EXHIBIT P-40, BUDGET ITEM JUSTIFICATION									DATE February 2004		

APPROPRIATION (TREASURY) CODE/CC/BA/BSA/ITEM CONTROL NUMBER Procurement, Defense-Wide OSD, Long Range Planning and Analytical Support Program									P-1 ITEM NOMENCLATURE Major Equipment, OSD		

PROGRAM ELEMENT FOR CODE B ITEMS:				OTHER RELATED PROGRAM ELEMENTS							

Procurement Items	ID Code	Prior Years	PY FY 2003	CY FY 2004	BY FY 2005	BY+1 FY 2006	BY+2 FY 2007	BY+3 FY 2008	BY+4 FY 2009	To Comp	Total
Proc Qty			1	1	1	1	1	1	1		
Gross Cost			3.670	4.011	4.090	4.165	4.253	4.309	4.406	Continuing	28.904
Less PY Adv Proc											
Plus CY Adv Proc											
Net Proc (=P-1)			3.670	4.011	4.090	4.165	4.253	4.309	4.406	Continuing	28.904
Initial Spares											
Total Proc Cost			3.670	4.011	4.090	4.165	4.253	4.309	4.406	Continuing	28.904
Flyaway U/C											
Wpn Sys Proc U/C											

Description

OD/PA&E uses high-end computer servers and workstations, networks, in-house developed software, and other DoD developed simulation models and applications to perform to its mission and its daily business functions . These computers and networks integrated together provide OD/PA&E analysts with the following functionalities: Internet and SIPRNET accessing, e-mailing, electronic filing of data, electronic collection and processing of PPBES, FYDP, CCDR data, and word-processing. In addition, these sophisticated computer tools allow the OD/PA&E analysts to conduct research, studies, technical analyses, and collaborative studies within PA&E and with other DoD agencies, and provide the analysts with the flexibility of running simulation models as many times as deemed necessary to obtain a good modeling analysis with no additional computing charges.

The requested budget provides for 3-year life-cycle replacement for the computers, networks, and software. Thirty-three percent of hardware and software are replaced on an annual basis. Using the first-in-first-out inventory strategy, the oldest equipment is replaced every year. The 3-year life-cycle replacement strategy ensures that the computers and networks are maintainable, reliable, and usable as effective and efficient tools for the PA&E staff.

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