

Exhibit MYP-1, Multiyear Procurement CriteriaDate:
September 2023**Appropriation / Budget Activity:**

2032 Missile Procurement - Army / Other Missiles (BA-02)

P-1 Item Nomenclature:

GUIDED MLRS ROCKET (GMLRS)

1. Multiyear Procurement Description:

This proposed multiyear procurement (MYP) provides for the procurement of a minimum of 18,000 Guided Multiple Launch Rocket System (GMLRS) rockets for fiscal year (FY) 2024 through FY 2027 program. Advance procurement for economic order quantities begins in FY 2024. This is expected to be an IDIQ fixed price incentive fee contract. The MYP is expected to yield some savings over annually awarded contracts.

2. Benefit to the Government:**a. Substantial Savings:**

Implementation of this proposed multiyear procurement (MYP) is estimated to yield \$67.6M savings through the term of the contract. Specifically, savings for FY 2024 through FY 2027 attributable to this MYP strategy has an estimated cost savings of 2.5% (\$67.6M) when compared to four annual awards.

b. Stability of Requirement:

The GMLRS rockets are surface to surface rockets fired from Multiple Launch Rocket System (MLRS) and High Mobility Artillery Rocket System (HIMARS) launchers. The Army requirement is well documented in the Capability Development Document In lieu of Capability Production Document for GMLRS Alternative Warhead (AW) Extended Range (ER) Increment III Revision 2 validated September 21, 2018, by the Joint Requirements Oversight Council. The GMLRS program has been in production since FY 2004. An Engineering Change Proposal to extend the range of the current configuration is currently in process, however, the MYP strategy shall be limited to inclusion of only the currently fielded versions.

GMLRS rockets provide 24/7, all-weather precision fires to engage both area and point targets at short, medium, and long ranges. The GMLRS Program currently consists of multiple variants: GMLRS Unitary utilizes a 200-pound high explosive warhead to engage point targets with limited collateral damage. GMLRS Alternative Warhead (AW) was developed as a non-cluster munition to engage area or imprecisely located targets. GMLRS Unitary and AW are currently in full rate production. A maximum production rate of 14,004 rockets per year is available through the MYP period.

c. Stability of Funding:

Sufficient funding exists within current budget controls to execute this procurement plan. The GMLRS program is an ACAT 1C Program and is approved through the current Future Years Defense Program. The Army has demonstrated its commitment to a stable funding stream for the GMLRS MYP through every step of this year's budget process by fully funding the requirement. This commitment was reaffirmed by US Army and DoD leadership through its support in the final budget submission.

d. Stable Configuration:

GMLRS achieved Initial Operational Capability (IOC) in 2008 and 46,728 GMLRS rockets have been delivered to the US Army as of January 30, 2023. The minimum need for the material to be purchased is expected to remain substantially unchanged during the planned contract period in terms of production rate, procurement rate and total quantities.

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GMLRS procured under the multi-year contract will include the standard range GMLRS Unitary and AW designs. Concurrent procurement of material will ensure that sufficient parts exist to maintain a stable configuration.

e. Realistic Cost Estimate:

Cost Estimates reflect experience with GMLRS manufacturing since 2004 beginning with the DPICM and Unitary variants. GMLRS actual contract data is used to support cost estimates. The GMLRS Life Cycle Cost Estimate (LCCE) was updated to support a Milestone C decision in April 2015, and, in coordination with DASA-CE, was updated to support an Operational Sustainment Review in July 2021. The GMLRS Life Cycle Cost has also been reported in the Annual Selected Acquisition Report (SAR), the latest of which was submitted in June 2022. There is a moderate degree of confidence the GMLRS program can achieve the stated savings and procure the MYP missiles within the funding identified. The four-year MYP is planned to be an Indefinite Delivery, Indefinite Quantity fixed price incentive fee contract.

f. National Security:

GMLRS is the primary munition for the M142 HIMARS and the M270 MLRS launch platforms. GMLRS functions within and conducts operations in support of the Fire Support mission area. That is, the collective and coordinated integration and synchronization of lethal and nonlethal fires, that directly support combat forces against ground targets to delay, disrupt, destroy, divert, damage and limit enemy forces, combat formations, and facilities in pursuit of operational and tactical objectives. This capability contributes significantly to US Forces ability to engage critical targets throughout the depth of the battlefield to enable the warfighter to engage critical targets with lethality and precision. A stable procurement will also help maintain inventory levels required to meet US Army Operational Plans.

3. Source of Savings:

The stability and upfront material purchase of a multiyear contract for GMLRS will enable the Prime Contractor and its suppliers to implement a more efficient planning and manufacturing cycle predicated on a production rate that supports the delivery cycle.

	<u>\$ in Millions</u>
Inflation	\$ 0.0000
Vendor Procurement	\$ 67.6490
Manufacturing	\$ 0.0000
Design/Engineering	\$ 0.0000
Tool Design	\$ 0.0000
Support Equipment	\$ 0.0000
Other	\$ 0.0000
Workload Savings	\$ 0.0000
Total	\$ 67.6490

4. Advantages of the MYP:

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The proposed multi-year contract may provide some savings over a year-by-year contracting approach. Savings may be derived from economic order quantities and independent planning, benefiting both industry and government. In addition to providing potential cost savings, MYP will provide the following benefits: (1) provide a long-term commitment to industry, stabilizing employment and the industrial base; (2) reduce disruptions in vendor delivery schedules; and (3) improve procurement stability. MYP would permit the use of Advance Procurement (AP) and economic order quantity (EOQ) procurement to reduce the cost of subcontractor effort, material, and components enabling greater production efficiencies and cost savings.

5. Impact on Defense Industrial Base:

The stability afforded by the use of a multiyear procurement will allow the prime contractor to enter into long term agreements with suppliers, at every tier, which provide substantial benefit. Such long term agreements incentivize both the prime and the subcontractors to invest in process improvements that yield long term benefits in terms of product quality and cost. The contractor and subcontractor will be at a reduced risk when implementing production process improvements, facility improvements, tooling design improvements, and fabrication process improvements. The ability for the government and industry to enter into a long-term agreement will allow industry the opportunity to place capital investments upfront, which reduces the overall cost and improves the quality of GMLRS.

6. Multiyear Procurement Summary:

	<u>Annual Contracts</u>	<u>MultiYear Contract</u>
Quantity		
Total Contract Price	\$2,666.273	\$2,598.624
Cancellation Ceiling (highest point)		
Funded		\$ 0.000
Unfunded		\$ 0.000
\$ Cost Avoidance Over Annual		\$67.649
% Cost Avoidance Over Annual		2.5%

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Exhibit MYP-2 Total Program Funding Plan (ARMY)															
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036		Total
Procurement Quantity	5,016	7,512	7,656	7,518											27,702
Annual Procurement															
Gross Cost	886,367	1,214,127	1,321,161	1,254,264											4,675,919
Less PY Adv Procurement		(55,913)	(57,995)	(58,031)											(171,939)
Net Procurement (= P-1)	886,367	1,158,214	1,263,166	1,196,233											4,503,980
Plus CY Adv Procurement	55,913	57,995	58,031												171,939
Weapon System Cost	942,280	1,216,209	1,321,197	1,196,233											4,675,919
Multiyear Procurement															
Gross Cost (P-1)	886,367	1,192,051	1,298,626	1,231,226											4,608,270
Less PY Adv Procurement	-	(55,913)	(57,995)	(58,031)											(171,939)
Net Procurement (= P-1)	886,367	1,136,138	1,240,631	1,173,195											4,436,331
Advance Procurement															
For FY25	55,913														55,913
For FY26		57,995													57,995
For FY27			58,031												58,031
For FY28															-
Plus CY Adv Procurement	55,913	57,995	58,031	-	-	-	-	-	-	-	-	-	-	-	171,939
Weapon System Cost	942,280	1,194,133	1,298,662	1,173,195	-	-	-	-	-	-	-	-	-	-	4,608,270
Multiyear Savings (\$)	-	22,076	22,535	23,038	-	-	-	-	-	-	-	-	-	-	67,649
Multiyear Savings (%) (total only)															1.4%
Cancellation Ceiling, Funded															
Cancellation Ceiling, Unfunded															
Outlays															
Annual	3,355	91,983	508,215	866,719	995,655	686,801	387,492	171,299	58,269	13,783	5,981	-	-		3,789,552
Multiyear	3,355	90,658	499,357	851,582	977,629	674,267	380,365	168,122	57,171	13,532	5,866	-	-		3,721,903
Savings	-	1,325	8,858	15,137	18,026	12,534	7,127	3,178	1,098	251	115	-	-		67,649

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Exhibit MYP-3 Total Contract Funding Plan (Army)															
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036		Total
Procurement Quantity	4,500	4,500	4,500	4,500	-	-									18,000.0
Annual Procurement															
Gross Cost	653,234	656,910	670,581	685,548											2,666,273
Less PY Adv Procurement		(33,737)	(34,412)	(35,099)		-									(103,248)
Net Procurement (= P-1)	653,234	623,173	636,169	650,449	-	-	-				-				2,563,025
Plus CY Adv Procurement	33,737	34,412	35,099	-											103,248
Weapon System Cost	686,970	657,585	671,269	650,449	-	-	-				-				2,666,273
Multiyear Procurement															-
Gross Cost (P-1)	653,234	634,834	648,046	662,510	-	-									2,598,624
Less PY Adv Procurement	-	(33,737)	(34,412)	(35,099)	-	-	-				-				(103,248)
Net Procurement (= P-1)	653,234	601,098	613,634	627,411	-	-	-				-			-	2,495,376
Advance Procurement															
For FY25	33,737														33,737
For FY26		34,412													34,412
For FY27			35,099												35,099
For FY28				-											-
Plus CY Adv Procurement	33,737	34,412	35,099	-	-	-	-	-	-	-	-	-	-	-	103,248
Weapon System Cost	686,970	635,509	648,734	627,411	-	-	-	-	-	-	-	-	-	-	2,598,624
Multiyear Savings (\$)	-	22,076	22,535	23,038	-	-	-	-	-	-	-	-	-	-	67,649
Multiyear Savings (%) (total only)															2.5%
Cancellation Ceiling, Funded															
Cancellation Ceiling, Unfunded															
Outlays															
Annual	2,024	50,926	273,166	454,824	528,027	364,729	206,056	91,394	31,382	7,259	3,252	-	-	-	2,013,039
Multiyear	2,024	49,601	264,309	439,687	510,001	352,195	198,929	88,216	30,284	7,008	3,137	-	-	-	1,945,390
Savings	-	1,325	8,858	15,137	18,026	12,534	7,127	3,178	1,098	251	115	-	-	-	67,649

Exhibit MYP-4 Total Contract Funding Plan (Army)															
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036		Total
Annual Procurement															
Then Year Cost	2,024	50,926	273,166	454,824	528,027	364,729	206,056	91,394	31,382	7,259	3,252	-	-	-	2,013,039
Constant Year Cost															-
Present Value															-
Multiyear Procurement															-
Then Year Cost	2,024	49,601	264,309	439,687	510,001	352,195	198,929	88,216	30,284	7,008	3,137	-	-	-	1,945,390
Constant Year Cost															-
Present Value															-
Difference															
Then Year Cost	-	1,325	8,858	15,137	18,026	12,534	7,127	3,178	1,098	251	115	-	-	-	67,649
Constant Year Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Present Value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Multiyear Savings (\$)	-	1,325	8,858	15,137	18,026	12,534	7,127	3,178	1,098	251	115	-	-	-	67,649

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