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Exhibit R-2, RDT&E Budget Item Justification: PB 2016 Office of the Secretary Of Defense **Date:** February 2015

Appropriation/Budget Activity					R-1 Program Element (Number/Name)							
0400: Research, Development, Test & Evaluation, Defense-Wide I BA 5: System Development & Demonstration (SDD)					PE 0605210D8Z I Defense-Wide Electronic Procurement Capabilities							
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	36.341	5.659	9.546	7.209	-	7.209	11.562	11.141	9.890	10.024	Continuing	Continuing
P*021: Defense-Wide Electronic Procurement Capabilities-Contingency	36.341	5.659	9.546	7.209	-	7.209	11.562	11.141	9.890	10.024	Continuing	Continuing

Note

The FY 2016 funding request was reduced by \$5.000 million to account for the availability of prior year execution balances.

A. Mission Description and Budget Item Justification

Defense-wide Electronic Procurement Capabilities is designed to provide an avenue for the development of increased e-business capabilities critical to meet the enterprise-wide needs of the procurement community. The requirement for increased e-business capabilities may result from statute, regulation or internal control requirements. This program provides opportunities for the introduction of innovative, time-saving, and cost-saving technologies into procurement processes across the Department. This RDT&E PE provides resources to conduct software development and testing on new or modified e-business applications to ensure mature system development, integration and demonstration of production representative systems and capabilities.

<u>B. Program Change Summary (\$ in Millions)</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016 Base</u>	<u>FY 2016 OCO</u>	<u>FY 2016 Total</u>
Previous President's Budget	6.184	9.546	9.459	-	9.459
Current President's Budget	5.659	9.546	7.209	-	7.209
Total Adjustments	-0.525	-	-2.250	-	-2.250
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-0.525	-			
• FY 2016 Program Increase	-	-	2.800	-	2.800
• FY 2016 Baseline Reduction	-	-	-5.037	-	-5.037
• Economic Assumptions Reduction	-	-	-0.013	-	-0.013

Change Summary Explanation

The FY 2016 funding request was reduced by \$5.000 million to account for the availability of prior year execution balances.

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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 0605210D8Z / Defense-Wide Electronic Procurement Capabilities				Project (Number/Name) P*021 / Defense-Wide Electronic Procurement Capabilities- Contingency			
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
P*021: Defense-Wide Electronic Procurement Capabilities-Contingency	36.341	5.659	9.546	7.209	-	7.209	11.562	11.141	9.890	10.024	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

Defense-wide Electronic Procurement Capabilities is designed to provide an avenue for the development of increased e-business capabilities critical to meet the enterprise-wide needs of the procurement community. The requirement for increased ebusiness capabilities may result from statute, regulation or internal control requirements. This program provides opportunities for the introduction of innovative, time-saving, and cost-saving technologies into procurement processes across the Department. This RDT&E PE provides resources to conduct software development and testing on new or modified e-business applications to ensure mature system development, integration and demonstration of production representative systems and capabilities.

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

	FY 2014	FY 2015	FY 2016
Title: Defense-Wide Electronic Procurement Capabilities- Contingency	5.659	9.546	7.209
FY 2014 Accomplishments: Continued funding will be used to continue development of an end to end paperless reconciliation process for Government Furnished Property (GFP); continued development of a data standard for warranty information; ensure that contract systems are modified to send data to personnel and readiness systems to account for logical and physical access to DoD systems; and to implement a fraud and misuse data mining detection capability for purchase cards in DoD. These funds will also be used to develop an initial end to end purchase request data standard process (including intergovernmental transactions). Additionally, these funds will support development of contingency contracting and financial management business tools for the warfighter that are currently in an immature development stage, or do not exist and to implement initiatives/tools in theater. PB14 adjustments/ reductions to include SBIR/STTR were taken in the amount of .525M from the original President's Budget.			
FY 2015 Plans: To mitigate fiscal reductions funding will be focused on the continued development of an end to end paperless reconciliation process for Government Furnished Property (GFP) and to complete implementation of a fraud and misuse data mining detection capability for purchase cards in DoD. These funds will also be used to strengthen existing vendor identification systems in DoD to combat counterfeiting and cyber intrusion. Moderate risk will be taken in reducing efforts to support continued development of contingency contracting and financial management business tools for the warfighter that do not exist, rather funds will focus on improving tools currently in immature development stages, and implement those initiatives/tools in theater. Funds will also focus			

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B. Accomplishments/Planned Programs (\$ in Millions)		FY 2014	FY 2015
on developing enterprise mapping capabilities to streamline existing procure to pay exchanges and achieve efficiencies through data standards and auditability in partnership with the Comptroller. <i>FY 2016 Plans:</i> To achieve efficiencies and support audit readiness funding will support the following procurement capabilities development: 1) an end to end paperless reconciliation process for Government Furnished Property (GFP) 2) complete implementation of a fraud and misuse data mining detection capability for purchase cards in DoD, 3) strengthening existing vendor identification systems in DoD to combat counterfeiting and cyber intrusion, 4) implementating contingency contracting end to end business tools for the warfighter, 5) developing enterprise mapping capabilities to streamline procure to pay exchanges in partnership with the Comptroller. Low risk adjustments were taken in shifting focus to automating simple contract closeout, and business intelligence capabilities and to mitigate fiscal reductions. Efficiency Reductions for PB16 were taken along with additional PB16 adjustments to a total of 2.205M from the original President's Budget.			
Accomplishments/Planned Programs Subtotals		5.659	9.546
C. Other Program Funding Summary (\$ in Millions)			
N/A			
Remarks			
D. Acquisition Strategy			
N/A			
E. Performance Metrics			
NA			

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2016 Office of the Secretary Of Defense												Date: February 2015			
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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
Contract Business Systems Development	Various	DLA, JTIC, WPAFB : FORT BELVOIR, SCOTT AFB	36.341	4.979		8.596		6.703		-		6.703	-	-	-
Subtotal			36.341	4.979		8.596		6.703		-		6.703	-	-	-

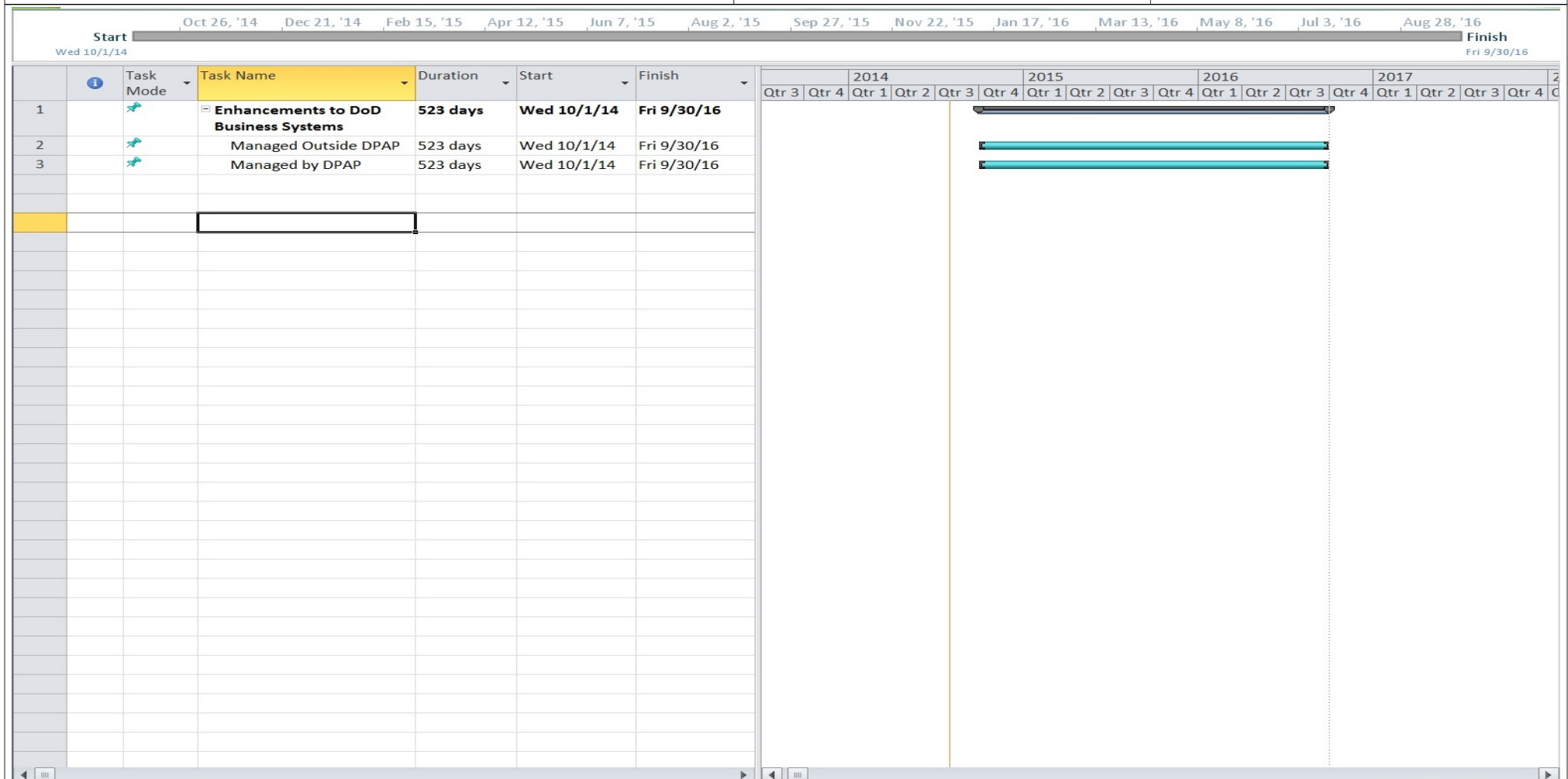
Test and Evaluation (\$ in Millions)				FY 2014		FY 2015		FY 2016 Base		FY 2016 OCO		FY 2016 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
Interoperability Testing	Various	DLA, JTIC, WPAFB : FORT BELVOIR, SCOTT AFB	-	0.680		0.950		0.506		-		0.506	-	-	-
Subtotal			-	0.680		0.950		0.506		-		0.506	-	-	-

			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			36.341	5.659	9.546	7.209	-	7.209	-	-	-

Remarks

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Exhibit R-4, RDT&E Schedule Profile: PB 2016 Office of the Secretary Of Defense		Date: February 2015
Appropriation/Budget Activity 0400 / 5	R-1 Program Element (Number/Name) PE 0605210D8Z / <i>Defense-Wide Electronic Procurement Capabilities</i>	Project (Number/Name) P*021 / <i>Defense-Wide Electronic Procurement Capabilities- Contingency</i>



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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 by Sub Project	Start		End	
	Quarter	Year	Quarter	Year
N/A				
Enhancements Managed outside of DPAP	1	2014	4	2016
Not Applicable				
Enhancements Managed by DPAP	1	2014	4	2016