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Exhibit R-2, RDT&E Budget Item Justification: PB 2025 Air Force **Date:** March 2024

Appropriation/Budget Activity 3600: <i>Research, Development, Test & Evaluation, Air Force I BA 7: Operational Systems Development</i>	R-1 Program Element (Number/Name) PE 0708055F <i>I Maintenance, Repair & Overhaul System</i>
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COST (\$ in Millions)	Prior Years	FY 2023	FY 2024	FY 2025 Base	FY 2025 OCO	FY 2025 Total	FY 2026	FY 2027	FY 2028	FY 2029	Cost To Complete	Total Cost
Total Program Element	-	18.313	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	18.313
675329: <i>MAINTENANCE REPAIR AND OVERHAUL INTIATIVE</i>	-	18.313	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	18.313

Program MDAP/MAIS Code: 523

Note

In FY24, MRO development budget controls have been realigned from Research, Development, Test & Evaluation (RDT&E) Program Element (PE) 0708055F Project 675329 to Department of Air Force (DAF) Working Capital Fund (WCF) Capital Investment Program (CIP) funding for Minimal Viable Product (MVP) 5 and MVP 6 as identified in the Capital Investment Recovery Surcharge Line, Fund 9a.

As a result of the transition from DoDI 5000.02 to DoDI 5000.75, MRO was reclassified to a BCAT II program as reflected in the 11 Apr 2018 MRO Milestone B ADM.

In CY23, MRO was reclassified to a BCAT I program due to increased funding in DAF WCF CIP funding for FY23-FY25. Additionally, program name changed from MROi to MRO as program is no longer an initiative.

A. Mission Description and Budget Item Justification

Starting in FY24, funding for this project is realigned to DAF WCF CIP funding identified in Capital Investment Surcharge Line, Fund 9a. AFSC/FM memo for MRO Funding Determination moves development efforts of Minimal Viable Product (MVP) 5 and MVP 6 as these MVPs of MRO are WCF, Consolidated Sustainment Activity-Maintenance (CSAG-M) specific. Per DoD FMR, Vol 2B, Ch. 9, 090103, para b. Software amounts included in the DAF WCF capital budget submissions should include those software development or acquisition efforts for the benefit of DAF WCF activity. Types of cost to be included in a software development project include total labor and non-labor costs.

The MRO program is a Doctrine, Organization, Training, Materiel, Leadership, Personnel, Facilities and Policies (DOTMLPF-P) transformation and standardization of both the business processes and enabling materiel solution. MRO will provide Air Force Sustainment Center (AFSC) with an integrated capability for planning, scheduling, and executing organic depot maintenance to support agile planning, optimized workload assignment, resource allocation, integrated quality, and maintenance-driven Air Force Working Capital Fund (AFWCF) financials auditability. This integrated capability, by definition, represents a critical step forward toward resolution of the Air Force's Integrated Financial Systems Material Weakness.

MRO will implement a configured Oracle Enterprise Business Suite (EBS) commercial off-the-shelf (COTS) software product with required report, interface, conversion, extension, and workflow (RICE-W) objects.

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Appropriation/Budget Activity 3600: <i>Research, Development, Test & Evaluation, Air Force I BA 7: Operational Systems Development</i>	R-1 Program Element (Number/Name) PE 0708055F / <i>Maintenance, Repair & Overhaul System</i>
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MRO will implement throughout all AFSC commodities, electronics, missile, propulsion, aircraft, software, and maintenance support groups. MRO's implementation will include transitional interfaces with various legacy systems to support continuous operations within the depot maintenance and supporting financials environment.

This program element may include necessary civilian pay expenses required to manage, execute, and deliver weapon system capability. The use of such programs funds would be in addition to the civilian pay expenses budgeted in program element 0605827F, 0605828F, 0605829F, 0605831F, 0605832F, 0605833F, 0605898F, 0606398F. In FY23 0.358M was expended for civilian pay expenses in this program element, and in FY24 0.0M is forecasted for civilian pay expenses in this program element.

This requirement supports performance of a full financial audit as required by title 10 U.S.C. Chapter 9A, Sec 240-D.

This program is in Budget Activity 7, Operational System Development because this budget activity includes development efforts to upgrade systems that have been fielded or have received approval for full rate production and anticipate production funding in the current or subsequent fiscal year.

B. Program Change Summary (\$ in Millions)	FY 2023	FY 2024	FY 2025 Base	FY 2025 OCO	FY 2025 Total
Previous President's Budget	19.892	0.000	0.000	0.000	0.000
Current President's Budget	18.313	0.000	0.000	0.000	0.000
Total Adjustments	-1.579	0.000	0.000	0.000	0.000
• Congressional General Reductions	0.000	0.000			
• Congressional Directed Reductions	0.000	0.000			
• Congressional Rescissions	0.000	0.000			
• Congressional Adds	0.000	0.000			
• Congressional Directed Transfers	0.000	0.000			
• Reprogrammings	-1.054	0.000			
• SBIR/STTR Transfer	-0.525	0.000			
• Other Adjustments	0.000	0.000	0.000	0.000	0.000

Change Summary Explanation

No change

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Exhibit R-2A, RDT&E Project Justification: PB 2025 Air Force										Date: March 2024		
Appropriation/Budget Activity 3600 / 7					R-1 Program Element (Number/Name) PE 0708055F / Maintenance, Repair & Overhaul System				Project (Number/Name) 675329 / MAINTENANCE REPAIR AND OVERHAUL INTIATIVE			
COST (\$ in Millions)	Prior Years	FY 2023	FY 2024	FY 2025 Base	FY 2025 OCO	FY 2025 Total	FY 2026	FY 2027	FY 2028	FY 2029	Cost To Complete	Total Cost
675329: MAINTENANCE REPAIR AND OVERHAUL INTIATIVE	-	18.313	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	18.313
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

Note

In FY24, MRO development budget controls have been realigned from Research, Development, Test & Evaluation (RDT&E) Program Element (PE) 0708055F Project 675329 to Department of Air Force (DAF) Working Capital Fund (WCF) Capital Investment Program (CIP) funding for MVP 5 and MVP 6 as identified in the Capital Investment Recovery Surcharge Line, Fund 9a.

As a result of the transition from DoDI 5000.02 to DoDI 5000.75, MRO was reclassified to a BCAT II program as reflected in the 11 Apr 2018 MRO Milestone B ADM.

In CY23, MRO was reclassified to a BCAT I program due to increased funding in DAF WCF CIP funding for FY23-FY25. Additionally, program name changed from MROi to MRO as program is no longer an initiative.

A. Mission Description and Budget Item Justification

Starting in FY24, funding for this project is realigned to DAF WCF CIP funding identified in Capital Investment Surcharge Line, Fund 9a. AFSC/FM memo for MRO Funding Determination moves development efforts of MVP 5 and MVP 6 as these MVPs of MRO are WCF, Consolidated Sustainment Activity-Maintenance (CSAG-M) specific. Per DoD FMR, Vol 2B, Ch. 9, 090103, para b. Software amounts included in the DAF WCF capital budget submissions should include those software development or acquisition efforts for the benefit of DAF WCF activity. Types of cost to be included in a software development project include total labor and non-labor costs.

The MRO program is a Doctrine, Organization, Training, Materiel, Leadership, Personnel, Facilities and Policies (DOTMLPF-P) transformation and standardization of both the business processes and enabling materiel solution. MRO will provide Air Force Sustainment Center (AFSC) with an integrated capability for planning, scheduling, and executing organic depot maintenance to support agile planning, optimized workload assignment, resource allocation, integrated quality, and maintenance-driven Air Force Working Capital Fund (AFWCF) financials auditability. This integrated capability, by definition, represents a critical step forward toward resolution of the Air Force's Integrated Financial Systems Material Weakness.

MRO will implement a configured Oracle Enterprise Business Suite (EBS) commercial off-the-shelf (COTS) software product with required report, interface, conversion, extension, and workflow (RICE-W) objects.

MRO will implement throughout all AFSC commodities, electronics, missile, propulsion, aircraft, software, and maintenance support groups. MRO's implementation will include transitional interfaces with various legacy systems to support continuous operations within the depot maintenance and supporting financials environment.

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Exhibit R-2A, RDT&E Project Justification: PB 2025 Air Force		Date: March 2024
Appropriation/Budget Activity 3600 / 7	R-1 Program Element (Number/Name) PE 0708055F / <i>Maintenance, Repair & Overhaul System</i>	Project (Number/Name) 675329 / <i>MAINTENANCE REPAIR AND OVERHAUL INTIATIVE</i>

This program element may include necessary civilian pay expenses required to manage, execute, and deliver weapon system capability. The use of such programs funds would be in addition to the civilian pay expenses budgeted in program element 0605827F, 0605828F, 0605829F, 0605831F, 0605832F, 0605833F, 0605898F, 0606398F. In FY23 \$0.358M was expended for civilian pay expenses in this program element, and in FY24 \$0.0M is forecasted for civilian pay expenses in this program element.

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

	FY 2023	FY 2024	FY 2025 Base	FY 2025 OCO	FY 2025 Total
Title: Product Development	18.313	0.000	0.000	0.000	0.000
Description: The MRO transformation effort will create an enterprise capability for agile planning, scheduling, and depot maintenance. Additionally it will, integrate the capture of auditable financial transactions at the point of work and optimize workload assignments and resource allocations.					
FY 2024 Plans: None, see Capital Investment Recovery Surcharge Line, Fund 9a					
N/A					
FY 2025 Base Plans: None, see Capital Investment Recovery Surcharge Line, Fund 9a					
N/A					
FY 2025 OCO Plans: N/A					
FY 2024 to FY 2025 Increase/Decrease Statement: None, see Capital Investment Recovery Surcharge Line, Fund 9a					
N/A					
Accomplishments/Planned Programs Subtotals	18.313	0.000	0.000	0.000	0.000

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

<u>Line Item</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025 Base</u>	<u>FY 2025 OCO</u>	<u>FY 2025 Total</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>Cost To Complete</u>	<u>Total Cost</u>
• OPAF 03 834480: <i>Maintenance Repair & Overhaul Initiative</i>	0.000	0.000	0.000	-	0.000	0.000	0.000	0.000	-	0.000	0.000

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Exhibit R-2A, RDT&E Project Justification: PB 2025 Air Force		Date: March 2024
Appropriation/Budget Activity 3600 / 7	R-1 Program Element (Number/Name) PE 0708055F / <i>Maintenance, Repair & Overhaul System</i>	Project (Number/Name) 675329 / <i>MAINTENANCE REPAIR AND OVERHAUL INTIATIVE</i>

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

<u>Line Item</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u> <u>Base</u>	<u>FY 2025</u> <u>OCO</u>	<u>FY 2025</u> <u>Total</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>Cost To</u> <u>Complete</u>	<u>Total Cost</u>
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Remarks

D. Acquisition Strategy

MRO uses an agile, incremental build-release acquisition strategy to deliver capability. The program used a competitive, best value strategy to select a system implementer utilizing the existing NETCENTS-2 Small Business Application Services contract for the original contract, which was awarded 11 Jul 2018 and concluded 16 Sep 2020. For the follow-on effort, the program used a competitive, best value strategy to select a system implementer utilizing the existing NETCENTS-2 Full and Open Large Business Application Services contract, awarded in Sep 20. Hosting Infrastructure is planned to be provided through the Enterprise Resource Planning - Common Services (ERP-CS) but MRO will fund program unique hosting infrastructure costs starting in FY23, as required.

- Development Contract Strategy
- Directed use of NETCENTS II Application Services IDIQ
- Competitive, Best Value Full Trade-off procedures
- Own technical baseline
- Tech Stack Licenses
- Follow-on increments with financial integration to be performed by large business

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2025 Air Force **Date:** March 2024

Appropriation/Budget Activity 3600 / 7	R-1 Program Element (Number/Name) PE 0708055F / Maintenance, Repair & Overhaul System	Project (Number/Name) 675329 / MAINTENANCE REPAIR AND OVERHAUL INTIATIVE
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Product Development (\$ in Millions)				FY 2023		FY 2024		FY 2025 Base		FY 2025 OCO		FY 2025 Total	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost			
Maintenance, Repair and Overhaul: Configuration System Implementer	C/Various	NETCENTS-2 : WPAFB, OH	-	7.029	Nov 2022	-		-		-		-	Continuing	Continuing	-
Maintenance, Repair and Overhaul: PMO Oracle Support	C/CPFF	Various : WPAFB, OH	-	0.529	Dec 2022	-		-		-		-	Continuing	Continuing	-
Maintenance, Repair and Overhaul: Legacy Systems Interface Development	MIPR	Various : WPAFB, OH	-	0.787	Dec 2022	-		-		-		-	Continuing	Continuing	-
Maintenance, Repair and Overhaul: Oracle Trusted Agent	C/Various	DLT Solution, LLC : Gunter Annex, AL	-	0.309	Nov 2022	-		-		-		-	Continuing	Continuing	-
Maintenance, Repair and Overhaul: EAS	C/FFP	Bowhead : Gunter Annex, AL	-	0.303	Nov 2022	-		-		-		-	Continuing	Continuing	-
Maintenance, Repair and Overhaul: Data platforms, services, integration, transformation and curation	C/FFP	TACG : WPAFB, OH	-	1.192	Nov 2022	-		-		-		-	Continuing	Continuing	-
Subtotal			-	10.149		-		-		-		-	Continuing	Continuing	N/A

Support (\$ in Millions)				FY 2023		FY 2024		FY 2025 Base		FY 2025 OCO		FY 2025 Total	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost			
Maintenance, Repair, and Overhaul: EPASS	C/CPFF	AFLCMC/AZS : Hanscom, MA	-	3.444	Nov 2022	-		-		-		-	Continuing	Continuing	-
Subtotal			-	3.444		-		-		-		-	Continuing	Continuing	N/A

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2025 Air Force												Date: March 2024			
Appropriation/Budget Activity				R-1 Program Element (Number/Name)				Project (Number/Name)							
3600 / 7				PE 0708055F / Maintenance, Repair & Overhaul System				675329 / MAINTENANCE REPAIR AND OVERHAUL INTIATIVE							
Test and Evaluation (\$ in Millions)				FY 2023		FY 2024		FY 2025 Base		FY 2025 OCO		FY 2025 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
Maintenance, Repair and Overhaul: LDTO Test Support	PO	96th Test Wing : Eglin, FL	-	1.026	Nov 2022	-		-		-		-	Continuing	Continuing	-
Maintenance, Repair and Overhaul: Cybersecurity Test Support	PO	47th Test Wing : Eglin, FL	-	0.325	Aug 2023	-		-		-		-	Continuing	Continuing	-
Maintenance, Repair and Overhaul: Joint Interoperability Test Command (JITC) Support	MIPR	GSA : WPAFB, OH	-	0.034	Dec 2022	-		-		-		-	Continuing	Continuing	-
Subtotal			-	1.385		-		-		-		-	Continuing	Continuing	N/A
Management Services (\$ in Millions)				FY 2023		FY 2024		FY 2025 Base		FY 2025 OCO		FY 2025 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
Maintenance, Repair, and Overhaul: PMA	Various	Various : TBD	-	1.669	Nov 2022	-		-		-		-	Continuing	Continuing	-
Maintenance, Repair and Overhaul: OCI Hosting Environment	C/CPFF	SAIC : Hanscom, MA	-	0.835	May 2023	-		-		-		-	Continuing	Continuing	-
Maintenance, Repair, and Overhaul: License Renewal	C/FP	V3 Gate : Gunter Annex, AL	-	0.831	Mar 2023	-		-		-		-	Continuing	Continuing	-
Subtotal			-	3.335		-		-		-		-	Continuing	Continuing	N/A
Project Cost Totals			-	18.313		-		-		-		-	Continuing	Continuing	N/A
Remarks															

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Exhibit R-4A, RDT&E Schedule Details: PB 2025 Air Force		Date: March 2024
Appropriation/Budget Activity 3600 / 7	R-1 Program Element (Number/Name) PE 0708055F / <i>Maintenance, Repair & Overhaul System</i>	Project (Number/Name) 675329 / <i>MAINTENANCE REPAIR AND OVERHAUL INTIATIVE</i>

Schedule Details

Events by Sub Project	Start		End	
	Quarter	Year	Quarter	Year
<i>Maintenance, Repair and Overhaul</i>				
Government Integrated Test (MVP 4)	2	2024	3	2024