

UNCLASSIFIED

<b>Exhibit R-2/R-2a, RDT&amp;E Budget Item Justification</b>								February 2005	
Appropriation/Budget Activity Engineering and Manufacturing Development RDT&E, DW, Budget Activity: 5					100 Item Nomenclature: Acquisition - Core Business Mission Area PE 0605019D8Z				
Cost (\$ in Millions)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Total PE Cost		0	2.100	3.600	3.100	0	0	0	0

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

**BRIEF DESCRIPTION OF ELEMENT**

The Business Management Modernization Program (BMMP) Core Business Mission Areas were established as part of the program’s governance approach. The mission of the Core Business Mission Areas is to lead business process transformation through business process reengineering (BPR) and system integration. The Acquisition (AQ) Core Business Mission Area leads the transformation to strategic acquisition by integrating the people, processes, and technologies required implementing a modern acquisition environment that supports the Warfighter’s needs.

In accordance with the National Defense Authorization Act for FY 2005, the Secretary established the Defense Business Systems Management Committee (DBSMC), chaired by the Deputy Secretary of Defense with the Under Secretary of Defense (Acquisition, Technology, and Logistics) (USD (AT&L)) as the Vice Chair. The DBSMC will provide recommendations to the Secretary that will ensure the use of common decision criteria for DoD business system modernization to align business transformation to Warfighter capabilities and objectives. The Vice Chair will provide acquisition oversight of the Department’s business transformation efforts along with the four appointed Approval Authorities for defense business systems; USD (AT&L), USD (Personnel and Readiness), USD (Comptroller), and Assistant Secretary of Defense (Networks and Information Integration). The DBSMC is under charter as defined by Section 186 of USC Title 10. Convening in February, the DBSMC will comply with the March 15, 2005 reporting requirements mandated. Within that reporting, the DBSMC will identify that the Approval Authority Investment Review Boards (IRBs) have convened and that a threshold criteria for the review and certification of Defense Business Systems has been established. In setting up the IRBs, the DBSMC will conduct a formal review of the Defense Business Systems Modernization Program’s accomplishments to date; and review and ratify new program objectives, structure and baseline. The Program is on track to comply with all aspects of the law by September 30, 2005.

UNCLASSIFIED

**Accomplishments/Planned Program:**

FY 2005:

1. Funds are being used for specific program functionality changes in order to facilitate consolidation or retirement of specific information systems.
2. Wide Area Workflow engineering changes will increase deployment of this system to additional users, assist in the capture of Unique Identification and Radio Frequency Identification data, and help the Military equipment valuation data capture linking multiple systems together using WAWF as the hub.
3. Changes to the system will facilitate elimination of other current forms of DoD electronic invoice and receipt processing such as the WINS system.
4. Funds additionally will be used to merge two service level systems Electronic Document Access (EDA) and Navy Air Force Interchange (NAFI) into one system for all services to use. Changes to one system must accommodate functionality that the other formerly performed.

**Accomplishments/Planned Program:**

FY 2006:

1. Funds will continue to be used for system changes as part of the DoD portfolio management process with regard to merger or consolidation of systems based on duplicate capability.
2. Standard Procurement System will incur some functionality adjustments based on the migration to the new Federal Procurement Data System -Next Generation.
3. This new system is mandatory for all Federal agencies and requires the shut down of multiple feeder systems from DoD agencies. Functionality must be included in SPS to shut down the systems.
4. Funds will also be used to incorporate strategic sourcing functional capability in existing systems. Currently there are multiple agencies with portions of this capability (Army, Navy, Air Force etc) that need to be merged or consolidated into a single capability delivery vehicle.

UNCLASSIFIED

R-1 Shopping List Item No 97

Page 2 of 6

UNCLASSIFIED

<b>B. Program Change Summary</b>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Previous President's Budget		0	0	0
FY 2006/FY 2007 President's Budget		2.100	3.600	3.100
Total Revised Estimate	0	2.100	3.600	3.100

Current Budget Submit/Budget Estimate

Funding: New Start

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

Technical: Not Applicable

**C. Other Program Funding Summary: N/A**

**D. Acquisition Strategy:** Program will make use of competed vehicles or internal resources. The strategy will be to competitively contracted with the private sector for required effort. Additional details about the Acquisition Strategy are listed in the Exhibit 300/Modified 300.

**E. Performance Metrics:** The performance metrics for these resources are separately addressed in the Exhibit 300/Modified 300.

UNCLASSIFIED

UNCLASSIFIED

Exhibit R-3, RDT & E, DW Project Cost Analysis										Date: February 2005		
Appropriation: RDT&E, DW, Budget Activity: 5					Program Element: 0605019D8Z					Acquisition Core Business Mission Area		
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2005 Cost	FY 2005 Award Date	FY 2006 Cost	FY 2006 Award Date	FY 2007 Cost	FY 2007 Award Date	Cost to Complete	Total Cost	Target Value of Contract
WAWF Eng Changes	Interagency Agreement	OSD	0	2.1	Mar 2005	0	0	0	0	2.1	2.1	2.1
SPS Eng Changes	Time and Material					3.6	Oct 2005	0	0	3.6	3.6	3.6
Additional System Eng Changes	Time and Material							3.1	Oct 2006	3.1	3.1	3.1



