

VOLUME 2B, CHAPTER 4: “PROCUREMENT APPROPRIATIONS”

SUMMARY OF MAJOR CHANGES

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by ***bold, italic, blue and underlined font.***

The previous version dated [December 2016](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
040202	Restores the threshold for submitting procurement budget exhibits to \$5.0 million in the Budget Year (BY).	Revision
040402	Revises guidance for the P-3a budget exhibit, restoring the requirement to submit outyear cost element detail.	Revision

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CHAPTER 4

PROCUREMENT APPROPRIATIONS

0401 GENERAL

040101. Purpose

This chapter provides instructions applicable to budget formulation and congressional justification for procurement and production activities. Unless otherwise specified, these instructions apply to all procurement appropriations and to all budgets.

040102. References

Volume 2A, Chapter 1, Section 0102, provides policies and definitions concerning costs that are to be financed by the procurement appropriations.

040103. Submission Requirements

A. General guidance with regard to submission requirements is presented in Volume 2A, Chapter 1. This chapter provides guidance for the preparation of procurement appropriation backup material required to support the Budget Estimates Submission (BES) and the President's budget request. The procurement accounts should also submit applicable exhibits required by other chapters in the Financial Management Regulation. The Components will also submit any exhibits required by the Office of Management and Budget (OMB) Circular A-11, Preparation and Submission of Budget Estimates.

B. Military Departments and Defense Agencies are responsible for clearing the justification material with the Washington Headquarters Services, Directorate for Freedom of Information and Security Review, prior to transmittal to OMB and the congressional committees.

040104. Classification

The budget justification material should be unclassified. All classified material shall be submitted separately. Components must include a P-40 Budget Justification exhibit for special access programs (SAPs) that are not labeled as secret. The P-40 exhibits for SAPs must only include funding streams and cite the following justification: "This program is reported in accordance with Title 10, United States Code, Section 119(a)(1) in the Special Access Program Annual Report to Congress." All other (non-intel and non-SAP) classified funding requests must be identified (submit a one page P-40 exhibit) within unclassified justification budget materials.

0402 PROCUREMENT EXHIBIT REQUIREMENTS

040201. Purpose

This section prescribes instructions for the preparation and submission of procurement appropriations budget material to support the BES and the President's budget request. See Volume 2A, Chapter 1. Section 0104, for specific printing requirements.

SUMMARY OF EXHIBIT REQUIREMENTS

	<u>Exhibit</u>	<u>Appropriation</u>
P-1	Procurement Program	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-8a	Analysis of Ship Cost Estimates - Major Equipment	SCN
P-10	Advance Procurement Requirements Analysis	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-27	SCN Ship Production Schedule	SCN
P-29	SCN Outfitting Costs	SCN
P-30	SCN Post Delivery Costs	SCN
P-35	Major Ship Component Fact Sheet	SCN
P-40	Budget Item Justification Sheet	All
P-40a	Budget Item Justification for Aggregated Items	All
MYP-1	Multiyear Procurement Criteria (SNaP)	All, as applicable
MYP-2	Total Program Funding Plan (SNaP)	All, as applicable
MYP-3	Contract Funding Plan (SNaP)	All, as applicable
MYP-4	Present Value Analysis (SNaP)	All, as applicable

040202. Submission Requirements

A. Extensible Markup Language (XML) Exhibits. All Components must submit required budget exhibits as PDFs with the source XML file embedded. These PDFs will be generated by one of the following two processes:

1. Submit an XML file to the XML Tools section of the Comptroller XML Exhibits web site, <https://exhibits.dtic.mil/r2/app> (for Components capable of building an XML file from an internal system). The XML files submitted through the XML Tools section must be compliant with the latest Procurement XML schema, located within the same section of the web site; or,

2. Create a Procurement exhibit manually within the "Create New P-40" section of the Comptroller XML Exhibits web site, <https://exhibits.dtic.mil/p40>.

3. The result of either process will be a PDF file with an XML file embedded. All Procurement exhibit PDFs/XMLs must be assembled into a Justification Book(s) within the same website using one of the Justification Book tools and posted to the SIPRNET website <https://cisweb.ousdc.osd.smil.mil/>.

4. Formats and examples of the exhibits are contained in Section 0403.

B. Each backup book will include an Exhibit P-1, Procurement Program, an index of procurement lines (including P-1 line number, line item title, line item number, and backup book page number), and specific exhibits for those items covered by the backup book.

* C. All applicable budget exhibits will be prepared for those programs with a budget year (BY) funding value of \$5 million or greater. For non- Major Defense Acquisition Programs (MDAPs)/Major Automated Information Systems (MAIS) programs with a BY funding value less than \$5 million, only the P-40 exhibit is required. No other subordinate exhibits will be submitted for those programs with a total BY funding value less than \$5 million. MDAP/MAIS programs must submit all required budget exhibits regardless of BY funding value.

D. Periodically, changes to standard budget exhibit formats may be directed through separate guidance (for example, through the Budget Estimates Submission guidance). This guidance may precede formal adoption of exhibit changes into the Financial Management Regulation, or direct temporary exhibit changes, such as including funding for Overseas Contingency Operations (OCO). These changes will be incorporated into the applicable XML exhibit templates.

E. 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 (except as noted below)

P-1	Procurement Program
P-40	Budget Item Justification
P-40a	Budget Item Just for Aggregated Items
MYP 1-4	Multiyear Procurement
P-10	Advance Procurement Requirements Analysis
P-5	Cost Analysis
P-5a	Procurement History and Planning
P-21	Production Schedule
P-25	Production Support and Industrial Facilities Cost Analysis
P-18	Initial and Replenishment Spares Requirements
P-20	Requirements Study (BES only, as applicable)

Arrangement of Exhibits for Modifications

P-1	Procurement Program
P-1M	Modification Summary
P-40	Budget Item Justification
MYP 1-4	Multiyear Procurement
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
P-10	Advance Procurement Requirements Analysis
P-5	Cost Analysis
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
P-21	Production Schedule
MYP 1-4	Multiyear Procurement
P-18	Initial and Replenishment Spares Requirements
P-20	Requirements Study (BES only, as applicable)

Chemical Agents and Munitions Destruction

The Chemical Agents and Munitions Destruction, Defense appropriation contains multiple types of funds (Operation and Maintenance (O&M), Research, Development, Test and Evaluation (RDT&E), and Procurement) 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 required to provide the justification book in the following order:

Table of Contents

Appropriation Language

Appropriation Justification

Part I Purpose and Scope

Part II Justification of Funds Required

Part III Milestones

Budget Activity 1: Operation and Maintenance

Part I Purpose and Scope

Part II Justification of Funds Required

Part III Financial Summary

Budget Activity 2: Research, Development, Test and Evaluation

Part I Purpose and Scope

Part II Justification of Funds Required

Part III Financial Summary

RDT&E RDT&E Exhibits (See Chapter 5)

<u>Budget Activity 3:</u>	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
OP-5 (Pt 1)	Budget Activity Summary (See Volume 2A, Chapter 3)
OP-5 (Pt 2)	Activity Group Detail, Including a Reconciliation of Increases and Decreases (See Volume 2A, Chapter 3)
OP-32	Summary of Price and Program Changes (See Volume 2A, Chapter 3)

F. P-Series Major Platform Quantities

Congress requires that all Major Platform end items, including Service Life Extension Programs, Major Defense Acquisition Programs (MDAPs), and Major Automated Information Systems (MAIS), reflect quantities on all P-series (i.e., P-1, P-40, P-5, etc.) budget exhibits. For those Major Platform end items where there are different variants being procured (e.g., Family of Medium Tactical Vehicles), total quantities should not be entered on the P-1 exhibit or in the Program Resources Collection Process (PRCP) database, but specific quantities by variant must be provided on all other P-series documents. Major Platform end items are defined as the new procurement of:

- Aircraft
- Unmanned Air Vehicles
- Ships
- Missiles
- Tanks
- Combat and Tactical Vehicles
- Satellites

For programs that are not considered Major Platforms, quantities are to be included in all P-series exhibits (e.g., P-40, P-5, P-5a, etc.) with the exception of the P-1 exhibit.

G. Major Defense Acquisition Programs (MDAPs)/Major Automated Information Systems (MAIS)

1. Joint budget guidance from the Under Secretaries of Defense for Acquisition, Technology & Logistics (AT&L) and Comptroller directs that all MDAPs or MAIS will be budgeted in separate, dedicated Procurement (P-1) line items, and associate all of the funding for a given MDAP/MAIS with a PRCP Program Number (PNO).

2. For all MDAP/MAIS programs, the P-40 Budget Item Justification exhibit must include the PNO. Components must also ensure that all applicable years of the PRCP and FYDP annex data bases are updated to reflect the program budget estimates for all MDAP/MAIS programs, including all prior years and cost-to-complete columns. Each MDAP/MAIS subprogram is a component that will be identified by appropriation, budget line item, and budget activity under the End Item P-1 Line Item header.

H. Multiyear Procurements (MYP)

1. Volume 2A, Chapter 1, section 010203, provides guidance for MYP programs. The MYP exhibits are required for new candidate systems seeking MYP funding in the budget year (BY); multiyear contracts approved in prior years that have been significantly restructured; and MYP candidates that are requesting BY advance procurement funding in support of a later year MYP contract. Any changes to the MYP budget justification and backup materials, as approved by OUSD(C), must be re-submitted via SNaP. The approved MYP exhibits must be included in the Justification book along with the other procurement exhibits for that program.

2. Annual Congressional Multiyear Reporting Requirement. Section 2306b(l) of Title 10, United States Code (Multiyear Contracts) directs the Secretary of Defense to submit an annual report to the congressional defense committees regarding multiyear contracts. The OUSD(C) is responsible for coordinating the consolidated report.

I. Subsystem Budget Estimates

Any platform that includes funding for subsystems that are designated as Defense Acquisition Executive Summary or Selected Acquisition Reporting programs must identify the specific subsystem funding by fiscal year and by subsystem on the P-5 exhibits (or P-35 exhibit for SCN). The program must be labeled “MDAP/MAIS Subprogram: Program Name” and include the associated PNO. For example, “MDAP/MAIS Subprogram: Air Missile Defense Radar (AMDR), PNO: 384.”

J. Congressionally authorized and requested Advance Procurement funds for major end items must be clearly identified on all P-series exhibits for each end item by fiscal year for the program. Programs authorized to execute advance construction labor within their advance procurement must cite in the P-10 Exhibits description that “advance procurement items, including advance construction labor, is limited to components whose long-lead times require purchase early in order to reduce the overall procurement leadtime of the major end item.”

K. If an amended budget is submitted, applicable revised budget exhibits are required.

L. Guard and Reserve Procurement

1. Exhibit P-1R, Procurement Program - Reserve Components, shows all investment funding allocated for National Guard and Reserve Component equipment, to include quantities and costs of procurement items. The Military Departments are required to identify the applicable memo entries by P-1 Budget Line Item those lines that include quantity and funding for the National Guard and Reserve Components for each fiscal year (PY, CY, BY, BY+1 through BY+4, To Complete). The Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) generates the P-1R based on the FYDP data in PRCP.

2. All supporting procurement justification documentation must clearly annotate equipment allocated to the National Guard and Reserves. Specifically, the P-40 Budget Item Justification exhibit and the P-21 Production Schedule exhibit must contain a non-add memo entry indicating the funding and delivery schedule for all of the items being procured for allocation

to the National Guard and Reserve Components. This data must balance to the data in the PRCP database.

M. Dual-Use Equipment

All Components must include the following statement on their P-40 exhibit for all Army, Navy, Marine Corps, and Air Force Active and Reserve dual-use equipment items: “In accordance with section 1815 of the FY 2008 National Defense Authorization Act (P.L. 110-181), this item is necessary for use by the active and reserve components of the Armed Forces for homeland defense missions, domestic emergency responses, and providing military support to civil authorities.”

0403 CONGRESSIONAL JUSTIFICATION/PRESENTATION

This Section presents the backup book organization and the exhibit requirements for submission to Congress. See Volume 2A, Chapter 1, Section 0104 for specific printing requirements. Justification material will be organized into a Committee Staff Procurement Backup Book. Volume 2A, Chapter 1, 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.

Department of Defense
FY 20BY President’s Budget Submission
Justification Book Volume X of X
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 - P-1 Line Item Detail. Procurement budget exhibits will be organized as discussed in paragraph 040203.D.

0404 PROCUREMENT APPROPRIATION BUDGET EXHIBIT FORMATS

040401. Standardized budget exhibit formats.

Section 040402 describes the use of XML budget exhibits for procurement appropriations. In addition to the key attribute of making budget exhibit data electronically searchable, the XML exhibits standardize the various budget displays, enabling more effective and efficient budget formulation, review, analysis, and submission.

A. The exhibit formats provided on the following pages reflect guidance presented in previous sections.

B. The use of XML exhibits is mandatory for BES and President's budget request backup justification material.

C. XML exhibits will automatically standardize formatting, to include:

1. Exhibits displayed on 8 1/2 inch by 11 inch paper in landscape format.
2. Actual fiscal years (e.g., FY 2016, FY 2017, etc.) rather than the template entries (i.e., Prior Years (PYs), Prior Year (PY), Current Year (CY), Budget Year (BY), BY+1, BY+2, BY+3, and BY+4 and "to complete" where applicable).
3. Annotating the applicable P-1 line item number (using the number shown on the OSD-generated P-1 exhibit from PRCP) and page number within the line item (e.g., Item 1-1 of 5, 2-1 of 1, 3-1 of 20, etc.) at the bottom center of each exhibit page.
4. Properly paginate the backup book.

* 040402. Procurement exhibit formats

There are 22 procurement exhibits that support the formulation and submission of the BES and the President's budget request. The exhibits provide data and information that justifies budgetary requirements for the various procurement appropriations. The exhibit formats follow. Volume 2B, Chapter 19, Other Special Analyses, also identifies budget exhibits that may be required.

Exhibit P-1

Exhibit P-1, Procurement Program

Department of the _____

Appropriation: _____

Date: _____

Budget Activity: _____

P-1 Line <u>Item No</u>	Item <u>Nomenclature</u>	Ident <u>Code</u>	<u>Prior Year</u>		<u>Current Year</u>		<u>Budget Year</u>		<u>Budget Year OCO</u>		<u>Budget Year Total</u>	
			<u>Qty</u>	<u>Cost</u>	<u>Qty</u>	<u>Cost</u>	<u>Qty</u>	<u>Cost</u>	<u>Qty</u>	<u>Cost</u>	<u>Qty</u>	<u>Cost</u>
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)

Exhibit P-1M

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

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

Exhibit P-1M, Procurement Program - Modification Summary
(Exhibit P-1, page 2 of 6)

Exhibit P-1R

Exhibit P-1R Procurement Program - Reserve Components

Department of the _____

Appropriation: _____

Date: _____

Budget Activity: _____

P-1 Line Item No	Item Nomenclature	Ident Code	PY		CY		BY		BY +1		BY +2		BY +3		BY +4	
			Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
<i>TOA, \$ in Millions</i>																

Examples:
F-16 Modifications
National Guard
Reserve

Exhibit P-1R, Procurement Program- Reserve Components
(Exhibit P-1, page 3 of 6)

InstructionsExhibit P-1, Procurement ProgramExhibit P-1M, Procurement Program - Modification SummaryExhibit P-1R, Procurement Program - Reserve Components

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 (i.e., items not approved for Service use).

B. Unless otherwise prescribed for a specific commodity area, only procurement line items with funding of \$5.0 million or more in the Prior Year (PY), Current Year (CY) or Budget Year (BY) will be listed individually. 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.

Exhibit P-1, Procurement Program Instructions. Provide funding and applicable quantities by budget activity and line item. Data must match submission to the PRCP data base.

Advance Procurement. Advance procurement should be debited and credited according to the lead-times of the advance procurement. For instance, if FY 2015 and FY 2016 Advance Procurement funds are required for a FY 2017 procurement, the FY 2015 Advance Procurement funds would be debited in FY 2015, the FY 2016 Advance Procurement funds would be debited in FY 2016, and the total of the FY 2015 and FY 2016 Advance Procurement funds would be credited in FY 2017.

Advance Procurement

FY TOA	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
FY 2015 for FY 2017 (memo)	x					
FY 2016 for FY 2017 (memo)		x				
FY 2016 for FY 2018 (memo)		x				
FY 2017 (memo)			-x			
FY 2017 for FY 2018 (memo)			x			
FY 2017 for FY 2019 (memo)			x			
FY 2018(memo)				-x		
FY 2018 for FY 2019 (memo)				x		
FY 2018 for FY 2020 (memo)				x		
FY 2019(memo)					-x	
FY 2019 for FY 2020 (memo)					x	
FY 2019 for FY 2021 (memo)					x	
FY 2020(memo)						-x
FY 2020 for FY 2021 (memo)						x
FY 2020 for FY 2022 (memo)						x

(Exhibit P-1, page 4 of 6)

Exhibit P-1 Instructions (Continued)

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.

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.

All line items will be double spaced.

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

(\$ in Millions)
15.6

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

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 (generated from the OSD PRCP database).

Column 2: Item Nomenclature. Identify the name of the program. This must match what is shown in PRCP.

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:

Exhibit P-1 Instructions (Continued)

Army. The item has been type-classified as Standard (STD) and excludes Limited Procurement (LP) type-classification 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 full rate production decision.

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

Columns 4-11: Self-explanatory.

Exhibit P-1M, Procurement Program - Modification Summary Instructions

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 Instructions

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 and be provided for all years (i.e., for PY, BY, BY+1 – BY+4). Each Military Department is required to update the PRCP database for this information supporting the National Guard and Reserve for both the BES and the President's Budget submissions.

Exhibit P-3a

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		BY		BY+1		BY+2		BY+3		BY+4		TC		Total		
	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	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	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	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	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	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	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 5)

Exhibit P-3a (Continued)

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		BY		BY+1		BY+2		BY+3		BY+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(BY) - 15 kits)											5	0.1											
(FY(BY+1) - 25 kits)													10	0.2	15	0.3							
etc.																							
					15	0.2	10	0.1	10	0.2	10	0.2	20	0.4	15	0.3							

Installation Schedule

	PY	CY				BY				BY+1				BY+2				BY+3				BY+4				TC
		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 5)

Instructions - Exhibit P-3a, Individual Modification

* This exhibit will be submitted for all individual modifications whose costs are greater than \$5.0 million in the budget year. Except as noted, individual modifications whose costs are less than \$5.0 million in the budget year will not submit this exhibit.

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 (e.g., A-10, AGM-86, F/A-18, etc.).

Classification. Enter the modification classification or type (e.g., 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 ensuring quantities and costs match the P-1R. 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

(Exhibit P-3a, page 3 of 5)

Exhibit P-3a Instructions (Continued)

(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 Prior 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.

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. 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 (e.g., 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 (e.g., 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 years (PYs) through **To Complete (TC)**.

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 (e.g., 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 lead time.

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 and budget year.

(Exhibit P-3a, page 4 of 5)

Exhibit P-3a Instructions (Continued)

Installation Schedule: For modifications procured through the Budget Year (BY), show system inductions and modification completions by quarter. An installation schedule is required for all programs requiring installation funds. However, if the modification is being installed organically (i.e., by service managed and operated depots or field activities) and no installation funds are required, then no schedule is required. The schedule will include completed inductions for total Prior Years, Prior Year, and planned inductions for all uninstalled equipment for CY, BY, BY+1, BY+2, BY+3, and BY+4, and To Complete, as necessary, to account for installation of all modifications procured through the BY. 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.

(Exhibit P-3a, page 5 of 5)

Exhibit P-5, Cost Analysis

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 Unit Cost	Prior Years Total Cost	PY Unit Cost	PY Total Cost	CY Unit Cost	CY Total Cost	BY Unit Cost	BY 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)

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 detailed cost element data for fiscal years (FYs) from prior years (PYs) through the Budget Year (BY). Out-year cost element data is no longer required and will not be submitted.

General. This exhibit will be prepared for all procurement programs for which funds are requested in the P-1 exhibit. 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 exhibit is not required for those programs that use a P-40a exhibit to display items included in an aggregated line item or if an Exhibit P-3a Modification Summary, has been prepared for a line item.

Entries:

Heading. Insert Appropriation, Budget Activity, and identification code (as identified on the Exhibit P-1 generated from the OSD PRCP database) 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. All 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. If they do not net to zero, Components must provide rational why they do not.

Initial Spares. Separately identify initial spares funding and include in the total for the net weapon system/end item cost.

(Exhibit P-5, page 2 of 8)

Exhibit P-5 Instructions (Continued)

Unit Cost. The unit cost should be displayed for each flyaway cost element on the P-5 exhibit. 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.

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 Government Furnished Equipment (GFE) avionics equipment.

Armament: Enter costs for all armament.

Software: Software costs are to be separately identified.

Other 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). Engineering Change Orders 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.

(Exhibit P-5, page 3 of 8)

Exhibit P-5 Instructions (Continued) Missile Cost Analysis

A missile P-5 exhibit will be submitted by all Services for each missile/drone type and model. If more than 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 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 CategoriesMissile 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

(Exhibit P-5, page 4 of 8)

Exhibit P-5 Instructions (Continued)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
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.

(Exhibit P-5, page 5 of 8)

Exhibit P-5 Instructions (Continued)Satellite Cost Element CategoriesLaunch 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)

Space Vehicle:

- Integration & Assembly
- Spacecraft
- Payload
- Reentry Vehicle
- Other (specify)
- Nonrecurring (specify)
- Engineering Change Orders (ECO)
- In-House Production Support
- Total Flyaway Cost

Checkout and Launch:

- Storage, Reactivation, and Transport
- Integration and Checkout
- Propellants
- Orbital Incentives
- Other (specify)
- Total *Checkout and Launch*

Support:

- Technical Support
- On-Orbit Support
- Flight Support
- Other Support (specify)
- Total Support

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

(Exhibit P-5, page 6 of 8)

Exhibit P-5 Instructions (Continued)**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.

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. Actual ammunition quantities will be displayed, unless the quantities being procured are in the 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.

C. 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 P-5 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

(Exhibit P-5, page 7 of 8)

Exhibit P-5 Instructions (Continued)

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.

D. 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 should be added as required and identified accordingly (e.g., special testing). 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.

E. 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.

F. Each section's subtotal should be displayed at the end of the subentries listing.

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

Exhibit P-5a Procurement History and Planning

Exhibit P-5a, Procurement History and Planning

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
Prior 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

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

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) and budget year (BY). 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 2015 using FY 2014 funding, is the FY 2017 cost based on an FY 2014 cost inflated 3 years, or to an FY 2016 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 year. Information for PY, CY, and BY 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. For each cost element, provide information for the PY, CY, and BY. 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 CY and PY entries to show actual contractor and contract award dates. For the BY, 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 BY, then provide contract data through BY+2.

Quantity and Unit Cost. Insert PY actual quantity procured and actual unit cost. For the CY and BY 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, insert contractor name if sole source; otherwise use "Unknown". Identify the city/state location of the contractor plant.

(Exhibit P-5a, page 3 of 5)

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

Additionally, indicate those contracts that are multiyear procurements by placing the code "MYP" and a corresponding number to indicate the year of the MYP after the Contract Method/ Contract Type as in the following 5-year MYP example:

SS/FPIF/MYP-1 (indicates this is the first year of the MYP)
 SS/FPIF/MYP-2
 SS/FPIF/MYP-3
 SS/FPIF/MYP-4
 SS/FPIF/MYP-5

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 the BY. 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 year. No entry is required for prior year. 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).

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

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 contract cannot be used; to explain significant variations in unit cost from year to year, etc.

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

Date: _____

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

Ship Type: _____

	<u>FY 20PY</u>		<u>FY 20CY</u>		<u>FY 20BY</u>	
	<u>Qty</u>	<u>Amt</u>	<u>Qty</u>	<u>Amt</u>	<u>Qty</u>	<u>Amt</u>
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.

Analysis of Ship Cost Estimate – Major Equipment
(Exhibit P-8a, page 1 of 1)

Exhibit P-10, Advance Procurement Requirements Analysis

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	BY
End Item Qty						
CFE						
Engines						
GFE						
GFE						
GFE						
EOQ						
Design						
Term Liab						
Other*						
Total AP						

P-1 Line Item No X

Exhibit P-10, Advance Procurement Requirements Analysis

Exhibit P-10, (Page 1 of 4)

Exhibit P-10, Advance Procurement Funding (Continued)

Exhibit P-10, Advance Procurement Funding

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	BY QTY*	BY Contract Forecast Date	BY Total Cost Request			
End Item		N/A				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 lead-times are greater than one year).

(Use continuation pages, as necessary)

P-1 Line Item No X

Exhibit P-10, Advance Procurement Funding
(Exhibit P-10, page 2 of 4)

Instructions - Exhibit P-10, Advance Procurement Requirements Analysis

Page 1 - Budget Justification entries.

This format will include funding for all Prior Years through the Budget Year (BY). Out-year data is not required and will not be submitted.

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 year supports. For example: FY 2017 advance procurement funds are required in support of an FY 2018 procurement. The FY 2017 AP supporting the FY 2018 end item procurement will be awarded in March 2017 and the FY 2018 procurement will be awarded in January 2018. Enter March 2017. If the manufacturing processes require 24 months, then the item will be delivered in March 2019. Enter March 2019.

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

Column 1. The first entry should be the procurement quantity budgeted for each year (specify the actual fiscal year rather than showing the 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).

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).

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.

(Exhibit P-10, page 3 of 4)

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

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.

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

Column 6. BY 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 subsequent years for which the advance procurement in the BY supports.

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

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.

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

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	BY FY	
<u>INITIAL</u>					
B-1					
B-2					
F/A-18					
P-3					
UH-60					
Etc.					
TOTAL INITIAL					
<u>REPLENISHMENT</u>					
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 for the Budget Estimates Submission only.

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.

(Exhibit P-18, page 2 of 2)

Exhibit P-20, Requirements Study

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	
Inventory Objective	Actual Training Expenditures	Other than Training Usage	Disposals (Vehicles/Other)		Vehicles Eligible for BY Replacement: 50	Aircraft: TOAI:
			PY FY	CY FY	BY FY	
Quantity Budgeted			500	500	500	
Unit Cost			.1	.1	.1	
Total Cost			.5	.5	.5	
Asset Dynamics						
Beginning Asset Position			500	545	545	
Deliveries from all prior year funding			150	500		
Deliveries from CY funding					500	
Deliveries from BY funding						
Deliveries from subsequent years' funding						
Other Gains			50	10	20	
Combat Losses/Usage			0	0	0	
Training Losses/Usage			-150	-500	-600	
Test Losses/Usage			-5	-10	-5	
Other Losses/Usage			0	0	0	
Disposals/Retirements/Attritions/etc.						
End of Year Asset Position			545	545	460	
Inventory Objective or Current Authorized Allowance			545	545	545	
Assets Rqd for Combat Loads: 500	PY thru _____: 350	PY thru _____: 5	PY thru _____: 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 4)

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 exhibit is required only for the Budget Estimates Submission (BES) for ammunition and weapons procurement accounts, but can be used for other procurement accounts as determined by the Services and Defense Agencies. The P-20 exhibit is required for only those items costing \$20.0 million or more in the budget year (BY).
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 prior 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 and BY 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.

(Exhibit P-20, page 2 of 4)

Exhibit P-20 Instructions (Continued)

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 3 years. For example, for the FY 2018 submission, FY 2017 will be the current year but no usage will have occurred. FY 2016 would be the Prior Year but data will probably not be available for the entire fiscal year prior to the submission. Therefore, show actual usage for FY 2016 through June 30, 2016 and the usage for 3 fiscal years (FY 2015 (Prior Year minus one, PY-1), FY 2014 (Prior Year minus two, PY-2), and FY 2013 (Prior Year minus three, PY-3)).

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 funded leadtime based upon the age, repair limits and mileage criteria of DoD 4500.36-R, Acquisition, Management, and Use of DoD Non-Tactical Vehicles.

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 determined by The Joint Staff (TJS) inventory category (see Chairman of the Joint Chiefs of Staff Instruction (CJCSI) 4410.01G, Standardized Terminology for Aircraft Inventory Management) for each FY. Explain the basis for the approved acquisition objective and identify the applicable requirements document and approval authority (e.g., 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 may 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 bairment's, drones, foreign military sales or other transfers, leases, loans, maintenance training, reclamation, and storage; and (4) the Joint Staff approved inventory requirements.

(Exhibit P-20, page 3 of 4)

Exhibit P-20, Requirements Study (Continued)

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 those items that total to 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:

	<u>Required</u>
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.

(Exhibit P-20, page 4 of 4)

Exhibit P-21, Production Schedule

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	F Y	S V C	Q T Y	D E L	B A L	O T	N V	D C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P	O C T	N O V	D E C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P	B A L
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	F Y	S V C	Q T Y	D E L	B A L	O T	N V	D C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P	O C T	N O V	D E C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P	B A L
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

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 to show the planned contractual production deliveries for Exhibit P-5 cost elements that have a value of \$5.0 million or more in the budget year (BY). Exhibit P-5 cost elements that have a value of less than \$5.0 million in the BY will not submit Exhibit P-21. 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 1 shift a day running for 8 hours a day and 5 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.

(Exhibit P-21, page 2 of 3)

Exhibit P-21 Instructions (Continued)

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).

f. Enter respective schedules for all prior fiscal years with undelivered assets, for CY, and BY. 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.

(Exhibit P-21, page 3 of 3)

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

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	BY FY		Facility Name: _____					
Construction					Location: _____					
Equipment					Type: (GOGO, GOCO, COCO): _____					
Equipment					Related Projects					
Equipment					Project # and Title	FY & Appn	Value	Facing	Start Date	Compl Date
Equipment										
Equipment Install										
Contract Support										
Corps of Engrs										
Other										
Total Fac Costs										
Other-Prove-out										
MILCON					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 the budget year. The sections on the P-25 exhibit are to be completed as follows.

Entries:

Construction Cost. The Construction Cost depicts 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. The Equipment Cost identifies 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. The Equipment Installation Cost identifies the cost to install all the equipment listed.

Contractor Support Cost. The Contractor Support Cost identifies any cost for contractor support included in the production facility project.

Corps of Engineers Support Cost. The Corps of Engineers Support Cost identifies 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.

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

Facility. The Facility specifies the name, location, and type of facility.

Related Projects. The Related Projects 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)

Instructions - Exhibit P-27, SCN – Ship Production Schedule

Purpose. The purpose of this exhibit is to provide information concerning production of ships authorized for construction, but not yet delivered, and for each ship programmed for construction in the Future Years Defense Program (FYDP).

General. This exhibit will be prepared for all Ship Construction, Navy (SCN) programs for which ship construction funds are requested in the P-1 exhibit. Ships will be listed in chronological order by the year authorized, then date of contract award, and then by start of construction.

Entries:

Heading. Insert Appropriation, Budget Activity, and identification code (as identified on the Exhibit P-1 generated from the OSD PRCP database) 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.

Ship. Identify each individual ship by Ship Class and hull number (e.g., SSN 792, CVN 79) that has previously been authorized for construction, but has not yet delivered, and each ship that is programmed for construction in the FYDP.

Shipbuilder. Identify the shipbuilder(s) for each ship.

Fiscal Year. List the year funds were appropriated or are programmed for each ship.

Contract Award. Enter the month and year of the shipbuilding contract award (actual or planned) using “MMM YYYY” format (e.g., Dec 2017).

Start of Construction. Enter the month and year that construction began/is scheduled to begin using “MMM YYYY” format.

Delivery Date. Enter the month and year each ship is planned to deliver using “MMM YYYY” format.

(Exhibit P-27, page 2 of 2)

Instructions - Exhibit P-29, SCN – Outfitting Costs

Purpose. The purpose of this exhibit is to provide detailed information concerning Outfitting funds for ships authorized for construction, but not yet delivered, and for each ship programmed for construction in the Future Years Defense Program (FYDP).

General. This exhibit will be prepared for all Ship Construction, Navy (SCN) programs for which ship Outfitting funds are requested. Outfitting funds are used to acquire on board repair parts, other secondary items, equipage, recreation items, pre-commissioning crew support and general use consumables furnished to the shipbuilder or the fitting-out activity to fill the ship's initial allowances as defined by the baseline coordinated shipboard allowance list (COSAL). Outfitting funds are also budgeted for contractor-furnished spares, at lead-time away from delivery. The SCN funding for the initial fill of allowance list items are limited to those items on the COSAL and authorized requirements through the Obligation Work Limiting Date (OWLD). While most outfitting funds are executed prior to ships' completion of fitting out dates, some outfitting funding may be required in the fiscal year following the scheduled Delivery Date.

Ships will be listed by Ship Class, then in chronological order by the year authorized, then date of contract award, and then by start of construction.

Entries:

Heading. Insert Appropriation, Budget Activity, and identification code (as identified on the Exhibit P-1 generated from the OSD PRCP database) 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.

Ship Class and Hull Number. Identify each individual ship by Ship Class and hull number (e.g., SSN 792, CVN 79) that has previously been authorized for construction, but has not yet delivered, and each ship that is programmed for construction in the FYDP.

Program Year. List the year ship construction funds were appropriated or are programmed for each ship.

Contract Award. Enter the month and year of the shipbuilding contract award (actual or planned) using “MMM YYYY” format (e.g., Dec 2017).

Start of Construction. Enter the month and year that construction began/is scheduled to begin using “MMM YYYY” format.

Delivery Date. Enter the month and year each ship is planned to deliver using “MMM YYYY” format.

Completion of Fitting Out (CFO). Enter the month and year each ship is planned to complete fitting out using “MMM YYYY” format.

Post-Shakedown Availability (PSA) Start. Enter the month and year each ship is planned to begin PSA using “MMM YYYY” format.

PSA Finish. Enter the month and year each ship is planned to finish PSA using “MMM YYYY” format.

Obligation Work Limiting (OWL) Date. Enter the OWLD for each ship using “MMM YYYY” format.

Funding. Enter Outfitting funding for each ship. Annual funding will be provided in the Prior Year (PY), Current Year (CY) and Budget Year (BY) columns only. Total Outfitting funding received in all fiscal years before the Prior Year (PY) will be entered in the Prior Years column. All Outfitting funds programmed in the FYDP years (i.e., BY+1 through BY+4) will be entered in the To Complete column. The total Outfitting cost for each ship will be entered in the Total column.

Instructions - Exhibit P-30, SCN – Post Delivery Costs

Purpose. The purpose of this exhibit is to provide detailed information concerning Post Delivery funds for ships authorized for construction, but not yet delivered, and for each ship programmed for construction in the Future Years Defense Program (FYDP).

General. This exhibit will be prepared for all Ship Construction, Navy (SCN) programs for which ship Post Delivery funds are requested. Post Delivery funding covers the fixing of government-responsible items which were believed to have been complete to standard and/or operable at delivery, as well as funding to conduct tests and trials after delivery. The Post Shakedown Availability (PSA) is a shipyard availability assigned to commence after delivery and to be completed prior to the expiration of the SCN Obligation Work Limiting Date (OWLD). Funding is used for corrections authorized by the ship's Program Manager as a result of builders' trials (pre-delivery), acceptance or underway trials, final contract trials, trial board items, and correction of production-related defects or deficiencies which develop during the post delivery period. Although the majority of post delivery funding occurs after ships' delivery dates, some funding is required prior to the delivery date in preparation for post delivery events.

Ships will be listed by Ship Class, then in chronological order by the year authorized, then date of contract award, and then by start of construction.

Entries:

Heading. Insert Appropriation, Budget Activity, and identification code (as identified on the Exhibit P-1 generated from the OSD PRCP database) 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.

Ship Class and Hull Number. Identify each individual ship by Ship Class and hull number (e.g., SSN 792, CVN 79) that has previously been authorized for construction, but has not yet delivered, and each ship that is programmed for construction in the FYDP.

Program Year. List the year ship construction funds were appropriated or are programmed for each ship.

Contract Award. Enter the month and year of the shipbuilding contract award (actual or planned) using “MMM YYYY” format (e.g., Dec 2017).

Start of Construction. Enter the month and year that construction began/is scheduled to begin using “MMM YYYY” format.

Delivery Date. Enter the month and year each ship is planned to deliver using “MMM YYYY” format.

Completion of Fitting Out (CFO). Enter the month and year each ship is planned to complete fitting out using “MMM YYYY” format.

Post-Shakedown Availability (PSA) Start. Enter the month and year each ship is planned to begin PSA using “MMM YYYY” format.

PSA Finish. Enter the month and year each ship is planned to finish PSA using “MMM YYYY” format.

(Exhibit P-30, page 2 of 3)

Obligation Work Limiting (OWL) Date. Enter the OWLD for each ship using “MMM YYYY” format.

Funding. Enter Post Delivery funding for each ship. Annual funding will be provided in the Prior Year (PY), Current Year (CY) and Budget Year (BY) columns only. Total Post Delivery funding received in all fiscal years before the Prior Year (PY) will be entered in the Prior Years column. All Post Delivery funds programmed in the FYDP years (i.e., BY+1 through BY+4) will be entered in the To Complete column. The total Post Delivery cost for each ship will be entered in the Total column.

(Exhibit P-30, page 3 of 3)

Exhibit P-35, Major Ship Component Fact Sheet

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 20BY			
	Hull	Total FY	Hull	Total FY	Hull	Total FY	Hull	Total FY
Major Hardware								
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						
BY						

Delivery Data	Earliest Ship Delivery Date	Months Required before Delivery	Production Leadtime	Required Award Date
PY				
CY				
BY				

V. Competition/Second-Source Initiatives:

P-1 Line Item No 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), and budget year (BY).

Identify estimates on an end item cost basis. If 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 major hardware procurement. The exhibit will include the contract plans for the BY, 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 for each type of equipment.

Delivery Data. This section should indicate delivery plans for BY, CY and Prior 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.

(Exhibit P-35, page 2 of 2)

Exhibit P-40, Budget Item Justification

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	BY FY		BY+1 FY	BY+2 FY	BY+3 FY	BY+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 exhibit will be submitted to support each P-1 line item with funding of \$5.0 million or more in the budget year (BY) or \$5.0 million or more in either the Prior Year (PY) or Current Year (CY). Funding will be provided for all years displayed on the P-40 exhibit for all programs for both the program and budget review submission and the President's budget submission. If the prior years 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 must reflect all costs and quantities from prior years through to complete for those programs buying a finite quantity. Note: for non- Major Defense Acquisition Programs (MDAPs)/Major Automated Information Systems (MAIS) programs with a funding value less than \$5.0 million, only the P-40 exhibit is required. No other budget exhibits will be submitted for programs with a funding level less than \$5.0 million in the BY. MDAP/MAIS programs must submit all required budget exhibits if a P-40 exhibit is required.

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 (must be identical to what is shown in PRCP for that line item) and identify nicknames in parenthesis. Identify the program element for all Code B items shown on the P-5. Also list all other Program Elements associated with this procurement.

b. Funding will be presented for all Prior Years before the current prior year (i.e., PY-1, PY-2, PY-3, etc.), the Prior Year, the Current Year, the Budget Year, the 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 non-tactical vehicles. It is relevant to show funding for all fiscal years for items being procured to specified quantity, such as aircraft, missiles, tactical vehicles, 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. Procurement programs that include funding for National Guard and Reserve Components will list Secondary Distribution to Active, National Guard, and Reserve Components, as applicable. Secondary Distribution will include quantity and funding for each component for the Prior Year, the Current Year, the Budget Year, and the FYDP years. This data must match submission to the PRCP data base.

d. 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.

e. If the item is a Code B item, provide the month and calendar year, actual or projected, for each applicable Developmental Test & Evaluation (DTE), Initial Operational Test & Evaluation (IOT&E), Operational Test & Evaluation (OTE), and technical data package (TDP) or performance specification milestone date. The 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 Chief of Naval Operations (CNO) or other responsible official (Navy). Provide the nomenclature and model number of each item (as applicable) that will be replaced, as well as

(Exhibit P-40, page 2 of 4)

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 (i.e., successful firings, slippages, test failures, cost overruns, etc.).

f. 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 2015 and FY 2016 Advance Procurement funds are required for a FY 2017 procurement, the FY 2015 Advance Procurement funds would be debited in FY 2015, the FY 2016 Advance Procurement funds would be debited in FY 2016, and the total of the FY 2015 and FY 2016 Advance Procurement funds would be credited in FY 2017.

Advance Procurement

FY TOA	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
FY 2015 for FY 2017 (memo)	.x					
FY 2016 for FY 2017 (memo)		.x				
FY 2016 for FY 2018 (memo)		x				
FY 2017 (memo)			-.x			
FY 2017 for FY 2018 (memo)			.x			
FY 2017 for FY 2019 (memo)			.x			
FY 2018(memo)				-x		
FY 2018 for FY 2019 (memo)				x		
FY 2018 for FY 2020 (memo)				x		
FY 2019(memo)					-x	
FY 2019 for FY 2020 (memo)					x	
FY 2019 for FY 2021 (memo)					x	
FY 2020(memo)						-x
FY 2020 for FY 2021 (memo)						x
FY 2020 for FY 2022 (memo)						x

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 exhibit must list all Service and Other Small Craft Items by types and provide funding for all years still being executed.

(Exhibit P-40, page 3 of 4)

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:

Instructions Exhibit P-40, Budget Item Justification (Continued)

Mod/ Total (TOA, \$ in Millions)
OSIP No. Title PYs PY CY BY

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.

(Exhibit P-40, page 4 of 4)

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 exhibit is not required for items included on a P-40a exhibit.

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 exhibit. 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. Unit Cost, Quantity and Total Cost will be presented for all Prior Years, Prior Year (PY), Current Year (CY), Budget Year (BY). The funding should agree with the funding approved in the FYDP Procurement Annex.

Exhibit MYP-1, Multiyear Procurement Criteria Content

Date: _____

Exhibit MYP-1, Multiyear Procurement Criteria Content

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
 - 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 Content

Exhibit MYP-1, Multiyear Procurement Criteria Content (Continued)

Program _____

4. Advantages of the MYP

5. Impact on Defense Industrial Base

6. Multiyear Procurement Summary

Quantity

Total Contract Price

Cancellation Ceiling (highest point)

 Funded

 Unfunded

\$ Cost Avoidance Over Annual

% Cost Avoidance Over Annual

Annual Contracts

Multiyear Contract

P-1 Line Item No X

MYP, page 2 of 8

Exhibit MYP-2, Total Program Funding Plan

Exhibit MYP-2, Total Program Funding Plan						Date				
Appropriation (Treasury) Code/CC/BA/BSA/Item Control No						P-1 Line Item Nomenclature				
	PY	BY	BY +1	BY +2	BY +3	BY+4	BY +5	BY +6	BY +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	xx.x									xx.x
For BY +1		xx.x	xx.x							xxx.x
For BY +2		xx.x	xx.x	xx.x						xxx.x
For BY +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

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

Exhibit MYP-3, Contract Funding Plan

Exhibit MYP-3, Contract Funding Plan						Date				
Appropriation (Treasury) Code/CC/BA/BSA/Item Control No						P-1 Line Item Nomenclature				
	PY	BY	BY +1	BY +2	BY+3	BY +4	BY +5	BY +6	BY +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	xx.x									xx.x
For BY +1		xx.x	xx.x							xxx.x
For BY +2		xx.x	xx.x	xx.x						xxx.x
For BY +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

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

Exhibit MYP-4, Present Value Analysis

Exhibit MYP-4 Present Value Analysis						Date				
Appropriation (Treasury) Code/CC/BA/BSA/Item Control No						P-1 Line Item Nomenclature				
	PY	BY	BY +1	BY +2	BY +3	BY +4	BY +5	BY +6	BY +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

Instructions – Exhibit Multiyear Procurement

1. Provide a narrative justification (MYP-1 Multiyear Procurement Criteria) for all proposed multiyear procurements candidates regardless of costs. Exhibits MYP-1, MYP-2 Total Program Funding, MYP-3 Total Contract Funding and MYP-4 Present Value Analysis will be included for all MYP candidate systems in the Program Budget Review submission. The President's Budget request will include a P-5a MYP-annotated entry for those multiyear programs not requiring congressional authorization and appropriation language and exhibits. Exhibits MYP-1 through MYP-4 are required for all multiyear candidate systems for which any of the following is true:
 - a. The anticipated multiyear procurement contract is \$500 million or greater.
 - b. There are economic order quantity (EOQ) procurements in excess of \$20 million in any one year.
 - c. There are EOQ procurements in advance of an MYP contract in excess of \$20 million in any one year.
 - d. There will be an unfunded contingent liability in excess of \$20 million in any one year.
 - e. The procurement quantities of a previously approved MYP have been adjusted.
2. Detailed instructions for filling out MYP exhibits are published in SNaP on the home page of the SNaP-Multiyear Procurement (MYP) application.
3. 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 the system will be combined in one package, and submitted in numerical order MYP-1, MYP-2, MYP-3¹, MYP-3², etc.
4. If multiple MYPs are proposed for components of the same P-1 line item, prepare a separate set of exhibits for each component. Note that the MYP-3 will be the same in each package.
5. If a joint Service program is proposed for multiyear procurement, the executive Service is responsible for submission of all multiyear exhibits and the congressional authorization language.
6. Provide the narrative description in sufficient detail to define 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.

7. Describe in detail the benefit to the government of the MYP. 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 the MYP requires management judgment. A MYP should yield substantial cost avoidance or other benefits when compared to conventional annual contracting methods. Any MYP alternatives 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 costs. Detailed descriptions of benefits justifying the MYP should cover the following: Substantial Savings, Stability of Requirements, Stability of Funding, Stable Design, Realistic Cost Estimates, and National Security.
8. Identify the Substantial Savings detailing the 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 should equal the total savings.
9. The narrative justification for Stability of Requirement must contain the statement that “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.
10. Identify the advantages the MYP will achieve and how they will achieve them. These advantages 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..

11. Exhibit MYP-2, Total Program Funding Plan, will compare the funding for the annual proposal and the multiyear proposal and Exhibit MYP-3, Total Contract Funding Plan, will compare the funding for the annual proposal and the multiyear proposal for the multiyear contract.
12. All multiyear procurements (MYP), regardless of cost, require the use of a present value analysis to determine lowest cost compared to an annual procurement. This analysis will be completed by the SNaP based on funding plans provided and results displayed as Exhibit MYP-4, Present Value Analysis. Present value analysis will be calculated in accordance with DoD Instruction 7041.3, Economic Analysis for Decision Making, and OMB Circular A-94.