Exhibit R-2, RDT&E Budget Item Justification: PB 2019 Defense Logistics Agency											Date: February 2018	

Appropriation/Budget Activity
0400: *Research, Development, Test & Evaluation, Defense-Wide I* BA 5: *System Development & Demonstration (SDD)*

R-1 Program Element (Number/Name)
PE 0605070S *I DoD Enterprise Systems Development and Demonstration*

COST ($ in Millions)	Prior Years	FY 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total	FY 2020	FY 2021	FY 2022	FY 2023	Cost To Complete	Total Cost
Total Program Element	117.472	3.661	6.266	3.173	-	3.173	2.378	1.486	0.743	0.757	Continuing	Continuing
0: *Prior Years*	100.112	0.000	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
09: *Enterprise Funds Distribution*	17.360	3.661	6.266	3.173	-	3.173	2.378	1.486	0.743	0.757	Continuing	Continuing

A. Mission Description and Budget Item Justification

The mission of the DoD Enterprise Business Systems (DEBS) is to coordinate and enable business transformation efforts across the Department of Defense (DoD). The DLA recognizes that DoD's business enterprise must be closer to its warfighting customers than ever before. Joint military requirements drive the need for greater commonality and integration of business and financial operations.

B. Program Change Summary ($ in Millions)

	FY 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total
Previous President's Budget	5.660	6.266	3.200	-	3.200
Current President's Budget	3.661	6.266	3.173	-	3.173
Total Adjustments	-1.999	0.000	-0.027	-	-0.027
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-0.139	-			
• FY 2017 Request for Additional Appropriations Not Addressed	-1.860	-	-	-	-
• Inflation Adjustment	-	-	-0.027	-	-0.027

Change Summary Explanation

In FY2017, the Small Business Innovation Research and Small Technology Transfer Research tax amounted to $0.139M. In FY2017, EFD request for additional appropriations was not addressed.

Inflation adjustments for Non-Pay/Non-Fuel Pay purchases and Civilian Pay decreased the program baseline in FY2019.

Exhibit R-2A, RDT&E Project Justification: PB 2019 Defense Logistics Agency										Date: February 2018	
Appropriation/Budget Activity 0400 / 5				**R-1 Program Element (Number/Name)** PE 0605070S / *DoD Enterprise Systems Development and Demonstration*						**Project (Number/Name)** 0 / *Prior Years*	

COST ($ in Millions)	Prior Years	FY 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total	FY 2020	FY 2021	FY 2022	FY 2023	Cost To Complete	Total Cost
0: *Prior Years*	100.112	0.000	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

Prior Year includes:

-Business Enterprise Information Services (BEIS): $13.360M. The BEIS utilized the mature, existing infrastructure of Defense Corporate Database/Defense Corporate Warehouse (DCD/DCW), Defense Departmental Reporting System (DDRS), and Defense Cash Accountability System (DCAS) to provide timely, accurate, and reliable business information from across the DoD to support auditable financial statements as well as provide detailed information visibility for management in support of the Warfighter. The goals of BEIS were to ensure data compliance with Standard Financial Information Structure (SFIS) standards; provide security-defined, enterprise-level access to information for ad hoc management queries; and produce external financial management reports/statements based on standardized data.

-Defense Information System for Security (DISS): $70.319M. The DISS program was a family of systems solution that specifically addresses the security clearance and suitability determinations requirements of Section 3001 of Public Law 108-458, the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA) which requires 90% of all clearances – whether Top Secret, Secret, or Confidential – to be completed within 60 days, as well as supports Homeland Security Presidential Directive 12 (HSPD-12) compliance across the DoD. The DISS electronically collects, reviews, and shares relevant data, government-wide, as mandated by the IRPTA and, guided by relevant Executive Orders, Congress, and GAO recommendations, deliver and maintain an appropriately vetted world-class workforce.

-Defense Travel System (DTS): $1.423M. The DTS program was a fully integrated, electronic, end-to-end financial management system that automates temporary duty travel for the Department of Defense (DoD). DTS meets unique DoD mission, security and financial system requirements within the guidelines of Federal and DoD travel policies and regulations. DTS automates travel authorizations, reservations and arrangements, voucher processing, payment, reconciliation, accountability and archiving. DTS employs Digital Signature and Login/Authentication which requires users to provide a signed response using a valid DoD Public Key Infrastructure (PKI) certificate to gain access to the DTS application. Travel documents created in DTS are digitally signed with the user's PKI certificate to provide a means of identifying the signer, verifying the document's integrity, and enforcing non-repudiation of the signature by the signer.

-Defense Retired and Annuitant Pay System (DRAS): $15.010M. The DRAS program established and maintained a modernized retired military pay accounts. DRAS 2 will replace the current Defense Retiree and Annuitant Systems (DRAS) and selected manual processes with proven state of the market technology using Clinger-Cohen guidance for selection of the solution. Rapid fielding techniques will be used to close business process gaps by delivering incremental capability that provides clear financial benefits.

Exhibit R-2A, RDT&E Project Justification: PB 2019 Defense Logistics Agency											Date: February 2018	

Appropriation/Budget Activity 0400 / 5				R-1 Program Element (Number/Name) PE 0605070S / DoD Enterprise Systems Development and Demonstration						Project (Number/Name) 09 / Enterprise Funds Distribution		

COST ($ in Millions)	Prior Years	FY 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total	FY 2020	FY 2021	FY 2022	FY 2023	Cost To Complete	Total Cost
09: Enterprise Funds Distribution	17.360	3.661	6.266	3.173	-	3.173	2.378	1.486	0.743	0.757	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

Enterprise Funds Distribution (EFD) is a multi-service/multi-agency solution established as a key initiative to provide full visibility of funds distributed through echelon I and II for the Military Departments and at all levels for the Defense Agencies to improve and modernize the OUSD(C) funds distribution process. Funds distribution by its nature is a key enabler of financial visibility within DoD enterprise systems. The concept of a fully visible enterprise funds distribution process serves as a reference where planned and coordinated funds development and execution takes place.

Within the current DoD environment, progress has been made streamlining a diverse set of stove-piped budget execution and funds distribution processes and systems. Efforts continue to improve the visibility of funding information, eliminate manual efforts and undue complexities to the management of budget authority, and to eliminate impediments in the flow of funding documents. The current environment relies heavily on manual processing and on disconnected standalone systems for the processing of Funding Authorization Documents (FADs) and reprogramming actions. This environment made the implementation of internal controls difficult, negatively impacted the accuracy and timeliness of information while making the processes of integrating and obtaining management information arduous.

The envisioned operational environment solves these problems by enabling lifecycle program value management in a web-based application utilizing an authoritative database with single-source data entry and automated workflow. Capabilities within this integrated environment will enable the automation of all funds distribution and funds control processes within OUSD(C) using authoritative and highly visible data. Specifically, capabilities include managing apportionments, distributing budget authority to the Military Departments and Defense Agencies, managing rescissions and continuing resolutions, creating and tracking reprogramming actions, and establishing program baselines and budget authority needed to support changes in funding priorities throughout the year.

The operational environment includes organizational elements down to the echelon II level responsible for managing DoD and Component appropriations operating in an unclassified environment. The web-based application provides pre-planning, apportionment, reprogramming, rescission, continuing resolution, reporting of enterprise-level funds control and distribution of appropriated funding.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2017	FY 2018	FY 2019
Title: Enterprise Funds Distribution (EFD)	3.661	6.266	3.173
Description: EFD will distribute funds to the Military Departments and the Defense Agencies.			
FY 2018 Plans:			

Exhibit R-2A, RDT&E Project Justification: PB 2019 Defense Logistics Agency		Date: February 2018
Appropriation/Budget Activity 0400 *I* 5	**R-1 Program Element (Number/Name)** PE 0605070S *I DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 09 *I Enterprise Funds Distribution*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2017	FY 2018	FY 2019
Continue development and deployment of EFD Phase 2 requirements based on user group migration strategy. Deploy user migration wave 1 ***FY 2019 Plans:*** Continue development and deployment of EFD Phase 2 requirements based on user group migration strategy. Deploy user migration wave 2 ***FY 2018 to FY 2019 Increase/Decrease Statement:*** FY2019 is lower due to the majority of EFD's development to be completed in FY2018 and the primary focused to be on Wave II user migration and their required changes.			
Accomplishments/Planned Programs Subtotals	3.661	6.266	3.173

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

D. Acquisition Strategy
 The EFD strategy is to use a "single acquisition to full capability," commercial-off-the-shelf (COTS) solution (Momentum software). The effort needed to ensure EFD is
 fully implemented for all appropriation data for the Military Services and Defense Organizations has led to a full deployment date of September 2016.

E. Performance Metrics
 For performance, the objective is that 100% of the SFIS elements are SFIS compliant at FD.

Exhibit R-3, RDT&E Project Cost Analysis: PB 2019 Defense Logistics Agency												Date: February 2018		

Appropriation/Budget Activity 0400 / 5	R-1 Program Element (Number/Name) PE 0605070S / DoD Enterprise Systems Development and Demonstration	Project (Number/Name) 09 / Enterprise Funds Distribution

Product Development ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	FY 2017 Cost	FY 2017 Award Date	FY 2018 Cost	FY 2018 Award Date	FY 2019 Base Cost	FY 2019 Base Award Date	FY 2019 OCO Cost	FY 2019 OCO Award Date	FY 2019 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Savantage Solutions	Option/ FP	Savantage Solutions : Rockville, MD	14.158	0.000		0.000		0.000		0.000		0.000	0.000	14.158	14.158
TeraThink Corporation	C/FFP	TeraThink Corporation : Reston, VA	1.710	3.661	Dec 2016	6.266	Dec 2017	3.173	Dec 2018	0.000		3.173	Continuing	Continuing	Continuing
TBD	C/FFP	TBD : TBD	1.492	0.000		0.000		0.000		0.000		0.000	0.000	1.492	1.492
		Subtotal	17.360	3.661		6.266		3.173		0.000		3.173	Continuing	Continuing	N/A

	Prior Years	FY 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	17.360	3.661	6.266	3.173	0.000	3.173	Continuing	Continuing	N/A

Remarks

Exhibit R-4, RDT&E Schedule Profile: PB 2019 Defense Logistics Agency		Date: February 2018
Appropriation/Budget Activity 0400 *I* 5	**R-1 Program Element (Number/Name)** PE 0605070S *I DoD Enterprise Systems Development and Demonstration*	**Project (Number/Name)** 09 *I Enterprise Funds Distribution*

	FY 2017				FY 2018				FY 2019				FY 2020				FY 2021				FY 2022				FY 2023			
	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
Enterprise Funds Distribution (EFD)																												
Enterprise Funds Distribution (EFD)																												