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Exhibit R-2, PB 2010 Defense Logistics Agency RDT&E Budget Item Justification								DATE: May 2009		
APPROPRIATION/BUDGET ACTIVITY					R-1 ITEM NOMENCLATURE					
0400 - Research, Development, Test & Evaluation, Defense-Wide/BA 3 - Advanced Technology Development (ATD)					PE 0603712S Logistics R&D Technology					
COST (\$ in Millions)	FY 2008 Actual	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	Cost To Complete	Total Cost
Total Program Element	54.602	75.929	19.043						Continuing	Continuing
1: Medical Logistics Network	2.817	2.937	2.642						Continuing	Continuing
2: Weapon System Sustainment	5.272	5.535	5.241						Continuing	Continuing
3: Supply Chain Management	2.595	2.923	2.674						Continuing	Continuing
4: Strategic Distribution & Reutilization (SDR)	3.294	3.503	3.326						Continuing	Continuing
5: Energy Readiness Program (ERP)	2.004	2.146	2.027						Continuing	Continuing
6 : Defense Logistics Information Research (DLIR)	2.216	2.278	2.146						Continuing	Continuing
7: Other Congressional Adds (OCAs)	32.519	56.607	0.000						Continuing	Continuing
8: Continuous Acquisition Lifecycle Support	3.885	0.000	0.000						Continuing	Continuing
9: TENTNET	0.000	0.000	0.987						Continuing	Continuing
Note										
TENTNET is an FY 2010 new start program. Resourced within the FY 2010 budget.										
A. Mission Description and Budget Item Justification										
N/A										

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APPROPRIATION/BUDGET ACTIVITY 0400 - Research, Development, Test & Evaluation, Defense-Wide/BA 3 - Advanced Technology Development (ATD)	R-1 ITEM NOMENCLATURE PE 0603712S Logistics R&D Technology
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B. Program Change Summary (\$ in Millions)

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Previous President's Budget	55.859	19.375	19.043	
Current BES/President's Budget	54.602	75.929	19.043	
Total Adjustments	-1.257	56.554	0.000	
Congressional Program Reductions	0.000	0.000		
Congressional Rescissions	0.000	0.000		
Total Congressional Increases	0.000	56.607		
Total Reprogrammings	0.000	0.000		
SBIR/STTR Transfer	-1.257	0.000		

Congressional Increase Details (\$ in Millions)

Congressional Additions

FY 2009 Congressional Add includes SBIR

FY 2008	FY 2009
32.519	56.607

Change Summary Explanation

TENTNET is an FY 2010 new start program. Resourced within the FY 2010 budget.

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COST (\$ in Millions)	FY 2008 Actual	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	Cost To Complete	Total Cost
1: Medical Logistics Network	2.817	2.937	2.642						Continuing	Continuing

A. Mission Description and Budget Item Justification

Defense Medical Logistics Transformation (DMLT) provides a comprehensive, standardized, unified, and policy compliant enterprise architecture, plan and implementation of initiatives to further unify the Medical Logistics Enterprise. The medical logistics community requires a multi-organizational, multi-disciplinary approach to future healthcare supply that spans the military services, the Office of the Secretary of Defense, our coalition partners, and commercial industry and involves diverse, yet complimentary functional disciplines such as cost estimating/financial management, system architecture and design, functional process mapping, transportation, telecommunication, networking, program management, contracting, engineering, and supply chain management.

Netcentric Infrastructure and Implementation (NII) The Netcentric Infrastructure and Implementation initiative will provide DOD Medical enterprise with a .NET web service provisioning framework based on Service-Oriented Architecture. A services-based information environment extends effectively to the outer reaches of the network, and allows the timely exchange of data among the various business systems and databases in an efficient and effective manner. Authoritative data sources distributed throughout the Enterprise can be leveraged, and unnecessary replication of data repositories will be reduced. Data services will reach a broader customer base compared to current technical solutions because data access will no longer be limited to the capabilities that are under direct command; rather, the partnering systems will benefit from a global, trusted, and reliable network. Adherence to the guidelines of Netcentric Operations will limit ad hoc design, discourage stovepipe development, and reduce the development lifecycle. Metrics will provide feedback on value added and support the identification of further enhancement of this capability.

Average Cost for Alternate Commercial Product Ordering Program (ACPOP) for Medical and Surgical Items: DLA emphasizes centralized procurement to reduce overall procurement costs. Some medical products are purchased locally although the same items may be available on centralized contracts or through Alternate Commercial Product Ordering Program (ACPOP). This project developed a pilot to compare the average cost per transaction for items purchased through centralized procurement, ACPPOP, and local purchase of items through distributors to determine the cost avoidance for purchases under the different procurement methods. The results of this project will support future DLA initiatives to procure medical supplies in the most cost effective manner.

Controlled Room Temperature Cold Chain Packaging Protocol Development: DLA purchases a large variety of pharmaceutical products requiring special environmental handling from distributor to the battlefield. This project developed a pilot protocol to control packaging and shipping conditions for these medical items. Examples of these products are TamiFlu and Nerve Agent Antidote Auto-Injectors. These procedures will ensure that medical items reach the Warfighter in useable condition. Efforts continue with third party validation of pilot project results.

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<p>Frozen Material Packaging Protocol Development This pilot is to develop an Engineered/Third Party validated packaging protocol for frozen materials that can not be shipped on dry ice (-80 degrees C). Protocol adheres to FDA-defined range of -25 to -10 degrees C. DLA Cold Chain Packaging locations only have the option to maintain frozen materials for shipment at Dry Ice temperatures (-80 degrees C), which is frequently too cold for many items due to physical structure weaknesses. As a result, we are forced to "borrow" resources from non-DLA entities to support shipping these types of materials. This protocol allows DLA to use an FDA/USP compliant packaging protocol to move ALL temperature sensitive materials within DLA supply chains.</p> <p>Optimize Source Identification for DoD Readiness Requirements: Optimize identification and integration of best commercially available medical readiness items and provide a proactive approach to NSN management coupled with operational changes in DMLIIS processing, to enable focused and ongoing review and cleanup of NSN sourcing data. Develop and implement system data services that will review and evaluate, by NSN, current FLIS source references and compare against MEDPDB and automatically create source reference change actions (add, update and delete) in the DMLIIS application for review and approval by the NSN management community. Work with Theaters (Warfighters) to identify and standardize relationships between NSNs used in theater, TEWLS and in readiness assemblages, and provide best available commercial items and most advantageous procurement contract. This initiative will enhance bridging the gap between theater requirements and the commercially sourced wholesale supply chain also greatly improving the quality of NSN source reference information with associated impacts in downstream systems. Directly supports DLA Strategic Goals 1 (Warfighter) and Goal 2 (Internal Process).</p>					
B. Accomplishments/Planned Program (\$ in Millions)					
	FY 2008	FY 2009	FY 2010	FY 2011	
Medical Logistics Network Accomplishments/Plans <i>FY 2008 Accomplishments:</i> - Completed first spiral of Defense Medical Materiel Standardization Program (DMMSp) to improve commonality of medical products used in institutional and operational missions. Identified common process, data-sharing needs, and future actions needed to enable coordinated efforts amongst the 4 Services and 3 standing organizations currently engaged in standardization activities (TRBOs, PEC and DMSB). Developed a governance construct and facilitated the creation of a new program office to consolidate and facilitate functions. Also facilitated the chartering of a Clinical Advisory Council to channel clinical input to the standardization process. The net result will be the eventual stand down of the DMSB staff group as those responsibilities are migrated to the new program office. - Completed Assemblage Life-Cycle Management (ALCM) design subspiral and transitioned to implementation phase. Achieved Force Health Protection Council (2 Star steering group) approval to proceed with identified opportunities and stand up of an action body comprised of Quad Service field operating agencies and Defense Logistics Agency to execute the implementation plan. Resulting processes enable increased standardization of common medical capabilities for similar phases of care,	2.817	2.937	2.642		

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B. Accomplishments/Planned Program (\$ in Millions)	FY 2008	FY 2009	FY 2010	FY 2011
<p>and improved interoperability of clinical capabilities and assemblages in joint operations. ALCM supports the MMEA by reducing duplication and redundancy in the Class VIII supply chain for expeditionary operations as well as in management of surge and sustainment requirements. At full implementation an added benefit will be increased interoperability among the 7 organizations currently providing assemblage build which will allow resource leveling and more efficient use of existing capacity.</p> <p>- Integrated process and systems architectural requirements from the MMEA Requirements Work Group into the DML Enterprise Architecture to support surge and sustainment planning. Completed the business case for investment in system development to support this function as a joint service process.</p> <p>- Initiated development of Netcentric Framework Infrastructure and Implementation to provide DoD Medical enterprise with a .NET web service provisioning framework based on Service-Oriented Architecture. This initiative supports the timely exchange of data among the various business systems and databases in an efficient and effective manner throughout the outer reaches of the network. Authoritative data sources distributed throughout the Enterprise can be leveraged, and unnecessary replication of data repositories will be reduced. Data services will reach a broader customer base than through current technical solutions because data access will no longer be limited to the capabilities that are under direct command; rather, the partnering systems will benefit from a global, trusted, and reliable network.</p> <p>- Initiated development and validation of packaging protocol for frozen materials that are within the FDA-defined range of -25 to -10 degrees C. Currently, DLA Cold Chain Packaging locations only have the option to maintain frozen materials for shipment at Dry Ice temperatures (-80 degrees C), which is frequently too cold for many items due to physical structure weaknesses. This protocol allows DLA to use an FDA/USP compliant packaging protocol to move ALL temperature sensitive materials within DLA supply chains.</p> <p><i>FY 2009 Plans:</i></p> <p>- As-Is and To-Be Modeling of proposed and potential Defense Medical Materiel Program Office</p>				

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B. Accomplishments/Planned Program (\$ in Millions)	FY 2008	FY 2009	FY 2010	FY 2011
<p>(DMMPO) functions, interfaces, and responsibilities to address initial creation, functional structure, and mission for the DMMPO. Provide the process framework for identification of gaps in and redundant or conflicting capabilities providing an analysis process to develop and refine new and revised application(s) requirements.</p> <p>- Initiate a pilot project to refine the to-be standardization processes defined in the DMMSP initiative Category A and C models. In concert with the ALCM working group, incorporate an outcome-based standardization and procurement initiative. This pilot will also leverage those business requirements to design a composite application to provide an integrated information system for the end-to-end process. The pilot will use real world Services' requirements rather than simulated examples.</p> <p>- Initiate proof of principal pilot that leverages operational process models created within the Enterprise Architecture to run a proof of principle demonstrating Business Process Management (BPM) tools use to create Service Oriented Architecture-based web applications within a composite application framework.</p> <p>- Lay the foundational capabilities for sound data management and data sharing, while also implementing tactical capabilities to support the data needs of the warfighter. Develop and institutionalize the Enterprise Data Strategy to incorporate the needs of the medical logistics enterprise, align with DoD, Federal, and other civil agency data and mission support requirements.</p> <p>- Using new and existing architecture models initiate a pilot to perform detailed analysis on the various existing catalogs, data sources, automated systems manipulation, maintenance processes, technologies employed, data structures, data delivery, and management processes to create an end-to-end picture and collaborative process for item identification and sourcing data management.</p> <p>- Initiate the Balanced Scorecard (BSC) high-level strategic objectives and Key Performance Indicators (KPI) of the key governance authorities—ASD(HA) / DASD(FHP&R) and DLA—in the DML enterprise architecture repository. Create cause-and-effect linkages between the strategic objectives of the DML enterprise and these high-level stakeholder objectives in the repository and develop metrics and a management program for the collaborative governance and achievement of DML enterprise objectives.</p>				

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B. Accomplishments/Planned Program (\$ in Millions)	FY 2008	FY 2009	FY 2010	FY 2011
<ul style="list-style-type: none"> - DMLT Initiatives: - Using the Web Services framework developed in FY08, expand web services beyond the pilot web services to internal Medical IT applications. Develop standard procedures to integrate standard repeatable web services and expand the Service Oriented Architecture. Implement and monitor Web Service design and utilization factors to assess the effectiveness of design and implementation. Develop pilot web services with external customers to increase the effectiveness of available web services. - Complete Cold Chain Protocols for the full spectrum of temperature conditions. Coordinate the incorporation of the protocols into DLA shipment procedures and assess the impact of the protocols in operational environments. Conduct equivalency testing for insulated containers and validate insulated container preconditioning protocols. Evaluate the impact of all Chain Protocols on refrigerated storage space for pre-conditioning containers and container size. <i>FY 2010 Plans:</i> - Complete architectural planning for an enterprise-wide DMLSS solution that fulfills the DLA's MMEA responsibility for integration of systems supporting end-to-end Class VIII supply chain management. - Advance total enterprise compliance to statutory and regulatory Enterprise Architecture directives. Continue the build-out of the as-is depiction of the enterprise and align legacy system architecture documentation with enterprise processes. Develop migration plans for legacy systems to comply with transformed enterprise to-be processes. - Complete the pilot to create an end-to-end picture and collaborative process for item identification and sourcing data management. - Complete the Balanced Scorecard (BSC) high-level strategic objectives and Key Performance Indicators (KPI) of the key governance authorities in the DML enterprise architecture repository - Complete proof of principal pilot that demonstrating Business Process Management (BPM) tools used to create Service Oriented Architecture-based web applications within a composite application framework. 				

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B. Accomplishments/Planned Program (\$ in Millions)	FY 2008	FY 2009	FY 2010	FY 2011
<p>- DMLT Initiative funding.</p> <p>- Expand external customer web services pilots to full production Service Oriented Architecture features. Enhance initial web services framework to fully integrate standard repeatable web services and streamline development and fielding procedures. Expand web services to at least 10 unique web services with at least 20 operational system web services.</p>				
C. Other Program Funding Summary (\$ in Millions)				
N/A				
D. Acquisition Strategy				
N/A				
E. Performance Metrics				
<p>A 12.5% reduction in the number of system interfaces within the Defense Medical Logistics Enterprise from FY 2007 to FY 2010 from 180 to 155. Each System Interface is detailed and managed by the Systems Interface Description (SV-1). Measurement is by count of SV-1. Estimated average annual cost savings per interface are \$150,000, resulting in annual savings to the DML Enterprise of \$3.75 M by FY 2010.</p> <p>Clinger-Cohen Act architecture standards: Total Number of DML Architecture Products Possible—545 Number of DML Architecture Products for FY 2009 goal-357; FY 2010 goal-417. The actual numbers for FY 2006, FY 2007, FY 2008 are 237, 262 and 292, respectively. The percentage of total possible for FY 2006, FY 2007, FY 2008, FY 2009, and FY 2010 are 40%, 44%, 49%, 60% and 70%, respectively.</p> <p>Measurement is by count of architectural products possible for each stakeholder organization and activity area within the Defense Medical Logistics Supply Chain.</p> <p>Cold Chain Protocols Impact is on temperature sensitive shipments. As the new protocols are integrated into DLA procedures, data will be analyzed from business intelligence shipment data to determine the number of shipments regulated by the protocols. The future metric will be the number of shipments specifying any of the protocols.</p>				

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<p>NetCentric Framework: Deployed and operational Web Services: Unique Deployed Web Services for FY 2008 goal-0, actual- 0; FY 2009 goal- 5, actual- 3 ; FY 2010 goal-10, actual - 5; FY 2011 goal-20 actual- 8</p> <p>Measurement is by count of each different available and functional Web Services.</p> <p>Use of deployed Web Services: Total Web Services in use for FY 2008 goal-0, actual-0; FY 2009 goal-5; FY 2010 goal- 20; FY 2011 goal- 40. Measurement is cumulative count of each Web Service re-used in a software application within the Defense Medical Logistics Enterprise. Each re-use of an existing Web Service will reduce software development and testing time and insure a consistent data return for identical data to multiple applications.</p> <p>Average Cost for Alternate Commercial Product Ordering Program (ACPOP) for Medical and Surgical Items Cost Differential by ordering method</p> <p>The ACPPOP study identified transaction cost differentials between Prime Vendor, ACPPOP, and local purchase of \$10.69, \$15.37, and \$29.62, respectively. The cost differential of 40% and 175% will be the basis for several initiatives to shift procurement toward Prime Vendor sales. The future metric as these initiatives are implemented will be the cost avoidance generated by this shift toward the Prime Vendor procurement. Measurement will be by type and number of transactions as collected as part of the normal business intelligence function.</p>		

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COST (\$ in Millions)	FY 2008 Actual	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	Cost To Complete	Total Cost
2: Weapon System Sustainment	5.272	5.535	5.241						Continuing	Continuing

A. Mission Description and Budget Item Justification

Support Defense Logistics Agency (DLA) Strategic Plans Goals 1 and 2. The program spans multiple weapon systems and supply chains to improve internal processes, provide methods, reduce costs and lead times, and ultimately, improve readiness for DLA customers.

The program is focused in three initiatives:

- Planning Process Improvement: The program improves elements of current inventory policy models, assesses potential benefits of new technologies and seeks more efficient approaches to deliver customer requirements while reducing inventory and order fulfillment costs.
- Technical/Quality Process Improvement: The program improves internal efficiency and customer satisfaction through new tools and methods to proactively address supply issues resulting from current technical/quality processes.
- Procurement Process Improvement: The program attacks issues or problems associated with particular sub-elements of the procurement process by developing and demonstrating improved tools and procedures to improve process efficiency, cycle time and cost.

B. Accomplishments/Planned Program (\$ in Millions)

	FY 2008	FY 2009	FY 2010	FY 2011
Weapon System Sustainment Accomplishments/Plans	5.272	5.535	5.241	
<p><i>FY 2008 Accomplishments:</i></p> <p>- Planning Process Improvement: Accomplishments in this area were led by DLA incorporation of new economic retention rules matched to the Peak Policy, a project completed this year, and by initiation of a project to automate the process of setting peak policies, which today requires heavy involvement by personnel with specialized skills. In addition, improvements were completed in aspects of planning involving lead time demand and stocking policy thresholds which were transitioned to the process owner for use in planned FY 2009 efforts to adjust EBS forecasting settings. The results of these projects will reduce inventory costs, backorders and procurement workload. The next generation inventory model whose feasibility was demonstrated in FY 2007, was approved by the process owner for further development, and a follow-on project was initiated that will confirm the enormous potential to reduce backorders and inventory cost while bringing the technology to the point where it can be</p>				

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B. Accomplishments/Planned Program (\$ in Millions)	FY 2008	FY 2009	FY 2010	FY 2011
<p>transitioned. The capability to much more accurately predict initial wartime spares requirements based on considerations of expected operations profiles was shown to be feasible in a joint project with AMCOM. The results were accepted by the Army, and further development efforts were initiated in another joint project. A project was initiated to address a number of issues affecting supply planning efficiency and effectiveness, including unforecasted demand spikes, high demand orders, long term contracts for items not sole source and backorders from stock redistribution</p> <p>- Technical/Quality Process Improvement: A pilot project was successfully completed on FSC 5340 items at DSCP that demonstrated a business process which, when applied to items that had not been bought in over five years, reduced ALT by 33% and exhibited 36% fewer aged backorders (older than 180 days), 61% more deliveries and 57% fewer unawarded items. The process transitioned to DSCP, where planning is in progress to implement it. An effort was initiated to develop attribute-based parts search and comparison capabilities for the simple user interface to DoD parts database in support of the Tech/Quality process owner and the Defense Standardization Program Office (DSPO). This simple interface will provide a generic capability to make substitution, part selection and item reduction decisions on a wide variety of different commodities. An effort was initiated to develop an automated capability to search Product Quality Deficiency Reports (PQDRs) and identify systemic issues with items or suppliers for management action in order to greatly reduce quality problems. DLA cannot today process and buy parts using the 3-dimensional product models that most suppliers work from and virtually all new products are designed in, and planning was initiated for a project to pilot rules and processes for DLA to use such models on a routine basis. Using such modern product data is expected to result in benefits ranging from increased competition to fewer quality problems and lower parts costs.</p> <p>- Procurement Process Improvement: A tool was completed that allows rapid assessment of the benefits of paying more to shorten lead times in return for a short-term gain in Obligation Authority and therefore flexibility with both single NSNs or groups, and was accepted by the DSCR supplier operations customer, where its first use will be in structuring a new long term contract. An effort was completed that analyzed how the DLA and Boeing processes address solicitations for sole or restricted-source parts, and made recommendations for changes to reduce the number of no-bid situations which were accepted by the appropriate supplier team. Working with Land and Maritime at DSCP, recommendations were made for a pilot to determine whether it makes sense for DLA to procure FMS-only parts through a commercial</p>				

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<p>buying service (CBS) such as the Air Force-managed Parts and Repair Ordering System (PROS) as a way to reduce procurement workload while greatly improving supply support to FMS customers.</p> <p>- Order Fulfillment Process Improvement. This is a new initiative, and planning was initiated in FY 2008 for projects to be funded in FY 2009.</p> <p><i>FY 2009 Plans:</i></p> <ul style="list-style-type: none"> • Planning Process Improvement: Projects in this area focus on producing new capabilities which, when implemented, will improve perfect order fulfillment while reducing inventory cost and procurement workload. Accomplishments in this area were led by continued support to DLA efforts to implement the WSSP-developed Peak Policy and matching economic retention rules. These included establishing Peak Policies for eight weapon systems and analyses to answer questions raised by the process owner. A companion project to automate the process of setting peak policies, which today requires extensive effort by personnel with specialized skills, was continued and is on track for successful completion in early FY 2010. Effort continued to mature the next generation inventory model and confirm its enormous potential to reduce inventory costs and unfilled orders. The project is on schedule for completion in mid-FY 2010, plans to transition the technology to routine use at that time are complete, and the initial steps taken. A new capability to more accurately predict initial wartime spares requirements was successfully completed and transitioned for Army use to AMCOM, which cost-shared the project. A project was completed that analyzed the effects of the Stock Transport Order (STO) process that moves material within DLA's distribution depot network, on the number of Unfilled Orders and material losses, and made recommendations to the process owner for actions to ameliorate those effects. Three projects were initiated to develop and demonstrate improvements to specific planning sub-processes and their performance metrics. The first project will emulate the performance of the Manugistics/JDA Demand Classification software and then use that capability to simulate the performance of forecasts that result from changes on Demand Classification parameters for the purpose of evaluating potential improvements. The emulation capability is a complementary capability to an off-line copy of the production Demand Classification software, for which the WSSP program developed the Statement of Objectives and Concept of Operations. Working together under the process owner, the emulation capability can quickly and inexpensively simulate forecasting model improvements, and the off-line 				

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<p>copy can then validate the changes to the real Demand Classification code before implementation in production. The second project will determine whether it is possible to work with Service program offices to assess which of their planned modification and upgrade activities will reduce future demand for DLA parts and thereby greatly reduce the incidence of DLA stocking items that are no longer needed. The third project will evaluate forecast model accuracy metrics to determine their reliability and validity, determine factually if the models are biased, if so how, and if there predictive factors that would allow either the models to be corrected or adjusted with more fidelity, analyze forecast coverage interval aspects, and recommend improvements to the process owner.</p> <p>• Technical/Quality Process Improvement: Projects in this area focus on resolving issues associated with various T/Q functions that are contributing to sourcing problems, unfilled orders, NSN proliferation and workforce inefficiencies. Accomplishments in this area were led by completion of an effort that successfully developed an attribute-based parts search and comparison capability for a simple user interface to DoD parts database and transitioned it to the Tech/Quality process owner, Defense Standardization Program Office (DSPO) and DLIS stakeholders. This simple interface will provide a generic capability to make substitution, part selection and item reduction decisions on a wide variety of different commodities, and will be used for part standardization, cataloging, part management and sustainment parts research. An effort was completed that developed an automated capability to search Product Quality Deficiency Reports (PQDRs) and identify systemic issues with items or suppliers for management action in order to greatly reduce quality problems. Companion efforts were initiated to create the same capability for Supply Discrepancy Reports (SDR) and to recommend ways to automate aspects of the Quality Notice (QN) resolution process to reduce the excessive time demands on Product Specialists and Packaging Specialists. The root causes of the very high and increasing number of QNs associated with Radio Frequency Identification (RFID) tags was analyzed and recommendations made to the AIT Program Managed for actions to address DLA and supplier issues that will eliminate those causes. In partnership with DLIS, a New Item Entry effort was initiated to identify what improvements could be made to the initial cataloging process that would reduce downstream sustainment problems such as excessive sole source, procurement delays, NSN proliferation, and many others that are fundamentally caused by incomplete or inaccurate information about the NSN at the time of cataloging.</p>					

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B. Accomplishments/Planned Program (\$ in Millions)	FY 2008	FY 2009	FY 2010	FY 2011
<ul style="list-style-type: none"> • Procurement Process Improvement: Projects in this area focus on aspects of the procurement domain where improvements to specific sub-processes can have a significant impact on reducing procurement workload, lead time or acquisition cost. The tool that was completed in FY 2008 that allows rapid assessment of the benefits of paying more to shorten lead times was adopted as part of the standard suite of tools used by DORRA to conduct business case analyses and was in support of ICP efforts to structure long term contracts. The current EBS does not archive the internal steps in individual procurement actions in a way that permits analyses for process improvement, and in response to a request by the process owner a project was successfully completed that identified and validated the needs for data collection and archiving and made specific recommendations to the team setting requirements for the new e-procurement system. A project was completed that developed groupings of fastener NSNs to place on long term contracts. The results were accepted by J-7, who recommended them to DSCP for implementation. A project was initiated to pilot the use of a third party military packaging specialist as a way to eliminate the many packaging non-conformances on deliveries from commercial parts manufacturers and the attendant heavy workload to resolve the non-conformances. A project was initiated to assess the feasibility of using RFID or other automatic identification technology to improve GFP inventory accuracy. <p><i>FY 2010 Plans:</i></p> <ul style="list-style-type: none"> • Planning Process Improvement: The next generation inventory model development will be completed and the transition process initiated, but as the transition process proceeds during FY 2009, it is possible that additional R&D may be required to address specific issues to include a pilot project. The peak policy automation project also will be completed, and a smooth transition is expected to DORRA, which has the responsibility to set the peak policies. The FY2009 starts in emulation, demand reduction and forecast analytics will be completed and transition initiated. FY 2010 will continue the shift in emphasis to supply planning and its interface to demand planning with completion of projects that began in FY 2009. New projects will build on those results and be defined jointly with the planning process and sub-process owners. • Technical/Quality Process Improvement: The automated capability to search SDRs and flag systemic item or supplier issues will be completed and transitioned to daily use at DSCP, with ownership assumed 				

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Exhibit R-2a, PB 2010 Defense Logistics Agency RDT&E Project Justification			DATE: May 2009	
APPROPRIATION/BUDGET ACTIVITY 0400 - Research, Development, Test & Evaluation, Defense-Wide/BA 3 - Advanced Technology Development (ATD)	R-1 ITEM NOMENCLATURE PE 0603712S Logistics R&D Technology		PROJECT NUMBER 2	
B. Accomplishments/Planned Program (\$ in Millions)	FY 2008	FY 2009	FY 2010	FY 2011
<p>by the Tech/Quality process owner, who will have responsibility concerning subsequent transition to DSCC and DSCR. The project to recommend ways to automate aspects of the Quality Notice (QN) resolution process will be completed and transitioned to the T/Q process owner and the key DSCP stakeholders. The New Item Entry effort to identify what improvements could be made to the initial cataloging process that would reduce downstream sustainment problems will be completed through recommendations to the T/Q process owner and DLIS, and if warranted, a pilot will be defined and initiated to validate the benefits of selected recommendations. Effort will be initiated in partnering with Services to dramatically increase the flow of TDPs containing modern technical data of record for procurement. Other new projects addressing tech/quality problems will be planned jointly with the process owner.</p> <ul style="list-style-type: none"> • Procurement Process Improvement: The pilot of using a third party military packaging specialist as a way to eliminate the many packaging non-conformances on deliveries from commercial parts manufacturers will be continued through the year, generating data on benefits and implementation issues. The project to assess the feasibility of using RFID or other automatic identification technology to improve GFP inventory accuracy will be complete and a pilot project defined to validate the benefits of the recommended approach. Other new projects will be developed jointly with the process owner and initiated. Benefits from projects in this area are reduced procurement workload, acquisition cost and backorders. 				
C. Other Program Funding Summary (\$ in Millions) N/A				
D. Acquisition Strategy N/A				
E. Performance Metrics The metric is percent of completing demonstration projects transitioning per year. In FY 2009, nine demonstration projects were completed, and eight transitioned.				

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COST (\$ in Millions)	FY 2008 Actual	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	Cost To Complete	Total Cost
3: Supply Chain Management	2.595	2.923	2.674						Continuing	Continuing
A. Mission Description and Budget Item Justification										
DLA has organized along Supply Chains to provide an integrated, combat logistics solution that is coordinated among the services and across DoD. There is a need for the Agency to stay abreast of the latest supply chain management principals and techniques that will improve the supply availability of DLA-managed items by managing supply chains to shorten lead times and reduce costs. The dynamic nature of DLA's mission requires a flexible R&D mechanism to rapidly take advantage of the evolving supply chain improvements and innovations.										
B. Accomplishments/Planned Program (\$ in Millions)							FY 2008	FY 2009	FY 2010	FY 2011
Supply Chain Management Accomplishments/Plans							2.595	2.923	2.674	
<i>FY 2008 Accomplishments:</i> - Wide Area Workflow Engineering Change Proposal 470 - Reactive and Proactive Battlefield Backorder Breakout Initiative 3I Support - TentNet Industry Practices Baseline <i>FY 2009 Plans:</i> - Possible new start in Construction and Equipment Supply Chain. Light Armored Vehicle Risk Assessment. Imbedded Sole Source Reduction for Aging Backorder Mitigation. <i>FY 2010 Plans:</i> - Supply Chain Initiatives and opportunities continue to develop and pursue emerging Supply Chain Management opportunities as they evolve.										
C. Other Program Funding Summary (\$ in Millions)										
N/A										

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D. Acquisition Strategy N/A		
E. Performance Metrics N/A		

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Exhibit R-2a, PB 2010 Defense Logistics Agency RDT&E Project Justification **DATE:** May 2009

APPROPRIATION/BUDGET ACTIVITY 0400 - Research, Development, Test & Evaluation, Defense-Wide/BA 3 - Advanced Technology Development (ATD)				R-1 ITEM NOMENCLATURE PE 0603712S Logistics R&D Technology					PROJECT NUMBER 4	
COST (\$ in Millions)	FY 2008 Actual	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	Cost To Complete	Total Cost
4: Strategic Distribution & Reutilization (SDR)	3.294	3.503	3.326						Continuing	Continuing

A. Mission Description and Budget Item Justification

This project consists of two thrusts: improvements and extensions to DLA distribution capabilities—especially for deployed warfighters—and technology insertions, such as Item Unique Identification (IUID), to enhance DLA’s de-militarization and reutilization capabilities. The distribution focus is on quickly establishing distribution operations in new theaters of operation, cutting customer wait time and reducing demands on strategic airlift. The reutilization focus is on reducing risks that militarily-sensitive equipment will be sold to potential enemies or other parties that could use the surplus material for nefarious purposes. Transition organizations are DLA’s Defense Distribution Center (DDC) and Defense Reutilization and Marketing Service (DRMS).

B. Accomplishments/Planned Program (\$ in Millions)

	FY 2008	FY 2009	FY 2010	FY 2011
Strategic Distribution & Reutilization (SDR) Accomplishments / Planned Program	3.294	3.503	3.326	
<p><i>FY 2008 Accomplishments:</i></p> <ul style="list-style-type: none"> - Completed Node Management and Deployable Depot (NoMaDD) Advanced Concept Technology Demonstration (ACTD). The Military Utility Assessment of the Deployable Distribution Center (DDXX), including Theater Consolidation & Shipping Point (TCSP) and Forward Deployed Warehouse (FDW) capabilities, showed significant benefits for the warfighter. Validated value of a map-based Logistics Common Operating Picture through Limited User Evaluation of Node Management tools based on the Army’s Battle Command Sustainment Support System (BCS3). - Initiated development of web-enabled Node Management capability based on IRRIS platform, collaborating with the USTRANSCOM Common Operating Picture–Deployment and Distribution (COP–D2) Program. Concepts of Operations (CONOPs); Techniques, Tactics, and Procedures (TTPs); and transition plans were refined and executed. - Initiated development of DDXX stock-planning system and integration of DDXX and Defense Reutilization & Marketing Service (DRMS) capabilities. 				

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B. Accomplishments/Planned Program (\$ in Millions)	FY 2008	FY 2009	FY 2010	FY 2011
<p><i>FY 2009 Plans:</i></p> <ul style="list-style-type: none"> - Support transition of NoMaDD capabilities, including completion of Node Management development, CONOPS, and demonstration. - Integrate and demonstrate DDXX/DRMS interoperability. - Map DDXX stock planning processes, identifying and addressing inter-Service/Agency process and system gaps and seams. - Define requirements for DRMS' Life-Cycle Reutilization Technology Initiative, including development and assessment of methods and tools necessary to identify and properly manage Service-disposed property. <p><i>FY 2010 Plans:</i></p> <ul style="list-style-type: none"> - Extend Node Management capabilities to encompass distribution reports and analytics for the DDXX and DLA Joint Logistics Operations Center. - Develop DDXX stock planning system and initiate DRMS' Reutilization Risk Reduction tool development. - Develop and demonstrate capability to support Humanitarian Assistance and Disaster Relief (HA/DR) requirements, including technologies to enhance materiel receipt and asset visibility for event managers. - Develop means to link Service weapon systems to DRMS reutilization and demilitarization requirements and processes. 				

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C. Other Program Funding Summary (\$ in Millions)										
	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	Cost To Complete	Total Cost
0603713/USTRANSCOM	1.250	2.000							Continuing	Continuing
D. Acquisition Strategy										
NoMaDD is jointly funded with United States Transportation Command (USTRANSCOM) funding (Program Element 0603713) in FY 2006 (\$1.5M), FY 2007 (\$2M), FY 2008 (\$1.25M), and FY 2009 (\$2.0M). The program was approved as an Office of the Secretary of Defense (OSD) sponsored Advanced Concept Technology Demonstrations (ACTD). OSD contributed \$6M through the ACTD's completion in FY 2008.										
E. Performance Metrics										
Demonstrated military utility through successful NoMaDD ACTD. DDXX transition to begin in FY 2009; Node Management transition to occur in FY 2010 through Army BCS3 and USTRANSCOM IRRIS programs.										

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COST (\$ in Millions)	FY 2008 Actual	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	Cost To Complete	Total Cost
5: Energy Readiness Program (ERP)	2.004	2.146	2.027						Continuing	Continuing

A. Mission Description and Budget Item Justification

- Program Management Office Support (PMO) for developing program strategies and goals, preparing documentation for the program, and performing necessary studies and analysis.
- Alternate Energy Development (AED) to include synthetic fuel specifications and acquisition plan; renewable energy and alternative fuels studies and planning, continued study of the use of hydrogen by DoD, and other directives specified in the Energy Policy Act (EPA) of 2005 and EISA FY 2007.
- Testing and approving of additional +100 Thermal Stability Additives (TSA) for use in Jet Propulsion Fuel (JP-8), and additional additive studies for +100 Low Temperature and Static Dissipater.
- Study and implementation of Automated Information and Data Collection (AIDC) to Defense Energy Supply Center (DESC) business processes, and automated adaptive planning tool to optimize the class III supply chain.

B. Accomplishments/Planned Program (\$ in Millions)

	FY 2008	FY 2009	FY 2010	FY 2011
Energy Readiness Program (ERP) Accomplishments/Plans	2.004	2.146	2.027	
<p><i>FY 2008 Accomplishments:</i> (\$2.050) – Continued PMO support in program implementation and planning, Section 526 Study, and Biofuels Implementation Planning (\$.800 PMO), Operational Manager (OM) support to the NoMaDD ACTD (\$.700 AIDC), Biofuels Cross-Contamination Testing (\$.200 AED), Algae Oil to Jet Fuel studies and testing (\$.350 AED).</p> <p><i>FY 2009 Plans:</i> (\$2.152) - Continued PMO support in program implementation and planning (\$.220 PMO), Continued support of Algae Oil to Jet Fuel studies and testing (\$1.132 AED), San Pedro Net-Zero Plus initiative to assess/establish a net-zero energy defense fuel support point (\$.500 AED), Continued support of testing and approval of additional +100 Thermal Stability Additives (\$.300 TSA).</p>				

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B. Accomplishments/Planned Program (\$ in Millions)	FY 2008	FY 2009	FY 2010	FY 2011
<i>FY 2010 Plans:</i> (\$2.165) - Continued PMO support in program implementation and planning (\$.240 PMO), Continued support of Algae Oil to Jet Fuel studies and testing (\$1.425 AED), Continued support of the San Pedro Net-Zero Plus initiative (\$.500 AED).				
C. Other Program Funding Summary (\$ in Millions) N/A				
D. Acquisition Strategy N/A				
E. Performance Metrics				
<ul style="list-style-type: none"> • Successful program documentation and support to include timely budget delivery and programmatic details (PMO) • Successful completion of initial assessment/planning/implementatn of a net-zero fuel facility for the defense depot at San Pedro (AED) • Successful incorporation of alternative fuel use (wind, solar, geothermal, hydrogen, waste-to-fuel) at the defense activities (AED) • Meet EISA FY 2007 requirements to reduce the use of petroleum based products in fuel (AED) • Successful completion of testing additional +100 Thermal Stability Additives and incorporation into MILSPEC; certification of additional additives to broaden the supplier base; cost reduction from the current \$65/gal price of additives (TSA) 				

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COST (\$ in Millions)	FY 2008 Actual	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	Cost To Complete	Total Cost
6 : Defense Logistics Information Research (DLIR)	2.216	2.278	2.146						Continuing	Continuing

A. Mission Description and Budget Item Justification

The Defense Logistics Information Research (DLIR) program objective is to research, identify, and implement potential or existing technologies using high-risk, high-payoff tools, methods, techniques, and products. The DLIR program partners with commercial industry to perform short-term projects (STPs) in various logistics business areas which align with the Defense Logistics Agency's (DLA's) strategic vision. DLIR improves functional and business processes using the latest technologies available, which support the nation's warfighter. The technical areas of interest are:

- Next Generation Automated Electronic Commerce and Sourcing. Focuses on employing the best of breed processes, practices, and technology to enable and/or streamline electronic commerce from the customer's point-of-need to point-of-satisfaction. The DOD EMALL is the single entry point for DOD and other federal customers to find and buy off-the-shelf, finished goods, and services from commercial marketplaces. It offers cross-store shopping, comparison pricing, and best value decision-making where all vendors must meet Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation (DFAR) statutory requirements. The DOD EMALL is primarily composed of three corridors: parts and supplies, information technology, and training.
- Development of Logistics Data Interoperability & Availability. Enhances the functionality and compatibility of data in a complex data environment using supply chain relationships and lifecycle management to allow flexible visibility. The exploration of logistics data solutions to enhance the warfighter's visibility of end item(s) and to show where that item fits in the overall application for an item of supply (i.e. weapon systems or other supporting systems) while showing a comprehensive view of all end items as they relate to all NSNs in the Federal Logistics Information System (FLIS).

B. Accomplishments/Planned Program (\$ in Millions)

	FY 2008	FY 2009	FY 2010	FY 2011
Defense Logistics Information Research (DLIR) Accomplishments/Plans	2.216	2.278	2.146	
<p><i>FY 2008 Accomplishments:</i></p> <ul style="list-style-type: none"> • FY 2008 DLIR R&D short-term projects (STPs) had much success! DLIR R&D STP solutions were successful in the proof of concepts against DLIS data. Although the DLIR R&D contracts have expired and the solutions did not move into sustainment, DLIS continues to be aggressive using industries cutting technologies to improve the data within the DLIS systems. 				

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B. Accomplishments/Planned Program (\$ in Millions)	FY 2008	FY 2009	FY 2010	FY 2011	
<p><i>FY 2009 Plans:</i></p> <ul style="list-style-type: none"> • Annual Broad Agency Announcement was release August 2008 with two Technical Areas of Interests. Received 29 industry proposals against each of the technical areas of interests. The Source Selection Evaluation Board has evaluated and provided 11 proposals to Defense Supply Contract Philadelphia for cost auditing and source selection authority approval. Anticipate all 11 for contract award using FY 2008/2009 funding. • Continued focus on Technical Solutions Councils to address new technology and methodology in each area: Customer-focused supply chain & logistics data and best-of-breed processes, practices, and technology. Comprehensive supply chain visibility & availability. Logistics data functionality and compatibility to commercial industry data. Environmental and Green programs. Award short-term R&D projects in each reviewed technical area of interest after opportunity briefings. <p><i>FY 2010 Plans:</i></p> <ul style="list-style-type: none"> • Re-solicit the Broad Agency Announcement (BAA) for new project ideas. The Defense Logistics Information Service (DLIS), as a corporate entity, will review the impact and effectiveness of the Technical Solutions Councils and address possible new technical areas. Continue the focus on capability gap areas such as: Customer-focused supply chain & logistics data and best-of-breed processes, practices, and technology. Comprehensive supply chain visibility & availability. Award new STPs each technical area of interest after industry opportunity briefings. Logistics data functionality and compatibility to commercial industry data. Plan to award additional short-term R&D projects in the technical area of interest. Environmental and Green programs. Award short-term R&D projects in each reviewed technical area of interest after opportunity briefings. 					

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C. Other Program Funding Summary (\$ in Millions) N/A		
D. Acquisition Strategy N/A		
E. Performance Metrics DLIR R&D projects are driven by our mission to provide value added data, data products and services to our warfighting customers from the Military Services, Joint and allied communities. We are looking for a combination of delivery of both emerging technologies and the ability to apply those tools to making logistics information available in easy to use and understand formats for our customers. We are focused on more seamless processes to minimize the need for manual labor while maximizing throughput in making more and better data available.		

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COST (\$ in Millions)	FY 2008 Actual	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	Cost To Complete	Total Cost
7: Other Congressional Adds (OCAs)	32.519	56.607	0.000						Continuing	Continuing

A. Mission Description and Budget Item Justification

Congressionally added programs for the Logistics Research and Development (Log R&D) program element, along with explanation, are provided below.

-Aging Systems Sustainment and Enabling Technologies (ASE) - CRANE will oversee this add on behalf of DLA.

-Emerging Critical Interconnection Technology Program (ECI) - Funds provided for the Emerging/Critical Interconnection Technology (ECIT) program. The ECIT program facilitates the emergence of new interconnect technologies within North America and accelerates application into Warfighter applications through industrial and academic extension.

-Parts Backorder Reduction (PBR) - Light Armored Vehicle: Conduct a risk analysis to identify items that could be enhanced by new technology and/or real drivers of logistics that could become obsolete for the Light Armored Vehicle. Warstopper Program: Design and develop a prototype Strategic Material Buffer Management (SMBM) Tool.

-Advanced Mobile Microgrid System (AMS) - Field alternative energy and power management technologies to reduce fuel consumption and convoys required to support Forward Operating Bases.

-Accelerate Defense Supply Chain (ASC) - DORRA will oversee this add on behalf of DLA.

-Biofuels Program (BFP) - DESC will oversee this add on behalf of DLA.

-Defense Fuelcell Locomotive (FCL) - Continuation of Fuel Cell Locomotive work to build, evaluate and report on the performance of a hybrid fuel cell locomotive using the design previously worked under FY 2007 funding. Funding will be applied to complete the integration of a fuel cell switcher locomotive by installing a 350 bar composite wrapped compressed hydrogen storage system, a Direct Current (DC) to DC electric converter to provide necessary voltage requirements for on-board equipment and a power to grid processing unit to conduct testing. The fuel cell switcher locomotive will undergo an initial shake down and demonstration at a government approved location in Southern California. Energy Security and distributed generation will be incorporated into the project design. A final report will be provided on the demonstration results. The first phase of this work is currently being completed under contract number DAAB07-03-D-B006, D.O. 0224. Reimbursable fee will be provided in a separate MIPR.

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-High Energy Battery for Unmanned Aerial Vehicles (HEB) - Develop an experimental High Energy lithium rechargeable battery for miniature Unmanned Aerial Vehicles (UAV). The battery will incorporate new cell technology referred to as ANLCC which will combine cathode material developed from research by Argonne National Laboratory and couple it with high capacity carbon material developed by EnerDel. The new cell technology will provide greater energy, safety and service life than existing battery technology.

-Hydrogen Storage Program (HSP) - Conduct Basic/applied Research and Development (R&D) and/or pilot programs in support of the Hydrogen Storage Program (HSP). Conduct basic/applied R&D to advance hydrogen fuel storage, and vehicle integration Technology Readiness Levels (TRLs) and Manufacturing Readiness Levels (MRLs). Reimbursable fee applied in separate MIPR.

-New England Manufacturing Supply Chain Initiative (NEM) - CECOM will oversee this add on behalf of DLA.

-Spray Technique Analysis and Research for Defense (STR) - Reduce pollution and cost of DoD painting operations by improving the efficiency of painters.

-Vehicle Fuel Cell and Hydrogen Logistics Program (VHP) - Conduct Basic/applied Research and Development (R&D) and/or pilot programs in support of the Vehicle Fuel Cell and Hydrogen Logistics Program (VHP). Conduct basic/applied R&D to advance hydrogen fuel cells, hydrogen fuel infrastructure and vehicle integration Technology Readiness Levels (TRLs) and Manufacturing Readiness Levels (MRLs).

B. Accomplishments/Planned Program (\$ in Millions)

	FY 2008	FY 2009	FY 2010	FY 2011
Other Congressional Adds (OCAs) Accomplishments/Plans	32.519	56.607	0.000	
<i>FY 2008 Accomplishments:</i>				
Aging Systems Sustainment and Enabling Technologies (ASE) - CRANE will oversee this add on behalf of DLA.				
-Emerging Critical Interconnection Technology Program (ECI) - Funds provided for the Emerging/ Critical Interconnection Technology (ECIT) program. The ECIT program facilitates the emergence of new interconnect technologies within North America and accelerates application into Warfighter applications through industrial and academic extension.				
-Parts Backorder Reduction (PBR) - Light Armored Vehicle: Conduct a risk analysis to identify items that could be enhanced by new technology and/or real drivers of logistics that could become obsolete for the				

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B. Accomplishments/Planned Program (\$ in Millions)	FY 2008	FY 2009	FY 2010	FY 2011	
<p>Light Armored Vehicle. Warstopper Program: Design and develop a prototype Strategic Material Buffer Management (SMBM) Tool.</p> <p>-Advanced Mobile Microgrid System (AMS) - Field alternative energy and power management technologies to reduce fuel consumption and convoys required to support Forward Operating Bases.</p> <p>-Accelerate Defense Supply Chain (ASC) - DORRA will oversee this add on behalf of DLA.</p> <p>-Biofuels Program (BFP) - DESC will oversee this add on behalf of DLA.</p> <p>-Defense Fuelcell Locomotive (FCL) - Continuation of Fuel Cell Locomotive work to build, evaluate and report on the performance of a hybrid fuel cell locomotive using the design previously worked under FY 2007 funding. Funding will be applied to complete the integration of a fuel cell switcher locomotive by installing a 350 bar composite wrapped compressed hydrogen storage system, a Direct Current (DC) to DC electric converter to provide necessary voltage requirements for on-board equipment and a power to grid processing unit to conduct testing. The fuel cell switcher locomotive will undergo an initial shake down and demonstration at a government approved location in Southern California. Energy Security and distributed generation will be incorporated into the project design. A final report will be provided on the demonstration results. The first phase of this work is currently being completed under contract number DAAB07-03-D-B006, D.O. 0224. Reimbursable fee will be provided in a separate MIPR.</p> <p>-High Energy Battery for Unmanned Aerial Vehicles (HEB) - Develop an experimental High Energy lithium rechargeable battery for miniature Unmanned Aerial Vehicles (UAV). The battery will incorporate new cell technology referred to as ANLCC which will combine cathode material developed from research by Argonne National Laboratory and couple it with high capacity carbon material developed by EnerDel. The new cell technology will provide greater energy, safety and service life than existing battery technology.</p> <p>-Hydrogen Storage Program (HSP) - Conduct Basic/applied Research and Development (R&D) and/or pilot programs in support of the Hydrogen Storage Program (HSP). Conduct basic/applied R&D</p>					

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APPROPRIATION/BUDGET ACTIVITY 0400 - Research, Development, Test & Evaluation, Defense-Wide/BA 3 - Advanced Technology Development (ATD)	R-1 ITEM NOMENCLATURE PE 0603712S Logistics R&D Technology		PROJECT NUMBER 7	
B. Accomplishments/Planned Program (\$ in Millions)	FY 2008	FY 2009	FY 2010	FY 2011
<p>to advance hydrogen fuel storage, and vehicle integration Technology Readiness Levels (TRLs) and Manufacturing Readiness Levels (MRLs). Reimbursable fee applied in separate MIPR.</p> <p>-New England Manufacturing Supply Chain Initiative (NEM) - CECOM will oversee this add on behalf of DLA.</p> <p>-Spray Technique Analysis and Research for Defense (STR) - Reduce pollution and cost of DoD painting operations by improving the efficiency of painters.</p> <p>-Vehicle Fuel Cell and Hydrogen Logistics Program (VHP) - Conduct Basic/applied Research and Development (R&D) and/or pilot programs in support of the Vehicle Fuel Cell and Hydrogen Logistics Program (VHP). Conduct basic/applied R&D to advance hydrogen fuel cells, hydrogen fuel infrastructure and vehicle integration Technology Readiness Levels (TRLs) and Manufacturing Readiness Levels (MRLs).</p>				
C. Other Program Funding Summary (\$ in Millions) N/A				
D. Acquisition Strategy N/A				
E. Performance Metrics N/A				

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Exhibit R-2a, PB 2010 Defense Logistics Agency RDT&E Project Justification									DATE: May 2009	
APPROPRIATION/BUDGET ACTIVITY 0400 - Research, Development, Test & Evaluation, Defense-Wide/BA 3 - Advanced Technology Development (ATD)				R-1 ITEM NOMENCLATURE PE 0603712S Logistics R&D Technology					PROJECT NUMBER 8	
COST (\$ in Millions)	FY 2008 Actual	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	Cost To Complete	Total Cost
8: Continuous Acquisition Lifecycle Support	3.885	0.000	0.000						Continuing	Continuing

A. Mission Description and Budget Item Justification

Information and information technology impact almost every functional component of the DoD, from tactical units to the supply lines that support them. In fact, Joint Vision 2020's central goal is the capability of collecting, processing, and disseminating a steady flow of information to U.S. forces, while exploiting or denying an adversary's ability to access that information.

To this end, the DoD has embarked on a set of critical and ambitious programs. These programs are to insure that information technology plays a key role in achieving war fighter superiority in the 21st century. Embodied in the DoD 2020 logistics vision are integrated supply chains focused on meeting war fighter requirements at the point of need. This, in turn has caused the DoD to insure that all automated information systems have a degree of "interoperability".

The main goal of the DoD's Information Technology initiatives is a shared data environment. This environment supports the DoD 2020 Logistics Vision and all five key logistics initiatives. It provides users the capability to employ automated tools that accomplish tasks more effectively and efficiently and that exchange current and accurate information in a timelier manner across enterprises.

B. Accomplishments/Planned Program (\$ in Millions)

	FY 2008	FY 2009	FY 2010	FY 2011
Continuous Acquisition Lifecycle Support Accomplishments/Plans	3.885	0.000	0.000	
<i>FY 2008 Accomplishments:</i> <ul style="list-style-type: none"> - Continued support for TC AIMS II Single User Representative and Joint Requirements Support - Defense Collaboration Network/International Collaboration Network (DCN/ICN): - Internet Technologies Support - Continued support for DoD IT Standards Governance Support, the Joint - Logistics Vision 2020 and the DoD FLE Initiative - Continuation of the DoD DISA Net Centric Enterprise Services Web - Continued Services Technology Support -- DoD Leverage Point Modeling and Dynamic Simulation Assessment -- DoD Enterprise Modeling and Performance Based Logistics 				

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Exhibit R-2a, PB 2010 Defense Logistics Agency RDT&E Project Justification			DATE: May 2009	
APPROPRIATION/BUDGET ACTIVITY 0400 - Research, Development, Test & Evaluation, Defense-Wide/BA 3 - Advanced Technology Development (ATD)	R-1 ITEM NOMENCLATURE PE 0603712S Logistics R&D Technology		PROJECT NUMBER 8	
B. Accomplishments/Planned Program (\$ in Millions)	FY 2008	FY 2009	FY 2010	FY 2011
<p>-- Completed DoD Corrosion Exchange Initiative</p> <p><i>FY 2009 Plans:</i></p> <ul style="list-style-type: none"> - Program standing down – closing out the following program actions: - Support for TC AIMS II Single User Representative and Joint Requirements Support - Defense Collaboration Network/International Collaboration Network (DCN/ICN): - Internet Technologies Support -- Support for DoD IT Standards Governance Support, the Joint - Logistics Vision 2020 and the DoD FLE Initiative -- Closing out of the DoD DISA Net Centric Enterprise Services Web - Closing out of the Services Technology Support - DoD Leverage Point Modeling and Dynamic Simulation Assessment -- DoD Enterprise Modeling and Performance Based Logistics -- Completing DoD Corrosion Exchange Initiative <p><i>FY 2010 Plans:</i> N/A</p>				
C. Other Program Funding Summary (\$ in Millions) N/A				
D. Acquisition Strategy N/A				
E. Performance Metrics Percent of program transitioned the current FY – 40%. - Strategic Plan Long-term Performance Targets - Beginning in FY 2009, no additional funding was identified for the CALS program. The program will transition which represents 30% of the program. - Annual Performance Targets - FY 2010: the remaining 30% of the program will complete this transition.				

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Exhibit R-2a, PB 2010 Defense Logistics Agency RDT&E Project Justification								DATE: May 2009		
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COST (\$ in Millions)	FY 2008 Actual	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	Cost To Complete	Total Cost
9: TENTNET	0.000	0.000	0.987						Continuing	Continuing

A. Mission Description and Budget Item Justification

TENTNET is an FY 2010 new start program. Resourced within the FY 2010 budget.

B. Accomplishments/Planned Program (\$ in Millions)

	FY 2008	FY 2009	FY 2010	FY 2011
TENTNET Accomplishments/Plans	0.000	0.000	0.987	
<p><i>FY 2010 Plans:</i></p> <p>New Starts:</p> <p>***Shop Floor Automation (\$551K): This project will demonstrate and document the increased surge capacities and reductions in manufacturing costs that can be achieved by introducing automated seam-welding and material handling equipment into key bottleneck areas in the tent manufacturing process. It will also determine the ROI for full roll-out under various surge scenarios.</p> <p>***E-Mall Access for TentNet (\$405K): This project will make it possible for MilSpec Tent information to be available to all EMALL users. It will expand the number of tent and shelter products that have rich technical and performance information available on DOD EMALL. The project is structured to benefit the entire tent manufacturing community by making their product more visible and, more importantly, it will improve the quality of product information available to the warfighter.</p> <p>***Extension of Supply Chain Simulation project (\$44K): This represents additional tasking for an existing project. The project will simulate the capability of the tent supply chain to surge production under varying conditions and requirements. We expect this project to produce an effective decision making tool for J-7 that will allow J-7 to evaluate the effect of placing buffer stocks at various levels within the supply chain.</p>				

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C. Other Program Funding Summary (\$ in Millions) N/A		
D. Acquisition Strategy N/A		
E. Performance Metrics N/A		

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