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Exhibit R-2, RDT&E Budget Item Justification: PB 2016 Office of the Secretary Of Defense	Date: February 2015
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Appropriation/Budget Activity 0400: <i>Research, Development, Test & Evaluation, Defense-Wide I BA 5: System Development & Demonstration (SDD)</i>					R-1 Program Element (Number/Name) PE 0605027D8Z I OUSD(C) IT Development Initiative							
COST (\$ in Millions)	Prior Years	FY 2014	FY 2015	FY 2016 Base	FY 2016 OCO	FY 2016 Total	FY 2017	FY 2018	FY 2019	FY 2020	Cost To Complete	Total Cost
Total Program Element	20.768	6.599	6.500	5.962	-	5.962	2.972	-	-	-	-	-
927: <i>Next Generation Resource Management System</i>	20.768	6.599	6.500	5.962	-	5.962	2.972	-	-	-	-	-

A. Mission Description and Budget Item Justification

As the Department of Defense strategic, operational, and tactical plans and objectives transform the war fighter with new capabilities and doctrine, the budgeting and accountability of funds used to pursue the Department objectives will become more complicated and detailed for senior leaders to make decisions with supporting rationale for the taxpayer. Incorporating information technology toward current and emerging business processes manifesting into a state-of-the art system of systems will result in increasing efficiencies, timely diagnostics, and reducing lifecycle costs to maintain, sustain and repair.

This initiative exploits emerging technology, processes, trends, capabilities, and techniques to incorporate state-of-the-art information technology enabling the ability, agility, and level of fidelity to collect, process, administrate and report resource management data and to automate business processes within a more robust analytical environment within the Office of the Under Secretary of Defense (Comptroller) OUSD(C).

B. Program Change Summary (\$ in Millions)	FY 2014	FY 2015	FY 2016 Base	FY 2016 OCO	FY 2016 Total
Previous President's Budget	6.788	6.500	6.000	-	6.000
Current President's Budget	6.599	6.500	5.962	-	5.962
Total Adjustments	-0.189	-	-0.038	-	-0.038
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-0.003	-			
• SBIR/STTR Transfer	-0.186	-			
• Department Realignment	-	-	-0.023	-	-0.023
• Economic Assumptions	-	-	-0.015	-	-0.015

Change Summary Explanation

FY2014 changes: SBR/STTR transfers (-\$0.186M), Reserves (-\$0.003M).

FY2016 changes: Department realignment (-\$0.023M) and adjustment for Economic Assumptions (-\$0.015M).

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Exhibit R-2A, RDT&E Project Justification: PB 2016 Office of the Secretary Of Defense										Date: February 2015		
Appropriation/Budget Activity 0400 / 5					R-1 Program Element (Number/Name) PE 0605027D8Z / OUSD(C) IT Development Initiative				Project (Number/Name) 927 / Next Generation Resource Management System			
COST (\$ in Millions)	Prior Years	FY 2014	FY 2015	FY 2016 Base	FY 2016 OCO	FY 2016 Total	FY 2017	FY 2018	FY 2019	FY 2020	Cost To Complete	Total Cost
927: Next Generation Resource Management System	20.768	6.599	6.500	5.962	-	5.962	2.972	-	-	-	-	-
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The Department's budget focuses on institutionalizing and financing our capabilities to fight the wars we are in today and the scenarios we are most likely to face in the years ahead, while at the same time mitigating risk and providing for contingency operations. It also includes a fundamental overhaul of the DoD's approach to procurement, acquisition, and contracting. As such, the complex details of budgeting and tracking of funds become increasingly critical to senior leader decision making and to provide accountability to the taxpayer. Incorporating information technology toward current and emerging business processes manifesting into a state-of-the art system of systems will result in increasing efficiencies, timely diagnostics, and reducing lifecycle costs to maintain, sustain and repair.

Today, the Office of the Under Secretary of Defense Comptroller OUSD(C) and the Cost Analysis and Program Evaluation (CAPE) use various distinct automated systems (Comptroller Information System (CIS), Program Resource Collection Process (PRCP), Supplemental Resource Collection Process (SRCP), Budget Exhibits Generator and Standard Data Collection System (SDCS)) to formulate, justify, and execute DoD budgets. These six or more systems interact with at least several computer-based systems controlled by external organizations and agencies. These systems manage very similar financial information, yet each uses its own scheme for representing information. Much of the information managed by these systems is redundant. Cross-system data representations and redundancies make it difficult to exchange and to reconcile information. The capabilities provided by Comptroller systems, in some cases, fail to deliver services needed by its users, or fail to operate in ways that complement current and emerging business practices. They fail to give executives information in a comprehensible form, making it difficult to draw conclusions. Data disparities and functional redundancy make these systems more costly to maintain than they need to be.

There is a critical need for the development of a state-of-the-art information technology system to modernize and replace multiple, antiquated legacy systems and processes used to formulate, justify, present and defend the entire Department of Defense Budget in the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) to meet Title 10 and Title 31 mission and reporting requirements. The Comptroller's plan for mitigating the deficiencies and capability gaps associated with current systems is development of the Next Generation Resource Management System.

This initiative exploits emerging technology, processes, trends, capabilities, and techniques to incorporate state-of-the-art information technology enabling the ability, agility, and level of fidelity to collect, process, administer and report resource management data and to automate business processes within a more robust analytical environment within the Office of the Under Secretary of Defense (Comptroller) OUSD(C). Funded efforts will improve the timeliness of resource management reviews and decisions for senior leaders and Congress.

B. Accomplishments/Planned Programs (\$ in Millions)	FY 2014	FY 2015	FY 2016
Title: Next Generation Resource Management System	6.599	6.500	5.962

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Appropriation/Budget Activity 0400 / 5	R-1 Program Element (Number/Name) PE 0605027D8Z / OUSD(C) IT Development Initiative	Project (Number/Name) 927 / Next Generation Resource Management System	
B. Accomplishments/Planned Programs (\$ in Millions)		FY 2014	FY 2015
Description: Plan, develop, test and evaluate the system components (i.e. unified database, expert system, cross domain security, enterprise service bus, applications, services) and supportability requirements in modernizing the budget formulation, programming execution and reporting capabilities for the Department of Defense. Activities will include, but not be limited to, the preparation of all documentation required for Clinger-Cohen Compliance and acquisition regulations, developing requests for proposals, and oversight and management of contracts and deliverables. FY 2014 Accomplishments: Continued Program Management Office 1Q FY 2014 - 4Q FY 2014. Milestone A 1Q FY 2014 RFP Release 1Q FY 2014. Solicitation Phase 1Q FY 2014 Evaluation Phase 1Q FY 2014 - 2Q FY 2014 Contract Award 4Q FY 2014 Post Award Activities 4Q FY 2014 FY 2015 Plans: Continue Program Management Office 1Q FY 2015 - 4Q FY 2015. MSB 1Q FY 2015 Increment 1.0 Development, review and acceptance 1Q FY 2015 - 1Q FY 2016 FY 2016 Plans: Continue Program Management Office 1Q FY 2016 - 4Q FY 2016. Increment 2.0 development, review and acceptance 1Q FY 2016 - 4Q FY 2016			
Accomplishments/Planned Programs Subtotals		6.599	6.500
C. Other Program Funding Summary (\$ in Millions) N/A			
Remarks			
D. Acquisition Strategy Analysis of the Alternatives (AoA) Revisions 1Q FY 2013 MDD 2Q FY 2013 Business Process Reengineering 4Q FY 2013 Conduct Market Investigation 2Q FY 2013			

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Finalize market investigation 2Q FY 2013 MSA 1Q FY 2014 RFP Release 1Q FY 2014 Contract Award 4Q FY 2014 MSB 1Q FY 2015 Increment 1.0 development and acceptance 1Q FY 2015 - 1Q FY 2016 Increment 2.0 development and acceptance 3Q FY 2016 - 3Q FY 2017 Increment 3.0 development and acceptance 3Q FY 2017 - 3Q FY 2018 Once infrastructure is in place, competitive contracts will be awarded in the out years for individual services/applications. <u>E. Performance Metrics</u> N/A		

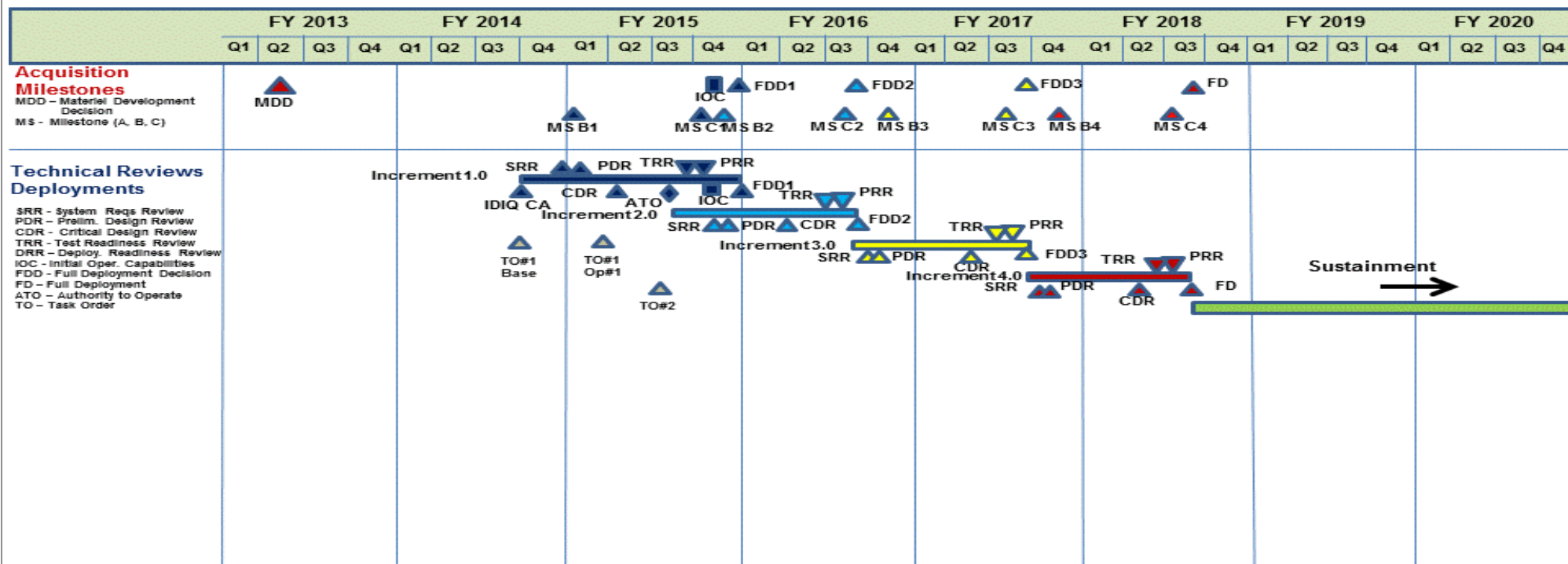
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Exhibit R-3, RDT&E Project Cost Analysis: PB 2016 Office of the Secretary Of Defense												Date: February 2015			
Appropriation/Budget Activity 0400 / 5						R-1 Program Element (Number/Name) PE 0605027D8Z / OUSD(C) IT Development Initiative						Project (Number/Name) 927 / Next Generation Resource Management System			
Product Development (\$ in Millions)				FY 2014		FY 2015		FY 2016 Base		FY 2016 OCO		FY 2016 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
Next Generation Resource Management System	MIPR	Defense Logistics Agency : Mark Center	17.368	5.376	Oct 2014	5.570	Jul 2015	5.161	Aug 2016	-		5.161	2.193	35.668	35.668
Subtotal			17.368	5.376		5.570		5.161		-		5.161	2.193	35.668	35.668
Support (\$ in Millions)				FY 2014		FY 2015		FY 2016 Base		FY 2016 OCO		FY 2016 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
Next Generation Resource Management System	MIPR	Defense Logistics Agency : Mark Center	3.400	1.223	Jan 2014	0.930	Jan 2015	0.801	Jan 2016	-		0.801	0.800	7.154	7.154
Subtotal			3.400	1.223		0.930		0.801		-		0.801	0.800	7.154	7.154
			Prior Years	FY 2014		FY 2015		FY 2016 Base		FY 2016 OCO		FY 2016 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals			20.768	6.599		6.500		5.962		-		5.962	2.993	42.822	42.822
Remarks															

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Exhibit R-4, RDT&E Schedule Profile: PB 2016 Office of the Secretary Of Defense																Date: February 2015			
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																Project (Number/Name) 927 / Next Generation Resource Management System			

NGRMS Schedule Increment Implementation Schedule



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Exhibit R-4A, RDT&E Schedule Details: PB 2016 Office of the Secretary Of Defense			Date: February 2015
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Schedule Details

Events	Start		End	
	Quarter	Year	Quarter	Year
Acquisition Milestones B1, B2, C1 - Increment 1.0	4	2014	4	2015
Acquisition Milestones C1, C2, B2, B3 - Increment 2.0	3	2015	3	2016
Acquisition Milestones B3, C3 - Increment 3.0	4	2016	4	2017
Acquisition Milestones B4, C4 - Increment 4.0	4	2017	3	2018