CHAPTER 4
PROCUREMENT APPROPRIATIONS
Table of Contents

0401 GENERAL 1
040101 Purpose 1
040102 Submission Requirements 1
040103 Not Used 1
040104 Guard and Reserve Procurement 1
040105 Subsystem Budget Estimates 1
040106 References 1
0402 PROCUREMENT EXHIBIT REQUIREMENTS 2
0403 PROGRAM AND BUDGET REVIEW SUBMISSION 3
040301 Purpose 3
040302 Submission Requirements 3
0404 CONGRESSIONAL JUSTIFICATION/PRESENTATION 8
040401 Purpose 8
040402 Organization of Justification Books 8
040403 Classification 10
040404 Comparison Reports 10
0405 PROCUREMENT APPROPRIATION SUBMISSION FORMATS 11
040501 Purpose. 11
040502 Exhibits in Support of Section 0401 - General 12

CHAPTER 4

★June 2004

PROCUREMENT APPROPRIATIONS

0401 GENERAL

040101 Purpose

This chapter provides instructions applicable to budget formulation and congressional justification for procurement and production activities.

040102 Submission Requirements.

General guidance with regard to submission requirements is presented in Chapter 1. Chapter 4 covers specific back-up material requirements for procurement accounts. The procurement accounts should also submit applicable exhibits required by other chapters in the FMR.

040103 Not Used

040104 Guard and Reserve Procurement

Exhibit P-1R, Procurement Program - Reserve Components. A separate P-1R exhibit showing quantities and costs of procurement items planned for the National Guard and Reserve will be prepared only with the President's budget submission. The P-1R exhibit is a subset of the Exhibit P-1, Procurement Program. The format is contained in Section 040502. Each Service will provide exhibits in spreadsheet format both electronically and in hard copy. OUSD(C) will consolidate the information into a single P-1R exhibit.

040105 Subsystem Budget Estimates

Any platform that includes funding for subsystems that are designated as Defense Acquisition Executive Summary (DAES) or Selected Acquisition Reporting (SAR) programs must identify the specific subsystem funding by fiscal year and by subsystem on the P-5 exhibits.

040106 References

Chapter 1, Section 0102, provides policies and definitions concerning costs that are to be financed by the procurement appropriations.

0402 PROCUREMENT EXHIBIT REQUIREMENTS

SUMMARY OF EXHIBIT REQUIREMENTS

	Exhibit	Appropriation
P-1	Procurement Program	All
P-1C	Procurement Program - Comparison Report	All
P-1M	Procurement Program- Modification Summary	Aircraft/Missiles
P-1R	Procurement Program-Reserve Components	All, except SCN
P-3a	Individual Modification Program	All, except SCN
P-5	Cost Analysis	All
P-5a	Procurement History and Planning	All, except SCN
P-5b	Analysis of Cost Estimates-Basic/Escalation	SCN
P-8a	Analysis of Ship Cost Estimates - Major Equipment	SCN
P-10	Advance Procurement Analysis	All, as applicable
P-17	Layaway and/or Distribution	All, as applicable
P-18	Initial and Replenishment Spares Requirements	All, except SCN
P-20	Requirements Study	All, as applicable
P-21	Production Schedule	All
P-21a	Production Schedule, All Types	PAA
P-22	Ammunition Inventory	Ammunition Accounts
P-23	Time Phased Requirements Schedule	All, as applicable
P-23a	Installations Data	All, as applicable
P-25	Production Support & Industrial Facilities Cost Analysis	All, as applicable
P-26	Maintenance of Inactive Facilities	PAA & as applicable
P-27	SCN Ship Production Schedule	SCN
P-29	SCN Outfitting Costs	SCN
P-29a	SCN Outfitting Costs-Comparison	SCN
P-30	SCN Post Delivery Costs	SCN
P-30a	SCN Post Delivery Costs-Comparison	SCN
P-35	Major Ship Component Fact Sheet	SCN
P-36	Depot Level Ship Maintenance Schedule	OPN
P-40	Budget Item Justification Sheet	All
P-40a	Budget Item Justification for Aggregated Items	All
MYP-1	Multiyear Procurement Criteria	All, as applicable
MYP-2	Total Program Funding Plan	All, as applicable
MYP-3	Contract Funding Plan	All, as applicable
MYP-4	Present Value Analysis	All, as applicable

0403 PROGRAM AND BUDGET REVIEW SUBMISSION

040301 Purpose

This section prescribes instructions for the preparation and submission of the budget estimates for the procurement appropriations. Unless otherwise specified, these instructions apply to all procurement appropriations and to all budgets. See Chapter 1, Section 0104, for specific printing requirements.

040302 Submission Requirements

A. This Section provides guidance for the preparation of material to support the program and budget review submission and President's budget request. Information contained in the budget requests should be unclassified. Where classified information is required in order to explain the program, the classified material will be provided under separate cover and appropriately marked.

B. Each backup book will include an Exhibit P-1, Procurement Program, specific exhibits for those items covered by the backup book, and a listing of acronyms and definitions in the front of each back-up book to preclude spelling the acronyms on each exhibit page.

C. Each backup book will include a discussion of performance metrics in support of requests for program resources, as prescribed in Chapter 1, Section 010109. Where programs have participated with the Office of Management and Budget (OMB) in the completion of the Program Assessment Rating Tool (PART), the PART summary may be included to fulfill this requirement. Components may also use existing performance measures or create new ones in compliance with this requirement.

D. All applicable budget exhibits will be prepared for those programs with a funding value of $5 million or greater. For programs with a funding value less than $5 million, only the P-40 and P-40a exhibits are required.

E. All Exhibits P-20, Requirements Study, can be submitted in a separate backup book. The P-20 exhibits can also be consolidated by appropriation or as a single back-up book by each Service. If consolidated by Service, however, increase the number of copies provided to OUSD(C) P/B Investment by the number of appropriations included in the backup book.

F. Exhibits will display the actual fiscal years (i.e., PYs, FY *2004*, FY *2005*, FY *2006*, FY *2007*, FY 200*8*, FY *2009*, FY *2010*, and FY *2011*.) rather than the template entries (i.e., PYs, PY, CY, BY1, BY2, BY2+1, BY2+2, BY2+3, and BY2+4).

G. If an amended budget is submitted, identify the revised budget exhibits accordingly.

H. All pages will be annotated with the applicable P-1 line item number and page number within the line item (Item 1-1 of 5, 1-2 of 5, 2-1 of 1, 3-1 of 20, etc.) at the bottom center or bottom right of each exhibit page. Be consistent for all pages of the backup book.

I. The exhibits will be aggregated in the following order for each P-1 line item, as applicable to that line item and submitted in P-1 line item order.

Arrangement of Exhibits - General

P-1	Procurement Program
P-1C	Procurement Program - Comparison Report
P-40	Budget Item Justification
P-40a	Budget Item Just for Aggregated Items
MYP 1-4	Multiyear Procurement Analysis
P-10	Advance Procurement Analysis
P-5	Cost Analysis
P-5a	Procurement History and Planning
P-21	Production Schedule
P-23	Time Phased Requirements Schedule
P-23a	Installations Data
P-36	Depot Level Ship Maintenance Schedule (OPN only)
P-25	Production Support and Industrial Facilities Cost Analysis
P-17	Layaway and/or Distribution
P-18	Initial and Replenishment Spares Requirements
P-20	Requirements Study

Arrangement of Exhibits for Modifications

P-1	Procurement Program
P-1M	Modification Summary
P-40	Budget Item Justification
MYP 1-4	Multiyear Procurement Analysis
P-3a	Individual Modification Program
P-40a	Budget Item Just for Aggregated Items

Arrangement for Ship Procurement Accounts

P-1	Procurement Program
P-1C	Procurement Program - Comparison Report
P-40	Budget Item Justification
MYP 1-4	Multiyear Procurement Analysis
P-10	Advance Procurement Analysis
P-5	Cost Analysis
P-5b	Analysis of Cost Estimate-Basic/Escalation
P-27	Ship Production Schedule
P-8a	Analysis of Ship Cost Estimates - Major Equipment
P-29	Outfitting Costs
P-30	Post Delivery Estimates
P-35	Major Ship Component Fact Sheet

Arrangement for Ammunition Accounts

P-1	Procurement Program
P-1C	Procurement Program - Comparison Report
P-40	Budget Item Justification
P-40a	Budget Item Just for Aggregated Items
P-5	Cost Analysis
P-5a	Procurement History and Planning
P-21	Production Schedule
P-21a	Production Schedule, All types
MYP 1-4	Multiyear Procurement Analysis
P-25	Production Support and Industrial Facilities Cost Analysis
P-17	Layaway and/or Distribution
P-26	Maintenance of Inactive Facilities

P-22 Ammunition Inventory
P-18 Initial and Replenishment Spares Requirements
P-20 Requirements Study

For ammunition "Items Under $5 Million" P-1 line items, only the P-40 and P-40a, showing both quantity and funding for each item, will be included in the backup book. Even though individual P-21 exhibits are not required for these items, their deliveries should be included in the Exhibit P-21a.

Chemical Agents and Munitions Destruction

The Chemical Agents and Munitions Destruction, Defense appropriation contains multiple types of funds (RDT&E, procurement, and O&M) in separate budget activities. While the RDT&E and O&M efforts may be incrementally funded, the procurement program must comply with the full funding policy. The Army is to provide the justification book in accordance with the following.

Table of Contents
Appropriation Language
Program and Financing
Object Classification
Appropriation Justification
Part I Purpose and Scope
Part II Justification of Funds Required
Part III Program Description and Milestone Chart

Budget Activity 1: Research and Development
Part I Purpose and Scope
Part II Justification of Funds Required
Part III Financial Summary
RDT&E RDT&E Exhibits (See Chapter 5)

Budget Activity 2: Procurement
Part I Purpose and Scope
Part II Justification of Funds Required
Part III Financial Summary
P-40 Budget Item Justification
P-5 Cost Analysis
P-5a Procurement History & Planning

Budget Activity 3: Operation and Maintenance
Part I Purpose and Scope
Part II Justification of Funds Required
Part III Financial Summary
OP-5 (Pt 1) Decision Unit/Budget Activity Summary (See Chapter 3)
OP-5 (Pt 2) Activity Group Detail, Including a Reconciliation of Increases and Decreases (See Chapter 3)
OP-32 Summary of Price and Program Changes (See Chapter 3)

I. Preparation of Material. Formats and examples of the exhibits are contained in Section 0404. Except for the items listed below, instructions are included either on the exhibit or following the exhibit.

1. Repricing Report. One copy of the “Ship Cost Adjustment Report“ must be submitted by 1 July. The report must include the following information:

a. A comparison of the previously approved SCA position to the recommended SCA position, by ship type (end cost/subhead) by P-5 category. In addition to individual program adjustments, this comparison should be summarized by total TOA adjustments in each fiscal year.

b. The SCA position by ship type by P-5 category with associated accounting data, i.e., gross obligations and expenditures.

c. A listing of all transfers, both below threshold and those requiring congressional approval (DD 1415s) for the current and expired years.

d. All adjustments within a cost growth or escalation line by ship program.

e. Latest delivery date information and percentage of physical completion of all undelivered ships.

f. Amount of required extended obligation authority for the expiring program year by line item and the associated Obligation Work Limiting Date by ship hull.

g. A list of all major shore spares and characteristic changes, and associated costs, included in the SCA.

h. A report on basic construction costs estimated at completion (EAC) by individual contract for all ships still within the SCN envelope. This report should compare the current contract status to the Navy's SCA projection as well as the contractor's estimate. This report should be submitted on July 1 and quarterly thereafter.

2. A 4-column ship list and Derivation of Cost Growth/Escalation exhibit will be provided with each budget submission.

3. For each ship basic construction award during the current program period, contract award information referred to as the "Stevens Report" must be submitted to OSD at the same time the report is forwarded to Congress.

J. Armament Retooling and Manufacturing Support (ARMS) Program/Procurement of Ammunition, Army - OMB Circular No. A-11 Requirements.

The Army is required to submit the following exhibits required by OMB Circular No. A-11 for the Armament Retooling and Manufacturing Support (ARMS) program. Consult OMB Circular No. A-11, Section 85 for instructions pertaining to the completion of the required exhibits. For completion of OMB submission requirements, as well as apportionment to be approved by OUSD(C) for the ARMS guarantee loan program, each individual loan must be supported by the following exhibits:

1. A narrative statement describing the location, name of business, kind of business, name of lender, and guaranteed loan terms, the government's subsidy cost and rate; and the Army's point of contact at the site and at Army Materiel Command.

2. Schedule P: Program and Financing Schedule for the ARMS Initiative Guaranteed Loan Financing Account (one for each guarantee).

3. Schedule H: Status of Guaranteed Loans (one for each guarantee).

4. Schedule F: Balance Sheet (one for each guarantee).

5. Schedule U: Summary of Loan Levels and Subsidy Data (one for each guarantee and one consolidated).

0404 CONGRESSIONAL JUSTIFICATION/PRESENTATION

040401 Purpose

This Section presents the backup book organization and the exhibit requirements for submission to Congress. Examples of budget exhibits can be found in Section 040502. See Chapter 1, Section 0104 for specific printing requirements.

040402 Organization of Justification Books

Justification material will be organized into a Committee Staff Procurement Backup Book. Section 010403 provides a detailed distribution schedule for the procurement backup books. A separate congressional committee backup book will be prepared for the President's budget request for each procurement appropriation. *Each backup book will include a discussion of performance metrics in support of requests for program resources, as prescribed in Chapter 1, Section 010109. Where programs have participated with the Office of Management and Budget (OMB) in the completion of the Program Assessment Rating Tool (PART), the PART summary may be included to fulfill this requirement. Components may also use existing performance measures or create new ones in compliance with this requirement.* These books should assembled as follows:

Committee Staff Procurement Backup Book
FY 20BY1/BY2 Budget Request
_____Appropriation

Section 1 - Summary Material
Table of Contents
P-1 listing (P-1 Exhibits will be prepared using the OUSD(C) automated system with input from the Services and Defense Agencies)

Section 2 - Budget Appendix Extract Language

Section 3 - Status of Completion of Prior Year Shipbuilding Program (if applicable). Provide a list of uncompleted ships as of Dec 31, 20PY. The first column should segregate the uncompleted ships by prior years, past years, and current year. The second and subsequent columns should identify the fiscal year in which the ships are to be completed.

Section 4 - P-1 Line Item Detail. Except for specific changes addressed below, these books will contain the budget exhibits as specified in Section 040502, for all procurement line items for which a budget request of $5 million or greater is reflected in either of the two biennial budget years on the P-1 exhibit. For programs with a funding value less than $5 million, only the P-40 and P-40a exhibits are required. For current and past year programs, exhibits will be prepared for programs with a dollar value of $5 million or more in either year. The exhibits will be aggregated in the following order for each P-1 line item, as applicable to that line item and submitted in P-1 line item order.

Arrangement of Exhibits - General

P-1	Procurement Program
P-40	Budget Item Justification
P-40a	Budget Item Just for Aggregated Items
MYP 1-4	Multiyear Procurement Analysis
P-10	Advance Procurement Analysis
P-5	Cost Analysis
P-5a	Procurement History and Planning
P-21	Production Schedule (for ACAT I programs only)

P-25 Production Support and Industrial Facilities Cost Analysis
P-17 Layaway and/or Distribution
P-18 Initial and Replenishment Spares Requirements

Arrangement of Exhibits for Modifications
P-1 Procurement Program
P-1M Modification Summary
P-40 Budget Item Justification
MYP 1-4 Multiyear Procurement Analysis
P-3a Individual Modification Program
P-40a Budget Item Just for Aggregated Items

Arrangement for Ship Procurement Accounts
P-1 Procurement Program
P-40 Budget Item Justification
MYP 1-4 Multiyear Procurement Analysis
P-10 Advance Procurement Analysis
P-5 Cost Analysis
P-5b Analysis of Cost Estimate-Basic/Escalation
P-27 Ship Production Schedule
P-8a Analysis of Ship Cost Estimates - Major Equipment
P-29 Outfitting Costs
P-30 Post Delivery Estimates
P-35 Major Ship Component Fact Sheet

Arrangement for Ammunition Accounts
P-1 Procurement Program
P-40 Budget Item Justification
P-40a Budget Item Just for Aggregated Items
P-5 Cost Analysis
P-5a Procurement History and Planning
MYP 1-4 Multiyear Procurement Analysis
P-25 Production Support and Industrial Facilities Cost Analysis

Chemical Agents and Munitions Destruction

The Chemical Agents and Munitions Destruction, Defense appropriation contains multiple types of funds (RDT&E, procurement, and O&M) in separate budget activities. While the RDT&E and O&M efforts may be incrementally funded, the procurement program must comply with the full funding policy. The Army is to provide the justification book in accordance with the following.

Table of Contents
Appropriation Language
Program and Financing
Object Classification
Appropriation Justification
Part I Purpose and Scope
Part II Justification of Funds Required
Part III Program Description and Milestone Chart

Budget Activity 1: Research and Development

Part I	Purpose and Scope
Part II	Justification of Funds Required
Part III	Financial Summary
RDT&E	RDT&E Exhibits (See Chapter 5)

Budget Activity 2: Procurement

Part I	Purpose and Scope
Part II	Justification of Funds Required
Part III	Financial Summary
P-40	Budget Item Justification
P-5	Cost Analysis
P-5a	Procurement History & Planning

Budget Activity 3: Operation and Maintenance

Part I	Purpose and Scope
Part II	Justification of Funds Required
Part III	Financial Summary
OP-5 (Pt 1)	Decision Unit/Budget Activity Summary (See Chapter 3)
OP-5 (Pt 2)	Activity Group Detail, Including a Reconciliation of Increases and Decreases (See Chapter 3)
OP-32	Summary of Price and Program Changes (See Chapter 3)

Section 5 - Military Construction. This section will be prepared for military construction projects (DD Form 1391) funded in the procurement appropriations.

040403 Classification

The budget justification material should be unclassified. All classified material should be submitted separately.

040404 Comparison Reports

A. Each Component will provide 3 copies of a computer run that compares the current President's budget submission to the previous President's budget submission and identifies the changes for each Procurement appropriation by P-1 line item and for those items that are aggregated in a P-1 line item (such as "Items Less than $5.0 Million). The report should also identify appropriation and budget activity totals for each fiscal year for the PY through BY2+4 timeframe. The totals for the appropriation and budget activities should also compare the current President's budget submission to the previous President's budget and provide the applicable changes. The comparison reports should be provided directly to OUSD(C), Director for Investment, Room 4B915, when the Component has finalized the current President's budget submission but no later than when the justification material receives final approval from the OUSD(C) for submission to the Congress. This report will not be included in the justification material provided to the Congress.

0405 PROCUREMENT APPROPRIATION SUBMISSION FORMATS

040501 Purpose.

A. The formats provided on the following pages reflect guidance presented in previous sections of this chapter.

B. Budget exhibits contained in this section will be prepared for all procurement line items for which a budget request of $5 million or greater is reflected in either of the two biennial budget years on the P-1 exhibit. For programs with a funding value less than $5 million, only the P-40 and P-40a exhibits are required.

C. Service-generated and Defense Agency-generated exhibits can be used in lieu of the following exhibits as long as they include all the information required by the following exhibits.

D. All formats will be prepared on 8 1/2 inch by 11 inch paper in landscape format.

E. Except for paragraph C above and unless modified in a submission budget call, these exhibits should be adhered to.

040502 Exhibits in Support of Section 0401 - General

P-1, Procurement Program 13
P-1M, Procurement Program - Modification Summary 14
P-1R, Procurement Program- Reserve Components 15
P-1C, Procurement Program - Comparison Report 18
P-5, Cost Analysis 23
P-5a, Procurement History and Planning 31
P-5b, Analysis of Ship Cost Estimate - Basic/Escalation 35
P-8a, Analysis of Ship Cost Estimate - Major Equipment 36
P-10, Advance Procurement Requirements Analysis 37
P-17, Layaway and/or Distribution 45
P-18, Initial and Replenishment Spares and Repair Parts Justification 47
P-20, Requirements Study 49
P-21, Production Schedule 52
P-21a, Production Schedule, All Types 54
P-22, Ammunition Inventory 55
P-23, Time Phased Requirements Schedule 57
P-23a, Installation Data 58
P-25, Production Support and Industrial Facilities Cost Analysis 61
P-26, Maintenance of Inactive Facilities 63
P-27, SCN - Ship Production Schedule 65
P-29, SCN Outfitting Costs 66
P-29a, SCN Outfitting Costs-Comparison 67
P-30, SCN Post Delivery Costs 68
P-30a, SCN Post Delivery Costs-Comparison 69
P-35, Major Ship Component Fact Sheet 70
P-36, Depot Level Ship Maintenance Schedule 72
P-40, Budget Item Justification 73
P-40a, Budget Item Justification for Aggregated Items 76
MYP-1, Multiyear Procurement Criteria 78
MYP-2, Total Program Funding Plan 80
MYP-3, Contract Funding Plan 81
MYP-4, Present Value Analysis 82

Exhibit P-1, Procurement Program

Department of the _____

Appropriation: _____ **Date: _____**

Budget Activity: _____

			TOA, $ in Millions							
P-1 Line	Item	Ident	Past Year		Current Year		Budget Year 1		Budget Year 2	
Item No	Nomenclature	Code	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

Exhibit P-1, Procurement Program

(Exhibit P-1, page 1 of 6)

Exhibit P-1M, Procurement Programs - Modification Summary
(TOA, $ in Millions)

System/ Modification	Prior Years	PY	CY	BY	BY1	BY2	BY2+1	BY2+2	BY2+3	BY2+4	To Complete	Total Program
EXAMPLE:												
A-10 Modifications												
AIM-9L Capability					*x.x*	*xx.x*	*x.x*				*xx.x*	
Chem/Bio Protection					-	-	x.x	x.x			x.x	
Outer Wing Fatigue Reskin				*x.x*	*x.x*	*x.x*	*x.x*				*x.x*	
Integrated Drive Generator					-	*x.x*	*x.x*	*x.x*			*xx.x*	
ALE-40 Correction of Def				-	*x.x*	*x.x*	*x.x*				*xx.x*	
Engine Monitoring Sys					*xx.x*	*xx.x*	*xx.x*	*xx.x*			*xxx*.x	
Skin & Lgnrn Strengthening					-	-	*x.x*	*x.x*			*x.x*	*x.x*
Total for A-10					*xx.x*	*xx.x*	*xx.x*	*xx.x*	*x.x*		*xxx.x*	
S-3 Modifications												
AIM-9L Capability				-	*x.x*	*xx.x*	*x.x*				*xx.x*	
Chem/Bio Protection				-	-	*x.x*	*x.x*				*x.x*	
Total for S-3				-	*x.x*	*xx.x*	*1xx.x*				*xx.x*	

Exhibit P-1M, Procurement Program - Modification Summary

(Exhibit P-1, page 2 of 6)

Exhibit P-1R Procurement Program - Reserve Components

Department of the _____

Appropriation: _____ **Date: _____**

Budget Activity: _____

			TOA, $ in Millions															
P-1 Line	Item	Ident	*PY*		*CY*		*BY*		*BY 1*		*BY 2*		*BY 2+1*		*BY 2+3*		*BY 2+4*	
Item No	Nomenclature	Code	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost

Examples:
F-16 Modifications
National Guard
Reserve

Exhibit P-1R, Procurement Program- Reserve Components

(Exhibit P-1, page 3 of 6)

Instructions
Exhibit P-1, Procurement Program
Exhibit P-1C, Procurement Program - Comparison
Exhibit P-1M, Procurement Program - Modification Summary
Exhibit P-1R, Procurement Program - Reserve Components

I. General

A. A summary by budget project/activity will be prepared for each appropriation, showing the amount for each project/activity and the total program for each appropriation. The detail of the consolidated line items in this entry should be available upon request. There should be no consolidation into a "Less than $5.0 million" line item for any line item requiring specific quantity authorization and for any Code B item.

B. Unless otherwise prescribed for a specific commodity area, only procurement line items with funding of $5.0 million or more will be listed individually. An item should be separately listed if funding of more than $5.0 million is included in any past or current year. Items less than $5.0 million should be consolidated into a single line item entry, "Items less than $5.0 million," under each budget activity.

C. Advance Procurement. Advance procurement should be debited and credited according to the leadtimes of the advance procurement. For instance, if FY *2002* and FY *2003* advance procurement funds are required for an FY *2004* procurement, the FY *2002* AP funds would be debited in FY *2002*, the FY *2003* AP funds would be debited in FY *2003,* and the total of the FY *2002* and FY *2003* AP funds would be credited in FY *2004.*

Advance Procurement

FY TOA	**FY *2002***	**FY *2003***	**FY *2004***	**FY *2005***	**FY 2006**
FY *2002* for FY *2004* (memo)	*.x*				
FY *2003* for FY *2004* (memo)		*.x*			
FY *2003* for FY *2005* (memo)		*x*			
FY *2004* (memo)			-*.x*		
FY *2004*for FY *2005* (memo)			*.x*		
FY *2004* for FY *2006* (memo)			*.x*		
FY *2005*(memo)				-*x*	
FY *2005* for FY 200*6* (memo)				*x*	
FY *2005* for FY 200*7* (memo)				*x*	

D. List each aircraft and missile type and model separately, for both new procurement and modifications. Each ship type, Outfitting, Post Delivery, Cost Growth, Escalation, Service Craft, and Landing Craft will be listed as separate line items.

E. Include initial and replenishment spares financed in procurement appropriations in a single line item. Indicate the amounts included for initial and replenishment spares separately as subentries. For this purpose, all spare aircraft engines shall be considered initial spares.

F. All line items will be double spaced.

G. Costs will be expressed in millions of dollars using one decimal place, i.e.:

($ in millions)
15.6

(Exhibit P-1, page 4 of 6)

Exhibit P-1 Instructions (Continued)

H. List the following Support Equipment and Facilities as separate line items:

Common Ground Equipment
Industrial Facilities
War Consumables
Other Production Charges
Classified Projects
Production Base Support
Space Programs (list separately)
Astronautics

I. Specific instructions.

Appropriation. Include the title and number of the appropriation, i.e., 2034A, Procurement of Ammunition, Army.

Budget Activity. Include the number and title of the budget activity, i.e., Budget Activity 04, Spare and Repair Parts.

Column 1: Include the P-1 line item number.

Column 2: Item Nomenclature. Identify the name of the program.

Column 3: Identification Code. The letter "A" or "B" will be entered in this column. Line items will be appropriately coded according to the status of the item at the time the exhibit is prepared as follows:

Code "A". Line items of material that have been approved for Service use. The term "approved for service use" means that:

Army. The item has been "type-classified as adopted type" (Standard) and excludes Limited Production type that is included in the development category.

Navy. The item has been approved for full rate production.

Air Force. The item has been approved for full rate production.

USSOCOM. The system is effective, suitable, safe, and logistically supportable. Release for Special Operations Forces is in conjunction with Milestone III production decision.

Code "B". Line items or material that have not been approved for Service use.

Columns 4-11: Self-explanatory.

(Exhibit P-1, page 5 of 6)

Exhibit P-1C, Procurement Program - Comparison Report

In addition to the instructions for the P-1, the P-1C Comparison Report will provide a comparison between the last President's budget request and the program and budget review submission for the program years. The comparison should be performed at the lowest level (by Procurement line item) and should include quantities. The report should also identify appropriation and budget activity totals for each fiscal year for the PY through BY2+4 timeframe. This report will not be included in the justification material provided to the Congress.

Exhibit P-1C, Procurement Program - Comparison Report

Exhibit P-1M, Procurement Program - Modification Summary

This exhibit will be prepared for all years reflected on the sample P-1M exhibit and will represent a summary by weapon system of all individual modifications that are requested for that weapon system.

Show the total procurement cost in millions using at least one decimal place for each individual modification and total cost for that weapon system or family of models of that weapon system. For example, all models of the F-4 aircraft would be included in the F-4 line (e.g. RF-4B, F-4B, F-4E, F-4G, etc., and all models of the AIM-7 missile would be included in the AIM-7 line (e.g. AIM-7E, AIM-7F, AIM-7M, etc.). Total modification cost will include only those costs budgeted in the individual P-1 line item, including installation costs.

Exhibit P-1R, Procurement Program - Reserve Components

In addition to the instructions for the P-1, Procurement Program, the P-1R line item entries will be exactly the same line item entries as the P-1. The Exhibit P-1R line items will include 2 sub-line items. One is for the National Guard and one is for the Reserve. Subtotal of the two lines is not required, but the total for the Reserve Components cannot exceed the amount of funding included in the P-1 line item. All procurement line items having funding for National Guard and Reserve requirements, including advance procurement, ammunition, and spares and repair parts, will be included in the P-1R exhibit.

Exhibit P-3a, Individual Modification

MODELS OF SYSTEMS AFFECTED: _____ TYPE MODIFICATION: _____ MODIFICATION TITLE: _____

DESCRIPTION/JUSTIFICATION:

DEVELOPMENT STATUS/MAJOR DEVELOPMENT MILESTONES:

FINANCIAL PLAN: (TOA, $ in Millions)

	Prior Yrs		PY-1		PY		CY		BY1		BY2		BY2+1		BY2+2		BY2+3		BY2+4		TC		Total	
	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$
RDT&E																								
PROC																								
A Kit NRE			25	2.0	10	1.0	15	1.5	15	1.5	25	2.0	25	2.0	25	2.0	25	2.0	90	7.5			255	21.5
A Kit			25	2.0	10	1.0	15	1.5	15	1.5	25	2.0	25	2.0	25	2.0	25	2.0	90	7.5			255	21.5
Comp A			25	2.5	10	1.0	15	1.5	15	1.5	25	2.5	25	2.5	25	2.5	25	2.5	90	9.0			255	25.5
Comp B			50	1.0	20	0.4	30	0.6	30	0.6	50	1.0	50	1.0	50	1.0	50	1.0	180	3.6			510	10.2
Comp C			75	3.6	30	1.5	45	2.2	45	2.2	45	2.2	45	2.2	45	2.2	45	2.2	270	13.0			765	36.7
Eqpt NRE																								
Eqpt																								
Eqpt A																								
Eqpt B																								
ECP 1 Gp A																								
ECP 1 Gp B																								
ECP 2 Gp A																								
ECP 2 Gp B																								
ECP 3 Gp A																								
ECP 3 Gp B																								
Data																								
Training Eq																								
SE																								
Other																								
Other																								
Other																								
ICS																								
Install Cost					25	.3	10	.1	15	.2	15	.2	25	.3	25	.3	25	.3	115	1.5			255	3.2
Total Proc																								

P-1 *Line*- Item No *X*\ *(Page X of X)*

Exhibit P-3a, Individual Modification

(Exhibit P-3a, page 1 of 4)

Exhibit P-3a, Individual Modification (Continued)

MODELS OF SYSTEMS AFFECTED: _____ MODIFICATION TITLE: _____

INSTALLATION INFORMATION:

METHOD OF IMPLEMENTATION: _____

ADMINISTRATIVE LEADTIME: Months PRODUCTION LEADTIME: Months

CONTRACT DATES: Prior Year:_____ Current Year:_____ Budget Year 1: _____ Budget Year 2: _____

DELIVERY DATES: Prior Year:_____ Current Year:_____ Budget Year 1: _____ Budget Year 2: _____

($ in Millions)

Cost:	Prior Yrs		PY-1		PY		CY		BY1		BY2		BY2+1		BY2+2		BY2+3		BY2+4		TC		Total	
	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$			Qty	$
(PY-25 kits)					15	0.2	10	0.1																
(FY(CY) 10 kits)									10	0.2														
(FY(BY1) - 15 kits)											10	0.2	5	0.1										
(FY(BY2) - 15 kits)													5	0.1	10	0.2								
(FY(BY2+1) - 25 kits)															10	0.2	15	0.3						
etc.																								
					15	0.2	10	0.1	10	0.2	10	0.2	10	0.2	20	0.4	15	0.3						

Installation Schedule

	PY	CY				BY1				BY2				BY2+1				BY2+2				BY2+3 etc.				TC	Total
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4		
In																											
Out																											

P-1 *Line* Item No *X*
(Page X of X)

Exhibit P-3a, Individual Modification
(Exhibit P-3a, page 2 of 4)

Instructions - Exhibit P-3a, Individual Modification

This exhibit will be submitted for all individual modification programs whose costs are greater than $5.0 million in budget year 1 or budget year 2. Because congressional approval must be obtained for new start programs with first year costs of over two million or more than $10 million within three years, a P-3a must be submitted for specific approval identifying those new start modifications. Use as many pages as necessary.

For Other Procurement appropriations, when only a simple modification kit is being procured and installation is being performed at the organizational level, there is no need to submit an Exhibit P-3a as long as the P-5 and P-21 include the necessary information.

The sample exhibit displays additional line items for equipment and group A installation kits. Tailor line item entries to the modification content. Use additional lines when quantities for these components differ from the quantity of end items being procured or when a unit cost comparison between years cannot be performed.

Model. Enter the model and series designation (i.e. A-10, AGM-86, F/A-18, etc.).

Classification. Enter the modification classification or type, i.e., safety, reliability, added capability, etc., as applicable.

Modification No. And Title: Identify the modification number and title.

Description/Justification: Provide a description of what additional capability is added to the system by this modification, and why the modification is necessary (i.e., to increase reliability, maintainability, or mission capability). If the modification is related to reliability and maintainability, indicate the current Mean-Time Between Failure (MTBF) rate of the system, what MTBF will be specified in the development/production contract, and the estimated annual savings. Identify all engineering change proposals included in the modification and provide a brief description of each and how they relate to the particular overall effort. Identify the operational requirement document (ORD) that validates the modification. Identify the quantity of aircraft in the inventory and the quantity that will receive the modification, as identified in the ORD. For example, the total objective for a radar modification might be 75 units at an estimated unit cost of $300,000 each or total cost of $23.5 million. Twenty units have been procured in prior years, 10 units are included in the budget year leaving 45 units to be procured in subsequent years. Identify when a different number of Group A and Group B kits are being procured (the ORD should also include this information). Identify the applicable quantity of National Guard and Reserve end items. Do not use abbreviations or acronyms of a highly technical nature. Spell the acronyms the first time and abbreviate thereafter.

Development Status/Major Development Milestones: Provide status of engineering effort testing and data package availability as of the budget submission date. Provide significant accomplished and planned milestone dates such as Preliminary Design Review (PDR), Critical Design Review (CDR), completion of Contractor Test and Evaluation (CTE), completion of Development Test and Evaluation (DTE), completion of Initial Operational Test and Evaluation (IOT&E), etc.

Financial Plan:

Note: Prior year column includes all funding from beginning of program through the Past Year -2 (PY-2). Quantities and costs should be provided for all applicable line items. PY-1, PY, and CY are the fiscal years currently available for obligation.

(Exhibit P-3a, page 3 of 4)

Exhibit P-3a Instructions (Continued)

RDT&E: Enter programmed RDT&E resources by fiscal year. These resources should be consistent with the Program Element Summary Data Sheets for RDT&E programs.

Procurement: Categories of cost shall be tailored to the individual system consistent with the program's approved work breakdown structure (WBS) elements or modification content. Sample categories are shown on the draft exhibit. Use as many line items as necessary to show this data. Enter the recurring and nonrecurring cost of the installation kits. Installation kits (Group A kits) are the provisions (cables, brackets, interface devices) necessary to prepare the system to accept the new equipment. Enter the recurring and nonrecurring cost of the equipment (Group B kits) to be installed (radar, ECM, engine etc.). If different quantities of kits are being procured for various engineering change proposals within a modification (or operational system improvement program), list the ECP A kit and ECP B kit as separate line item entries (i.e., a line item for the A kit and a line item for the B kit). Do not use an asterisk to indicate that the quantity cannot be shown because a mix of end items with different procurement quantities is being procured. This precludes the need for an addendum and presents all cost information together. Exhibits should reflect all costs and quantities from prior year (PY) through to complete (TC) because modifications procure a finite quantity.

Installation. The installation costs should be portrayed in the year of actual installation so that the total cost of the installation is portrayed for each year's procurement of end items. Procurement quantities and installation quantities reflected in the procurement detail should equal the quantity displayed in the installation schedule.

Method Of Implementation: Indicate how installation will be accomplished (Contractor, Depot field team, Depot modification line, etc.).

Contract Date: Enter the actual/estimated contract date (month/year, not quarter) for the item with the longest leadtime.

Production Delivery Date: Enter the actual/estimated production delivery dates (month/year, not quarter) for the initial item of installed equipment for the current year, budget year 1 (BY1), and BY2.

Installation Schedule: For all years of the program, show system inductions and modification completions by quarter. An installation schedule is required for all programs requiring installation funds, i.e., if the modification is being installed organically and no installation funds are required, then no schedule is required. The schedule will include completed inductions for total prior years, as well as planned inductions for all uninstalled equipment for CY, BY1, BY2, BY2+1, BY2+2, BY2+3, and BY2+4, To Complete and Total Program. Input and output must equal each other, as well as equal the total quantity of kits procured. Input and output refer to the start and end date of the modification into the aircraft (or end item). This information is required to determine when kits need to be procured. The input and output date is used as a barometer to determine the feasibility of the schedule (and thus, the procurement profile). For ongoing programs, identify the separate program using alpha or alpha-numeric suffixes to the current modification number. Include separate installation schedules for those items that have more than one method of implementation.

The P-3a should be readable after reproducing in a reduction mode. Use more than one page when necessary.

Delete all references and funding for those ECPs that were completed in prior years and for which no current or future year funding is required.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

(Exhibit P-3a, page 4 of 4)

Exhibit P-5 Cost Analysis	Weapon System	Date:
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number	D Code	P-1 Line Item Nomenclature

WBS COST ELEMENTS (Tailor to System/Item Rqmts)	Prior Years Total Cost	Prior Years Unit Cost	PY Unit Cost	PY Total Cost	CY Unit Cost	CY Total Cost	BY1 Unit Cost	BY1 Total Cost	BY2 Unit Cost	BY2 Total Cost
Quantity										
Airframes/CFE										
Engine/Accessories										
CFE Avionics										
GFE Avionics										
Armament										
ECO (Flyaway)										
Nonrecurring Costs										
Tooling										
Software Costs										
Other Costs										
Subtotal Flyaway										
Airframe PGSE										
Engine PGSE										
Avionics PGSE										
Peculiar Training Eqpt										
Publications/Tech Data										
ECO (Support Items)										
Other										
Subtotal Support Costs										
Gross-P-1 End Item Cost										
Less PY Adv Proc (by PY FY)										
Net P-1 Full Funding Cost										
Plus CY Adv Proc										
Other Non-P-1 Costs										
Initial Spares										
Total										

P-1 *Line* Item No *X*
(Page X of X)

Exhibit P-5, Cost Analysis
(Exhibit P-5, page 1 of 8)

Exhibit P-5 Cost Analysis (Page 2)	Weapon System	P-1 Line Item Nomenclature

WBS COST ELEMENTS (Tailor to Sys/Item Rqmts)	BY2+1 Unit Cost	BY2+1 Total Cost	BY2+2 Unit Cost	BY2+2 Total Cost	BY2+3 Unit Cost	BY2+3 Total Cost	BY2+4 Unit Cost	BY2+4 Total Cost	To Complete Costs	Total Costs
Quantity										
Airframes/CFE										
Engine/Accessories										
CFE Avionics										
GFE Avionics										
Armament										
ECO (Flyaway)										
Nonrecurring Costs										
Tooling										
Software										
Other Costs										
Subtotal Flyaway										
Airframe PGSE										
Engine PGSE										
Avionics PGSE										
Peculiar Training Eqpt										
Publications/Tech Data										
ECO (Support Items)										
Other										
Subtotal Support Costs										
Gross-P-1 End Item Cost										
Less PY Adv Proc (by PY FY)										
Net P-1 Full Funding Cost										
Plus CY Adv Proc										
Other Non-P-1 Costs										
Initial Spares										
Total										

P-1 *Line* Item No *X*
(Page X of X)

Exhibit

P-5, Cost Analysis

(Exhibit P-5, page 2 of 8)

Instructions - Exhibit P-5, Cost Analysis

Purpose. The purpose of this exhibit is to provide detailed cost information in support of Exhibit P-1 line items consistent with the appropriate work breakdown structure (WBS) elements for the program. It is essential that this exhibit be complete and accurate, as it is the most important exhibit in the backup book. Requirement exhibits and production schedules are related to the entries on this exhibit and it is used as the framework for line item review. The program and budget review submission will include P-5 exhibits containing information for all fiscal years (FYs) from prior years (PYs) through to complete years for all major (Acquisition Category (ACAT) 1) programs and through BY2 (as a minimum) for all other programs. The President's budget request backup justification books will include P-5 exhibits containing information for the FYs through BY2 for all programs including ACAT 1 programs. However, a P-5 exhibit (or an AF Form 1537) containing information for all FYs from PYs through to complete years for all ACAT 1 programs will be provided separately to OUSD(C) P/B, Room 4B915.

General. This exhibit will be prepared for all procurement programs for which funding is requested in the P-1. If two or more Services procure the same system, the P-5 exhibit cost elements should be as identical as possible except for Service unique requirements. A P-5 is not required for those programs that use a P-40a to display items included in an aggregated line item or if an Exhibit P-3a Modification Summary, has been prepared for a line item. If two or more Services procure the same system, the P-5 exhibit cost elements should be as identical as possible except for Service-unique requirements.

Entries:

Heading. Insert Appropriation, Budget Activity, and identification code (as identified on the P-1) in the appropriate block. Insert the Exhibit P-1 line item title and add after the title the subhead number for the line item in parenthesis.

Elements of Cost. Categories of cost shall be tailored to the individual system consistent with the program's approved work breakdown structure (WBS) elements. Standard categories are to be used for similar type systems; i.e. aircraft, ships, missiles, tanks, satellites, ammunition, etc.

Production support services. Use generic entries such as Production Engineering, Engineering Services, Quality Assurance, Acceptance Testing, Product Improvement, etc. Include the name of the performing activity (for example, Production Support - NOP Indian Head, or Material Handling - Iowa AAP) only when needed to further clarify the generic categories.

Quantity/Total Cost entries. The quantity related to any cost element will be stated in units (not thousands). Only those entries where quantitative measurement is applicable should have entries in the quantity column. For example, the term "1 set" should not be used for publications, entries, documentation, etc. If the item is not subject to quantitative measurement, leave the column blank. The total cost for a cost element entry will be shown in millions, using 3 decimal places, i.e., 1.225. Cost columns will be totaled.

Advance Procurement Funding. Add (debit) the advance procurement funding in each fiscal year and subtract the advance procurement funding (credit) from the fiscal year the advance procurement supports. Ensure the credit is against the correct fiscal year (check leadtimes). Generally, Advance Procurement debits and credits will net to zero in the "total costs" column.

Initial Spares. Add initial spares funding to the net weapon system/end item cost.

Unit Cost. The unit cost should be displayed for each flyaway cost element on the P-5. This should be a manual entry, not computed. Otherwise, there could be lost budget authority if a reviewer (OSD, GAO, or congressional staff) asks to see the unit cost for a particular item from the contract. The last entry line, or overall weapon system unit cost, for each FY is the procurement unit cost.

(Exhibit P-5, page 3 of 8)

Exhibit P-5 Instructions (Continued)

Aircraft Cost Element Categories.

Airframes/Contractor Furnished Equipment (CFE): Enter estimate for recurring airframe cost, airframe contractor furnished equipment, and engineering changes.

Engine/Accessories: Enter total engine cost including accessories. As part of stub entry, enter quantity of engines per aircraft and indicate model designation including all "dash" designators (example: Engines (4) 53-L-13). Engine unit cost column will reflect the cost of one engine.

Avionics: Separately identify CFE and GFE avionics equipment.

Armament: Enter costs for all armament.

Software: Software costs are to be separately identified.

Other Government Furnished Equipment (GFE): Enter costs for all Other GFE.

Engineering Change Orders (ECOs) - Flyaway: Include cost of anticipated, but unknown ECOs and value engineering changes for all installed aircraft components (CFE or GFE). ECOs should be funded commensurate with the level of risk in the program.

Nonrecurring Costs: Enter total nonrecurring costs associated with production of the flyaway article. Identify and separately display funds budgeted for production tooling in the nonrecurring cost category.

Other Costs: Use as many line items as necessary to identify elements and associated costs.

Airframe Peculiar Ground Support Equipment (PGSE): Enter cost of peculiar airframe ground support equipment.

Engine PGSE: Enter cost of peculiar engine ground support equipment.

Peculiar Training Equipment: Enter cost of all peculiar training equipment.

Publications/Technical Data: Enter cost of all CFE/GFE publications and technical data.

ECOs - All Support Items. Enter cost of ECOs anticipated but unknown for all support and training equipment.

Other: Use as many line items as necessary (example: aerial cameras, or jammer transmitter sets, receiver sets or sensor sets for special mission aircraft). These items are not necessarily procured on a one-for-one basis with aircraft.

Missile Cost Analysis

A missile P-5 exhibit will be submitted by all Services for each missile/drone type and model. If more that one model or configuration is procured in the same P-1 line item, then individual P-5 exhibits will be prepared for each model or configuration and a summary P-5 exhibit will also be prepared for the P-1 line item. Weapon systems that are composed of fire units or launchers that are procured in the same P-1 line item as the missile will provide

(Exhibit P-5, page 4 of 8)

Exhibit P-5 Instructions (Continued)

separate cost identification for each vehicle of the fire unit or launching system (launcher, launch control center, radar set, vehicle, etc.). The cost categories on the P-5 exhibit represent a number of elements and the list should be tailored as appropriate to adequately depict the missile system cost. The flexibility exists to revise the elements to depict unique system characteristics, but a comparable cost detail to that shown in the P-5 exhibit format should be maintained.

Missile P-5 Cost Element Categories

Missile Hardware - Recurring
- Airframe
- Propulsion (By stage, where applicable)
- Target Detection Device
- Guidance & Control
- Warhead
- Fuze
- Safe & Arm
- Engineering Change Orders
- (Value Engineering)
- Government Costs
  - Integration & Assembly (Labs, etc.)
  - Acceptance Test Program
- Other (Specify)
- Subtotal Missile Hardware

Nonrecurring and Ancillary Equipment
- Tooling and Test Equipment
- Missile Ancillary Hardware
- (Containers, etc.)
- Total Missile Flyaway

Command and Launch Hardware
- Launcher
- Launch Control Center
- Radar Set
- Platform/Track Vehicle
- Engineering Change Orders
- Other (Specify)
- Subtotal Command and Launch Equipment

Support Costs
- Peculiar Support Equipment (Specify, e.g., test, handling, etc.)
- Special Handling Equipment
- Training Equipment
- Publications/Technical Data
- Engineering Change Orders
- Other (Specify)
- Subtotal Support

(Exhibit P-5, page 5 of 8)

Exhibit P-5 Instructions (Continued)

Missile P-5 Cost Element Categories (Continued)

Gross P-1 End Cost
Less: Prior Year Adv. Procurement (Breakout by Prior FY of funding)
Net P-1 Full Funding Cost (Must equal FY amount displayed on the P-40 exhibit)
Plus Current Year Advance Procurement.
Other Non-P-1 Weapon System Costs
Initial Spares

Ship Cost Element Categories

Include the following format for every year from construction inception for which there are undelivered ships through the end of the FYDP:

Plan Costs
Basic Construction/Conversion
Change Orders
Electronics
Propulsion Equipment
HM&E
Other Cost
Ordnance
Escalation
Project Manager's Growth
Total Ship Estimate
Less: Advance Procurement FY (specify by individual fiscal year)
Net P-1 Line Item
Ship/Unit Cost

Space System Cost Analysis.

A P-5 exhibit is required for each space weapon system employing a launch vehicle or satellite.

Satellite Cost Element Categories

Launch Vehicle:
Airframe/Integ & Assembly
Stage I
Stage II
Stage III
Stage IV
Guidance and Control
Other (specify)
Nonrecurring (specify)

Stage Vehicle:
Airframe/Integ & Assembly
Propulsion
Guidance and Control
Other (specify)
Nonrecurring (specify)

(Exhibit P-5, page 6 of 8)

Exhibit P-5 Instructions (Continued)

Satellite Cost Element Categories (Continued)
Space Vehicle:
- Integration & Assembly
- Spacecraft
- Payload
- Reentry Vehicle
- Other (specify)
- Nonrecurring (specify)

Satellite P-5 Cost Element Categories (continued)
- Engineering Change Orders (ECO)
- In-House Production Support
- Total Flyaway Cost

Ground Support Equipment:
- Support Equipment
- Installation and Checkout
- Nonrecurring (specify)
- Engineering Change Orders
- Other (specify)
- Total Ground Support Equipment

Support:
- Training
- Publications/Tech. Data
- Operational/Site Activation
- Computer Software
- Other (specify)
- Total Support

- Total Systems Cost
- Less Advance Procurement, Prior Year
- Net P-1 Line Item Cost

Other Procurement Cost Analysis.

A. Unique entries will vary depending on the nature of the procurement item. Most line items require more than one procurement action to complete the program. If only one contract is involved, the line item is composed of several separate cost elements such as the end item itself, publications, engineering services, production support, etc. Each of these elements (called "building blocks" for simplicity) carries its own dollar value. The sum of the building block values equals the line item value. In general, entries on this form should be structured in the same way that procurement has been accomplished (or is planned) and/or the way that the cost estimate for the line item was derived. For new programs, it is not always possible to predict exactly how procurement will be accomplished but the cost estimate for the line item is built up through price out of separate cost elements that are known to be required.

B. Care should be taken to ensure that the building block title accurately describes the effort. Frequently, attempts are made to use the same building block entry for more than one year when the program effort in the following year is not exactly the same. For example, Model A of particular equipment is procured in one year and an improved Model B version planned for the following year. Separate stub entries should be used to avoid comparisons of unlike items.

(Exhibit P-5, page 7 of 8)

Exhibit P-5 Instructions (Continued)

Ammunition Procurement Cost Analysis.

A. For items to be procured through the Single Manager for Conventional Ammunition (SMCA), the P-5 will be used to display the program cost breakdown. The Service is responsible for justifying and defending its budget request for ammunition even if the item has transitioned to the SMCA for procurement. The production support section should depict the cost of production support materials and services that are included in the P-1 line item. When the developing Service retains configuration management responsibility for a SMCA-procured item, the developing Service will formulate the production engineering cost estimate, but all other estimates will be formulated by the SMCA.

B. The Army's P-Form exhibit formats included in the Army's Program Budget Documentor (PBDOC) will be utilized for all Services' ammunition procurements for items procured through the SMCA.

C. Quantities will be displayed in each unless the item is being procured in millions (the quantities will then be displayed in thousands). Dollars will be displayed in millions, using 3 decimal places, i.e., 1.225. Normal rounding methodology will be utilized.

D. The hardware section should include the full cost of hardware incorporated into the round or item that is included in the P-1 item line. The hardware section entries should be tailored to match the major components of the ammunition item and should reflect the acquisition strategy. If two or more services procure the same ammunition/ordnance round, the P5 exhibit should be as identical as possible except for Service-unique requirements. If the round is to be procured using a component breakout strategy, the entries should include, as applicable, the following: load-assemble-pack, major metal parts, fuzes, explosives, propellants and shipping containers. Any small-dollar value components that are non-significant/non-problem can be rolled up into an Other, Miscellaneous line (the dollar amount of this line will not exceed 20 percent of the program value). Where an all-up round is to be delivered under a systems contract, the cost of the all-up round may be displayed as a single entry.

E. The production support section should depict the cost of production support materials and services that are included in the P-1 line item. The following standard entries should be used as applicable: production engineering, quality assurance, proof and acceptance testing, interim transportation and industrial stock support. Any other categories (i.e., special testing) should be added as required and identified accordingly. When configuration management responsibility is retained by the Navy or Air Force as developing Service, the production engineering cost estimate will be formulated by the developing Service, but all other estimates will be formulated by the SMCA.

F. The nonrecurring cost section should depict the cost of such items as first article testing, product improvement, value engineering, tooling and test equipment, procurement technical data package updates, start-up/layaway costs and/or other special requirements identified accordingly. In the event that applying government-furnished material or components can reduce the cost of the round, the negative entry will be shown in this section.

G. Each section’s subtotal should be displayed at the end of the subentries listing.

H. The total P-1 line item is equal to the sum of subtotal cost of hardware, procurement support and nonrecurring less the GFM applications. This entry must agree with the P-1 value for the ammunition item.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

(Exhibit P-5, page 8 of 8)

Exhibit P-5a, Procurement History and Planning (Page 1)	Weapon System	DATE:
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number	P-1 Line Item Nomenclature	

WBS COST ELEMENTS Tailor to System/Item Requirements)	Qty	Unit Cost	Location of PCO	RFP Issue Date	Contract Method and Type	Contractor and Location	Award Date	Date of First Delivery	Tech Data Available Now?	Date Revisions Available
Past Year (or last yr of proc)										
Airframes/CFE										
Engine/Accessories										
CFE Avionics										
GFE Avionics										
Armament										
Tooling										
Airframe PGSE										
Engine PGSE										
Avionics PGSE										
Peculiar Training Equipment										
Current Year										
Airframes/CFE										
Engine/Accessories										
CFE Avionics										
GFE Avionics										
Armament										
Tooling										
Airframe PGSE										
Engine PGSE										
Avionics PGSE										
Peculiar Training Equipment										

P-1 –*Line* Item No *X*
(Page X of X)

Exhibit P-5a, Procurement History and Planning
(Exhibit P-5a, page 1 of 4)

Exhibit P-5a, Procurement History and Planning (Page 2)	Weapon System	DATE:
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number	P-1 Line Item Nomenclature	

WBS COST ELEMENTS Tailor to System/Item Requirements)	Qty	Unit Cost	Location of PCO	Contract Method and Type	Contractor and Location	Award Date	Date of First Delivery	Tech Data Available Now?	Date Revisions Available
Budget Year 1									
Airframes/CFE									
Engine/Accessories									
CFE Avionics									
GFE Avionics									
Armament									
Tooling									
Airframe PGSE									
Engine PGSE									
Avionics PGSE									
Peculiar Training Equipment									
Budget Year 2									
Airframes/CFE									
Engine/Accessories									
CFE Avionics									
GFE Avionics									
Armament									
Tooling									
Airframe PGSE									
Engine PGSE									
Avionics PGSE									
Peculiar Training Equipment									

P-1 –*Line* Item No *X*
(Page X of X)

Exhibit P-5a, Procurement History and Planning
(Exhibit P-5a, page 2 of 4)

Instructions - Exhibit P-5a, Procurement History & Planning

1. Purpose. This exhibit provides detailed information on the P-5 entries regarding all prior years having contracts with undelivered assets, current year (CY), budget year 1 (BY1), and BY2. Contract information is used to compare cost estimates between fiscal years by comparing unit costs on previous contracts. For example, if an item was awarded in FY 1997 using FY 1995 funding, is the FY 1998 cost based on an FY 1995 cost inflated 3 years, or to an FY 1997 cost inflated one year? The contract information is used to determine if there has been a problem awarding the contract early or late in the fiscal year and if it occurred as planned. The contract information also is used to identify potential current year assets and to answer congressional inquiries.

2. Submission. Exhibit P-5a will be submitted for all P-5 elements of cost (building block) entries involving quantities in the current or budget years. Information for past years, CYs, and BYs will be updated for each succeeding submission.

3. Entries.

Cost Elements (Building Blocks)/Fiscal Year. The cost element/building block title is to be taken from the Exhibit P-5 Cost Analysis for items meeting the criteria of paragraph 2 above. For each cost element, provide information for the PY, CY, BY1 and BY2. The first fiscal year line will provide information on the last buy prior to the current year (if the item was procured in a fiscal year that is no longer available for obligation, identify the fiscal year for which the item was last procured. Update current and prior years entries to show actual contractor and contract award dates. For the budget years, use best estimates.

If Advance Procurement funding is part of the program, then provide contract data for each subsequent year to support the leadtime of the advance procurement. For example, if advance procurement is required 2 years in advance of BY2, then provide contract data through BY2+2.

Quantity and Unit Cost. Insert actual quantity procured and actual unit cost for last actual line entry. For the CY, BY1 and BY2 lines, insert actual or estimated unit costs. The quantities and unit costs should agree with entries on the Exhibit P-5 Cost Analysis exhibit, except for the ammunition items that are fixed standard priced. For these ammunition items, the entries should be the actual unit costs that were negotiated and/or estimated. This update is necessary for the initial starting point for computing future fixed standard prices. Provide an explanation in the remarks block for all items for which the actual unit costs vary significantly with the forecasted unit costs.

Procurement Contracting Office (PCO) Location. Identify the organization that will award the contract. Also identify the organization preparing the purchase request, if different.

Contractor. For each fiscal year, insert actual contractor name, and facility or plant location (city and state). For the current year, insert contractor name if item is to be sole source or if procurement has been accomplished; otherwise insert "Unknown". For budget year(s), insert contractor name if sole source; otherwise use "Unknown". Identify the city/state location of the contractor plant.

Exhibit P-5a Instructions (Continued)

Contract Method/Type. The following codes will be used to identify the "Contract Method/Type":

Contract Method

SS	-	Sole Source
C	-	Competitive
MIPR	-	Military Interdepartmental Purchase Request (use only if MIPR obligates funding)
PO	-	Project Order
WR	-	Work Request
Allot	-	Allotment
Reqn	-	Requisition
Other	-	Explain by footnote

Contract Type

FP	-	Fixed Price
CPIF	-	Cost Plus Incentive Fee
CPAF	-	Cost Plus Award Fee
FPI	-	Fixed Price Incentive
Option	-	Option to prior year contract
Other	-	Explain by footnote

Follow the pattern of the "Contractor" block in displaying actual and estimated contract method and type. ”Option” refers to an existing contract that contains an option clause for future procurement. Identify whether the option is priced (already negotiated) or unpriced.

Award Date. For the last actual buy, provide the date that the contract was awarded. For the current year, provide the actual or estimated date. Provide estimated contract award dates for BY1 and BY2. If the contract is a multiyear contract or a contract with options, identify the date that the option will be exercised.

Date of First Delivery. Same basis as Award Date.

Technical Data Package Available Now. Answer "yes" or "no" for the current year and budget years. No entry is required for prior year or BY2. The answer is to be provided as of the time the exhibit is prepared. The term “specifications“ refers to full competitive specifications (or their equivalent in the case of a sole source contract).

Date Revisions Available. No entry is required for the prior year line if the contract has been awarded. If revisions are required, provide in last column the date or estimated date when they will be available.

Use Footnotes to provide reasons for Sole Source procurement; to provide reasons for use of letter contracts; to provide reasons why a multiyear contact cannot be used; to explain significant variations in unit cost from year to year, etc.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

(Exhibit P-5a, page 4 of 4)

Date: _____

Shipbuilding and Conversion, Navy
Exhibit P-5b, Analysis of Ship Cost Estimate - Basic/Escalation

FY 20BY Ship Type: _____

I.	Design Schedule:	Start/Issue	Complete/Response	Reissue	Complete/Response
	Issue date for TLR				
	Issue date for TLS				
	Preliminary Design				
	Contract Design				
	Detail Design				
	Request for Proposals				
	Design Agent				

II. Classification of Cost Estimate
(e.g. Class C Budget Estimate)

III.	Basic Construction/Conversion	FY 20CY	FY 20BY1	FY 20BY2
	A. Assumed Award Date			
	B. Contract Type (and Share Line if applicable)			

IV.	Escalation	Hull 9201	Hull 9202	Base Date	Escalation Target Cost
	Escalation Termination Date				
	Escalation Requirement				
	Labor/Material Split				
	Allowable Overhead Rate				

V.	Other Basic (Reserves/Miscellaneous)	Amount
	Item	xxxx
	Item	xxxx

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

Exhibit P-5b, Analysis of Ship Cost Estimate - Basic/Escalation

(Exhibit P-5b, page 1 of 1)

Date: _____

Shipbuilding and Conversion, Navy
Exhibit P-8a, Analysis of Ship Cost Estimate - Major Equipment

Ship Type: _____

	FY 20PY		FY 20CY		FY 20BY1		FY 20BY2	
	Qty	Amt	Qty	Amt	Qty	Amt	Qty	Amt
Electronics Equipment								
Ordnance Equipment								
Propulsion Equipment								
HME Equipment								

Instructions: List the major equipment for each of these cost codes shown on the P-35 exhibit and include the next 10 high dollar value items. All other items can be summarized in one line item. System engineering, spares, documentation, and other equipment costs should be included in the equipment estimate. Value engineering changes should be included in the change order cost category.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

Exhibit P-8a, Analysis of Ship Cost Estimate - Major Equipment

(Exhibit P-8a, page 1 of 1)

Exhibit P-10 Advance Procurement Requirements Analysis	Date:
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number	P-1 Line Item Nomenclature

Weapon System	First System (BY1) Award and Completion Date	Interval between Systems

	PLT	When Rqd	Prior Years	PY	CY	BY1	BY2	BY2+1	BY2+2	BY2+3	BY2+4	To Complete	Total
End Item Qty													
CFE													
Engines													
GFE													
GFE													
GFE													
EOQ													
Design													
Term Liab													
Other*													
Total AP													

P-1 *Line* Item No *X*
(Page X of X)

Exhibit P-10, Advance Procurement Requirements Analysis
(Exhibit P-10, page 1 of 8)

Exhibit P-10 Advance Procurement Requirements Analysis (Page 2 - Budget Justification)		Date:
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number	Weapon System	P-1 Line Item Nomenclature

(TOA, $ in Millions)

	PLT	QPA	Unit Cost	BY1 QTY*	BY1 Contract Forecast Date	BY1 Total Cost Request	BY2 QTY*	BY2 Contract Forecast Date	BY2 Total Cost Request
End Item		N/A		(BY2 qty)		N/A	(BY2+1 qty)		N/A
CFE									
GFE									
GFE									
GFE									
EOQ									
Design									
Termination Liability									
Other									
Other									
Other									
Other									
Total Advance Proc									

Description:

*When the advance procurement funding supports more than one subsequent program year end item, then the funding for each line item entry must be separately identified for each applicable end item fiscal year (i.e., when leadtimes are greater than one year).

(Use continuation pages, as necessary)

P-1 *Line* Item No *X*
(Page X of X)

Exhibit P-10, Advance Procurement Funding (Exhibit P-10, page 2 of 8)

Exhibit P-10, Advance Procurement Requirements Analysis										Date:	
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number				Weapon System			P-1 Line Item Nomenclature				
	Prior years	PY	CY	BY1	BY2	BY2+1	BY2+2	BY2+3	BY2+4	To Comp*lete*	Total
Proposal w/o AP											
Then Year Cost											
Constant Year Cost											
Present Value											
AP Proposal											
Then Year Cost											
Constant Year Cost											
Present Value											
Difference											
Then Year Cost											
Constant Year Cost											
Present Value											
AP Savings											

P-1 *Line* Item No *X*
(Page X of X)

Exhibit P-10 Advance Procurement
(Exhibit P-10, page 3 of 8)

Exhibit P-10, Advance Procurement Requirements Analysis (Page 4 - Execution)																	Date:
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number																	Weapon System	P-1 Line Item Nomenclature
	PLT	Prior Years QTY	*Prior Years Total Cost*	*PY QTY*	*PY Contract Forecast Date*	*PY Actual Contract Date*	*PY Total Cost*	*CY QTY*	*CY Contract Forecast Date*	*CY Total Cost Request*	*BY1 QTY*	*BY1 Contract Forecast Date*	*BY1 Total Cost Request*	*BY2 QTY*	*BY2 Contract Forecast Date*	*BY2 Total Cost Request*	
End Item						N/A	N/A										
CFE																	
GFE																	
GFE																	
GFE																	
EOQ																	
Design																	
Term Liab																	
Other																	
Total AP																	

P-1 *Line* Item No *X*
(Page X of X)

Exhibit P-10, Advance Procurement Funding
(Exhibit P-10, page 4 of 8)

Exhibit P-10, Advance Procurement Requirements Analysis (Page 5 - Execution (Obligations/Expenditures)													Date:
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number											Weapon System		P-1 Line Item Nomenclature
(TOA, $ in Millions)													
	Oct PY	Nov PY	Dec PY	Jan PY	Feb PY	Mar PY	Apr PY	May PY	Jun PY	Jul PY	Aug PY	Sep PY	Total
PY Termination Liability Schedule													
PY Expenditures													
	Oct CY	Nov CY	Dec CY	Jan CY	Feb CY	Mar CY	Apr CY	May CY	Jun CY	Jul CY	Aug CY	Sep CY	Total
CY Termination Liability Schedule													
CY Expenditures													
	Oct BY1	Nov BY1	Dec BY1	Jan BY1	Feb BY1	Mar BY1	Apr BY1	May BY1	Jun BY1	Jul BY1	Aug BY1	Sep BY1	Total
BY1 Termination Liability Schedule													
	Oct BY2	Nov BY2	Dec BY2	Jan BY2	Feb BY2	Mar BY2	Apr BY2	May BY2	Jun BY2	Jul BY2	Aug BY2	Sep BY2	Total
BY1 Termination Liability Schedule													
Narrative:													

P-1 *Line* Item No *X*
(Page X of X)

Instructions - Exhibit P-10, Advance Procurement Requirements Analysis

This Exhibit should be submitted for each BY1 and BY2 in which Advance Procurement funds are being requested. The exhibit contains 5 pages. Only pages 1 and 2 need to be submitted in the congressional procurement backup books.

Page 1 - Budget Justification entries.

This format will include funding for all years of the program.

Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number. This entry should match the procurement annex.

P-1 Line Item Nomenclature: Self explanatory.

Weapon System Type: End item for which advance procurement is required.

First System Award and Completion Date: Enter the month/year (do not use quarters) of the projected contract award for the end item for which the funds in the budget years support. For example: FY 1998 advance procurement funds are required in support of an FY 1999 procurement. The FY 1998 AP supporting the FY 1999 end item procurement will be awarded in March 1998 and the FY 1999 procurement will be awarded in January 1999. Enter March 1998. If the manufacturing processes require 24 months, then the item will be delivered in March 2000. Enter March 2000.

Interval Between Systems: Enter the time between end item deliveries.

Column 1. The first entry should be the procurement quantity budgeted for each year (use the actual fiscal year rather than template years) for the end item for which the advance procurement is requested. In addition, list the items that are required to be purchased ahead of the end item. Be specific as possible. Some examples are:

Contractor Furnished Equipment (CFE): This entry includes all advance procurement funding associated with effort accomplished by the prime weapon system contractor. (e.g. airframe contractor for aircraft; guidance and control contractor for missiles, satellites; chassis contractor for tanks, engines, nuclear propulsion equipment for ships, etc.)

Government Furnished Equipment (GFE): This entry should include a separate entry for each major subcomponent furnished by the government (e.g. engines and radars for ships and aircraft; warhead, fuzes, and rocket motors for missiles; engines and major electronic subsystems for tanks, satellites, etc.).

Economic Order Quantity (EOQ): This entry includes items for which an economic order is justified. List each item separately. The entry will require additional justification showing the analysis that supports an EOQ procurement in an advance procurement line.

Other Advance Funding. This would normally include non-EOQ funding that is requested in advance of authorization of the end item and is not based on leadtime considerations but based on price/cost considerations only.

Column 2. Production Leadtime (PLT). Enter the number of months required to manufacture the end item.

Column 3. Enter the number of months after the manufacturing process begins that the item is required for incorporation into the end item.

Columns 4-15. Enter the approved funding for all years of the program.

(Exhibit P-10, page 6 of 8)

Instructions-Exhibit P-10, Advance Procurement Requirements Analysis (Continued)

Page 2 Entries:

Column 1. List the items that need to be purchased ahead of the end item. This column should match the entries in column 1 on page 1.

Column 2. Production Leadtime (PLT): Enter the production leadtime of this particular item.

Column 3. Quantity Per Assembly (QPA): Indicate the quantity of the item required for each end item.

Column 4. Unit Cost: Enter the unit cost in tenths of millions.

Column 5. BY1 Qty: Enter the total quantity being procured in BY1. For the end item enter the quantity of end items being procured in BY2 (or subsequent years and identify by qty and year) for which the advance procurement in BY1 supports.

Column 6. BY1 Contract Forecast Date: Enter the date of the planned contract award for each of the items listed in column 1. For the end item enter the date of planned contract award of the end items being procured in BY2 (or subsequent years) for which the advance procurement in BY1 supports.

Column 7. Cost: Enter the cost in millions with one decimal place.

Columns 8-10. Repeat the entries above for BY2.

Description. Describe the technique used to estimate the termination liability request. If advance procurement funding is to be applied to years beyond the immediately succeeding year, the amounts and quantities by year should be specified and explained.

Page 3 Entries:

This page will provide a comparison of the advance procurement request to the cost of the program without advance procurement.

Page 4 Entries:

This page will provide a comparison of the request and actual program execution. If actual data is not available for the following items then provide the contract date or latest program manager's (PM) estimate and indicate with a footnote whether the data represents an actual date, a contract date or a PM projection.

Column 1. List the items that need to be purchased ahead of the end item. Include all items in the previous President's budget request and any items procured subsequently.

Column 2. Production Leadtime (PLT): Enter the production leadtime of this particular item. This column should match the entries in column 2 on page 2.

Column 3. PY-1 Quantity: Enter the quantity budgeted for the past year-1.

Column 4. PY-1 Contract Forecast Date: Enter the date of the planned contract award that was included in the previous President's budget request for the past year-1.

Column 5. PY-1 Actual Contract Date: Enter the date that the contract was actually awarded. Explain any differences in the Narrative for the past year-1.

Column 6. PY-1 Total Cost Request: Enter the cost estimated for this particular item that was included in the previous President's budget request for the past year-1.

Columns 7-14. Include the same type of information for the past year and current year as explained in columns 3-6.

(Exhibit P-10, page 7 of 8)

Instructions-Exhibit P-10, Advance Procurement Requirements Analysis (Continued)

Column 15. BY1 Quantity. Identify the quantity to be procured in BY1.

Column 16. BY1 Contract Forecast Date. Identify when the contract will be awarded for BY1.

Narrative. Provide explanations for differences between requested leadtimes and actual leadtimes, requested contract award dates and actual contract award dates and requested cost and actual contract cost. Include any items that were not identified in the previous President's budget request and provide an explanation for the change. Also, address why items were not procured if funding was requested for any items in the previous President's budget request. If advance procurement funding is to be applied to years beyond the immediately succeeding program year, the amounts by year should be specified on the applicable FY BY exhibit and addressed.

Page 5 Entries

Provide the termination liability schedule from the contractor. If one is not available, then explain how the requirement for advance procurement was determined. Provide actual expenditures by month for the amount of advance procurement funding including termination liability. Use additional columns as required to complete the period of execution performance for the advance procurement funding (i.e. until program is 100% executed).

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

(Exhibit P-10, page 8 of 8)

Exhibit P-17 Layaway and/or Distribution						Date					
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number						P-1 Line Item Nomenclature					
Project:	*Prior Years*	PY	CY	BY1	BY2	BY2+1	BY2+2	BY2+3	BY2+4		
Funding											
Description: Provide a brief description of this project.											
Manufacturer (Name and Location)			Production Lines being laid way: (include location)				Production ends:				
Layaway Cost:			Other Costs:				Annual Maintenance Cost:				
Project:	*Prior Years*	PY	CY	BY1	BY2	BY2+1	BY2+2	BY2+3	BY2+4		
Funding											
Description: Provide a brief description of this project.											
Manufacturer (Name, Location)			Production Lines being laid way: (include location)				Production ends::				
Layaway Cost:			Other Costs:				Annual Maintenance Cost:				

P-1 *Line* Item No *X*
(Page X or X)

Exhibit P-17, Layaway and/or Distribution
(Exhibit P-17, page 1 of 2)

Instructions - Exhibit P-17, Layaway and/or Distribution

1. The purpose of this exhibit is to provide the funding requirements for layaway and distribution projects at government-owned, government-operated (GOGO) facilities, at government-owned, contractor-operated (GOCO) facilities, and contractor-owned, contractor-operated (COCO) facilities. This exhibit is to be submitted only when funding for layaway and distribution projects are on going in the current fiscal year or requested in the budget years 1 and/or 2.

2. For each project, provide information as to the type of action, i.e., in place, on site, central storage, complete layaway or increment, state of readiness, future cost, estimated completion date, background, and work to be accomplished. If reactivated, is the facility or line scheduled to produce new items? If so, list the items.

3. Group projects under each appropriate subclassification, such as facility expansion, machine tool replacement, etc.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

(Exhibit P-17, page 2 of 2)

Exhibit P-18 Initial and Replenishment Spare and Repair Parts Justification						Date: Month/Year					
Appropriation (Treasury) Code/CC/BA/BSA/Item Control No				Weapon System		P-1 Line Item Nomenclature					
End Item P-1 Line Item	Prior Years	PY FY	CY FY	BY1 FY	BY2 FY 1	BY2+1 FY	BY2+2 FY	BY2+3 FY	BY2+4 FY	To Complete	Total
INITIAL											
B-1											
B-2											
F/A-18											
P-3											
UH-60											
Etc.											
TOTAL INITIAL											
REPLENISHMENT											
B-1											
B-2											
F-15											
Etc.											
TOTAL REPLEN											
Remarks (Use continuation pages, as necessary)											

P-1 Line Item No X
(Page X of X)

Exhibit P-18, Initial and Replenishment Spares and Repair Parts Justification

(Exhibit P-18, page 1 of 2)

Instructions - Exhibit P-18, Initial/Replenishment Spares Requirements

The purpose of this exhibit is to provide the funding requirements for the procurement of initial and replenishment spares and repair parts in support of end items of equipment and in support of modifications to existing end items of equipment where end items of equipment are being supported by procurement appropriations. A copy of this exhibit will be included in the budget justification book for the end item.

Entries:

Column 1. Enter the budget Exhibit P 1 line item and end items of equipment for which the initial spares and repair parts are required.

Columns 3 through 13. Enter the total cost of the initial or replenishment spares and repair parts for each fiscal year displayed in support of the end items procured. Funding must be consistent with the P-1 and P-40 exhibits.

If some of the initial spares and repair parts are to be financed by the DWCF or for buy-out by a procurement appropriation, provide a memorandum entry to indicate the DWCF-financed portion or footnote accordingly.

Include the following information in the remarks block.

Procurement Requirement:
- Funded Initial Spares.
- Funded Replenishment Spares.
- Funded Mobilization (War Reserve) Spares.
- Total Funded.
- Repair Turnaround time.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

(Exhibit P-18, page 2 of 2)

Exhibit P-20, Requirements Study	Appropriation (Treasury) Code/CC/BA/BSA/Item Control No	Date
P-1 Line Item Nomenclature (Include DODIC for Ammunition Items)	Admin Leadtime (after Oct 1): xx months	Prod Leadtime: xx months

	PY FY	CY FY	BY1 FY	BY2 FY	BY2+1 FY	BY2+2 FY	BY2+3 FY	BY2+4 FY
Quantity Budgeted	500	500	500	545	605	605	605	605
Unit Cost	.1	.1	.1	.1	.1	.1	.1	.1
Total Cost	.5	.5	.5	.5	.6	.6	.6	.6
Asset Dynamics								
Beginning Asset Position	500	545	545	460	355	295	295	295
Deliveries from all prior year funding	150	500						
Deliveries from CY funding			500					
Deliveries from BY1 funding				500				
Deliveries from BY2 funding					545	605	605	605
Deliveries from subsequent years' funding						605	605	605
Other Gains	50	10	20					
Combat Losses/Usage	0	0	0	0	0	0	0	0
Training Losses/Usage	-150	-500	-600	-600	-600	-600	-600	-600
Test Losses/Usage	-5	-10	-5	-5	-5	-5	-5	-5
Other Losses/Usage	0	0	0	0	0	0	0	0
Disposals/Retirements/Attritions/etc.								
End of Year Asset Position	**545**	**545**	**460**	**355**	**295**	**295**	**295**	**295**
Inventory Objective or Current Authorized Allowance	545	545	545	545	545	545	190	190

Inventory Objective	Actual Training Expenditures	Other than Training Usage	Disposals (Vehicles/Other)	Vehicles Eligible for BY1 Replacement: 50	Aircraft: TOAI:
Assets Rqd for Combat Loads: 500	PY thru _____: 350	PY thru _____: 5	PY thru _____:: 50	Vehicles Eligible for BY2 Replacement: 50	PAA: TAI
WRM Rqmt: 500	PY-1: 450	PY-1: 4	PY-1: 40	Vehicle Augment: 50	Attrition Res:
Pipeline: 45	PY-2: 650	PY-2: 6	PY-2: 60		BAI
Other:	PY-3: 200	PY-3: 2	PY-3: 20		Inactive Inv:
TOTAL: 545					Storage:

REMARKS: For ammunition items, list all substitute items for the round.

P-1 *Line* Item No *X*
(Page X of X)

Exhibit P-20, Requirements Study
(Exhibit P-20, page 1 of 3)

Instructions - Exhibit P-20, Requirements Study

1. Purpose. The purpose of this form is to provide detailed information with regard to the determination of asset availability and requirements.

2. Submission. The P-20 is required only for the program and budget review submission. A P-20 will be prepared and reviewed by the Services and Defense Agencies for all items being procured, even if the item is included in an aggregated P-1 line item, such as "Items Less Than $5 million." Submittal of the P-20 is required for only those items costing $5.0 million or more in budget year 1 or budget year 2. For aircraft and missile modifications, a P-20 is not required as long as the Exhibit P-3a description includes the inventory objective contained in the validated operational requirements document (ORD). Vehicle P-20 exhibits can be modified to accommodate the numerous vehicle types.

3. Entries.

Leadtimes: Administrative leadtime is the amount of time after October 1 that is required to award a contract. Procurement leadtime is the amount of time from contract award until delivery of the first unit.

Quantity Budgeted. Show the quantities, unit cost, and funding approved for this program.

Asset Dynamics. This section will reflect the changing asset position starting with the assets on hand and adjusting for gains and losses. Tailor the entries to the program being represented.

Beginning Asset Position. Use the inventory position as of the end of the past fiscal year, or specify other date. As a memo entry in the remarks section, identify assets that are not in a serviceable condition.

Deliveries from all prior year funding and deliveries from CY, BY1 and BY2 funding. Enter the quantity funded during all prior years that are not yet delivered. Show the deliveries or other gains in the fiscal year in which they will be received. The analyst can then compare these entries to the P-21 Production Schedule (deliveries and leadtimes).

Deliveries from subsequent years' funding. Enter the quantity in the appropriate fiscal year. The due-ins should match the P-21 Production Schedule and be reflective of the procurement leadtimes and planned delivery schedules to be included on the contract.

Other Gains. Quantity due in for loans to other Services, other receipts, etc.

Usage. Identify projected annual usage, disposals, retirements, etc. that are projected for each fiscal year. There should be some correlation of the projected usage to actual expenditures. For aircraft, usage equates to attrition, retirement, FMS sales, etc. For vehicles, usage equates to disposals (quantity of vehicles scheduled for disposal through sale, salvage or transfer to another agency).

End of Year Asset Position. Add the gains and subtract the losses from the beginning of the year asset position.

Inventory Objective (IO). Identify the elements of the IO and the Approved Acquisition Objective, as applicable and approved through the Program Objective Memorandum process. For missiles, munitions, and munitions-related items, use the capabilities based munitions requirements process. Annotate in the Remarks block if the IO is different for any of the FYDP years. Cite the document and the date of the document that established the IO.

Actual Expenditures (for ammunition items). Identify actual expenditures for training and other than training for at least three years. For example, for the FY 2006 submission, FY 2005 will be the current year but no usage will have occurred. FY 2004 would be the past year but data will probably not be available for the entire fiscal year prior to the submission. Therefore, show actual usage for FY 2004 through June 30, 2004 and the usage for 3 fiscal years (FY 2003 (past year minus one, PY-1), FY 2002 (past year minus two, PY-2), and FY 2001 (past year minus three, PY-3)).

Exhibit P-20 Instructions (Continued)

Authorized Allowances. Enter the authorized Vehicle allowances for units, installations, and activities supported by the appropriations of the service preparing the form. Replacement requirements will be excluded.

Vehicles Eligible for Replacement: Enter the quantity of vehicles eligible for replacement during the budget year(s) funded leadtime based upon the age, repair limits and mileage criteria of DoD 4500.36-R.

Vehicle Augmentation. Enter the quantity that represents an augmentation to the inventory. On a separate sheet, list the organizational units and quantities for each unit involved in the augmentation and include a full justification for the augmentation.

Aircraft. Include memo entries for each configuration of aircraft. Identify the acquisition objective by The Joint Staff (TJS) inventory category for each FY. Explain the basis for the approved acquisition objective and identify the applicable requirements document and approval authority (i.e. TJS/Service) that provides the basis for the approved acquisition objective number

Also each Service should submit documentation, by aircraft type, that provides the average age and average hours projected for the aircraft and the current age and hours. This documentation is required for all aircraft being procured and modified, as well as for the aircraft that are being replaced. Identify Active, National Guard and Reserve aircraft. Each Service can submit this documentation in formats currently used by each Service, as long as the above information is incorporated.

Entries should include: (1) total overall aircraft inventory; (2) active aircraft inventory, including primary aircraft inventory (with appropriate subcategories for mission aircraft, training aircraft, dedicated test aircraft, etc.), backup aircraft inventory, and attrition/reconstitution reserve; (3) inactive aircraft inventory, including bailments, drones, foreign military sales or other transfers, leases, loans, maintenance training, reclamation, and storage; and (4) the Joint Staff approved inventory requirements.

Not Installed Nonconsumables. Tailor the asset position to elements that pertain to this category. Include a brief explanation in the remarks block to explain why the entire quantity to meet the IO is not being procured. Include memo entries for the entire program inventory objective. Where applicable, the IO will be supported by showing the number of units or activities, by type and quantity required per unit or activity. Example:

	Required
20 Units	40
30 Activities	60
Spares	10
Total IO	110

REMARKS: Identify any items that can be substituted and explain why substitutes cannot be used to satisfy the IO, why expenditures do not represent an accurate portrayal of usage, and any other anomalies.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

(Exhibit P-20, page 3 of 3)

Exhibit P-21, Production Schedule		Date
Appropriation (Treasury) Code/CC/BA/BSA/Item Control No	Weapon System	P-1 Line Item Nomenclature

		PRODUCTION RATE			PROCUREMENT LEADTIMES					
Item	Manufacturer's Name and Location	MSR	ECON	MAX	ALT Prior to Oct 1	ALT After Oct 1	Initial Mfg PLT	Reorder Mfg PLT	Total	Unit of Measure
List each end item										

						Fiscal Year													**Fiscal Year**											
									Calendar Year													**Calendar Year**								
ITEM	FY	SVC	QTY	DEL	BAL	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	BAL
5.56	94	A	.5	.2	.3	.1	.1	.1																						
	95	A	.5	0	.5									.1	.1	.1	.1	.1												
	96	A	.5	0	.5																			.1	.1	.1	.1	.1		
	94	M	.5	0	.5				.1	.1	.1	.1	.1																	
	95	M	.5	0	.5														.1	.1	.1	.1	.1							
	96	M	.5	0	.5																								.1	.4
	96	F	.5	0	.5																									.5

						Fiscal Year													**Fiscal Year**											
									Calendar Year													**Calendar Year**								
ITEM	FY	SVC	QTY	DEL	BAL	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	BAL
5.56	94	A	.5	.2	.3	.1	.1	.1																						
	95	A	.5	0	.5									.1	.1	.1	.1	.1												
	96	A	.5	0	.5																			.1	.1	.1	.1	.1		
	95	M	.5	0	.5														.1	.1	.1	.1	.1							
	96	M	.5	0	.5																								.1	.4

REMARKS: Use continuation pages as necessary to complete all procurements. If only one component or item is being delivered, show deliveries on one page.

P-1 Line Item No X
(Page X of X)

Exhibit P-21, Production Schedule
(Exhibit P-21, page 1 of 3)

Instructions - Exhibit P-21, Production Schedule

1. Purpose. The purpose of this exhibit is to provide detailed information with regard to the monthly production of all applicable items.

2. Submission. Exhibit P-21 will be submitted for the program and budget review submission to show the planned contractual production deliveries for Exhibit P-5 cost elements that have a value of $5.0 million or more in budget year 1 or budget year 2. Those items that are supported by an exhibit P-23 do not need a P-21 unless multiple manufacturers produce the items. Exhibit P-21 will be submitted for the President's budget for all Acquisition Category 1 programs and for any other program requiring specific quantity authorization. Each Service, whether a leader or follower, is to provide the delivery schedule for the entire program. This ensures that each Service has the opportunity to adjust procurement quantities in terms of contractor capability to deliver all assets during the funded delivery period.

3. Entries.

a. Entries will be displayed in the same order as they appear on the Exhibit P-5 Cost Analysis.

b. Use "E" for "each," "M" for "millions" and "K" for "thousands" for unit of measure.

c. Production rates should be yearly rates. The following definitions apply.

Minimum Sustaining Rate. This is the production rate that is necessary to keep production lines open while maintaining a base of responsive vendors and suppliers; the quantity that will preclude start-up costs in the case of a production break; or the quantity that the contractor is willing to accept and produce at a reasonable cost

Economical Production Rate. This is the most efficient production rate for each budget year at which the item can be produced with existing or planned plant capacity and tooling, with one shift a day running for eight hours a day and five days a week (1-8-5).

Maximum Production Rate. This is the maximum capacity rate that a contractor can produce with extant or PY planned tooling. Indicate the number of shifts.

d. The following leadtime definitions apply.

Administrative Leadtime (ALT). This is the amount of time required to complete the administrative actions leading to contract award. Since these actions do not require funding, the ALT can be separately identified into prior to October 1 and after October 1. The ALT is used to forecast contract awards. Longer leadtimes require that a larger quantity be purchased to support yearly requirements. Leadtimes should therefore reflect an accurate assessment of the time required to process the administrative actions.

Production Leadtime (PLT). This is the amount of time required by a contractor to produce an item once a contract is awarded. Leadtimes should be based on a realistic projection of a contractor's capability.

Procurement Leadtime. This is the total of ALT (post October 1) and PLT.

e. Where procurements are being made for customers such as the FMS program or another Service, a separate line will be used to reflect each customer's planned buy and phased deliveries with a total provided by item by manufacturer. Use A for Army, N for Navy, AF for Air Force, F for FMS, and O for Other (and explain in the remarks section).

(Exhibit P-21, page 2 of 3)

f. Enter respective schedules for all prior fiscal years with undelivered assets, for CY, BY1, and BY2. In addition, Acquisition Category 1 programs and programs requesting advance procurement funding will also enter schedules for all years of the future years defense plan. Show detail of production by month so that analysis can be accurately performed.

g. Missile Delivery Schedule. A separate P-21 exhibit will be prepared for each missile system reflecting the latest actual deliveries and scheduled outyear requirements. When the missile system includes the procurement of fire units or launching systems within the P-1 line item, the missiles and the major components of the fire unit or launching system (launcher, launch control center, radar set, track vehicle) will be depicted on the P-21 exhibit.

h. Ammunition. The total production plan for hardware items should be displayed to include time-phased schedules for LAP and the major limiting or pacing component as applicable. For Improved Conventional Munitions, display schedules for all major components. Provide separate information in those cases where procurement leadtimes for LAP and major components differ.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

Instructions - Exhibit P-21a, Production Schedule, All Types

In addition to the P-21, the Army will submit a P-21a showing “all types” ammunition deliveries for all Services for those items procured through the Single Manager for Conventional Ammunition.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

Exhibit P-21a, Production Schedule, All Types

(Exhibit P-21, page 3 of 3)

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Exhibit P-22, Ammunition Inventory				Army/Navy/AF/MC Ammunition Inventory as of June 30, PY				Date:	
				Stratification of Assets on Hand					
Nomenclature	SSN	DODIC	Condition Code	CBMR Requirement	Training & Testing Requirement (Included in CBMR)	Contingency Retention Level	Economic Retention Level	Total Qty	Potential Reutilization Qty

Page No xxx

Exhibit P-22, Ammunition Inventory

(Exhibit P-22, page 1 of 2)

Instructions - Exhibit P-22, Ammunition Inventory

1. Purpose. The purpose of this exhibit is to provide visibility into the Single Manager for Conventional Ammunition (SMCA)-owned component inventory and into each of the Service's ammunition inventory.

2. The Services can submit the inventory listing format it currently produces, as long as the information required by this exhibit is presented.

3. Each Service will submit an inventory position listing of all Service-owned ammunition assets. The Army will also provide the SMCA-owned component inventory listing. The Exhibit is not required for the President's budget request.

4. The inventory position will be submitted in support of the program and budget review submission and will be current as of June 30, Past Year (or later, if available).

5. Entries.

Columns 1-4. Enter the appropriate Nomenclature, SSN, DODIC, and Condition Code of each ammunition round in the Service or SMCA-owned inventory.

Columns 5 and 6. Enter the Capability Based Munitions Requirement (CBMR) and the training and testing requirements included in the CBMR.

Columns 7 and 8. Enter the quantity of rounds that the Service or SMCA is retaining for contingency level requirements and economic level considerations. Should these quantities be inordinately large, narrative should be provided to rationalize the quantity.

Column 9. Enter the total quantity of assets on hand.

Column 10. Enter the quantity that could be reutilized.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

(Exhibit P-22, page 2 of 2)

Exhibit P-23, Time Phased Requirements Schedule	Appropriation/Budget Activity	P-1 Item Nomenclature	Date

	CY				BY1				BY2				BY2+1				BY2+2				BY2+3				BY2+4			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
1. ACTIVE FORCE INVENTORY																												
2. SCHOOLS/OTHER TRAINING																												
3. OTHER																												
4. TOTAL PHASED REQ																												
5. ASSETS ON HAND																												
6. DELIVERY FY & PRIOR																												
7. FY & PRIOR																												
8. CY																												
9. BY1																												
10. BY2																												
11. BY2+1																												
12. BY2+2																												
13. BY2+3																												
14. BY2+4																												
15. TC																												
16. TOTAL ASSETS																												
17. QTY OVER (+) OR SHORT (-)																												

D. REMARKS		Rqmt (Qty)	Total Rqmt	Installed	On Hand	PY Prior Undelivered	Unfunded
	APPN -						
	APPN -						
	APPN -						
	PROC LEADTIME	Admin		Initial Order		Reorder	

P-1 Line Item No X
(Page X of X)

Exhibit P-23, Time Phased Requirements Schedule
(Exhibits P-23 and P-23a, page 1 of 4)

Exhibit P-23a, Installation Data	P-1 Item Nomenclature	Date
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number	Installing Agent	

1st Qtr		2d Qtr		3d Qtr		4th Qtr		1st Qtr		2d Qtr		3d Qtr		4th Qtr	
End Item Facility	Qty	End Item Facility	Qty	End Item Facility	Qty	End Item Facility	Qty	End Item Facility	Qty	End Item Facility	Qty	End Item Facility	Qty	End Item Facility	Qty

P-1 Line Item No X
(Page X of X)

Exhibit P-23a, Installation Data
(Exhibits P-23 and P-23a, page 2 of 4)

Instructions - Exhibits P-23, Time Phased Requirements Schedules, and P-23a, Installations Data

1. Purpose. The purpose of these exhibits is to provide detailed information with regard to the quarterly requirements and production of all applicable installed items.

2. Submission. The exhibit P-23, supplemented by Exhibit P-23a, will be submitted for all P-1 line items installed and/or components. A P-23 is not required if a P-3a modification exhibit is submitted for the installed item because a schedule is included on the P-3a.

3. Entries.

Time Period Covered by Exhibit P-23. The first fiscal year block represents the current fiscal year. The form provides for a total of 7 years. If the phased requirement for the equipment extends beyond 7 years, insert an additional column at the right edge of the form entitled "Later." Use this last column to reflect the balance of the requirement and/or deliveries.

Line #1. Active Force Inventories. The purpose of this line is to show by quarter, "installation opportunities" for a particular equipment based upon an established schedule. The quantities to be reflected are installed equipment quantities. The line entry is non-cumulative. In those cases where the actual or planned equipment procurement program will not provide sufficient units to meet total opportunities in a particular quarter, the missed opportunities will be shown in parentheses. For example, total opportunities might be 10, but only 6 can be met. This will be shown as 6 (4). Appropriate offsets will be made in this line when it is necessary to have the equipment to be installed on hand in advance of beginning of installation.

Line #2. This line is to be used for installation opportunities not in established schedules and is to be completed in the same manner as line 1.

Line #3. Schools and Other Training. Insert in the appropriate fiscal quarter units required for Schools and Other Training. Indicate "Other" unit requirements by use of an asterisk.

Line #4. Other. This line should reflect phased requirements for all other commodity users such as new construction of end items or MAP/FMS etc.

Line #5. Time Phased Requirements. This is a cumulative line entry and in the first quarter of the first fiscal year on the form is the sum of lines 1 through 4. For the second quarter, line 5 is equal to amount shown on line 5 in the first quarter plus sum of lines 1 through 4 in the second quarter.

Line #6. Assets on Hand. In the first quarter block on line 6, insert the number of equipment on hand at the beginning of the current fiscal year.

Line #7. Enter the planned deliveries from the prior fiscal year and prior programs. This is a non-cumulative line. Indicate appropriation on lines 7-16 when columns are filled.

Line #8. Reflect on this line deliveries from other appropriations financed by prior year programs.

Line #9. Reflect planned deliveries from the current fiscal year program. Also, indicate in the appropriate quarter when the contract for the current fiscal year quantity will be awarded. Identify the type of contract with the following codes:

C	Competitive procurement
SS	Sole Source
CMYP	Competitive multiyear
SSMYP	Sole Source multiyear

Exhibits P-23/P-23a Instructions (Continued)

Line #10. Same as line 9 for current fiscal year when a different appropriation from line 9 is involved.

Lines #11-16. Follow the pattern of lines 9 and 10. Lines 15 and 16 may cover more than one fiscal year program and will reflect the equipment quantity required to fill the total requirement.

Line #17. For each quarter, this line is the sum of lines 6 through 16 expressed on a cumulative basis as was line 5.

Line #18. Enter the difference between line 5 (total phased requirements) and line 17 (total assets).

Requirement Block (Lower right corner) - This block recaps total requirements by appropriation.

Total Requirement - This is the total ultimate quantity required for installation without regard to when installation will take place.

Installed Qty - Number of units installed prior to the beginning of the current fiscal year.

On Hand Qty - Units that have been delivered but not yet installed.

Prior Years Undelivered - This is the sum of all units due in from prior year, past years, and current year programs plus planned BY1 and BY2 procurements.

Unfunded - This is the quantity still required after BY2.

Reconciliation - The cumulative quantity shown on line 5 is equal to the sum of the on hand quantity, the FY(BY1) and undelivered quantity plus the unfunded quantity.

Procurement Leadtimes. Administrative leadtime is the amount of time after October 1 that is required to award a contract. Initial Order Leadtime means production or manufacturing leadtime and is measured from date of contract award to date of first delivery of equipment. Reorder Leadtime is production leadtime when follow-on procurement is made from previous source.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

P-23a, Time Phased Requirements Schedule

List the end item and/or facilities that are to receive the equipment. Include the quantity to be installed by quarter. Identify the installing agent.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

(Exhibits P-23 and P-23a, page 4 of 4)

Exhibit P-25, Production Support and Industrial Facilities Cost Analysis	Date
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number	P-1 Line Item Nomenclature and Project Number

Project Title/Type	End Item Supported Model
Project Number	Annual Capacity Before Project (1-8-5) / Annual Capacity after Project (1-8-5)

ELEMENT OF COST	PY FY	CY FY	BY1 FY	BY2 FY
Construction				
Equipment				
Equipment				
Equipment				
Equipment				
Equipment Install				
Contract Support				
Corps of Engrs				
Other				
Total Fac Costs				
Other-Prove-out				
MILCON				

Facility
Name: _____
Location: _____
Type: (GOGO, GOCO, COCO): _____

Related Projects

Project # and Title	FY & Appn	Value	Facing	Start Date	Compl Date

Principal Milestones	Month & Year
Concept Design Complete:	_____
Final Design Complete:	_____
Initial/Final Project Award:	_____
Construction Complete:	_____
Equipment Installation Complete:	_____
Prove out begins:	_____
Prove out completes:	_____

Narrative Explanation

P-1 Shopping List - Item No 20-1 of 20-20

Exhibit P-25, Production Support and Industrial Facilities Cost Analysis
(Exhibit P-25, page 1 of 2)

Instructions - Exhibit P-25, Production Support and Industrial Facilities Cost Analysis

The P-25 exhibit will be used to display costs for each funded production facilities project at all government owned, government operated (GOGO) and government owned, contractor operated (GOCO) facilities. In addition the exhibit will display the costs associated with a facilities project for those government owned lines that are located at contractor owned, contractor operated (COCO) facilities. The cost categories on the P-25 exhibit represent a number of elements and the list should be tailored to adequately depict the production facility project cost. This exhibit is to be submitted only when funding for production support and facilities is part of the current year budget or requested for budget years 1 and/or 2. The sections on the P-25 exhibit are to be completed as follows.

Construction cost should depict the cost for construction that is funded in this line. If construction funds are required that are programmed in another appropriation, these funds and the associated amount should be identified in the Other Costs section.

Equipment Cost should identify the cost for individual equipment (list separately) costing more than $0.5 million and a cumulative cost line for all equipment costing less than $0.5 million.

Equipment Installation Cost should identify the cost to install all the equipment listed.

Contractor Support Cost should identify any cost for contractor support included in the production facility project.

Corps of Engineers Support Cost should identify any cost for the Corps of Engineers support included in the production facility project.

Other In-house Support Cost should identify any cost for other in-house support (excluding the Corps of Engineers support costs) included in the production facility project.

The Other Cost section reflects other costs associated with the project such as facility prove-out cost, military construction appropriation costs, etc.

Facility - Self explanatory.

Related Projects should include prior year and outyear funding required to complete the project.

Industrial Facilities - Provide specific line item identification for each project. Group projects under each appropriate subclassification, such as facility expansion, machine tool replacement, etc.

A DD Form 1391, Military Construction Project Data, is required for each project for proposed construction, alteration, expansion, or modernization of government owned facilities.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

(Exhibit P-25, page 2 of 2)

Exhibit P-26, Maintenance of Inactive Facilities	Appropriation (Treasury) Code/CC/BA/BSA/Item Control No	Date

Inactive Lines at Active Plants	Facility	Facility Contractor:									
	Prior Years	PY FY	CY FY	BY1 FY	BY2 FY	BY2+1 FY	BY2+2 FY	BY2+3 FY	BY2+4 FY	To Complete	Total
Funding											
Description:											

Inactive Lines at Contractor Plants	Contractor										
	Prior Years	PY FY	CY FY	BY1 FY	BY2 FY	BY2+1 FY	BY2+2 FY	BY2+3 FY	BY2+4 FY	To Complete	Total
Funding											
Description:											

Inactive Plants	Facility	Facility Contractor:									
	Prior Years	PY FY	CY FY	BY1 FY	BY2 FY 1	BY2+1 FY	BY2+2 FY	BY2+3 FY	BY2+4 FY	To Complete	Total
Funding											
Description:											

P-1 Line Item No X
(Page X of X)

Exhibit P-26, Maintenance of Inactive Facilities
(Exhibit P-26, page 1 of 2)

Instructions - Exhibit P-26, Maintenance of Inactive Facilities

1. The purpose of this exhibit is to provide the funding requirements for the maintenance of inactive facilities, inactive lines at active facilities, and inactive lines at contractor facilities.

2. Provide information as to the types of costs that require funding.

3. List the inactive lines and the ammunition that will be produced if the line is reactivated.

4. Provide description of environmental requirements.

5. Provide detail by facility.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

(Exhibit P-26, page 2 of 2)

Exhibit P-27, SCN - Ship Production Schedule	Date
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number	P-1 Line Item Nomenclature

	Prior Years	PY-1 FY	PY FY	CY FY	BY1 FY	BY2 FY	BY2+1 FY	BY2+2 FY	BY2+3 FY	BY2+4 FY	To Complete	Total

Description

(Use continuation pages, as necessary)

P-1 Line Item No X
(Page X of X)

Exhibit P-27, SCN - Ship Production Schedule
(Exhibit P-27, page 1 of 1)

Exhibit P-29, Shipbuilding and Conversion (SCN) Outfitting Costs															Date:
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number															P-1 Line Item Nomenclature
Ship Type	Hull No	Prog Year	Del Date	CFO Date	Prior Years	PY	CY	BY1	BY2	BY2+1	BY2+2	BY2+3	BY2+4	To Complete	Total

Comments

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

P-1 Line Item No X
(Page X of X)

Exhibit P-29, SCN Outfitting Costs

(Exhibit P-29, page 1 of 1)

Exhibit P-29a, Shipbuilding and Conversion (SCN) Outfitting Costs - Comparison														Date:
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number														P-1 Line Item Nomenclature
Ship Type	Hull No	Prog Year	Del Date	Prior Years	PY	CY	BY1	BY2	BY2+1	BY2+2	BY2+3	BY2+4	To Complete	Total
97PB														
xxx														
xxx														
98BES														
xxx														
xxx														
Delta														
xxx														
xxx														

Comments

This exhibit compares the previous President's budget request to the current program and budget review submission or the current President's budget request as, appropriate.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

P-1 Line Item No X
(Page X of X)

Exhibit P-29a, SCN Outfitting Costs-Comparison
(Exhibit P-29a, page 1 of 1)

Exhibit P-30, Shipbuilding and Conversion (SCN) Post Delivery Costs																Date:
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number																P-1 Line Item Nomenclature
Ship Type	Hull No	Prog Year	Del Date	Prior Years	PY	CY	BY1	BY2	BY2+1	BY2+2	BY2+3	BY2+4	To Complete	Total	I D	
Comments A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.																

P-1 Line Item No X
(Page X of X)

Exhibit P-30, SCN Post Delivery Costs
(Exhibit P-30, page 1 of 1)

Exhibit P-30a, Shipbuilding and Conversion (SCN) Post Delivery Costs-Comparison																Date:
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number																P-1 Line Item Nomenclature
Ship Type	Hull No	Prog Year	Del Date	Prior Years	PY	CY	BY1	BY2	BY2+1	BY2+2	BY2+3	BY2+4	To Complete	Total	I D	
97PB																
xxx																
xxx																
98BES																
xxx																
xxx																
Delta																
xxx																
xxx																

Comments
This exhibit compares the previous President's budget request to the current program and budget review submission or the current President's budget request as, appropriate.

ID Codes: S=NNS; I=INGALLS; E=ELECTRIC BOAT; B=BATH IRON WORKS; A=AVONADE; N=NASCO; O-OTHER

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

P-1 Line Item No X
(Page X of X)

Exhibit P-30a, SCN Post Delivery Costs-Comparison
(Exhibit P-30a, page 1 of 1)

Exhibit P-35, Major Ship Component Fact Sheet
(TOA, $ in Millions)

Ship Type - (SSN-21) Equipment Item - (AN/BSY-2 Combat System) PARM Code - (NAVSEA PMS XXX)

Description/Characteristics/Purpose:

Current Funding	**FY 20PY**		**FY 20CY**		**FY 20BY1**		**FY 20BY2**	
Major Hardware	Hull	Total FY	Hull	Total FY	Hull	Total FY	Hull	Total FY
Hardware								
Warranty								
Battle Spare/Trainer								
GFE								
Ancillary Equipment								
Test Equipment								
Shipping and Installation Fix								
Technical Data and Documentation								
Spares								
Installation & Checkout								
Installation & Sup Spt								
System Engineering								
Technical Engineering Services								
Contract Field Services								
Govt Field Services								
Other Costs (List separately)								
Other Costs								

Contract Data (major hardware)	**Prime Contractor**	**Contract Award Date (indicate if estimated)**	**Contract Type**	**New/Option**	**Contract Qty**	**Contract Hardware Unit Cost**
PY						
CY						
BY1						
BY2						

Delivery Data	**Earliest Ship Delivery Date**	**Months Required before Delivery**	**Production Leadtime**	**Required Award Date**
PY				
CY				
BY1				
BY2				

V. Competition/Second-Source Initiatives:

P-1 Line Item No X
(Page X of X)

Exhibit P-35, Major Ship Component Fact Sheet
(Exhibit P-35, page 1 of 2)

Instructions - Exhibit P-35, Major Ship Component Fact Sheet

Item: A separate sheet is to be submitted for each component having a unit cost of $3.0 million or more.

Description/Characteristics/Purpose. Self explanatory.

Current Funding. The cost details will be provided for each ship type for which equipment is being procured on a hull basis for the prior year (PY), current year (CY), budget year 1 (BY1) and BY2.

Identify estimates on an end item cost basis. If an equipment was procured in a prior year with advance procurement funds, it should be reflected on the exhibit next to the end cost estimates in parenthesis. The equipment costs in this section of the exhibit will include the building block elements listed below:

Major Hardware
Ancillary Equipment
Technical Data and Documentation
Spares
System Engineering
Technical Engineering Services
Other Costs

Major hardware costs in excess of $20 million must be broken down into sub-element hardware components that comprise the equipment cost estimate included on the P-5a cost analysis.

Contract Data. This section will be prepared for the major hardware procurement. The exhibit will include the contract plans for BY1 and BY2, the planned or actual contract information for the current year (CY) and the actual information for the last buy prior to the current year. The last buy should be included even though it is two or more years prior to the current year. The following codes should be used for indicating contract types: Fixed Price Incentive (FPI); Cost Plus Incentive Fee (CPIF); Fixed Price (FP); Sole Source (SS); and Competitive (C). Indicate whether it is a new contract or an option to an existing contract. Also indicate estimated or actual award dates and item delivery dates. List quantities for each fiscal year and the production leadtime associated with each equipment.

Delivery Data. This section should indicate delivery plans for BY1 and BY2, CY and past year (PY) programs contained in Section II of this exhibit. The required award date entry is determined by subtracting the months required before delivery and production leadtime from the earliest ship delivery date.

Competition/Second Source Initiatives. Describe any competition or second source initiatives associated with major hardware items.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

(Exhibit P-35, page 2 of 2)

Date: _____

Exhibit P-36, Depot Level Ship Maintenance Schedule
From PY to BY2 + 4

Ship Type	Class	Hull	Name	HP	FY	Type of Avail.	Exec. Act.	Start Date	End Date	O&MN Costs	OPN Costs	Total Mandays

Purpose: The purpose of this exhibit is to provide schedule and budgetary data for the ships planned for a modernization availability using past year (PY), current year (CY), or budget years (BY1 and BY 2) funds in support of the availability.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

Exhibit P-36, Depot Level Ship Maintenance Schedule

(Exhibit P-36, page 1 of 1)

Exhibit P-40, Budget Item Justification	Date
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number	P-1 Line Item Nomenclature
Program Element for Code B Items:	Other Related Program Elements

	ID Code	Prior Years	PY FY	CY FY	BY1 FY	BY2 FY	BY2+1 FY	BY2+2 FY	BY2+3 FY	BY2+4 FY	To Complete	Total
Proc Qty												
Gross Cost												
Less PY Adv Proc												
Plus CY Adv Proc												
Net Proc (=P-1)												
Initial Spares												
Total Proc Cost												
Flyaway U/C												
Wpn Sys Proc U/C												

Description

(Use continuation pages, as necessary)

P-1 Line Item No X
(Page X of X)

Exhibit P-40, Budget Item Justification

(Exhibit P-40, page 1 of 4)

Instructions - Exhibit P-40, Budget Item Justification

1. Purpose. The purpose of this exhibit is to provide overall narrative justification and total procurement costs for each P-1 line item. Include all advance procurement, initial spares and repair parts for acquisition category 1 programs.

2. Submission. A separate P-40 will be submitted to support each P-1 line item with funding of $5.0 million or more in budget year 1 or budget year 2 or $5.0 million or more in either the PY or CY. Funding will be provided for all years displayed on the P-40 for all programs for both the program and budget review submission and the President's budget. If prior year and to complete data are not relevant (i.e., items have a continuing requirement such as vehicles or ammunition), then leave those fields blank. In order to ensure compliance with the Department's policy to fully fund procurement programs, exhibits should reflect all costs and quantities from prior year (PY) through to complete (TC) for those programs buying a finite quantity.

3. Entries.

a. Enter the applicable information that identifies the appropriation number and title, budget activity, procurement line item number, and serial number (the combination of these codes should match the procurement annex). Include the P-1 line item title and identify nicknames in parenthesis. Identify the program element for all Code B items shown on the P-5. Also list all other PEs associated with this procurement.

b. Funding will be presented for all prior years, past year, current year, budget years, FYDP years, to complete, and total on all line items having a finite quantity requirement. It is not relevant to show funding or quantities for items that are continuing requirements such as ammunition or vehicles. It is relevant to show funding for all fiscal years for items being procured to specified quantity, such as aircraft, missiles, or modifications. The funding should agree with the funding approved in the FYDP Procurement Annex. Omit line items that do not apply (for example, ammunition items would not include an initial spares line).

c. A complete narrative description of the line item will be provided. The description will include, but not be limited to, the nature, purpose and intended use of the item with sufficient depth of information to serve as a justification for funding.

d. If the item is a Code B item, provide the month and calendar year, actual or projected, for each applicable DTE, IOT&E, OTE and technical data package (TDP) or performance specification milestone date. TDP is assumed to be the date when all data necessary to initiate the procurement is available. Also provide the planned date for type classification as Standard or Alternate Standard (Army and Air Force) or approved by the CNO or other responsible official (Navy). Provide the nomenclature and model number of each item (as applicable) which will be replaced, as well as the comparative information in definitive terms with units of measure such as range, speed, cycle rate, meantime before failure, useful life, etc. Enter a brief but specific discussion of pertinent test results and development effort to date (successful firings, slippages, test failures, cost overruns, etc.).

e. For those programs that include advance procurement funds that support more than just the next or one subsequent FY program, specific FY detail needs to be provided to identify which FY programs are supported by prior year advance procurement. Advance procurement should be debited and credited according to the leadtimes of the advance procurement. For instance, if FY 1996 and FY 1997 advance procurement funds are required for an FY 1998 procurement, the FY 1996 AP funds would be debited in FY 1996, the FY 1997 AP funds would be debited in FY 1997, and the total of the FY 1996 and FY 1997 AP funds would be credited in FY 1998.

(Exhibit P-40, page 2 of 4)

P-40 Instructions (Continued)

Advance Procurement

FY TOA	**FY 2002**	**FY 2003**	**FY 2004**	**FY 2005**	**FY 2006**
FY 2002 for FY 2004 (memo)	0.x				
FY 2003 for FY 2004 (memo)		0.x			
FY 2003 for FY 2005 (memo)		0.x			
FY 2004 (memo)			-0.x		
FY 2004for FY 2005 (memo)			0.x		
FY 2004 for FY 2006 (memo)			0.x		
FY 2005(memo)				-0.x	
FY 2005 for FY 2006 (memo)				0.x	
FY 2005 for FY 2007 (memo)					

4. Specific Guidance by Program Type.

a. Shipbuilding and Conversion, Navy Programs. Include the following information:

Mission
Characteristics (hull length overall, beam, displacement, draft)
Armament
Major Electronics
Production status, by hull
- Contract Award Planned (Month/Year)
- Months to Complete
  - a) Award to Delivery
  - b) Construction
- Start to Delivery
- Delivery Date
- Completion of Fitting Out
- Obligation Work Limiting Date (OWLD)

The P-40 must list all Service and Other Small Craft Items by types and provide funding for all years still being executed.

b. Modification Programs. For procurement modification programs the P-40 exhibit shall include the following information. A complete narrative description of the weapon system, its overall mission, number of aircraft in the inventory (include a breakout by Active, National Guard and Reserve), the designed service life, and the average service life remaining. The exhibit will, just below the narrative, include the specific modifications budgeted and programmed displayed in the format provided below:

Mod/		Total	(TOA, $ in Millions)									
OSIP No.	Title	PYs	PY	CY	BY1	BY2	BY2+1	BY2+2	BY2+3	BY2+4	TC	Total

Mod/OSIP No. Enter the modification number as applicable. List each modification on the aircraft P-40 exhibit. All P-3a exhibits must be included in the budget backup book in this numerical order.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

(Exhibit P-40, page 4 of 4)

Procurement Items	ID Code	Prior Years	CY FY	BY1 FY	BY2 FY	BY2+1 FY	BY2+2 FY	BY2+3 FY	BY2+4 FY	To Complete	Total
List all items											
Include qty											

P-1 Line Item No X
(Page X of X)

Exhibit P-40a, Budget Item Justification for Aggregated Items

(Exhibit P-40a, page 1 of 2)

Instructions - Exhibit P-40a, Budget Item Justification for Aggregated Items

1. Purpose. The purpose of this exhibit is to provide the quantities and funding covering the procurement programs included in aggregated P-1 line items such as "Items Less Than $5.0 million." A P-5 is not required for items included on a P-40a.

2. Entries.

a. Enter the applicable information that identifies the appropriation, budget activity, and title. There should be no Code B (not approved for service use) items on the P-40a. If an item is a Code B item, however, the item must be listed as separate line items in the P-1, P-5 and P-40 exhibits.

b. Funding will be presented for all prior years, past years (PY), current year (CY), budget years (BY1 and BY2). The funding should agree with the funding approved in the FYDP Procurement Annex.

c. Spares. Funding will be presented for PY, CY, BY1 and BY2.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

(Exhibit P-40a, page 2 of 2)

Date: _____

Exhibit MYP-1, Multiyear Procurement Criteria

Program_____

1. Multiyear Procurement Description.
2. Benefit to the Government.
   a. Substantial Savings
   b. Stability of Requirement
   c. Stability of Funding
   d. Stable Configuration
   e. Realistic Cost Estimates
   f. National Security
3. Source of Savings — $ in Millions

Source of Savings	$ in Millions
Inflation	
Vendor Procurement	
Manufacturing	
Design/Engineering	
Tool Design	
Support Equipment	
Other	
Total	

P-1 *Line* Item No *X*
(Page X of X)

Exhibit MYP-1, Multiyear Procurement Criteria
(MYP, page 1 of 8)

Exhibit MYP-1, Multiyear Procurement Criteria (Continued)

Program_____

4. Advantages of the MYP

5. Impact on Defense Industrial Base

6. Multiyear Procurement Summary

Multiyear Procurement Summary	Annual Contracts	Multiyear Contract
Quantity		
Total Contract Price		
Cancellation Ceiling (highest point)		
Funded		
Unfunded		
$ Cost Avoidance Over Annual		
% Cost Avoidance Over Annual		

P-1 *Line* Item No *X*
(Page X of X)

(MYP, page 2 of 8)

Exhibit MYP-2, Total Program Funding Plan									Date	
Appropriation (Treasury) Code/CC/BA/BSA/Item Control No									P-1 Line Item Nomenclature	
	BY 1	BY 2	BY 2+1	BY 2+2	BY 2+3	BY 2+4	BY 2+5	BY 2+6	BY 2+7*	Total
Procurement Quantity										
Annual Procurement										
Gross Cost										
Less PY Adv Procurement										
Net Procurement (= P-1)										
Plus CY Adv Procurement										
Weapon System Cost										
Multiyear Procurement										
Gross Cost (P-1)										
Less PY Adv Procurement										
Net Procurement (= P-1)										
Advance Procurement										
For BY 1	*xx.x*									*xx.x*
For BY 2		*xx.x*								*xx.x*
For BY 2+1		*xx.x*	*xx.x*							*xxx.x*
For BY 2+2		*xx.x*	*xx.x*	*xx.x*						*xxx.x*
For BY 2+3		*xx.x*	*xx.x*	*xx.x*	*xx.x*					*xxx.x*
Plus CY Adv Procurement	*xx.x*	*xxx.x*	*xxx.x*	*xx.x*	*xx.x*					*xxx.x*
Weapon System Cost										
Multiyear Savings ($)										
Multiyear Savings (%) (total only)										
Cancellation Ceiling -Funded										
Cancellation Ceiling -Unfunded										
Outlays										
Annual										
Multiyear										
Savings										
Remarks.										

P-1 –*Line* Item No *X*
(Page X of X)

Exhibit MYP-2, Total Program Funding Plan
(MYP, page 3 of 8)

Exhibit MYP -3, Contract Funding Plan										Date
Appropriation (Treasury) Code/CC/BA/BSA/Item Control No										P-1 Line Item Nomenclature
	BY 1	BY 2	BY 2+1	BY 2+2	BY 2+3	BY 2+4	BY 2+5	BY 2+6	BY 2+7*	Total
Procurement Quantity										
Annual Procurement										
Gross Cost										
Less PY Adv Procurement										
Net Procurement (= P-1)										
Plus CY Adv Procurement										
Contract Price										
Multiyear Procurement										
Gross Cost (P-1)										
Less PY Adv Procurement										
Net Procurement (= P-1)										
Advance Procurement										
For BY 1	*xx.x*									*xx.x*
For BY 2		*xx.x*								*xx.x*
For BY 2+1		*xx.x*	*xx.x*							*xxx.x*
For BY 2+2		*xx.x*	*xx.x*	*xx.x*						*xxx.x*
For BY 2+3		*xx.x*	*xx.x*	*xx.x*	*xx.x*					*xxx.x*
Plus CY Adv Procurement	*xx.x*	*xxx.x*	*xxx.x*	*xx.x*	*xx.x*					*xxx.x*
Contract Price										
Multiyear Savings ($)										
Multiyear Savings (%) (total only)										
Cancellation Ceiling -Funded										
Cancellation Ceiling -Unfunded										
Outlays										
Annual										
Multiyear										
Savings										
Remarks. Explain assumptions (outlay rate, contractor termination liability, other - explain what's behind the numbers).										

P-1 *Line* Item No *X*
(Page X of X)

Exhibit MYP-3, Contract Funding Plan
(MYP, page 4 of 8)

Exhibit MYP-4 Present Value Analysis										Date
Appropriation (Treasury) Code/CC/BA/BSA/Item Control No										P-1 Line Item Nomenclature
	BY 1	BY 2	BY 2+1	BY 2+2	BY 2+3	BY 2+4	BY 2+5	BY 2+6	BY 2+7	Total
Annual Proposal										
Then Year Cost										
Constant Year Cost										
Present Value										
Multiyear Procurement										
Then Year Cost										
Constant Year Cost										
Present Value										
Difference										
Then Year Cost										
Constant Year Cost										
Present Value										

Remarks

Explain assumptions (outlay rate, contractor termination liability, other - explain what's behind the numbers).

P-1 *Line* Item No *X*
(Page X of X)

Exhibit MYP-4, Present Value Analysis
(MYP, page 5 of 8)

Multiyear Procurement Guidance

1. All multiyear procurements, regardless of cost, require the use of a present value analysis (MYP-4) to determine lowest cost compared to an annual procurement. Exhibits MYP-1 through MYP-4 will be included for all MYP candidate systems in the program and budget review submission. The President's budget request will include P-5a MYP-annotated entries for those multiyear programs not requiring congressional authority and Exhibits MYP-1 through MYP-4 for all multiyear candidate systems for which any of the following is true:

- The anticipated multiyear procurement contract is $500 million or greater.

- There are economic order quantity (EOQ) procurements in excess of $20 million in any one year.

- There are economic order quantity (EOQ) procurements in advance of an MYP contract in excess of $20 million in any one year.

- There will be an unfunded contingent liability in excess of $20 million in any one year.

- The procurement quantities of a previously approved MYP have been adjusted.

2. If a system proposed for a multiyear contract includes more than one P-1 line item, prepare combined MYP-1 and MYP-2 exhibits. Prepare separate exhibits for the remaining MYP exhibit formats. All the exhibits associated with this system should be combined in one package, and submitted in numerical order, i.e., MYP-1, MYP-2, MYP-3^1, MYP-3^2, etc.

3. If multiple MYPs are proposed for components of the same P-1 line item, prepare a separate set of exhibits for each. Note that the MYP-3 will be the same in each package.

4. If a joint Service program is proposed for multiyear procurement, the executive Service is responsible for submission of all multiyear exhibits.

5. Exhibits are to display actual fiscal years rather than the template years.

6. Exhibits will be submitted in landscape format.

7. See Section 0102 for additional multiyear procurement guidance.

Instructions - MYP-1 Multiyear Procurement Criteria

1. Description: Provide a brief statement describing the multiyear procurement, i.e., this multiyear procurement will procure "x" number of units over "x" number of fiscal years by using one (or more) multiyear contract.

2. Benefit to the Government. The process of deciding to use or not to use a multiyear procurement (MYP) for production programs as well as how best to tailor and structure MYP requires management judgment. A multiyear procurement should yield substantial cost avoidance or other benefits when compared to conventional annual contracting methods. MYP structures with greater risk to the government should demonstrate increased cost avoidance or other benefits over those with lower risk. Savings can be defined as significant either in terms of dollars or percentage of total cost. This paragraph must include as a minimum the following narrative justification and data:

a. Substantial Savings. The use of a multiyear contract will result in substantial savings of the total anticipated costs of carrying out the program through annual contracts.

b. Stability of Requirement. The minimum need for the property to be purchased is expected to remain substantially unchanged during the contemplated contract period in terms of production rate, procurement rate, and total quantities. The item should be technically mature, have completed RDT&E (including development testing, or equivalent) and Initial Operational, Test and Evaluation (IOT&E), with relatively few changes in item design anticipated. Deliveries of production items will indicate that the underlying technology is stable. This does not mean that changes will not occur but that the estimated cost of such changes is not anticipated to drive total costs beyond the proposed funding profile

c. Stability of Funding. There is a reasonable expectation that throughout the contemplated contract period, the head of the agency will request funding for the contract at the level required to avoid contract cancellation.

d. Stable Design. There is a stable design for the property to be acquired and the technical risks associated with such property are not excessive.

e. Realistic Cost Estimates. The estimates of the cost of the contract and the anticipated cost avoidance through the use of a multiyear contract are realistic. Estimates should be based on prior cost history for the same or similar items or proven cost estimating techniques. Normally, production assets should have been delivered in order to obtain actual costs for the comparisons (exceptions include satellites and ships).

f. National Security. Use of a multiyear contract will promote the national security of the United States.

3. Source of Savings. Identify the detailed sources of savings, to include, as appropriate, inflation, vendor procurement, manufacturing, design/engineering, tool design, and support equipment. Each identified source of savings must include a narrative description of the specific savings, an estimate for that specific source and how the estimate was derived. The sum of the detailed sources of savings should equal the total savings.

4. Advantages of MYP. Identify the advantages the MYP will achieve and how they will achieve them. These advantages could include: production of items in economic order quantities, thereby resulting in lower costs; enhancement of standardization; reduction of administrative burden in the placement and administration of contracts; substantial continuity of production or performance, thus avoiding annual startup costs, pre-production testing costs, make-ready expenses, and phase-out costs; stabilization of contractor and subcontractor work forces; avoiding the need to establish quality control techniques and procedures for a new contractor each year; broadening the competitive base with opportunity for participation by firms not otherwise willing or able to compete for lesser quantities, particularly in cases involving high startup costs; providing incentives to contractors to improve productivity through investment in capital facilities, equipment, and advanced technology; enhancing partnering efforts between contractors/government and prime contractor/subcontractor; providing stable environment; and enhancing best commercial practices.

5. Impact on Industrial Base. The MYP justification should include a narrative that addresses the impact of the MYP on the industrial base in terms of both the prime contractor and the vendors/subcontractors, to include the following topics: improved competition, enhanced investment, improvement in vendor skills, training programs, use of multiyear contractors (vendors), and increased production capacity.

6. Multiyear Procurement Summary. List all comparisons from the MYP exhibits. The Department's policy is to not have unfunded cancellation ceilings; however, if a program is structured with an unfunded cancellation, reflect those costs on this exhibit and explain fully why the program must be structured with one.

Instructions - MYP 2 Total Program Funding

This chart will compare the funding for the annual proposal and the multiyear proposal. If there are multiple MYPs proposed for the same line item, the annual program should reflect only annual procurements and the multiyear program should reflect funding for all the proposed multiyear programs. Compare the same number of procurement years and same quantity in each year for the annual proposal and for the multiyear proposal. Explain the categories of costs included in the cancellation ceiling. Use as many columns as necessary to display outlays until liquidated. Use the same number of years for both annual and multiyear contract.

Instructions - MYP 3 Total Contract Funding

This chart will compare the funding for the annual proposal and the multiyear proposal for the multiyear contract. Compute savings for the same number of procurement years and same quantity in each year under an annual proposal and under a multiyear proposal. Explain the categories of costs included in the cancellation ceiling. Use as many columns as necessary to display outlays until liquidated. Use the same number of years for both annual and multiyear contract. The Services and Defense Agencies should perform an independent analysis of the cost and benefits of the contractor's proposal. Explain assumptions (outlay rate, contractor termination liability, other - explain what's behind the numbers). The total TOA difference on this chart will agree with the cost avoidance over annual line on Exhibit MYP-2 for each MYP contract. The Department's policy is to not have unfunded cancellation ceilings; however, if a program is structured with an unfunded cancellation, reflect those costs on this exhibit and explain fully why the program must be structured with one.

An exception, to be approved by the USD Comptroller, is needed to structure a contract with an unfunded cancellation ceiling. Justification explaining why an unfunded cancellation ceiling is the chosen acquisition strategy should be provided. This justification should specify what costs comprise the unfunded cancellation ceiling and why these costs are not funded under the full funding policy.

- Funds obligated for multiyear contracts must be sufficient to cover any potential termination costs. The costs of cancellation or termination may be paid from (1) appropriations originally available for the performance of the contract concerned; (2) appropriations currently available for procurement of the type of property concerned, and not otherwise obligated; or (3) funds appropriated for those payments.

Instructions - MYP 4 Present Value Analysis

This exhibit will be prepared for the contract values. Then year costs will agree with the outlay amounts contained on MYP-3. Constant costs will be expressed in budget year costs unless specified otherwise in the memorandum requesting submission of the budget. Compute savings for the same number of procurement years and same quantity in each year under an annual proposal and under a multiyear proposal. Present value analysis will be calculated in accordance with DoD Instruction 7041.3 and OMB Circular A-94.

(MYP, page 7 of 7)