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Exhibit R-2, RDT&E Budget Item Justification: PB 2017 Office of the Secretary Of Defense **Date:** February 2016

Appropriation/Budget Activity					R-1 Program Element (Number/Name)							
0400: <i>Research, Development, Test & Evaluation, Defense-Wide I BA 5: System Development & Demonstration (SDD)</i>					PE 0605027D8Z I OUSD(C) IT Development Initiative							
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	27.367	6.300	4.962	0.000	-	0.000	0.000	0.000	0.000	0.000	-	-
927: <i>Next Generation Resource Management System</i>	27.367	6.300	4.962	0.000	-	0.000	0.000	0.000	0.000	0.000	-	-

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 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total
Previous President's Budget	6.500	5.962	2.972	-	2.972
Current President's Budget	6.300	4.962	0.000	-	0.000
Total Adjustments	-0.200	-1.000	-2.972	-	-2.972
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-1.000			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-0.003	-			
• SBIR/STTR Transfer	-0.197	-			
• Congressional Directed Reduction	-	-	-2.972	-	-2.972

Change Summary Explanation

The program is moving to DLA beginning in FY2017 to align funding with the program office for more efficient execution.

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Exhibit R-2A, RDT&E Project Justification: PB 2017 Office of the Secretary Of Defense										Date: February 2016		
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 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
927: Next Generation Resource Management System	27.367	6.300	4.962	0.000	-	0.000	0.000	0.000	0.000	0.000	-	-
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 2015	FY 2016	FY 2017
Title: Next Generation Resource Management System	6.300	4.962	0.000

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Appropriation/Budget Activity 0400 / 5	R-1 Program Element (Number/Name) PE 0605027D8Z / OUSD(C) IT <i>Development Initiative</i>	Project (Number/Name) 927 / Next Generation Resource <i>Management System</i>
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B. Accomplishments/Planned Programs (\$ in Millions)	FY 2015	FY 2016	FY 2017
<p>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.</p> <p>FY 2015 Accomplishments: Continued Program Management Office 1Q FY 2015-4Q FY 2015 Increment 1.0 Milestone B 2Q FY 2015 Task Order award for Increment 2.0 4Q 2015</p> <p>FY 2016 Plans: Continue Program Management Office 1Q FY 2016-4Q FY 2016 Increment 1.0 Deployment 2Q 2016 Increment 2.0 Milestone B 4Q FY 2016</p> <p>FY 2017 Plans: The program is transferred to DLA in FY17.</p>			
Accomplishments/Planned Programs Subtotals	6.300	4.962	0.000

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

Remarks

D. Acquisition Strategy
IDIQ with Contractor Teaming Arrangement (CTA) partners, 40% small business participation
Materiel Development Decision (MDD) 2Q FY2013
Approval to Enter Acquisition LifeCycle at Milestone B by the MDA 4Q FY2013
NGRMS Contract Award Date 4Q FY2014
Milestone B for Increment 1.0 2Q FY2015
Milestone C for Increment 1.0 2Q FY2016
Full Deployment Decision for Increment 1.0 2Q FY2016
Increment 2.0 Contract Award 4Q FY2015
Milestone B for Increment 2.0 4Q FY2016

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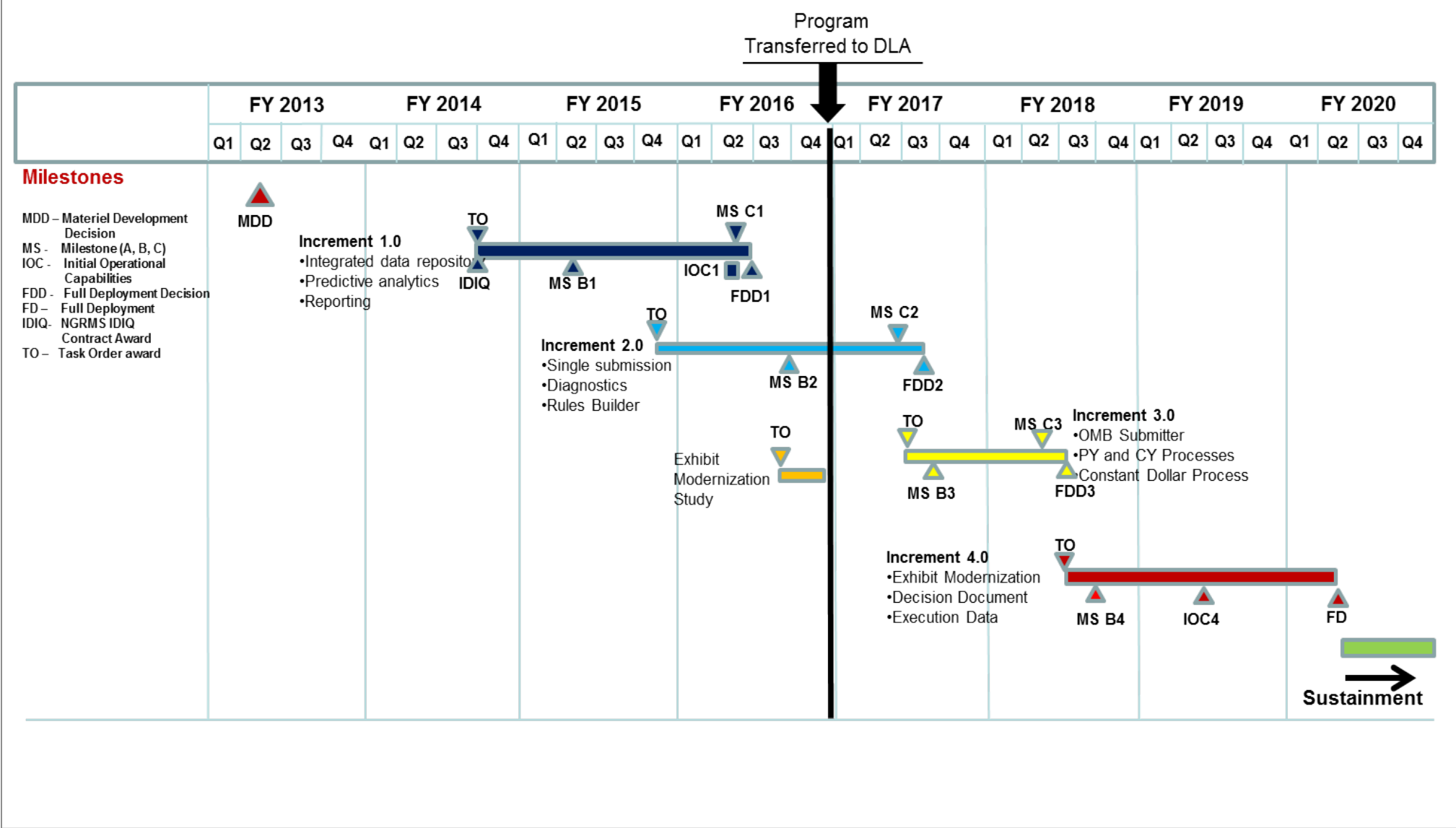
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E. Performance Metrics

N/A

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Exhibit R-4, RDT&E Schedule Profile: PB 2017 Office of the Secretary Of Defense		Date: February 2016
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Exhibit R-4A, RDT&E Schedule Details: PB 2017 Office of the Secretary Of Defense		Date: February 2016
Appropriation/Budget Activity 0400 / 5	R-1 Program Element (Number/Name) PE 0605027D8Z / OUSD(C) IT <i>Development Initiative</i>	Project (Number/Name) 927 / Next Generation Resource <i>Management System</i>

Schedule Details

Events	Start		End	
	Quarter	Year	Quarter	Year
Acquisition Milestones B1, C1, FDD1 - Increment 1.0	4	2014	2	2016
Acquisition Milestones C2, B2, FDD2 - Increment 2.0	4	2015	3	2017

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