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|   |  |         |         |         |  |         |         |               |         |
|---|--|---------|---------|---------|--|---------|---------|---------------|---------|
| Exhibit R-2/R-2a, RDT&E Budget Item Justification   |  |         |         |         |  |         |         | February 2007 |         |
| Appropriation/Budget Activity<br>Engineering and Manufacturing Development<br>RDT&E, DW, Budget Activity: 5 |  |         |         |         | 100 Item Nomenclature:<br><br>PE 0605019D8Z – Acquisition Domain |         |         |               |         |
| Cost<br>(\$ in Millions)  |  | FY 2006 | FY 2007 | FY 2008 | FY 2009  | FY 2010 | FY 2011 | FY 2012       | FY 2013 |
| Total PE Cost   |  | 3.442   | 0       | 0       | 0  | 0       | 0       | 0             | 0       |

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

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

The Weapons System Lifecycle Management (WSLM) CBMA is one of five end-to-end functional business areas established by the Department as a framework to transform business operations, implement the Department’s Business Enterprise Architecture, and manage the Core Business Mission Area’s Information Technology (IT) portfolio. Key mandates for the WSLM include the President’s Management Agenda, the E-Government Act of 2002, and the National Defense Authorization Acts of 2003 and 2005. The WSLM Core Business Mission Area includes 153 reported procurement systems and almost 176,000 systems users, representing \$124 million. In addition to managing its Defense Department investments, WSLM must also align federal enterprise systems and initiatives with DoD enterprise initiatives.

WSLM is an end-to-end functional area that includes systems and capabilities to better provide for the warfighter’s needs. Through determination of common business processes and management of enterprise wide investments in information technology for WSLM business solutions, and within the framework of its governance structure, WSLM brings transparency to acquisition information. This transparency is critical to supporting full life-cycle management of the Department’s processes that deliver weapon systems and automated information technology support systems.

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**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 (SPS) will incur some functionality adjustments based on the migration to the new Federal Procurement Data System -Next Generation.
3. FPDS-NG 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.

FY 2007-2009:

Accomplishments for FY 2007 and beyond are separately addressed in the budget exhibit for the Business Transformation Agency.

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| <b>B. Program Change Summary</b>         | <u>FY 2006</u> | <u>FY 2007</u> | <u>FY 2008</u> | <u>FY 2009</u> |
|--|----------------|----------------|----------------|----------------|
| FY 2007 President's Budget               | 3.543          |                |                |                |
| FY 2008/2009 President's Budget          | 3.442          |                |                |                |
| Total Revised Estimate                   | 3.442          |                |                |                |
| Total Adjustments                        | -0.101         |                |                |                |
| Congressional Adjustments(Distributed)   |                |                |                |                |
| Congressional Adjustments(Undistributed) | -0.101         |                |                |                |

**Current Budget Submit/Budget Estimate**

FY 2007 reflects the Deputy Secretary of Defense's decision to functionally transfer these mission's requirements, and resources to the Defense Business Transformation Agency (BTA). The details of the BTA are addressed in a separate exhibit.

Schedule: Business process reengineering commenced with the completion of the first version of the BEA. The reengineering will be ongoing in an incremental approach consistent with the increments of BMMP. All results will be documented in updates to the BEA. Additionally, this information is addressed in more detail in the Enterprise Transition Plan, which is provided separately to the Congress and the Office of Management and Budget.

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 is to competitively contract work 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 addressed in the Exhibit 300/Modified 300.

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| Exhibit R-3, RDT & E, DW Project Cost Analysis |                        |                                |                |              |                             |              |                    |              |                    | Date: September 2006                             |            |                          |
|--|------------------------|--------------------------------|----------------|--------------|-----------------------------|--------------|--------------------|--------------|--------------------|--|------------|--------------------------|
| Appropriation: RDT&E, DW, Budget Activity: 5   |                        |                                |                |              | Program Element: 0605019D8Z |              |                    |              |                    | Weapon System Lifecycle Management Core Business |            |                          |
| Cost Categories                                | Contract Method & Type | Performing Activity & Location | Total PYs Cost | FY 2007 Cost | FY 2007 Award Date          | FY 2008 Cost | FY 2008 Award Date | FY 2009 Cost | FY 2009 Award Date | Cost to Complete                                 | Total Cost | Target Value of Contract |
| WAWF Eng Changes                               | Interagency Agreement  | OSD                            | 2.100          |              |                             |              |                    |              |                    |  |            |                          |
| SPS Eng Changes                                | Time and Material      |                                | 3.442          |              |                             |              |                    |              |                    |  |            |                          |
|  |                        |                                |                |              |                             |              |                    |              |                    |  |            |                          |
|  |                        |                                |                |              |                             |              |                    |              |                    |  |            |                          |
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| Exhibit R-4, Schedule Profile                                  |      |   |   |   |      |   |   |   |      |   |   |  |      |   |   |   |      |   |   |   |      |  | Date: September 2006 |   |      |   |   |   |      |   |   |   |
|--|------|---|---|---|------|---|---|---|------|---|---|--|------|---|---|---|------|---|---|---|------|--|----------------------|---|------|---|---|---|------|---|---|---|
| Appropriation/Budget Activity<br>RDT&E, DW, Budget Activity: 5 |      |   |   |   |      |   |   |   |      |   |   | Program Element Number and Name<br>0605019D8Z – Acquisition Domain |      |   |   |   |      |   |   |   |      | Project Number and Name<br>Weapon System Lifecycle<br>Management Core Business |                      |   |      |   |   |   |      |   |   |   |
| 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 |
| Additional System Eng Changes                                  | △    |   |   |   |      |   |   |   |      |   |   |  |      |   |   |   |      |   |   |   |      |  |                      |   |      |   |   |   |      |   |   |   |
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