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

Appropriation/Budget Activity	R-1 Program Element (Number/Name)
0400: *Research, Development, Test & Evaluation, Defense-Wide I* BA 5: *System Development & Demonstration (SDD)*	PE 0605090S I *Defense Retired and Annuitant Pay System (DRAS)*

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	27.815	4.768	13.475	10.731	-	10.731	6.609	1.769	1.805	1.839	Continuing	Continuing
01: *Defense Retired and Annuitant Pay System 2 (DRAS)*	27.815	4.768	13.475	10.731	-	10.731	6.609	1.769	1.805	1.839	Continuing	Continuing

A. Mission Description and Budget Item Justification

The primary objective of Defense Retired and Annuitant Pay System 2 (DRAS 2) is to establish and maintain a modern retiree and annuitant pay system featuring automated, market technology in place of selected manual processes.

B. Program Change Summary ($ in Millions)

	FY 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total
Previous President's Budget	7.949	13.475	2.226	-	2.226
Current President's Budget	4.768	13.475	10.731	-	10.731
Total Adjustments	-3.181	0.000	8.505	-	8.505
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-0.181	-			
• FY 2017 Request for Additional Appropriation Not Addressed	-3.000	-	-	-	-
• Increased Program Requirements	-	-	8.505	-	8.505

Change Summary Explanation

FY2017, the Small Business Innovation Research and Small Technology Transfer Research tax amounted to $0.181M. In FY2017, DRAS2 request for additional appropriations was not addressed.

The program increase in FY2019 in the amount of $8.505M is for system development, testing, training and hosting activities.

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 0605090S / Defense Retired and
Annuitant Pay System (DRAS) | | | | Project (Number/Name)
01 / Defense Retired and Annuitant Pay
System 2 (DRAS) | | | |

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
01: *Defense Retired and Annuitant Pay System 2 (DRAS)*	27.815	4.768	13.475	10.731	-	10.731	6.609	1.769	1.805	1.839	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The primary objective of DRAS 2 is to establish and maintain 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. This modernization will allow for the consolidation of disparate DRAS systems and business processes, the reduction of system redundancies and inefficiencies, and increased customer satisfaction.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2017	FY 2018	FY 2019
Title: Defense Retired and Annuitant Pay System (DRAS) 2	4.768	13.475	10.731
FY 2018 Plans: Issue a Task Order for: - Final Build development - Perform System Integration, Interoperability, User Acceptance Testing, and Parallel Operations Testing - User Training - Establish production hosting environment and perform Cyber Defense Security activities. *FY 2019 Plans:* The system will transition to DFAS during FY2020. *FY 2018 to FY 2019 Increase/Decrease Statement:* Decrease in FY2019 as a result of reduced program requirements.			
Accomplishments/Planned Programs Subtotals	4.768	13.475	10.731

C. Other Program Funding Summary ($ in Millions)

N/A

Remarks

D. Acquisition Strategy

DRAS2 achieved Milestone B in August 2016 and entered into the Engineering, Development, and Production Phase of the Acquisition Lifecycle. DRAS2 achieved a successful Critical Design Review in December 2017 and is now proceeding to System Development. DRAS2 is scheduled for Full Deployment during FY20.

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 0605090S *I Defense Retired and Annuitant Pay System (DRAS)*	**Project (Number/Name)** 01 *I Defense Retired and Annuitant Pay System 2 (DRAS)*

E. Performance Metrics
 N/A

Exhibit R-3, RDT&E Project Cost Analysis: PB 2019 Defense Logistics Agency												Date: February 2018	
Appropriation/Budget Activity 0400 I 5				**R-1 Program Element (Number/Name)** PE 0605090S I *Defense Retired and Annuitant Pay System (DRAS)*						**Project (Number/Name)** 01 I *Defense Retired and Annuitant Pay System 2 (DRAS)*				

Product Development ($ in Millions)				FY 2017		FY 2018		FY 2019 Base		FY 2019 OCO		FY 2019 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
DRAS2 System Development and Integration	Option/ IDIQ	CSRA : Chantilly, VA	13.096	0.000	Oct 2018	4.280	Jan 2018	7.931	Oct 2018	0.000		7.931	Continuing	Continuing	Continuing
DRAS2 COTS License Purchase	Option/ IDIQ	CSRA/Oracle : To be Determined	10.443	3.586	May 2017	0.000		0.000		0.000		0.000	Continuing	Continuing	14.110
DISA Hosting	MIPR	Virtual Operating Environment : Mechanicsburg, PA	0.721	0.332	Nov 2017	1.200	Jan 2018	1.000	Jan 2019	0.000		1.000	Continuing	Continuing	2.590
Transaction Services Interface Design	Option/ IDIQ	Northrop Grumman DLA Transaction Services : Chambersburg, PA	2.900	0.850	May 2016	0.452	Nov 2017	0.000		0.000		0.000	Continuing	Continuing	4.162
Transaction Services Interface Development & Testing	Option/ IDDQ	Northrop Grumman DLA Transaction Services : Chambersburg, PA	0.655	0.000		0.900	Jul 2018	0.900	Jul 2019	0.000		0.900	Continuing	Continuing	1.910
DRAS2 System Development & Integration	Option/ IDIQ	CSRA : Chantilly, VA	0.000	0.000		6.643	May 2018	0.000		0.000		0.000	Continuing	Continuing	6.643
Interoperability Testing	MIPR	Joint Interoperability Test Command (JITC) : Fort Meade, MD	0.000	0.000		0.000		0.900	Oct 2018	0.000		0.900	Continuing	Continuing	0.900
		Subtotal	27.815	4.768		13.475		10.731		0.000		10.731	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	27.815	4.768		13.475		10.731		0.000		10.731	Continuing	Continuing	N/A

Remarks

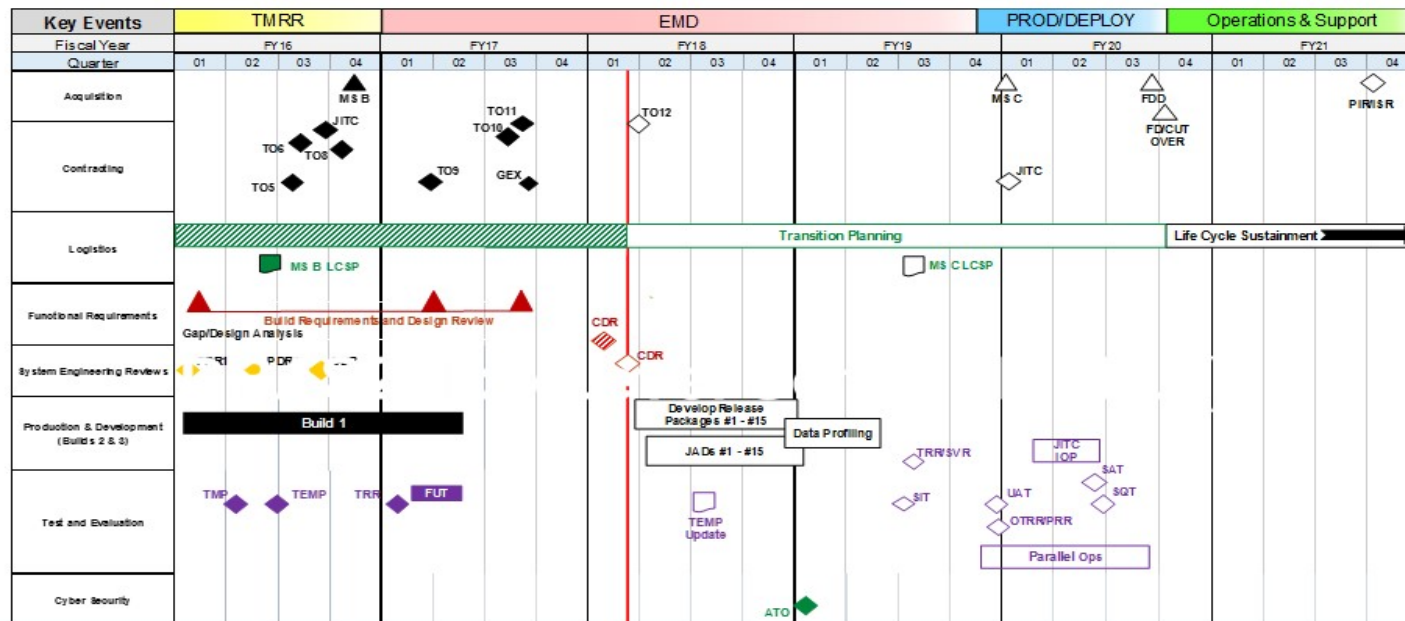| **Exhibit R-4**, **RDT&E Schedule Profile:** PB 2019 Defense Logistics Agency		**Date:** February 2018
Appropriation/Budget Activity 0400 I 5	**R-1 Program Element (Number/Name)** PE 0605090S I *Defense Retired and Annuitant Pay System (DRAS)*	**Project (Number/Name)** 01 I *Defense Retired and Annuitant Pay System 2 (DRAS)*

DRAS2 Top Level Schedule (TLS)

Note: The IMS is currently being mitigated for PM approval based on DLA Contracts Office guidance pertaining to IDIQ contract limitations during FY19 & FY20. Milestone C and Full Deployment dates reflected are tentative.

MS B – Milestone B   MS C – Milestone C   FD – Full Deployment   IATT – Interim Authority To Test   ATO/ATC – Authority To Operate/Authority to Connect   TMRR – Technology Maturation and Risk Reduction EMD - Engineering and Manufacturing Development   PROD/DEPLOY – Production and Deployment Development SI – System Integrator   TO – Task Order SRR – System Requirements Review SFR – System Functional Review PDR – Preliminary Design Review CDR – Critical Design Review - T-PDR Tailored Preliminary Design Review - T-CDR Tailored Critical Design Review (Build 1 – 3) OTRR – Operational Test Readiness Review PRR – Production Readiness Review ISR – In Service Review SEP – System Engineering Plan TMP – Test Management Plan TEMP – Test & Evaluation Master Plan SAT – System Acceptance Testing SIT – System Integration Testing TRR – Technology Readiness Review SVR – System Verification Review SQT - System Qualification Testing UAT – User Acceptance Testing – DTE – Developmental Test & Evalution. (SwQT) – Software Quality Testing – Regression, System Integration, Compliance and Functional User Testing) - JITC – Joint Interoperability Test Command Proto CRP – Prototype Conference Room Pilot 2, 4, 6