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Exhibit R-2, RDT&E Budget Item Justification: PB 2017 Defense Security Service **Date:** February 2016

Appropriation/Budget Activity 0400: <i>Research, Development, Test & Evaluation, Defense-Wide I BA 7: Operational Systems Development</i>	R-1 Program Element (Number/Name) PE 0604130V / <i>Enterprise Security System</i>
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COST (\$ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
Total Program Element	105.465	3.988	5.929	4.241	-	4.241	4.565	4.183	3.372	3.473	Continuing	Continuing
000: <i>Enterprise Security System</i>	105.465	3.988	5.929	4.241	-	4.241	4.565	4.183	3.372	3.473	Continuing	Continuing

A. Mission Description and Budget Item Justification

The Defense Security Service (DSS) oversees the protection of the nation's most critical technological and information assets, administers the National Industrial Security Program (NISP) on behalf of the Department of Defense and 30 other Federal agencies. In this capacity, DSS is responsible for providing security oversight, counterintelligence coverage and support to almost 10,000 cleared companies (comprising over 13,500 industrial facilities and about 1.2 million cleared contractors), and accreditation of more than 14,000 classified information technology systems in the NISP. DSS also serves as the functional manager responsible for the execution and maintenance of DoD security education and training.

The Defense Security Service manages the National Industrial Security Program (NISP) to provide an effective, real-time, security support capability for the Military Departments, DoD Agencies, the NISP, and other Federal Agencies. In compliance with the Expanded Electronic Government, President's Management Agenda, and the DoD Enterprise Architecture Framework, NISP is the unified offering of security mission systems which facilitate and automate improved national investigative and adjudicative standards, streamline security processes, and increase DoD community collaboration.

B. Program Change Summary (\$ in Millions)	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total
Previous President's Budget	3.988	7.929	4.241	-	4.241
Current President's Budget	3.988	5.929	4.241	-	4.241
Total Adjustments	0.000	-2.000	0.000	-	0.000
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-2.000			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			

Change Summary Explanation

Decrease is due to several investments transitioning from the Developmental phase into the Sustainment phase.

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Appropriation/Budget Activity 0400 / 7					R-1 Program Element (Number/Name) PE 0604130V / <i>Enterprise Security System</i>				Project (Number/Name) 000 / <i>Enterprise Security System</i>			
COST (\$ in Millions)	Prior Years	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total	FY 2018	FY 2019	FY 2020	FY 2021	Cost To Complete	Total Cost
000: <i>Enterprise Security System</i>	105.465	3.988	5.929	4.241	-	4.241	4.565	4.183	3.372	3.473	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The Defense Security Service manages the Enterprise Security System (ESS) to provide an effective, real-time, security support capability for the Military Departments, DoD Agencies, the NISP, and other Federal Agencies. In compliance with the Expanded Electronic Government, President’s Management Agenda, and the DoD Enterprise Architecture Framework, ESS is the unified offering of security mission systems which facilitate and automate improved national investigative and adjudicative standards, streamline security processes, and increase DoD community collaboration.

The DSS Mission Information Technology (IT) systems provide critical service to the major DSS mission areas for Industrial Security Oversight and Security Education. DSS performs this critical function through operation of its mission production systems to include the Industrial Security Facilities Database (ISFD), the DSS Gateway, and the Security Training Education and Professionalization Portal (STEPP). RDT&E for DSS mission systems primarily includes pre-planned product improvements to the applications, researching and improving assured information sharing to better posture systems and networks against vulnerabilities, ensuring self-defense of systems and networks, and safeguarding data at all stages for the DSS to increase efficiencies by providing web-based systems to manage certification and accreditation activities. These IT systems are as follows:

Office of Designated Approving Authority (ODAA) Business Management System (OBMS). The OBMS will automate the approval and certification process of cleared industry’s classified information processing security plans and operations. This will increase mission efficiency by providing a web-based system to manage certification and accreditation activities, provide improved reporting capabilities to support DSS and industry through improved metrics, accreditation timeliness and accuracy and reduce the number of unaccredited systems by providing automated notifications to DSS and industry.

eFCL: The eFCL will be a centralized repository for information of facilities participating in the National Industrial Security Program (NISP). The eFCL will capture facility information relating to a cleared facility, from the initial processing of the facility clearance, the record decision pertaining to facility clearance request, to include Foreign Ownership Control or Influence (FOCI) information, as well as decommissioning the facility clearance, and capturing the DSS oversight activities. The eFCL will provide a means for users to submit, update, search, and view facility verification requests.

Industrial Security Facilities Database (ISFD). ISFD is the main DSS mission system that tracks and executes the National Industrial Security Program for DoD and 27 other Federal Executive Agencies of cleared industrial security facilities. The ISFD provide users with a nationwide perspective on National Industrial Security Program related facilities, as well as, facilities under DSS oversight in the DoD conventional AA&E program. ISFD provides source data for the DoD Joint Personnel Adjudicative System (JPAS) and the Facility Verification Request (FVR) application.

National Industrial Security System (NISS, formerly known as Field Operations System (FOS). The NISS is slated as the next generation enterprise capability, replacing the Industrial Security Facility Database (ISFD). Additionally, NISS will provide seamless integration of other DSS systems and applications, such as eFCL, OBMS, DD-254, and Mobile Workforce Applications. NISS will provide DSS with comprehensive enhanced capability to manage its entire mission portfolio. NISS will improve

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information sharing and collaboration, providing timely and accurate data in the hands of field representatives for decision-making. The system will provide agency-wide metrics to measure and improve agency performance in providing security oversight and the protection of national security.

The National Contract Classification System (NCCS). The Federal Acquisition Regulation (FAR) requires a DD Form 254 be incorporated in each classified contract, and the National Industrial Security Operating Manual (NISPOM)(4-103a) requires a DD 254 be issued by the government with each Invitation for Bid, Request for Proposal, or Request for Quote. The DD Form 254 provides contractor (or a subcontractor) the security requirements and classification guidance necessary to perform on a classified contract. Contract Security Classification Specification required by DoD 5220.22-4, Industrial Security Regulation and the National Industrial Security Program Operating Manual (NISPOM) is to develop a federated system for the oversight and management of providing classified information access and guidance required to perform on classified contracts. The DD 254, an underlying business processes, is critical to ensure access to our Nation's classified information is properly safeguarded.

National Industrial Security Program (NISP) Control Access and Information Security System (NCAISS) formerly known as Identity Management (IdM). NCAISS is mandatory for compliance with Department of Defense (DoD) Public Key Infrastructure (PKI) Program Management Office and Office of the Assistant Secretary of Defense for Networks and Information Integration (ASD-NII), Joint Task Force for Global Networks Operations (JTF-GNO) Communications Tasking Order (CTO) 06-02, CTO 07-015, and Office of Management and Budget (OMB) Memo 11-11 (M-11-11), directing accelerated use of PKI across the enterprise. This initiative is designed to enable multiple DSS business systems to have service-accessibility that is controlled through PKI-compliant single sign-on authentication. Expanded use of the NCAISS across the DSS enterprise to provide CAC-based authentication for business support applications to support the SIPRNet and JWICS domains, provide enhanced identity and access control analytics. It will also incorporate any remaining DSS operated application into the DSS NCAISS solution.

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

	FY 2015	FY 2016	FY 2017
Title: Systems Enhancement	3.988	5.929	4.241
FY 2015 Accomplishments:			
1. NISS. The NISS acquisition effort will conclude 30 Sep 15 with successful completion of the Agency's first competitive prototyping initiative. The acquisition effort resulted in selection of a NISS Developer which provided a fully viable Proof of Concept (POC), comprehensive written technical approach and overall best value to the organization. The selection of a near usable prototype decreases system development time, minimizes overall project risk and reduces costs incurred by the tax payer. The agency leveraged Industry engagement prior to the final Request for Proposal (RFP) through controlled access to Reading Rooms, Product Demonstrations and Industry Days.			
2. ISFD. The Agency concluded a code review exercise for the ISFD with identification of inherent defects and reporting capability gaps. The application is currently undergoing updates for compliance with the DoD Cloud First mandate and CAC/ECA enablement. By leveraging the Agency partnership with Intelligence Systems Support Office (ISSO), DSS has begun the process of virtualizing the application for elimination of physical hardware reliance.			

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B. Accomplishments/Planned Programs (\$ in Millions)	FY 2015	FY 2016	FY 2017
<p>3. NCCS. IOC was achieved in June 2015. (NCCS is an application within the Wide Area Workflow (WAWF) eSuite. DSS in partnership with AT&L and their development arm DLA and working closely together to get to FOC with future version releases). Continued planning, testing and deployment for future enhancements.</p> <p>4. OBMS. Finalized application enhancements, security patching, software upgrades. FOC will conclude 30 September 15 with implementation of release 2.3</p> <p>5. NCAISS. Completed some software upgrades, continued integration and application enhancements and continuing to work on Oracle OIM/OAM migration efforts.</p> <p>FY 2016 Plans:</p> <p>1. NISS. The Agency will begin development of the NISS increment one. Increment one will expand upon the winning POC by adding exception workflows for the Facility Clearance process, including Foreign Ownership, Control and Influence (FOCI), pre-assessments and onsite surveys. The NISS team will establish data mapping plans for the eventual decommissioning of ISFD and electronic Facility Clearance (eFCL) systems. The Agency will initiate iterative functional and automated testing for increment one by Q3 of FY16.</p> <p>2. ISFD. The ISFD reporting capability will be migrated to a common enterprise reporting system which will provide greater insights for Industry Security oversight.</p> <p>3. NCCS. Continued planning, requirements gathering and enhancements and version releases and FOC in FY 16.</p> <p>4. OBMS. Security patching and continued transition sustainment activities until full transition and sustainment in FY 16.</p> <p>5. NCAISS. Continued integration and application sustainment costs, with some software upgrades</p> <p>FY 2017 Plans:</p> <p>1. NISS. Independent Verification and Verification (IV&V) and User Acceptance Testing (UAT) findings will be addressed by the Developer. Fixes to these identified findings will constitute the Initial Operating Capability (IOC) of NISS, targeted for deployment NLT Q3 FY 17. The Developer will begin development of Increment two. Increment two activities will include revalidation of existing functional requirements with emphasis upon Mobile-ready technical capabilities and Risk Based Proactive monitoring capabilities.</p> <p>2. ISFD. ISFD will be decommissioned approximately 6 months following initial deployment of NISS, with full ISFD data migration to the replacement Industrial Security System of Record. The final year of ISFD operation will run in parallel with NISS.</p> <p>3. NCCS. Continued enhancements through version releases and continued sustainment. Working towards transferring program management to DLA.</p> <p>4. OBMS. Full sustainment. OBMS will be merged with NISS.</p> <p>5. NCAISS. Continued integration and application sustainment costs. Integration/interface requirements with NISS as needed.</p>			
Accomplishments/Planned Programs Subtotals	3.988	5.929	4.241

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C. Other Program Funding Summary (\$ in Millions)

N/A

Remarks

D. Acquisition Strategy

DSS will use a variety of acquisition appropriate vehicles such as Indefinite Delivery, Indefinite Quantity (IDIQ), Blanket Purchase Agreements (BPA), and multiple or single award contracts for the development of new applications, enhancement of other applications, and perform system integration with COTS and GOTS solutions and technology. These efforts will significantly reduce the lead time in contract award process and reduce overhead contract cost, improve technical solutions and deployments, and deliver more effective and efficient automation projects for DSS and the NISP community.

E. Performance Metrics

N/A

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Exhibit R-4, RDT&E Schedule Profile: PB 2017 Defense Security Service **Date:** February 2016

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Exhibit R-4

Exhibit R-4, RDT&E Project Schedule Profile																	Date: February 2015															
APPROPRIATION/BUDGET ACTIVITY																	PROGRAM ELEMENT								PROJECT NAME							
RDT&E, DW / 07																	0604130V								Enterprise Security System							
Fiscal Year	FY 2015				FY 2016				FY 2017				FY 2018				FY 2019				FY 2020				FY 2021				FY 2022			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Technology Development of ESS Applications																																
Production and Deployment of Applications																	▲															
O&M																																
Remarks:																																

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Exhibit R-4A, RDT&E Schedule Details: PB 2017 Defense Security Service		Date: February 2016
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Schedule Details

Events by Sub Project	Start		End	
	Quarter	Year	Quarter	Year
<i>Technology Development of ESS Applications</i>				
Production and Deployment Enhancements	1	2015	4	2021