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**Exhibit R-2, RDT&E Budget Item Justification: PB 2017 Navy** **Date:** February 2016

<b>Appropriation/Budget Activity</b> 1319: <i>Research, Development, Test &amp; Evaluation, Navy / BA 6: RDT&amp;E Management Support</i>	<b>R-1 Program Element (Number/Name)</b> PE 0605865N / <i>Operational Test &amp; Eval Capability</i>
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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	0.000	16.423	17.985	18.160	-	18.160	18.487	18.856	19.505	19.846	Continuing	Continuing
0831: <i>OPTEVFOR Support</i>	0.000	16.423	17.985	18.160	-	18.160	18.487	18.856	19.505	19.846	Continuing	Continuing

**A. Mission Description and Budget Item Justification**

This program element (PE) provides Commander, Operational Test and Evaluation Force (COMOPTEVFOR) general support funding for headquarters annual operating costs and ensures COMOPTEVFOR compliance with Secretary of Defense (SECDEF) and Secretary of the Navy (SECNAV) directives to conduct independent operational testing and evaluation. Funding supports planning, conducting, and reporting on the operational effectiveness and suitability of new and improved systems and recommending fleet usage to the Chief of Naval Operations (CNO). Funding also supports ongoing development and implementation of new requirements relative to integrated testing. The CNO, as well as acquisition executives and managers at all levels, have a continuing need for expeditious and efficient conduct of Operational Test and Evaluation (OT&E) by COMOPTEVFOR in support of training and equipping fleet forces. To this end, this funding supports COMOPTEVFOR's continued pursuit of a variety of senior management initiatives aimed at increasing efficiencies in T&E; these senior management initiatives include IT database and decision making technology upgrades, implementation of Integrated Testing and Mission Based Test Design across all programs, and improved staffing and expertise in the areas of DON acquisition processes, Modeling and Simulation, Statistical Studies, Cost Analysis, Information Assurance, and similar disciplines. All of these senior management initiatives are aimed at improving the quality of testing and evaluation, thus ensuring delivery to fleet units of fully tested and capable combat systems. OT&E issues have direct long term Navy-wide implications on the Fleet's readiness and war fighting capability. Rapid advances in technology, changes in fleet tactics, and increased complexity of weapons systems and platforms, combined with reductions in manpower, force structure, and budgets have created an increased need for technical and operational analyses that are sophisticated and timely in order to ensure an optimal return on investment of Navy resources. Funding is also provided for Navy support of the Office of the Secretary of Defense (OSD) sponsored Joint Test and Evaluation (JT&E) program.

<b>B. Program Change Summary (\$ in Millions)</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017 Base</b>	<b>FY 2017 OCO</b>	<b>FY 2017 Total</b>
Previous President's Budget	16.650	17.985	18.327	-	18.327
Current President's Budget	16.423	17.985	18.160	-	18.160
Total Adjustments	-0.227	0.000	-0.167	-	-0.167
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-0.227	0.000			
• Program Adjustments	0.000	0.000	0.457	-	0.457
• Rate/Misc Adjustments	0.000	0.000	-0.624	-	-0.624

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**Appropriation/Budget Activity**  
1319: *Research, Development, Test & Evaluation, Navy / BA 6: RDT&E Management Support*

**R-1 Program Element (Number/Name)**  
PE 0605865N / *Operational Test & Eval Capability*

**Change Summary Explanation**

The FY 2017 request was reduced by -\$0.156 million as required for the Department of the Navy to comply with the Bipartisan Budget Act of 2015.

Technical: N/A

Schedule: N/A

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<b>Exhibit R-2A, RDT&amp;E Project Justification:</b> PB 2017 Navy										<b>Date:</b> February 2016		
<b>Appropriation/Budget Activity</b> 1319 / 6					<b>R-1 Program Element (Number/Name)</b> PE 0605865N / <i>Operational Test &amp; Eval Capability</i>				<b>Project (Number/Name)</b> 0831 / <i>OPTEVFOR Support</i>			
<b>COST (\$ in Millions)</b>	<b>Prior Years</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017 Base</b>	<b>FY 2017 OCO</b>	<b>FY 2017 Total</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>Cost To Complete</b>	<b>Total Cost</b>
0831: <i>OPTEVFOR Support</i>	0.000	16.423	17.985	18.160	-	18.160	18.487	18.856	19.505	19.846	Continuing	Continuing
Quantity of RDT&E Articles		-	-	-	-	-	-	-	-	-		

**A. Mission Description and Budget Item Justification**

This program element (PE) provides Commander, Operational Test and Evaluation Force (COMOPTEVFOR) general support funding for headquarters annual operating costs and ensures COMOPTEVFOR compliance with Secretary of Defense (SECDEF) and Secretary of the Navy (SECNAV) directives to conduct independent operational testing and evaluation. This funding supports planning, testing, and reporting on the operational effectiveness and suitability of new and improved systems and recommending fleet usage to the Chief of Naval Operations (CNO). Funding also supports recently instituted initiatives (including the manpower to execute) that improve COMOPTEVFOR's ability to develop "minimum, adequate" test strategies maximizing efficiencies and minimizing assets required to conduct planned operational testing, thereby driving down overall test and evaluation costs for the Navy. The CNO, as well as acquisition executives and managers at all levels, have a continuing need for expeditious and efficient conduct of Operational Test and Evaluation (OT&E) by COMOPTEVFOR in support of training and equipping fleet forces. To this end, this funding supports COMOPTEVFOR's continued pursuit of a variety of senior management initiatives aimed at increasing efficiencies in T&E; these senior management initiatives include IT database and decision making technology upgrades, implementation of Integrated Testing and Mission Based Test Design across all programs, and improved staffing and expertise in the areas of DON acquisition processes, Modeling and Simulation, Statistical Studies, Information Assurance, and similar disciplines. All of these initiatives are aimed at improving the quality of testing and evaluation, thus ensuring delivery to fleet units of fully tested and capable combat systems. OT&E issues have direct long term Navy-wide implications on the Fleet's readiness and warfighting capability. Rapid advances in technology, changes in fleet tactics, and increased complexity of weapons systems and platforms, combined with reductions in manpower, force structure, and budgets have created an increased need for technical and operational analyses that are sophisticated and timely in order to ensure an optimal return on investment of Navy resources.

**B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)**

	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017 Base</b>	<b>FY 2017 OCO</b>	<b>FY 2017 Total</b>
<b>Title:</b> OPTEVFOR SUPPORT	16.423	17.985	18.160	0.000	18.160
<b>Articles:</b>	-	-	-	-	-
<b>Description:</b> Funding in this project funds the civilian salaries and operating costs for the Commander, Operational Test and Evaluation Force (COMOPTEVFOR). In addition, it supports several senior management initiatives aimed at increasing efficiencies in Test and Evaluation (T&E). These initiatives include IT database and decision making technology upgrades; implementation of Integrated Testing and Mission Based Test Design across all programs; and improved staffing and expertise in the areas of DON acquisition processes, Modeling and Simulation, Statistical Studies, Information Assurance, and similar disciplines. All of these initiatives are aimed at improving the quality of testing and evaluation, thus ensuring delivery to fleet units of fully tested and capable combat systems.					

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<b>Exhibit R-2A, RDT&amp;E Project Justification:</b> PB 2017 Navy		<b>Date:</b> February 2016
<b>Appropriation/Budget Activity</b> 1319 / 6	<b>R-1 Program Element (Number/Name)</b> PE 0605865N / <i>Operational Test &amp; Eval Capability</i>	<b>Project (Number/Name)</b> 0831 / <i>OPTEVFOR Support</i>

**B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)**

	FY 2015	FY 2016	FY 2017 Base	FY 2017 OCO	FY 2017 Total
<p><b><i>FY 2015 Accomplishments:</i></b></p> <p>(1) Agile IT: Conduct of Operational Test &amp; Evaluation (OT&amp;E) adapted for the Agile IT process was initiated for two programs.</p> <p>(2) Test and Product Processes: Performed initial TPPs, based on demonstrated system performance against representative threats in operational scenarios on systems, on systems prior to delivery resulting in immediate improvements in warfighting capability being delivered to the Fleet.</p> <p>(3) Efforts continued in developing the means to electronically link deficiencies to the Warfare Capability Baseline Assessment efforts: this direct link will significantly decrease labor, ensure accuracy and allow rapid assessment update and increase relevance of OT findings to Fleet priorities.</p> <p>(4) Workforce Shaping: The continuing effort to increase the analytic and cybersecurity workforce in support of enhanced operational test and evaluation.</p> <p>(5) OT&amp;E:</p> <ul style="list-style-type: none"> <li>a. Conducted 105 Operational Test events.</li> <li>b. Published 41 Operational Test Reports.</li> <li>b. Produced 31 Operational Test Plans.</li> <li>c. Created 25 Integrated Evaluation Frameworks.</li> <li>e. Provided 18 TEMP submissions.</li> </ul> <p>(6) Warfare Capability Baseline Assessments (WCB): Assessed 13 weapon/system-target pairs totaling 60 kill/effects chains.</p> <p><b><i>FY 2016 Plans:</i></b></p> <p>- Continue all efforts of FY15.</p> <p>(1) Agile IT: Expect to continue Agile IT OT&amp;E efforts; a third program is under consideration for inclusion in this method.</p> <p>(2) Test and Product Processes: Continue efforts to enhance and improve test processes and products in support of increasing the value of OT&amp;E.</p>					

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<b>B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017 Base</b>	<b>FY 2017 OCO</b>	<b>FY 2017 Total</b>
(3) Efforts to electronically link program deficiencies to the Warfare Capability Baseline Assessment efforts will continue (PHOENIX).					
(4) Workforce Shaping: Anticipate limited, but measurable progress to continue in the effort to acquire analytic and cybersecurity workforce improvements.					
(5) WCB 6 is expected to be completed during FY16.					
<b>FY 2017 Base Plans:</b> Continue the efforts begun in FY16:					
(1) Agile IT process is expected to benefit and be refined following the first full year of effort.					
(2) OT&E processes and methods will continue to be examined for improvement					
(3) Anticipate that the linkage between WCB and deficiencies will be complete and other electronic database efforts associated with PHOENIX will continue.					
(4) Workforce shaping efforts will continue across the FYDP.					
(5) 7th increment of WCB is expected to be completed.					
<b>FY 2017 OCO Plans:</b> N/A					
<b>Accomplishments/Planned Programs Subtotals</b>	16.423	17.985	18.160	0.000	18.160

<b>C. Other Program Funding Summary (\$ in Millions)</b> N/A
<b>Remarks</b>
<b>D. Acquisition Strategy</b> N/A

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**E. Performance Metrics**

As indicated in section A above, funding provides for core headquarters operations and support (O&S) costs related to required operational testing and evaluation (T&E) conducted in support of Navy acquisition programs. The preponderance of funding provides for the annual O&S costs for day to day operations of the staff/headquarters of COMOPTEVFOR, located in Norfolk, Virginia. (Pursuant to DoD Financial Management Regulations and Navy financial policy guidance, as a T&E activity, COMOPTEVFOR's annual support costs are funded via RD TEN vice OMN; hence, and unlike most RD TEN programs, these funds provide for O&S costs typical of military field commands/activities). Within this project, over 1/2 of the funding supports salaries of assigned civilian personnel. The remaining funds provide for other routine support costs such as travel, IT support, supplies, and other overhead/administrative support costs. The primary metric used within the project involves support for scheduled Navy acquisition program testing and subsequent analysis and reporting of results of testing to appropriate senior Navy acquisition officials and to the Navy chain of command directly to the CNO and various OPNAV/SECNAV staff offices. The performance goal is met when all assigned/scheduled testing and reporting is supported each year. Specific test program success is measured through analytic results of testing conducted throughout the year and constant interaction with program offices, acquisition decision makers, OPNAV staff resource sponsor offices, OSD and other service T&E offices/activities, and miscellaneous other customers/stakeholders. This project also supports testing and evaluation of various Joint/multi-service programs in which the Navy shares responsibilities in support of the acquisition community. The following metrics relate directly to the funding provided and are applicable to current operations.

Number of Tests Conducted - FY15 = 105; FY16 = 103; FY17 = 104  
Number of Programs Supported - FY15 = 425; FY16 = 422; FY17 = 424