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| Exhibit R-2a, RDT&E Project Justification                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |         |         |                                                                                                    |         |         | DATE: February 2008 |         |  |
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| APPROPRIATION/BUDGET ACTIVITY<br>RDT&E, DW / BA-05                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |         |         | R-1 Item Nomenclature:<br>PE0605018BTA Defense Intergrated Military Human Resource System (DIMHRS) |         |         |                     |         |  |
| COST (\$ in Millions)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | FY 2007 | FY 2008 | FY 2009                                                                                            | FY 2010 | FY 2011 | FY 2012             | FY 2013 |  |
| Project Cost                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 0.000   | 79.300  | 37.400                                                                                             | 0.000   | 0.000   | 0.000               | 0.000   |  |
| RDT&E Articles Qty                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | NA      | NA      | NA                                                                                                 | NA      | NA      | NA                  | NA      |  |
| <p><b>A. Mission Description and Budget Item Justification:</b></p> <p>On October 7, 2005, the Deputy Secretary of Defense announced his decision to functionally transfer various DoD programs, systems, projects and associated resources including the Defense Integrated Military Human Resources System (DIMHRS) to the Defense Business Transformation Agency (BTA). This transfer was effective October 2006. Effective FY 2008, the Program Element (PE) number transitions from PE 0605020BTA to PE 0605018BTA. Prior to FY 2007, the DIMHRS program was a separately identified item in the budget for the Defense Human Resources Agency (DHRA).</p> <p>DIMHRS will enable military human resources transformation by bringing an enterprise-wide approach to the way records are created and maintained for service members. Specifically, DIMHRS will:</p> <ul style="list-style-type: none"> <li>• Collect, process and report appropriate data on approximately 3.1 million military personnel across the Services and the Components</li> <li>• Support DoD-sponsored civilians and designated foreign military personnel</li> <li>• Incorporate a 33% surge capability in the number of records maintained</li> <li>• Integrate Active, Guard and Reserve databases</li> <li>• Streamline and improve automated support to the mobilization and deployment processes</li> <li>• Support all Human Resources Sub-Functions identified in the Federal Enterprise Architecture Business Reference Model (FEA BRM) within the Internal Operations and Infrastructure Business Area</li> </ul> <p>As a collaborative effort within the DoD components, Defense Agencies and other Federal organizations, DIMHRS follows a Single-Step-to-Full-Capability model that is consistent with Commercial-Off-The-Shelf (COTS) implementations. PeopleSoft is the core COTS product being used to develop DIMHRS. In early 2009, the first phase of DIMHRS will be deployed to the Army, the Air Force and their components. It will consist of joint core functionality, service specific data and interfaces. As a web-based system, DIMHRS will provide global reach. Service members can access the web to perform self-service transactions and commanders can use readily available information to enhance decision making.</p> <p>The program's major objective is to augment mission support to the war fighter and Service Departments by eliminating or reducing data collection burdens, solving operational problems, conserving resources, improving delivery of services, and enhancing readiness. In addition, DIMHRS is aligned with the following President's Management Agenda (PMA) initiatives:</p> <ul style="list-style-type: none"> <li>• Human Capital Management will be provided through integrated personnel and pay functionality</li> <li>• Expanded E-Government will result from its web-based functions, self-service, electronic routing, and approval capabilities</li> <li>• Financial Performance will be supported by integrating personnel and pay functions, which will reduce the occurrence of pay errors and their correction and result in more cost-effective and accurate compensation</li> <li>• Competitive Sourcing in DIMHRS is supported by awarding the developer and integrator contract under a full and open competitive sourcing initiative; and, by utilizing a commercially available product as the core software development application</li> <li>• Budget Performance Integration is achieved by using Earned Value Management and other metrics to measure contractor performance against the system's key performance parameters.</li> </ul> |         |         |                                                                                                    |         |         |                     |         |  |

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| Exhibit R-2, RDT&E Budget Item Justification (Continued)                        |                                                                                                                                                                                            | DATE: February 2008                                                                                                                                                                                     |
|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| APPROPRIATION/BUDGET ACTIVITY<br>RDT&E, DW / BA-05                              | R-1 Item Nomenclature:<br>PE0605018BTA Defense Intergrated Military Human Resource System (DIMHRS)                                                                                         |                                                                                                                                                                                                         |
| <b>B. Program Change Summary:</b>                                               |                                                                                                                                                                                            |                                                                                                                                                                                                         |
| Funding:                                                                        | <u>FY 2007</u>                                                                                                                                                                             | <u>FY 2008</u>                                                                                                                                                                                          |
| Previous President's Budget: PB08                                               | 79.300                                                                                                                                                                                     | 37.400                                                                                                                                                                                                  |
| Current Presidents Budget: PR09                                                 | 79.300                                                                                                                                                                                     | 37.400                                                                                                                                                                                                  |
| Total Adjustments                                                               | 0.000                                                                                                                                                                                      | 0.000                                                                                                                                                                                                   |
| <b>C. Other Program Funding Summary:</b>                                        |                                                                                                                                                                                            |                                                                                                                                                                                                         |
| <b>D. Acquisition Strategy:</b>                                                 |                                                                                                                                                                                            |                                                                                                                                                                                                         |
| Acquisition Strategy are detailed on the R-2a.                                  |                                                                                                                                                                                            |                                                                                                                                                                                                         |
| <b>E. Performance Metrics:</b>                                                  |                                                                                                                                                                                            |                                                                                                                                                                                                         |
| <u>Metric</u>                                                                   | <u>FY 2007<br/>Baseline</u>                                                                                                                                                                | <u>FY 2008<br/>Target</u>                                                                                                                                                                               |
| Percent of COTS product used without modification (Unmodified COTS Index (UCI)) | UCI = 70%<br>Estimated that 70% of COTS product could be used without modification.                                                                                                        | UCI > 70%<br>Minimize modification of commercial product. Monitor COTS modification needed to support Army and Air Force requirements.                                                                  |
| DIMHRS (Pers/Pay) Development Index (PPDI)                                      | PPDI = 0 (0/100)<br>Integrated Pers/Pay system does not currently exist; therefore, the PPDI has been established at zero.                                                                 | PPDI = 1 (24 months/24 months)<br>Design and develop Army requirements and interfaces. Design and develop Air Force requirements and interfaces.                                                        |
| Availability For Testing Index (AFTI)                                           | AFTI = 0 (0/7)<br>Integrated Pers/Pay system does not currently exist; therefore, the AFTI has been established at zero.                                                                   | AFTI = 1 (7 months/7 months)<br>System Integration Testing (SIT) and System Acceptance Testing (SAT) for Air Force will include testing of core system with Air Force requirements and interfaces.      |
| Innovative Design and Development Solutions Index (IDDSI)                       | IDDSI = 0 (0/100)<br>Integrated Pers/Pay system does not currently exist; therefore, the IDDSI has been established at zero.                                                               | DDSI = 1 (24 months/24 months)<br>Monitor contractor innovation during periods of testing.                                                                                                              |
| Conduct Testing for the Army (TUSA)                                             | 1TUSA = 0 (0/12)<br>Testing for the Army includes System Integration Test (SIT), System Acceptance Test (SAT), Multi-Service Limited User Test (M-LUT) and Operational Test and Evaluation | TUSA = 10.5/12(10.5 months/12 months)<br>Complete SAT, MLUT, and OT&E testing for Army by Aug 2008. Consists of testing of core system with Army requirements and interfaces.                           |
| Conduct Testing for the Air Force (TUSAF)                                       | TUSAF = 0 (0/2)<br>Total testing for the Air Force (AF) includes System Integration Test (SIT), System Acceptance Test (SAT), and Operational Test and Evaluation (OT&E).                  | TUSAF = 1/2 (1 months/2 months)<br>Complete SIT, SAT, and MLUT testing. Initiate OT&E testing for Air Force by Sep 2008. Consists of testing of core system with Air Force requirements and interfaces. |

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**Exhibit R-2a, RDT&E Project Justification**

Date: February 2008

Appropriation/Budget Activity  
RDT&E, DW / BA-05

Project Number and Name  
Project Number 110: Defense Integrated Military Human Resources System

**B. Accomplishments/Planned Program:**

|                                      | FY 07 | FY 08  | FY 09  | FY 10 |
|--------------------------------------|-------|--------|--------|-------|
| Accomplishments/Effort/Subtotal Cost | 0.000 | 79.300 | 37.400 | 0.000 |
| RDT&E Articles Quantity              | NA    | NA     | NA     | NA    |

**FY 2007 Accomplishments**

FY 2007 DIMHRS fiscal year plans are separately reported in PE 0605020BTA.

**FY 2008 - Planned**

- Complete SIT for the Army and Air Force
- Complete preparations and obtain Milestone C approval
- Complete System Acceptance Test (SAT) for the Army and Air Force
- Complete Operational Test and Evaluation (OT&E) for the Army
- Initiate OT&E for the Air Force
- Achieve Initial Operational Capability (IOC) for the Army by implementing Army's Fielding Decision to transition to the "Go Live" (deployment) phase
- Establish Help Desks in both New Orleans and Ft. Polk, LA
- Initiate delivery of DIMHRS training to the Army and Air Force
- Fund any required hosting for the system and necessary program support costs

**FY 2009 - Planned**

- Complete OT&E for the Air Force
- Initiate Fielding Decision preparations for the Air Force
- Implement Fielding Decision for the Air Force by implementing Air Force's Fielding Decision to transition to the "Go Live" (deployment) phase
- Complete deployment to the Army and the Air Force
- Achieve Full Operational Capability (FOC)
- Initiate sustainment activities to include fully staffed Help Desks
- Initiate development of new releases to incorporate mandated and legislative changes as well as deferred and new requirements to enhance Service functionality
- Fund any required hosting for the system and necessary program support costs

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Date: February 2008

Appropriation/Budget Activity

Project Number and Name

RDT&E, DW / BA-05

Project Number 110: Defense Integrated Military Human Resources System

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

**D. Acquisition Strategy:**

The DIMHRS Program acquisition strategy follows the Single-Step-to-Full-Capability acquisition model consistent with COTS implementations. It consists of development of the joint core or "purple" DIMHRS functionality that will then be deployed in separate Service Releases. In developing the Service Releases, the D&I contractor will focus on Service-specific data and interfaces. For example, Release 1 will contain "purple" or joint functionality, as well as Army specific data and interfaces; Release 2 will add Air Force specific data and interfaces to the existing purple or joint functionality.

The updated DIMHRS Acquisition Strategy dated 5 December 2006 and prepared in accordance with DoD 500.2-R was approved by the Milestone Decision Authority on 13 March 2007.

**E. Major Performers:**

| <u>Name</u>      | <u>Location</u> | <u>Work Performed</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Northrop Grumman | New Orleans, LA | Contractor performs activities necessary to complete Phase II of the DIMHRS Program. Phase II consists of developing a multi-dimensional system that blends mission support to the warfighter, personnel and pay functional requirements, "best business" practices, technical requirements, and costs into the overall development strategy. Contractor shall deliver a system that optimizes technology and incorporates improved business practices, and also complies with DoD standards for data and telecommunications. |
| DISA             | Arlington, VA   | DISA provides hosting services for the program's production and Continuity of Operations (COOP) sites.                                                                                                                                                                                                                                                                                                                                                                                                                        |

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| Exhibit R-4, RDT&E Program Schedule Profile |      |   |   |   |                                 |   |   |   |      |   |   |   |                                                                        |   |   |   |      |   |   |   |      |   | Date: February 2008 |   |      |   |   |   |
|---------------------------------------------|------|---|---|---|---------------------------------|---|---|---|------|---|---|---|------------------------------------------------------------------------|---|---|---|------|---|---|---|------|---|---------------------|---|------|---|---|---|
| Appropriation/Budget Activity               |      |   |   |   | Program Element Number and Name |   |   |   |      |   |   |   | Project Number and Name                                                |   |   |   |      |   |   |   |      |   |                     |   |      |   |   |   |
| RDT&E, DW / BA-05                           |      |   |   |   | PE 0605018BTA                   |   |   |   |      |   |   |   | Project Number 110: Defense Integrated Military Human Resources System |   |   |   |      |   |   |   |      |   |                     |   |      |   |   |   |
| Fiscal Year                                 | 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 |
| <b>Acquisition Milestones</b>               |      |   |   |   |                                 |   |   |   |      |   |   |   |                                                                        |   |   |   |      |   |   |   |      |   |                     |   |      |   |   |   |
| Milestone C                                 |      |   |   |   |                                 |   |   |   |      |   |   |   |                                                                        |   |   |   |      |   |   |   |      |   |                     |   |      |   |   |   |
| Fielding Decision - Army                    |      |   |   |   |                                 |   |   |   |      |   |   |   |                                                                        |   |   |   |      |   |   |   |      |   |                     |   |      |   |   |   |
| Fielding Decision - Air Force               |      |   |   |   |                                 |   |   |   |      |   |   |   |                                                                        |   |   |   |      |   |   |   |      |   |                     |   |      |   |   |   |
| <b>Test &amp; Evaluation Milestones</b>     |      |   |   |   |                                 |   |   |   |      |   |   |   |                                                                        |   |   |   |      |   |   |   |      |   |                     |   |      |   |   |   |
| System Integration Test - Army              |      |   |   |   |                                 |   |   |   |      |   |   |   |                                                                        |   |   |   |      |   |   |   |      |   |                     |   |      |   |   |   |
| System Integration Test - AF                |      |   |   |   |                                 |   |   |   |      |   |   |   |                                                                        |   |   |   |      |   |   |   |      |   |                     |   |      |   |   |   |
| System Acceptance Test - Army               |      |   |   |   |                                 |   |   |   |      |   |   |   |                                                                        |   |   |   |      |   |   |   |      |   |                     |   |      |   |   |   |
| System Acceptance Test - AF                 |      |   |   |   |                                 |   |   |   |      |   |   |   |                                                                        |   |   |   |      |   |   |   |      |   |                     |   |      |   |   |   |
| Operational Test - Army                     |      |   |   |   |                                 |   |   |   |      |   |   |   |                                                                        |   |   |   |      |   |   |   |      |   |                     |   |      |   |   |   |
| Operational Test - AF                       |      |   |   |   |                                 |   |   |   |      |   |   |   |                                                                        |   |   |   |      |   |   |   |      |   |                     |   |      |   |   |   |
| <b>Contract Milestones</b>                  |      |   |   |   |                                 |   |   |   |      |   |   |   |                                                                        |   |   |   |      |   |   |   |      |   |                     |   |      |   |   |   |
| DISA                                        |      |   |   |   |                                 |   |   |   |      |   |   |   |                                                                        |   |   |   |      |   |   |   |      |   |                     |   |      |   |   |   |
| Northrop Grumman                            |      |   |   |   |                                 |   |   |   |      |   |   |   |                                                                        |   |   |   |      |   |   |   |      |   |                     |   |      |   |   |   |

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