

## UNCLASSIFIED

<b>Exhibit R-2, RDT&amp;E Budget Item Justification</b>				<b>DATE:</b> December 2006				
<b>APPROPRIATION/BUDGET ACTIVITY</b> RDT&E, Defense-Wide/07				<b>R-1 ITEM NOMENCLATURE</b> Net-Centric Enterprise Services (NCES)/PE 0303170K				
COST (in Millions)	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
Net-Centric Enterprise Services (NCES)/T57	74.511	28.522	43.424	9.490	9.758	9.950	9.950	9.950

A. Mission Description and Budget Item Justification:

The Net-Centric Enterprise Services (NCES) vision is to enable the secure, agile, robust, dependable, and interoperable data sharing environment for the Department of Defense (DoD) whereas the warfighter, business, and intelligence users share information on a global network that facilitates information superiority, accelerated decision-making, effective operations, and net-centric transformation. Data is an essential enabler of network-centric warfare. As the DoD Components implement DoD 8320.2, "Data Sharing in a Net-Centric Department of Defense," data will be made visible, accessible and understandable to other potential users by metadata ("tagging"), web-service enabling, and registering of metadata. NCES services are essential for making that data useful to others within the enterprise. NCES enables the DoD to fully leverage the value of its information by providing discovery and accessing of data.

The operational benefits enabled by NCES include:

1. Increased speed of command and greater precision of desired effects resulting from shared situational awareness and informed decision-making.
2. Improved interoperability resulting from the use of shared services and authoritative data that is timely, understandable, complete, and available to all users.
3. Enhanced information superiority, with the objective to achieve enhanced decision superiority through an increase in the availability of relevant and authoritative information.
4. Increased agility enabled by the improvement in machine-to-machine interactions reducing the need for human intervention and reduced footprints resulting from greater ability to access information and services regardless of where they reside.
5. An improved ability to conduct planning and support of coordinated execution at multiple echelons (National, Strategic, Operational, and Tactical) in a nearly parallel fashion using the concepts of shared spaces and common collaboration and decision support tools.
6. An improved security posture providing dynamic, continual security measures, and ensuring identity, data authenticity, and secure communications.

NCES supports DoD's transformation goals to achieve rapid decision superiority, to streamline business processes, and to conduct effective and discriminate information operations. NCES transforms legacy planning and execution capabilities into protected, web-based, real-time collaborative business processes, including Joint and Coalition information exchanges across organizational boundaries. NCES meets the military requirement to provide dramatically

## UNCLASSIFIED

<b>Exhibit R-2, RDT&amp;E Budget Item Justification</b>				<b>DATE:</b> December 2006				
<b>APPROPRIATION/BUDGET ACTIVITY</b> RDT&E, Defense-Wide/07				<b>R-1 ITEM NOMENCLATURE</b> Net-Centric Enterprise Services (NCES)/PE 0303170K				
<b>COST (in Millions)</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>
Net-Centric Enterprise Services (NCES)/T57	74.511	28.522	43.424	9.490	9.758	9.950	9.950	9.950

improved situational awareness, robust alerting, shortened decision cycles, and shared understanding.

NCES Increment I will eliminate costly legacy interfaces among disjointed, disparate, and stove-piped systems by providing a comprehensive set of nine (9) interoperable core enterprise services. These nine (9) core enterprise services are:

(1) Collaboration: this service will enable real-time situational updates to time critical planning activities among joint, coalition partners, the intelligence community, and Agencies at all levels (DoD, Federal, State, and Local) and provide real-time information sharing and processing anywhere and anytime, by any user with privileges on the DoD network. Collaboration includes being able to see, hear, and talk to all participants in a collaborative session; securely share files, information, and applications stored on local computers; and make presentations to large or small audiences;

(2) Mediation: this service will enable users to translate data from one format to another so that the data can be used by all users no matter what format they prefer. This service increases data interoperability and enables all warfighting and business users to be able to communicate with each other to support rapid decision-making;

(3) Information Assurance/Security (IAS): this service provides authentication, access management, and domain security services. These security services enable resistance to non-user system access and interference, in addition to preventing user misuse and security errors. The security service interoperates with the other core services to protect the NCES as a whole entity. This service relies on the Public Key Infrastructure (PKI) and supports user authentication and validation services;

(4) Discovery: the enabling of all users no matter where they are to find the necessary information required to do their jobs faster and make better decisions faster. This service includes finding services provided by other DoD programs for users with the proper credentials to have access to (Service Discovery), finding people logged onto the network and any devices connected to the network (People and Device Discovery), finding all types of web content, and data distributed throughout DoD;

(5) Enterprise Services Management (ESM): this service provides the ability to monitor, manage, and scale web services appropriately, thereby assuring that the NCES services are available to the user whenever the user needs it. Enterprise Services Management (ESM) will also provide performance monitoring, mission impact assessment, and problem detection

## UNCLASSIFIED

<b>Exhibit R-2, RDT&amp;E Budget Item Justification</b>				<b>DATE:</b> December 2006				
<b>APPROPRIATION/BUDGET ACTIVITY</b> RDT&E, Defense-Wide/07				<b>R-1 ITEM NOMENCLATURE</b> Net-Centric Enterprise Services (NCES)/PE 0303170K				
<b>COST (in Millions)</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>
Net-Centric Enterprise Services (NCES)/T57	74.511	28.522	43.424	9.490	9.758	9.950	9.950	9.950

and resolution to make sure that the user is getting information and services in ways that are useful;

(6) Storage: this service provides the necessary storage to deliver the necessary content and information to the users. Warfighter, Business, and Intelligence communities are developing and maintaining enough information that will push today's storage limitations beyond their current capabilities. Hence, NCES provides enough storage capacity to support current and future needs. NCES provides a storage architecture, storage operations, capacity management, and storage policies and procedures;

(7) Application: this service will provide a protected hosting environment consisting of common hardware platforms and operating systems. This is the infrastructure where all NCES services and applications will reside within a Defense Enterprise Computing Center. Users will be able to access NCES services no matter where they are, thereby supporting mobile decision making;

(8) Messaging: this service provides secure machine to machine communications on behalf of the user, provide various notifications and alerts, and interoperable global communications support. In summary, all the mechanisms for delivering content efficiently and reliably across the enterprise; and

(9) User Assistant: this service provides users with help desk services, automated helper assistants, and enables the user the ability to customize the way they want to interact with NCES.

These nine (9) Core Enterprise Services are grouped and implemented as four (4) product lines: Service Oriented Architecture (SOA) Foundation, Content Discovery and Delivery (CD&D), DoD Enterprise Collaboration, and Defense Knowledge Online (DKO) Portal. The SOA Foundation provides the ESM, Mediation, Messaging, Information Assurance/Security, finding services provided by DoD programs (Service Discovery), and finding people or devices (People and Device Discovery). The CD&D provides the Google™ like functionality of finding web content, storage, and delivering that content to the users. The DKO Portal represents a way for users to get access to the services provided by NCES and provides all the tools associated with the User Assistant core enterprise service. The DoD Enterprise Collaboration will provide users with a range of capabilities, such as chat, web conferencing, application sharing, white boarding including annotations, and application broadcasting that meets DoD security and operational requirements. These four (4) product lines will be provided and supported throughout the full life cycle by managed service providers who will offer their services from a qualified Global Information Grid Computing Node.

UNCLASSIFIED

<b>Exhibit R-2, RDT&amp;E Budget Item Justification</b>				<b>DATE:</b> December 2006				
<b>APPROPRIATION/BUDGET ACTIVITY</b> RDT&E, Defense-Wide/07				<b>R-1 ITEM NOMENCLATURE</b> Net-Centric Enterprise Services (NCES)/PE 0303170K				
COST (in Millions)	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
Net-Centric Enterprise Services (NCES)/T57	74.511	28.522	43.424	9.490	9.758	9.950	9.950	9.950

NCES also supports the following five (5) Defense Information Systems Agency Strategic Goals as stated in the Corporate Strategy Scorecard (V.14):

1. Strategic Goal 1: "Transition to a net-centric environment to transform the way DoD shares information by making data continuously available in a trusted environment"
2. Strategic Goal 2: "Build and sustain a Global Information Grid (GIG) transport infrastructure that eliminates bandwidth constraints and rapidly surges to meet demands, wherever needed."
3. Strategic Goal 3: "Operate, manage, and defend the GIG to enhance critical warfighting and business capabilities in a net-centric environment."
4. Strategic Goal 4: "Transition to DoD enterprise-wide capabilities for communities of interest, e.g., warfighting, business, and intelligence, that exploit the GIG for improved decision-making"
5. Strategic Goal 5: "Deliver capabilities, based on established requirements, more effectively, economically and efficiently than we do today"

Net-Centric Enterprise Services (NCES) supports DISA's Strategic Goals one (1), three (3), and four (4) by enabling Community of Interests (COI's) applications and users the ability to exchange information across the enterprise. NCES supports DISA's Strategic goal two (2) by allowing authorized users access to the Global Information Grid (GIG) superhighway. NCES supports DISA's Strategic goal five (5) by providing periodic program reviews to allow feedback from its users and stakeholders to understand any issues with NCES in providing its services. This feedback enables NCES to correct any deficiencies and improve its services. This program element is under Budget Activity 7 because it supports operational systems development.

Accomplishments/Planned Program:

SOA Foundation	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>
Subtotal Cost	17.719	2.909	4.156	0.000

SOA Foundation - The SOA Foundation offers interoperable net-centric services that enable programs across the Department of Defense (DoD) to share services-based applications and information across the GIG, which results in a reduction in cost and development effort. The core services for the SOA Foundation include information assurance/service security, service discovery, enterprise service management, machine-to-machine messaging, mediation, metadata discovery, and people and device discovery. Because Milestone B will not occur until late FY2007, acquisition

UNCLASSIFIED

<b>Exhibit R-2, RDT&amp;E Budget Item Justification</b>				<b>DATE:</b> December 2006				
<b>APPROPRIATION/BUDGET ACTIVITY</b> RDT&E, Defense-Wide/07				<b>R-1 ITEM NOMENCLATURE</b> Net-Centric Enterprise Services (NCES)/PE 0303170K				
<b>COST (in Millions)</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>
Net-Centric Enterprise Services (NCES)/T57	74.511	28.522	43.424	9.490	9.758	9.950	9.950	9.950

of the SOA Foundation will occur in FY2007. Therefore, funding allocated to SOA Foundation in FY2006 will be executed for the managed service provider contract award late FY2007 and to support testing of SOAF capabilities. In FY2007, funds will be used to deliver enterprise SOA Foundation services. This will be done by both commercial and government Managed Service Providers (MSPs). The commercial MSPs will acquire Commercial-off-the-Shelf (COTS) software solutions and interface them into a group of services that will satisfy NCES standards and specifications. FY2007 funds will also be used to ramp up the commercial SOA Foundation services up to the initial set of anticipated service usage by late FY2007. This ramp up consists of acquiring additional software licenses and support personnel. FY2008 funds will be used to deliver enterprise SOA Foundation services from both the commercial and government MSPs, to support the program for an upcoming Milestone C decision and an Initial Operational Test & Evaluation (IOT&E) starting late FY2008. FY2009 funds will support SOAF services until transition to complete FOC. Since Milestone B will not occur until late FY2007, contractual dollars will not be awarded until late FY2007 for the managed service provider (MSP).

Content Discovery and Delivery	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>
Subtotal Cost	10.72	0.000	2.541	0.000

Content Discovery and Delivery (CD&D) - The CD&D services are essential in the DoD infrastructure to provide common specifications to expose, search, retrieve, and deliver information across the enterprise. CD&D provides the methodology, specifications, user interfaces, and services to support discovery, and efficient delivery of information. CD&D services provide the capability to perform federated search, enterprise catalog, data source integration, and enterprise delivery of content. Similar to the core enterprise service SOAF, MS B will be awarded late FY2007, resulting in FY2006 funds being carried over for the acquisition of CD&D managed services, which will occur in FY2007. In FY2007, funds will be used to deliver a set of integrated enterprise CD&D services. This will be done by both commercial and government Managed Service Providers (MSPs). The commercial MSPs will acquire Commercial-off-the-Shelf (COTS) software solutions and interface them into a group of services that will satisfy NCES requirements. The government MSPs will modify their existing solutions to ensure that they satisfy NCES requirements. FY2007 funds will also be used to ramp up the commercially managed enterprise CD&D services. This ramp up consists of acquiring additional software licenses and support personnel. FY2008 funds will be used to deliver enterprise CD&D services to support the program for an upcoming Milestone C decision and Initial Operational Test & Evaluation (IOT&E) in FY2008.

UNCLASSIFIED

<b>Exhibit R-2, RDT&amp;E Budget Item Justification</b>				<b>DATE:</b> December 2006				
<b>APPROPRIATION/BUDGET ACTIVITY</b> RDT&E, Defense-Wide/07				<b>R-1 ITEM NOMENCLATURE</b> Net-Centric Enterprise Services (NCES)/PE 0303170K				
COST (in Millions)	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
Net-Centric Enterprise Services (NCES)/T57	74.511	28.522	43.424	9.490	9.758	9.950	9.950	9.950

Collaboration	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>
Subtotal Cost	4.150	4.075	8.954	0.000

Collaboration - The DoD Enterprise Collaboration service provides collaboration and messaging capabilities such as white board and conferencing sessions, messaging and a variety of collaboration tools, i.e., session management, presence and awareness, audio, video, text, annotation, application sharing and broadcasting, and virtual spaces. An enclave solution for the Collaboration service is also provided separately to coalition partners since they operate on separate secure networks and are not connected to the SIPRNet or NIPRNet. In FY2006, collaboration efforts utilized two service providers. With the first collaboration effort awarded, the second collaboration effort will be awarded late FY2007. Funds will also be used to provide initial and final incremental enhancements to the service to support the program for an upcoming Milestone C decision. FY2007 funds will be used to purchase additional user licenses to support user ramp up to the anticipated NCES user load. Funds in FY2007 will also provide incremental enhancements to the enterprise collaboration service. FY2008 funds will be used to acquire additional user licenses to support an increase in the number of collaboration users. FY2008 funds also provide enhancements to collaboration services for an upcoming Milestone C decision and Initial Operational Test & Evaluation (IOT&E) in FY2008.

Portal	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>
Subtotal Cost	6.900	2.792	4.736	0.000

Defense Knowledge Online (DKO) Portal - The DKO Portal provides a personalized, user-defined, web-based presentation that allows for secure access to various enterprise services, including retrieval and posting of information, collaboration tools, instant messaging, and workgroups. The DKO Portal also integrates with security services for increased security and administration. The DKO Portal provides end user access to NCES services as well as providing a platform to launch NCES services directly from customer owned portals. The DKO Portal has several fundamental features, including a single sign on access point, Find, and Metadata Discovery. FY2006 funds were used to begin the transition to the DKO portal. This transition requires modification to the current AKO portal so that it satisfies NCES's portal requirements. FY2007 funds also used to support the continuing transitioning of the DKO portal, while continuing to support the ramp up of enterprise services from FY2006. Incremental enhancements to the portal capabilities will also be supported by FY2007 funds. In FY2008, funds will be used to support any enterprise enhancements needed to complete the transitioning of the Army Knowledge Online and Defense Online Portal to the DKO portal. These enhancements will ensure that the DKO portal satisfies NCES's enterprise portal requirements. Enhancements also support NCES services for the Milestone C decision in FY2008 and an Initial Operational Test & Evaluation (IOT&E) in FY2008.

## UNCLASSIFIED

<b>Exhibit R-2, RDT&amp;E Budget Item Justification</b>				<b>DATE:</b> December 2006				
<b>APPROPRIATION/BUDGET ACTIVITY</b> RDT&E, Defense-Wide/07				<b>R-1 ITEM NOMENCLATURE</b> Net-Centric Enterprise Services (NCES)/PE 0303170K				
COST (in Millions)	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
Net-Centric Enterprise Services (NCES)/T57	74.511	28.522	43.424	9.490	9.758	9.950	9.950	9.950

Early Capabilities Baseline	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>
Subtotal Cost	14.522	6.649	8.876	0.000

Early Capabilities Baseline (ECB) - DISA will field an initial set of capabilities, the Early Capabilities Baseline (ECB), based on the capabilities demonstrated in Horizontal Fusion and Net Centric Capabilities Pilot (NCCP) demonstrations, until the transition to managed service providers. ECB services generate familiarity, evaluation, experimentation, and demonstration of NCES services for DoD Programs of Record (POR) and limited user communities of interest. In FY2006 funding was used to field the ECB capabilities to a limited set of users. In FY2007 and FY2008 funds will be used to transition from the ECB pilot capabilities to those provided by managed service providers.

Test and Evaluation	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>
Subtotal Cost	6.130	5.584	5.549	3.478

Test and Evaluation - Test and Evaluation includes early and continuous involvement of the test community starting with contractor demonstrations prior to contract award; development of a stable and robust user group to support all levels of testing; and a series of early user tests (EUT) that integrate developmental and operational events to confirm individual services and products, or groups of services and products that meet performance specifications and enable user defined capabilities. Test and Evaluation also includes independent certifications for required items, such as interoperability and security. An independent Operational Test will be conducted prior to full release of services and products to the Enterprise to support the Full Deployment Decision Review (FDDR). The NCES Integrated Test Team (ITT) will combine personnel from DISA and the Service Operational Test Agencies (OTAs) to maximize expertise and efficiencies across each test opportunity. In FY2006 and FY2007, funds are used to support Early User Tests (EUT), Beta Tests, and Operational Tests to verify the effectiveness and suitability of the managed services to provide the capabilities described in the Capability Development Document (CDD). FY2006 funds were used to support review of MSPs require for proposals, development of user evaluation criteria for source selection demonstration and to support the development of the Test and Evaluation Master Plan. FY2007 funds support security certification, accreditation testing, developmental and interoperability testing, and validation of MSP services. In FY2008 Initial Operations Test and Environment (IOT&E) will occur. FY2009 funds support testing incremental enhancements to NCES services.

PMO Acquisition	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>
Subtotal Cost	8.790	2.674	2.740	0.000

UNCLASSIFIED

<b>Exhibit R-2, RDT&amp;E Budget Item Justification</b>				<b>DATE:</b> December 2006				
<b>APPROPRIATION/BUDGET ACTIVITY</b> RDT&E, Defense-Wide/07				<b>R-1 ITEM NOMENCLATURE</b> Net-Centric Enterprise Services (NCES)/PE 0303170K				
COST (in Millions)	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
Net-Centric Enterprise Services (NCES)/T57	74.511	28.522	43.424	9.490	9.758	9.950	9.950	9.950

PMO Acquisition - This task area includes all management oversight, fiscal control, contract management, budgeting, program support, and strategic operations to include planning and communications, program reporting, and program documentation to include the Economic Analysis (EA), Cost Analysis Requirements Description (CARD), System Engineering Plan (SEP), Program Protection Plan (PPP), Information Assurance Strategy (IAS), Acquisition Program Baseline (APB), Acquisition Strategy (AS), Information Support Plan (ISP), Capability Development Document (CDD), and the Concepts of Operations (CONOPS). In FY2006, funds were used to complete Milestone B documentation in preparation of achieving Milestone B for Portal and Collaboration in FY2006. FY2007, funding will be used to complete Milestone B documentation for SOAF and CD&D enterprise services and to provide updates to Milestone B documentation to satisfy exit criteria and transition to Milestone C by compiling and completing all Milestone C documentation. FY2008 funds will be used to support the functionary reporting of program documentation for milestone review, market research to support technical solutions for NCES services, program branding efforts for external communications, program control activities to ensure consistent and updated document control, and the initiation of all of the statutory and regulatory documentation.

PMO Engineering	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>
Subtotal Cost	5.580	3.840	5.872	6.012

PMO Engineering - PMO Engineering consists of support for engineering analysis, user outreach, and management support (including technical specifications, performance requirements, interface definitions, PWS, MOAs, SLAs, services framework, requirements management, baseline configuration management (CM), technology trend analysis, operations performance monitoring, services consumer modeling). FY2006 through FY2008 funds are used for writing Performance Work Statements (PWS)/Service Level Agreements. FY2009 funds will be used for the incremental enhancement of NCES capabilities.

## UNCLASSIFIED

<b>Exhibit R-2, RDT&amp;E Budget Item Justification</b>					<b>DATE:</b> December 2006				
<b>APPROPRIATION/BUDGET ACTIVITY</b>					<b>R-1 ITEM NOMENCLATURE</b>				
RDT&E, Defense-Wide/07					Net-Centric Enterprise Services (NCES)/PE 0303170K				
COST (in Millions)	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	
Net-Centric Enterprise Services (NCES)/T57	74.511	28.522	43.424	9.490	9.758	9.950	9.950	9.950	

B. Program Change Summary:

	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>
Previous President's Budget	77.037	28.630	30.042	25.790
Current Submission	74.511	28.522	43.424	9.490
Total Adjustments	-2.526	-0.108	13.382	-16.300

## Change Summary Explanation:

The Net-Centric Enterprise Services (NCES) program built the Presidents Budget FY2007 (PB07) with the intention of developing four (4) product lines to provide capabilities to the warfighter, business, and intelligence mission areas. The four (4) product lines consist of the following:

1. Service Oriented Architecture (SOA) Foundation
2. Content Discovery & Delivery (CD&D)
3. Enterprise Collaboration
4. DoD Enterprise Portal

Since the PB2007 submission, the NCES program had a change in acquisition strategy which was to provide the best capabilities to the Communities of Interests (CoIs) as well as all DoD users. This strategy supports the adopt, buy and build concept where adoption of government proven capabilities is primary choice, and buying of commercial service is the secondary option while building is the last option where the government develops and sustains the capabilities. For the PB2007 submission, the program relied heavily on Research, Development, Testing and Evaluation (RDT&E) and Procurement funding to the build strategy. With the current acquisition strategy, the program will acquire government or commercial providers for required enterprise services. The funding profile to support this acquisition strategy shifts from RDT&E to Operations and Maintenance (O&M) after FY2008. The program funding profile for FY2006-2008 requires the RDT&E and Procurement to aid government and commercial service providers with initial ramp-up of infrastructure to support the anticipate user growth, scheduled to occur at various time instances. These funds support refresh of hardware, licenses, and software for each product line. The increase of RDT&E in FY2008 is required to support the Initial Operational Test and Evaluation and Milestone C requirements in FY2008. At Initial Operational Capability (late FY2008), the funding will require O&M to sustain the services.

UNCLASSIFIED

<b>Exhibit R-2, RDT&amp;E Budget Item Justification</b>					<b>DATE:</b> December 2006				
<b>APPROPRIATION/BUDGET ACTIVITY</b> RDT&E, Defense-Wide/07					<b>R-1 ITEM NOMENCLATURE</b> Net-Centric Enterprise Services (NCES)/PE 0303170K				
COST (in Millions)	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	
Net-Centric Enterprise Services (NCES)/T57	74.511	28.522	43.424	9.490	9.758	9.950	9.950	9.950	

C. Other Program Funding Summary:

	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>To Complete</u>	<u>Total Cost</u>
Procurement, DW	0.000	24.852	10.836	20.657	0.000	0.000	0.000	0.000	58.345	58.345
O&M, DW	23.079	28.013	28.969	86.867	113.852	117.207	116.546	116.459	Contg	Contg

D. Acquisition Strategy:

NCES Program's acquisition approach is to adopt proven specifications, best practices, standards, and interface definitions to acquire new managed service providers (MSP) through a variety of acquisition mechanisms. NCES will use performance-based services and acquisition practices and incorporate commercial standards, performance specifications, and interface definitions to acquire NCES capabilities from selected commercial and government managed service providers. The NCES services will be network-based services or applications delivered, hosted by a managed service provider in accordance with Performance Work Statements(PWS)/Service Level Agreements (SLA) established between DISA and the managed service providers. The NCES PWSs/SLAs are agreements that will describe the particular service in terms of an agreed-upon quality for a specific quantity and duration. The PWSs/SLAs will also constrain the demands users may place upon the service to those limits defined by the contract. PWSs/SLAs are derived from the Capabilities Development Document (CDD) specified user requirements. As a key part of the managed service provider contracts, PWSs/SLAs contain more detail, describe incentives for meeting thresholds, and specify incentives for meeting performance and Quality of Service requirements. Quality Assurance Plan (QAP)/Quality Assurance Surveillance Plan(QASP) will be captured as part of the PWSs/SLAs. The acquisition approach also enables rapid fielding of low to moderate risk capabilities to meet operational need and provide value to the end-user. To achieve rapid deployment of the NCES portfolio, the NCES acquisition approach is based on the following principles:

- NCES will acquire managed services
  - Acquiring services as a commercially/government managed service with appropriate PWS/SLA
  - Requiring commercial standards, specifications, and interface definitions for services as appropriate
  - Employing continuous user feedback to refine PWSs/SLAs when practical (i.e., renewing an option year) to ensure operational effectiveness and suitability

UNCLASSIFIED

<b>Exhibit R-2, RDT&amp;E Budget Item Justification</b>				<b>DATE:</b> December 2006				
<b>APPROPRIATION/BUDGET ACTIVITY</b> RDT&E, Defense-Wide/07				<b>R-1 ITEM NOMENCLATURE</b> Net-Centric Enterprise Services (NCES)/PE 0303170K				
<b>COST (in Millions)</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>
Net-Centric Enterprise Services (NCES)/T57	74.511	28.522	43.424	9.490	9.758	9.950	9.950	9.950

- Service Providers are responsible for full life cycle support
  - Resourcing service infrastructure
  - Providing operational support (e.g., Managed Service Help Desk, training, and maintenance)
  - Providing technology refresh
- Defense Information Systems Agency (DISA) will field an initial set of capabilities, the Early Capabilities Baseline (ECB), based on the capabilities demonstrated in Horizontal Fusion and Net Centric Capabilities Pilot (NCCP) demonstrations, until the transition to managed services. The NCES Program will be responsible for the following ECB activities:
  - Sustain ECB capabilities during transition to managed service providers
  - Developing a transition plan identifying when ECB service versions will be discontinued
  - Providing guidance and support that will enable ECB consumers to migrate to managed service providers

The benefits of the NCES acquisition approach include:

- Providing immediate operational availability of existing capabilities at Milestone B
- Delivering full operational Increment 1 capabilities faster than the traditional acquisition approach
- Shifting investment risk to service providers in an evolving technology market
- Enabling accountability and service delivery through the use of SLAs and performance-based services acquisition procedures
- Enabling agility in selecting service capabilities

E. Performance Metrics:

The NCES Capability Development Document (CDD) defines the NCES Capabilities and their Performance attributes. These Performance attributes form the Performance Baseline for NCES. The NCES Modeling and Simulation effort will utilize among other sources, performance data collected from test and evaluation activities in the pilot and test environments to demonstrate that the NCES capabilities can achieve the NCES Performance Goals.

For each capability there are three (3) general performance categories of metrics: Availability, Response Time, and Maximum Load. Availability is the amount of time that the service is available to provide services. Response Time is a capability-specific measure of service responsiveness or latency. Maximum Load is a composite measure of how many users, throughput, or data that a service can handle and still be effective to each capability that is used to describe

UNCLASSIFIED

<b>Exhibit R-2, RDT&amp;E Budget Item Justification</b>				<b>DATE:</b> December 2006				
<b>APPROPRIATION/BUDGET ACTIVITY</b> RDT&E, Defense-Wide/07				<b>R-1 ITEM NOMENCLATURE</b> Net-Centric Enterprise Services (NCES)/PE 0303170K				
COST (in Millions)	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
Net-Centric Enterprise Services (NCES)/T57	74.511	28.522	43.424	9.490	9.758	9.950	9.950	9.950

the predicted loading for Increment I.

To improve mission performance, NCES has developed five (5) key performance management metrics as part of its mission to improved performance levels. These metrics are program performance metrics designed to rapidly identify and fix problems associated with NCES PMO activities, thereby providing maximum support to the warfighter. The NCES program performance metrics are independent and provide the NCES Program Management Office with the insight needed to transform the program as necessary. The NCES Program Performance Metrics are:

1. Customer Perspective-measures how NCES Services provide capabilities to the customer. The major factors of performance related to customer satisfaction include: service delivery and availability, and customer assistance/help desk services. Customers will evaluate overall usefulness, responsiveness, supportability, and derived benefits.
2. Financial Perspective-measures how well NCES is managing program investments. This metric evaluates the NCES Program, Planning, Budgeting and Execution (PPBE); and economic measures such as Internal Rate of Return (IRR), Payback Period, Net Present Value (NPV), and Return on Investment (ROI) in accordance with the Clinger-Cohen Act of 1996.
3. Requirements Satisfaction-provides an assessment of how the program is meeting requirements listed in the NCES Capabilities Development Document (CDD). The NCES PMO will assess scaling of required capabilities, identify baselines and lay the foundation for the integration of requirements as part of an acquisition plan through the NCES life cycle.
4. Contractor Performance-measures how effectively NCES service providers are meeting service level agreements. The NCES PMO will require recurring performance reporting by the managed service providers, and will designate an Enterprise Service Management (ESM) service provider to provide independent verification and validation of service performance. Where practical, NCES program management support and managed service contracts will use Earned Value Management (EVM) or tailored Earned Value Management-like (EVM-like) methods. These methods will monitor relevant cost, schedule, and performance aspects of contracted services and include periodic In-Process Reviews (IPRs).
5. Internal Process Perspective - measures the effectiveness of the PMO in performing its program control and execution functions. This metric will focus on program management, ensuring NCES will meet its mission objectives in a timely and effective fashion. This will be accomplished by utilizing the continuous improvement process which incorporates results from strategic goals such as the Balanced Scorecard.

UNCLASSIFIED

Exhibit R-3 Cost Analysis							DATE: December 2006					
APPROPRIATION/BUDGET ACTIVITY			PROGRAM ELEMENT				PROJECT NAME AND NUMBER					
RDT&E, Defense-Wide/07			Net-Centric Enterprise Services (NCES)/ PE 0303170K				Net-Centric Enterprise Services (NCES)/T57					
Cost Category	Contract Method & Type	Performing Activity & Location	Total Pys Cost	CY 07 Cost	CY 07 Award Date	FY 08 Cost	FY 08 Award Date	FY 09 Cost	FY 09 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Service Oriented Architecture Foundation Service	C/FFP	TBD	9.444							Cont.	Cont.	17.759
	MIPR	CSD		2.236	Jan-07	2.263	Jan-08			Cont.	Cont.	6.669
	C/CPFF	Various	1.681	0.673						Cont.	Cont.	3.710
	MIPR	JEDS	1.850			1.893	Jun-08			Cont.	Cont.	3.760
	MIPR	TBD	1.500							Cont.	Cont.	1.500
	C/FFO	SOLERS	1.360							Cont.	Cont.	1.360
	C/CPFF	BAH	1.884							Cont.	Cont.	1.884
Remarks	Because Milestone B will not occur until late FY2007, \$17.719M FY2006 funds must be carried over and executed in FY2007.											
Content Discovery and Delivery Service	MIPR	GCCS-AF	2.000							Cont.	Cont.	7.496
	MIPR	Intelink	3.000			2.000	Mar-08			Cont.	Cont.	6.496
	MIPR	CSD	2.740							Cont.	Cont.	2.501
	C/FFP	Various	.979			.541				Cont.	Cont.	1.503
	C/CPFF	TBD	2.000							Cont.	Cont.	.231
Remarks	Because Milestone B will not occur until late FY2007, \$10.72M FY2006 funds must be carried over and executed in FY2007.											
Collaboration Service	C/CPFF	Various	4.150	1.983	Various	.928	Various			Cont.	Cont.	7.132
	C/FFO	IBM		1.160	Jul-07	2.792	Jul-08			Cont.	Cont.	3.952
	C/FFO	TBD		.932	Jun-07	5.234	Jun-08			Cont.	Cont.	5.452
Remarks	Second Button capability will be awarded FY2007. \$1.903M Collaboration FY2006 funds must be carried over to FY2007.											
Portal Service	C/CPFF	SRA	3.105							Cont.	Cont.	4.239
	C/FFO	TASC	2.845	1.613	Jan-07	3.557	Jan-08			Cont.	Cont.	7.608
	MIPR	Army	.950							Cont.	Cont.	2.247
	MIPR	CSD		1.179	Oct-06	1.179	Oct-07			Cont.	Cont.	3.329
Remarks												
Early Capabilities	C/FFO	Merlin	1.503	1.335	Jan-07	1.335	Jan-08			Cont.	Cont.	4.706

UNCLASSIFIED

Exhibit R-3 Cost Analysis							DATE: December 2006					
APPROPRIATION/BUDGET ACTIVITY			PROGRAM ELEMENT				PROJECT NAME AND NUMBER					
RDT&E, Defense-Wide/07			Net-Centric Enterprise Services (NCES)/ PE 0303170K				Net-Centric Enterprise Services (NCES)/T57					
Cost Category	Contract Method & Type	Performing Activity & Location	Total Pys Cost	CY 07 Cost	CY 07 Award Date	FY 08 Cost	FY 08 Award Date	FY 09 Cost	FY 09 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Baseline										Cont.	Cont.	
	C/FFO	SOLERS	4.853									15.314
	C/CPFF	BAH	2.316							Cont.	Cont.	7.842
	C/FFO	SAIC	2.212							Cont.	Cont.	6.451
	MIPR	CSD	3.638	3.823	Oct-06	3.824	Oct-07			Cont.	Cont.	44.713
	C/CPFF	Various		1.490	Various	3.717	Various			Cont.	Cont.	14.706
Remarks	\$1.449M Mission effort FY2006 funds must be carried over to FY2007 to meet future program needs.											
Test and Evaluation	C/FFO	Various	3.422	2.841	Various	2.791	Various	.695	Various	Cont.	Cont.	10.769
	MIPR	DISA-JITC	2.708	2.743	Oct-06	2.758	Oct-07	2.783	Oct-08	Cont.	Cont.	74.631
PMO Acquisition	C/FFO	Various	3.576	2.674	Various	2.740	Various			Cont.	Cont.	3.914
	C/CPFF	DSA	5.214							Cont.	Cont.	15.832
PMO Engineering	C/FFO	Various	1.530	.212	Various	2.244	Various	2.384	Various	Cont.	Cont.	1.778
	C/FFO	MITRE	4.050	3.628	Oct-06	3.628	Oct-07	3.628	Oct-08			92.354
<b>Total</b>			<b>74.511</b>	<b>28.522</b>		<b>43.424</b>		<b>9.490</b>				

UNCLASSIFIED

Exhibit R-4 Schedule Profile												Date: February 2007																				
Appropriation/Budget Activity RDT&E, Defense-Wide/07				Net-Centric Enterprise Services (NCES)/PE0303170K												Net-Centric Enterprise Services (NCES) / T57																
Fiscal Year	2006				2007				2008				2009				2010				2011				2012				2013			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Acquisition Milestones	MS B Increment 1 				MS B Increment 1 				MS C Increment 1 																							
Early Capability Baseline (ECB)																																
Portal Service																																
Collaboration Service																																
Service Oriented Architecture (SOA) Service																																
Content Discovery & Delivery (CD&D) Service																																
Testing																																

## UNCLASSIFIED

Exhibit R-4a Schedule Detail		DATE: September 2006						
APPROPRIATION/BUDGET ACTIVITY	PROGRAM ELEMENT	PROJECT NAME AND NUMBER						
RDT&E, Defense-Wide/07	Net-Centric Enterprise Services (NCES)/ PE 0303170K	Net-Centric Enterprise Services (NCES)/T57						
<u>Schedule Profile</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Milestone B Decision (Increment 1) Portal and Collaboration Product Line	3Q							
Milestone B Decision (Increment 1) SOAF and CD&D Product Line		2Q						
Milestone C Decision (Increment 1)			2Q					
Early Capability Baseline (ECB) Limited Availability for Early Adopters	1-3Q							
Transition to Managed Services	4Q	1-4Q	1-4Q					
Portal Service								
Portal Day	1Q							
Defense Online Capability Transition to Defense Knowledge Online (DKO)	2-4Q		1-4Q					
Incrementally Enhance				1-4Q				
Collaboration Service								
Industry Day	1Q							
Release RFQ 1 <sup>st</sup> Service	1Q							
Award Contract 1 <sup>st</sup> Service	4Q							
Limited Operational Availability Incrementally Enhance	4Q	1-4Q		1-4Q	1-4Q			
Release RFQ 2 <sup>nd</sup> Button			1Q					
Award Contract 2 <sup>nd</sup> Button		3-4Q						

UNCLASSIFIED

<b>Exhibit R-4a Schedule Detail</b>		<b>DATE:</b> September 2006
<b>APPROPRIATION/BUDGET ACTIVITY</b> RDT&E, Defense-Wide/07	<b>PROGRAM ELEMENT</b> Net-Centric Enterprise Services (NCES)/ PE 0303170K	<b>PROJECT NAME AND NUMBER</b> Net-Centric Enterprise Services (NCES)/T57

<u>Schedule Profile</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Service Oriented Architecture (SOA) Service								
Industry Day	2Q							
Release Request for Proposal (RFP)		2Q						
Award Contracts		4Q						
Limited Operational Availability		4Q	1-4Q	1Q				
Content Discovery & Delivery (CD&D) Service								
Industry Day	2Q							
Release RFP		1Q						
Award Contracts		2Q						
Limited Operational Availability		2-4Q	1-4Q					
Testing								
Early User Test(EUT) 1	1-4Q	1Q						
EUT 2		1-2Q						
EUT 3		2-3Q						
EUT 4		3-4Q	1-2Q					
Operational Test Readiness Review (OTRR)		1-4Q	1-4Q					
Operational Test (OT)			3-4Q					
Modeling and Simulation Testing	1-4Q							

UNCLASSIFIED

Defense Information Systems Agency  
FY 2006/FY 2007 Program and Budget Review  
R-5 Exhibit  
Termination Liability Funding For Major Defense Acquisition Programs  
RDT&E Funding (\$000)

<u>Program</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
Net-Centric Enterprise Services (NCES) PE0303170K							

1. The government may terminate a contract based on convenience by providing the contractor with a written notice within a specified number of days. The preliminary notice will include an issue to stop future work on the current contract. The government follows FMR guidance as determined by specified contract.
2. If the government exercises this option, the termination measure will be in concordance with those measures as set forth by GSA Schedules and IDIQ contracts.
3. The total termination contract value will be determined by a mutual agreement between the contractor and the government.