Unclassified
Defense Contract Management Agency
RDT&E Descriptive Summaries Volume I
Fiscal Year (FY) 2008/FY 2009 Budget Estimates

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Defense Contract Management Agency
RDT&E Descriptive Summaries Volume I
Fiscal Year (FY) 2008/FY 2009 Budget Estimates

Exhibit R-1, RDT&E Programs
Defense Contract Management Agency

Appropriation: 0400   Date: February 2007

R-1 Line Item No	Program Element Number	Item	Budget Activity	FY 2006 Estimate	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate
110	0605013BL	Information Technology Development	05	9.293	10.963	11.297	11.628
111	0605015BL	Information Technology Development-Standard Procurement System (SPS)	05	5.002	N/A	N/A	N/A
		TOTAL DIRECT	05	14.295	10.963	11.297	11.628

R-1 Line Items No. 110 and 111
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Exhibit R-2, RDT&E Budget Item Justification						Date: February 2007		
APPROPRIATION/BUDGET ACTIVITY: 0400/05				R-1 ITEM 110 NOMENCLATURE Information Technology Development: 0605013BL				
COST ($ in Millions)	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
Total PE Cost	9.293	10.963	11.297	11.628	11.968	12,319	12.680	13.052
Systems Modification and Development	9.293	10.963	11.297	11.628	11.968	12,319	12.680	13.052

A. Mission Description and Budget Item Justification

This budget submission sustains our focus on Web-basing all new DCMA-unique software applications, and continues our push into Web Services software technology (i.e., machine-to-machine information exchanges between DCMA, our customers in the Military Services and Defense agencies, and the Defense industry, based upon the open-standard Extensible Markup Language [XML], Simple Object Access Protocol [SOAP], and so on). There are two primary reasons why DCMA is pursuing this direction. First, Web-based applications dramatically reduce the costs associated with fielding new software mission capabilities. (Only a limited handful of central servers need to be updated rather than thousands of employees' desktop computers.) Second, Web-basing and Web Services make DCMA's software applications much more adaptable to the ongoing and future changes in the Department's procurement and financial management systems that are being implemented in accordance with the Department's Business Enterprise Architecture. Also, this allows Military Services to achieve their desired real-time supply chain information "Reachback" capabilities that will extend all the way onto the factory floors where parts, components, and systems are being produced. All metrics tied to the funds in this exhibit have achieved a "green" status for prior year and currently.

   FY 2006 Plan
   ($9.293 million)In FY 2006 DCMA developed and tested new DCMA-unique automated information application
   modules that support: Defense Supply Chain "Reachback" via-the-Web capabilities; Public Key Infrastructure-
   enabled Web application modules; and developed FedEx-style wireless devices for Quality Assurance use in
   Defense material acceptance and remote data entry. Also, developed and tested DCMA's portal for external and
   internal customers; and developed and implemented Web Services software technologies (e.g., Simple Object
   Access Protocol, Universal Discovery and Description Integration, Web Services Description Language).
   FY 2007 - 2009 Plan
   In FY 2007(10.963), FY 2008 ($11.297), and FY 2009 ($11.628) DCMA will continue to test new DCMA-unique
   automated information application modules that will support: Defense Supply Chain "Reachback" via-the-Web
   capabilities; Public Key Infrastructure-enabled Web application modules; and development of FedEx-style
   wireless devices for Quality Assurance use in Defense material acceptance and remote data entry. Also funding
   includes the continuation of testing and improving DCMA's portals functionality for external and internal
   customers, and will continue developing and implementing Web Services software technologies (e.g., Simple
   Object Access Protocol, Universal Discovery and Description Integration, Web Services Description Language.

Exhibit R-2, RDT&E Budget Item Justification (Continued)					Date: February 2007		
APPROPRIATION/BUDGET ACTIVITY: 0400/05				R-1 ITEM 110 NOMENCLATURE Information Technology Development: 0605013BL			
COST ($ in Millions)	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
Total PE Cost	9.293	10.963	11.297	11.628	11.968	12,319	12.680	13.052
Systems Modification and Development	9.293	10.963	11.297	11.628	11.968	12,319	12.680	13.052

B. Program Change Summary:

	FY 06	FY 07	FY 08	FY 09
Previous President's Budget	19.293	11.005	11.230	11.011
Current BES/President's Budget	9.263	10.963	11.297	11.628
Total Adjustments				
Congressional Program Reductions		-.042		
Congressional Program Adds				
Inflation Adjustments				
Inflation Savings				
Internal Realignment				
Program Adjustment	-10.000		.067	.617

Exhibit R-2a, RDT&E Budget Item Justification							Date: February 2007	

APPROPRIATION/BUDGET ACTIVITY: 0400/05						R-1 ITEM 110 NOMENCLATURE Information Technology Development: 0605013BL		

COST (In Millions)	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13
Software Development	9.293	10.963	11.297	11.628	11.968	12.319	12.680	13.052
RDT&E Articles Quantity*	N/A							

A. Mission Description and Budget Item Justification

This budget submission sustains our focus on Web-basing all new DCMA-unique software applications, and continues our push into Web Services software technology (i.e., machine-to-machine information exchanges between DCMA, our customers in the Military Services and Defense agencies, and the Defense industry, based upon the open-standard Extensible Markup Language [XML], Simple Object Access Protocol [SOAP], and so on). There are two primary reasons why DCMA is pursuing this direction. First, Web-based applications dramatically reduce the costs associated with fielding new software mission capabilities. (Only a limited handful of central servers need to be updated rather than thousands of employees' desktop computers.) Second, Web-basing and Web Services make DCMA's software applications much more adaptable to the ongoing and future changes in the Department's procurement and financial management systems that are being implemented in accordance with the Department's Business Enterprise Architecture. Also, this allows Military Services to achieve their desired real-time supply chain information "Reachback" capabilities that will extend all the way onto the factory floors where parts, components, and systems are being produced. All metrics tied to the funds in this exhibit have achieved a "green" status for prior year and currently.

   FY 2006 Plan

   ($9.293 million)In FY 2006 DCMA developed and tested new DCMA-unique automated information application modules that support: Defense Supply Chain "Reachback" via-the-Web capabilities; Public Key Infrastructure-enabled Web application modules; and developed FedEx-style wireless devices for Quality Assurance use in Defense material acceptance and remote data entry. Also, developed and tested DCMA's portal for external and internal customers; and developed and implemented Web Services software technologies (e.g., Simple Object Access Protocol, Universal Discovery and Description Integration, Web Services Description Language).

   FY 2007 – 2009 Plan

   In FY 2007(10.963), FY 2008 ($11.297), and FY 2009 ($11.628) DCMA will continue to test new DCMA-unique automated information application modules that will support: Defense Supply Chain "Reachback" via-the-Web capabilities; Public Key Infrastructure-enabled Web application modules; and development of FedEx-style wireless devices for Quality Assurance use in Defense material acceptance and remote data entry. Also funding includes the continuation of testing and improving DCMA's portals functionality for external and internal customers, and will continue developing and implementing Web Services software technologies (e.g., Simple Object Access Protocol, Universal Discovery and Description Integration, Web Services Description Language).
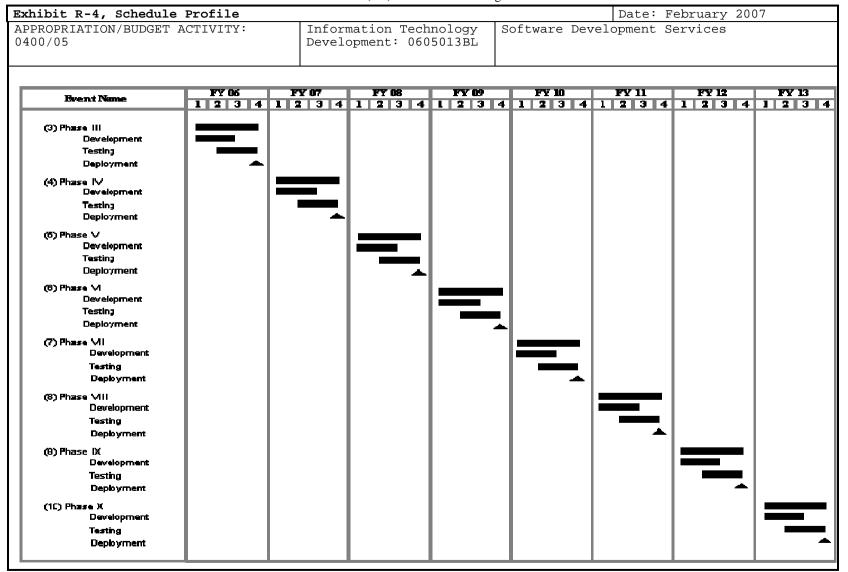
Exhibit R-2a, RDT&E Budget Item Justification (Continued)			Date: February 2007	

B. Accomplishments/Planned Program: (in 000s)

Accomplishment/Effort/Subtotal Cost	FY 06	FY 07	FY 08	FY 09
Information Technology Development-Software Development	9.293	10.963	11.297	11.628
Reachback Web Network & Records Management Infrastructure	8.933	10.573	10.905	11.233
Other	.360	.390	.392	.395
RDT&E Article Quantity*	N/A	N/A	N/A	N/A

 Accomplishments:
FY06: Developed wireless equipment and E-Tools applications; developed and tested the DCMA portal.

FY07 – 09:   Develop and test IT solutions to improve DCMA management of its business, support evolving requirements for security, business architecture and electronic business, and improve the effectiveness and efficiency of DCMA through the use of automation to increase value to our Service and Defense Agency customers.

C. Other Program Funding Summary:

	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	To Complete	Total Cost
Total P-1 PDW	3.620	3.244	2.092	2.152	2.216	2.281	2.348	2.417	Cont	Cont
Total O&M	108.336	92.780	92.669	87.454	89.613	89.451	88.674	89.716		

D.   Acquisition Strategy: Contractors are utilized to perform specialized functions such as software development and testing. A number of mini competitions are held with Federal Supply Schedule, Government Wide Acquisition Contracts, and DCMA Basic Purchasing Agreement Vendors.

E. Major Performers:
In FY06, software development and testing was contracted out to Wireless Facilities Incorporated (WFI) of Springfield, VA; Bearing Point of Springfield, VA; and Synergy of Washington, DC. WFI and Synergy are both small businesses. Award dates for software development are October 1 of each fiscal year.

Exhibit R-3 Cost Analysis														Date: February 2007	

APPROPRIATION/BUDGET ACTIVITY: 0400/05				Information Technology Development: 0605013BL			Systems Modification and Development								

Cost Categories	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 06 Cost	FY 06 Award Date	FY 07 Cost	FY 07 Award Date	FY 08 Cost	FY 08 Award Date	FY 09 Cost	FY 09 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Software Development	Various	Various	29.655	9.293	NLT 09/06	10.963	NLT 09/07	11.297	NLT 09/08	11.628	NLT 09/09	Cont.	Cont.	N/A

Remarks: DCMA Information Technology covers those efforts associated with the development of DCMA-unique mission software applications. DCMA will issue several contracts that will transform the current 21 DCMA –unique automated information systems into a more modern and more easily administered set of functionalities.

Exhibit R-4, Schedule Profile	Date: February 2007

APPROPRIATION/BUDGET ACTIVITY: 0400/05	Information Technology Development: 0605013BL	Software Development Services

Event Name	FY 06				FY 07				FY 08				FY 09				FY 10				FY 11				FY 12				FY 13			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4

(3) Phase III
    Development
    Testing
    Deployment

(4) Phase IV
    Development
    Testing
    Deployment

(5) Phase V
    Development
    Testing
    Deployment

(6) Phase VI
    Development
    Testing
    Deployment

(7) Phase VII
    Development
    Testing
    Deployment

(8) Phase VIII
    Development
    Testing
    Deployment

(9) Phase IX
    Development
    Testing
    Deployment

(10) Phase X
    Development
    Testing
    Deployment

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Exhibit R-4a, Schedule Detail								Date: February 2007
APPROPRIATION/BUDGET ACTIVITY: 0400/05	Information Technology Development: 0605013BL				Software Development Services			
	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13
Phase III – Development	1Q06							
Phase III – Testing	2Q06							
Phase III – Deployment	3-4Q06							
Phase IV – Development		1Q07						
Phase IV – Testing		2Q07						
Phase IV – Deployment		3-4Q07						
Phase V – Development			1Q08					
Phase V – Testing			2Q08					
Phase V - Deployment			3-4Q08					
Phase VI – Development				1Q09				
Phase VI – Testing				2Q09				
Phase VI - Deployment				3-4Q09				
Phase VII – Development					1Q010			
Phase VII – Testing					2Q010			
Phase VII - Deployment					3-4Q10			
Phase VIII – Development						1Q011		
Phase VIII – Testing						2Q011		
Phase VIII - Deployment						3-4Q11		
Phase IX – Development							1Q012	
Phase IX – Testing							2Q012	
Phase IX - Deployment							3-4Q12	
Phase X – Development								1Q013
Phase X – Testing								2Q013
Phase X - Deployment								3-4Q13

Exhibit R-2, RDT&E Budget Item Justification				Date: February 2007			
Appropriation/Budget Activity: 0400D/05				R-1 Item 111 Nomenclature: Information Technology Development-Standard Procurement System (SPS): 0605015BL			
Cost ($ in millions)	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY12-FY13
Total PE Cost	5.002	N/A	N/A	N/A	N/A	N/A	N/A
Standard Procurement System (SPS)	5.002	N/A	N/A	N/A	N/A	N/A	N/A

A. Mission Description and Budget Item Justification

DoD initiated the Standard Procurement System (SPS) in 1994 to enhance readiness and support to Warfighters through standardization and optimization of procurement systems and activities. SPS is currently supporting over 21,000 users in the field and is the largest standard business system in DoD. The program is designed to enable compliance with Acquisition Reform, align with expanded DoD goals and missions, and replace legacy systems with a single standard procurement system. To date in fiscal year 2005, operational procurement professionals relied on SPS to complete contracts awards in excess of 103 billion dollars.

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

Exhibit R-2, RDT&E Budget Item Justification (Continued)	Date: February 2007

A.   Mission Description and Budget Item Justification (Continued)

2) Strategic Management of Human Capital - The President's Management Agenda focuses on concerns over a declining federal workforce, which moves skills out of balance with the needs of the public it serves. Part of the Administration's expressed initiative is to adopt information technology systems to capture some of the knowledge and skills of retiring employees. The Standard Procurement System (SPS) supports this initiative through its web-accessible Knowledge Base that shares information throughout the Department of Defense's (DoD's) procurement community. In addition, the SPS contains an extensive on-line help feature that provides step-by-step guidance in using the software for both functional users and system administrators. It also contains an easily accessible Reference Library with links to a wide variety of procurement reference materials (regulations, manuals, policy documents) via web sites. Further, the system provides access to local procedures and policy guides which can be tailored for each location. The SPS Program is currently implementing web-based training for Version 4.2 Increment 3.

3) Competitive Sourcing - The President's Management Agenda focuses on achieving efficient and effective competition between public and private sources. The SPS, which is the result of a competitive contracting initiative, supports this agenda by utilizing a commercial software application as the basis for its automated system. When the concept of the standard procurement system began, it was envisioned that the target system would utilize the "best of the breed" from Government-owned and operated migration systems. A model of Procurement was constructed in 1992 and was used to aid in the selection of migration systems. Later, the Procurement Corporate Information Management Council determined that a commercial industry product should be acquired and then modified to meet the Department of Defense needs. In addition to providing the basic software application, industry provides the Help Desk functions, program management support, training, installation, on-site support, interfaces and any other modules or support services needed to maintain the Standard Procurement System.

Exhibit R-2, RDT&E Budget Item Justification (Continued)	Date: February 2007

A.   Mission Description and Budget Item Justification (Continued)

4)   Improved Financial Performance – The President's Management Agenda focuses on ensuring that federal financial systems produce accurate and timely information to support operating, budget and policy decisions. The SPS is listed as a critical feeder system in the DoD Financial Management Improvement Plan. As such, the SPS automates the capture of contractual obligations and, through interfaces with DoD financial systems, provides improved visibility for funds tracking and enables more rapid release of excess funds (thus contributing to the unqualified audit opinion). The single data entry and shared standard data reduces the opportunity for error in matching disbursements with obligations. The re-engineered reporting processes for the Federal Procurement Data System enables acceleration of end-of-year reporting and provides greater visibility into DoD obligations, enabling more informed operational decisions. Version 4.2 Increment 3, which will comply with the Federal Financial Management requirements, successfully completed the Business Management Modernization Program (BMMP) approval process.

5)   Budget and Performance Integration – The President's Management Agenda focuses on linking budget decisions with performance (measurable outcomes). The SPS supports performance-based service acquisitions. Internal to the Program Office, performance criteria and monitoring mechanisms are put in place to measure contractor performance. For example, Version 4.2 Increment 3 delivery order has set forth performance based payments based upon achievement of specific events or accomplishments that are defined and valued in advance by the Government and the contractor. In addition, the Program Office measures contractor performance on the Help Desk Order by monitoring metrics monthly for call volume and to ensure that the contractor is meeting the performance criteria. When working on service requests, the SPS Help Desk is required to meet target percentages for average response and average resolution times. The Program Office measures contractor performance on the Deployment Order by (1) successful execution of the deployment process and (2) a favorable rating on the Exit Checklist. A deployment process is executed successfully if an installation or upgrade is completed within benchmark timeframes that are based on hardware configurations. The Exit Checklist is completed by sites following the installation or upgrade of the SPS software and returned to the Program Office's Contracting Officer within 7 days. The contractor receives 70% of payment upon successful completion of the installation or upgrade. The remaining 30% of the payment is issued upon receipt of a favorable rating on the Exit Checklist. If the contractor exceeds the benchmark timeframe or receives an unfavorable rating on the Exit Checklist, penalties are appropriately applied. The Deployment delivery order currently meets all the criteria of a performance-based acquisition: (1) the work is stated in terms of outcomes/results (2) there are measurable performance standards and (3) there is a mechanism for price reduction if outcomes are not met. All new contract actions that obligate service dollars will be performance based acquisitions to the maximum extent possible. Payments will not be authorized until satisfactory contractor performance has been demonstrated.

Exhibit R-2, RDT&E Budget Item Justification (Continued)	Date: February 2007

B.   Program Change Summary:

	FY06	FY07	FY08
Previous President's Budget (PB07)	5.002	0.000	0.000
Current BES/POM08 Budget	5.002	0.000	0.000
Total Adjustments	0.000	0.000	0.000

      Congressional Program Reductions

      Congressional Rescissions

      Congressional Increases

      Reprogramming

      SBIR/STTR Transfer

      Transfers

      Inflation Adjustment

      Agency Reductions

Completed the development, delivery and test of a stand-alone version of SPS which can be installed or upgraded in the field without JPMO support. Completed the development, delivery and test of two versions of the eSF-44 to support contingency contracting in Iraq and the Horn of Africa. Acquired an IATO for testing of 4.2.3. Completed the development, delivery and test of a Service Release on the 4.2.2 product. Completed the development, delivery and test of a Service Release for the FPNS-NG engine. Completed the development, delivery and test of a PD2 adapter 2.3. Completed the development, delivery and test of the web-based training for 4.2.3. Completed the development of the 4.2.3 product – initial product received in February and the integrated product was received in July06. Completed the GV&V of the initial 4.2.3 product and the 4.2.3 integrated product. The magnitude of these efforts resulting in future software changes is expected to be significant; therefore, software changes are budgeted in RDT&E.

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

Funding in the out years (FY07 thru FY11) were transferred from Defense Contract Management Agency (DCMA) PE to Business Transformation Agency (BTA) PE. The following amounts were transferred to BTA per Program Budget Decision (PBD) 721: FY07 = $4.624 Million, FY08 = $3.610 Million, FY09 = $3.814 Million, FY10 = $3.915 Million, and FY11 = $4.018 Million.

Exhibit R-2, RDT&E Budget Item Justification (Continued)	Date: February 2007

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

D. Acquisition Strategy: Displayed on R-2a

E. Performance Metrics:

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

Version 4.2 Increment 3, which was delivered to the JPMO for testing on 21 July 2006, continues to use the proven process implemented with Version 4.2 Increment 1 and continued with Version 4.2 Increment 2. An incremental development strategy is being used during the development of Version 4.2 Increment 3. This incremental development will include interim build(s) and one final build. The result will be total package fielding approach once the final build has been accepted by the SPS JPMO. During the development process, the Government has inserted decision points (go, no go) at build review period prior to payment authorization. These decisions are based on demonstrated acceptable performance in accordance with the contract requirements.

Exhibit R-2a, RDT&E Budget Item Justification						Date: February 2007	
APPROPRIATION/BUDGET ACTIVITY: 0400D/05						R-1 Item 111 Nomenclature: Information Technology Development-Standard Procurement System (SPS): 0605015BL	

COST (In Millions)	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY12 –FY13
Standard Procurement System (SPS)	5.002	N/A	N/A	N/A	N/A	N/A	N/A
RDT&E Articles Quantity*	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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

B. Accomplishments/Planned Program:

Accomplishment/Effort/Subtotal Cost ($M)	FY06	FY07	FY08
Standard Procurement System (SPS)	5.002	N/A	N/A
SPS Product (PD2)/Service Releases/Enterprise Adapter/Data Mapping/BRCCS/Technology Insertion	1.774	N/A	N/A
Testing (JITC, IV&V, SAT, LSVT)	2.382	N/A	N/A
Technical Support	0.846	N/A	N/A
RDT&E Articles Quantity*	N/A	N/A	N/A

Exhibit R-2a, RDT&E Budget Item Justification (Continued)	Date: February 2007

B. Accomplishments/Planned Program: Continued

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

The Version 4.2 Increment 2 software application is integrated with adaptive technology that presents SPS data in an open Extensible Markup Language (XML) format. This allows data mapping from the application directly to the required legacy formats or through the Defense Electronic Business Exchange to interfacing systems. In support of the adaptive technology, to date, SPS has developed 96 distinct translators that apply 5,480 unique business rules to incoming/outgoing SPS and legacy transactions. As of November 2006, Version 4.2 Increment 2 was deployed to 20,104 users.

Version 4.2 Increment 3 successfully completed the Business Management Modernization Program (BMMP) approval process in October 2003 and was placed under contract. Version 4.2 Increment 3 will increase system performance, enhance functional capabilities, maximize modular solution sets, and expand integration among the logistics, procurement, and financial communities of the DoD using web-based technology. The Increment 3 product will evolve through 5 software builds. Build 4 was delivered to the Government in August 2005 for joint testing. Build 5 was delivered on 21 July 2006 and is currently undergoing joint testing.

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

C. Other Program Funding Summary:

	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY12-FY13	Total Complete	Cost
P-1 Line Item No 33, Standard Procurement System (SPS):	8.286	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total O&M Funds:	13.036	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

D.   Acquisition Strategy:

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

E.   Major Performers:

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

Exhibit R-3 Cost Analysis												Date: February 2007
APPROPRIATION/BUDGET ACTIVITY: 0400D/05			Information Technology Development- Standard Procurement System (SPS): 0605015BL							R-1 Item 111 Nomenclature: Information Technology Development- Standard Procurement System (SPS): 0605015BL		
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 06 Cost	FY 06 Award Date	FY 07 Cost	FY 07 Award Date	FY 08 Cost	FY 08 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Product Development												
SPS Product (PD2)/Service Releases/Enterprise Adapter/Data Mapping/BRCCS/Technology Insertion	C – FFP SS – FFP	CACI Fairfax/ Arlington, Va Evolutionary Technologies Inc. Austin, TX	37.692	1.774	QTR 1 & QTR 2	N/A	QTR 1 & QTR 2	N/A	QTR 1 & QTR 2	N/A	N/A	N/A

Remarks: Version 4.2 Increment 3 will increase system performance, enhance functional capabilities, maximize modular solution sets, and expand integration among the logistics, procurement, and financial communities of the DoD using web-based technology. Version 4.2 Increment 3 delivered for testing July 2006.

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

Exhibit R-3 Cost Analysis (page 2)												Date: February 2007
APPROPRIATION/BUDGET ACTIVITY: 0400D/05			Information Technology Development- Standard Procurement System (SPS): 0605015BL									R-1 Item 111 Nomenclature: Information Technology Development- Standard Procurement System (SPS): 0605015BL
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 06 Cost	FY 06 Award Date	FY 07 Cost	FY 07 Award Date	FY 08 Cost	FY 08 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Support Costs	Various	Various (under $1M)	4.463	0.846	QTR 1 & QTR 2	N/A	QTR 1 & QTR 2	N/A	QTR 1 & QTR 2	N/A	N/A	N/A

Remarks: Key to the program's well being is continued configuration management and compliance with DoD 5000 regulations.

Cost Categories	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 06 Cost	FY 06 Award Date	FY 07 Cost	FY 07 Award Date	FY 08 Cost	FY 08 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Test & Evaluation	MIPR	Joint Interoperability Test Command (JITC) Fairfax, VA	7.041	2.382	QTR 1	N/A	QTR 1	N/A	QTR 1	N/A	N/A	N/A

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

Exhibit R-4, Schedule Profile		Date: February 2007
APPROPRIATION/BUDGET ACTIVITY: 0400D/05	Information Technology Development-Standard Procurement System (SPS): 0605015BL	R-1 Item 111 Nomenclature: Information Technology Development-Standard Procurement System (SPS): 0605015BL

Fiscal Year	FY 03				FY 04				FY 05				FY 06				FY 07				FY 08				FY 09				FY 10			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4

Schedule items:
- (1) v4.2.3 Contract Award — ▲1 (FY04 Q1)
- v4.2.3 Build 3 Government Validation & Verification (FY04 Q3)
- v4.2.3 Build 3A Government Validation & Verification (FY05 Q1)
- v4.2.3 Build 4 Development (FY04 Q4 – FY05 Q3)
- v4.2.3 Build 4 Government Validation & Verification (FY05 Q4)
- v4.2.3 Build 5 Development w/CAS (FY04 Q4 – FY06 Q4)
- v4.2.3 Build 5 Government Validation & Verification (FY07 Q1)
- (2) v4.2.3 Milestone C Review — ▲2 (FY07 Q2)
- v4.2.3 System Acceptance Testing (FY07 Q2)
- (3) v4.2.3 Full Deployment Decision Review — ▲3 (FY07 Q3)
- v4.2.3 Pilot Testing (FY07 Q4)
- v4.2.3 Deployment (FY08 Q1 – FY09 Q3)

Exhibit R-4a, Schedule Detail				Date: February 2007				
PROPRIATION/BUDGET ACTIVITY: 0400D/05	Information Technology Development-Standard Procurement System (SPS): 0605015BL			R-1 Item 111 Nomenclature: Information Technology Development-Standard Procurement System (SPS): 0605015BL				
	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10
v4.2.3 Contract Award	1Q						
v4.2.3 Build 3 Government Validation & Verification	4Q						
v4.2.3 Build 3A Government Validation & Verification		1Q					
v4.2.3 Build 4 Development	3Q-4Q05						
v4.2.3 Build 4 Government Validation & Verification		4Q-1Q06					
v4.2.3 Build 5 Development w/CAS	3Q-1Q07						
v4.2.3 Build 5 Government Validation & Verification			4Q-1Q07				
v4.2.3 Milestone C Review				2Q			
v4.2.3 System Acceptance Testing				2Q			
v4.2.3 Full Deployment Decision Review				4Q			
v4.2.3 Pilot Testing				3Q-4Q			
v4.2.3 Deployment					1Q-4Q09		