

<b>Exhibit R-2, RDT&amp;E Budget Item Justification</b>							<b>DATE:</b> February 2004	
<b>APPROPRIATION/BUDGET ACTIVITY</b> RDT&E, Defense-Wide/05				<b>R-1 ITEM NOMENCLATURE</b> Electronic Commerce/PE 0305840K				
COST (in millions)		FY03	FY04	FY05	FY06	FY07	FY08	FY09
Electronic Commerce/EC01		24.165	7.137	3.466	3.617	3.592	3.598	3.605

**A. Mission Description and Budget Item Justification:**

This program supports initiatives to increase the application of Electronic Business/Electronic Commerce (EB/EC) across the Department of Defense. Program funding is being reduced due to a transition from a development to a sustainment posture. This program element is under Budget Activity 5 because it involves the development of upgrades that increase the performance of existing systems.

<b>Subtotal Cost</b>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>
	3.543	0.000	0.000

**Central Contractor Registration (CCR)**- The CCR is a web-based system that is the primary repository for vendor data required for conducting business with DOD. The CCR database currently consists of procurement and financial information as well as trading partner data required to do business electronically with the government. The purposes of the database are to allow DOD to more efficiently comply with the Debt Collection Improvement Act of 1996; to simplify and streamline procurement by reducing duplicate requirements and processes; and to increase visibility of vendor sources for specific goods and services. Contractors are only required to register once and provide annual renewals.

**Accomplishments and Planned Enhancements are as follows:**

**FY03:** Established monitoring of DUNS number information with Dun & Bradstreet to keep validations up to date. Established an On-line Representations & Certifications (ORC) module within CCR. Increased active vendors registered in CCR. Transitioned CCR to be the Business Partner Network (BPN) in accordance with the Federal-wide implementation policy. Enhanced CCR to register grantees and inter-governmental agency offices (means including new data elements) to support the grants and Intra-Governmental Transactions (IGOTS) world.

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<b>Subtotal Cost</b>		<u>FY 03</u> 0.700	<u>FY 04</u> 0.000	<u>FY 05</u> 0.000				
<p><b>DOD Business Opportunities (DODBusOps)</b> - The DOD Business Opportunities Model is a web-based system, which provides a single search mechanism for vendors to review DOD on-line solicitations. Each of the Defense Services/Agencies provides links through their own web-based systems and to DOD Business Opportunities. DODBusOps is the solution used by each of the Defense Services/Agencies for the transmission of this solicitation information to the federally required FedBizOpps.</p> <p><b>Accomplishments and Planned Enhancements are as follows:</b></p> <p><b>FY03:</b> Upgraded the search engine for enhanced performance for the users. Upgraded the firewall clusters for enhanced security. DODBusOps ceased operation at the end of FY03.</p> <p><b>FY04:</b> Transition to FedBizOpps, in accordance with recent DOD guidance.</p>								
<b>Subtotal Cost</b>		<u>FY 03</u> 6.270	<u>FY 04</u> 5.144	<u>FY 05</u> 1.618				
<p><b>Wide Area Workflow (WAWF)</b> - WAWF-Receipt Acceptance (RA) is a web-based system designed to eliminate paper from the receipt/acceptance processes of the DOD contracting lifecycle. The WAWF-RA application provides capabilities for vendors to submit invoices and receipt/acceptance documents using interactive web-based forms or File Transfer Protocol data directly from their internal accounting systems. Government inspection/acceptance capabilities are provided via the web and all documents are accessible to authorized users in a virtual contract payment folder. The benefits include support for expeditious processing of invoices/receipts and reduction of unmatched disbursements since all documentation required for payment is easily accessible. Since WAWF-RA decreases processing time, the system will reduce greatly the number of Prompt Payment Act (PPA) violations, ensuring decreased interest penalty. Capabilities added are: integrate with other DOD systems (e.g. logistics, accounting, and additional DOD payment systems as required</p>								

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by eInvoicing law); develop Contract Closeout functionality and integrate Closeout activities with Standard Procurement System (SPS); expand existing WAWF-RA web-based training to reach users anywhere, anytime.

**Accomplishments and Planned enhancements are as follows:**

**FY03:** Release 3.0, 3.x provided eInvoicing enhancements and system upgrades.

**FY04:** Release 4.0, 4.x to provide additional interfaces to logistics and continued sustainment.

**FY05:** Release 5.0, 5.x expands to other Federal customers as appropriate. Continued sustainment.

<b>Subtotal Cost</b>	<u><b>FY 03</b></u>	<u><b>FY 04</b></u>	<u><b>FY 05</b></u>
	1.167	0.000	0.000

**DOD Electronic Mall (EMALL)** - The DOD EMALL provides electronic buying capabilities leveraging the work done for commodities by the Defense Logistics Agency (DLA). The DOD EMALL is a single point of entry system that can search, locate, compare and order material based upon quality, price, and availability. It provides a single point of entry and search capability for all Internet-based DOD electronic catalogs, enabling customers to buy both products and services. The DOD EMALL is being constructed with a commodities corridor, an information technology corridor, and a training corridor. Users can search across the EMALL system and order from: DLA Inventory Control Point managed commodity items and Defense Reutilization and Marketing Office reutilization items; Defense Supply Center Philadelphia's Automated System for Cataloging and Ordering Textiles (ASCOT) electronic catalog for clothing and textile items; over 1,000 long-term contracts and 34 commercial catalogs. EMALL provides one-stop visibility for ordering from all DOD electronic catalogs and one stop visibility of the status of orders. The EMALL provides the benefits of reduced logistics response time and improved visibility of both government and commercial sources of supply, and facilitates the use of the Government purchase card. Activity-based cost studies have shown that a DOD EMALL transaction costs \$11 compared to a manual purchase of \$140 or a standard Government Purchase Card (GPC) of \$25. EMALL management will be performed by DLA in FY04.

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**Accomplishments and Planned Enhancements are as follows:**

**FY03:** Migrated to a Java 2 Enterprise Edition (J2EE) open architecture to facilitate ease of integration to external systems, shorten development time and open development to more developers. Incorporated portal technology to allow single sign on and the user to customize his or her interface. Integrated additional specialized interfaces, e.g. scanners and wireless technology.

**FY04:** Funding and management of EMALL will transition to the Defense Logistics Agency (DLA) beginning in FY04.

<b>Subtotal Cost</b>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>
	3.930	0.000	0.000

**Electronic Document Access (EDA)** - EDA is a web-based system that provides on-line storage and retrieval of post award contractual documents, Government Bills of Lading (GBLs) both personal property and freight, and vouchers. Documents are stored in a compressed text format. Combined use of this format with Internet technology provides a mechanism to electronically store and retrieve large volumes of information across the existing communication networks. EDA capitalizes on commercial tools widely used today. EDA currently houses some 30 million indices of which 4.5 million are post award contractual documents, it is PKI enabled and supports some 30,000 authorized registered users. EDA's customer base includes the Services, Defense Finance and Accounting Service (DFAS), Defense Contract Management Agency (DCMA), Defense Contract Audit Agency (DCAA), DLA, Defense Automated Production Service (DAPS), and DISA, along with DOD Vendors. Benefits to DOD user community include the EDA increased convenience in performing their business processes and sharing information electronically. EDA allows for documents to be stored once and shared many times.

**Accomplishments and Planned Enhancements are as follows:**

**FY03:** Continued EDA Version Releases as necessary to meet user needs, anticipate two releases. Began moving vouchers to a data format to reduce current storage costs, unmatched disbursements, paper consumption, allow cost avoidance in

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postage and paper filing of documents. Developed a Business Case for moving contract documents, initially on the Basic Contract and its Modifications from a compressed text format to a data format and identify the Return on Value (ROV). Developed a strategy to move contracts to data format, and began the process. Continued to identify new documents that lend themselves to being stored and shared on EDA.

<b>Subtotal Cost</b>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>
	0.260	0.000	0.000

**Electronic Portal Access System (EPASS)** - Develops enhancements to the portal that enables users easier access, authentication, and authorization to the suite of DOD applications providing paperless acquisition. Additionally, EPASS automates paper-based and predominately manual-user access processes used by the majority of acquisition systems.

**Accomplishments are as follows:**

**FY03:** Work on EPASS was terminated after the end of the 1<sup>st</sup> quarter, due to higher priority requirements. Prototype capabilities which were developed will be incorporated now into Network Centric Enterprise Services (NCES).

<b>Subtotal Cost</b>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>
	2.500	0.000	0.000

**DOD Electronic Business Exchange (DEBX)** - The DEBX provides routing, archiving, translation, DataMart/DataWarehouse and other value added services to facilitate the paperless exchange between government contract writing, accounting, to include defense travel, transportation, court-ordered garnishment of wages, EMALL, WAWF, EDA, DoDBusOps, CCR, and Purchase Card initiatives.

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**Accomplishments and Planned Enhancements are as follows:**

**FY03:** Expanded DEBX map development and support for interfacing customers: DFAS, Defense Transportation System (DTS), Standard Procurement Systems (SPS), U.S. Transportation Command (USTRANSCOM), Defense Information Technology Contracting Organization (DITCO), CCR, WAWF.

<b>Subtotal Cost</b>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>
	4.395	1.993	1.848

**System/Program Testing and Analysis** - The DISA Electronic Commerce Infrastructure consists of multiple systems developed for multiple organizations by multiple vendors. These individual systems are integrated into the Electronic Commerce Infrastructure. The Joint Interoperability Test Command (JITC) performs testing ranging from developmental, system/integration, operational acceptance testing (OAT), database conversion, migration, validation, stress, performance, load, common access card (CAC), section 508 compliance/accessibility testing and end-to-end in support of all releases and patches for eBusiness applications. The JITC supports DEBX, EDA, CCR, WAWF and the Federal Technical Data Solutions (FedTeDs). JITC also provides assistance in trouble-shooting issues that arise in deployed applications. Additionally, JITC provides services, which include configuration management support, help desk support and business support.

**Accomplishments and Planned Enhancements are as follows:**

**FY03:** Continued application testing as required by the Program Managers (PM) and the EB/EC Program Office. Added WAWF vendor testing.

**FY04 & FY05:** JITC will provide end-to-end integrated operational testing for all major eBusiness applications to include DEBX, EDA, WAWF, CCR and FedTeDS.

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Electronic Commerce/EC01		24.165	7.137	3.466	3.617	3.593	3.598	3.605
<b>Subtotal Cost</b>		<u>FY03</u> 0.300	<u>FY04</u> 0.000	<u>FY05</u> 0.000				
<p><b>Electronic Commerce/Electronic Data Interchange (EC/EDI) Standards Program</b> - EB Standards supports the functional requirements of DOD in the development, adoption, maintenance, publication, distribution and configuration management of approved EB/EC standards and specifications to ensure compatibility and interoperability among DOD and non-DOD information systems. It ensures that all EB/EC standards and specifications used comply with national and international published standards and business practices. DOD EB systems supported by these specifications include CCR, WAWF, EDA, DEBX, SPS and Defense Finance and Accounting Service (DFAS) interfaces.</p> <p><b>Accomplishments are as follows:</b>  <b>FY03:</b> Continued coordination of EB specifications reflecting best business practices and published standards.</p>								
<b>Subtotal Cost</b>		<u>FY03</u> 1.100	<u>FY04</u> 0.000	<u>FY05</u> 0.000				
<p><b>Microelectronics Testing</b> - A Congressional increase provided FY03 funding for microelectronics testing and technology obsolescence program (METTOP).</p> <p><b>Accomplishments are as follows:</b>  The New Mexico Institute of Mining and Technology's Energetic Materials Research and Testing Center (EMRTC) designed and conducted a METTOP Analysis Laboratory and an Engineering Design Center for research, testing, evaluating, assessing, categorizing, blueprinting and storing microelectronics components/system. EMRTC developed engineering solutions for hardware that are no longer in production or in stock with traditional vendors. Special storage containers of these radiation tolerant components are being developed/purchased/installed to compliment/supplement those storage containers found at the White Sands Missile Range.</p>								

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**B. Program Change Summary:**

	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>
Previous President's Budget	24.596	6.028	3.475
Current President's Budget	24.165	7.137	3.466
Total Adjustments	-.431	1.109	-0.009

## Change Summary Explanation:

FY03 adjustments are due to below threshold reprogramming. FY04 adjustments are due to undistributed congressional reductions to the Defense-wide RDT&E appropriation as well as below threshold reprogramming. FY05 change is due to revised fiscal guidance.

**C. Other Program Funding Summary:**

	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>	<u>Complete</u>	<u>Cost</u>
Procurement, DW	2.985	4.475	0.000	0.000	0.000	0.000	0.000	7.560	7.560
O&M, DW	14.631	13.784	18.824	18.678	20.933	20.957	21.993	Contg	Contg

**D. Acquisition Strategy:** Various types of contracting vehicles are utilized in accomplishing the overall mission objectives. Several vendors provide analysis and development of system interoperability to legacy systems, thus eliminating the duplication of effort and functions. Both large and small businesses have been put on contract to support applications and engineering. All of these efforts will allow DOD to improve business efficiency by drastically reducing processing time and the amount of paper received, processed, and stored.

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Exhibit R-3 Cost Analysis								DATE: February 2004		
APPROPRIATION/BUDGET ACTIVITY		PROGRAM ELEMENT			PROJECT NAME AND NUMBER					
RDT&E, Defense-Wide/05		Electronic Commerce/PE 0305840K			Electronic Commerce/EC01					
<u>Cost Category</u>	<u>Contract Method &amp; Type</u>	<u>Performing Activity &amp; Location</u>	<u>Total PYs Cost</u>	<u>FY 04 Cost</u>	<u>FY 04 Award Date</u>	<u>FY 05 Cost</u>	<u>FY 05 Award Date</u>	<u>Cost To Complete</u>	<u>Total Cost</u>	<u>Target Value of Contract</u>
Central Contractor Registration	MIPR	Defense Logistics Information Services DLIS Battle Creek, MI	2.400	0.000	N/A	0.000	N/A	0	2.400	2.400
	PR	PriceWaterHouseCoopers (PWC) Fairfax, VA	1.143	0.000	N/A	0.000	N/A	0	1.143	1.143
DOD Business Opportunities	PR	PWC, Fair Lakes, VA	0.700	0.000	N/A	0.000	N/A	0	0.700	0.700
EPASS	MIPR	Defense Logistics Agency	0.260	0.000	N/A	0.000	N/A	0	0.260	0.260
Wide Area Workflow-RA	PR	CACI Inc. Chantilly VA, Jacksonville, FL	3.280	3.664	10/03	1.618	10/04	0	8.562	8.562
Wide Area Workflow-INT	PR	Science Applications International Corporation (SAIC) Falls Church, VA	1.300	1.200	02/04	0.000	N/A	0	2.500	2.500
Wide Area Workflow-Training	PR	Concurrent Technology Corp. (CTC) Seminole FL	0.366	0.200	01/04	0.000	N/A	0	0.566	0.566
	PR	NGIT Reston, VA	0.149	0.080	01/04	0.000	N/A	0	0.229	0.229
DOD EMALL	PR	Raytheon Falls Church, VA South Carolina Research Authority (SCRA) Charleston, SC	0.217	0.000	N/A	0.000	N/A	0	0.217	0.217
			0.950	0.000	N/A	0.000	N/A	0	0.950	0.950

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Cost Category	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 04 Cost	FY 04 Award Date	FY 05 Cost	FY 05 Award Date	Cost To Complete	Total Cost	Target Value of Contract
Electronic Document Access	PR	NGIT Reston, VA	0.250	0.000	N/A	0.000	N/A	0	0.250	0.250
		Electronic Data Systems (EDS) Herndon VA	3.378	0.000	N/A	0.000	N/A	0	3.378	3.378
	MIPR	Defense Automated Printing Services (DAPS) Mechanicsburg PA	0.377	0.000	N/A	0.000	N/A	0	0.377	0.377
DOD Electronic Business Exchange	PR	NGIT Reston, VA	2.000	0.000	N/A	0.000	N/A	0	2.000	2.000
		Anvicom Dunn Loring, VA	0.500	0.000	N/A	0.000	N/A	0	0.500	0.500
EB Standards	PR	SRA Arlington, VA	0.300	0.000	N/A	0.000	N/A	0	0.300	0.300
JITC	MIPR	JITC Ft Huachuca, AZ	5.495	1.993	10/03	1.848	10/04	Contg	9.336	9.336
Microelectronics Testing	MIPR	White Sands Missile Range Socorro, NM	<u>1.100</u>	<u>0.000</u>	N/A	<u>0.000</u>	N/A	0	1.100	1.100
TOTAL			24.165	7.137		3.466				

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Exhibit R-4a Schedule Detail						DATE: February 2004	
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<u>Schedule Profile</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
<b><u>SYSTEM DEVELOPMENT</u></b>							
EDA-Application Release Devel	1-4Q						
<b><u>DEVELOPMENT TECHNICAL TESTING</u></b>							
EDA-Application Release Testing	1-4Q						
SYS/PROG T&A-Application Test & Anal	3-4Q	1-4Q	1-4Q	1-4Q	1-4Q	1-4Q	1-4Q
SYS/PROG T&A-Integration Test & Anal	1-4Q	1-4Q	1-4Q	1-4Q	1-4Q	1-4Q	1-4Q
<b><u>DEVELOPMENTAL EVALUATION</u></b>							
<b><u>IMPLEMENTATION</u></b>							
EDA-Application Release Imple.	2Q,4Q						
<b><u>PRODUCT IMPROVEMENT</u></b>							
Central Contractor							
Registration (CCR)	1-4Q						
DOD Business Opportunities (DODBUSOPPS)							
Wide Area Work Flow (WAWF)	1-4Q	1-4Q	1-4Q	1-4Q	1-4Q	1-4Q	1-4Q
DOD Electronic Mall (EMALL)	1-4Q						
DOD Electronic Business							
Exchange (DEBX)	1-4Q						
EDA	3-4Q						

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