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Exhibit R-2/R-2a, RDT&E Budget Item Justification								February 2004	
Appropriation/Budget Activity Engineering and Manufacturing Development Defense Wide, Budget Activity 5					Item Nomenclature Business System Transformation PE 0901200D8Z				
Cost (\$ in Millions)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Total PE Cost				4.480	7.472	7.431	7.720	7.855	8.067

A. Mission Description and Budget Item Justification

BRIEF DESCRIPTION OF ELEMENT

The Business Management Modernization Program (BMMP) Domains were established as part of the program's governance approach. The mission of the Domains is to lead business process transformation through business process reengineering (BPR) and system integration. The results of the reengineering efforts will be documented in the Business Enterprise Architecture (BEA) and will serve as a framework to guide investments in business management operations and systems.

Program Accomplishments and Plans/New Starts:

FY 2004 Plans:

1. (1.611) In FY 04, the Strategic Planning and Budgeting Domain will reengineer the Department's funds distribution process and budget execution process. The BPR will result in standard business processes that incorporate leading practices from both government and industry. The results of the BPR will be documented in the BEA that will be used to define the requirements for a Commercial of the Shelf (COTS) system solution(s).
2. (2.869) In FY 04, the Installations and Environment Domain will reengineer the Department's real property inventory process with a focus on data standardization. The BPR will result in standard business processes that incorporate leading practices from both government and industry. The results of the BPR will be documented in the BEA.

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Program Accomplishments and Plans/New Starts (Cont.):

FY 2005 Plans:

1. (1.572) In FY 05, the Strategic Planning and Budgeting Domain will reengineer the Department's program and budget formulation process. The BPR will result in standard business processes that incorporate leading practices from both government and industry. The results of the BPR will be documented in the BEA that will be used to define the requirements for a COTS system solution(s).
2. (3.900) In FY 05, the Installations and Environment Domain will implement the results of the real property reengineering initiative and begin the reengineering of the environmental management process and installation management process. The BPR will result in standard business processes that incorporate leading practices from both government and industry. The results of the BPR will be documented in the Business Enterprise Architecture (BEA).
3. (2.000) In FY 05, the Accounting and Finance Domain will reengineer the cost accounting process with a focus on data standardization. The BPR will result in standard business processes that incorporate leading practices from both government and industry. The results of the BPR will be documented in the Business Enterprise Architecture (BEA).

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B. Program Change Summary	FY 2002	FY 2003	FY 2004	FY 2005
Previous President's Budget	0	0	0	0
Current BES/President's Budget	0	0	4.480	7.472
Total Adjustments	0	0	0	0
Adjustment to Appropriated Value/Transferred Amount	0	0	0	0
Congressional realignment	0	0	0	0
Congressionally Directed Undistributed Reductions	0	0	0	0
Small Business Innovative Reserve	0	0	0	0

Current Budget Submit/Budget Estimate

 Funding: New Start

 Schedule: Business process reengineering was started following completion of the first version of the BEA. The reengineering will be on-going in an incremental approach consistent with the increments of BMMP. All results will be documented in updates to the BEA.

 Technical: Not Applicable

C. Other Program Funding Summary: N/A

D. Acquisition Strategy: The strategy will be to contract with the private sector for required effort.

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Exhibit R-3, RDT & E, DW Project Cost Analysis										Date: February 2004		
Appropriation: RDT&E, Budget Activity: 5					Program Element: 0901200D8Z					Business System Transformation		
Cost Categories	Contract Method & Type	Performing Activity & Location	Total Pys Cost	FY 03 Cost	FY 03 Award Date	FY 04 Cost	FY 04 Award Date	FY 05 Cost	FY 05 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Business Process Reengineering Support	Competitive	OSD	0	0		4.480	Feb 04	7.472	Oct 05		11.952	

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Exhibit R-4, Schedule Profile

Date: Month and Year
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February 2004

Appropriation/Budget Activity
RDT&E, 5

Program Element Number and Name
0901200D8Z Business System
Transformation

Project Number and Name

Fiscal Year	2001				2002				2003				2004				2005				2006				2007				2008				2009			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Increment 1 BPR														△				△																		
Increment 2 BPR																		△				△														

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Exhibit R-4a, Schedule Detail				Date: (month/year) February 2004					
Appropriation/Budget Activity RDT&E, 5		Program Element Number and Name 0901200D87			Project Number and Name				
Schedule Profile		FY 2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Increment 1 BPR				2Q	1Q				
Increment 2 BPR					1Q	1Q			

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