

Exhibit R-2, RDT&E Budget Item Justification								DATE: June 2001	
APPROPRIATION/BUDGET ACTIVITY RDT&E, Defense-Wide/05				R-1 ITEM NOMENCLATURE Defense Message System (DMS)/P.E. 0303129K					
COST (in millions)	FY00	FY01	FY02					Cost to Complete	Total Cost
Defense Message System/DM01	0	10.778*	11.423					Contg	Contg

A. Mission Description & Budget Item Justification:
The Defense Message System (DMS) is the Warfighter's Message System. The DMS was established in response to Joint Staff validated messaging requirements which establish the need for writer-to-reader messaging service that is accessible from world wide Department of Defense (DOD) locations, by tactically deployed users, and other designated Federal Government users, with interfaces to Allied users and Defense Contractors. As a value-added service of the Defense Information Infrastructure (DII), the DMS incorporates state-of-the-art messaging, directory, security, and management technologies to provide those capabilities needed to support the DII objective goals. In FY02, DMS will field Release 3.0 which will focus on essential Intelligence Community requirements and provide automated access controls for compartments, code words and caveats using ACP 120 implementation of the Common Security Protocol (CSP). DMS will also start Release 3.1 in FY02. This program element is under Budget Activity 5 because it involves the development of major upgrades that increase the performance of existing systems. The security portion of the DMS RDT&E budget is within PE 0303140K and is explained in a separate budget exhibit that follows. This is not duplication of effort.

* This project is not a new start nor does it reflect unexpected program growth. Beginning in FY 2001, funding has been realigned from the O&M to the RDT&E appropriation due to Congressional (HAC) direction and subsequent Departmental guidance regarding Information Technology budgeting.

This administration has not addressed FY 2003-2007 requirements. All FY 2003-2007 budget estimates included in this book are notional only and subject to change.

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Defense Message System/DM01	0	10.778	11.423					Contg	Contg
<p><u>FY2001 Plan</u></p> <ul style="list-style-type: none"> o Field and Enhance Release 2.2. The DMS program will test and field enhancements (maintenance releases) to Release 2.2. DMS implements and fields system capabilities through a series of coordinated product releases. (1st - 4th Qtr, \$2.000M) o Deliver Release 3.0. Release 3.0 provides classified organizational messaging through Top Secret/Special Compartmented Information (SCI). (1st - 2nd Qtr, \$5.338M) o Test and Enhance Release 3.0. The DMS program will perform developmental testing and implement enhancements to Release 3.0. (2nd - 4th Qtr, \$1.590M) o Expand Medium Grade Service (MGS). DMS will expand the MGS operational base. MGS is a managed set of Commercial Off-The-Shelf (COTS) e-mail products, that utilize the DOD Medium Assurance Public Key Infrastructure (PKI). As a subset of DMS, MGS represents a set of Internet standards agreed to by government and industry. (2nd Qtr, \$1.200M) o Implement Automated Message Handling System (AMHS). The DMS AMHS will be implemented and maintained at CINC sites. (1st - 2nd Qtr, \$0.650M) o Total \$10.778M 									
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<p><u>FY2002 Plan</u></p> <ul style="list-style-type: none"> o Field Release 3.0. DMS implements and fields system capabilities through a series of coordinated product releases. Release 3.0 provides classified organizational messaging through Top Secret/Special Compartmented Information (SCI). (1st - 2nd Qtr, \$1.557M) o Deliver Release 3.1. Release 3.1 will provide additional enhancements and robustness to organizational messaging. (1st - 2nd Qtr, \$5.033M) o Release 3.0 Operational Assessment/Test. DMS Release 3.0 will undergo either an Operational Assessment or an Operational Test, in accordance with the approved DMS Revised Capstone Test and Master Plan (TEMP), dtd July 1999. (2nd - 3rd Qtr, \$1.833M) o Expand Medium Grade Service (MGS)/Message Service Convergence. DMS will continue to expand the MGS operational base. The convergence of the current DMS High Grade integration of both Commercial and Government supplied hardware and software products and the Medium Grade implementation of Commercial-off-the-Shelf (COTS) will begin. Studies have concluded that this convergence can be accelerated due to the significant technological advances in commercial encryption/security and messaging service capability. (2nd Qtr, \$2.500M) o Start Release 3.2. Initial development of DMS Release 3.2 will begin. (3rd - 4th Qtr, \$.500M) o Total \$11.423M 									
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<p>B. <u>Program Change Summary:</u></p> <table> <thead> <tr> <th></th> <th><u>FY00</u></th> <th><u>FY01</u></th> <th><u>FY02</u></th> </tr> </thead> <tbody> <tr> <td>Previous Presidents Budget (FY 2001)</td> <td></td> <td>11.340</td> <td>11.764</td> </tr> <tr> <td>Appropriated Value</td> <td></td> <td>11.340</td> <td></td> </tr> <tr> <td>Adjustments to Appropriated Value</td> <td></td> <td>-.562</td> <td></td> </tr> <tr> <td>Adjustments to Budget Year Since FY 2001 President's Budget</td> <td></td> <td></td> <td>-.341</td> </tr> <tr> <td>Current Budget Submit/President's Budget (FY 2002)</td> <td>N/A</td> <td>10.778</td> <td>11.423</td> </tr> </tbody> </table> <p>Change Summary Explanation: FY 2001 decrease is due to congressional rescission and below threshold reprogramming. FY 2002 adjustments are due to revised fiscal guidance.</p> <p>C. <u>Other Program Funding Summary:</u></p> <table> <thead> <tr> <th></th> <th><u>FY00</u></th> <th><u>FY01</u></th> <th><u>FY02</u></th> <th><u>To Complete</u></th> </tr> </thead> <tbody> <tr> <td>Operation & Maintenance, DW</td> <td>25.922</td> <td>10.540</td> <td>8.859</td> <td>Contg</td> </tr> <tr> <td>Procurement, DW</td> <td>21.230</td> <td>16.655</td> <td>19.062</td> <td>Contg</td> </tr> </tbody> </table> <p>D. <u>Acquisition Strategy:</u> DMS Contract, Lockheed Martin Corporation (LMC) provides for the design, development, deployment, implementation and maintenance of DMS. Booz Allen Hamilton (BAH) provides for implementation, tactical deployment, configuration management and logistics support. Unisys/PRC/SRA provide for the development and integration of Medium Grade Messaging Service (MGS). J.G. VanDyke provides site implementation support and site technical assistance. Data Systems Analyst (DSA) provides system and software engineering support, to include implementation engineering, tactical integration, service management system integration support, and engineering support for the DMS Top Secret Collateral implementation.</p>											<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	Previous Presidents Budget (FY 2001)		11.340	11.764	Appropriated Value		11.340		Adjustments to Appropriated Value		-.562		Adjustments to Budget Year Since FY 2001 President's Budget			-.341	Current Budget Submit/President's Budget (FY 2002)	N/A	10.778	11.423		<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>To Complete</u>	Operation & Maintenance, DW	25.922	10.540	8.859	Contg	Procurement, DW	21.230	16.655	19.062	Contg
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<p>E. <u>Schedule Profile:</u></p> <p>FY2001:</p> <p>1st Qtr:</p> <ul style="list-style-type: none"> o Field Release 2.2/Test Release 2.2 Organizational Messaging Enhancements o Deliver Release 3.0 <p>2nd Qtr:</p> <ul style="list-style-type: none"> o Complete TS/Collateral Infrastructure Implementation o Expand Medium Grade Service (MGS) <p>3rd Qtr:</p> <ul style="list-style-type: none"> o Deliver Release 3.0 Enhancements/Begin Release 3.1 o Release 2.2 Complete Deployment <p>4th Qtr:</p> <ul style="list-style-type: none"> o Continue Release 3.0 Developmental Testing <p>FY2002:</p> <p>1st Qtr:</p> <ul style="list-style-type: none"> o Deliver Release 3.1 o Begin Development of Release 3.2 <p>2nd Qtr:</p> <ul style="list-style-type: none"> o Field Release 3.0/Complete Release 3.0 Operational Assessment/Test o Begin Development of Allied Gateway Solution o Continue Intel and Deployed Tactical Implementation <p>3rd Qtr:</p> <ul style="list-style-type: none"> o Expand Medium Grade Service (MGS) 									

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<p>FY 2002 (cont) 4th Qtr: o Release 3.0 Organizational Messaging - Complete Fielding</p>									
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Exhibit R-3 Cost Analysis									DATE: June 2001	
APPROPRIATION/BUDGET ACTIVITY		PROGRAM ELEMENT				PROJECT NAME AND NUMBER				
RDT&E, Defense-Wide/05		Defense Message System (DMS)/PE 0303129K				Defense Message System/DM01				
Cost Category	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 01 Cost	FY 01 Award Date	FY 02 Cost	FY 02 Award Date	Cost To Complete	Total Cost	Target Value of Contract
<u>Product Development</u>										
Systems Engineering and Integration	CPFF, FFP/Comp	Lockheed Martin Company Manassas, VA	0	2.209	5/01	4.398	5/02	Contg	Contg	6.607
Systems Integration	CPFF/Comp	SAIC, Arlington, VA	0	0.650	11/00	0	N/A	Contg	Contg	0.650
<u>System Engineering</u>										
	CPAF/SS	Data Systems Analysts Fairfax, VA	0	1.624	4/01	1.746	4/02	Contg	Contg	3.370
	FFRDC	MITRE, Arlington, VA	0	1.470	11/00	1.233	10/01	Contg	Contg	2.703
	CPFF/Comp	Booz, Allen & Hamilton, McLean, VA	0	1.994	11/00	1.719	11/01	Contg	Contg	3.713
	CPFF/SS	JG Van Dyke, Alexandria, VA	0	0.324	2/01	0.494	1/02	Contg	Contg	0.818
	CPFF/Comp	SETA, McClellan, VA	0	1.258	1/01	0	N/A	0	1.258	1.258
Subtotal Product Development				9.529		9.590				

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Cost Category	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 01 Cost	FY 01 Award Date	FY 02 Cost	FY 02 Award Date	Cost To Complete	Total Cost	Target Value of Contract
<u>Test and Evaluation</u>										
Developmental Test and Evaluation	MIPR	Joint Interoperability Test Command, Ft Huachuca, AZ	0	0.795	11/00	1.200	10/01	Contg	Contg	1.995
	CPAF/SS	Data Systems Analysts Fairfax, VA	0	0.454	4/01	0.375	4/02	Contg	Contg	0.829
Tactical Testing	MIPR/ARMY	Executive Agent Tactical Switch Systems	0	0	N/A	0.258	10/01	0	0.258	0.258
Subtotal Test and Evaluation				1.249		1.833				
TOTAL				10.778		11.423				

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