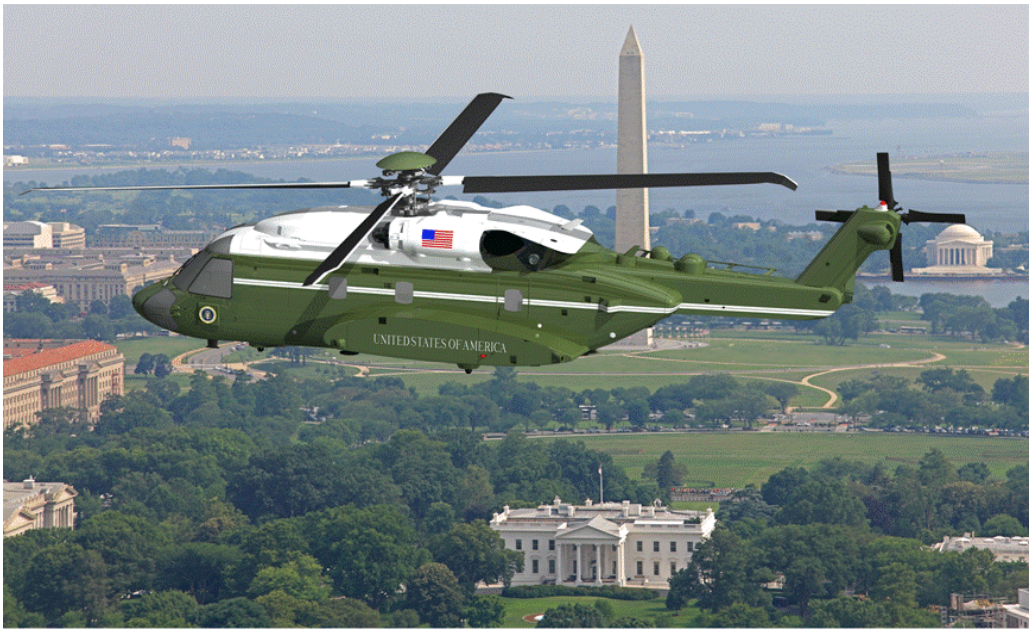
Selected Acquisition Report (SAR)

RCS: DD-A&T(Q&A)823-429



VH-92A Presidential Helicopter (VH-92A)

As of FY 2017 President's Budget

Defense Acquisition Management
Information Retrieval
(DAMIR)

Table of Contents

Common Acronyms and Abbreviations for MDAP Programs

Acq O&M - Acquisition-Related Operations and Maintenance
ACAT - Acquisition Category
ADM - Acquisition Decision Memorandum
APB - Acquisition Program Baseline
APPN - Appropriation
APUC - Average Procurement Unit Cost
$B - Billions of Dollars
BA - Budget Authority/Budget Activity
Blk - Block
BY - Base Year
CAPE - Cost Assessment and Program Evaluation
CARD - Cost Analysis Requirements Description
CDD - Capability Development Document
CLIN - Contract Line Item Number
CPD - Capability Production Document
CY - Calendar Year
DAB - Defense Acquisition Board
DAE - Defense Acquisition Executive
DAMIR - Defense Acquisition Management Information Retrieval
DoD - Department of Defense
DSN - Defense Switched Network
EMD - Engineering and Manufacturing Development
EVM - Earned Value Management
FOC - Full Operational Capability
FMS - Foreign Military Sales
FRP - Full Rate Production
FY - Fiscal Year
FYDP - Future Years Defense Program
ICE - Independent Cost Estimate
IOC - Initial Operational Capability
Inc - Increment
JROC - Joint Requirements Oversight Council
$K - Thousands of Dollars
KPP - Key Performance Parameter
LRIP - Low Rate Initial Production
$M - Millions of Dollars
MDA - Milestone Decision Authority
MDAP - Major Defense Acquisition Program
MILCON - Military Construction
N/A - Not Applicable
O&M - Operations and Maintenance
ORD - Operational Requirements Document
OSD - Office of the Secretary of Defense
O&S - Operating and Support
PAUC - Program Acquisition Unit Cost

PB - President’s Budget
PE - Program Element
PEO - Program Executive Officer
PM - Program Manager
POE - Program Office Estimate
RDT&E - Research, Development, Test, and Evaluation
SAR - Selected Acquisition Report
SCP - Service Cost Position
TBD - To Be Determined
TY - Then Year
UCR - Unit Cost Reporting
U.S. - United States
USD(AT&L) - Under Secretary of Defense (Acquisition, Technology and Logistics)

Program Information

Program Name

VH-92A Presidential Helicopter (VH-92A)

DoD Component

Navy

Responsible Office

Col Robert Pridgen
PMA274 Presidential Helicopters Program
Program Executive Office - Air, Anti-Submarine Warfare, Assault & Special Mission
48202 Bronson Road, Building 2805
Patuxent River, MD 20670-1547

Phone: 301-757-5782
Fax: 301-757-7999
DSN Phone:
DSN Fax:
Date Assigned: July 2, 2014

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References

SAR Baseline (Development Estimate)

Defense Acquisition Executive (DAE) Approved Acquisition Program Baseline (APB) dated April 17, 2014

Approved APB

Defense Acquisition Executive (DAE) Approved Acquisition Program Baseline (APB) dated April 17, 2014

Mission and Description

The VH-92A Presidential Helicopter (VH-92A) program mission is to provide safe, reliable, and timely transportation for the President, Vice President, Foreign Heads of State, and other official parties as directed by the Director of the White House Military Office. Presidential helicopter transportation requirements are executed by Marine Helicopter Squadron One (HMX-1) and support the President worldwide and the Vice President primarily inside the National Capital Region. Mission tasking encompasses two (2) main types of missions, administrative lift (Mission Tasking 1) and contingency operations (Mission Tasking 2). The VH-92A platform will replace both In-Service aircraft (VH-3D and VH-60N) and is based on Sikorsky's commercial S-92A helicopter. The acquisition strategy for the VH-92A program involves integration of mature government-defined mission systems and an executive interior into the existing S-92A air vehicle.

Executive Summary

The VH-92A program completed a Milestone B DAB review in March 2014. The MDA approved the VH-92A program to enter the EMD phase in an ADM dated April 17, 2014. On April 17, 2014, the USD(AT&L) certified (with one waiver) the provisions set forth in section 2366b of title 10, United States Code (USC). Provision (2) of that section was waived in accordance with subsection (d) of the statute. On January 29, 2016, the USD(AT&L) certified that the VH-92A program met the certification requirement for provision (2) pursuant to section 2366b of title 10, USC. There are no remaining 2366b waivers associated with this program.

A Fixed Price Incentive Firm contract was competitively awarded to Sikorsky Aircraft Corporation on May 7, 2014. A total quantity of 23 aircraft will be procured, consisting of 21 operational aircraft and 2 test aircraft. In August 2015, the VH-92A program conducted a System Level Preliminary Design Review (PDR). In September 2015, early risk reduction testing was completed at Lockheed Martin's facility in Owego, NY including co-site testing. Engineering Development Model (EDM) 1 and EDM 2 are currently in modification at Sikorsky's facility in Stratford, CT. Mission Communications System development and integration efforts continue at Naval Air Systems Command in St. Inigoes, MD and Lockheed Martin, Owego, NY. In addition, Live Fire Test and Evaluation efforts have commenced. The program conducted an In-Process Review with the MDA on March 7, 2016. System Level Critical Design Review is planned for 4th Quarter FY 2016.

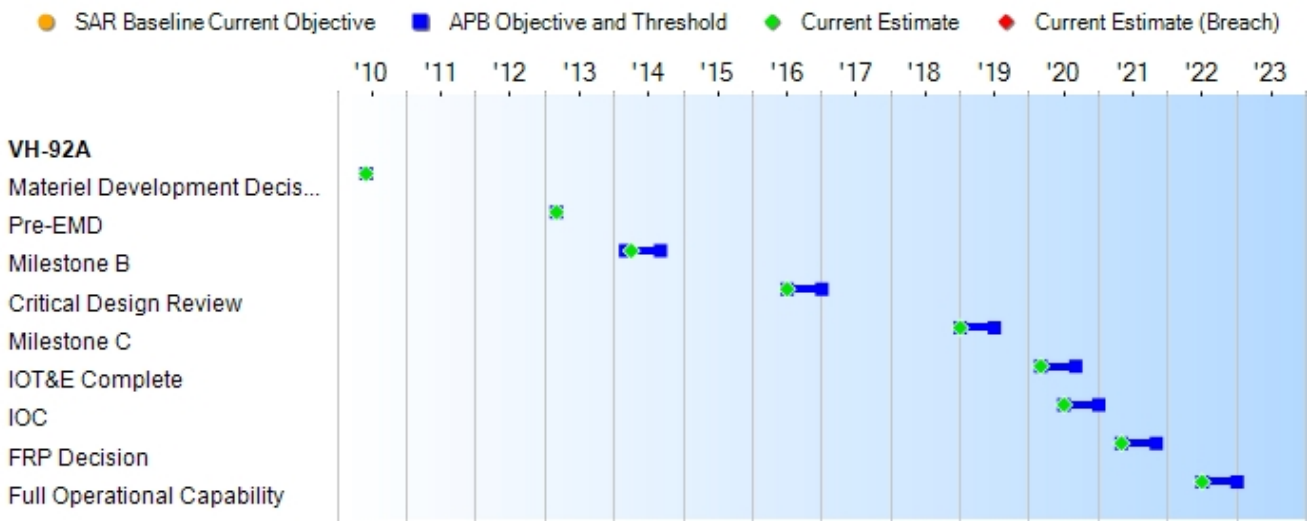
There are no significant software-related issues with this program at this time.

Threshold Breaches

APB Breaches		
Schedule		☐
Performance		☐
Cost	RDT&E	☐
	Procurement	☐
	MILCON	☐
	Acq O&M	☐
O&S Cost		☐
Unit Cost	PAUC	☐
	APUC	☐

Nunn-McCurdy Breaches		
Current UCR Baseline		
	PAUC	None
	APUC	None
Original UCR Baseline		
	PAUC	None
	APUC	None

Schedule



Schedule Events				
Events	**SAR Baseline Development Estimate**	**Current APB Development Objective/Threshold**		**Current Estimate**
Materiel Development Decision	Jun 2010	Jun 2010	Jun 2010	Jun 2010
Pre-EMD	Mar 2013	Mar 2013	Mar 2013	Mar 2013
Milestone B	Mar 2014	Mar 2014	Sep 2014	Apr 2014
Critical Design Review	Jul 2016	Jul 2016	Jan 2017	Jul 2016
Milestone C	Jan 2019	Jan 2019	Jul 2019	Jan 2019
IOT&E Complete	Mar 2020	Mar 2020	Sep 2020	Mar 2020
IOC	Jul 2020	Jul 2020	Jan 2021	Jul 2020
FRP Decision	May 2021	May 2021	Nov 2021	May 2021
Full Operational Capability	Jul 2022	Jul 2022	Jan 2023	Jul 2022

Change Explanations

None

Acronyms and Abbreviations

IOT&E - Initial Operational Test & Evaluation

Performance

Performance Characteristics				
SAR Baseline Development Estimate	**Current APB Development Objective/Threshold**		**Demonstrated Performance**	**Current Estimate**
Passenger Seating and Lift Capacity				
(Objective= Threshold) MT-1: 14 passengers MT-2	(Objective= Threshold) MT-1: 14 passengers MT-2	MT-1: 12 passengers MT-2: 14 passengers	TBD	MT-1: 12 passengers MT-2: 14 passengers
Range (Operational Day)				
MT-1 NCR, NCR Return: >100 NM MT-1 CONUS/OCONUS: >200 NM MT-2: >300 NM	MT-1 NCR, NCR Return: >100 NM MT-1 CONUS/OCONUS: >200 NM MT-2: >300 NM	MT-1 NCR, NCR Return: >50 NM MT-1 CONUS/OCONUS: >150 NM MT-2: >250 NM	TBD	MT-1 NCR, NCR Return: >50 NM MT-1 CONUS/OCONUS: >150 NM MT-2: >250 NM
Hover Performance				
HOGE with mission payload and other required equipment (High Hot Day)	HOGE with mission payload and other required equipment (High Hot Day)	HOGE with mission payload and other required equipment (Operational Day)	TBD	HOGE with mission payload and other required equipment (Operational Day)
Transportability				
(Objective= Threshold) MT-2: (1) MT-2 aircraft and all required equipment, personnel (29), and SE necessary to execute deployed maintenance and mission requirements shall be transportable using (1) C-17.	(Objective= Threshold) MT-2: (1) MT-2 aircraft and all required equipment, personnel (29), and SE necessary to execute deployed maintenance and mission requirements shall be transportable using (1) C-17.	MT-2: (1) MT-2 aircraft and all required equipment, personnel (29), and SE necessary to execute deployed maintenance and mission requirements shall be transportable using (1) C-17.	TBD	MT-2: (1) MT-2 aircraft and all required equipment, personnel (29), and SE necessary to execute deployed maintenance and mission requirements shall be transportable using (1) C-17.
Landing Zone Suitability				
(Objective= Threshold) Maintain at least a 50 foot obstacle clearance during all phases of approach, landing, take-off, and departure from the existing White House South Lawn.	(Objective= Threshold) Maintain at least a 50 foot obstacle clearance during all phases of approach, landing, take-off, and departure from the existing White House South Lawn.	Maintain at least a 50 foot obstacle clearance during all phases of approach, landing, take -off, and departure from the existing White House South Lawn.	TBD	Maintain at least a 50 foot obstacle clearance during all phases of approach, landing, take -off, and departure from the existing White House South Lawn.
Sustainment: Materiel Availability - Am, Operational Availability -Ao				
Am ≥ 59% MT-1: Ao ≥ 85% MT-2: Ao ≥ 85%	Am ≥ 59% MT-1: Ao ≥ 85% MT-2: Ao ≥ 85%	Am ≥ 57% MT-1: Ao ≥ 80% MT-2: Ao ≥ 83%	TBD	Am ≥ 57% MT-1: Ao ≥ 80% MT-2: Ao ≥ 83%
Training				

(Objective= Threshold) Reduce the overall time to train for pilots and crew chiefs from current In-Service aircraft time to train utilizing a Systems Approach to Training.	(Objective= Threshold) Reduce the overall time to train for pilots and crew chiefs from current In-Service aircraft time to train utilizing a Systems Approach to Training.	Reduce the overall time to train for pilots and crew chiefs from current In-Service aircraft time to train utilizing a Systems Approach to Training.	TBD	Reduce the overall time to train for pilots and crew chiefs from current In-Service aircraft time to train utilizing a Systems Approach to Training.
Net-Ready				
(Objective= Threshold) Support net-centric military operations Enter and be managed on the network Exchanges information.	(Objective= Threshold) Support net-centric military operations Enter and be managed on the network Exchanges information.	Support net-centric military operations Enter and be managed on the network Exchanges information.	TBD	Support net-centric military operations Enter and be managed on the network Exchanges information.

Classified Performance information is provided in the classified annex to this submission.

Requirements Reference

Capability Development Document (CDD) dated January 3, 2013

Change Explanations

None

Notes

With Joint Staff (J-4) concurrence and as documented in the CDD, the Energy KPP required by the Joint Capabilities Integration Development System Manual is not applicable to VH-92A.

Net Ready KPP Products are detailed in the CDD, Appendix A.

The VH-92A program was planned and budgeted to the performance threshold.

Acronyms and Abbreviations

Am - Materiel Availability
Ao - Operational Availability
CONUS - Continental United States
HOGE - Hover out of Ground Effect
MT-1 - Mission Tasking 1 (administrative lift)
MT-2 - Mission Tasking 2 (contingency operations)
NCR - National Capital Region
NM - Nautical Mile
OCONUS - Outside the Continental United States
SE - Support Equipment

Track to Budget

RDT&E

Appn		BA	PE
Navy	1319	05	0604273N

Project	Name
3300	Presidential Helicopter (VH-92A)
3390	VH-92A Improvements

Procurement

Appn		BA	PE
Navy	1506	04	0901212M

Line Item	Name
0455	VH-92A Executive Helo

Appn		BA	PE
Navy	1506	06	0901212M

Line Item	Name
0605	Spares for VXX

Cost and Funding

Cost Summary

Total Acquisition Cost							
Appropriation	BY 2014 $M			BY 2014 $M	TY $M		
	SAR Baseline Development Estimate	Current APB Development Objective/Threshold		Current Estimate	SAR Baseline Development Estimate	Current APB Development Objective	Current Estimate
RDT&E	2606.1	2606.1	2866.7	2421.6	2805.7	2805.7	2571.8
Procurement	2043.6	2043.6	2248.0	2205.0	2379.0	2379.0	2516.4
Flyaway	--	--	--	1501.3	--	--	1712.3
Recurring	--	--	--	1501.3	--	--	1712.3
Non Recurring	--	--	--	0.0	--	--	0.0
Support	--	--	--	703.7	--	--	804.1
Other Support	--	--	--	269.8	--	--	309.2
Initial Spares	--	--	--	433.9	--	--	494.9
MILCON	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acq O&M	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	4649.7	4649.7	N/A	4626.6	5184.7	5184.7	5088.2

Confidence Level

Confidence Level of cost estimate for current APB: 50%

The current APB cost estimate provides sufficient resources to execute the program under normal conditions, encountering average levels of technical, schedule and programmatic risk and external interference. It is consistent with average resource expenditures on historical efforts of similar size, scope, and complexity and represents a notional 50% confidence level.

Total Quantity			
Quantity	SAR Baseline Development Estimate	Current APB Development	Current Estimate
RDT&E	6	6	6
Procurement	17	17	17
Total	23	23	23

Cost and Funding

Funding Summary

Appropriation Summary									
FY 2017 President's Budget / December 2015 SAR (TY$ M)									
Appropriation	Prior	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	To Complete	Total
RDT&E	651.4	507.1	338.4	478.4	288.2	189.9	54.5	63.9	2571.8
Procurement	0.0	0.0	0.0	0.0	845.8	854.8	815.8	0.0	2516.4
MILCON	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acq O&M	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PB 2017 Total	651.4	507.1	338.4	478.4	1134.0	1044.7	870.3	63.9	5088.2
PB 2016 Total	662.9	507.1	589.7	481.7	1089.0	913.1	782.0	139.0	5164.5
Delta	-11.5	0.0	-251.3	-3.3	45.0	131.6	88.3	-75.1	-76.3

Quantity Summary										
FY 2017 President's Budget / December 2015 SAR (TY$ M)										
Quantity	Undistributed	Prior	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	To Complete	Total
Development	6	0	0	0	0	0	0	0	0	6
Production	0	0	0	0	0	6	6	5	0	17
PB 2017 Total	6	0	0	0	0	6	6	5	0	23
PB 2016 Total	6	0	0	0	0	6	6	5	0	23
Delta	0	0	0	0	0	0	0	0	0	0

Cost and Funding

Annual Funding By Appropriation

Annual Funding 1319 | RDT&E | Research, Development, Test, and Evaluation, Navy							
Fiscal Year	Quantity	TY $M					
		End Item Recurring Flyaway	Non End Item Recurring Flyaway	Non Recurring Flyaway	Total Flyaway	Total Support	Total Program
2010	--	--	--	--	--	--	23.0
2011	--	--	--	--	--	--	73.9
2012	--	--	--	--	--	--	58.9
2013	--	--	--	--	--	--	46.2
2014	--	--	--	--	--	--	92.8
2015	--	--	--	--	--	--	356.6
2016	--	--	--	--	--	--	507.1
2017	--	--	--	--	--	--	338.4
2018	--	--	--	--	--	--	478.4
2019	--	--	--	--	--	--	288.2
2020	--	--	--	--	--	--	189.9
2021	--	--	--	--	--	--	54.5
2022	--	--	--	--	--	--	7.4
2023	--	--	--	--	--	--	7.5
2024	--	--	--	--	--	--	7.4
2025	--	--	--	--	--	--	7.6
2026	--	--	--	--	--	--	7.8
2027	--	--	--	--	--	--	7.8
2028	--	--	--	--	--	--	6.7
2029	--	--	--	--	--	--	6.2
2030	--	--	--	--	--	--	5.5
Subtotal	6	--	--	--	--	--	2571.8

Annual Funding 1319 | RDT&E | Research, Development, Test, and Evaluation, Navy							
Fiscal Year	Quantity	BY 2014 $M					
		End Item Recurring Flyaway	Non End Item Recurring Flyaway	Non Recurring Flyaway	Total Flyaway	Total Support	Total Program
2010	--	--	--	--	--	--	24.2
2011	--	--	--	--	--	--	76.0
2012	--	--	--	--	--	--	59.6
2013	--	--	--	--	--	--	46.3
2014	--	--	--	--	--	--	91.6
2015	--	--	--	--	--	--	347.8
2016	--	--	--	--	--	--	486.7
2017	--	--	--	--	--	--	318.9
2018	--	--	--	--	--	--	442.3
2019	--	--	--	--	--	--	261.2
2020	--	--	--	--	--	--	168.8
2021	--	--	--	--	--	--	47.5
2022	--	--	--	--	--	--	6.3
2023	--	--	--	--	--	--	6.3
2024	--	--	--	--	--	--	6.1
2025	--	--	--	--	--	--	6.1
2026	--	--	--	--	--	--	6.2
2027	--	--	--	--	--	--	6.0
2028	--	--	--	--	--	--	5.1
2029	--	--	--	--	--	--	4.6
2030	--	--	--	--	--	--	4.0
Subtotal	6	--	--	--	--	--	2421.6

For RDT&E aircraft, the first 2 will support contractor and government led testing and will remain as test and evaluation assets. The remaining 4 will support the completion of government led testing and will be utilized for Initial Operational Test & Evaluation. These 4 aircraft will then transition to operational status.

Annual Funding 1506 | Procurement | Aircraft Procurement, Navy							
Fiscal Year	Quantity	TY $M					
		End Item Recurring Flyaway	Non End Item Recurring Flyaway	Non Recurring Flyaway	Total Flyaway	Total Support	Total Program
2019	6	594.6	--	--	594.6	251.2	845.8
2020	6	596.7	--	--	596.7	258.1	854.8
2021	5	521.0	--	--	521.0	294.8	815.8
Subtotal	17	1712.3	--	--	1712.3	804.1	2516.4

Annual Funding 1506 | Procurement | Aircraft Procurement, Navy							
Fiscal Year	Quantity	BY 2014 $M					
		End Item Recurring Flyaway	Non End Item Recurring Flyaway	Non Recurring Flyaway	Total Flyaway	Total Support	Total Program
2019	6	531.2	--	--	531.2	224.5	755.7
2020	6	522.7	--	--	522.7	226.0	748.7
2021	5	447.4	--	--	447.4	253.2	700.6
Subtotal	17	1501.3	--	--	1501.3	703.7	2205.0

Low Rate Initial Production

Item	Initial LRIP Decision	Current Total LRIP
Approval Date	4/17/2014	4/17/2014
Approved Quantity	12	12
Reference	Milestone B ADM	Milestone B ADM
Start Year	2019	2019
End Year	2022	2022

The Current Total LRIP Quantity is more than 10% of the total production quantity due to the requirement to have a minimum of 12 aircraft to establish an initial production base for the system. This LRIP quantity has been approved by the MDA as documented in the Milestone B ADM.

Foreign Military Sales

None

Nuclear Costs

None

Unit Cost

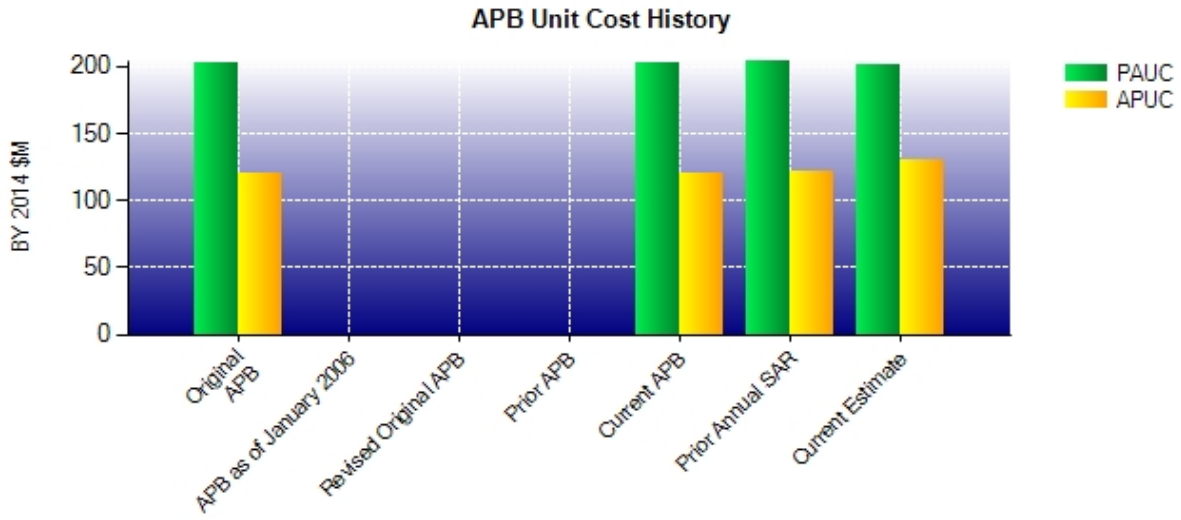
Unit Cost Report

Item	BY 2014 $M Current UCR Baseline (Apr 2014 APB)	BY 2014 $M Current Estimate (Dec 2015 SAR)	% Change
Program Acquisition Unit Cost			
Cost	4649.7	4626.6	
Quantity	23	23	
Unit Cost	202.161	201.157	-0.50
Average Procurement Unit Cost			
Cost	2043.6	2205.0	
Quantity	17	17	
Unit Cost	120.212	129.706	+7.90

Item	BY 2014 $M Original UCR Baseline (Apr 2014 APB)	BY 2014 $M Current Estimate (Dec 2015 SAR)	% Change
Program Acquisition Unit Cost			
Cost	4649.7	4626.6	
Quantity	23	23	
Unit Cost	202.161	201.157	-0.50
Average Procurement Unit Cost			
Cost	2043.6	2205.0	
Quantity	17	17	
Unit Cost	120.212	129.706	+7.90

The increase in Average Procurement Unit Cost is due to establishment of the Aircraft Procurement, Navy, initial spares funding line (APN-6).

Unit Cost History



Item	Date	BY 2014 $M		TY $M	
		PAUC	APUC	PAUC	APUC
Original APB	Apr 2014	202.161	120.212	225.422	139.941
APB as of January 2006	N/A	N/A	N/A	N/A	N/A
Revised Original APB	N/A	N/A	N/A	N/A	N/A
Prior APB	N/A	N/A	N/A	N/A	N/A
Current APB	Apr 2014	202.161	120.212	225.422	139.941
Prior Annual SAR	Dec 2014	203.291	121.482	224.543	139.947
Current Estimate	Dec 2015	201.157	129.706	221.226	148.024

SAR Unit Cost History

Current SAR Baseline to Current Estimate (TY $M)									
Initial PAUC Development Estimate	Changes								PAUC Current Estimate
	Econ	Qty	Sch	Eng	Est	Oth	Spt	Total	
225.422	-3.826	0.000	0.000	0.000	-7.383	0.000	7.013	-4.196	221.226

Current SAR Baseline to Current Estimate (TY $M)									
Initial APUC Development Estimate	Changes								APUC Current Estimate
	Econ	Qty	Sch	Eng	Est	Oth	Spt	Total	
139.941	-2.624	0.000	0.000	0.000	1.218	0.000	9.488	8.082	148.024

SAR Baseline History				
Item	SAR Planning Estimate	SAR Development Estimate	SAR Production Estimate	Current Estimate
Milestone A	N/A	N/A	N/A	N/A
Milestone B	N/A	Mar 2014	N/A	Apr 2014
Milestone C	N/A	Jan 2019	N/A	Jan 2019
IOC	N/A	Jul 2020	N/A	Jul 2020
Total Cost (TY $M)	N/A	5184.7	N/A	5088.2
Total Quantity	N/A	23	N/A	23
PAUC	N/A	225.422	N/A	221.226

Cost Variance

Summary TY $M				
Item	**RDT&E**	**Procurement**	**MILCON**	**Total**
SAR Baseline (Development Estimate)	2805.7	2379.0	--	5184.7
Previous Changes				
Economic	-29.0	-24.6	--	-53.6
Quantity	--	--	--	--
Schedule	--	--	--	--
Engineering	--	--	--	--
Estimating	+8.7	+6.1	--	+14.8
Other	--	--	--	--
Support	--	+18.6	--	+18.6
Subtotal	-20.3	+0.1	--	-20.2
Current Changes				
Economic	-14.4	-20.0	--	-34.4
Quantity	--	--	--	--
Schedule	--	--	--	--
Engineering	--	--	--	--
Estimating	-199.2	+14.6	--	-184.6
Other	--	--	--	--
Support	--	+142.7	--	+142.7
Subtotal	-213.6	+137.3	--	-76.3
Total Changes	-233.9	+137.4	--	-96.5
CE - Cost Variance	2571.8	2516.4	--	5088.2
CE - Cost & Funding	2571.8	2516.4	--	5088.2

Summary BY 2014 $M				
Item	**RDT&E**	**Procurement**	**MILCON**	**Total**
SAR Baseline (Development Estimate)	2606.1	2043.6	--	4649.7
Previous Changes				
Economic	--	--	--	--
Quantity	--	--	--	--
Schedule	--	--	--	--
Engineering	--	--	--	--
Estimating	+4.4	+5.5	--	+9.9
Other	--	--	--	--
Support	--	+16.1	--	+16.1
Subtotal	+4.4	+21.6	--	+26.0
Current Changes				
Economic	--	--	--	--
Quantity	--	--	--	--
Schedule	--	--	--	--
Engineering	--	--	--	--
Estimating	-188.9	+12.8	--	-176.1
Other	--	--	--	--
Support	--	+127.0	--	+127.0
Subtotal	-188.9	+139.8	--	-49.1
Total Changes	-184.5	+161.4	--	-23.1
CE - Cost Variance	2421.6	2205.0	--	4626.6
CE - Cost & Funding	2421.6	2205.0	--	4626.6

Previous Estimate: December 2014

RDT&E	$M	
Current Change Explanations	Base Year	Then Year
Revised escalation indices. (Economic)	N/A	-14.4
Adjustment for current and prior escalation. (Estimating)	+4.6	+4.7
Revised estimate to reflect the application of new outyear inflation indices. (Estimating)	+9.1	+9.8
Revised estimate to align with FY 2017 PB. (Estimating)	-4.5	-3.6
Revised estimate due to realized efficiencies in FY 2016-2017. (Estimating)	-198.1	-210.1
RDT&E Subtotal	-188.9	-213.6

Procurement	$M	
Current Change Explanations	Base Year	Then Year
Revised escalation indices. (Economic)	N/A	-20.0
Revised estimate to reflect the application of new outyear inflation indices. (Estimating)	+12.8	+14.6
Decrease in Other Support due revised labor estimates and the application of new outyear inflation indices. (Support)	-40.1	-48.3
Increase in Initial Spares due to establishment of Aircraft Procurement, Navy initial spares funding line and the application of new outyear inflation indices. (Support)	+167.1	+191.0
Procurement Subtotal	+139.8	+137.3

Contracts

Contract Identification

Appropriation: RDT&E

Contract Name: Presidential Helicopter Replacement Program (EMD)

Contractor: Sikorsky Aircraft Corp.

Contractor Location: 6900 Main Street PO Box 9731
Stratford, CT 06615-9131

Contract Number: N00019-14-C-0050

Contract Type: Fixed Price Incentive(Firm Target) (FPIF)

Award Date: May 07, 2014

Definitization Date: May 07, 2014

Contract Price							
Initial Contract Price ($M)			Current Contract Price ($M)			Estimated Price At Completion ($M)	
Target	Ceiling	Qty	Target	Ceiling	Qty	Contractor	Program Manager
1244.7	1326.7	6	1211.1	1286.4	6	1230.2	1230.2

Target Price Change Explanation

The difference between the Initial Contract Price Target and the Current Contract Price Target is due to a contract modification that moved test spares from a Fixed Price Incentive CLIN to a Firm Fixed Price CLIN which reduced the overall contract price.

Contract Variance		
Item	Cost Variance	Schedule Variance
Cumulative Variances To Date (1/31/2016)	-3.7	-2.7
Previous Cumulative Variances	-0.4	-0.7
Net Change	-3.3	-2.0

Cost and Schedule Variance Explanations

The unfavorable net change in the cost variance is due to additional work associated with the airstair door, cabin floor, and titanium airframe machining.

The unfavorable net change in the schedule variance is due to additional work associated with the airstair door, cabin floor, and Mission Communications System rack and console design. Key milestones are on plan to meet APB objectives.

Deliveries and Expenditures

Deliveries				
Delivered to Date	Planned to Date	Actual to Date	Total Quantity	Percent Delivered
Development	0	0	6	0.00%
Production	0	0	17	0.00%
Total Program Quantity Delivered	0	0	23	0.00%

Expended and Appropriated (TY $M)			
Total Acquisition Cost	5088.2	Years Appropriated	7
Expended to Date	546.1	Percent Years Appropriated	33.33%
Percent Expended	10.73%	Appropriated to Date	1158.5
Total Funding Years	21	Percent Appropriated	22.77%

The above data is current as of February 09, 2016.

Operating and Support Cost

Cost Estimate Details

Date of Estimate:	January 16, 2014
Source of Estimate:	SCP
Quantity to Sustain:	21
Unit of Measure:	Aircraft
Service Life per Unit:	40.00 Years
Fiscal Years in Service:	FY 2021 - FY 2062

Aircraft Attrition: 1 aircraft over the life of the program
Aircraft Pipeline Factor: 19% of Total Aircraft Inventory (TAI)
Squadrons: Marine Helicopter Squadron One (HMX-1) Helicopters per (active) squadron: 16
Monthly Flight Hours per Helicopter: 19.8
Total TAI Helicopter Years: 840
Total Primary Authorized Aircraft Helicopter Years: 648

Total program acquisition quantity of 23 aircraft is comprised of 2 test aircraft and 21 operational aircraft. The quantity to sustain encompasses the 21 operational aircraft.

Sustainment Strategy

The VH-92 program will utilize Organizational, limited Intermediate and Depot level maintenance capabilities. Contractor maintenance will be employed as support for depot level repairables. Aircraft rework will be performed via an organic depot level Integrated Maintenance Program. During sustainment, in-service engineering support will be provided by the Contractor.

Antecedent Information

The Antecedent VH-3D/VH-60N data is representative of FY 2012 to FY 2014 average of Naval Visibility And Management of Operating and Support Cost (VAMOSC) reported cost data.

Total O&S Costs = Average annual O&S Cost/aircraft * total aircraft operating years = $12.050M * 840 = $10,122.0M BY 2014.

Annual O&S Costs BY2014 $M		
Cost Element	**VH-92A Average Annual Cost Per Aircraft**	**VH-3D/VH-60N (Antecedent) Average Annual Cost Per Aircraft**
Unit-Level Manpower	1.750	1.750
Unit Operations	0.360	0.440
Maintenance	5.980	4.350
Sustaining Support	0.810	0.690
Continuing System Improvements	2.190	4.510
Indirect Support	0.310	0.310
Other	0.000	0.000
Total	11.400	12.050

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Item	Total O&S Cost $M			
	VH-92A			VH-3D/VH-60N (Antecedent)
	Current Development APB Objective/Threshold		Current Estimate	
Base Year	10140.4	11154.4	9573.0	10122.0
Then Year	17674.3	N/A	16631.1	N/A

For Total O&S Cost, the Current Estimate of $9,573.0M BY 2014 is the SCP established to support the Program's Navy Gate 5 and Milestone B Review held during the second quarter of FY 2014. The CAPE ICE of $10,140.4M BY 2014 was selected to establish the APB objective value. Differences between the numbers are primarily driven by Maintenance Concept and projected System Improvements for the platform.

Equation to Translate Annual Cost to Total Cost

Average annual O&S cost/aircraft = Total O&S costs / total aircraft operating years = $9,573.0M / 840 = $11.400M BY 2014

O&S Cost Variance		
Category	**BY 2014 $M**	**Change Explanations**
Prior SAR Total O&S Estimates - Dec 2014 SAR	9573.0	
Programmatic/Planning Factors	0.0	
Cost Estimating Methodology	0.0	
Cost Data Update	0.0	
Labor Rate	0.0	
Energy Rate	0.0	
Technical Input	0.0	
Other	0.0	

Total Changes	0.0
Current Estimate	9573.0

Disposal Estimate Details

Date of Estimate: January 16, 2014

Source of Estimate: SCP

Disposal/Demilitarization Total Cost (BY 2014 $M): Total costs for disposal of all Aircraft are 1.2

The estimate will be refined at Milestone C based on the System Disposal Plan Annex to the Life Cycle Sustainment Plan.