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Exhibit R-2/R-2a, RDT&E Budget Item Justification					February 2007				
Appropriation/Budget Activity Engineering and Manufacturing Development RDT&E, DW, Budget Activity: 5					100 Item Nomenclature: PE 0901200D8Z – BMMP Domain Management and Systems Integration				
Cost (\$ in Millions)		FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Total PE Cost		11.130	0	0	0	0	0	0	

A. Mission Description and Budget Item Justification

The Business Management Modernization Program (BMMP) Core Business Mission Areas (CBMA), were established as part of the program’s governance approach. The mission of the CBMAs, is to lead business process transformation through business process reengineering (BPR) and system integration in order to deliver end-to-end capabilities in support of the Warfighter. The results of the reengineering efforts will be documented in the Business Enterprise Architecture (BEA) and together with the Enterprise Transition Plan (ETP) will serve as a framework to guide investments in business management operations and systems. The BEA and ETP are both living evolving documents. Investment Review Boards (IRB) provides oversight to review and make recommendations for component investments that should be certified by the Defense Business Systems Management Committee (DBSMC). Individual CBMA sponsored initiatives will complement business enterprise programs in the execution of business transformation.

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 provides recommendations to the Secretary that ensures the use of common decision criteria for DoD business system modernization to align business transformation to Warfighter capabilities and objectives. The Vice Chair provides 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. The IRBs enable the DBSMC to conduct a formal review of the Defense Business Systems Modernization Program’s accomplishments to date. The IRBs also enable the DBSMC to review and ratify new program objectives, structure, and baseline.

As of October 7, 2005 the deputy Under Secretary of Defense notified Congress that the mission functions of various components within the DoD will transfer to the Business Transformation Agency (BTA). The details of the BTA are addressed in a separate exhibit.

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Accomplishments/Planned Program:FY 2006:

1. The FM CBMA is continuing to modeling the Department's program and budget formulation process. The results of the BPR will be documented in the BEA which will be used to define the requirements for a COTS system solution(s).
2. The FM CBMA will begin reengineering the cost accounting and Funds Distribution processes with a focus on data standardization. The results of the BPR will be documented in the (BEA).
3. The RP&ILM CBMA rewrote and issued policy document (DoDI 4165.14, "Real Property Inventory and Forecasting") to ensure enterprise-wide compliance with modernized procedures for managing the real property inventory. We also worked closely with Components to develop detailed plans for implementing real property inventory procedures.
4. The RP&ILM CBMA drafted standard business processes and information requirements for acceptance of real property into the DoD inventory. The real property acceptance requirements document was released to the RP&ILM Governance Board for formal coordination.
5. The RP&ILM CBMA completed business process re-engineering workshops to standardize processes and data for Construction in Progress.
6. The RP&ILM CBMA developed, upgraded, and/or integrated the "To-Be" standard process models, logical data models, and data elements for the following initiatives into BEA 4.0:
 - a. Real Property Construction in Progress Requirements (RPCIPR) will facilitate enterprise-wide consistent accounting and financial management for all real property construction and capital improvement projects.
 - b. Environmental Liabilities Recognition, Valuation and Reporting Requirements (ELRV&RR) data model was expanded to include non-Defense Environmental Restoration Program (DERP) liabilities. This will enable consistent accounting for and managing of DoD environmental liabilities, and provide the linkage between the liabilities and real property asset records; also delivered a requirements document.
 - c. Hazardous Materials Process Controls & Information Management Requirements (HMPC&IMR) will enable the achievement of significant reduction in risks to personnel and materiel, through ready access to authoritative and timely Hazmat information. We also delivered a requirements document and initiated Phase II of the BPR.
7. The Financial Management Domain will continue modeling the Department's program and budget formulation process. The results of the BPR will be documented in the BEA that will be used to define the requirements for a COTS system solution(s).
8. The Financial Management Domain will begin reengineering the cost accounting and Funds Distribution processes with a focus on data standardization. The results of the BPR will be documented in the Business Enterprise Architecture (BEA).

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. Program Change Summary	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
FY 2007 President's Budget	11.614			
FY 2008/2009 President's Budget	11.130			
Total Adjustments	-0.484			
Program Adjustment				
Congressional adjustments (distributed)				
Congressional adjustments(undistributed)	-0.484			

Current Budget Submit/Budget Estimate

The decrease in 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.

C. Other Program Funding Summary: N/A

D. Acquisition Strategy: The strategy is to consolidate contractor support service and award competitively competed contract with the private sector on any new requirements. For new/specialized service needs statement of needs will be developed and GSA schedule based acquisitions will be conducted. 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. A separate exhibit is also included in the FY 2007 President's Budget in support of the Program Assessment Rating Tool. Additional performance metrics, other than those reported, are currently under development.

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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: 0901200D8Z					Real Property and Installation Lifecycle Management and Financial Management - Core Business Mission Area		
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
Financial Management Core Business Mission	Interagency Agreement	OSD	8.551								8.549	8.549
RP&ILM CBMA Technical and Administrative Services	GSA MOBIS Schedule Time and Material	OSD	10.600								10.158	10.158
JFMIP compliant DEAMS initiative support	Interagency Agreement	OSD	4.012								4.200	4.200
RP&ILM CBMA AoA	GSA IT Schedule Time and Material	OSD	0.459								0.459	0.459

