000
Current President's Budget	29.533	29.888	0.000	-	0.000
Total Adjustments	-0.150	0.000	0.000	-	0.000
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-0.150	-			

Change Summary Explanation

NOTE: In FY 2017, PE 0603713S (BA3) Deployment and Distribution Enterprise Technology and PE 0603264S (BA3) Agile Transportation for the 21st Century Theater were transferred to a single PE in the Air Force budget (PE 0604776F) in order to support auditability, increase management efficiency, and reduce administrative actions.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603713S / *Deployment and Distribution Enterprise Technology*	Project (Number/Name) 1 / *Capabilities Based Logistics*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
1: *Capabilities Based Logistics*	7.342	0.000	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	0	7.342

Note

Projects 1-3, 5-7 repackaged into new Projects 8-10 starting in FY2013 per ASD (R&E) recommendation.

A. Mission Description and Budget Item Justification

The Department requires procedures and technologies which provide enterprise-level capabilities critical to the distribution system to improve performance of the end-to-end DOD supply chain in direct support of the full range of military operations. Ability to rapidly respond to customers' changing demands, with a reliably high level of service. These needs include: capabilities which enhance any supply or transportation mission (aeromedical, air refueling, joint logistics over-the-shore, and seabasing); analysis, tailoring and implementation of selected best enterprise-level practices from industry; and tools/procedures to optimize transportation plus supply (distribution) plans and schedules in support of an entire operation. This project addresses the required mission support to combatant commanders and other customers in the area of capability-based logistics.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Capabilities Based Logistics	0.000	-	-
FY 2015 Accomplishments: N/A			
Accomplishments/Planned Programs Subtotals	0.000	-	-

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

N/A

E. Performance Metrics

Critical enterprise-level distribution system capabilities to improve DOD supply chain performance. Plus focus on research and development to address warfighting requirements.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603713S / *Deployment and Distribution Enterprise Technology*	Project (Number/Name) 2 / *Deployment and Distribution Velocity Management*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
2: *Deployment and Distribution Velocity Management*	6.869	0.000	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	0	6.869

Note

Projects 1-3, 5-7 repackaged into new Projects 8-10 starting in FY2013 per ASD (R&E) recommendation.

A. Mission Description and Budget Item Justification

DOD requires procedures/technologies targeted at optimizing throughput at the nodes and through the conduits of the deployment and distribution supply chains, from origin to point of use and return to include: inventory management enhancers (includes node cargo management/tracking); materiel handling innovations (including methods of reducing handling); improved physical access to nodes (includes aircraft all-weather visual systems); port throughput enhancements (includes in-port time reduction methods); and innovative delivery methods (for example, precision airlift, autonomous re-supply). This project addresses required mission support to combatant commanders and other customers of DOD's distribution and transportation systems in the area of deployment/distribution velocity management.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Deployment and Distribution Velocity Management	0.000	-	-
FY 2015 Accomplishments: N/A			
Accomplishments/Planned Programs Subtotals	0.000	-	-

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

N/A

E. Performance Metrics

Increase force projection and sustainment velocity. Plus focus on research and development to address warfighting requirements.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603713S / *Deployment and Distribution Enterprise Technology*	Project (Number/Name) 3 / *Cross Domain Intuitive Planning*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
3: *Cross Domain Intuitive Planning*	2.408	0.000	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	0	2.408

Note

Projects 1-3, 5-7 repackaged into new Projects 8-10 starting in FY2013 per ASD (R&E) recommendation.

A. Mission Description and Budget Item Justification

Procedures/technologies which improve decision-making and collaboration within the supply chain, from the planning stage to real-time execution and retrograde operations, without need for highly specialized operators of the tools. Projects in this area address following areas: decision support tools for any echelon of the supply chain or decision-maker, distribution process simulations and models for analysis and training, distribution demand forecasting/execution monitoring tools, on-line training, automated decision-maker support (e.g., queuing, alerting, recommended courses of action), automated status monitoring with information fusion and drilldown capability, and resilient C2 infrastructure capabilities. This project will provide required mission support to combatant commanders and other distribution/transportation customers in the area of collaborative planning/execution/information sharing/decision support tools.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Cross Domain Intuitive Planning	0.000	-	-
FY 2015 Accomplishments: N/A			
Accomplishments/Planned Programs Subtotals	0.000	-	-

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

N/A

E. Performance Metrics

Improve decision-making and collaboration within the supply chain and focus on research and development to address warfighting requirements.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603713S / *Deployment and Distribution Enterprise Technology*	Project (Number/Name) 4 / *End-to-End Visibility*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
4: *End-to-End Visibility*	5.973	0.666	0.400	0.000	-	0.000	0.000	0.000	0.000	0.000	0	7.039

Note

NOTE: In FY 2017, PE 0603713S (BA3) Deployment and Distribution Enterprise Technology and PE 0603264S (BA3) Agile Transportation for the 21st Century Theater were transferred to a single PE in the Air Force budget (PE 0604776F) in order to support auditability, increase management efficiency, and reduce administrative actions.

A. Mission Description and Budget Item Justification

Enhanced end-to-end visibility of all aspects of power projection/sustainment spectrum is required to improve the effectiveness/efficiency of deployment/distribution/ redeployment operations to ensure warfighter support and confidence. This requires investigation into next generation Automated Information Technology (AIT)/ Total Asset Visibility (TAV) technologies and/or container security to improve end-to-end distribution visibility, enhance planning/execution, and transform sustainment operations. Includes the ability to determine immediate, reliable, and accurate shipment status through system access or event management. Develop an over-arching process/system architecture which will integrate existing and innovative new programs across the supply chain to provide complete In Transit Visibility (ITV) data, to include visibility of non-DoD cargo during humanitarian/disaster relief operations. The ability of USTRANSCOM to supply transportation support for homeland defense and/or disaster relief depends on effective ways to link with other governmental and civilian agencies. Additionally need to explore the many barriers across the Joint Deployment and Distribution Enterprise (JDDE), to include non-DoD government entities, coalition partners, non-government organizations, and commercial industry, which can create confusion/conflict or detract from the optimization of the JDDE.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: End-to-End Visibility	0.666	0.400	-
FY 2015 Accomplishments: Begin development of an advanced predictive forecasting capability for better visibility and forecasting of Class IX (spare parts) demands, anticipate lift needs, and establish / measure lift priorities in terms of the operational availability implications of those demands on planned military operations. Complete process to determine parts failure/usage patterns and mission type/ environment to initiate sustainment support actions.			
FY 2016 Plans: Complete development of an advanced predictive forecasting capability for better visibility and forecasting of Class IX (spare parts) demands, anticipate lift needs, and establish / measure lift priorities in terms of the operational availability implications of those demands on planned military operations.			
Accomplishments/Planned Programs Subtotals	0.666	0.400	-

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603713S / *Deployment and Distribution Enterprise Technology*	**Project (Number/Name)** 4 / *End-to-End Visibility*

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

N/A

E. Performance Metrics

Project performance metrics are specific to each effort and include measures identified in the metric project plans. Project completions/success are monitored against schedules and deliverables stated in the statements of work. >80% transition rate of proven technologies to increase force projection and sustainment velocity. Ability to enhance the effectiveness and efficiency of DoD logistics/supply chain operations.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603713S / *Deployment and Distribution Enterprise Technology*	Project (Number/Name) 5 / *Distribution Planning and Forecasting*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
5: *Distribution Planning and Forecasting*	8.504	0.000	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	0	8.504

Note

Projects 1-3, 5-7 repackaged into new Projects 8-10 starting in FY2013 per ASD (R&E) recommendation.

A. Mission Description and Budget Item Justification

There is a lack of collaborative distribution planning, based on an understanding of aggregated customer requirements, for optimizing the end-to-end distribution process. Planning, forecasting and collaboration are insufficiently advanced to fully synchronize people, processes and assets to execute planned operations. Automated tools should be able to dynamically analyze/predict demand and provide input to advanced distribution planning systems. Project investigates the need for flexible end-to-end enhanced modeling and simulation and collaborative decision support tools.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Distribution Planning and Forecasting	0.000	-	-
FY 2015 Accomplishments: N/A			
Accomplishments/Planned Programs Subtotals	0.000	-	-

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

N/A

E. Performance Metrics

Planning based on an understanding of customer requirements for optimizing the distribution process. Plus focus on research and development to address warfighting requirements.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603713S / *Deployment and Distribution Enterprise Technology*	Project (Number/Name) 6 / *Joint Transportation Interface*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
6: *Joint Transportation Interface*	14.917	0.000	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	0	14.917

Note

Projects 1-3, 5-7 repackaged into new Projects 8-10 starting in FY2013 per ASD (R&E) recommendation.

A. Mission Description and Budget Item Justification

Synchronizing strategic/theater delivery capabilities to meet increasingly dynamic customer needs. Transportation information exchange across the DOD is inhibited by the disparity of systems, differing data standards, and insufficient interfaces. Queries and retrieval of status and shipment information cannot be executed due to lack of connectivity between the various components of the supply chain. The ability to maintain situational awareness of movements at macro/micro (drill down) levels, with associated force and sustainment cargo on board; to track force packages progress, and rapidly determine the impact of any delays or changes to sailing progress and arrival at port of debarkation; and to conduct "what -if" impact assessment of possible changes to delivery asset's course, speed or departure/arrival information as it relates to force or force package delivery/impact of any change on the closure of force packages in theater is required. The ability of USTRANSCOM to supply transportation support for homeland defense and/or disaster relief depends on effective ways to link with other governmental and civilian agencies. Also need to explore the many barriers across the Joint Deployment and Distribution Enterprise (JDDE), to include non-DOD government entities, coalition partners, non-government organizations, and commercial industry, which can create confusion/conflict or detract from the optimization of the JDDE.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Joint Transportation Interface	0.000	-	-
FY 2015 Accomplishments: N/A			
Accomplishments/Planned Programs Subtotals	0.000	-	-

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

N/A

E. Performance Metrics

Synchronizing, through information exchange, strategic/theater delivery capabilities to meet warfighter needs. Plus focus on research and development to address warfighting requirements.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603713S / *Deployment and Distribution Enterprise Technology*	Project (Number/Name) 7 / *Distribution Protection/Safety/Security*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
7: *Distribution Protection/Safety/ Security*	15.135	0.000	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	0	15.135

Note

Projects 1-3, 5-7 repackaged into new Projects 8-10 starting in FY2013 per ASD (R&E) recommendation.

A. Mission Description and Budget Item Justification

The Theater Commander has not always been able to provide the appropriate security in a timely manner during deployment. In some cases there are insufficient security assets to oversee convoy security in-country; therefore, all movement requirements are competing for the same limited resources. Additionally need to explore new, portable methods of detecting hazardous/asymmetric materials in very small quantities to support safe logistics operations. Also explore technologies to enhance the capability to deliver personnel/materiel to anti-access/austere airfields and seaports.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Distribution Protection/Safety/Security	0.000	-	-
FY 2015 Accomplishments: N/A			
Accomplishments/Planned Programs Subtotals	0.000	-	-

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

N/A

E. Performance Metrics

Providing the appropriate security in a timely manner during deployment and distribution operations. Plus focus on research and development to address warfighting requirements.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603713S / *Deployment and Distribution Enterprise Technology*	Project (Number/Name) 8 / *Command and Control/Optimization/ Modeling and Simulation*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
8: *Command and Control/ Optimization/Modeling and Simulation*	35.724	21.735	16.492	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing

A. Mission Description and Budget Item Justification

Capabilities which improve deployment, distribution and supply chain decision-making/collaboration (e.g., planning stage to real-time execution/retrograde operations) without need for highly specialized operators. Projects in this area address the following: decision support tools, distribution process simulations/analytics, distribution demand forecasting/execution monitoring, training, automated decision-maker support (e.g., queuing, alerting, courses of action), automated status monitoring with information fusion to include drilldown capability, and resilient C2 infrastructure capabilities. Current planning/forecasting/collaboration capabilities do not permit full synchronization of people, processes and assets to execute planned operations. Automated tools must be able to dynamically analyze/predict demand and provide input to advanced distribution planning systems to include the capability for Combatant Commanders to manage theater transportation operations from the port of debarkation to the point of need. Transportation information exchange across the DOD is inhibited by disparate systems, multiple data standards and insufficient interfaces. The ability to rapidly determine the impact of any delays/changes and conduct "what -if" impact assessments on the closure of force packages is required. This project addresses the required mission support to combatant commanders and other customers in the area of C2, Optimization, and Modeling and Simulations.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Command and Control/Optimization/Modeling and Simulation	21.735	16.492	0.000
FY 2015 Accomplishments: Start effort to provide ability to rapidly develop, assess, adapt, and execute plans in a dynamic environment. Start, at military installation Entry Control Facilities, to identify ways to reduce threat vehicle speeds and mitigate or defeat the threat through design changes. Start effort to plan and executing theater distribution of fuel and water. Continue the effort to develop the ability to effectively and efficiently schedule missions from all known sources of airlift requirements. Continue partnership with Air Force Institute of Technology to develop Modeling and Simulation Decision Support technologies. Continue partnership with Lincoln Labs for information technology system integration and prototype development. Continue effort to increase shared awareness, operational agility and optimize the use of the active duty air refueling (AR) fleet, during the short notice planning process, from a worldwide/fleet-wide perspective, as well as providing the ability to plan, if desired, using allied/coalition/international AR aircraft to refuel DoD aircraft. Continue development of robust modeling solutions in the face of uncertainty, provide the capability to model detailed enhanced business rules without major “surgery” or software development, and provide the ability to utilize sub-network modeling to streamline the modeling and analysis process. Complete development and spiral transition of collaboration & situational awareness technologies to provide dynamic planning and course of action development/execution capabilities.			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603713S / *Deployment and Distribution Enterprise Technology*	**Project (Number/Name)** 8 / *Command and Control/Optimization/ Modeling and Simulation*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Complete effort to provide a browser-based tool to capture user feedback/expertise/learning preferences and domain knowledge over time. Complete application of semantic technologies within the JDDE for data validation and correction. ***FY 2016 Plans:*** Begin comprehensive account of strategies, optional implementations & recommendations for enterprise-wide management of metadata. Continue development of robust modeling solutions in the face of uncertainty, provide the capability to model detailed enhanced business rules without major "surgery" or software development, and provide the ability to utilize sub-network modeling to streamline the modeling and analysis process. Continue effort to provide ability to rapidly develop, assess, adapt, and execute plans in a dynamic environment. Continue partnership with Air Force Institute of Technology to develop Modeling and Simulation Decision Support technologies. Continue partnership with Lincoln Labs for information technology system integration and prototype development. Continue effort to increase shared awareness, operational agility and optimize the use of the active duty AR fleet, during the short notice planning process, from a worldwide/fleet-wide perspective, as well as providing the ability to plan, if desired, using allied/coalition/international AR aircraft to refuel DoD aircraft. Continue the effort to develop the ability to effectively and efficiently schedule missions from all known sources of airlift requirements. Complete effort to plan and executing theater distribution of fuel and water. Complete effort to identify ways, at military installation Entry Control Facilities, to reduce threat vehicle speeds and mitigate or defeat the threat through design changes. Complete effort to plan and executing theater distribution of fuel and water. ***FY 2017 Plans:*** NOTE: In FY 2017, PE 0603713S (BA3) Deployment and Distribution Enterprise Technology and PE 0603264S (BA3) Agile Transportation for the 21st Century Theater were transferred to a single PE in the Air Force budget (PE 0604776F) in order to support auditability, increase management efficiency, and reduce administrative actions.			
Accomplishments/Planned Programs Subtotals	21.735	16.492	0.000

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

N/A

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603713S / *Deployment and Distribution Enterprise Technology*	**Project (Number/Name)** 8 / *Command and Control/Optimization/ Modeling and Simulation*

E. Performance Metrics

Project performance metrics are specific to each effort and include measures identified in the metric project plans. Project completions/success are monitored against schedules and deliverables stated in the statements of work. >80% transition rate of proven technologies to increase force projection and sustainment velocity. Ability to enhance the effectiveness and efficiency of DoD logistics/supply chain operations.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603713S / *Deployment and Distribution Enterprise Technology*	Project (Number/Name) 9 / *Cyber*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
9: *Cyber*	3.690	2.090	5.436	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing

Note

NOTE: In FY 2017, PE 0603713S (BA3) Deployment and Distribution Enterprise Technology and PE 0603264S (BA3) Agile Transportation for the 21st Century Theater were transferred to a single PE in the Air Force budget (PE 0604776F) in order to support auditability, increase management efficiency, and reduce administrative actions.

A. Mission Description and Budget Item Justification

USTRANSCOM requires mission assurance in a persuasive/dynamic cyber environment. USTRANSCOM requires the procedures/technologies to improve cyber surveillance and control of networks across multiple domains and the ability to continue critical network operations in contested unclassified and classified network environments. The Command also needs the ability to differentiate between valid/unauthorized users and determine/quantify the trustworthiness of hardware/software systems. Additionally must have the ability to rapidly analyze & correlate data regarding malicious activities, select/evoke real-time defense actuators, perform automated reasoning capabilities that address data quality issues, and the ability to rapidly return to a known/safe operating state.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Cyber	2.090	5.436	0.000
FY 2015 Accomplishments: Begin effort to identify and tailor best business practices, process improvement, knowledge management, and technology transition to operationalize cyber security. Start development of a prototype custom attribute solution with extensive documentation for open standards based identity providers. Continue to develop and deliver a set of services that will enable USTRANSCOM to recognize disruptive events or potential disruptive events, understand their impact, determine a response, as well as choose/implement the response that best balances addressing the cyber threat while minimizing mission impact. Continue partnership with Massachusetts Institute of Technology Lincoln Labs in developing cyber secure enclave.			
FY 2016 Plans: Continue development of a prototype custom attribute solution with extensive documentation for open standards based identity providers. Continue effort to identify and tailor best business practices, process improvement, knowledge management, and technology transition to operationalize cyber security. Continue partnership with Massachusetts Institute of Technology Lincoln Labs in developing cyber secure enclave. Complete development and delivery of a set of services that will enable USTRANSCOM to recognize disruptive events or potential disruptive events, understand their impact, determine a response as well as choose and implement the response that best balances addressing the cyber threat while minimizing mission impact.			
FY 2017 Plans:			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603713S / *Deployment and Distribution Enterprise Technology*	**Project (Number/Name)** 9 / *Cyber*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
NOTE: In FY 2017, PE 0603713S (BA3) Deployment and Distribution Enterprise Technology and PE 0603264S (BA3) Agile Transportation for the 21st Century Theater were transferred to a single PE in the Air Force budget (PE 0604776F) in order to support auditability, increase management efficiency, and reduce administrative actions.			
Accomplishments/Planned Programs Subtotals	2.090	5.436	0.000

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

N/A

E. Performance Metrics

Project performance metrics are specific to each effort and include measures identified in the metric project plans. Project completions/success are monitored against schedules and deliverables stated in the statements of work. >80% transition rate of proven technologies to increase force projection and sustainment velocity. Ability to enhance the effectiveness and efficiency of DoD logistics/supply chain operations.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603713S / *Deployment and Distribution Enterprise Technology*	Project (Number/Name) 10 / *Global Access*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
10: *Global Access*	15.903	5.042	7.560	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing

Note

NOTE: In FY 2017, PE 0603713S (BA3) Deployment and Distribution Enterprise Technology and PE 0603264S (BA3) Agile Transportation for the 21st Century Theater were transferred to a single PE in the Air Force budget (PE 0604776F) in order to support auditability, increase management efficiency, and reduce administrative actions.

A. Mission Description and Budget Item Justification

DoD requires procedures/technologies targeted at optimizing throughput at the nodes as well as across the conduits of the deployment and distribution supply chains, from origin to point of use as well as return. Needed capabilities include inventory/cargo management, materiel handling innovations, improved physical node access, port throughput enhancements, innovative delivery methods (e.g., precision airlift, autonomous re-supply), and cargo/container security. This project addresses required mission support to combatant commanders and other customers of DoD's distribution and transportation systems in the area of deployment/distribution velocity management, manned/unmanned systems to the point of effect, and increased global reach in austere/anti-access environments.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Global Access	5.042	7.560	0.000
FY 2015 Accomplishments: Begin effort to deliver an appliqué system that can be added onto currently fielded Rough Terrain Cargo Handlers to allow a single operator to perform the standard container movement operations quicker, safer, and without need of a safety spotter. Develop and deliver an operational prototype real-time monitoring and display system of local wave/current/wind conditions. Assess airship/hybrid airship viability through studies and limited technical or operational demonstrations. Continue effort to remotely access and retrieve containers and vehicles at sea. Complete effort to provide a 500-2,000 pound High Altitude Low Opening (HALO) Container Delivery System (CDS) as well as a series of technologies that improve the accuracy of precision airdrop, and which can be adapted as appropriate to any of the various systems that DoD agencies are using.			
FY 2016 Plans: Begin building a prototype modular petroleum pumping system that will provide a development path for Navy/USMC ship-to-shore technology. Begin development and integration of Large Aircraft Infrared Countermeasures (LAIRCM) Enhanced Situational Awareness capability. Start development of a capability to rapidly assess degraded/damaged ports in strategic locations. Begin effort to develop precision, on-demand air drop resupply of small units in remote/austere locations based on request from unit in need. Commence effort to provide visual/guidance technologies to use when global positioning systems are not available. Continue to assess airship/hybrid airship viability through studies and limited technical or operational demonstrations. Complete development of an operational prototype real-time monitoring and display system of local wave/current/wind conditions. Complete			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603713S / *Deployment and Distribution Enterprise Technology*	**Project (Number/Name)** 10 / *Global Access*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
effort to deliver an appliqué system that can be added onto currently fielded Rough Terrain Cargo Handlers. Complete effort to remotely access and retrieve containers and vehicles at sea. ***FY 2017 Plans:*** NOTE: In FY 2017, PE 0603713S (BA3) Deployment and Distribution Enterprise Technology and PE 0603264S (BA3) Agile Transportation for the 21st Century Theater were transferred to a single PE in the Air Force budget (PE 0604776F) in order to support auditability, increase management efficiency, and reduce administrative actions.			
Accomplishments/Planned Programs Subtotals	5.042	7.560	0.000

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

N/A

E. Performance Metrics

Project performance metrics are specific to each effort and include measures identified in the metric project plans. Project completions/success are monitored against schedules and deliverables stated in the proposals and statements of work. >80% transition rate of proven technologies to increase force projection and sustainment velocity. Ability to enhance the effectiveness and efficiency of DoD logistics/supply chain operations.

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Exhibit R-2, RDT&E Budget Item Justification: PB 2017 Defense Logistics Agency	Date: February 2016
Appropriation/Budget Activity 0400: *Research, Development, Test & Evaluation, Defense-Wide* / BA 3: *Advanced Technology Development (ATD)*	**R-1 Program Element (Number/Name)** PE 0603720S / *Microelectronics Technology Development and Support (DMEA)*

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
Total Program Element	224.235	81.199	89.038	97.826	-	97.826	98.647	99.499	100.933	102.310	Continuing	Continuing
1: *Technology Development*	124.040	54.969	50.152	44.912	-	44.912	46.131	46.755	47.624	48.510	Continuing	Continuing
2: *Trusted Foundry*	100.195	26.230	38.886	52.914	-	52.914	52.516	52.744	53.309	53.800	Continuing	Continuing

A. Mission Description and Budget Item Justification

The Department has found it critical to National Security to maintain an ability to produce legacy microelectronics long after they are available from commercial foundries which move to more advanced technology levels based upon the global market. The Defense Microelectronics Activity (DMEA) uniquely accomplishes this mission for the Department by providing both a trusted and assured supply of microelectronics parts that are no longer available from, or bid by, commercial sources but are essential to combat operations. This is a critical capability in an atmosphere of diminishing domestic semiconductor manufacturing capability and increasing worldwide supply chain risks with threats to defense microelectronics. The threats include risks that include counterfeiting, Trojan horses, specific reliability issues in military environments and rapid obsolescence coming from an unpredictable and unsecured supply chain. As fiscal pressures force the Department to maintain its weapon systems longer than originally planned and their extended combat use increases attrition, the need for DMEA's unique capabilities increases.

Microelectronics is a crucial technology and central for all operations within the Department. Yet, as vital as this technology is to Department operations, the defense market represents less than 0.1% share of the total global semiconductor market. The Department frequently requires legacy microelectronics long after commercial foundries have moved on to advanced technology levels. As such, the semiconductor industry does not respond to the Department's particular needs of ultra-low volumes, long availability time frames, or its high-level security concerns. To meet these requirements, DMEA procures commercial licenses to organically produce semiconductor technologies that are no longer commercially manufactured or are unavailable due to no-bids owing to low volume requirements. These licenses enable DMEA to be the Department's microelectronics supplier of last resort, providing the Department with a long-term, trusted, and assured source.

DMEA provides increasingly rare microelectronics design and fabrication expertise to ensure that the Department can field systems capable of ensuring technological superiority over potential adversaries. DMEA provides decisive, quick turn solutions for defense, intelligence, special operations, cyber and combat missions as well as microelectronic components that are unobtainable in the commercial market. DMEA's knowledge of varying military requirements across a broad and diverse range of combatant environments and missions—along with its unique technical perspective—allows it to develop, manage and implement novel microelectronic solutions to enhance mission capability. DMEA then uses these cutting-edge technology capabilities and products in the solutions it develops for its military clientele. After many years of performing analogous efforts, the technical experience, mission knowledge, and practical judgment that are gained from preceding efforts are incorporated into subsequent technology maturation projects. DMEA's capabilities make it a key tool in the intelligent and rapid development and application of advanced technologies to identified military needs.

Working alongside industry, DMEA has created a model partnership that provides this capability for the Department. DMEA's uniquely flexible foundry supports the Department with a wide variety of integrated circuits using various processes that were developed by commercial manufacturers and which are now assured to remain in one location for as long as they are needed. To obtain these processes, DMEA works closely with U.S. semiconductor industry partners to acquire process licenses.

Exhibit R-2, RDT&E Budget Item Justification: PB 2017 Defense Logistics Agency	Date: February 2016
Appropriation/Budget Activity 0400: *Research, Development, Test & Evaluation, Defense-Wide I* BA 3: *Advanced Technology Development (ATD)*	**R-1 Program Element (Number/Name)** PE 0603720S *I Microelectronics Technology Development and Support (DMEA)*

These Government-held licenses allow for the transfer to DMEA of industry-developed intellectual property (IP) and the related processes for Department needs. These licenses ensure no commercial conflicts by including industry's right to bid first on resulting production volumes. DMEA always looks to industry first to see if it can provide the required components. If industry cannot or will not, only then does DMEA provide the necessary prototypes and low volume production order. A critical element required to make this business model work effectively is protection of the industry partners' valuable IP and processes. DMEA is Government owned and operated, providing the structure and confidence necessary in an industry partner to ensure them that their IP is protected from potential competitors. This strategic and cooperative industry partnership approach allows DMEA to use industry-developed IP and processes by acquiring, installing, and applying them toward meeting the immediate and long-term needs of the Department. This unique capability is essential to all major weapon systems, combat operations, and support needs. As such, DMEA serves the Department, other US Agencies, industry and Allied nations.

DMEA assists hundreds of Department programs every year. DMEA has provided its specialized engineering assistance and capabilities to older systems, current systems, and even to programs not yet in the production phase. This includes the F-18 Super Hornet, F-22 Raptor, F-35, RQ-4 Global Hawk, MQ-9 Reaper, AEGIS Advanced Surface Missile System, Advanced Medium-Range Air-to-Air Missile (AMRAAM), Evolved Sea Sparrow Missile (ESSM), among many other programs. DMEA assists the Combatant Commands (COCOMs) including Special Ops, Cyber, Intelligence, and the Radiation-Hard communities.

B. Program Change Summary ($ in Millions)	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total
Previous President's Budget	83.200	79.037	97.826	-	97.826
Current President's Budget	81.199	89.038	97.826	-	97.826
Total Adjustments	-2.001	10.001	0.000	-	0.000
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	10.000			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	0.001			
• SBIR/STTR Transfer	-2.001	-			

Congressional Add Details ($ in Millions, and Includes General Reductions)	FY 2015	FY 2016
Project: 2: *Trusted Foundry*		
Congressional Add: *Trusted Source Implementation of Field Programmable Gate Arrays Study*	-	10.000
Congressional Add Subtotals for Project: 2	-	10.000
Congressional Add Totals for all Projects	-	10.000

Change Summary Explanation

FY16 increase of $10M for program increase.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603720S / *Microelectronics Technology Development and Support (DMEA)*	Project (Number/Name) 1 / *Technology Development*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
1: *Technology Development*	124.040	54.969	50.152	44.912	-	44.912	46.131	46.755	47.624	48.510	Continuing	Continuing

A. Mission Description and Budget Item Justification

The Technology Development funds provide DMEA with the core resources to execute its primary mission of providing an in-house ability to quickly develop and execute appropriate solutions to keep a weapon system operational, elevate its sophistication level or to meet new threats. These solutions use high mix, low volume, unique microelectronics that are endemic to military requirements but are not commercially available. These funds provide for the development and support necessary to ensure rapid prototyping, insertion, and support of microelectronics technologies into fielded systems, particularly as the technologies advance. DMEA maintains critical microelectronics design and fabrication skills to ensure that the Department is provided with systems capable of ensuring technological superiority over potential adversaries. DMEA provides an in-house capability to support these strategically important microelectronics technologies within the Department with distinctive resources to meet the Department's requirements across the entire spectrum of technology development, acquisition, and long-term support. This includes producing components to meet the Department's requirements for ultra-low volume, an extended availability timeframe, and a trusted, assured, and secure supply of microelectronics. These funds provide basic infrastructure upgrades as well as an in-house technical staff of skilled and experienced microelectronics personnel working in state-of-the-practice facilities providing technical and application engineering support for the implementation of advanced microelectronics research technologies from inspection and analysis through design, fabrication, test, assembly, integration and installation. These funds also provide for the recapitalization and modernization of aging microelectronic infrastructure, acquisition and implementation of design and test tools, the development of advanced techniques to inspect and analyze circuits, the adaptation of tools and processes to detect increasingly sophisticated counterfeit microelectronics in the defense supply chain, and the incorporation of the process technologies that are necessary to keep pace with the needs of the Department as weapon system support requirements migrate toward current state-of-the-art technologies. DMEA's capabilities make it a key resource in the intelligent and rapid application of advanced technologies to add needed performance enhancements in response to the newest asymmetric threats and to modernize aging weapon systems. DMEA designs, develops, and supports vital classified assets for ongoing and time-sensitive specialized intelligence operations and missions of the Department and the Special Operations Commands.

Today's weapon systems experience extended field operations and are required to remain in service beyond planned replacement schedules, driving the need for growth in DMEA's unique capabilities. This need, along with the continual contraction of commercial resources, makes DMEA the only available resource allowing many systems to remain operational. As such, DMEA and its capability are considered a National Critical Asset.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Technology Development Accomplishments/Plans	54.969	50.152	44.912
FY 2015 Accomplishments: DMEA designed, developed, and demonstrated microelectronics concepts, advanced technologies, and applications to solve operational problems. DMEA applied advanced technologies to add performance enhancements in response to the newest			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603720S / *Microelectronics Technology Development and Support (DMEA)*	**Project (Number/Name)** 1 / *Technology Development*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
asymmetric threats and to modernize aging weapon systems. In keeping with the rapid pace of microelectronics technology, DMEA continued the process of extending its fabrication capability to smaller node sizes. ***FY 2016 Plans:*** DMEA will continue to design, develop, and demonstrate microelectronics concepts, advanced technologies, and applications to solve operational problems. DMEA will apply advanced technologies to add performance enhancements in response to the newest asymmetric threats and to modernize aging weapon systems. The increased missions seen in the last several years by Combatant Commands (COCOMs) and Special Operations have caused those organizations to dramatically increase their demands for DMEA's unique capability to provide quick technical solutions to immediate operational needs. To meet these increases, DMEA will continue to add capacity and capability by recapitalizing and modernizing aging microelectronic infrastructure, extending and upgrading process IP, developing advanced techniques to inspect and analyze circuits, and adapting tools and processes to detect increasingly sophisticated counterfeit microelectronics to ensure a secure supply chain, all to meet quick turn solutions on which COCOMs and Special Operations can rely. ***FY 2017 Plans:*** DMEA will continue to design, develop, and demonstrate microelectronics concepts, advanced technologies, and applications to solve operational problems. DMEA will apply advanced technologies to add performance enhancements in response to the newest asymmetric threats and to modernize aging weapon systems. The increased missions seen in the last several years by Combatant Commands (COCOMs) and Special Operations have caused those organizations to dramatically increase their demands for DMEA's unique capability to provide quick technical solutions to immediate operational needs. To meet these increases, DMEA will continue to add capacity and capability by recapitalizing and modernizing aging microelectronic infrastructure, extending and upgrading process IP, developing advanced techniques to inspect and analyze circuits, and adapting tools and processes to detect increasingly sophisticated counterfeit microelectronics to ensure a secure supply chain, all to meet quick turn solutions on which COCOMs and Special Operations can rely.			
Accomplishments/Planned Programs Subtotals	54.969	50.152	44.912

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

N/A

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603720S / *Microelectronics Technology Development and Support (DMEA)*	**Project (Number/Name)** 1 / *Technology Development*

E. Performance Metrics

N/A

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603720S / *Microelectronics Technology Development and Support (DMEA)*	Project (Number/Name) 2 / *Trusted Foundry*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
2: *Trusted Foundry*	100.195	26.230	38.886	52.914	-	52.914	52.516	52.744	53.309	53.800	Continuing	Continuing

A. Mission Description and Budget Item Justification

The Department and the National Security Agency (NSA) require uninterruptible access to state-of-the-art design and manufacturing processes to produce custom integrated circuits designed specifically for military purposes. Under DODI 5200.44, Application Specific Integrated Circuits (ASICs) in critical/essential systems must be procured from Trusted sources in order to avoid tampered or sabotaged parts. Worldwide competition from foreign, state-subsidized manufacturing facilities continues to greatly reduce the number of U.S. semiconductor fabrication facilities that might be Trusted sources. The prevalence of sophisticated offshore design and manufacturing facilities with economic incentives of state subsidies have resulted in the outsourcing of electronics component and integrated circuit services to these offshore facilities. This production capability is of increasing importance as domestic semiconductor manufacturing resources continue to decline, especially in the scarce domestic production capacity of high performance and state-of-the-art semiconductor technologies as illustrated by the recent acquisition of IBM's semiconductor manufacturing capability by GlobalFoundries. This acquisition, caused by economic pressures, has again highlighted the fact that commercial sources of microelectronics remain inherently unpredictable and constitute a continued supply chain risk regardless of Government investment. This trend threatens the integrity and worldwide leadership of the U.S. semiconductor industry by eliminating many domestic suppliers and reducing access to Trusted fabrication sources for advanced technologies. This trend is of acute concern to the defense and intelligence communities. Secure communications and cryptographic applications, among other areas of defense interest, depend heavily upon high performance semiconductors where a generation of improvement can translate into a significant force multiplier and capability advantage. Important defense technology investments and demonstrations carry size, weight, power, and performance goals that can only be met through the use of the most sophisticated semiconductors.

The Trusted Microelectronics program provides the Department with access to the Trusted state-of-the-art microelectronics design and manufacturing capabilities necessary to meet their confidentiality, integrity, availability, performance and delivery needs. The program also provides the Services with a competitive cadre of accredited Trusted suppliers that can meet the needs of their mission critical/essential systems for Trusted integrated circuit components. The Trusted Access Program Office has contracted with commercial sources to satisfy state-of-the-art semiconductor requirements. DMEA will focus on fostering all viable alternatives to continue the vital supply of Trusted and assured microelectronics, including the work of the DMEA Trusted Access Program Office with commercial state-of-the-art industry. It is imperative for a wide range of technologies in ongoing and future Department systems that access to Trusted suppliers continues. Most importantly, Trusted Microelectronics access is absolutely necessary to meet secure communication and cryptographic needs requiring state-of-the-art semiconductor technologies.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Trusted Foundry	26.230	28.886	52.914
FY 2015 Accomplishments: Worked issues concerning the sale and transfer of IBM's microelectronics fabrication facilities to GlobalFoundries – a foreign-owned entity – to ensure a continued supply of Trusted state-of-the-art microelectronics technologies for the needs of the Department and NSA. The contract to provide Trusted access to state-of-the-art microelectronics technologies was novated from			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603720S / *Microelectronics Technology Development and Support (DMEA)*	**Project (Number/Name)** 2 / *Trusted Foundry*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
IBM to GFUS2, a newly formed US subsidiary of GlobalFoundries. Participated in, and oversaw, analyses to determine a revised long-term strategy for access to assured Trusted state-of-the-art microelectronics technologies based on the changing commercial landscape. As NSA has planned to reduce its role in Trusted activities to that of a user, DMEA started early transition planning activities to be able to assume responsibilities and administration of the Trusted Access Program Office by FY 2017. Enhanced the cadre of trusted suppliers for the critical trusted components and services needed for appropriate defense systems. Enhanced Trusted Microelectronics products to include newly available leading edge technologies and other key specialty processes required by Department programs. Enhanced trusted design activities to encompass new processing capabilities. Expanded a line of trusted catalog components, including Field Programmable Gate Arrays (FPGAs), which could be purchased by Defense contractors. Worked to ensure the Department has Trusted Access to leading edge semiconductor technologies. ***FY 2016 Plans:*** Continue the development of a capability for the inspection and analysis of application-specific integrated circuits (ASICs) and continuously refine the utilized methods for efficiency, accuracy, and applicability to multiple processes. Enhance the cadre of trusted suppliers for the critical trusted components and services needed for appropriate defense systems. Enhance Trusted Microelectronics products to include newly available leading edge technologies and other key specialty processes required by Department programs. Expand a line of trusted catalog components that can be purchased by Defense contractors. Continue activities that ensure the Department has Trusted Access to leading edge semiconductor technologies. Begin transition to assume responsibilities and administration of the Trusted Access Program Office that is currently operated by NSA. ***FY 2017 Plans:*** Continue the development of a capability for the inspection and analysis of application-specific integrated circuits (ASICs) and continuously refine the utilized methods for efficiency, accuracy, and applicability to multiple processes. Enhance the cadre of trusted suppliers for the critical trusted components and services needed for appropriate defense systems. Enhance Trusted Microelectronics products to include newly available leading edge technologies and other key specialty processes required by Department programs. Expand a line of trusted catalog components that can be purchased by Defense contractors. Continue activities that ensure the Department has Trusted Access to leading edge semiconductor technologies. Fully assume responsibilities and administration of the Trusted Access Program Office that was previously operated by NSA, including contractual support for state-of-the-art integrated circuit supply.			
Accomplishments/Planned Programs Subtotals	26.230	28.886	52.914

	FY 2015	FY 2016
Congressional Add: Trusted Source Implementation of Field Programmable Gate Arrays Study	-	10.000

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 3	**R-1 Program Element (Number/Name)** PE 0603720S / *Microelectronics Technology Development and Support (DMEA)*	**Project (Number/Name)** 2 / *Trusted Foundry*

	FY 2015	FY 2016
FY 2016 Plans: DMEA will implement promising aspects from the Trusted Field Programmable Gate Arrays (FPGAs) Study to further efforts to produce an FPGA in an acceptable Trusted manufacturing flow.		
Congressional Adds Subtotals	-	10.000

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

N/A

E. Performance Metrics

N/A

Exhibit R-2, RDT&E Budget Item Justification: PB 2017 Defense Logistics Agency	Date: February 2016
Appropriation/Budget Activity 0400: *Research, Development, Test & Evaluation, Defense-Wide I* BA 5: *System Development & Demonstration (SDD)*	**R-1 Program Element (Number/Name)** PE 0605070S *I DoD Enterprise Systems Development and Demonstration*

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
Total Program Element	91.871	13.893	11.912	12.631	-	12.631	12.639	8.042	8.102	8.238	Continuing	Continuing
1: *Business Enterprise Information Services (BEIS)*	13.027	0.333	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
4: *Defense Information System for Security (DISS)*	52.258	9.762	9.529	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
5: *Defense Travel System (DTS)*	1.216	0.000	0.207	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
8: *Defense Retired and Annuitant Pay System (DRAS)*	15.010	0.000	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
9: *Enterprise Funds Distribution (EFD)*	10.360	3.798	2.176	3.800	-	3.800	3.786	0.000	0.000	0.000	Continuing	Continuing
11: *Next Generation Resource Management System (NGRMS)*	-	0.000	0.000	8.831	-	8.831	8.853	8.042	8.102	8.238	Continuing	Continuing

A. Mission Description and Budget Item Justification

The mission of the DoD Enterprise Business Systems (DEBS) is to coordinate and enable business transformation efforts across the Department of Defense (DoD). The DLA recognizes that DoD's business enterprise must be closer to its warfighting customers than ever before. Joint military requirements drive the need for greater commonality and integration of business and financial operations.

B. Program Change Summary ($ in Millions)	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total
Previous President's Budget	15.326	13.412	4.493	-	4.493
Current President's Budget	13.893	11.912	12.631	-	12.631
Total Adjustments	-1.433	-1.500	8.138	-	8.138
• Congressional General Reductions	-0.944	-1.500			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-0.489	-			
• NGRMS transition to DLA	0.000	0.000	8.910	-	8.910
• Program increase for EFD	0.000	0.000	3.840	-	3.840

Exhibit R-2, RDT&E Budget Item Justification: PB 2017 Defense Logistics Agency					Date: February 2016
Appropriation/Budget Activity 0400: *Research, Development, Test & Evaluation, Defense-Wide I* BA 5: *System Development & Demonstration (SDD)*		R-1 Program Element (Number/Name) PE 0605070S *I DoD Enterprise Systems Development and Demonstration*			
• Program transfer out of DLA	0.000	0.000	-4.500	-	-4.500
• Inflation for Non-Pay/Non-Fuel Purchases	-	-	-0.112	-	-0.112

Change Summary Explanation

FY16 reduction of $1.5M as a result of forward financing and late contract awards.

FY17 increase of $8.910M is the transition of NGRMS from OSD(C) to DLA, increase of $3.840M to EFD for program increase, and program transfer out of DLA resulting in decrease of $4.5M.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 5	R-1 Program Element (Number/Name) PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	Project (Number/Name) 1 / *Business Enterprise Information Services (BEIS)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
1: *Business Enterprise Information Services (BEIS)*	13.027	0.333	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The BEIS utilized the mature, existing infrastructure of Defense Corporate Database/Defense Corporate Warehouse (DCD/DCW), Defense Departmental Reporting System (DDRS), and Defense Cash Accountability System (DCAS) to provide timely, accurate, and reliable business information from across the DoD to support auditable financial statements as well as provide detailed information visibility for management in support of the Warfighter. The goals of BEIS are to ensure data compliance with Standard Financial Information Structure (SFIS) standards; provide security-defined, enterprise-level access to information for ad hoc management queries; and produce external financial management reports/statements based on standardized data. BEIS provides solutions to these goals by:
- Establishing the authoritative source for SFIS values and providing for standardization by implementing SFIS and United States Standard General Ledger (USSGL) compliant financial reporting capabilities for Audited Financial Statements and Budgetary Reports.
- Providing an enterprise-wide information environment that will serve as the single source for enterprise-wide financial information.
- Serving as the DoD-wide system for Treasury Reporting.
- Providing decision makers with significantly greater access to financial information through data visibility and business intelligence (e.g., Executive Dashboard).

The BEIS functional baseline encompasses a family of services organized into six distinct lines of business, four of which have achieved Full Operational Capability (FOC). The remaining two services, Financial Reporting Services and Cash Accountability Reporting Services, will provide DoD enterprise-wide financial visibility and will serve as the centralized financial data source and the single source for enterprise Audited Financial Statements and Budgetary Reports, as well as Treasury Reporting. The BEIS financial management capabilities will be used by the Military Services, Defense Agencies, and the Under Secretary of Defense (Comptroller). These modernization efforts will complete deployment/implementation of BEIS capabilities and will serve the Department Auditability goals and objectives.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Business Enterprise Information Services (BEIS)	0.333	-	-
FY 2015 Accomplishments: BEIS DCAS Cash Accountability Reporting Services: - Implementation of significant system enhancements/modifications required to meet evolving regulatory and/or statutory changes in support of DoD/Treasury fiduciary reporting and/or the DoD Audit Readiness effort.			
Accomplishments/Planned Programs Subtotals	0.333	-	-

C. Other Program Funding Summary ($ in Millions)

N/A

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 1 / *Business Enterprise Information Services (BEIS)*

C. Other Program Funding Summary ($ in Millions)

Remarks

D. Acquisition Strategy

BEIS leveraged existing infrastructure in DoD's investment in DCD/DCW, DDRS, and DCAS. BEIS formally implemented a portfolio management approach to program management that helped to ensure a management strategy was in place to better reallocate assets within the portfolio. BEIS has and will continue to deliver needed capabilities more rapidly and efficiently using a Family of Systems (FoS) concept providing a functional baseline organized into six distinct lines of business: General Ledger Services, Business Integration Services, Reference Data Services, Enterprise Level Business Intelligence Services, Cash Accountability and Reporting Services, and Financial Reporting Services. These services are provided by individual IT systems that collectively, make up the BEIS FoS. The BEIS FoS program is composed of four core systems; Defense Departmental Reporting System (DDRS), Defense Cash Accountability System (DCAS) Enterprise Business Intelligence (EBI), and Defense Corporate Database/Defense Corporate Warehouse (DCD/DCW). Capabilities are being developed incrementally with multiple releases per year to meet the Enterprise Transition Plan milestones provided to Congress. BEIS has achieved FOC for the following system components/services: DCD/DCW, to include General Ledger Services, Business Integration Services, Reference Data Services, and Enterprise Business Intelligence (EBI) and transitioned these to DFAS for operations and sustainment. Based on the list of remaining requirements for BEIS DDRS Financial Reporting Services and BEIS DCAS Cash Accountability and Reporting Services an overall schedule including integrated activities as well as identified products and milestones has been developed. Contracts are competitively awarded to keep costs down. Intra-governmental services are being used where possible for infrastructure support by the Defense Finance and Accounting Service (DFAS) Technical Services Organization and Defense Information Systems Agency (DISA) Information Processing Center.

E. Performance Metrics

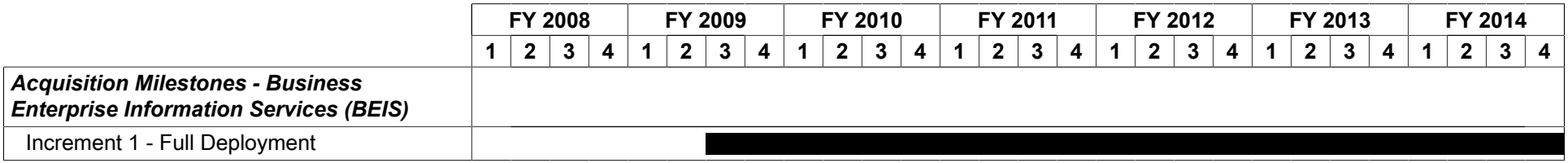
N / A

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 1 / *Business Enterprise Information Services (BEIS)*

Remarks

Product Development ($ in Millions) FY 2014 FY 2015 FY 2016 Cost Category Item Contract Method & Type Performing Activity & Location All Prior Years Cost Award Date Cost Award Date Cost Award Date Cost To Complete Total Cost Target Value of Contract BEIS Product Development - Functional Analysis and Design C/FFP Savantage: Rockville, MD 10.407 2.007 Oct 2013 - - Continuing Continuing Continuing BEIS Product Development - Functional Analysis and Design C/T&M BearingPoint: McLean, VA 0.487 - - - Continuing Continuing Continuing BEIS Product Development - Functional Analysis and Design C/T&M Executive Service Corps of Cincinnati (ESCC):Cincinnati, OH 5.137 - - - Continuing Continuing Continuing BEIS Product Development - Functional Analysis and Design C/T&M NAVAIR LMSS (Deloitte):Rosslyn, VA 4.385 - - - Continuing Continuing Continuing BEIS Product Development - Functional Analysis and Design C/FFP Deloitte: Rosslyn, VA 0.581 - - - Continuing Continuing Continuing BEIS Product Development - Technical Design & Development C/T&M Worldwide Technology, Inc (WWT):Various 1.742 - - - Continuing Continuing Continuing BEIS Product Development - Technical Design & Development C/T&M BearingPoint: Various 0.831 - - - Continuing Continuing Continuing BEIS Product Development - Technical Design & Development MIPR DFAS (TSO-CL) / DFAS (I&T-CL):Indianapolis, IN 7.647 0.524 Feb 2014 0.496 Mar 2015 Continuing Continuing Continuing BEIS Product Development - Technical Design & Development MIPR DFAS (TSO-PE):Indianapolis, IN 1.160 - - - Continuing Continuing Continuing BEIS Product Development - Technical Design & Development C/T&M CyberData: Various 2.647 - - - Continuing Continuing Continuing BEIS Product Development - Technical Design & Development C/T&M CACI: Chantilly, VA 0.716 - - - Continuing Continuing Continuing BEIS Product Development - Technical Design & Development C/T&M TSO-CS: Various 0.080 - - - Continuing Continuing Continuing BEIS Product Development -Technical Design & Development C/T&M NAVAIR LMSS (Deloitte):Arlington, VA 2.458 - - - Continuing Continuing Continuing BEIS Product Development - Technical Design & Development C/FFP CSCI: Indianapolis, IN 3.322 0.829 Mar 2014 0.447 - Continuing Continuing Continuing BEIS Product Development - Technical Design & Development C/FFP Deloitte: Alexandria, VA 0.161 - - - Continuing Continuing Continuing Subtotal 42.386 3.360 0.942 0.000

Exhibit R-4, RDT&E Schedule Profile: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 1 / *Business Enterprise Information Services (BEIS)*



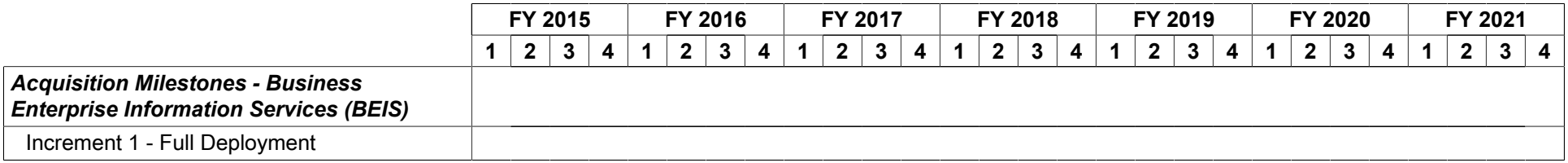


Exhibit R-4A, RDT&E Schedule Details: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 1 / *Business Enterprise Information Services (BEIS)*

Schedule Details

	Start		End	
Events by Sub Project	**Quarter**	**Year**	**Quarter**	**Year**
Acquisition Milestones - Business Enterprise Information Services (BEIS)				
Increment 1 - Full Deployment	3	2009	4	2014

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 5	R-1 Program Element (Number/Name) PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	Project (Number/Name) 4 / *Defense Information System for Security (DISS)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
4: *Defense Information System for Security (DISS)*	52.258	9.762	9.529	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The Defense Information System for Security (DISS) is a family of systems solution that specifically addresses the security clearance and suitability determinations requirements of Section 3001 of Public Law 108-458, the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA) which requires 90% of all clearances – whether Top Secret, Secret, or Confidential – to be completed within 60 days, as well as supports Homeland Security Presidential Directive 12 (HSPD-12) compliance across the DOD. The DISS will electronically collect, review, and share relevant data, government-wide, as mandated by the IRPTA and, guided by relevant Executive Orders, Congress, and GAO recommendations, deliver and maintain an appropriately vetted world-class workforce.

As a secure, end-to-end IT system, the DISS will be the authoritative source for the management, storage, and timely dissemination of and access to personnel security, HSPD-12, and suitability information and will accelerate the clearance process, reduce security clearance vulnerabilities, decrease back-end processing timelines, and support simultaneous information sharing within various DOD entities as well as among a number of authorized federal agencies.

The DISS family of systems is comprised of two components: the Case Adjudication Tracking System (CATS) and the Joint Verification System (JVS). Once fully deployed, the DISS family of systems will replace the Joint Personnel Adjudication System, which contains approximately six million active security clearance records and supports over 80,000 users. The DISS has also been designated as the repository for adjudicative results for Suitability and HSPD-12 determinations by the 13 July 2011 USD(I) memo "Storage of Adjudicative Results in the Defense Information System for Security."

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Defense Information System for Security (DISS)	9.762	9.529	-
Description: The DISS CATS has been designated as the DoD non-Intelligence Community IT system for case management and adjudications by the 10 April 2009 USD(I) memo "Designation of the DoD Case Management and Adjudication Systems." Currently, CATS processes over 500,000 cases annually; electronically producing favorable adjudicative decisions for approximately 24% of Secret level cases. Further, the 3 May 2012 Deputy Secretary of Defense Memo "DoD Central Adjudication Facilities (CAF) Consolidation" consolidated all DoD CAF into one consolidated DoD CAF responsible for personnel security adjudicative functions as well as favorable Suitability and HSPD-12 adjudications. The DISS (CATS) is the DOD CAF's designated IT case management system.			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 4 / *Defense Information System for Security (DISS)*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Achieving the above goals will significantly enhance the operational readiness of the national security community and the Federal government. It will decrease the time required to get an individual through the investigation process. It will strengthen and reinforce reciprocity throughout the federal community by eliminating redundant or incomplete investigations by standardizing adjudicative decisions and by making available to all agencies adjudicative determinations of the Federal government. ***FY 2015 Accomplishments:*** • Accepted consolidated DoD Central Adjudication Facility Case Adjudication Tracking System v4.2 - RSM. • Accepted initial capability for Homeland Security Presidential Directive (HSPD-12) and Suitability determinations in CATS V4. • Accepted consolidated DoD Central Adjudication Facility Case Adjudication Tracking System v4.3 - Common Portal Enhancements. • Completed CATS physical transfer. • Completed development of the CATS Service Desk application. • Continued development and testing of the JVS prototype. • Transitioned JVS MS B to begin the Engineering Development phase in which the program will refine system requirements, configure the software, build functionality, conduct developmental testing, and plan for operational testing. • Developed JVS Self-Service user module and JVS Service Desk application. • Completed interface development for ESB. • Initiated JVS integration with DMDC Enterprise Services. ***FY 2016 Plans:*** • Complete development of the CATS Service Desk application. • Complete development and testing of the JVS prototype. • Complete interface development for ESB. • Complete DMDC Data Migration for DISS. • Complete development and testing of the JVS (DISS 2.0). • Complete integration of DISS with DMDC Enterprise Services. • Complete development of JVS Self-Service user module and JVS Service Desk application. • Transition JVS Full Deployment Decision to begin the JVS Operations and Sustainment phase. • Define system capabilities for emerging Office of the Under Secretary of Defense, Intelligence requirements.			
Accomplishments/Planned Programs Subtotals	9.762	9.529	-

C. Other Program Funding Summary ($ in Millions)

N/A

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 4 / *Defense Information System for Security (DISS)*

C. Other Program Funding Summary ($ in Millions)

Remarks

D. Acquisition Strategy

The Defense Information System for Security (DISS) is being fielded as a Family of Systems (FoS) employing an evolutionary acquisition approach by fielding incremental capabilities. On May 09, 2013, the DISS CATS received a Full Deployment (FD) Acquisition Decision Memorandum (ADM) which acknowledged that CATS was operationally fielded at the five adjudication facilities and authorized the DISS PMO to enhance and field a consolidated CATS (CATS v4) and its associated portal in order to improve the lifecycle management of the CATS by consolidating the existing CATS applications into a consolidated CATS application that uses a single database. The July 11, 2014 “DISS Acquisition Strategy Revision Acquisition Decision Memorandum” revised the DISS acquisition strategy to field the remaining JVS capability not contained in the CATS. The JVS Milestone B Acquisition Decision Memorandum (ADM) was signed in FY15 Q2 and this initiated the Engineering Development phase in which the program will refine system requirements, configure the software, build functionality, conduct developmental testing, and plan for operational testing. These activities will continue until a Full Deployment Decision (FDD) is made in Q2 FY16.

The DISS PMO is responsible for program execution and will employ contract types as directed by the agency contracts policies in order to support the delivery and sustainment of the DISS Capabilities. DISS development contractors employ an agile development methodology to allow for a flexible approach that incorporates user requirements and feedback throughout the development lifecycle while meeting delivery requirements as prescribed by the associated development contract. The Agile development methodology allows for the fielding of incremental capabilities IAW the program’s acquisition approach.

E. Performance Metrics

N / A

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 4 / *Defense Information System for Security (DISS)*	

Product Development ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
DISS Product Development	C/FFP	iWorks Corporation : Reston, VA	-	2.011	Mar 2015	-		-		-		-	Continuing	Continuing	Continuing
DISS Product Development	C/FFP	iWorks Corporation. : Reston, VA	1.023	-		-		-		-		-	Continuing	Continuing	Continuing
DISS Product Development	C/FFP	iWorks Corporation, : Reston, VA	11.799	-		-		-		-		-	Continuing	Continuing	Continuing
DISS Product Development	MIPR	Defense Manpower Data Center (DMDC) GSA-Philadelphia : Philadelphia, PA	7.054	3.450	Mar 2015	2.500	Mar 2016	-		-		-	Continuing	Continuing	Continuing
DISS Product Development	MIPR	Defense Manpower Data Center (DMDC) GSA-Philadelphia. : Philadelphia, PA	0.274	-		-		-		-		-	Continuing	Continuing	Continuing
DISS Product Development	MIPR	Defense Intelligence Agency : N/A	0.999	-		-		-		-		-	Continuing	Continuing	Continuing
DISS Product Development	MIPR	Defense Personnel Security Research Center : Monterey, CA	0.994	-		-		-		-		-	Continuing	Continuing	Continuing
DISS Product Development	MIPR	California Analysis Center, Inc (CACI) : Chantilly, VA	6.026	-		-		-		-		-	Continuing	Continuing	Continuing
DISS Product Development	MIPR	Northrop Grumman Inc : McLean, VA	0.127	-		-		-		-		-	Continuing	Continuing	Continuing
DISS Product Development	C/FFP	TBD 5 : TBD 5	0.368	-		-		-		-		-	Continuing	Continuing	Continuing
DISS Product Development	C/FFP	TBD : TBD	-	-		0.834	Jan 2016	-		-		-	Continuing	Continuing	Continuing
DISS Product Development	SS/IDIQ	iWorks Corporation . : Reston, VA	-	0.130	Sep 2015	1.000	Sep 2016	-		-		-	Continuing	Continuing	Continuing

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 4 / *Defense Information System for Security (DISS)*

Product Development ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
DISS Product Development	TBD	TBD 6 : TBD 6	-	0.049		-		-		-		-	Continuing	Continuing	Continuing
DISS Product Development	TBD	TBD. : TBD.	-	-		0.329	Mar 2016	-		-		-	Continuing	Continuing	Continuing
		Subtotal	28.664	5.640		4.663		-		-		-	-	-	-

Support ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
DISS Support	C/FFP	iWorks Corporation : Reston, VA	0.310	-		-		-		-		-	Continuing	Continuing	Continuing
DISS Support	C/FFP	IMMIX Technology Inc. : McLean, VA	0.063	0.050	Jan 2015	0.027	Jan 2016	-		-		-	Continuing	Continuing	Continuing
DISS Support	C/FFP	Carahsoft Technology : Reston, VA	0.229	0.060	Dec 2014	0.072	Dec 2015	-		-		-	Continuing	Continuing	Continuing
DISS Support	C/FFP	Sterling Computer Corp : Dakota Dunes, SD	0.188	-		-		-		-		-	Continuing	Continuing	Continuing
DISS Support	C/FFP	Carahsoft Technology- : Reston, VA	-	0.142	Aug 2015	-		-		-		-	Continuing	Continuing	Continuing
DISS Support	C/FFP	TBD 2 : TBD 2	-	0.006	Feb 2015	-		-		-		-	Continuing	Continuing	Continuing
DISS Support	MIPR	Defense Manpower Data Center (DMDC) GSA- San Francisco : San Francisco, CA	0.364	-		-		-		-		-	Continuing	Continuing	Continuing
DISS Support	MIPR	Technology Applications Office : Ft. Detrick, MD	0.376	-		-		-		-		-	Continuing	Continuing	Continuing

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 4 / *Defense Information System for Security (DISS)*

Support ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
DISS Support	C/FFP	Advanced Concepts, Inc. : Colombia, MD	0.235	-		-		-		-		-	Continuing	Continuing	Continuing
DISS Support	MIPR	Washington Headquarters Service : Washington, DC	0.300	-		-		-		-		-	Continuing	Continuing	Continuing
DISS Support	C/FFP	Federated IT : Washington, DC	2.499	-		-		-		-		-	Continuing	Continuing	Continuing
DISS Support	C/FFP	Future Net Group : Detroit, MI	0.688	-		-		-		-		-	Continuing	Continuing	Continuing
DISS Support	C/FFP	InfoReliance Corp : Fairfax, VA	0.331	-		-		-		-		-	Continuing	Continuing	Continuing
DISS Support	C/FFP	Katex Solutions : Mission Viejo, CA	0.303	-		-		-		-		-	Continuing	Continuing	Continuing
DISS Support	C/FFP	Mythics Inc : Virginia Beach, VA	1.475	-		-		-		-		-	Continuing	Continuing	Continuing
DISS Support	C/FFP	Carahsoft Technology. : Reston, VA	-	0.020	Dec 2014	0.020	Dec 2015	-		-		-	Continuing	Continuing	Continuing
DISS Support	C/FFP	Agust Schell Enterprises : Rockville, MD	-	0.136	Jun 2015	-		-		-		-	Continuing	Continuing	Continuing
DISS Support	C/BPA	TBD : TBD	-	0.812	Oct 2015	-		-		-		-	Continuing	Continuing	Continuing
DISS Support	TBD	TBD 3 : TBD 3	-	-		0.500	Jan 2016	-		-		-	Continuing	Continuing	Continuing
DISS Support	TBD	TBD 1 : TBD1	-	-		1.714	Apr 2016	-		-		-	Continuing	Continuing	Continuing
		Subtotal	7.361	1.226		2.333		-		-		-	-	-	-

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 4 / *Defense Information System for Security (DISS)*

Test and Evaluation ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
DISS Test and Evaluation	MIPR	Joint Interoperability Test Command (JITC) : Indian Head, MD	0.070	0.248	Apr 2015	-		-		-		-	Continuing	Continuing	Continuing
DISS Test and Evaluation	MIPR	Defense Manpower Data Center (DMDC), Seaside : Seaside, CA	6.197	0.719	May 2015	-		-		-		-	Continuing	Continuing	Continuing
DISS Test and Evaluation	MIPR	SPAWARSYSCEN : Charleston, SC	0.020	-		-		-		-		-	Continuing	Continuing	Continuing
SBIR Tax	TBD	TBD : TBD	-	0.329	Oct 2014	-		-		-		-	Continuing	Continuing	Continuing
SAC-D Reduction	TBD	TBD 1 : TBD 2	-	-		0.933	Oct 2015	-		-		-	Continuing	Continuing	Continuing
		Subtotal	6.287	1.296		0.933		-		-		-	-	-	-

Management Services ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
DISS Management Services	Option/ FFP	Celerity Government Solutions/Xcelerate : McLean, VA	-	1.600	Dec 2014	-		-		-		-	Continuing	Continuing	Continuing
DISS Management Services	Various	Government Program Management Office : Alexandria, VA	1.446	-		-		-		-		-	Continuing	Continuing	Continuing
DISS Management Services	Option/ FFP	International Business Machines : Bethesda, MD	4.520	-		-		-		-		-	Continuing	Continuing	Continuing
DISS Management Services	C/FFP	Amyx, Inc : Reston, VA	3.980	-		-		-		-		-	Continuing	Continuing	Continuing
DISS Management Services	C/BPA	TBD : TBD	-	-		1.600	Dec 2015	-		-		-	Continuing	Continuing	Continuing

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 4 / *Defense Information System for Security (DISS)*

Management Services ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
		Subtotal	9.946	1.600		1.600		-		-		-	-	-	-

	Prior Years	FY 2015		FY 2016		FY 2017 Base		FY 2017 OCO		FY 2017 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	52.258	9.762		9.529		-		-		-	-	-	-

Remarks

Exhibit R-4, RDT&E Schedule Profile: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 4 / *Defense Information System for Security (DISS)*

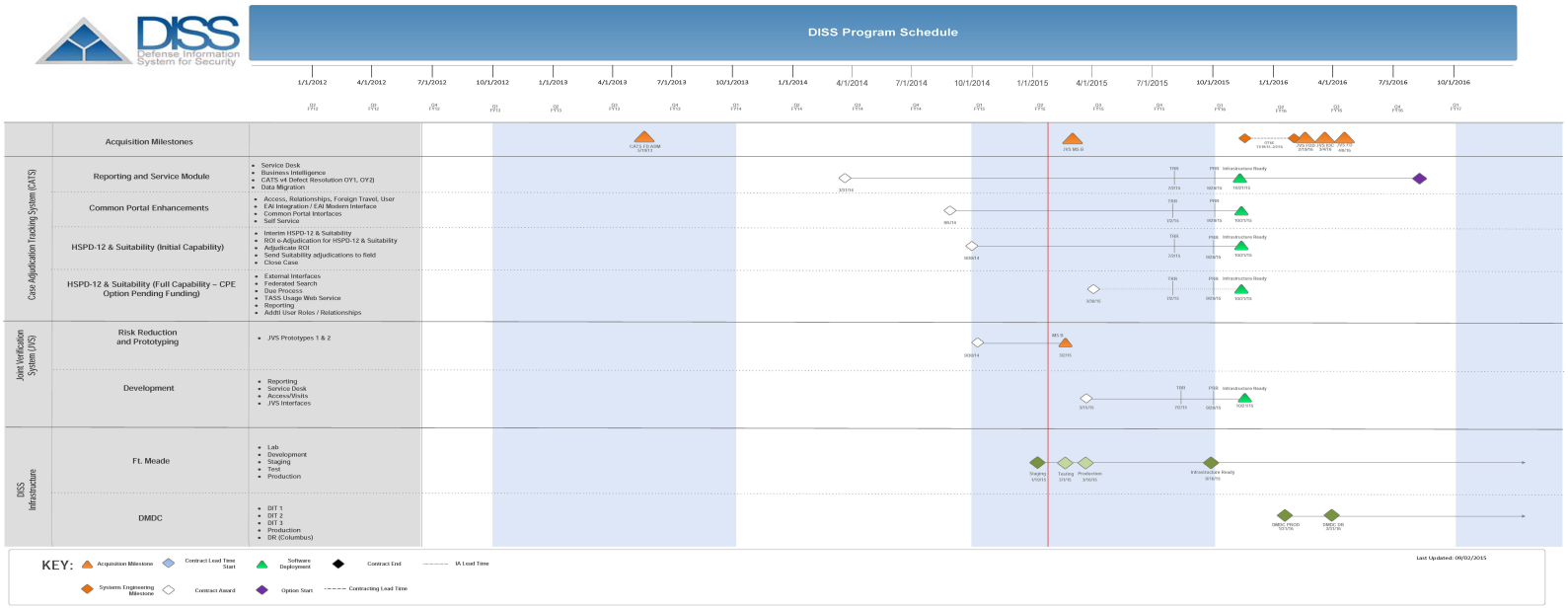


Exhibit R-4A, RDT&E Schedule Details: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 4 / *Defense Information System for Security (DISS)*

Schedule Details

	Start		End	
Events	**Quarter**	**Year**	**Quarter**	**Year**
Defense Information System for Security (DISS)	1	2015	4	2021

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 5	R-1 Program Element (Number/Name) PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	Project (Number/Name) 5 / *Defense Travel System (DTS)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
5: *Defense Travel System (DTS)*	1.216	0.000	0.207	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The Defense Travel System (DTS) is a fully integrated, electronic, end-to-end financial management system that automates temporary duty travel for the Department of Defense (DoD). DTS meets unique DoD mission, security and financial system requirements within the guidelines of Federal and DoD travel policies and regulations. DTS automates travel authorizations, reservations and arrangements, voucher processing, payment, reconciliation, accountability and archiving. DTS employs Digital Signature and Login/Authentication which requires users to provide a signed response using a valid DoD Public Key Infrastructure (PKI) certificate to gain access to the DTS application. Travel documents created in DTS are digitally signed with the user's PKI certificate to provide a means of identifying the signer, verifying the document's integrity, and enforcing non-repudiation of the signature by the signer.

DTS is a Major Automated Information System (MAIS), Acquisition Category (ACAT) 1AC program. DTS delivers capability by evolutionary acquisition utilizing incremental development; recognizing up front the need for future capability improvements. DTS has a flexible design so that each increment builds upon its core functionality, dependent on available, mature technology providing increasing capabilities to travelers, travel administrators, and process owners. Full Operational Capability (FOC) was declared in March 2010. Future capability improvements will be implemented as P3I beginning FY 2011.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Defense Travel System (DTS)	0.000	0.207	-
FY 2015 Accomplishments: -Continued "work-off" of development related Software Problem Reports (SPRs). -Simplified User Interface/Usability Enhancements -Completed User functionality enhancements based upon user community requirements -Addressed system changes if needed in support of DoD Audit Readiness objectives -Integrated the existing Services' Defense Lodging Systems (DLS) with the DTS to allow display and booking of available, on-base military lodging at all installations, via travel industry standard formatted transactions used by DLS. DTS will also incorporate the Preferred Lodging initiative which will provide the capability to search, display, and book preferred lodging -Implemented changes to Defense Enterprise Accounting and Management System (DEAMS) that will allow Air Force, Air National Guard, and Air Force Reserve personnel to travel on a DTS/DEAMS Line of Accounting (LOA) that includes the Reimbursable Funding Document Number. This process change will maximize automation and minimize manual tasks while achieving Financial Improvement and Audit Readiness (FIAR) standards			
FY 2016 Plans: -Continue "work-off" of development related Software Problem Reports (SPRs)			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 5 / *Defense Travel System (DTS)*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
-Simplify User Interface/Usability Enhancements -Address system changes if needed in support of DoD Audit Readiness objectives -Upgrade of Specified Accounting Systems Integrations to support Standard Line of Accounting (SLOA) data formatting			
Accomplishments/Planned Programs Subtotals	0.000	0.207	-

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

The Plan of Action described in Section B is to competitively award a single contract for DTS hosting, sustainment, and development. This is expected to achieve the following PMO objectives:

. Reduce system operation, maintenance, and development costs through increased competition;
. Continue high availability of DTS for reasonable cost;
. Improve quality of delivered software;
. Eliminate Government ownership and detailed management of system operating environment;
. Facilitate future migration to Open Source and Modular Architecture.

E. Performance Metrics

N / A

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 5 / *Defense Travel System (DTS)*

Product Development ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
TBD	Allot	TBD : Alexandria, VA	1.216	-		0.207		-		-		-	Continuing	Continuing	-
		Subtotal	1.216	-		0.207		-		-		-	-	-	-

	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	1.216	-		0.207		-		-		-	-	-	-

Remarks

Funding needed for any new development required to keep the Defense Travel System operational and sustainable

Exhibit R-4, RDT&E Schedule Profile: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 5 / *Defense Travel System (DTS)*

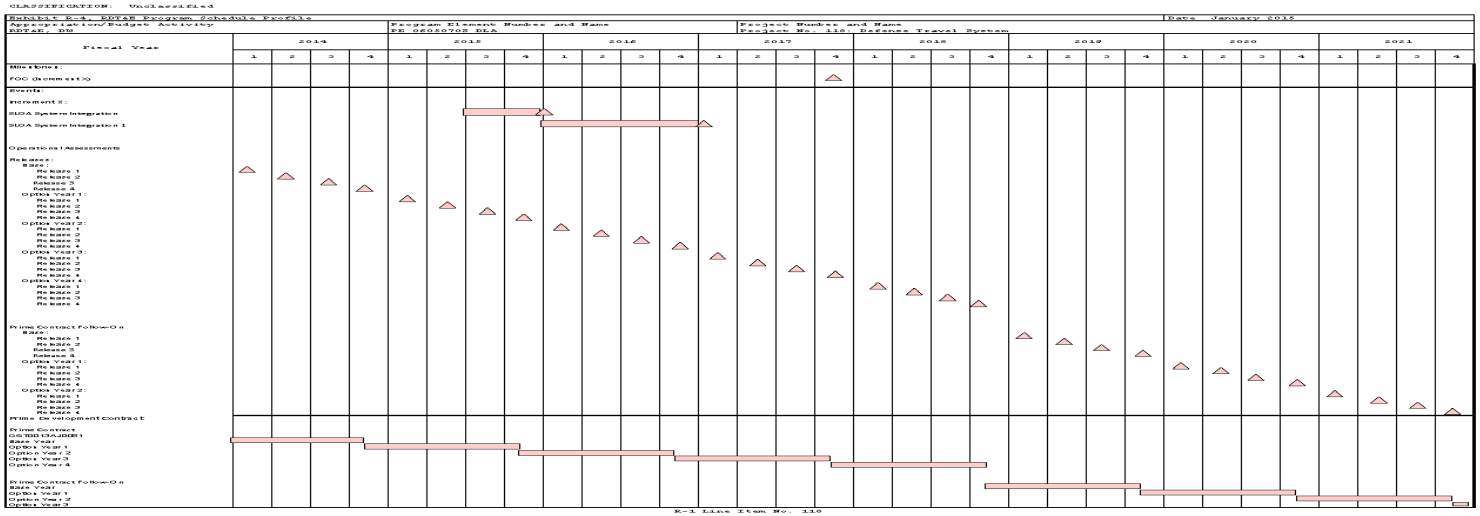


Exhibit R-4A, RDT&E Schedule Details: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 5 / *Defense Travel System (DTS)*

Schedule Details

	Start		End	
Events by Sub Project	**Quarter**	**Year**	**Quarter**	**Year**
Increment X				
SLOA System Integration	3	2015	4	2015
SLOA System Integration 1	1	2016	4	2016
Option Year 1 Release 1	1	2015	1	2015
Option Year 1 Release 2	2	2015	2	2015
Option Year 1 Release 3	3	2015	3	2015
Option Year 1 Release 4	4	2015	4	2015
Option Year 2 Release 1	1	2016	1	2016
Option Year 2 Release 2	2	2016	2	2016
Option Year 2 Release 3	3	2016	3	2016
Option Year 2 Release 4	4	2016	4	2016
Option Year 3 Release 1	1	2017	1	2017
Option Year 3 Release 2	2	2017	2	2017
Option Year 3 Release 3	3	2017	3	2017
Option Year 3 Release 4	4	2017	4	2017
Option Year 4 Release 1	1	2018	1	2018
Option Year 4 Release 2	2	2018	2	2018
Option Year 4 Release 3	3	2018	3	2018
Option Year 4 Release 4	4	2018	4	2018
Contract Option Extension GS00Q09BGD0056/GST0013AJ0081 Option Year 1	4	2014	4	2014
Contract Option Extension GS00Q09BGD0056/GST0013AJ0081 Option Year 2	4	2015	4	2015
Contract Option Extension GS00Q09BGD0056/GST0013AJ0081 Option Year 3	4	2016	4	2016

Exhibit R-4A, RDT&E Schedule Details: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** *5 / Defense Travel System (DTS)*

	Start		End	
Events by Sub Project	**Quarter**	**Year**	**Quarter**	**Year**
Contract Option Extension GS00Q09BGD0056/GST0013AJ0081 Option Year 4	4	2017	4	2017
Follow-on Prime Contract	4	2018	4	2018
Follow-on Prime Contract Base Year Release 1	1	2019	1	2019
Follow-on Prime Contract Base Year Release 2	2	2019	2	2019
Follow-on Prime Contract Base Year Release 3	3	2019	3	2019
Follow-on Prime Contract Base Year Release 4	4	2019	4	2019
Follow-on Prime Contract Option 1 Year Release 1	1	2020	1	2020
Follow-on Prime Contract Option 1 Year Release 2	2	2020	2	2020
Follow-on Prime Contract Option 1 Year Release 3	3	2020	3	2020
Follow-on Prime Contract Option 1 Year Release 4	4	2020	4	2020

Exhibit R-5, RDT&E Termination Liability: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 5 / *Defense Travel System (DTS)*	

Cost ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Program Termination Liability	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 5	R-1 Program Element (Number/Name) PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	Project (Number/Name) 8 / *Defense Retired and Annuitant Pay System (DRAS)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
8: *Defense Retired and Annuitant Pay System (DRAS)*	15.010	0.000	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The primary objective of Defense Retired and Annuitant Pay System 2 (DRAS 2) is to establish and maintain a modernized retired military pay accounts. DRAS 2 will replace the current Defense Retiree and Annuitant Systems (DRAS) and selected manual processes with proven state of the market technology using Clinger-Cohen guidance for selection of the solution. Rapid fielding techniques will be used to close business process gaps by delivering incremental capability that provides clear financial benefits. This modernization will allow for the consolidation of disparate DRAS systems and processes, the reduction of system redundancies and inefficiencies, increased customer satisfaction and compliance to Department of Defense (DoD) and federally mandated Information Assurance (IA) requirements. The DRAS2 modernization is in keeping with the DoD Strategic Management Plan for FY2014-2015 goals and the White House CIO Council 2.0 initiatives. In FY2015, DRAS 2 has it's own PE 0605090S separate from the PE referenced in this submission.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Defense Retired and Annuitant Pay System (DRAS)	0.000	-	-
FY 2015 Accomplishments: N/A			
Accomplishments/Planned Programs Subtotals	0.000	-	-

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

During FY2014, a System Development Task Order Delivery contract will be established for DRAS2 in order to begin system development activities. Acquisition activities will follow the Business Capabilities Lifecycle (BCL) and system development will be in an incremental approach.

E. Performance Metrics

N / A

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 8 / *Defense Retired and Annuitant Pay System (DRAS)*	

Product Development ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
DRAS2 System Development and Integration	C/IDIQ	To be Determined : To be Determined	15.010	0.000		-		-		-		-	-	-	-
		Subtotal	15.010	0.000		-		-		-		-	-	-	-

	Prior Years	FY 2015		FY 2016		FY 2017 Base		FY 2017 OCO		FY 2017 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	15.010	0.000		0.000		-		-		-	-	-	-

Remarks

The System Development and Integration Contract is scheduled to award during September 2014. The FY2014 cost is an estimate and not the actual cost.

Exhibit R-4, RDT&E Schedule Profile: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 8 / *Defense Retired and Annuitant Pay System (DRAS)*

	FY 2008				FY 2009				FY 2010				FY 2011				FY 2012				FY 2013				FY 2014			
	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
"N/A"																												
"N/A"																									[redacted]			

	FY 2015				FY 2016				FY 2017				FY 2018				FY 2019				FY 2020				FY 2021			
	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
"N/A"																												
"N/A"																												

Exhibit R-4A, RDT&E Schedule Details: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 8 / *Defense Retired and Annuitant Pay System (DRAS)*

Schedule Details

	Start		End	
Events by Sub Project	**Quarter**	**Year**	**Quarter**	**Year**
"N/A"				
"N/A"	1	2014	4	2014

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 5	R-1 Program Element (Number/Name) PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	Project (Number/Name) 9 / *Enterprise Funds Distribution (EFD)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
9: *Enterprise Funds Distribution (EFD)*	10.360	3.798	2.176	3.800	-	3.800	3.786	0.000	0.000	0.000	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

Enterprise Funds Distribution (EFD) is a multi-service/multi-agency solution established as a key initiative to provide full visibility of funds distributed through echelon I and II for the Military Departments and at all levels for the Defense Agencies to improve and modernize the OUSD(C) funds distribution process. Funds distribution by its nature is a key enabler of financial visibility within DoD enterprise systems. The concept of a fully visible enterprise funds distribution process serves as a reference where planned and coordinated funds development and execution takes place.

Within the current DoD environment, progress has been made streamlining a diverse set of stove-piped budget execution and funds distribution processes and systems. Efforts continue to improve the visibility of funding information, eliminate manual efforts and undue complexities to the management of budget authority, and to eliminate impediments in the flow of funding documents. The current environment relies heavily on manual processing and on disconnected standalone systems for the processing of Funding Authorization Documents (FADs) and reprogramming actions. This environment made the implementation of internal controls difficult, negatively impacted the accuracy and timeliness of information while making the processes of integrating and obtaining management information arduous.

The envisioned operational environment solves these problems by enabling lifecycle program value management in a web-based application utilizing an authoritative database with single-source data entry and automated workflow. Capabilities within this integrated environment will enable the automation of all funds distribution and funds control processes within OUSD(C) using authoritative and highly visible data. Specifically, capabilities include managing apportionments, distributing budget authority to the Military Departments and Defense Agencies, managing rescissions and continuing resolutions, creating and tracking reprogramming actions, and establishing program baselines and budget authority needed to support changes in funding priorities throughout the year.

The operational environment includes organizational elements down to the echelon II level responsible for managing DoD and Component appropriations operating in an unclassified environment. The web-based application provides pre-planning, apportionment, reprogramming, rescission, continuing resolution, reporting of enterprise-level funds control and distribution of appropriated funding.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Enterprise Funds Distribution (EFD)	3.798	2.176	3.800
Description: EFD will distribute funds to the Military Departments and the Defense Agencies.			
FY 2015 Accomplishments:			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 9 / *Enterprise Funds Distribution (EFD)*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
• Completed System integration and regression testing for the new configuration of the budget structure in EFD for the lower level funds distribution process • Provided Extensive training for the users at the Defense Organizations • Implemented the first subset of Defense Organizations onto EFD • Completed Conversion of Family Housing data into EFD ***FY 2016 Plans:*** • Implement onto EFD the BRAC and non-general fund accounts (such as Special, Trust, Revolving, and Deposit funds). The efforts for implementation include requirements review, functional and technical analysis, system configuration/development, data conversion, and testing. • Provide training to the end users who are responsible for the BRAC and non-general funds accounts. • Conduct transition activities in preparation for DFAS to sustain the system. • Convert the funding data for years prior to FY16 for the Defense Organizations that were implemented onto EFD as part of the Phase 2 efforts. ***FY 2017 Plans:*** • Complete implementation of EFD Phase 2. and begin transition activities preparing for hand off to DFAS. • Complete research and employ new hosting solution for EFD IAW DFAS Systems hosting directives			
Accomplishments/Planned Programs Subtotals	3.798	2.176	3.800

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

The EFD strategy is to use a “single acquisition to full capability,” commercial-off-the-shelf (COTS) solution (Momentum software). The effort needed to ensure EFD is fully implemented for all appropriation data for the Military Services and Defense Organizations has led to a full deployment date of September 2016.

E. Performance Metrics

• For performance, the objective is that 100% of the SFIS elements are SFIS compliant at FD.

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 9 / *Enterprise Funds Distribution (EFD)*

Product Development ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Savantage Solutions	Option/ FP	Savantage Solutions : Rockville, MD	10.360	3.798	Sep 2015	-		-		-		-	-	-	-
TeraThink Corporation	C/FFP	TeraThink Corporation : Reston, VA	-	-		1.710	Dec 2015	1.900	Dec 2016	-		1.900	-	-	-
To Be Determined	C/FFP	To Be Determined : To Be Determined	-	-		0.466	Jul 2016	1.900	Jul 2017	-		1.900	-	-	-
		Subtotal	10.360	3.798		2.176		3.800		-		3.800	-	-	-

Remarks

EFD Product Development – Technical Design and Development

	Prior Years	FY 2015		FY 2016		FY 2017 Base		FY 2017 OCO		FY 2017 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	10.360	3.798		2.176		3.800		-		3.800	-	-	-

Remarks

Exhibit R-4, RDT&E Schedule Profile: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 9 / *Enterprise Funds Distribution (EFD)*

	FY 2015				FY 2016				FY 2017				FY 2018				FY 2019				FY 2020				FY 2021			
	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
"N/A"																												
No Sub Projects																												

Exhibit R-4A, RDT&E Schedule Details: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 9 / *Enterprise Funds Distribution (EFD)*

Schedule Details

	Start		End	
Events by Sub Project	**Quarter**	**Year**	**Quarter**	**Year**
"N/A"				
No Sub Projects	1	2017	4	2017

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 5	R-1 Program Element (Number/Name) PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	Project (Number/Name) 11 / *Next Generation Resource Management System (NGRMS)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
11: *Next Generation Resource Management System (NGRMS)*	-	0.000	0.000	8.831	-	8.831	8.853	8.042	8.102	8.238	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The Department's budget focuses on institutionalizing and financing our capabilities to fight the wars we are in today and the scenarios we are most likely to face in the years ahead, while at the same time mitigating risk and providing for contingency operations. It also includes a fundamental overhaul of the DoD's approach to procurement, acquisition, and contracting. As such, the complex details of budgeting and tracking of funds become increasingly critical to senior leader decision making and to provide accountability to the taxpayer. Incorporating information technology toward current and emerging business processes manifesting into a state-of-the art system of systems will result in increasing efficiencies, timely diagnostics, and reducing lifecycle costs to maintain, sustain and repair.

Today, the Office of the Under Secretary of Defense Comptroller OUSD(C) and the Cost Analysis and Program Evaluation (CAPE) use various distinct automated systems (Comptroller Information System (CIS), Program Resource Collection Process (PRCP), Supplemental Resource Collection Process (SRCP), Budget Exhibits Generator and Standard Data Collection System (SDCS)) to formulate, justify, and execute DoD budgets. These six or more systems interact with at least several computer-based systems controlled by external organizations and agencies. These systems manage very similar financial information, yet each uses its own scheme for representing information. Much of the information managed by these systems is redundant. Cross-system data representations and redundancies make it difficult to exchange and to reconcile information. The capabilities provided by Comptroller systems, in some cases, fail to deliver services needed by its users, or fail to operate in ways that complement current and emerging business practices. They fail to give executives information in a comprehensible form, making it difficult to draw conclusions. Data disparities and functional redundancy make these systems more costly to maintain than they need to be.

There is a critical need for the development of a state-of-the-art information technology system to modernize and replace multiple, antiquated legacy systems and processes used to formulate, justify, present and defend the entire Department of Defense Budget in the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) to meet Title 10 and Title 31 mission and reporting requirements. The Comptroller's plan for mitigating the deficiencies and capability gaps associated with current systems is development of the Next Generation Resource Management System.

This initiative exploits emerging technology, processes, trends, capabilities, and techniques to incorporate state-of-the-art information technology enabling the ability, agility, and level of fidelity to collect, process, administer and report resource management data and to automate business processes within a more robust analytical environment within the Office of the Under Secretary of Defense (Comptroller) OUSD(C). Funded efforts will improve the timeliness of resource management reviews and decisions for senior leaders and Congress.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Next Generation Resource Management Service (NGRMS)	0.000	0.000	8.831

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 11 / *Next Generation Resource Management System (NGRMS)*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
FY 2015 Accomplishments: N/A. This program is currently being managed by OSD(C) and will be transferred to DLA in FY 2017. ***FY 2016 Plans:*** N/A. This program is currently being managed by OSD(C) and will be transferred to DLA in FY 2017. ***FY 2017 Plans:*** Plan, develop, test and evaluate the system components (i.e. unified database, expert system, cross domain security, enterprise service bus, applications, services) and supportability requirements in modernizing the budget formulation, programming execution and reporting capabilities for the Department of Defense. Activities will include, but not be limited to, the preparation of all documentation required for Clinger-Cohen Compliance and acquisition regulations, developing requests for proposals, and oversight and management of contracts and deliverables. This program will be transferred to DLA from OSD(C). Plan to: -Continue Program Management Office 1Q FY 2017 - 4Q FY 2017 -Increment 2.0 Deployment 3Q FY 2017 -Task Order award for Increment 3.0 3Q 2017			
Accomplishments/Planned Programs Subtotals	0.000	0.000	8.831

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

Milestone C for Increment 2.0 3Q FY2017
Full Deployment Decision (FDD) for Increment 2.0 3Q FY2017
Increment 3.0 development and acceptance 3Q FY 2017 - 3Q FY 2018
Increment 4.0 development and acceptance 3Q FY 2018 – 2Q FY 2020

E. Performance Metrics

N/A.

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 11 / *Next Generation Resource Management System (NGRMS)*

Product Development ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
FY17 Development	TBD	TBD : TBD	-	-		-		8.163		-		8.163	-	-	-
		Subtotal	-	-		-		8.163		-		8.163	-	-	-

Support ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
FY17 Support	TBD	TBD : TBD	-	-		-		0.668		-		0.668	-	-	-
		Subtotal	-	-		-		0.668		-		0.668	-	-	-

	Prior Years	FY 2015		FY 2016		FY 2017 Base		FY 2017 OCO		FY 2017 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	-	-		0.000		8.831		-		8.831	-	-	-

Remarks

Exhibit R-4, RDT&E Schedule Profile: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 11 / *Next Generation Resource Management System (NGRMS)*

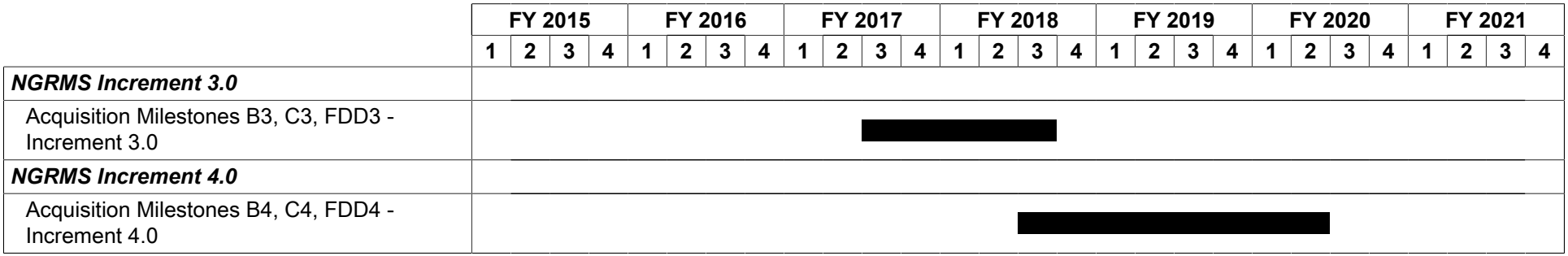


Exhibit R-4A, RDT&E Schedule Details: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 11 / *Next Generation Resource Management System (NGRMS)*

Schedule Details

	Start		End	
Events by Sub Project	**Quarter**	**Year**	**Quarter**	**Year**
NGRMS Increment 3.0				
Acquisition Milestones B3, C3, FDD3 - Increment 3.0	3	2017	3	2018
NGRMS Increment 4.0				
Acquisition Milestones B4, C4, FDD4 - Increment 4.0	3	2018	2	2020

Exhibit R-2, RDT&E Budget Item Justification: PB 2017 Defense Logistics Agency	Date: February 2016
Appropriation/Budget Activity 0400: *Research, Development, Test & Evaluation, Defense-Wide I* BA 5: *System Development & Demonstration (SDD)*	**R-1 Program Element (Number/Name)** PE 0605080S *I Defense Agency Initiatives (DAI) - Financial System*

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
Total Program Element	44.260	35.497	31.660	26.657	-	26.657	3.836	0.000	0.000	0.000	30.765	172.675
1: *Defense Agency Initiatives (DAI) - Financial System)*	44.260	35.497	31.660	26.657	-	26.657	3.836	0.000	0.000	0.000	30.765	172.675

Program MDAP/MAIS Code:
Project MDAP/MAIS Code(s): 0491

A. Mission Description and Budget Item Justification

This program supports the Defense Agencies Initiative (DAI) Increment 2, an Acquisition Category I program. Previous funding for DAI, Increment 1, was documented in the Defense Enterprise Business Systems program element 0605070S, as well as, FY2013 4th Quarter Increment 2.

B. Program Change Summary ($ in Millions)	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total
Previous President's Budget	41.465	31.660	26.896	-	26.896
Current President's Budget	35.497	31.660	26.657	-	26.657
Total Adjustments	-5.968	0.000	-0.239	-	-0.239
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-4.600	-			
• SBIR/STTR Transfer	-1.368	-			
• Inflation for Non-Pay & Non-Fuel Purchases	-	-	-0.239	-	-0.239

Change Summary Explanation

In FY15, returned excess funding to OSD in the amount of $4.6M.

In FY17, funding was reduced due to inflation for non-Pay and non-Fuel purchases.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 5	R-1 Program Element (Number/Name) PE 0605080S / *Defense Agency Initiatives (DAI) - Financial System*	Project (Number/Name) 1 / *Defense Agency Initiatives (DAI) - Financial System)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
1: *Defense Agency Initiatives (DAI) - Financial System)*	44.260	35.497	31.660	26.657	-	26.657	3.836	0.000	0.000	0.000	30.765	172.675
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

Project MDAP/MAIS Code: 0491

A. Mission Description and Budget Item Justification

The DAI mission is to deliver auditable Chief Financial Officer (CFO) Act compliant business environments for Defense Agencies providing accurate, timely, authoritative financial data supporting the DoD goal of standardizing financial management practices improving financial decision support, and supporting audit readiness. Currently, Defense Agencies use more than 10 different non-compliant financial management systems supporting diverse operational functions and the warfighter in decision making and financial reporting. These disparate, non-integrated systems do not meet statutory requirements to produce timely, auditable reports.

The DAI program modernizes the Defense Agencies' financial management processes by streamlining financial management capabilities, addressing financial reporting material weaknesses, and supporting financial statement auditability for the majority of agencies and field activities across the DoD. DAI will support a transformation of budget, finance, and accounting processes across participating defense agencies to help improve the quality of financial information, supporting financial auditability and decision making. The DAI business solution, once implemented, will provide a near real-time, web-based system from a ".mil" environment of integrated business processes that will enable in excess of 84,000 Defense Agency financial managers, program managers, auditors, and Defense Finance and Accounting Service (DFAS) representatives to make sound financial business decisions.

The DAI implementation approach is to deploy a standardized system solution that is consistent with requirements in the Federal Financial Management Improvement Act (FFMIA) and the DoD Business Enterprise Architecture (BEA), while leveraging the out-of-the-box capabilities of the selected Commercial-Off-the-Shelf (COTS) product, Oracle e-Business Suite (EBS), Release 12.2.3 (R12). DAI implemented an Oracle Office of Management and Budget Financial Systems Integration Office (FSIO) qualified COTS financial management business solution with common business processes and data standards. The Program Management Office (PMO) will not develop any objects that are included in core COTS software or services (i.e. vendor data from Federal authoritative source).

DAI supports the 2014 Quadrennial Defense Review (QDR) Strategy 5, "Reform the business and support functions of the Defense enterprise". DAI is also aligned to the DOD Agency Strategic Fiscal Years 2015-2018, Goal 5: Reform and Reshape the Defense Institution, Key Strategic Initiative - Improving competitiveness through accountability and efficiency and SO 5.2: Improve financial processes, controls, and information via audit readiness. The objective of the DAI system is to achieve auditable, CFO Act compliant business environments for the Defense Agencies with accurate, timely, authoritative financial data.

The primary goal is to deploy a standardized system solution to improve overall financial management and comply with BEA, Standard Financial Information Structure (SFIS)/Standard Line of Accounting (SLOA), and Office of Federal Financial Management (OFFM) requirements. Common business functions within budget execution include the Department's BEA End to End (E2E) business processes: Cost Management; Budget to Report; Procure to Pay (P2P); Acquire to Retire (real property

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605080S / *Defense Agency Initiatives (DAI) - Financial System*	**Project (Number/Name)** 1 / *Defense Agency Initiatives (DAI) - Financial System)*

lifecycle accounting only); Hire to Retire (Time and Labor reporting only); and Order to Cash. Release (Rel) 1 provided an application upgrade to Oracle R12 along with (P2P) enhancements facilitating SFIS/SLOA compliance and automated Time and Labor absence management. Rel 2 introduced Grants Financial Management accounting and the start of a phased implementation of Governance, Risk and Compliance (GRC) capabilities. Future capabilities will support Rel 3 Direct Treasury Disbursing and Budget Formulation as well as Rel 4 Defense Working Capital Fund accounting, and Re-Sale Accounting (for Defense Commissary Agency (DeCA).

DAI is currently implemented at 18 Defense Agencies and the Office of the Under Secretary of Defense, Comptroller, (OUSD(C)) (Time and Labor only) and supporting over 24,922 users. The program office is also responsible for operational sustainment of the system. Funds are required for additional government and contractor support, licenses, maintenance, and hardware to accomplish the remaining capability developments and organizational deployments, and initiate the annual Statement on Standards for Attestation Engagements No. 16 (SSAE 16) assertion packages.

The benefits of DAI are:
- Common business processes and Enterprise data standards (i.e., SFIS and SLOA);
- Access to real-time financial data transactions;
- Significantly reduced data reconciliation requirements;
- Enhanced analysis and decision support capabilities; and
- Use of United States Standard General Ledger (USSGL) Chart of Accounts to resolve DoD material weaknesses and deficiencies.

The DAI PMO completed the Oracle R12 application upgrade. The DAI PMO also provides system integration services that include: acquisition/financial management, project management; blueprinting; design, build, and unit test; developing required Reports, Interfaces, Conversions, Extensions, Forms and Workflows (RICE-FW) objects; testing (cyber security/information assurance, integration, functional, performance, conversion, user acceptance, operational); end-user training (train the trainer/ change management preparing the users for the cross functional skills and awareness needed to perform well with an integrated enterprise resource planning system); system deployment; conversion; information assurance; sustainment; data service; help desk support; as well as studies and analysis support.

DLA Information Operations provides the program executive officer, program manager and PMO staff. The DAI PMO relies on DLA Acquisition for most contracting. Defense Information Systems Agency (DISA) Defense Enterprise Computing Centers (DECCs) provide application, development and test as well as Continuity of Operations (COOP) hosting, Technical Contracting Office for development task orders, and the Joint Interoperability Test Command for Interoperability testing. While the DAI PMO serves as systems integrator, niche activities; i.e. P2P, development, are contracted.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Defense Agency Initiatives (DAI) - Financial System	35.497	31.660	26.657
FY 2015 Accomplishments: In FY2015, DAI PMO successfully completed an independent audit documented in a SSAE 16 Service Organization Controls (SOC) 1 report with an unqualified opinion. The DAI PMO completed development of Rel 1 Oracle Release 12 Upgrade providing			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605080S / *Defense Agency Initiatives (DAI) - Financial System*	**Project (Number/Name)** 1 / *Defense Agency Initiatives (DAI) - Financial System)*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
P2P enhancements. Automated absence management was implemented in two follow-on smaller releases: Rel 1.1 for DoD Educational Activity, Defense Acquisition University and Defense Security Cooperation Agency; and Rel 1.2 for Defense Contract Management Agency and Defense Microelectronics Activity. DAI PMO also procured new user licenses and technology software licenses. DAI was granted Authority to Operate (ATO) from the Designated Accrediting Authority (DAA). The PMO developed a Rel 2 Workforce Preparation Strategy; Rel 1 associated Analysis/ Planning and Reporting Strategy; and a study of hardware hosting options. A plan for a Test & Development (T&D) environment at DISA DECC Mechanicsburg, PA was initiated and later discarded as the center did not have capacity. The PMO conducted Rels 1 and 2 pre- deployment planning and Business Process Reengineering (BPR) with current and prospective agencies and completed Rels 1 and 2 Systems Engineering (SE) Technical Reviews including five Rel 1 simulation mocks with the agencies. DAI PMO was awarded DAI Inc 2 Rel 1 Interim Joint Interoperability Certification, a Rel 1 limited fielding decision by Acquisition Decision Memorandum (ADM) April 21, 2015 and an Acquisition Program Baseline on February 8, 2015. DAI PMO migrated all existing users and their data to the DAI Increment 2 Rel 1 production baseline on May 4, 2015. After Defense Finance and Accounting Service (DFAS) revised the DoD's Federal Financial Management Requirements (FFMRs) in DFAS Blue Book (August 2014), DAI successfully completed an independent review of a regression test of a sample the revised basket of FFMRs (95% compliant). Later, DAI PMO began an assessment against all 797 applicable Federal Financial Management Improvement Act (FFMIA) requirements (91% complete as of September 8, 2015). DAI PMO successfully completed an independent Federal Information System Controls Audit Manual (FISCAM) Test of Design/Test of Effectiveness. The PMO deployed Rel 2 to existing users and to additional users within these agencies. DCMA. DAU, DODEA and DMEA began using DAI for financial management. Also in FY15, Joint Interoperability Test Command (JITC) completed an operational assessment of with several using agencies. JITC found that DAI is making satisfactory progress towards meeting Operational Effectiveness, Suitability, Interoperability, and Cybersecurity (OESIS). For Usability, Training, Sustainment, and Auditability, users reported no major issues or discrepancies during the OA. Survey comments were generally favorable in the areas of system Usability, Training, Help Desk, Configuration Management, Audit Trails, and Business Process accomplishment. Users demonstrated interoperability through successful completion of all mission tasks in all Business Process areas. Reliability and Operational Availability metrics were favorable; however, the prevalent issue reported by users was excessive system response time. PMO also conducted system tuning during Q1 to address this issue and reduced Rel 2 average response time from just over 5 seconds to 2.04 seconds as of December 3, 2015.			
FY 2016 Plans: In FY2016, the PMO will: • Conduct a service provider, independent audit, SSSAE 16 and support the Audit Readiness Office in developing service provider assertion packages supporting the SSAE 16 SOC 1 Report and resolve any Notification of Findings (NOFs). The DAI PMO will use the DECCs SSAE 16 SOC 1 Report as the basis for its input for the annual DLA SOC 1 Report that Agencies will use in their audits. DECCs maintain all the operations software and hardware in the suite.			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605080S / *Defense Agency Initiatives (DAI) - Financial System*	**Project (Number/Name)** 1 / *Defense Agency Initiatives (DAI) - Financial System)*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
• Conduct BEA compliance assessment against the current version (v10.0 as of September 8, 2015), document results in the Department's Integrated Business Framework – Data Alignment Portal (IBF-DAP) portal and conduct Business Process Re-engineering for Rel 4 and October 2017 deploying Defense Agencies. • Resolve critical software errors and critical statutory/regulatory enhancements that impact operations and incorporate changes identified during BPR, BEA compliance assessment and the Audit generated corrective action plans. • Support the DoD Information Assurance Certification and Accreditation Process (DIACAP)/ Risk Management Framework (RMF) process maintaining activity to support actions included in the DAA required POA&M including an independent FISCAM Test of Design/Test of Effectiveness. The submission package will result in a DAA decision to award an ATO. • Conduct testing to include: unit testing on developed items; monthly Rel testing that includes regression; annual Rel development testing that includes a SIT and UAT; Rel 3 developmental testing including a SIT and UAT; as well as an operational assessment event in conjunction with DOT&E following the annual Rel at using Defense Agencies. • Conduct contract renewal competitions and exercise options on existing contracts and monitor contractor performance and billing. • Deploy Rel 2 to some of the October 2017 deploying Defense Agencies' for Time and Labor. • Conduct October 2017 deploying Defense Agencies' implementation activities including data conversion, BPR and workforce preparation. • Continue the implementation of GRC capabilities delivered in Rel 2. • Develop Rel 3 Budget Formulation and Direct Treasury Disbursing capabilities, DAI Configuration Control Working Group (CCWG) approved changes and develop ability to send/receive the Department's Purchase Request and Procurement Data Standards (PRDS/PDS). • Conduct an annual Acquisition In-Process Review (IPR) with the MDA. • Oversee the operations of the DISA DECCs at Ogden, UT (Production and T&D to include training) and Columbus, OH (COOP). The PMO operates database servers, application servers and web servers, leveraging the DECC for infrastructure support and host site related IA and internal controls. DECC services are governed by an annually negotiated Service Level Agreement (SLA). • Maintain currency with existing Federal, DFAS and target Enterprise systems including the System for Award Management (SAM) web services, as SAM assumes the functionality of the Federal Integrated Acquisition Environment (IAE) systems. • Maintain a sufficient Information Assurance/cybersecurity posture and support the DIACAP/ RMF process maintaining activity to support actions included in the Designated Approval Authority required actions included in the POA&M including maintaining currency of documentation in Enterprise Mission Assurance Support Service (EMASS) portal. This includes maintaining the operational and application software currency and security patches. • Maintain DAI master data leveraging feeds from the authoritative data sources. • Maintain the program's DODAF views in accordance with DLA guidance and in DLA systems. • Ensure sufficient administer all of the databases: production; T&D/training; and COOP.			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605080S / *Defense Agency Initiatives (DAI) - Financial System*	**Project (Number/Name)** 1 / *Defense Agency Initiatives (DAI) - Financial System)*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
• Maintain the system configuration in accordance with the DLA J6 Enterprise Configuration Management Plan (ECMP) and DAI CCWG. • Maintain currency with functional policy with regard to function and data standards. • Maintain the technical side of the system including the internal processes and the operation of several interfaces with external systems leveraging DLA Transaction Services as well as established Federal Enterprise system web services. • Maintain and monitor user roles and responsibilities at the system level and guide using Agencies at the Component level. • Obtain an ATO and Interoperability Certification. . ***FY 2017 Plans:*** In FY 2017, the DAI PMO will • Deploy Rel 3 to current Defense Agencies and to full financial capabilities to Defense Security Cooperation Agency, DoD Inspector General, Director of Operational Test & Evaluation, Defense Information Systems Agency (General Fund) and Defense Human Resources Activity. • DAI PMO will develop Rel 4 Re-Sale Accounting and Defense Working Capital Fund accounting, work instructions, training materials as well as any necessary RICE-FW objects. • Conduct pre-Rel 4 deployment planning and BPR, with new Agencies, Rel 3 Agency mocks and Rel 4 SE technical reviews. • Conduct a service provider, independent audit, SSSAE 16 and support the Audit Readiness Office in developing service provider assertion packages supporting the SSAE 16 Service SOC 1 Report and resolve any identified NOFs. • The DAI PMO will use the DECCs SSAE 16 SOC 1 Report as the basis for its input for the annual DLA SOC 1 Report that Agencies will use in their audits. DECCs maintain all the operations software and hardware in the suite. • Conduct BEA compliance assessment against the current version (v10.0 as of September 8, 2015), document results in the Department's IBF-DAP portal and conduct Business Process Re-engineering for newly joining Defense Agencies. • Resolve critical software errors and critical statutory/regulatory enhancements that impact operations and incorporate changes identified during BPR, BEA compliance assessment and the Audit generated corrective action plans. • Support the DIACAP/RMF process maintaining activity to support actions included in the DAA required POA&M resulting in a DAA decision to award an ATO. • Conduct testing to include: unit testing on developed items; monthly Rel testing that includes regression; annual Rel development testing that includes a SIT and UAT; Rel 3 developmental testing including a SIT and UAT; as well as an operational assessment event in conjunction with DOT&E following the annual Rel at using Defense Agencies. • Conduct contract renewal competitions and exercise options on existing contracts and monitor contractor performance and billing. • Conduct October 2018 deploying Defense Agencies' implementation activities including data conversion, BPR and workforce preparation.			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605080S / *Defense Agency Initiatives (DAI) - Financial System*	**Project (Number/Name)** 1 / *Defense Agency Initiatives (DAI) - Financial System)*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
• Continue the implementation of GRC capabilities delivered in Rel 2 based on audit feedback. • Develop, test and release Electronic Funds Distribution (EFD) to DAI production. • Conduct an annual Acquisition IPR with the MDA. • Oversee the operations of the DISA DECCs at Ogden, UT (Production and T&D to include training) and Columbus, OH (COOP). The PMO operates database servers, application servers and web servers, leveraging the DECC for infrastructure support and host site related IA and internal controls. DECC services are governed by an annually negotiated Service Level Agreement (SLA). • Maintain currency with existing Federal, DFAS and target Enterprise systems including the SAM web services, as SAM assumes the functionality of the Federal IAE systems. • Maintain a sufficient Information Assurance/cybersecurity posture and support the DIACAP/ RMF process maintaining activity to support actions included in the Designated Approval Authority required actions included in the POA&M including maintaining currency of documentation in EMASS. This includes maintaining the operational and application software currency and security patches. • Maintain DAI master data leveraging feeds from the authoritative data sources. • Maintain the program's DODAF views in accordance with DLA guidance and in DLA systems. • Ensure sufficient administer all of the databases: production; T&D/training; and COOP. • Maintain the system configuration in accordance with the DLA J6 ECMP and the DAI CCWG. • Maintain currency with functional policy with regard to function and data standards. • Maintain the technical side of the system including the internal processes and the operation of several interfaces with external systems leveraging DLA Transaction Services as well as established Federal Enterprise system web services. • Maintain and monitor user roles and responsibilities at the system level and guide using Agencies at the Component level. • Procure required hardware, software and licenses for new Agency's personnel. • Obtain an ATO and Interoperability Certification.			
Accomplishments/Planned Programs Subtotals	35.497	31.660	26.657

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

DAI is being developed and implemented using an evolutionary/incremental strategy including major annual software releases to accommodate upgrades as required by changes to the Department's BEA including new laws, regulations and policies as governed by its Functional Sponsor and Milestone Decision Authority (MDA).

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605080S / *Defense Agency Initiatives (DAI) - Financial System*	**Project (Number/Name)** 1 / *Defense Agency Initiatives (DAI) - Financial System)*

In the Acquisition Decision Memorandum (ADM) of September 23, 2013, the MDA placed DAI Increment 1 in sustainment. Increment 2 will address the Commercial Off The Shelf (COTS) application upgrade. The upgrade was completed (January 2015); therefore, Increment 2 Rel 1 overwrote Increment 1 for all users.

E. Performance Metrics

The following performance metrics will be performed on the DAI system:

Functionality: Financial system performance. PEO will determine substantial compliance with the annual Investment Review of PMO assertion of compliance with the latest version of the Department's BEA in scope requirements for Defense Financial Management Improvement Guidance (DFMIG) and other laws regulations and policy. Objective: Substantial compliance.

Program Conformance to BEA Processes, Data Standards, and Business Rules. The PEO will determine substantial compliance with the annual Investment Review of PMO assertion of compliance with the latest version of the Department's BEA. Objective: Substantial compliance.

Net Ready Key Performance Parameter (NR-KPP)
Attribute (Att) A - Support net-centric DoD military operations
Mission: Transform the budget, finance, and accounting operations of the DoD Agencies to achieve accurate and reliable financial information in support of financial accountability and effective and efficient decision making throughout the Defense Agencies in support of the missions of the warfighter.

A.1. Budget to Report (B2R). DAI provides General Ledger, Trial Balance, Budget Execution, and Financial Reporting Capabilities.
DAI will measure the percentage of successful attempts to:
* Generate and transmit Trial Balance Reports. Objective-95%;
* Receive budget information from agency-specific systems, to support budget execution. Objective-95%; and
* Generate and transmit reports to support period end processing procedures. Objective-95%

A.2 Procure to Pay (P2P). DAI provides the capability to Order Materials and Services (Commitments), Record Purchases and Contract Information (Obligations) Pay Bills (Accounts Payable), and Create Ready to Pay File.
DAI will measure the percentage of successful attempts to:
* Exchange contract, obligation, receipt and invoice information with external systems to support procurement processes. Objective-95%;
* Receive Purchase Card information from external systems to manage government purchase cards (P-Cards). Objective-95%;
* Exchange data across agencies to support intergovernmental Purchase Request (PR) processes. Objective-95%;
* Receive travel related data from external systems to support travel financial accounting events. Objective-95%; and
* Exchange miscellaneous payment information with trading partners. Objective-95%.

A.3. Order to Cash (O2C). DAI provides the capability to Receive Customer Orders, Record Work Performed on the orders, Bill Customers, and Track Accounts Receivable.
DAI will measure the percentage of successful attempts to:

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605080S / *Defense Agency Initiatives (DAI) - Financial System*	**Project (Number/Name)** 1 / *Defense Agency Initiatives (DAI) - Financial System)*

* Exchange data with external systems to support management of customer orders. Objective-95%;
* Exchange receivables data with external systems. Objective-95%; and
* Manage exchange collections data with external systems. Objective-95%.

A.4. Acquire to Retire (A2R). DAI provides the capability to record Asset Acquisition, Depreciation, and Disposal DAI will measure the percentage of successful attempts to:
* Receive asset creation information from external systems. Objective-95%;
* Accumulate and transmit costs incurred for Capital Assets on Construction in Progress (CIP) and Work in Progress (WIP) projects. Objective-95%;
* Generate and transmit property accounting information. Objective-95%;
* Receive property maintenance data from external systems. Objective-95%; and
* Receive disposal of assets information from external systems. Objective-95%.

A.5. Cost Management (formerly Cost Accounting). DAI provides Cost Accounting and Allocation Capabilities
DAI will measure the percentage of successful attempts to:
* Receive Project Budgets from external systems. Objective-95%; and
* Receive cost data to support cost collection processes. Objective-95%.

A. 6. Hire to Retire (H2R). DAI provides Civilian, Military, and Contractor Time and Labor capabilities DAI will measure the percentage of successful attempts to:
* Exchange employee and timekeeping information with external systems. Objective-95%; and
* Process and send payroll data to external systems. Objective-95%.

NR-KPP Att B - Managed in the Network
1) Type of Networks that are connected:
- The DAI application supports multiple Defense Agencies, and thus is accessible from multiple network points. A typical user accesses the application via the web browser from his/her agency specific LAN/WAN and/or local site firewall configurations, traversing through the Non-Classified Internet Protocol Routing Network (NIPRNet) to reach the secure DAI application hosted within the DoD Demilitarized Zone (DMZ) which is controlled and managed by DISA.
- The DAI production application is hosted in a DISA DECC environment located in Ogden, UT and is managed by DAI Program Management Office

2) Measures of Performance (MOPs) to measure network entrance and management performance:
a) Network related (DISA) – as per DISA Catalog of Services
-Interactive Availability - Portion of network/system controlled by DISA CSD available to the partner during the interactive window
-Batch Throughput – Completion rate and delivery by specified time during batch window specified in SLA
b) Database related (DAI Program Management Office)
-System Availability

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605080S / *Defense Agency Initiatives (DAI) - Financial System*	**Project (Number/Name)** 1 / *Defense Agency Initiatives (DAI) - Financial System)*

-On Line user system response

3) Network Management:
-The Agency (user) being supported is responsible for the communications infrastructure necessary for leaving their location to connect users to the NIPRNet
-DISA is responsible for communications on NIPRNet between the end user and the main DAI environment
-DAI Program Management Office is responsible for activities occurring within the application and the Oracle Database

4) Systems Management
-NIPRNet and Infrastructure - Centralized within DISA CSD
-DAI System – centralized within DAI Program Management Office

5) Network Configuration Parameters – N/A (within the realm of DISA management) DAI will measure the percentage of success for:
* Supports secure Internet/NIPRNET access to solution. Interactive Availability. Objective-98.5%;
* Supports secure Internet/NIPRNET access to solution. Batch Throughput. Objective-95%;
* Provides adequate system response and availability to support operations. System Availability. (Condition: 5000 users/hour) Objective-95%; and
* Provides adequate system response and availability to support operations. On-line system response. (Condition: 5000 users/hour) Objective-95%.

NR-KPP Att C - Effectively Exchange Information.
DAI will satisfy all top-level critical Information Exchange Requirements (IERs) with all required DoD Enterprise, DFAS, Defense Agencies, and Federal Systems, as documented in SV-6. There are 47 data exchanges with other systems. The objectives are 100% for accuracy and ten seconds to 1 day for timeliness. Additional details available upon request.

Major Performers

CACI INC Federal
Chantilly, VA
Global Model Implementation and Compliance Support to DAI

CACI Inc Federal
Chantilly, VA
DAI Implementation Support Services

TASC, Inc.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
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Andover, MA
DISA Test and Development

CACI ISS, Inc
Fairfax, VA
Infrastructure Support

Terathink Corporation
Reston, VA
Data Conversion Support

International Business Machines Corporation
Reston, VA
DAI Global Model Development for Procure to Pay (P2P), Order to Cash (O2C), Budget to Retire (B2R), and Customer Application Development (CAD)

CACI Inc. Federal
Chantilly, VA
DAI Global Model Development for Acquire to Retire (A2R), Cost Accounting (CA), and Time and Labor (T&L)

Mythics Inc DBA
Virginia Beach, VA
Oracle CLM and Purchase Software

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605080S / *Defense Agency Initiatives (DAI) - Financial System*	**Project (Number/Name)** 1 / *Defense Agency Initiatives (DAI) - Financial System)*

Product Development ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
DAI Compliance Support	Option/ CPFF	CACI Inc Federal : Chantilly, VA	10.615	3.429	Jan 2014	3.713	Jan 2016	5.569		-		5.569	Continuing	Continuing	-
DAI Implementation Support	Option/ CPAF	CACI Inc Federal : Chantilly, VA	7.467	8.197	Aug 2015	5.221	Jul 2016	5.509		-		5.509	Continuing	Continuing	-
Infrastructure Support	Option/ FFP	CACI ISS Inc : Fairfax, VA	2.665	0.689	Jan 2015	1.040	Jan 2016	1.002		-		1.002	Continuing	Continuing	-
Global Model CAD	C/CPFF	CSC : Falls Church, VA	1.007	1.099	Apr 2015	0.000		-		-		-	0.000	2.106	-
Global Model P2P	C/FFP	IBM : Bethesda, MD	3.531	7.085	Apr 2015	6.020	Apr 2016	4.619		-		4.619	Continuing	Continuing	-
Global Model A2R	C/CPFF	CACI Inc Federal : Chantilly, VA	1.445	2.397	Apr 2015	2.273	Apr 2016	1.244		-		1.244	Continuing	Continuing	-
Data Conversion	Option/ FFP	Terathink : Reston, VA	0.814	0.850	May 2015	0.848	May 2016	0.000		-		0.000	0	2.512	-
Jaws Professional Licenses	C/FFP	Immix : McLean, VA	0.017	-		0.000		0.000		-		0.000	0.000	0.017	-
License Purchase	TBD	TBD : TBD	0.000	0.000		9.442	Jan 2016	3.611	Jan 2017	-		3.611	Continuing	Continuing	-
Oracle Contract Lifecycle Management licenses	C/FFP	Mythics Inc : Virginia Beach, VA	3.342	2.033	Oct 2015	0.000		0.000		0.000		0.000	0.000	5.375	-
Oracle Licenses	MIPR	DISA : Pensacola,FL	5.225	5.396		0.000		0.000		0.000		0.000	0	10.621	-
Additional Memory	MIPR	DISA : Pensacola, FL	1.004	0.033		0.000		0.000		0.000		0.000	0	1.037	-
Kurzweil 5000 508 Assistive Tech Licenses	C/FFP	Envision Technology Inc : Bethesda, Md	0.008	-		-		-		-		-	0	0.008	-
Dragon Naturally Speaking 508	C/FFP	Red River Computer Co : Claremont, NH	0.007	-		-		-		-		-	0	0.007	-
		Subtotal	37.147	31.208		28.557		21.554		0.000		21.554	-	-	-

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 5	R-1 Program Element (Number/Name) PE 0605080S / *Defense Agency Initiatives (DAI) - Financial System*	Project (Number/Name) 1 / *Defense Agency Initiatives (DAI) - Financial System)*	

Test and Evaluation ($ in Millions)

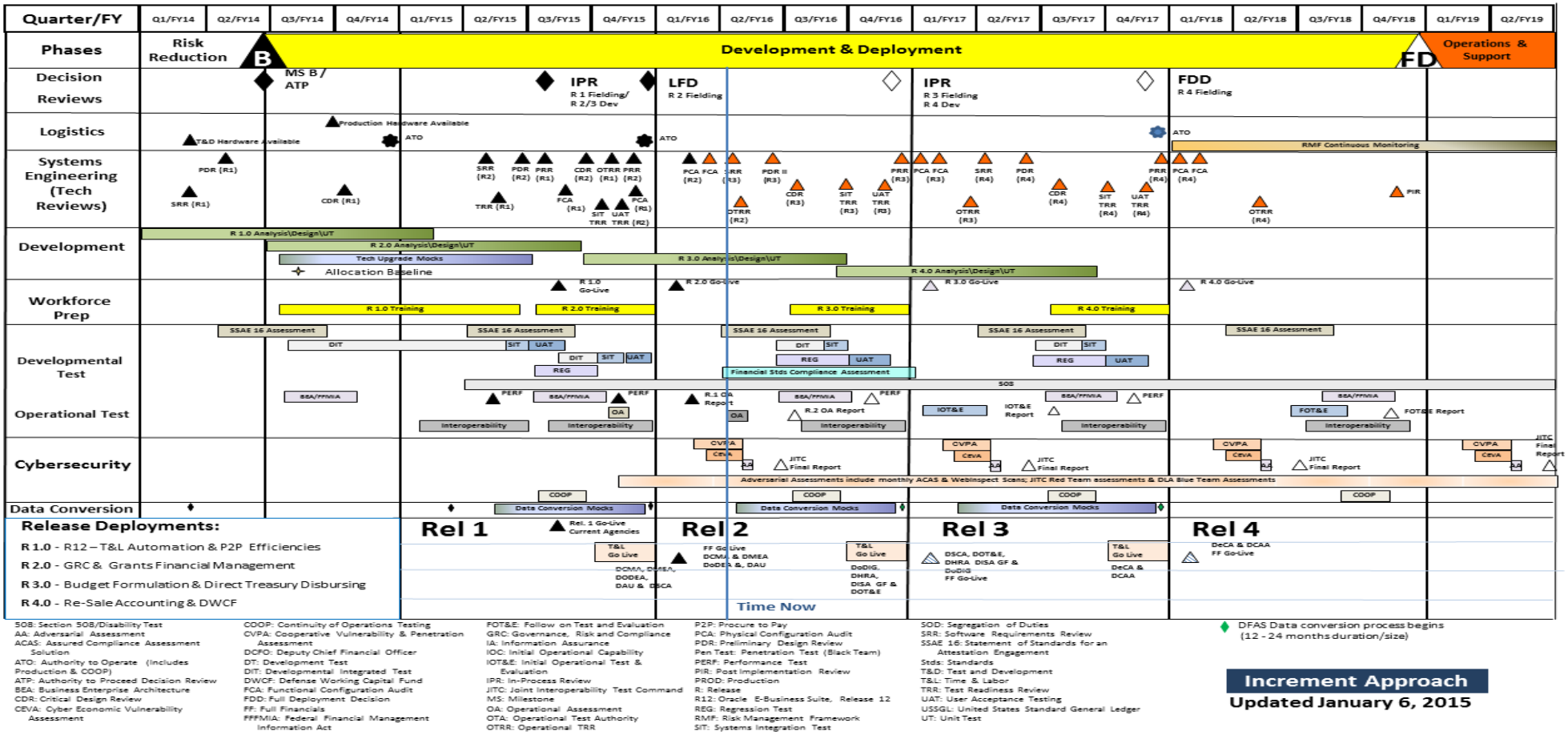
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Test and Development	MIPR	DISA : Pensacola, FL	3.204	0.797	Oct 2015	0.216	Oct 2016	2.161	Oct 2017	-		2.161	Continuing	Continuing	-
Independant Testing	MIPR	JITC : Indian Head, MD	1.790	1.155	Oct 2015	2.887	Apr 2016	2.942	Apr 2017	-		2.942	Continuing	Continuing	-
Performance and Regression Testing	MIPR	JITC : Ft Huachuca	0.979	0.721	Jul 2015	-		-		-		-	0	1.700	-
Operational Test and Evaluation	MIPR	JITC : Fort Huachuca, AZ	1.037	1.461	Oct 2015	-		-		-		-	0	2.498	-
DCPS Testing	MIPR	DFAS : Indianapolis, IN	0.103	0.155		-		-		-		-	0	0.258	-
		Subtotal	7.113	4.289		3.103		5.103		-		5.103	-	-	-

	Prior Years	FY 2015		FY 2016		FY 2017 Base		FY 2017 OCO		FY 2017 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	44.260	35.497		31.660		26.657		0.000		26.657	-	-	-

Remarks

Exhibit R-4, RDT&E Schedule Profile: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605080S / *Defense Agency Initiatives (DAI) - Financial System*	**Project (Number/Name)** 1 / *Defense Agency Initiatives (DAI) - Financial System)*

DAI INC 2 Schedule



508: Section 508/Disability Test
AA: Adversarial Assessment
ACAS: Assured Compliance Assessment Solution
ATO: Authority to Operate (Includes Production & COOP)
ATP: Authority to Proceed Decision Review
BEA: Business Enterprise Architecture
CDR: Critical Design Review
CEVA: Cyber Economic Vulnerability Assessment
COOP: Continuity of Operations Testing
CVPA: Cooperative Vulnerability & Penetration Assessment
DCFO: Deputy Chief Financial Officer
DT: Development Test
DIT: Developmental Integrated Test
DWCF: Defense Working Capital Fund
FCA: Functional Configuration Audit
FDD: Full Deployment Decision
FF: Full Financials
FFFMIA: Federal Financial Management Information Act
FOT&E: Follow on Test and Evaluation
GRC: Governance, Risk and Compliance
IA: Information Assurance
IOC: Initial Operational Capability
IOT&E: Initial Operational Test & Evaluation
IPR: In-Process Review
JITC: Joint Interoperability Test Command
MS: Milestone
OA: Operational Assessment
OTA: Operational Test Authority
OTRR: Operational TRR
P2P: Procure to Pay
PCA: Physical Configuration Audit
PDR: Preliminary Design Review
Pen Test: Penetration Test (Black Team)
PERF: Performance Test
PIR: Post Implementation Review
PROD: Production
R: Release
R12: Oracle E-Business Suite, Release 12
REG: Regression Test
RMF: Risk Management Framework
SIT: Systems Integration Test
SOD: Segregation of Duties
SRR: Software Requirements Review
SSAE 16: Statement of Standards for an Attestation Engagement
Stds: Standards
T&D: Test and Development
T&L: Time & Labor
TRR: Test Readiness Review
UAT: User Acceptance Testing
USSGL: United States Standard General Ledger
UT: Unit Test

Exhibit R-4A, RDT&E Schedule Details: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605080S / *Defense Agency Initiatives (DAI) - Financial System*	**Project (Number/Name)** 1 / *Defense Agency Initiatives (DAI) - Financial System)*

Schedule Details

	Start		End	
Events	**Quarter**	**Year**	**Quarter**	**Year**
N/A	1	2014	1	2014

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Exhibit R-2, RDT&E Budget Item Justification: PB 2017 Defense Logistics Agency	Date: February 2016
Appropriation/Budget Activity 0400: *Research, Development, Test & Evaluation, Defense-Wide* / BA 5: *System Development & Demonstration (SDD)*	**R-1 Program Element (Number/Name)** PE 0605090S / *Defense Retired and Annuitant Pay System (DRAS)*

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
Total Program Element	8.229	9.801	10.135	4.949	-	4.949	4.872	2.226	1.753	1.785	Continuing	Continuing
1: *Defense Retired and Annuitant Pay System 2 (DRAS)*	8.229	9.801	10.135	4.949	-	4.949	4.872	2.226	1.753	1.785	Continuing	Continuing

A. Mission Description and Budget Item Justification

The primary objective of Defense Retired and Annuitant Pay System 2 (DRAS 2) is to establish and maintain a modernized retired military pay accounts.

B. Program Change Summary ($ in Millions)	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total
Previous President's Budget	10.135	13.085	8.166	-	8.166
Current President's Budget	9.801	10.135	4.949	-	4.949
Total Adjustments	-0.334	-2.950	-3.217	-	-3.217
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-2.950			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-0.334	-			
• Underexecution	-	-	-2.441	-	-2.441
• SRRBs/U	-	-	-0.732	-	-0.732
• Inflation for Non-Pay/Non-Fuel Purchases	-	-	-0.044	-	-0.044

Change Summary Explanation

In FY 2016, PE was reduced $2.950M for a delayed new start contract award.

In FY 2017, PE was reduced $2.441M for underexecution and $0.732 for Services Requirements Review Boards (SRRBs)/Contractor Courts (U).

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605090S / *Defense Retired and Annuitant Pay System (DRAS)*	**Project (Number/Name)** 1 / *Defense Retired and Annuitant Pay System 2 (DRAS)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
1: *Defense Retired and Annuitant Pay System 2 (DRAS)*	8.229	9.801	10.135	4.949	-	4.949	4.872	2.226	1.753	1.785	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The primary objective of Defense Retired and Annuitant Pay System 2 (DRAS 2) is to establish and maintain a modernized retired military pay accounts. DRAS 2 will replace the current Defense Retiree and Annuitant Systems (DRAS) and selected manual processes with proven state of the market technology. This modernization will allow for the consolidation of disparate DRAS systems and business processes, the reduction of system redundancies and inefficiencies, increased customer satisfaction.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Defense Retired and Annuitant Pay System (DRAS) 2	9.801	10.135	4.949
FY 2015 Accomplishments: -DRAS2 issued a system development task order for continued system development activities in support of Milestone B and Critical Design Review. -DRAS2 obtained the USCG GOTS and Oracle PeopleSoft COTS licensing and established the DRAS2 software baseline. -DRAS2 performed Data Management activities in support of DRAS legacy data cleansing. -Obtained DLA Transaction Services for DRAS2 system interface activities. -Established development environment.			
FY 2016 Plans: -DRAS2 will issue a task order to continue system development, testing, and Information Assurance activities for Build 1 and 2. -Deliver 2 Conference Room Pilots and training modules and perform system regression, integration, and Functional testing. -DRAS2 will obtain additional Oracle PeopleSoft COTS software licensing. -Maintain Transaction Services for DRAS2 system interface activities. -Establish Data Management environment in MilCloud and begin legacy data cleansing activities. -Complete Build 1 configuration and design activities and begin development.			
FY 2017 Plans: -DRAS2 will issue a Task Order to continue system development, testing, and Information Assurance activities. Development activities include Build 2 requirements review and Conference Room Pilots, Build 2 System / Regression, System Integration, Function -Obtain additional COTS software licensing.			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605090S / *Defense Retired and Annuitant Pay System (DRAS)*	**Project (Number/Name)** 1 / *Defense Retired and Annuitant Pay System 2 (DRAS)*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
-Continue development of system interfaces and performance testing. -Establish DRAS2 hosting environment.			
Accomplishments/Planned Programs Subtotals	9.801	10.135	4.949

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

DRAS2 will achieve Milestone B in March 2016 and perform Critical Design Review in April 2016. After CDR DRAS2 will be in the Engineering, Development, and Production Phase of the Acquisition Lifecycle.

E. Performance Metrics

N/A

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605090S / *Defense Retired and Annuitant Pay System (DRAS)*	**Project (Number/Name)** 1 / *Defense Retired and Annuitant Pay System 2 (DRAS)*

Product Development ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
DRAS2 System Development and Integration	Option/ IDIQ	CSRA : To be Determined	1.478	5.894	Sep 2015	5.850	Sep 2016	1.495	Sep 2017	-		1.495	Continuing	Continuing	-
DRAS2 COTS License Purchase	Option/ IDIQ	CSRA/Oracle : To be Determined	5.951	2.857	May 2015	3.235	May 2016	1.195	May 2017	-		1.195	Continuing	Continuing	-
Cloud Hosting	MIPR	Commercial Cloud Provider : To Be Determined	0.000	0.000		0.000		0.959	Nov 2017	-		0.959	Continuing	Continuing	-
Transaction Services Interface Design	MIPR	DLA Transaction Services : Chambersburg, PA	0.800	1.050	May 2015	1.050	May 2016	0.800	May 2016	-		0.800	Continuing	Continuing	-
JITC - Testing	MIPR	JITC : To Be Determined	0.000	-		-		0.500	Nov 2016	-		0.500	-	-	-
		Subtotal	8.229	9.801		10.135		4.949		-		4.949	-	-	-

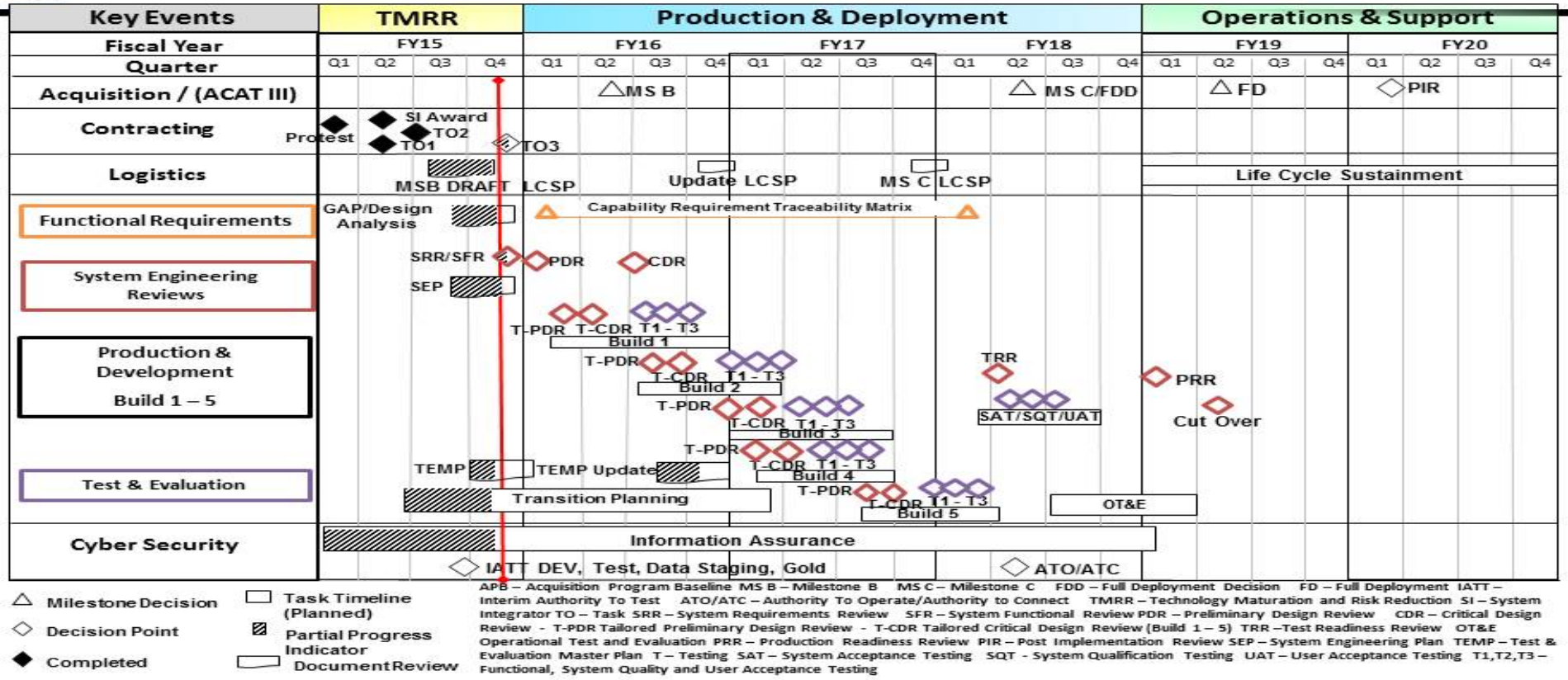
	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	8.229	9.801		10.135		4.949		-		4.949	-	-	-

Remarks

The System Development and Integration Contract is scheduled to award during September 2016.

Exhibit R-4, RDT&E Schedule Profile: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605090S / *Defense Retired and Annuitant Pay System (DRAS)*	**Project (Number/Name)** 1 / *Defense Retired and Annuitant Pay System 2 (DRAS)*

DRAS2 Top Level Schedule



APB – Acquisition Program Baseline MS B – Milestone B MS C – Milestone C FDD – Full Deployment Decision FD – Full Deployment IATT – Interim Authority To Test ATO/ATC – Authority To Operate/Authority to Connect TMRR – Technology Maturation and Risk Reduction SI – System Integrator TO – Task SRR – System Requirements Review SFR – System Functional Review PDR – Preliminary Design Review CDR – Critical Design Review - T-PDR Tailored Preliminary Design Review - T-CDR Tailored Critical Design Review (Build 1 – 5) TRR –Test Readiness Review OT&E Operational Test and Evaluation PRR – Production Readiness Review PIR – Post Implementation Review SEP – System Engineering Plan TEMP – Test & Evaluation Master Plan T – Testing SAT – System Acceptance Testing SQT - System Qualification Testing UAT – User Acceptance Testing T1,T2,T3 – Functional, System Quality and User Acceptance Testing

WARFIGHTER FIRST - PEOPLE & CULTURE - STRATEGIC ENGAGEMENT - FINANCIAL STEWARDSHIP - PROCESS EXCELLENCE

1

Exhibit R-4A, RDT&E Schedule Details: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 5	**R-1 Program Element (Number/Name)** PE 0605090S / *Defense Retired and Annuitant Pay System (DRAS)*	**Project (Number/Name)** 1 / *Defense Retired and Annuitant Pay System 2 (DRAS)*

Schedule Details

	Start		End	
Events by Sub Project	**Quarter**	**Year**	**Quarter**	**Year**
Defense Retired and Annuitant Pay System (DRAS)				
Defense Retired and Annuitant System (DRAS)	1	2017	4	2021

Exhibit R-2, RDT&E Budget Item Justification: PB 2017 Defense Logistics Agency	Date: February 2016
Appropriation/Budget Activity 0400: *Research, Development, Test & Evaluation, Defense-Wide* / BA 6: *RDT&E Management Support*	**R-1 Program Element (Number/Name)** PE 0605502S / *Small Business Innovative Research (SBIR)*

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
Total Program Element	11.805	5.711	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
1: *Small Business Innovative Research (SBIR)*	11.805	5.711	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing

A. Mission Description and Budget Item Justification

Defense Logistics Agency's (DLA's) ability to deliver Americans the right logistics solution in every transaction requires more than successful management of the Department's wholesale supplies and suppliers. It requires supply chain excellence. Our military's ability to generate and sustain combat readiness indefinitely, anywhere on the globe requires that DLA-managed materiel flow seamlessly and as needed from the nation's industrial base to where it is ultimately used.

DLA's Small Business Innovative Research (SBIR) program seeks to solicit high-risk research and development proposals from the small business community. All selections shall demonstrate and involve a high degree of technical risk with yet to be determined technical feasibility. Phase I proposals should demonstrate the feasibility of the proposed technology and the merit of a Phase II for a prototype or at least a proof-of-concept demonstration. Future market possibilities and demonstrated commercialization potential have a strong influence on Phase II selections.

B. Program Change Summary ($ in Millions)	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total
Previous President's Budget	5.711	0.000	0.000	-	0.000
Current President's Budget	5.711	0.000	0.000	-	0.000
Total Adjustments	0.000	0.000	0.000	-	0.000
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 6	R-1 Program Element (Number/Name) PE 0605502S / *Small Business Innovative Research (SBIR)*	Project (Number/Name) 1 / *Small Business Innovative Research (SBIR)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
1: *Small Business Innovative Research (SBIR)*	11.805	5.711	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

This project explores innovative concepts pursuant to Public Law 106-554 (Small Business Reauthorization Act of 2000) and Public Law 107-50 (Small Business Technology Transfer Program Reauthorization Act of 2001), which mandates a two-phase competition for small businesses with innovative technologies with a defense application as well as a commercial value. The Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs will develop new dual-use technologies for possible future Defense Logistics Agency (DLA) needs. Dual-use means the technologies will be judged on their potential for future private sector investment both as a vehicle for reducing development time and cost, unit costs of new DLA technologies, and as a route to national economic growth through new commercial products. DLA will conduct the competition as well as award and manage the contracts.

The Defense Logistics Agency`s SBIR/STTR investments are divided into multiple Research Areas identified from within several DLA Elements:

J3 R&D
- Advanced Battery Manufacturing (BATTNET): Manufacturing Improvements for DLA Lithium Batteries
- Advanced Castings and Forgings (PRO-Fast):
- Anti Counterfeiting:
- Aircraft Alternative Braking System for Reduced Cost of Sustainment
- Economically Recovering Rare Earth Materials
- Advanced Technologies for Smart Connected Logistics

J6 R&D
- TBD

DMEA
- TBD

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: SBIR Accomplishments/Plans	5.711	0.000	0.000
FY 2015 Accomplishments:			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 6	**R-1 Program Element (Number/Name)** PE 0605502S / *Small Business Innovative Research (SBIR)*	**Project (Number/Name)** 1 / *Small Business Innovative Research (SBIR)*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
DLA SBIR ($3.710M): The DLA SBIR Program used three new topics in FY15. Twenty-six new phase I awards were the result. DLA selected one new Phase II award this FY. DLA awarded a Phase II STTR to a qualifying crossover SBIR project. Anticipate using the new DLA STTR topic supporting advanced anti-counterfeiting technologies in the DOD-wide 2015.C STTR BAA. Upon completion, all active Phase I projects have the opportunity to compete for Phase II awards. DMEA SBIR ($2.001M): Designed a capability to use fiber optic cable to simultaneously distribute power (i.e., power over fiber) while providing full duplex information flow to allow miniature microwave system components to be distributed over a relatively long distance via fiber optics. Began work on a system proof-of-concept design and prototype of an x-ray microscope system that is capable of generating x-ray images in sufficient detail to allow the identification of individual interconnects and gates within an integrated circuit (IC) using a stand-alone non-synchrotron x-ray source. ***FY 2016 Plans:*** DLA SBIR: To continue execution of all active Phase I and Phase II SBIR/STTR Projects. In the DOD-wide 2016.1 solicitation, DLA is using four new topics, Anticipate the selection of one to three topics per topic. Upon completion, all active Phase I projects have the opportunity to compete for Phase II awards. DLA expects to award 7 new phase II awards. To continue execution of all active Phase I and Phase II STTR Projects. Upon completion, all active Phase I projects have the opportunity to compete for Phase II awards. Expect to award an additional Phase II in late FY16 DMEA SBIR: DMEA will study the feasibility of developing a tool that illuminates an electronic component with free field electromagnetic (EM) energy in the RF and microwave bands to non-destructively scan the part in both powered-on and powered-off conditions to determine authenticity. DMEA will complete the system proof-of-concept design and prototype of an x-ray microscope system that is capable of generating x-ray images in sufficient detail to allow the identification of individual interconnects and gates within an integrated circuit (IC) using a stand-alone non-synchrotron x-ray source. ***FY 2017 Plans:*** DLA SBIR: To continue execution of all active Phase I and Phase II SBIR/STTR Projects. In the DOD-wide 2017.1 solicitation, DLA expects three new topics, Anticipate the selection of one to three topics per topic. Upon completion, all active Phase I projects have the opportunity to compete for Phase II awards. DLA expects to award 7-10 new phase II awards. To continue execution of all active Phase I and Phase II STTR Projects. Upon completion, all active Phase I projects have the opportunity to compete for Phase II awards			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 6	**R-1 Program Element (Number/Name)** PE 0605502S / *Small Business Innovative Research (SBIR)*	**Project (Number/Name)** 1 / *Small Business Innovative Research (SBIR)*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
DMEA SBIR: DMEA will continue to seek innovative technical solutions to DoD microelectronics research and development needs and increase private-sector commercialization of these innovations.			
Accomplishments/Planned Programs Subtotals	5.711	0.000	0.000

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

The SBIR acquisition process seeks to match projects with DLA's Strategic Focus Areas. The goal is to align SBIR/STTR developed technology with current and future DLA requirements. DLA solicits All new project execution work through the DoD SBIR Broad Agency Announcement (BAA). There are three separate solicitation periods throughout each year. (Jan-Feb, May-Jun, and Sep-Oct)

E. Performance Metrics

SBIR /STTR programs measure performance in two separate metrics

1. Phase Progression: In terms of progression from Phase I to Phase II, to Phase III, DLA deems each successive progression success. DLA Seeks to have a 50% progression from one Phase to the next as a minimum.

2. Commercialization: The Congressional language defines "Commercialization," which is clarified by the Office of Secretary of Defense Office of Small Business Programs (OSD/OSBP) Re-Authorization Policy Directive:
- (Investment) The process of developing products, processes, technologies, or services; and/or
- (Sales) The production and delivery (whether by the originating party or by others) of products, processes, technologies, or services for sale to or use by the Federal Government or commercial markets

The Small Business Administration and OSD/OSBP assign a Commercialization Index based on progression within the Phases and reported successes

Exhibit R-2, RDT&E Budget Item Justification: PB 2017 Defense Logistics Agency											Date: February 2016	
Appropriation/Budget Activity 0400: *Research, Development, Test & Evaluation, Defense-Wide* / BA 7: *Operational Systems Development*					R-1 Program Element (Number/Name) PE 0708011S / *Industrial Preparedness*							
COST ($ in Millions)	**Prior Years**	**FY 2015**	**FY 2016**	**FY 2017 Base**	**FY 2017 OCO**	**FY 2017 Total**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**Cost To Complete**	**Total Cost**
Total Program Element	89.470	20.405	22.605	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
1: *Combat Rations (CORANET)*	6.158	0.474	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
2: *Customer Driven Uniform Manufacture (CDUM)*	15.175	3.324	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
3: *Procurement Readiness Optimization-Advanced System Technology (PRO-ACT)*	10.327	2.082	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
4: *Procurement Readiness Optimization-Forging Advanced System Technology (PRO-FAST)*	4.623	1.004	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
5: *Material Acquisition Electronics (MAE)*	46.844	11.552	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
6: *Battery Network (BATTNET)*	6.343	1.969	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
7: *Improving Industrial Base Manufacturing Processes (formerly Material Availability)*	0.000	0.000	4.875	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
8: *Maintaining Viable Supply Sources (formerly High Quality Sources)*	0.000	0.000	12.373	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
9: *Improving Technical and Logistics Information (formerly Industry and Customer Collaboration)*	0.000	0.000	5.357	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing

A. Mission Description and Budget Item Justification

The Defense Logistics Agency (DLA) Industrial Preparedness Manufacturing Technology (IP ManTech) Program supports the development of a responsive, world-class manufacturing capability to affordably meet the warfighters' needs throughout the defense system life cycle. IP ManTech: Provides the crucial link between invention and product application to speed technology transitions. The program matures and validates emerging manufacturing technologies to support low-risk implementation in industry and Department of Defense (DoD) facilities, e.g. depots and shipyards. It addresses production issues early by providing timely solutions, thereby reducing risk and positively impacting system life cycle affordability by providing solutions to manufacturing problems before they occur.

Exhibit R-2, RDT&E Budget Item Justification: PB 2017 Defense Logistics Agency	Date: February 2016
Appropriation/Budget Activity 0400: *Research, Development, Test & Evaluation, Defense-Wide* / BA 7: *Operational Systems Development*	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*

Beginning in FY 16 DLA ManTech was realigned into three Strategic Focus Areas (SFA): 1) Improving Industrial base Manufacturing Processes; 2) Maintaining Viable Sources of Supply; and 3) Improving Technical and Logistics Information.

• The Improving Industrial Base Manufacturing Processes SFA includes efforts to reduce industrial base material costs and production lead-times, while improving the quality of DLA managed products. This SFA subsumed the former supply chain oriented efforts in Subsistence Network (formerly Combat Rations Network for Technology Implementation), Procurement Readiness Optimization—Advanced Casting Technology (PRO-ACT), Procurement Readiness Optimization—Forging Advance System Technology (PRO-FAST), and Battery Network (BATTNET). New manufacturing processes within the scope of this SFA include emerging technologies such as Additive Manufacturing.

• Maintaining Viable Supply Sources includes efforts to assure the commercial industrial base can satisfy DLA materiel requirements. This SFA subsumed the Material Acquisition Electronics ManTech efforts. In the future it will include other DLA efforts to maintain a viable industrial capability in areas such as Strategic Materials.

• The Improving Technical and Logistics Information SFA include efforts to improve and facilitate the exchange of engineering and logistics information among DLA industry partners and customers. It includes the MANTECH program Military Uniform System Technology (MUST) (formerly Customer Driven Uniform Manufacturing) and the Defense Logistics Information Research Program from P.E. 0603712S. A primary focus of this SFA is to capitalize on the emerging “Model Based Enterprise” paradigm and the semantic web as an enabler to a logistics system that is smart and connected.

B. Program Change Summary ($ in Millions)	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total
Previous President's Budget	22.366	24.605	24.865	-	24.865
Current President's Budget	20.405	22.605	0.000	-	0.000
Total Adjustments	-1.961	-2.000	-24.865	-	-24.865
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-2.000			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-1.320	-			
• SBIR/STTR Transfer	-0.641	-			
• Program Fund Realignment from BA07 to BA03 PE 0603680S	-	-	-34.211	-	-34.211
• Internal Fund Realignment	-	-	9.346	-	9.346

Change Summary Explanation

Over the FY 17 $9.346M was realigned to the ManTech PE from the DLA Log R&D PE (0603712S) and DLA Procurement Defense-Wide Fund. These funds will address critical shortfalls in the Improving Industrial Base Manufacturing Processes and Maintaining Viable Supply Sources. The largest requirement was in the Maintaining Viable Supply Sources to develop a long-term, reliable source of linear microcircuits. These devices are critical to maintaining the readiness of front line weapon system electronics. High priority requirements in the Improving Industrial Base Manufacturing Processes SFA included additional funding for battery technology, castings and forging manufacturing technology.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708011S / *Industrial Preparedness*	Project (Number/Name) 1 / *Combat Rations (CORANET)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
1: *Combat Rations (CORANET)*	6.158	0.474	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

In 2015, DLA R&D expanded the Combat Rations Network (CORANET) program to include the "Subsistence Supply Chain," which consists of the supply chain for military subsistence, including combat rations, field feeding equipment, garrison feeding and "market fresh." The Subsistence Network (SUBNET) Program is a Manufacturing Technology Program and is the successor to the CORANET R&D program. SUBNET will form a community of practice to research and promote manufacturing improvements in the Subsistence Supply Chain with the goals of maximizing capability and capacity to produce and to encourage innovation and modernization needed to leverage the latest technologies. Funding and technical work for the SUBNET program has been reallocated to the Material Availability Strategic Focus Area. The SUBNET program engages all elements of the supply chain including the producers, military services, Army Natick Soldier Research Development and Engineering Center, United States Department of Agriculture (USDA), US Army Veterinary Command, US Army Public Health Command, DLA Logistics R&D, DLA Troop Support Subsistence and academia to research, leverage, implement, and transition improved technologies in the subsistence supply chain.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Combat Rations (CORANET)	0.474	0.000	-
FY 2015 Accomplishments: Completed phase II (identified products to test) of the Microwave Assisted Thermal Sterilization (MATS) of Group-sized Combat Rations and begin implementation for MATS processing to determine if other rations can benefit from the same pilot process as a second wave of MATS initiatives. Kick-off of the new short-term project (STP), Meal-Ready to Eat (MRE) Alternate Chemical Resistant Pouch Laminate to identify alternate materials for MRE pouches needed for high acid food products. Additionally, completed Phase I (establish baseline temperature) and began Phase II (determine food quality degradation system) of the Combat Ration Shelf-Life Temperature Monitoring. Further, completed phase I (establish inspection baseline) and began Phase II, which is to analyze and optimize inspection and propose strategies that will reduce the overall inspection cost associated with combat rations without affecting the quality of the product.			
FY 2016 Plans: Finalize SUBNET Broad Agency Announcement (BAA). Efforts related to SUBNET have been moved to the Improving Industrial Base Manufacturing Processes (formerly Material Availability Strategic Focus Area).			
Accomplishments/Planned Programs Subtotals	0.474	0.000	-

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 1 / *Combat Rations (CORANET)*

D. Acquisition Strategy

N/A

E. Performance Metrics

The Subsistence Network plan is to execute reductions in cost and/or as applicable improve processes in the subsistence supply chain related to shipping, storage, inventory, waste and inspections, and quality of products, as well as reduce lead times for combat ration production, field feeding equipment, garrison feeding and market fresh (bread and dairy) products.

Specific technical achievements of the Microwave Assisted Thermal Sterilization (MATS) project will include demonstrating MATS production capability to sterilize group-sized entrees and components, packaged in institutional sized pouches and polymeric trays. Rations processed through MATS should offer substantial cost benefits over current retorted or thermally processed rations due to fast heating rate, high energy efficiency, increased production, reduced labor, improved quality, and a flexibility of differential heating for multi-components trays or pouches to preserve the optimal quality of individual components. MATS will also produce products with better taste and texture, higher nutrient retention, longer shelf life, greater menu variety, and ultimately greater consumption of rations and less food waste.

Specific technical achievements of the MRE Alternate Chemical Resistant Pouch Laminate will include evaluating various alternate sealant layers and test them for acid resistance, as well as overall performance in the MRE ration ultimately leading to the identification and production of alternate sealant layers for high acidic foods. The project will mitigate current risks in the material supply chain and establish reliable production for advanced pouch materials. Additionally, through this project the use of glass bottles for hot sauce and eliminating pouches for more viscous products such as ketchup and mustard that might not have a three-year shelf life.

Specific technical achievements of the Combat Rations Shelf Life Temperature Monitoring will include achieving a level of new regulatory compliance via monitoring temperature variations in the San Joaquin, CA warehouse where subsistence is being stored and assembled into Unitized Group Rations. The results will identify a range of cost effective device solutions and storage mediation practices. The solution sets will determine shelf life (food quality and safety) degradation to ration components (pre and post assembly) and improve information to the customer.

Specific technical achievements of the Optimize Combat Rations Inspection Costs will include reducing inspection cost performed by two government agencies and ration producer through the elimination of duplicate tests for the same quality attribute that is performed. Based on internal reviews and assessments, proposed solutions will be identified and further evaluated for optimal inspection frequencies and sample sizes in order to minimize cost while maintaining quality and safety goals. The optimized inspection methods that show the most promising strategies and solutions (biggest cost impacts) and quickest return on investment without sacrificing overall product quality for the customer will be verified.

At least 50% of the completed short-term projects will transition in 2016, and OSD-C financial metrics (obligation and disbursement) will be achieved.

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708011S / *Industrial Preparedness*	Project (Number/Name) 1 / *Combat Rations (CORANET)*	

Support ($ in Millions)				FY 2015		FY 2016		FY 2017 Base		FY 2017 OCO		FY 2017 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
Manufacturing Technology Development – Combat Rations	C/CPFF	Rutgers State University of New Jersey Division of Grants & Contract Accounting : NJ	2.800	0.200	Apr 2015	-		-		-		-	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	Alion Science and Technology Corporation : IL	0.000	0.274	Aug 2015	0.000		-		-		-	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	Clemson University : SC	0.180	-		-		-		-		-	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	Michigan State University : MI	0.040	-		-		-		-		-	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	SOPAKO Inc : SC	0.040	-		-		-		-		-	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	University of Illinois : IL	0.420	-		-		-		-		-	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	University of Tennessee : TN	0.620	-		-		-		-		-	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	Washington State University : WA	0.420	-		-		-		-		-	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	Cadillac Products Inc. : MI	0.220	-		-		-		-		-	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	Oregon Freeze Dry Inc : OR	0.040	-		-		-		-		-	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	Research and Development Associates : TX	0.040	-		-		-		-		-	-	-	-

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 1 / *Combat Rations (CORANET)*

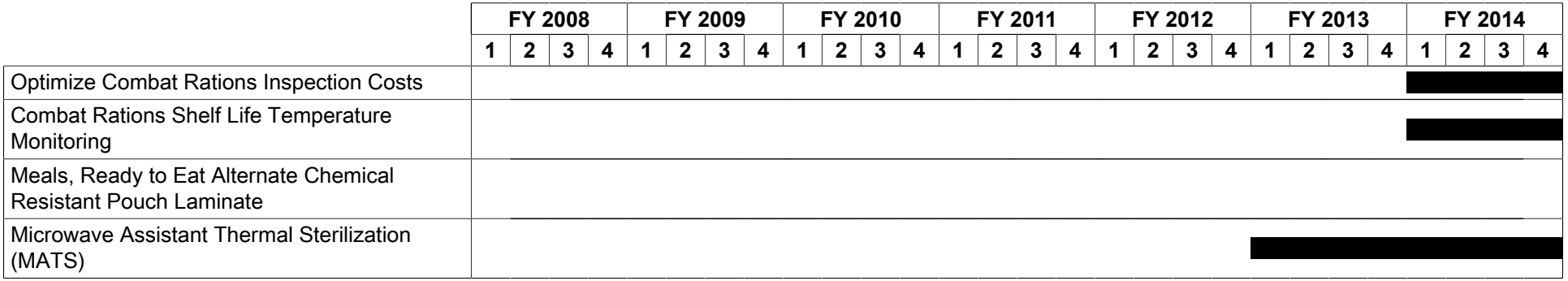
Support ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Manufacturing Technology Development – Combat Rations	C/CPFF	The Wornick Company : AL	0.434	-		-		-		-		-	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	Sterling Foods : TX	0.320	-		-		-		-		-	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	Virginia Polytechnic Institute and State University : VA	0.040	-		-		-		-		-	-	-	-
Combat Rations -- Scientific Engineering and Technical Assistance (SETA)	C/FP	Male Duck Inc : VA	0.200	-		-		-		-		-	-	-	-
Combat Rations -- Scientific Engineering and Technical Assistance (SETA)	C/FP	Analytic Strategies Inc. : VA	0.344	-		-		-		-		-	-	-	-
		Subtotal	6.158	0.474		0.000		-		-		-	-	-	-

	Prior Years	FY 2015		FY 2016		FY 2017 Base		FY 2017 OCO		FY 2017 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	6.158	0.474		0.000		-		-		-	-	-	-

Remarks

Exhibit R-4, RDT&E Schedule Profile: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 1 / *Combat Rations (CORANET)*



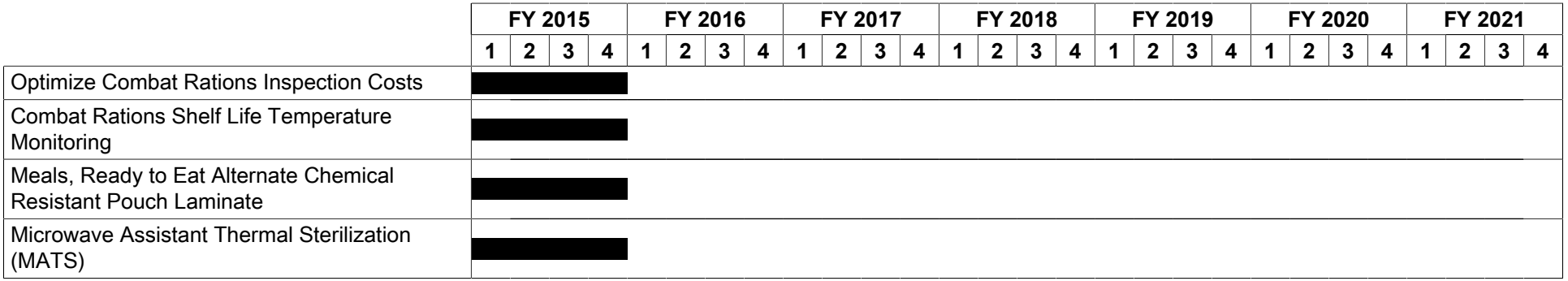


Exhibit R-4A, RDT&E Schedule Details: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 1 / *Combat Rations (CORANET)*

Schedule Details

	Start		End	
Events	**Quarter**	**Year**	**Quarter**	**Year**
Optimize Combat Rations Inspection Costs	1	2014	4	2015
Combat Rations Shelf Life Temperature Monitoring	1	2014	4	2015
Meals, Ready to Eat Alternate Chemical Resistant Pouch Laminate	1	2015	4	2015
Microwave Assistant Thermal Sterilization (MATS)	1	2013	4	2015

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708011S / *Industrial Preparedness*	Project (Number/Name) 2 / *Customer Driven Uniform Manufacture (CDUM)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
2: *Customer Driven Uniform Manufacture (CDUM)*	15.175	3.324	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The Department of Defense, through the Defense Logistics Agency, spends upwards of $2 billion per year on military uniforms and individual equipment. The lead-time is up to 15 months for these items. The CDUM program concluded in October 2014, and the results have been implemented DOD wide for recruit items. Residual CDUM projects have been transitioned into the Military Unique Sustainment Technology (MUST) Program. The MUST Program was initiated in 4th quarter 2014. The strategic objective of the DLA MUST program is to identify, develop and adopt technologies that can significantly reduce the lead-time between Individual Item and Equipment (IIE) development and sustainment from years to months. The Program focuses on technologies that will transform the military IIE supply chain from an “electronic paper” (i.e. PDF/MS Word) based, manual environment into a knowledge based automated environment. The resulting approach will be a neutral platform that will seamlessly communicate military unique technical requirements throughout the end to end supply chain.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Customer Driven Uniform Manufacture (CDUM)	3.324	0.000	-
FY 2015 Accomplishments: The program has established a roadmap for key technology development areas that will establish knowledge based approach to demonstrate the viability and benefits of the Knowledge Base Approach recommended by the GAO.			
FY 2016 Plans: Efforts related to Program have been moved to Improving Technical and Logistics Information (formerly Industry and Customer Collaboration) SFA.			
Accomplishments/Planned Programs Subtotals	3.324	0.000	-

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

N/A

E. Performance Metrics

Improved Service collaboration and reduced lead-time to introduce new military uniform and individual equipment items.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 2 / *Customer Driven Uniform Manufacture (CDUM)*

Improved Service/DLA collaboration on requirement changes and improved communication of those changes to the industrial base.

At least 30% of the completed projects will transition.

OSD-C financial metrics (obligation and disbursement) will be achieved.

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 2 / *Customer Driven Uniform Manufacture (CDUM)*

Support ($ in Millions)

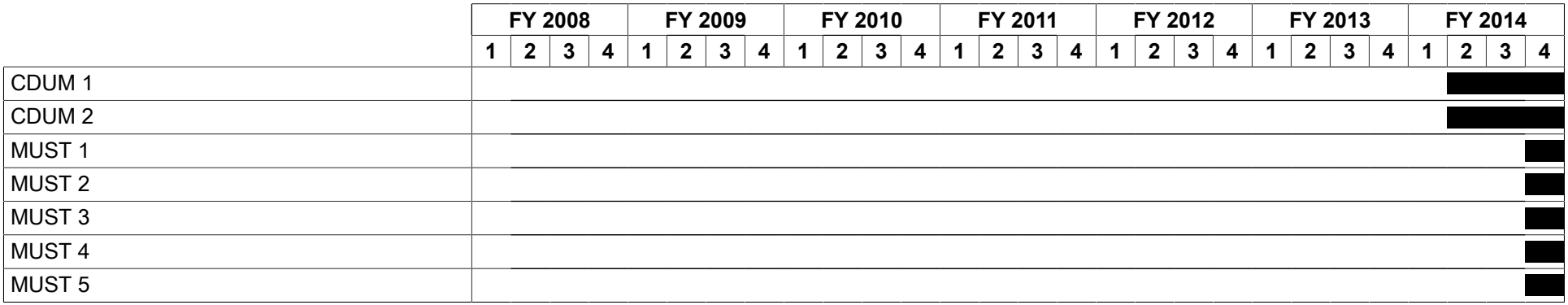
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Manufacturing Technology – Knowledge Based Individual Items and Equipment Development	C/CPFF	Advantech, Inc : MD	2.510	0.967	Mar 2015	-		-		-		-	-	-	-
Manufacturing Technology – Knowledge Based Individual Items and Equipment Development	C/CPFF	Logistics Management Institute : VA	3.893	1.358	Mar 2015	-		-		-		-	-	-	-
Manufacturing Technology – Knowledge Based Individual Items and Equipment Development	C/CPFF	XSB Inc : NY	1.910	0.950	Sep 2015	-		-		-		-	-	-	-
Manufacturing Technology – Knowledge Based Individual Items and Equipment Development	C/CPFF	Clemson University : SC	0.109	0.015	Aug 2015	-		-		-		-	-	-	-
Manufacturing Technology – Knowledge Based Individual Items and Equipment Development	C/CPFF	PDIT : SC	0.000	0.034	Nov 2015	-		-		-		-	-	-	-
Manufacturing Technology – Knowledge Based Individual Items and Equipment Development	C/CPFF	Patricio Enterprises : VA	3.501	-		-		-		-		-	-	-	-
Manufacturing Technology – Knowledge Based Individual Items and Equipment Development	MIPR	Alion Science and Technology Corp : VA	3.237	-		-		-		-		-	-	-	-
Manufacturing Technology – Knowledge Based Individual Items and Equipment Development	C/CPFF	ZWeave Inc. : VA	0.015	-		-		-		-		-	-	-	-
		Subtotal	15.175	3.324		-		-		-		-	-	-	-

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708011S / *Industrial Preparedness*	Project (Number/Name) 2 / *Customer Driven Uniform Manufacture (CDUM)*	

	Prior Years	FY 2015		FY 2016		FY 2017 Base		FY 2017 OCO		FY 2017 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	15.175	3.324		0.000		-		-		-	-	-	-

Remarks

Exhibit R-4, RDT&E Schedule Profile: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 2 / *Customer Driven Uniform Manufacture (CDUM)*



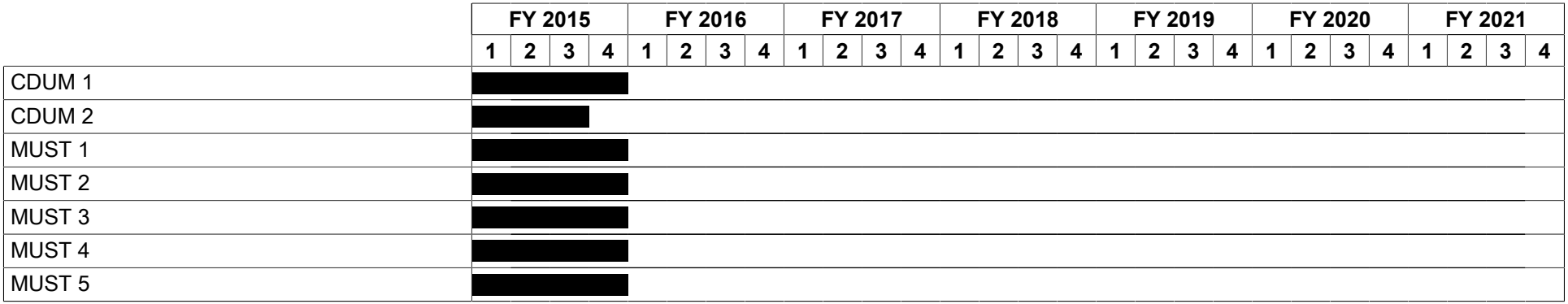


Exhibit R-4A, RDT&E Schedule Details: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 2 / *Customer Driven Uniform Manufacture (CDUM)*

Schedule Details

	Start		End	
Events	**Quarter**	**Year**	**Quarter**	**Year**
CDUM 1	2	2014	4	2015
CDUM 2	2	2014	3	2015
MUST 1	4	2014	4	2015
MUST 2	4	2014	4	2015
MUST 3	4	2014	4	2015
MUST 4	4	2014	4	2015
MUST 5	4	2014	4	2015

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708011S / *Industrial Preparedness*	Project (Number/Name) 3 / *Procurement Readiness Optimization-Advanced System Technology (PRO-ACT)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
3: *Procurement Readiness Optimization-Advanced System Technology (PRO-ACT)*	10.327	2.082	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The Castings consortium objective is to develop new materials and technologies for the metalcasting industry to help DLA improve the supply of parts that contain castings. Weapon system spare parts managed by DLA that contain castings are responsible for a disproportionate share of DLA's backorders or unfilled orders (UFOs). Cast parts are ~2% of National Stock Numbered Class IX parts but represent ~5% of all backorders, and when only the oldest backorders are considered up to 10% are castings. This program includes tasks to develop new capabilities in the areas of inspection, materials, processes, modeling, and design. Once developed these capabilities will support the foundry industry, where the technologies will be tested and implemented in conjunction with the industry associations. These advancements will improve the metal casting supply chains for the DOD and the DLA to better support the warfighter. This is achieved through investments in projects aimed at reducing lead-time, reducing cost, and improving quality of castings critical to DOD weapon systems. The increase in funding will help develop new technology for casting suppliers, including inspection, materials, modeling, and design.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Procurement Readiness Optimization-Advanced Casting Technology Accomplishments/Plans	2.082	0.000	0.000
FY 2015 Accomplishments: We nominated the Welding High Strength Cast Steel project for the DOD ManTech Achievement Award and it made the top 5 projects, This project actually won the DoD ManTech Achievement Award at the Defense Manufacturing Conference 2015 in Dec 2015. Made good progress on the Lube-Free for Die Castings project, down selecting coating, with some in plant trails to be run in 2nd-3rd quarter FY16.			
FY 2016 Plans: In the Lube-Free for Die Castings project tests using the selected coating will be performed during in-plant trails to be run in 2nd-3rd quarter FY16. Under another project, we also plan to complete the 2nd casting trial of engine airfoils cast using ceramic casting cores, which were Additively Manufactured using Ceramic Stereolithography (CSL). Planning to award a new contract for two projects not funded in previous years. Funding and efforts of the PRO-ACT program were transferred into the Material Availability Strategic Focus Area.			
FY 2017 Plans:			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 3 / *Procurement Readiness Optimization-Advanced System Technology (PRO-ACT)*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Funding and efforts of the PRO-ACT program were transferred into the Improving Industrial Base Manufacturing Processes Strategic Focus Area.			
Accomplishments/Planned Programs Subtotals	2.082	0.000	0.000

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

Competitive Broad Agency Announcement (BAA) was drafted last FY. The current contracts reached end of base period of performance on September 30, 2014 but option extensions for two years were exercised, so base contracts will expire during FY16. Period of performance on current contracts end in FY 17. New BAA is expected to be released in FY16 with contract(s) competitively awarded by 1st QTR FY17.

E. Performance Metrics

Reductions in costs and lead-times, as well as improvements in manufacturing materials, processes and business practices in foundries that produce DOD weapon systems parts.

At least 30% of the completed projects will transition.

OSD-C financial metrics (obligation and disbursement) will be achieved.

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 3 / *Procurement Readiness Optimization-Advanced System Technology (PRO-ACT)*

Support ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Casting Manufacturing Technology Process Development	C/CPFF	Advanced Technology International : SC	9.435	1.932	Dec 2014	-		-		-		-	-	-	-
Casting Manufacturing Technology Process Development	C/CPFF	Honeywell International Inc : AZ	0.892	0.050	Aug 2015	0.000		-		-		-	-	-	-
Casting Manufacturing Technology Process Development	C/CPFF	Global Support Services LLC : AK	0.000	0.100	Feb 2015	-		-		-		-	-	-	-
		Subtotal	10.327	2.082		0.000		-		-		-	-	-	-

	Prior Years	FY 2015		FY 2016		FY 2017 Base		FY 2017 OCO		FY 2017 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	10.327	2.082		0.000		-		-		-	-	-	-

Remarks

Exhibit R-4, RDT&E Schedule Profile: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 3 / *Procurement Readiness Optimization-Advanced System Technology (PRO-ACT)*

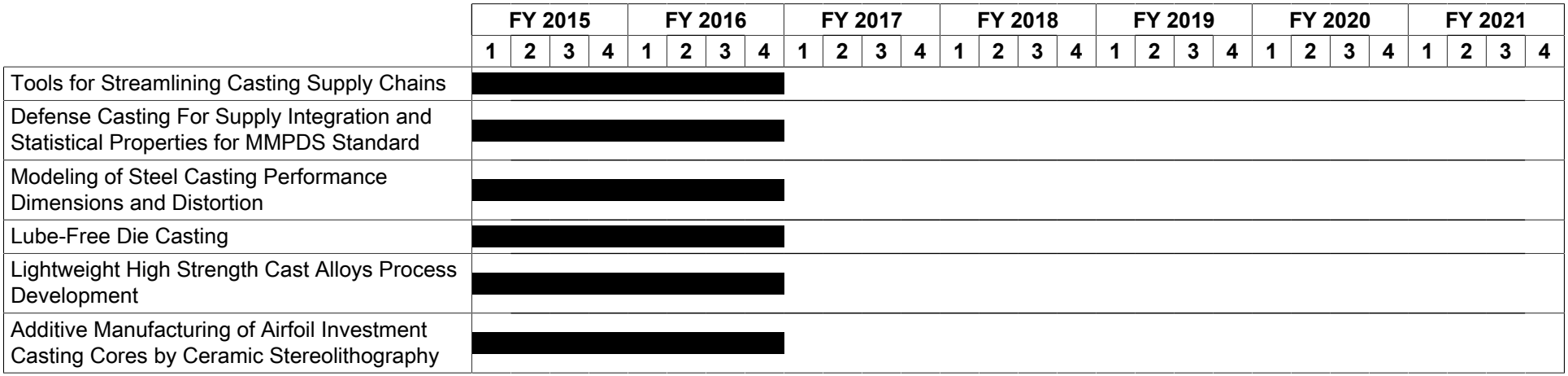


Exhibit R-4A, RDT&E Schedule Details: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 3 / *Procurement Readiness Optimization-Advanced System Technology (PRO-ACT)*

Schedule Details

	Start		End	
Events	**Quarter**	**Year**	**Quarter**	**Year**
Tools for Streamlining Casting Supply Chains	1	2015	4	2016
Defense Casting For Supply Integration and Statistical Properties for MMPDS Standard	1	2015	4	2016
Modeling of Steel Casting Performance Dimensions and Distortion	1	2015	4	2016
Lube-Free Die Casting	1	2015	4	2016
Lightweight High Strength Cast Alloys Process Development	1	2015	4	2016
Additive Manufacturing of Airfoil Investment Casting Cores by Ceramic Stereolithography	1	2015	4	2016

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 4 / *Procurement Readiness Optimization-Forging Advanced System Technology (PRO-FAST)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
4: *Procurement Readiness Optimization-Forging Advanced System Technology (PRO-FAST)*	4.623	1.004	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The Forgings consortium objective is to develop new materials and technologies for the forging industry to help DLA improve the supply of parts that contain forgings. Weapon system spare parts managed by DLA that contain Forgings are responsible for a disproportionate share of DLA's backorders or unfilled orders (UFOs). Forged parts are ~2% of National Stock Numbered Class IX parts but represent ~5% of all backorders, and when only the oldest backorders are considered up to 10% are forgings. This program includes tasks to develop new capabilities in the areas of inspection, materials, processes, modeling, and design. Once developed, these capabilities will support the forging industry, where the technologies will be tested and implemented in conjunction with the industry associations. These advancements will improve the forging supply chains for the DOD and the DLA to better support the warfighter. This is achieved through investments in projects aimed at reducing lead-time, reducing cost, and improving quality of forgings critical to DOD weapon systems. The increase in funding will help develop new technology for forging suppliers, including new methods for making forge dies (typically the longest lead time and most expensive item) and for simulation of metal flow inside the forge die (to eliminate trial and error development of the die).

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Procurement Readiness Optimization-Forging Advanced System Technology Accomplishments/Plans	1.004	0.000	0.000
FY 2015 Accomplishments: Five new projects were awarded in FY15. Four were awarded in March 2015: 1) Innovations in Repair of Forging Dies; 2) Large-Scale Forging Die Fabrication in Support of the DLA; 3) Simulation in the Development & Optimization of Advanced Forging Processes; and 4) Forged Fiber Reinforced Alum. Engine Components. Another project, Cast Forging Preforms, was awarded under the Improved Forging Acquisition Manufacture and Materials (IFAMM) contract.			
FY 2016 Plans: Funding and efforts of the PRO-FAST program were transferred into the Material Availability Strategic Focus Area. Planned accomplishments for FY16 include completion of the Investigation phase and moving the new projects into the Development Phase. All projects are being managed under a Stage Gate Process, allowing for termination or alteration if progress is not satisfactory.			
FY 2017 Plans: Funding and efforts of the PRO-FAST program were transferred into the Improving Industrial Base Manufacturing Processes			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 4 / *Procurement Readiness Optimization-Forging Advanced System Technology (PRO-FAST)*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Strategic Focus Area.			
Accomplishments/Planned Programs Subtotals	1.004	0.000	0.000

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

A Competitive Broad Agency Announcement (BAA) was used to competitively award all contracts used to execute these forging projects.

E. Performance Metrics

Reduction in lead-time and improvements in manufacturing processes in forging shops that produce DOD weapon systems parts.

At least 30% of the completed projects will transition.

OSD-C financial metrics (obligation and disbursement) will be achieved.

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 4 / *Procurement Readiness Optimization-Forging Advanced System Technology (PRO-FAST)*

Support ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Forging Sustainment Manufacturing Technology Process Development	C/CPFF	Advanced Technologies Institute : SC	4.623	0.800		0.000		-		-		-	-	-	-
Forging Sustainment Manufacturing Technology Process Development	MIPR	Alion Science and Technology Corporation : IL	-	0.204	Feb 2015	-		-		-		-	-	-	-
		Subtotal	4.623	1.004		0.000		-		-		-	-	-	-

	Prior Years	FY 2015		FY 2016		FY 2017 Base		FY 2017 OCO		FY 2017 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	4.623	1.004		0.000		-		-		-	-	-	-

Remarks

Exhibit R-4, RDT&E Schedule Profile: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 4 / *Procurement Readiness Optimization-Forging Advanced System Technology (PRO-FAST)*

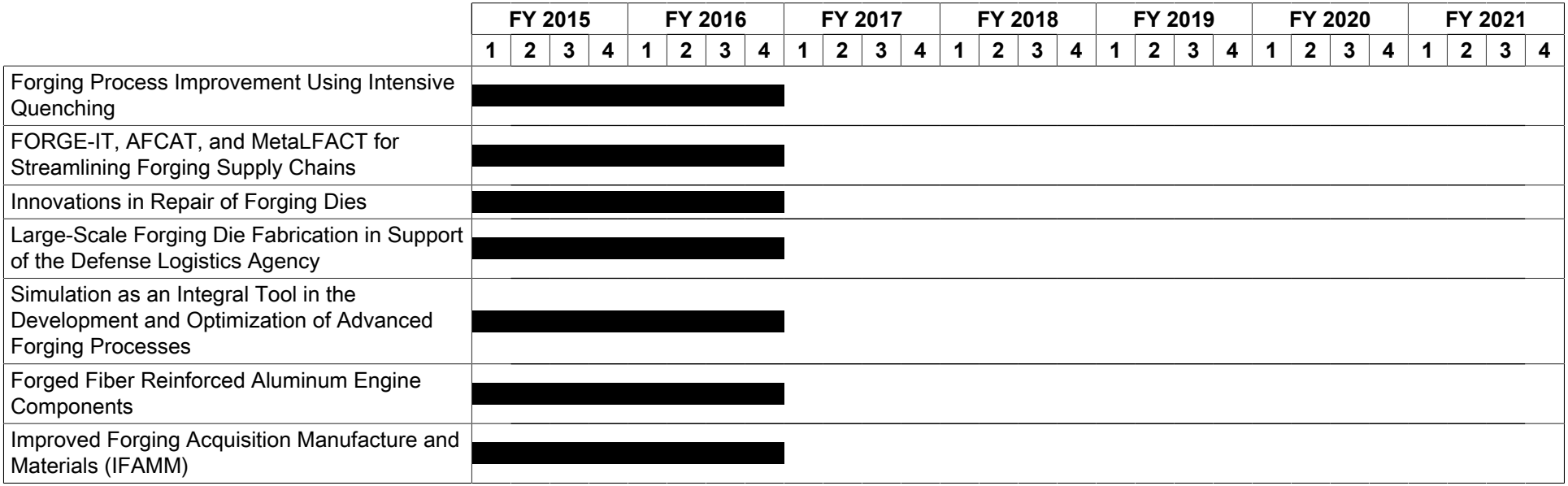


Exhibit R-4A, RDT&E Schedule Details: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 4 / *Procurement Readiness Optimization-Forging Advanced System Technology (PRO-FAST)*

Schedule Details

	Start		End	
Events	**Quarter**	**Year**	**Quarter**	**Year**
Forging Process Improvement Using Intensive Quenching	1	2015	4	2016
FORGE-IT, AFCAT, and MetaLFACT for Streamlining Forging Supply Chains	1	2015	4	2016
Innovations in Repair of Forging Dies	1	2015	4	2016
Large-Scale Forging Die Fabrication in Support of the Defense Logistics Agency	1	2015	4	2016
Simulation as an Integral Tool in the Development and Optimization of Advanced Forging Processes	1	2015	4	2016
Forged Fiber Reinforced Aluminum Engine Components	1	2015	4	2016
Improved Forging Acquisition Manufacture and Materials (IFAMM)	1	2015	4	2016

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708011S / *Industrial Preparedness*	Project (Number/Name) 5 / *Material Acquisition Electronics (MAE)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
5: *Material Acquisition Electronics (MAE)*	46.844	11.552	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

Funding and technical work for the Material Acquisition Electronics (MAE) program has been reallocated to the High Quality Sources Strategic Focus Area. Develop a capability to emulate most obsolete digital integrated circuits (ICs) in the Federal catalog using a single, flexible manufacturing line. DoD has estimated $2.9 billion is spent every five years redesigning circuit card assemblies. Many of these circuit card redesigns are performed to mitigate IC obsolescence. Commercial ICs have short Product Life Cycles (often only 18 months). IC Manufacturers subsequently move on to later generations of ICs, leaving little to no sources for their previous IC products. DoD maintains weapons systems much longer than IC lifecycles, resulting in an obsolescence problem. In order to avoid costs and potential readiness issues associated with buying/carrying excess inventories acquired before commercial availability ceases, or redesigning the next higher assembly to mitigate the obsolete IC, DLA (as the manager of 88% of the IC Federal Stock Class) must have the capability to manufacture needed IC devices.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Material Acquisition Electronics Accomplishments/Plans	11.552	0.000	0.000
FY 2015 Accomplishments: MAE has transitioned flexible NMOS/PMOS Digital Microcircuit Emulation capability into full-scale production increasing DLA's ability to re-establish sourcing of non-procurable microcircuit NSNs. The first NSNs produced, support 42 weapon systems, including B-52, A-10, Arleigh Burke DDG, F-16, AWACS, F/A-18, & E/A-18; additional NSNs will be produced across the FYDP and beyond. MAE also made significant progress in the development of higher density Read-Only and Random-Access Memory, Advanced Emitter-Coupled Logic and Closed-Cell CMOS capabilities which, when transitioned into full-scale production, will further increase DLA's ability to re-establish sourcing of non-procurable microcircuit NSNs. The newly transitioned emulation capabilities will address several discontinued device families and will increase the potential emulation production envelope by several hundred NSNs. MAE also initiated new implementations including development of an Advanced Schottky TTL Capability. It will continue prototyping 350 nanometer emulation circuitry, bringing emulation capability that re-establishes sources for additional NSNs			
FY 2016 Plans: Funding and efforts associated with Material Acquisition Electronics has been moved to the High Quality Sources SFA for FY 16.			
FY 2017 Plans: Funding and efforts associated with Material Acquisition Electronics has been moved to the High Quality Sources SFA for FY 16.			
Accomplishments/Planned Programs Subtotals	11.552	0.000	0.000

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 5 / *Material Acquisition Electronics (MAE)*

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

Competitively awarded R&D contract.

E. Performance Metrics

Transition of one technology implementation (base array) to low-rate initial production or full-scale production. Each technology implementation increases the breadth of microcircuit part types which can be returned to a procurable status; improving readiness and avoiding the need to redesign at the next-higher level. Potential benefit to hundreds of weapon systems.

At least 30% of the completed projects will transition.

OSD-C financial metrics (obligation and disbursement) will be achieved.

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708011S / *Industrial Preparedness*	Project (Number/Name) 5 / *Material Acquisition Electronics (MAE)*	

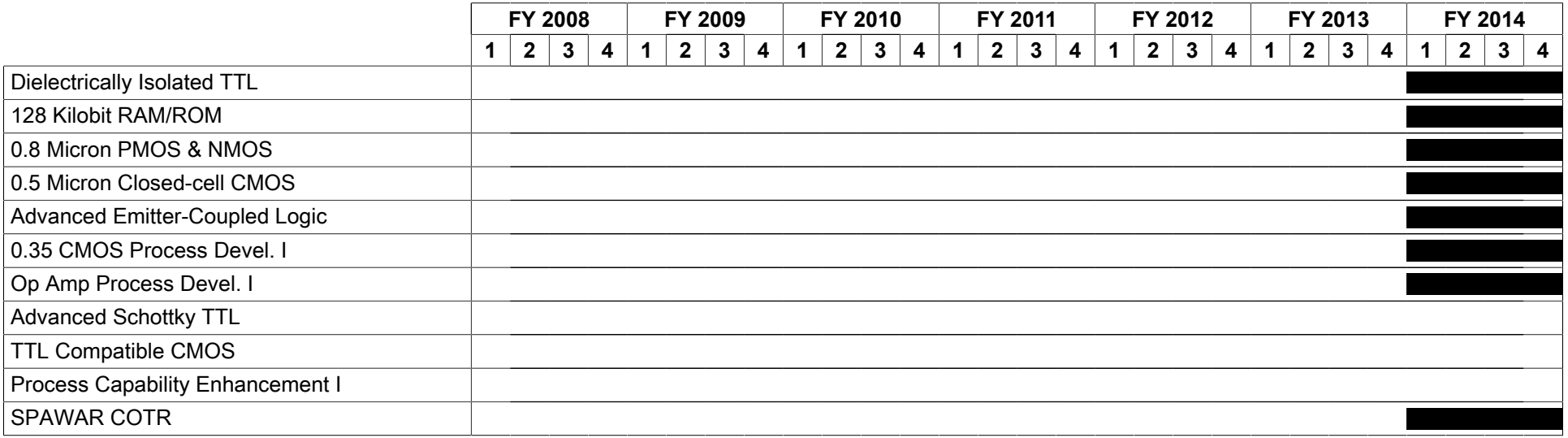
Support ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Digital Electronic Device Manufacturing Technology Process Development	C/CPFF	SRI International : CA	41.294	11.152	Nov 2014	0.000		-		-		-	-	-	-
Digital Electronic Device Manufacturing Technology Process Development SETA	MIPR	SPAWARSYSCEN San Diego : CA	5.550	0.400	Aug 2015	-		-		-		-	-	-	-
		Subtotal	46.844	11.552		0.000		-		-		-	-	-	-

	Prior Years	FY 2015		FY 2016		FY 2017 Base		FY 2017 OCO		FY 2017 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	46.844	11.552		0.000		-		-		-	-	-	-

Remarks

Exhibit R-4, RDT&E Schedule Profile: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 5 / *Material Acquisition Electronics (MAE)*



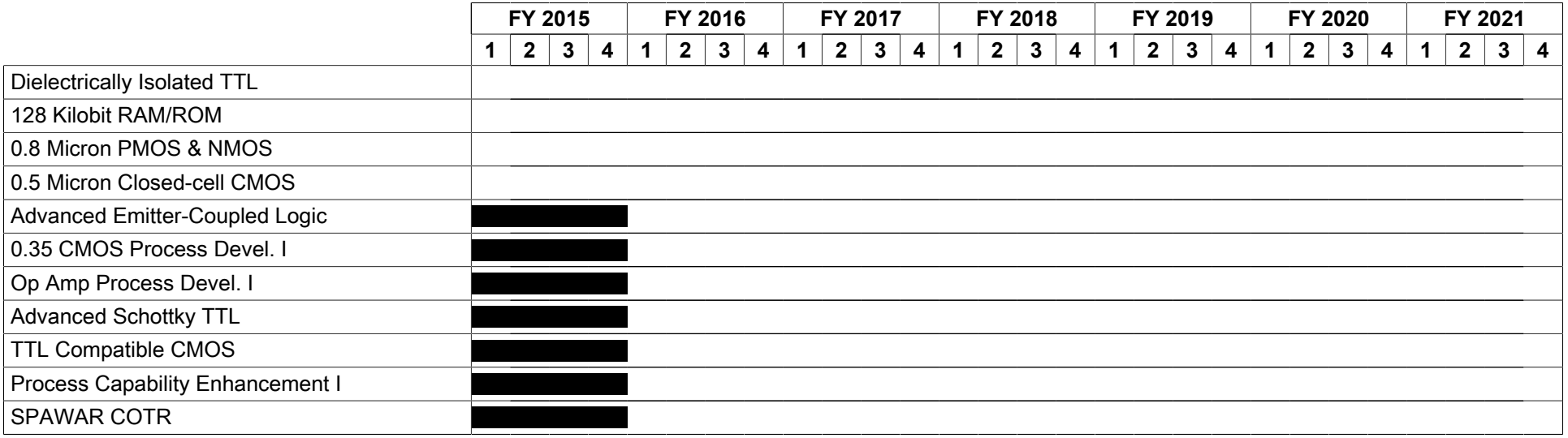


Exhibit R-4A, RDT&E Schedule Details: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 5 / *Material Acquisition Electronics (MAE)*

Schedule Details

	Start		End	
Events	**Quarter**	**Year**	**Quarter**	**Year**
Dielectrically Isolated TTL	1	2014	4	2014
128 Kilobit RAM/ROM	1	2014	4	2014
0.8 Micron PMOS & NMOS	1	2014	4	2014
0.5 Micron Closed-cell CMOS	1	2014	4	2014
Advanced Emitter-Coupled Logic	1	2014	4	2015
0.35 CMOS Process Devel. I	1	2014	4	2015
Op Amp Process Devel. I	1	2014	4	2015
Advanced Schottky TTL	1	2015	4	2015
TTL Compatible CMOS	1	2015	4	2015
Process Capability Enhancement I	1	2015	4	2015
SPAWAR COTR	1	2014	4	2015

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708011S / *Industrial Preparedness*	Project (Number/Name) 6 / *Battery Network (BATTNET)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
6: *Battery Network (BATTNET)*	6.343	1.969	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

BATTNET is focused on improving the supply and reducing the cost of procured batteries used in fielded weapon systems such as communication radios and armored vehicles. Batteries exhibit dynamic challenges for military logistics. BATTNET is a community of practice of battery supply chain members, engineering support activities, researchers, and users. BATTNET conducts R&D to address sustainment gaps and bridge technical solutions into higher MRLs for specific groups of batteries. For FY2014, DLA received 139,163 orders for 2.85 million batteries at $183M net value - compared to FY13 $176M and FY12 $216M.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Battery Network (BATTNET)	1.969	0.000	-
FY 2015 Accomplishments: R&D completed initial manufacturing technology short term projects supporting lithium-ion batteries for US Army LRAS3 Ground Sensor and US Navy MH-60 helicopter, and for lithium-ion zero-volt discharge capable cells. R&D initiated joint work with US Army AMCOM to replace obsolete nickel cadmium batteries on TOW2 system, initiated additional manufacturing technology cost/ risk reduction work on lithium-ion battery for MH-60 helicopter, and continued work on new non-solvent equipment for coating lithium-ion cathodes and anodes. All projects require executive approval with business case and transition plan. The program is also managing several SBIR projects expected to transition into BATTNET activities.			
FY 2016 Plans: Funding and efforts of the BATTNET program were transferred into the Improving Industrial Base Manufacturing Processes (formerly Material Availability) Strategic Focus Area.			
Accomplishments/Planned Programs Subtotals	1.969	0.000	-

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

The BATTNET R&D partners were established by contract September 2009 through a competitive Broad Area Announcement (BAA) allowing for maximum competition. Partner Contracts were based upon proposals that demonstrated knowledge, experience, and expertise in the following areas of interest: Automation, Battery Maintenance, Competition & Contracting Requirements, Diminishing Manufacturing & Supply, Lithium Battery Safety, Reducing Acquisition Costs, Shelf Life, Supply Chain Logistics, Surge/Sustainment, and Technology Transition/Insertion. The BATTNET, which includes a Government Steering Group (GSG) of power source

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 6 / *Battery Network (BATTNET)*

technical experts from the military services R&D groups, is informed of general R&D requirements for supply chain improvement. The partners develop among themselves related R&D projects, which are then formally evaluated by the GSG. Selected projects are then chartered within DLA and planned for contract STP awards when funds are available. Additional projects were awarded to BATTNET partners from FY12 Industrial Base Innovation Fund (IBIF).

E. Performance Metrics

At least 30% of the completed projects will transition. The program achieved production readiness of lithium batteries that have more than two-times the energy capacity, three-times the shelf-life, and one-third of the weight compared to the batteries they replace.

OSD-C financial metrics (obligation and disbursement) will be achieved.

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708011S / *Industrial Preparedness*	Project (Number/Name) 6 / *Battery Network (BATTNET)*	

Support ($ in Millions)

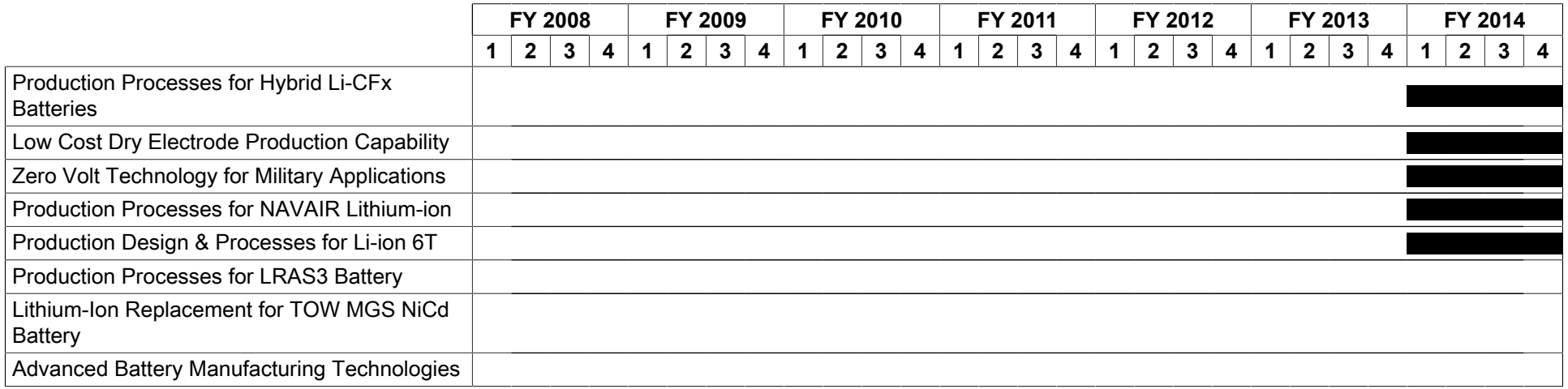
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Advanced Military Battery Manufacturing Technology Process Development	C/CPFF	Alion Science and Technology Corporation : IL	1.340	0.596	Jul 2015	-		-		-		-	-	-	-
Advanced Military Battery Manufacturing Technology Process Development	C/FFP	Eskra Technical Products Inc : WI	2.154	0.372	Dec 2015	-		-		-		-	-	-	-
Advanced Military Battery Manufacturing Technology Process Development	C/CPFF	EaglePicher Technologies LLC : MO	0.438	0.015	Nov 2015	-		-		-		-	-	-	-
Advanced Military Battery Manufacturing Technology Process Development	C/CPFF	Quallion, LLC : CA	0.788	0.662	Nov 2015	-		-		-		-	-	-	-
Advanced Military Battery Manufacturing Technology Process Development	C/CPFF	Saft America Inc : MD	0.108	0.135	Mar 2015	-		-		-		-	-	-	-
Advanced Military Battery Manufacturing Technology Process Development	C/CPFF	Redblack Communications Inc : MD	0.440	-		-		-		-		-	-	-	-
Advanced Military Battery Manufacturing Technology Process Development	C/CPFF	Logistics Management Institute : VA	0.258	-		-		-		-		-	-	-	-
Advanced Military Battery Manufacturing Technology Process Development	C/CPFF	Navitas Systems : MI	0.308	-		-		-		-		-	-	-	-
Advanced Military Battery Manufacturing Technology Process Development	C/CPFF	US Army : MI	0.509	0.010	Feb 2015	-		-		-		-	-	-	-
Advanced Military Battery Manufacturing Technology Process Development	C/CPFF	US Navy : MD	0.000	0.021	Feb 2015	-		-		-		-	-	-	-
Advanced Military Battery Manufacturing Technology Process Development	C/CPFF	Rutgers, The State University of New Jersey : NJ	-	0.158	Dec 2015	-		-		-		-	-	-	-
		Subtotal	6.343	1.969		-		-		-		-	-	-	-

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708011S / *Industrial Preparedness*	Project (Number/Name) 6 / *Battery Network (BATTNET)*	

	Prior Years	FY 2015		FY 2016		FY 2017 Base		FY 2017 OCO		FY 2017 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	6.343	1.969		0.000		-		-		-	-	-	-

Remarks

Exhibit R-4, RDT&E Schedule Profile: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 6 / *Battery Network (BATTNET)*



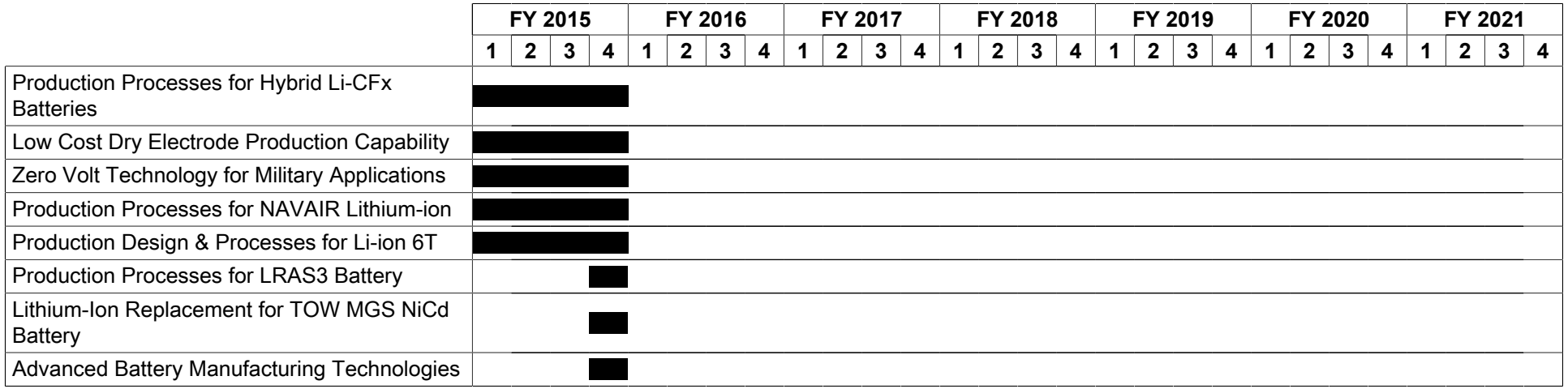


Exhibit R-4A, RDT&E Schedule Details: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 6 / *Battery Network (BATTNET)*

Schedule Details

	Start		End	
Events	**Quarter**	**Year**	**Quarter**	**Year**
Production Processes for Hybrid Li-CFx Batteries	1	2014	4	2015
Low Cost Dry Electrode Production Capability	1	2014	4	2015
Zero Volt Technology for Military Applications	1	2014	4	2015
Production Processes for NAVAIR Lithium-ion	1	2014	4	2015
Production Design & Processes for Li-ion 6T	1	2014	4	2015
Production Processes for LRAS3 Battery	4	2015	4	2015
Lithium-Ion Replacement for TOW MGS NiCd Battery	4	2015	4	2015
Advanced Battery Manufacturing Technologies	4	2015	4	2015

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708011S / *Industrial Preparedness*	Project (Number/Name) 7 / *Improving Industrial Base Manufacturing Processes (formerly Material Availability)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
7: *Improving Industrial Base Manufacturing Processes (formerly Material Availability)*	0.000	0.000	4.875	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The Material Availability (MA) Strategic Focus Area (SFA) are R&D efforts undertaken with DLA's industrial base to reduce material costs, reduce the length and variability of Production Lead-Times, assure the DLA managed products meet requirements, and continuously improve quality and reliability. Benefits of this SFA include lower material costs, lower inventory levels and more predictable Customer Wait Times, fewer quality deficiencies, and lower customer support costs. This strategic focus area includes within its scope the former Combat Rations Program, the Battery Program, the Castings and the Forgings programs.

This SFA is comprised of five roadmaps for Batteries, Subsistence Network, Castings, Forgings, and Additive Manufacturing.

The Battery network objective is to develop the next generation of battery manufacturing technologies for cost and price efficiency, longer shelf life, and lighter batteries with higher energy. The network conducts R&D initiatives to address sustainment gaps and bridge technical solutions into higher MRLs for specific groups of batteries. For FY2014, DLA received 139,163 orders for 2.85 million batteries at $183M net value - compared to FY13 $176M and FY12 $216M. The Battery network focuses on projects to develop the production capability for advanced lithium-based non-rechargeable and rechargeable batteries to ensure the prompt and sustained availability, quality, and affordability of batteries. Desired outcomes include: streamlined inventory and associated cost reductions through standardization and improved distribution practices; resolved obsolescence issues; addressed surge and sustainment issues; enhanced security of supply chain; increased competition and manufacturing base; reduced per unit battery cost; and leveraged Service-level (Army, Navy, Air Force) and other governmental (DOE, DOT, NASA) R&D efforts to insert new technology and practices into the existing DLA battery inventory.

The Subsistence Supply Chain consists of military subsistence, which includes combat rations, field feeding equipment, garrison feeding and market fresh products. The Subsistence Network (SUBNET) program is a manufacturing technology program and is the successor to the Combat Rations R&D program. SUBNET's community of practice will research and promote manufacturing improvements in the subsistence supply chain with the goals of maximizing capability and capacity to produce, and to encourage innovation and modernization needed to leverage the latest technologies. The desired outcomes of the current short-term projects Microwave Assisted Thermal Sterilization (MATS), MRE Alternate Chemical Laminate, Optimize Combat Ration Inspection Costs, and Combat Rations Shelf Life Temperature Monitoring Project include testing of low risk, high-impact technology and process improvements that will improve the quality of individual and group combat rations, reduce cost, and provide efficiencies, then transitioning these improvements to industrial base suppliers and government suppliers.

The Castings consortium objective is to develop new materials and technologies for the metalcasting industry to help DLA improve the supply of parts that contain castings. Weapon system spare parts managed by DLA that contain castings are responsible for a disproportionate share of DLA's backorders or unfilled orders (UFOs). Cast parts are ~2% of National Stock Numbered Class IX parts but represent ~5% of all backorders, and when only the oldest backorders are considered up to 10%

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 7 / *Improving Industrial Base Manufacturing Processes (formerly Material Availability)*

are castings. This program includes tasks to develop new capabilities in the areas of inspection, materials, processes, modeling, and design. Once developed these capabilities will support the foundry industry, where the technologies will be tested and implemented in conjunction with the industry associations. These advancements will improve the metalcasting supply chains for the DOD and the DLA to better support the warfighter. This is achieved through investments in projects aimed at reducing lead-time, reducing cost, and improving quality of castings critical to DOD weapon systems.

The Forgings consortium objective is to develop new materials and technologies for the forging industry to help DLA improve the supply of parts that contain forgings. Weapon system spare parts managed by DLA that contain Forgings are responsible for a disproportionate share of DLA's backorders or unfilled orders (UFOs). Forged parts are ~2% of National Stock Numbered Class IX parts but represent ~5% of all backorders, and when only the oldest backorders are considered up to 10% are forgings. This program includes tasks to develop new capabilities in the areas of inspection, materials, processes, modeling, and design. Once developed these capabilities will support the forging industry, where the technologies will be tested and implemented in conjunction with the industry associations. These advancements will improve the forging supply chains for the DOD and the DLA to better support the warfighter. This is achieved through investments in projects aimed at reducing lead-time, reducing cost, and improving quality of forgings critical to DOD weapon systems.

The Additive Manufacturing (AM) objective is to establish AM as an effective alternative to conventional manufacturing and document the process for AM benefits. DLA needs to exploit AM technology as a lead-time and inventory reduction enabler.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Improving Industrial Base Manufacturing Processes (formally Material Availability)	-	4.875	0.000
FY 2016 Plans: The Subsistence Network (SUBNET) plans to identify and award new STPs through a Broad Agency Announcement (BAA) with an expected duration of 12-24 months and an average annual funding of $100K-$250K. The government plans to invest up to $18 million during Fiscal Years 2016-2021 for funding research in response to this BAA. Through the SUBNET STPs, research and development projects will be conducted and directed toward improving existing DLA processes and to improve manufacturing and delivery of combat rations and other subsistence products. Two of the STPs will be completed and transitioned in FY16. That is, the Microwave Assisted Thermal Sterilization (MATS) and the MRE Alternate Chemical Laminate Project. The Microwave Assisted Thermal Sterilization (MATS) goal is to reduce the cost of current combat ration entrees using MATS versus Retort, which is projected to be a 40% reduction in cost based on the energy savings per pouch of 50% MATS versus Retort. The cost reduction is projected to be higher when ration waste is considered as a result of poor reception of retorted ration entrees by the warfighters. For the project optimize combat rations inspection costs, the objective is to establish an inspection system that captures the cost of quality that includes inspection of incoming material, in-process and end item inspections. The baseline for inspection was established for two retort products and one assembled meal. Analytical testing protocols have been reassessed for two products leading to a 58% reduction in cost. The combat ration shelf life temperature monitoring through data loggers provided a method to monitor the temperature distribution in the warehouse where unitized group rations are stored. The project includes tasks to develop solution sets for an optimal method of determining the rate of the shelf life degradation of rations and contents and a method to convey information to the receiver of the product at time of shipment. A 9 F degree reduction in temperature was			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 7 / *Improving Industrial Base Manufacturing Processes (formerly Material Availability)*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
achieved during the summer of 2015 as compared to 2014, leading to significant shelf life retention. The MRE Alternate Chemical Resistant Pouch Laminate will mitigate the risks in the material supply chain and establish reliable production for advanced pouch materials. Investments in these projects and future short-term projects will improve quality of individual and group combat rations, reduce costs, increase production, and provide efficiencies. The Castings consortium plan is to complete some existing projects towards the end of FY16 and into FY17. The new BAA will be released in FY16, with award(s) planned for 1st quarter FY17. Plan to complete new welding procedures and post-weld heat treatments to restore mechanical properties of the welded areas of Eglin Steel, a high strength steel, and hence its strength and integrity. The Forgings consortium plan is to continue working projects recently awarded in FY15. The Forging consortium will also pursue additional forging manufacturing advances from successful DLA SBIR projects selected in FY2014 using additional funds planned to begin in FY16. The Battery Network plan is to identify and award new Short Term Projects (STP) with an expected duration of 18-24 months and an average annual funding of $200K-$500K. Proposals are required to include a business case with specific metrics and transition plan for success. The Battery Network will also pursue additional battery manufacturing advances from successful DLA SBIR projects selected in FY2014. The Additive Manufacturing plan is for DLA to partner with the Military Services to use AM to produce parts. DLA and the Services will identify candidate parts, convert technical data to 3D format to facilitate AM, procure the parts, and document the process for AM benefits. The Services will review newly created technical data packages (TDP), test the parts, and qualify AM as an acceptable process to produce the parts. FY 16 – FY 20: Funding for Additive projects will be reallocated from other MA SFA thrusts and classified into the Additive Manufacturing Thrust. ***FY 2017 Plans:*** FY17 Fund Realignment from BA07 to BA03 PE 0603680S			
Accomplishments/Planned Programs Subtotals	-	4.875	0.000

C. Other Program Funding Summary ($ in Millions)

N/A

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 7 / *Improving Industrial Base Manufacturing Processes (formerly Material Availability)*

C. Other Program Funding Summary ($ in Millions)

Remarks

D. Acquisition Strategy

The Battery Network plan is to establish contract partners through a competitive Broad Area Announcement (BAA) based upon proposals that demonstrated knowledge, experience, and expertise in the following areas of interest: Automation, Diminishing Manufacturing & Supply, Battery Safety, Reducing Acquisition Costs, Shelf Life, Supply Chain Logistics, Surge/Sustainment, and Technology Transition/Insertion. A Government Steering Group (GSG) of power source technical experts from the military services R&D groups will inform general R&D requirements for supply chain and technology improvement. The plan also includes awarding Phase 2 and 3 projects from DLA's Small Business Innovation Research (SBIR) in advanced battery manufacturing technology.

The Subsistence Network acquisition strategy is delivery orders against competitively awarded IDIQ R&D contracts via the forthcoming BAA. The current contracts will reach the end of their base period of performance by December 2016. A new BAA has been drafted and will be released in January 2016 with award of contracts in FY16 and FY17. A Joint Steering Group made up of government representatives from the Military Services, DLA, U.S. Department of Agriculture, U.S. Public Health Center, and the Natick Soldier Research, Development and Engineering Center will review ongoing projects, identify new areas for investment, assess proposed projects, examine procedures and processes, keep abreast of new technologies, and understand DLA and DoD subsistence needs and requirements.

The Castings involved a competitive Broad Agency Announcement (BAA). Evaluations were completed and two contracts were awarded competitively September 2011. The current contracts reached the end of their base period of performance on September 30, 2016. A new BAA has been drafted and will be released in FY16 with award of contracts(s) in FY17.

The Forgings involved a competitive Broad Agency Announcement (BAA). Evaluations were completed and a contract awarded September 2014.

The Additive Manufacturing plan will partner with the Military Services and use organic and commercial AM parts production capabilities.

E. Performance Metrics

The Battery Network plan is to report returns on investments and achievements to the Joint Defense Manufacturing Technology Panel (JDMTP) for evaluation.

The Subsistence Network plan is to execute reductions in cost for shipping, storage, supply chain process, inventory, waste and inspections, as well as reduced lead times for combat ration production, field feeding equipment, garrison feeding and "market fresh."

For example, SUBNET will provide the following technical achievements: 1) a microwave-assisted capability to sterilize group-sized entrees and components, packaged in Institutional Sized Pouches (ISP) and Polymeric Trays and 2) identify and produce at least one or more alternate sealant layers that can be used by the rations industry to pack high acidic food products and to ensure uninterrupted supply of MRE rations.

The Castings consortium plan is to report returns on investments and achievements to the Joint Defense Manufacturing Technology Panel (JDMTP) for evaluation.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 7 / *Improving Industrial Base Manufacturing Processes (formerly Material Availability)*

The Forgings consortium plan is to report returns on investments and achievements to the Joint Defense Manufacturing Technology Panel (JDMTP) for evaluation.

The Additive Manufacturing metric is the number of parts qualified for AM and the lead-time savings achieved to make small quantities of items.

At least 30% of the completed projects will transition.

OSD-C financial metrics (obligation and disbursement) will be achieved.

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 7 / *Improving Industrial Base Manufacturing Processes (formerly Material Availability)*	

Support ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Manufacturing Technology Development – Combat Rations	C/CPFF	Clemson University : SC	0.000	-		0.020	Jun 2016	-		-		-	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	Michigan State University : MI	0.000	-		0.020	Jun 2016	-		-		-	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	Rutgers State University of New Jersey Division of Grants & Contracts Accounting : NJ	0.000	-		0.400	May 2016	-		-		-	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	SOPAKO Inc : SC	0.000	-		0.150	May 2016	-		-		-	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	University of Illionois : IL	0.000	-		0.020	Jun 2016	-		-		-	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	University of Tennessee : TN	0.000	-		0.150	May 2016	-		-		-	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	Washington State University : WA	0.000	-		0.301	May 2016	-		-		-	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	Cadillac Products Inc : MI	0.000	-		0.020	Jun 2016	-		-		-	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	Oregon Freeze Dry Inc : OR	0.000	-		0.020	Jun 2016	-		-		-	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	Research and Development Associates : TX	0.000	-		0.020	Jun 2016	-		-		-	-	-	-

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 7 / *Improving Industrial Base Manufacturing Processes (formerly Material Availability)*

Support ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Manufacturing Technology Development – Combat Rations	C/CPFF	The Wornick Company : AL	0.000	-		0.150	May 2016	-		-		-	-	-	-
Manufacturing Technology Development – Combat Rations	C/CPFF	Sterling Foods : TX	0.000	-		0.150	May 2016	-		-		-	-	-	-
Combat Rations - SETA	C/FP	Analytic Strategies LLC : VA	0.000	-		0.200	May 2016	-		-		-	-	-	-
Casting Manufacturing Technology Process Development	C/CPFF	Advanced Technology International : SC	0.000	-		2.015	Nov 2015	-		-		-	-	-	-
Casting Manufacturing Technology Process Development	C/CPFF	Global Support Services LLC : AK	-	-		0.111	Mar 2016	-		-		-	-	-	-
Casting Manufacturing Technology Process Development	C/CPFF	Honeywell International Inc : AZ	-	-		0.050	Feb 2016	-		-		-	-	-	-
Forging Sustainment Manufacturing Technology Process Development	C/CPFF	Advanced Technology International : SC	-	-		1.078	Mar 2016	-		-		-	-	-	-
		Subtotal	0.000	-		4.875		-		-		-	-	-	-

	Prior Years	FY 2015		FY 2016		FY 2017 Base		FY 2017 OCO		FY 2017 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	0.000	-		4.875		-		-		-	-	-	-

Remarks

Exhibit R-4, RDT&E Schedule Profile: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 7 / *Improving Industrial Base Manufacturing Processes (formerly Material Availability)*

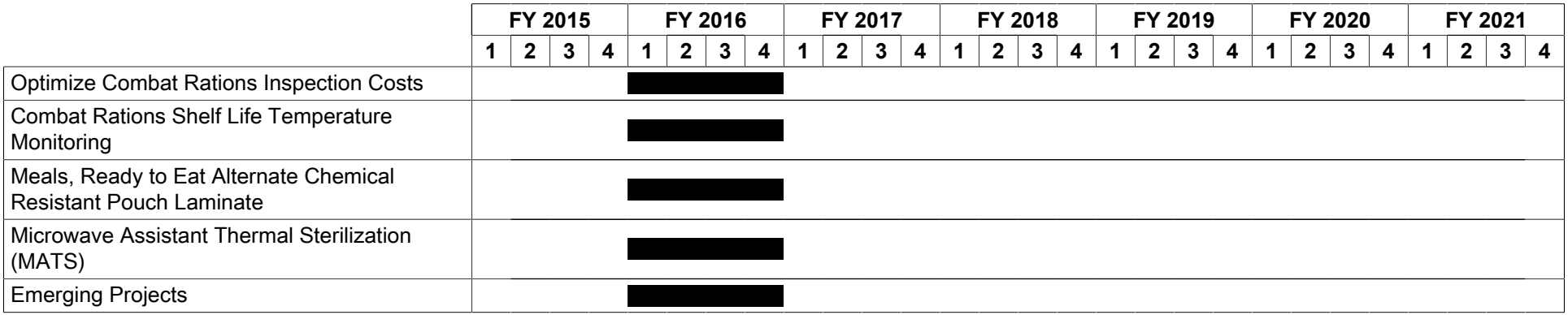


Exhibit R-4A, RDT&E Schedule Details: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 7 / *Improving Industrial Base Manufacturing Processes (formerly Material Availability)*

Schedule Details

	Start		End	
Events	**Quarter**	**Year**	**Quarter**	**Year**
Optimize Combat Rations Inspection Costs	1	2016	4	2016
Combat Rations Shelf Life Temperature Monitoring	1	2016	4	2016
Meals, Ready to Eat Alternate Chemical Resistant Pouch Laminate	1	2016	4	2016
Microwave Assistant Thermal Sterilization (MATS)	1	2016	4	2016
Emerging Projects	1	2016	4	2016

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708011S / *Industrial Preparedness*	Project (Number/Name) 8 / *Maintaining Viable Supply Sources (formerly High Quality Sources)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
8: *Maintaining Viable Supply Sources (formerly High Quality Sources)*	0.000	0.000	12.373	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The High Quality Sources SFA are projects undertaken to assure that the industrial base can respond to DLA requirements and DLA can fill military customers' material requirements reliably and consistently. Benefits include eliminating cancelled requisitions returned to customers as "non-procurable." This strategic focus area includes within its scope the former Material Acquisition Electronics program.

The Material Acquisition Electronics roadmap has four major thrusts in Digital Microcircuits: Advanced Schottky TTL, TTL Compatible CMOS, 512 Kilobit RAM/ROM and Mega Gate ASIC. The Roadmap also includes a new major thrust area: Linear Microcircuits. Over the past several years, obsolescence in this class of microcircuits has greatly increased and has become a significant concern. These are classes of microcircuits that are expected to become non-procurable in FY 17 and beyond. Without the technologies planned on the MAE Roadmap, DLA will not be able to support DoD's requirements for high quality spare parts for critical electronic systems and subsystems.

The Strategic Materials roadmap is a new thrust for the DLA Mantech program. It is designed to ensure that critical strategic materials are available from domestic sources and that process innovations are in place to efficiently process or recover strategic materials. Domestic capabilities can enhance national security and potentially reduce Defense Stockpile requirements.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Maintaining Viable Supply Sources (formally High Quality Sources)	-	12.373	0.000
FY 2016 Plans: MAE will continue planning for the specific emulation technology implementations to support specific device family groups in consonance with Customer and Agency requirements. MAE will complete development and transition higher density Read-Only and Random-Access Memory, Advanced Emitter-Coupled Logic and Closed-Cell CMOS capabilities into full-scale production further increasing DLA's ability to re-establish sourcing of non-procurable microcircuit NSNs. The newly transitioned emulation capabilities will address several discontinued device families and will increase the potential emulation production envelope by several hundred NSNs. MAE will also initiate several new implementations including development of TTL-Compatible CMOS Emulation Capability. It will continue developing 350 nanometer Digital Emulation circuitry, bringing emulation capability that re-			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 8 / *Maintaining Viable Supply Sources (formerly High Quality Sources)*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
establishes sources for additional NSNs. AME will also continue initial development and capability assessments to support a new major emulation thrust to support Linear Microcircuits beginning in FY2017. ***FY 2017 Plans:*** FY17 Fund Realignment from BA07 to BA03 PE 0603680S			
Accomplishments/Planned Programs Subtotals	-	12.373	0.000

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

MAE efforts are incremental funding on a competitive awarded 5 year contract.

Strategic Materials efforts will be competitively evaluated and awarded using Broad Agency Announcement (BAA) procedures.

E. Performance Metrics

Transition of one technology implementation (base array) to low-rate initial production or full-scale production. Each technology implementation increases the breadth of microcircuit part types which can be returned to a procurable status; improving readiness and avoiding the need to redesign at the next-higher level. Potential benefit to hundreds of weapon systems.

Strategic Materials: Develop roadmap and transition targeted manufacturing technologies.

At least 30% of the completed projects will transition.

OSD-C financial metrics (obligation and disbursement) will be achieved.

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 8 / *Maintaining Viable Supply Sources (formerly High Quality Sources)*

Support ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Digital Electronic Device Manufacturing Technology Process Development	C/CPFF	SRI International : CA	0.000	-		11.973	Nov 2015	-		-		-	-	-	-
Digital Electronic Device Manufacturing Technology Process Development SETA	MIPR	SPAWAR : CA	0.000	0.000		0.400	Jun 2016	-		-		-	-	-	-
		Subtotal	0.000	0.000		12.373		-		-		-	-	-	-

	Prior Years	FY 2015		FY 2016		FY 2017 Base		FY 2017 OCO		FY 2017 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	0.000	0.000		12.373		-		-		-	-	-	-

Remarks

Exhibit R-4, RDT&E Schedule Profile: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 8 / *Maintaining Viable Supply Sources (formerly High Quality Sources)*

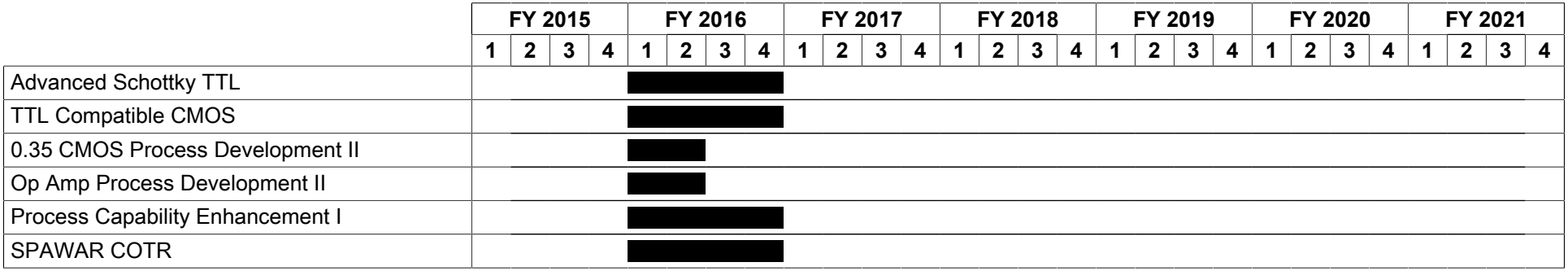


Exhibit R-4A, RDT&E Schedule Details: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 8 / *Maintaining Viable Supply Sources (formerly High Quality Sources)*

Schedule Details

	Start		End	
Events	**Quarter**	**Year**	**Quarter**	**Year**
Advanced Schottky TTL	1	2016	4	2016
TTL Compatible CMOS	1	2016	4	2016
0.35 CMOS Process Development II	1	2016	2	2016
Op Amp Process Development II	1	2016	2	2016
Process Capability Enhancement I	1	2016	4	2016
SPAWAR COTR	1	2016	4	2016

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 9 / *Improving Technical and Logistics Information (formerly Industry and Customer Collaboration)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
9: *Improving Technical and Logistics Information (formerly Industry and Customer Collaboration)*	0.000	0.000	5.357	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The Improving Technical and Logistics Information Strategic Focus Area (SFA) projects improve and facilitate the communication of technical and logistics information among industry, DLA's military customers and DLA. This SFA includes Military Unique Sustainment Technology (MUST) and the Defense Logistics Information Research (DLIR) (P.E. 0603712S) within its scope. The movement of the DLIR related work from P.E. 0603712S to the DOD ManTech Program aligns the funding to the critical interface between DLA and industry and away from internal DLA operations.

The MUST focus addresses GAO Report 12-707 recommendations that DOD to establish a "knowledge-based approach" to collaborate on define and communicate of military unique requirements. DLA has the responsibility to communicate and manage the technical requirements among the Services and the Defense Industrial Base. Currently there is no common environment for collaborating on new requirements among the stakeholders. The strategic objective of the DLA MUST program is to identify, develop and adopt technologies that can significantly reduce the lead-time between Individual Item and Equipment (IIE) development and sustainment from years to months. The Program focuses on technologies that will transform the military IIE supply chain from an "electronic paper" (i.e. PDF/MS Word) based, manual environment into a knowledge based automated environment. The resulting approach will be a neutral platform that will seamlessly communicate military unique technical requirements throughout the end to end supply chain.

The DLIR Model Based Enterprise effort will develop capabilities to systematically accept engineering and design data from the Military Services, validate and store item technical data in 3D models. There are two classes of data that must be addressed: newly designed parts for systems still in development and legacy parts for systems that are in sustainment. The problem with newly designed parts is capturing the complete and accurate designs. The legacy parts do not have digital engineering models which recreating the design in contemporary engineering systems.

The Technical and Logistical Data Interoperability will pioneer methods to capture data from military Services, Original Equipment Manufacturers (OEMs), and suppliers to form a seamless thread of interoperable and linked data models.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Improving Technical and Logistics Information (formally Industry and Customer Collaboration)	-	5.357	0.000
FY 2016 Plans:			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 9 / *Improving Technical and Logistics Information (formerly Industry and Customer Collaboration)*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
The MUST program will be beginning to stand up distributed pilots of the knowledge based approach. The project will develop and demonstrate a digital specification authoring tool, an automated piece-part design and 3D visualization tool, and technology to streamline the transition of requirements from the Services to DLA. MUST will show how DLA, its customers and suppliers can access, manage and share technical requirements in a common format. The DLIR MBE and data interoperability efforts will begin to extract info from product lifecycle management systems and link the data to specifications and standards via semantic data models and concepts. A new approach to distribution of specs and standards will be evaluated that enables industrial companies to have access to the precise specification requirement without having to extract it from the reference document. Testing the Model Based Enterprise (MBE) Conops developed in FY 15 with actual procurement using the standard supply system. Developing an automated process for strategic sourcing of cataloged products that are available from WWW sources. ***FY 2017 Plans:*** FY17 Fund Realignment from BA07 to BA03 PE 0603680S			
Accomplishments/Planned Programs Subtotals	-	5.357	0.000

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

Delivery/Task Orders are awarded against a competitively awarded IDIQ contracts.

E. Performance Metrics

The metrics for ICC are error elimination in engineering and technical data, including omissions and uncertainties in specifications, streamlining vendor level of effort associated with completing procurements, and improved collaboration among the Services, DLA and the industrial base. The result will lead to reduced lead-time, inventory and to avoid the costs of defective material.

At least 30% of the completed projects will transition.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 9 / *Improving Technical and Logistics Information (formerly Industry and Customer Collaboration)*

OSD-C financial metrics (obligation and disbursement) will be achieved.

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 9 / *Improving Technical and Logistics Information (formerly Industry and Customer Collaboration)*	

Support ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Manufacturing Technology – Knowledge Based Individual Items and Equipment Development	C/CPFF	AdvanTech STP : MD	0.000	0.000		0.482	Feb 2016	-		-		-	-	-	-
Manufacturing Technology – Knowledge Based Individual Items and Equipment Development	C/CPFF	Logistics Management Institute : VA	0.000	0.000	Jan 2016	1.765		-		-		-	-	-	-
Manufacturing Technology – Knowledge Based Individual Items and Equipment Development	C/CPFF	XSB STP : NY	0.000	0.000		0.481	May 2016	-		-		-	-	-	-
Manufacturing Technology – Knowledge Based Individual Items and Equipment Development	C/CPFF	Clemson STP : SC	0.000	0.000		0.015	Jun 2016	-		-		-	-	-	-
Manufacturing Technology – Knowledge Based Individual Items and Equipment Development	C/CPFF	Modulant : VA	-	-		0.039	Nov 2015	-		-		-	-	-	-
Manufacturing Technology – Knowledge Based Individual Items and Equipment Development	C/FP	AR Services : VA	-	-		0.188	Feb 2016	-		-		-	-	-	-
Manufacturing Technology – Knowledge Based Individual Items and Equipment Development	C/CPFF	TBD : TBD	-	-		0.511	Sep 2016	-		-		-	-	-	-
Automatic Extraction of Product Lifecycle Management Data	C/CPFF	XSB Inc. : NY	-	-		1.876	May 2016	-		-		-	-	-	-
		Subtotal	0.000	0.000		5.357		-		-		-	-	-	-

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708011S / *Industrial Preparedness*	Project (Number/Name) 9 / *Improving Technical and Logistics Information (formerly Industry and Customer Collaboration)*	

	Prior Years	FY 2015		FY 2016		FY 2017 Base		FY 2017 OCO		FY 2017 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	0.000	0.000		5.357		-		-		-	-	-	-

Remarks

Exhibit R-4, RDT&E Schedule Profile: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 9 / *Improving Technical and Logistics Information (formerly Industry and Customer Collaboration)*

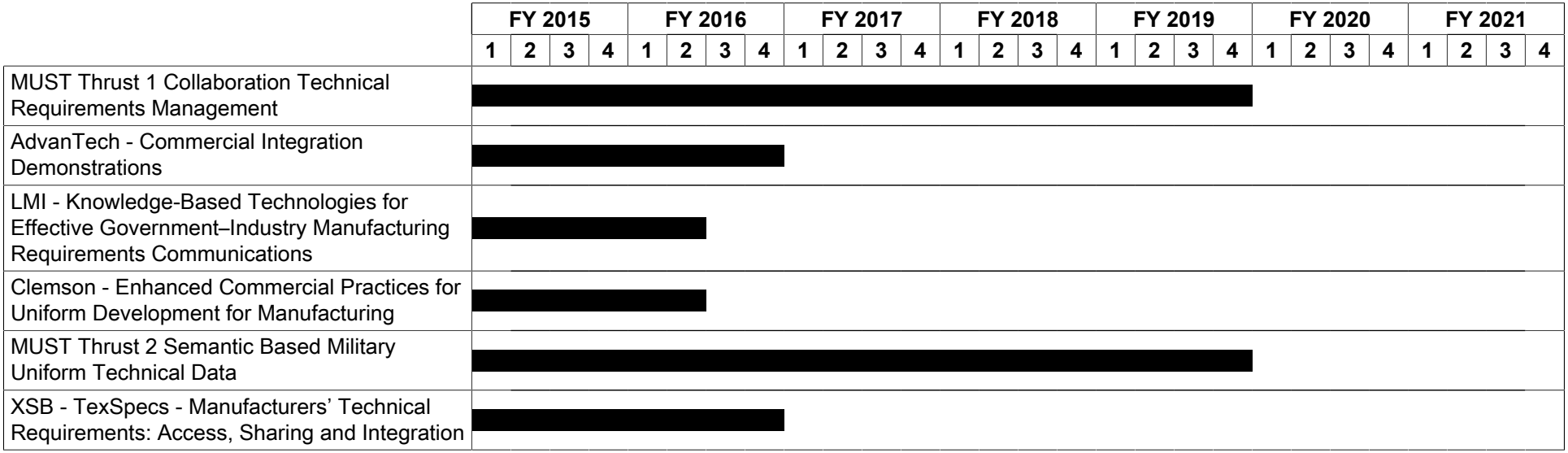


Exhibit R-4A, RDT&E Schedule Details: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708011S / *Industrial Preparedness*	**Project (Number/Name)** 9 / *Improving Technical and Logistics Information (formerly Industry and Customer Collaboration)*

Schedule Details

	Start		End	
Events	**Quarter**	**Year**	**Quarter**	**Year**
MUST Thrust 1 Collaboration Technical Requirements Management	1	2015	4	2019
AdvanTech - Commercial Integration Demonstrations	1	2015	4	2016
LMI - Knowledge-Based Technologies for Effective Government–Industry Manufacturing Requirements Communications	1	2015	2	2016
Clemson - Enhanced Commercial Practices for Uniform Development for Manufacturing	1	2015	2	2016
MUST Thrust 2 Semantic Based Military Uniform Technical Data	1	2015	4	2019
XSB - TexSpecs - Manufacturers' Technical Requirements: Access, Sharing and Integration	1	2015	4	2016

Exhibit R-2, RDT&E Budget Item Justification: PB 2017 Defense Logistics Agency	Date: February 2016
Appropriation/Budget Activity 0400: *Research, Development, Test & Evaluation, Defense-Wide* / BA 7: *Operational Systems Development*	**R-1 Program Element (Number/Name)** PE 0708012S / *Pacific Disaster Centers*

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
Total Program Element	15.060	1.522	1.770	1.754	-	1.754	1.755	1.753	1.753	1.785	Continuing	Continuing
1: *Logistics Support Activities (LSA)*	12.488	0.000	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
2: *Pacific Disaster Center*	2.572	1.522	1.770	1.754	-	1.754	1.755	1.753	1.753	1.785	Continuing	Continuing

A. Mission Description and Budget Item Justification

The Pacific Disaster Center (PDC) has been in operation since February 1996. The PDC is a public/private partnership managed by the University of Hawaii (UH) under a cooperative agreement with the Department of Defense. It is functionally within the organization of the Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics) (OUSD(AT&L)) and the Defense Logistics Agency (DLA). The PDC is a world-recognized authority and leader in science and information technology applications relating to humanitarian assistance and disaster relief (HA/DR). PDC develops new and innovative technologies to operate an (unclassified) integrated multi-hazard hazard monitoring, early warning and decision support system, called RAPIDS, for the department. Logistics Support Activities (LSA) transferred to outside DLA in FY15.

B. Program Change Summary ($ in Millions)	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total
Previous President's Budget	1.574	1.770	1.770	-	1.770
Current President's Budget	1.522	1.770	1.754	-	1.754
Total Adjustments	-0.052	0.000	-0.016	-	-0.016
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-0.052	-			
• Inflation for Non-Pay/Non-Fuel Purchases	-	-	-0.016	-	-0.016

Change Summary Explanation

In FY 17, funding was reduced due to inflation for non-pay and non-fuel purchases.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708012S / *Pacific Disaster Centers*	Project (Number/Name) 1 / *Logistics Support Activities (LSA)*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
1: *Logistics Support Activities (LSA)*	12.488	0.000	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

This program is reported in accordance with Title 10, United States Code, Section 119 (a)(1) in the Special Access Program Annual Report to Congress. The staff cognizance and oversight will transfer from the Defense Logistics Agency (DLA) to the Defense Information Systems Agency effective October 1, 2014. The USD(P) will continue to be the Operational Sponsor and functional OSD Principal Staff Assistant (PSA) for the program.

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708012S / *Pacific Disaster Centers*	Project (Number/Name) 2 / *Pacific Disaster Center*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
2: *Pacific Disaster Center*	2.572	1.522	1.770	1.754	-	1.754	1.755	1.753	1.753	1.785	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The Pacific Disaster Center (PDC) has been in operation since February 1996. The PDC is a public/private partnership managed by the University of Hawaii (UH) under a cooperative agreement with the Department of Defense. It is functionally within the organization of the Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics) (OUSD(AT&L)) and the Defense Logistics Agency (DLA). The PDC is a world-recognized authority and leader in science and information technology applications relating to Humanitarian Assistance and Disaster Relief (HA/DR). It has developed innovative technologies, and has provided operational support for an (unclassified) integrated multi-hazard hazard monitoring, early warning and decision support system, called RAPIDS, for the department since 2007. The system, covering global hazard is frequently used by COCOMS, particularly PACOM and SOUTHCOM, for HA/DR missions and exercises, and was recently selected as one of the most effective systems in a position paper by the department, reviewing all unclassified information sharing systems.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Pacific Disaster Center (PDC)	1.522	1.770	1.754

Description: This program is reported in accordance with Title 10, United States Code, Section 119 (a)(1) in the Special Access Program Annual Report to Congress. The USD(P) will continue to be the Operational Sponsor and functional OSD Principal Staff Assistant (PSA) for the program. USD(AT&L) will provide acquisition oversight authority for the program.

The Pacific Disaster Center (PDC) has been in operation since February 1996. The PDC is a public/private partnership managed by the University of Hawaii (UH) under a cooperative agreement with the Department of Defense. The Pacific Disaster Center (PDC) function, manpower, and budget resources transferred to the Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics) (OUSD(AT&L)) and the Defense Logistics Agency (DLA)in October 2011.

The USD(P) will continue to be the Operational Sponsor and functional OSD Principal Staff Assistant (PSA) for the program. The PDC is a world-recognized authority and leader in science and information technology applications relating to humanitarian assistance and disaster relief (HA/DR). PDC's applications and information products enhance preparedness, situational awareness, and civil-military communications for humanitarian missions worldwide, while its national-level socio-economic Risk and Vulnerability Assessments help inform strategies by measuring indicators for national resiliency using scientific methods.

The PDC Program Office's (USD(P), ASD(HD&GS), and DASD(DC&MA)) primary responsibility is for management and stewardship of governmental funds provided in Defense Department appropriations for DoD missions associated with DoD CrM, HA/DR, Theater Security Cooperation, and Defense Support to Civil Authorities (DSCA). In doing this, the Program Office develops and provides policy, oversight and guidance, and jointly develops strategic guidelines, programmatic content and

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708012S / *Pacific Disaster Centers*	**Project (Number/Name)** 2 / *Pacific Disaster Center*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017

priorities with the UH and PDC. The PDC Program Office also serves as a support element of the Hawaii-based organization especially in the area of gaining Federal agency support and resources, as well as business opportunities.

FY 2015 Accomplishments:

For the past 18 years, Pacific Disaster Center (PDC) has been at the forefront of improving disaster-reduction decision-support capabilities through the application of information, science and technology. PDC's products and services enhance foundational and global services supporting civil-military humanitarian assistance operations by the US Military and US agencies, state agencies, United Nation agencies, ASEAN, national governments, and International/Non-Governmental Organizations (I/NGO). Foundational and Global Services include projects supporting development, analysis, and delivery of relevant and actionable information. These activities fall into three categories: Global Information Services; Anticipatory Sciences and Socio-Economic Risk and Vulnerability Assessment; and Decision Support Platforms and Applications.

Emphasis areas in FY 2015 include:

- Implemented uniform communication, expanding operational utility of mobile applications
- Improved automated damage and needs assessment and other analytical reports
- Expanded bio/health related monitoring capabilities (in partnership with OSD and U.S. Navy).
- Continued to grow competitive grants and proposals as a mean to expand the center's capabilities, and leverage these new capabilities in support of DoD missions.
- Built capacity in stakeholder agencies through exercise and training, and enhance partnerships with USG agencies, their counterparts in key partner nations, and within I/NGOs to improve outcomes of HA/DR and related activities

FY 2016 Plans:

The Pacific Disaster Center (PDC) continues to be at the forefront of improving disaster-reduction decision-support capabilities through the application of information, science and technology. PDC's products and services enhance foundational and global services supporting civil-military humanitarian assistance operations by the US Military and US agencies, state agencies, United Nation agencies, ASEAN, national governments, and International/Non-Governmental Organizations (I/NGO). Foundational and Global Services include projects supporting development, analysis, and delivery of relevant and actionable information. These activities fall into three categories: Global Information Services; Anticipatory Sciences and Socio-Economic Risk and Vulnerability Assessment; and Decision Support Platforms and Applications.

Emphasis areas in FY 2016 include:

- Improve the simplified DisasterAWARE/RAPIDS user interface (a.k.a. "dashboard") for increased ease-of-use and situational awareness, while allowing the system to accommodate "low bandwidth" operational mode (enabling better support to mobile platforms, as well as, degraded communications)

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708012S / *Pacific Disaster Centers*	**Project (Number/Name)** 2 / *Pacific Disaster Center*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
• Extend and enhance mobile computing and situational awareness platform for DisasterAWARE/RAPIDS to include: a) limited "down range" data collection & sharing capabilities (e.g., damage photos, voice memos, etc.) b) investigate and implement degraded but functional/operational "off-grid" capabilities c) investigate and implement degraded but operational "low bandwidth" capabilities • Enhance DisasterAWARE's social media/network visualization capabilities, in collaboration with partners such as ONR-funded research in the subject matter • Extend and enhance Bio Surveillance capabilities in collaboration with Navy and Defense Threat Reduction Agency's (DTRA)Bio Surveillance Portal (BSP) Joint Program Executive Office • Extend collaboration with DTRA & other data providers in enhancing data fusion capabilities • Continue to emphasize and participate jointly- and externally-funded research and application programs to enhance the Center's capabilities and experiences which in turn can be operationalize and applied in direct support of DoD HA/DR and DSCA missions • Continue to grow competitive grants and proposals as a means to expand the center's capabilities, and leverage these new capabilities in support of DoD missions			
FY 2017 Plans: Risk and Vulnerability Assessment • Explore trends and shifts in risks and vulnerability using the last 7 years of data. Data • In accordance with the latest (DRAFT) DoD study for unclassified information systems for disaster preparedness, enhance development of standard protocols for interoperability. • Continue development of new data sources for hazards and related observational data TBD Modeling • Explore incorporating impacts from hazard models into the definition of disasters within the system. • Continue enhancing application of hazard models to estimating initial needs for HA/DR support missions Applications • Enhance RAPIDS functionality based on user feedback and requirements • Continue improving stabilization of the platform by increasing cloud-based utilization			

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708012S / *Pacific Disaster Centers*	**Project (Number/Name)** 2 / *Pacific Disaster Center*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
• Continue evaluating new and innovative technologies for enhancing user experience (for RAPIDS)			
Accomplishments/Planned Programs Subtotals	1.522	1.770	1.754

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

PDC projects beyond the baseline Situational Awareness & Decision Support Applications/Tools architecture (Atlas/EMOPS/RAPIDS) undertaken in support of the DoD Cooperative Agreement (CA) with the University of Hawaii (UH) are from PDC customers (e.g., DoD, NGOs, other nations, academia, and industry). The PDC prepares the public, disaster managers, governments, and others to mitigate the effects of disasters. The goal is to have people and technology work together to preserve life, safeguard livelihoods, protect property to foster disaster-resilient communicates. Projects obtained and funded from this customer base serve as a means to determine PDC product and services relevancy.

E. Performance Metrics

Projects objectives and tasks are designed to build upon the previous year's successes and are consistent with the framework and direction provided by the 2012-2016 PDC Strategic Plan. At the beginning of each calendar year, an Annual Plan is in-place to guide the program and enable a framework for performance feedback to the DoD PDC Program Manager, the PDC Executive Director, WHS CA Contracting Office, and the UH. At the end of each calendar year, these stakeholders meet to review the past year performance and finalize a new Annual Plan for the next calendar year. This plan details a set of specific objectives to further capabilities and capacities supporting the PDC's mission and increasing operational value to the stakeholders.

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708012S / *Pacific Disaster Centers*	Project (Number/Name) 2 / *Pacific Disaster Center*	

Test and Evaluation ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
PDC DisasterAWARE: Early Warning and Decision Support Applications	MIPR	University of Hawaii Systems : Honolulu, HI	2.572	1.522	Dec 2014	1.770	Dec 2015	1.754	Dec 2016	-		1.754	-	-	-
		Subtotal	2.572	1.522		1.770		1.754		-		1.754	-	-	-

	Prior Years	FY 2015		FY 2016		FY 2017 Base		FY 2017 OCO		FY 2017 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	2.572	1.522		1.770		1.754		-		1.754	-	-	-

Remarks

Exhibit R-4, RDT&E Schedule Profile: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708012S / *Pacific Disaster Centers*	**Project (Number/Name)** 2 / *Pacific Disaster Center*

	FY 2008				FY 2009				FY 2010				FY 2011				FY 2012				FY 2013				FY 2014			
	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
PDC																												
PDC																									[redacted]			

	FY 2015				FY 2016				FY 2017				FY 2018				FY 2019				FY 2020				FY 2021			
	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
PDC																												
PDC	[redacted]																											

Exhibit R-4A, RDT&E Schedule Details: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708012S / *Pacific Disaster Centers*	**Project (Number/Name)** 2 / *Pacific Disaster Center*

Schedule Details

	Start		End	
Events by Sub Project	**Quarter**	**Year**	**Quarter**	**Year**
PDC				
PDC	1	2014	4	2021

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Exhibit R-2, RDT&E Budget Item Justification: PB 2017 Defense Logistics Agency	Date: February 2016
Appropriation/Budget Activity 0400: *Research, Development, Test & Evaluation, Defense-Wide* / BA 7: *Operational Systems Development*	**R-1 Program Element (Number/Name)** PE 0708047S / *Defense Property Accountability System (DPAS)*

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
Total Program Element	-	0.000	0.000	2.154	-	2.154	2.924	2.972	3.021	3.071	Continuing	Continuing
1: *DPAS*	-	0.000	0.000	2.154	-	2.154	2.924	2.972	3.021	3.071	Continuing	Continuing

A. Mission Description and Budget Item Justification

The Defense Property Accountability System (DPAS) provides the Department an accountability system which is fully compliant with financial reporting regulations and has a clean audit history. With an integrated accountability, utilization, maintenance, and warehouse capability, it is able to provide the Department an enterprise solution for asset management.

B. Program Change Summary ($ in Millions)	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total
Previous President's Budget	0.000	0.000	2.849	-	2.849
Current President's Budget	0.000	0.000	2.154	-	2.154
Total Adjustments	0.000	0.000	-0.695	-	-0.695
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			
• SRRBs/U	-	-	-0.695	-	-0.695

Change Summary Explanation

In FY 2017, PE was reduced by $0.695M for Services Requirements Review Boards (SRRBs)/ Contractor Courts (U).

Exhibit R-2A, RDT&E Project Justification: PB 2017 Defense Logistics Agency			Date: February 2016
Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708047S / *Defense Property Accountability System (DPAS)*	Project (Number/Name) 1 / *DPAS*	

COST ($ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
1: *DPAS*	-	0.000	0.000	2.154	-	2.154	2.924	2.972	3.021	3.071	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The DPAS system provides accountability and management functionality to the Department. The budgeted projects will provide enhancements to the existing capability, ensure efficient operability, and provide solutions for process gaps as they are discovered. The greater enhancements to DPAS allow the DoD to sunset legacy systems; DPAS assimilates the legacy functionality into the overall operations.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2015	FY 2016	FY 2017
Title: Release DPAS v 4	0.000	-	2.154
Description: Provide enhancements to the warehouse management functions; incorporate vehicle telematics; improve the data warehousing for transaction history. ***FY 2015 Accomplishments:*** N/A ***FY 2017 Plans:*** Provide enhancements to the warehouse management functions; incorporate vehicle telematics; improve the data warehousing for transaction history.			
Accomplishments/Planned Programs Subtotals	0.000	-	2.154

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

N/A

E. Performance Metrics

DPAS will ensure the obligations and expenditures are in line with OSD (Comptroller) guidance, as currently issued.

Exhibit R-3, RDT&E Project Cost Analysis: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708047S / *Defense Property Accountability System (DPAS)*	**Project (Number/Name)** 1 / *DPAS*

Product Development ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
DPAS version 4 development	C/CPIF	Contractor TBD : TBD	-	0.000		0.000		2.154	Mar 2016	0.000		2.154	-	-	-
		Subtotal	-	0.000		0.000		2.154		0.000		2.154	-	-	-

	Prior Years	FY 2015 Cost	FY 2015 Award Date	FY 2016 Cost	FY 2016 Award Date	FY 2017 Base Cost	FY 2017 Base Award Date	FY 2017 OCO Cost	FY 2017 OCO Award Date	FY 2017 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	-	0.000		0.000		2.154		0.000		2.154	-	-	-

Remarks

Exhibit R-4, RDT&E Schedule Profile: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708047S / *Defense Property Accountability System (DPAS)*	**Project (Number/Name)** 1 / *DPAS*

Exhibit R-4A, RDT&E Schedule Details: PB 2017 Defense Logistics Agency		Date: February 2016
Appropriation/Budget Activity 0400 / 7	**R-1 Program Element (Number/Name)** PE 0708047S / *Defense Property Accountability System (DPAS)*	**Project (Number/Name)** 1 / *DPAS*

Schedule Details

	Start		End	
Events	**Quarter**	**Year**	**Quarter**	**Year**
N/A No Sub Projects	1	2008	1	2008

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