

UNCLASSIFIED

RDT&E BUDGET ITEM JUSTIFICATION SHEET (R-2 Exhibit)

DATE

February 2003

BUDGET ACTIVITY

07 - Operational System Development

PE NUMBER AND TITLE

0207161F Tactical AIM Missiles

PROJECT

4132

COST (\$ in Thousands)	FY 2002 Actual	FY 2003 Estimate	FY 2004 Estimate	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	Cost to Complete	Total Cost
4132 AIM-9 Product Improvement	6,946	2,912	375	5,573	15,045	5,554	5,634	5,710	Continuing	TBD
Quantity of RDT&E Articles	11	0	0	0	0	0	0	0	0	22

Note: The RDT&E articles are deliverables under the Engineering and Manufacturing Development (EMD) contract and are not separately priced. Quantities are delivered in the indicated Fiscal Years. Deliveries supported October 1999 restructured program.

(U) A. Mission Description

The AIM-9X is a long-term evolution of the AIM-9, a fielded system, qualifying this as a research category operational systems development. The AIM-9X (Sidewinder) short range air-to-air missile program provides a launch and leave, air combat munition that uses passive infrared (IR) energy for acquisition and tracking of enemy aircraft and complements the Advanced Medium Range Air-to-Air Missile. Air superiority in the short range air-to-air missile arena is essential and includes first-shot, first-kill opportunity against an enemy employing IR countermeasures. The AIM-9X employs several components common to the AIM-9M. Anti-Tamper features are being incorporated to protect improvements inherent in AIM-9X design. AIM-9X is an Acquisition Category IC (ACAT IC) joint-service program with Navy lead.

Status: Acquisition Decision Memorandum (ADM) for LRIP II & III was signed in November 2001. The joint flight test program has completed 18 unguided and 19 guided launches proving revolutionary capabilities well beyond the fielded AIM-9M. Operational Evaluation (OT) was to begin in 2nd quarter of FY02. Delays in the OT Test Plan approval and missile retrofits delayed the start to 4th quarter FY02.

(U) FY 2002 (\$ in Thousands)

(U) \$0	Accomplishments/Planned Program
(U) \$4,240	Continue the EMD contract to include completion of the DT Assist, start of OT-IIB and delivery of eleven test articles
(U) \$200	Continue providing aircraft interface support to the EMD contractor
(U) \$1,481	Continue providing government flight test support of activities defined as DT Assist (with operational testers) at multiple test sites
(U) \$330	Field engineering support for government flight test activities
(U) \$380	Provide program office management support to include supplies and travel
(U) \$315	Provide for consulting services, technical engineering, and management support
(U) \$6,946	Total

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07 - Operational System Development**0207161F Tactical AIM Missiles****4132**(U) **A. Mission Description Continued**(U) FY 2003 (\$ in Thousands)

(U)	\$0	Accomplishments/Planned Program
(U)	\$1,680	Continue the EMD contract to include correction of deficiencies found in OT, and EMD contract completion activities
(U)	\$537	Continue providing government flight test support of activities defined as DT Assist (with operational testers) at multiple test sites
(U)	\$495	Field engineering support for government flight test activities
(U)	\$118	Provide program office management support to include supplies and travel
(U)	\$82	Provide for consulting services, technical engineering, and management support
(U)	\$2,912	Total

(U) FY 2004 (\$ in Thousands)

(U)	\$0	Accomplishments/Planned Program
(U)	\$211	Continue correcting deficiencies found in OT
(U)	\$84	Field engineering support for correction of deficiencies found in OT
(U)	\$80	Provide program office management support to include supplies and travel
(U)	\$0	No Activity
(U)	\$375	Total

(U) **B. Budget Activity Justification**

The program is currently in budget activity 7 - Operational System Development.
The AIM-9X program entered OPEVAL in Aug 02.

(U) **C. Program Change Summary (\$ in Thousands)**

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>Total Cost</u>
(U) Previous President's Budget	5,713	2,943	382	TBD
(U) Appropriated Value	5,771	2,943		
(U) Adjustments to Appropriated Value				
a. Congressional/General Reductions	-58	-31		
b. Small Business Innovative Research	-186			
c. Omnibus or Other Above Threshold Reprogram				
d. Below Threshold Reprogram	1,453			

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BUDGET ACTIVITY 07 - Operational System Development					PE NUMBER AND TITLE 0207161F Tactical AIM Missiles					PROJECT 4132	
(U) <u>C. Program Change Summary (\$ in Thousands) Continued</u>											
					<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>		<u>Total Cost</u>		
	e. Rescissions				-34						
(U)	Adjustments to Budget Years Since FY 2003 PBR						-7				
(U)	Current Budget Submit/FY 2004 PBR				6,946	2,912	375			TBD	
(U)	<u>Significant Program Changes:</u>										
(U) <u>D. Other Program Funding Summary (\$ in Thousands)</u>											
		<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>Cost to</u>	<u>Total Cost</u>
		<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Complete</u>	
(U)	AF RDT&E										
(U)	DOD PE (0603715D)										25,000
(U)	Other APPN										
(U)	Tactical AIM Missile Modification (BP21)										
(U)	Tactical AIM Missile Procurement (BP20)	33,022	54,148	69,072	52,706	55,277	53,806	54,490	55,764	Continuing	Continuing
(U)	SEEK EAGLE (PE 0207590F)	5,362	1,751	0	0	0	0				TBD
	Congressional language directed the program to report as a missile procurement, starting in FY02, and not as a missile modification.										
(U) <u>E. Acquisition Strategy</u>											
	<p>After a full and open competition, a Cost Plus Incentive Fee/Award Fee contract was awarded to Hughes Missile Systems Company (now Raytheon Systems Corp (RSC)) to complete missile system development and prepare for production. This EMD contract includes three Fixed Price options for Low Rate Initial Production (LRIP) Lots 1, 2, and 3. The FY01 LRIP 1 option was exercised in Nov 2000, LRIP 2 option was exercised in Nov 2001 and LRIP 3 option was exercised in Nov 2002. The EMD contract and production options provide strong incentives for the contractor to control costs, achieve reliable performance, and deliver on schedule. The Acquisition Decision Memorandum (ADM) for LRIP 2 and 3 was signed in Nov 2001.</p> <p>The Navy Acquisition Executive will make the Full Rate Production (FRP) decision with advice from the Air Force Acquisition Executive subsequent to the successful completion of the associated MS III exit criteria. FRP Lots 4 through 7 contracts will be Firm Fixed-Price (FFP) with incentives provided if the contractor meets or beats his Procurement Price Commitment Curve (PPCC), a quantity price curve provided by RSC with the EMD proposal. Rewards or penalties are provided depending on</p>										
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RSC's performance relative to the PPCC. A Service review of RSC's Lot 4 through 7 proposals relative to the PPCC will be held prior to award of those contracts.

(U) **F. Schedule Profile**

	<u>FY 2002</u>				<u>FY 2003</u>				<u>FY 2004</u>			
	1	2	3	4	1	2	3	4	1	2	3	4
(U) LRIP 2 Award	*											
(U) OT-IIB Starts				*								
(U) LRIP 3 Decision				*								
(U) LRIP 3 Award					*							
(U) OT-IIB Complete						X						
(U) RAA/IOC								X				
(U) Milestone 3								X				
(U) FRP Award (Lots 3-7)									X			
* - Completed Events												
X - Planned Events												

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RDT&E PROGRAM ELEMENT/PROJECT COST BREAKDOWN (R-3)							DATE February 2003				
BUDGET ACTIVITY					PE NUMBER AND TITLE				PROJECT		
07 - Operational System Development					0207161F Tactical AIM Missiles				4132		
(U) <u>A. Project Cost Breakdown (\$ in Thousands)</u>											
					<u>FY 2002</u>		<u>FY 2003</u>		<u>FY 2004</u>		
(U) Project Cost Categories											
(U) a. Primary Hardware Development					4,240		1,680		211		
(U) b. Contractor Engineering Support (F-15 AIM-9X Aircraft Integration)					200		0		0		
(U) c. Development and Test Evaluation					1,481		537		0		
(U) d. Government Engineering Support					330		495		84		
(U) e. Program Management (PMA)					380		118		80		
(U) f. Contractor Services Support					315		82		0		
(U) Total					6,946		2,912		375		
(U) <u>B. Budget Acquisition History and Planning Information (\$ in Thousands)</u>											
(U) <u>Performing Organizations:</u>											
<u>Contractor or Government</u>		<u>Contract Method/Type</u>	<u>Award or Obligation</u>	<u>Performing Activity</u>	<u>Project Office</u>	<u>Total Prior to FY 2002</u>	<u>Budget FY 2002</u>	<u>Budget FY 2003</u>	<u>Budget FY 2004</u>	<u>Budget to Complete</u>	<u>Total Program</u>
<u>Performing Activity</u>		<u>or Funding Vehicle</u>	<u>Date</u>	<u>EAC</u>	<u>EAC</u>						
<u>Product Development Organizations</u>											
Hughes		C/CPIF	Dec 94	5,694	5,694	5,694	0	0		0	5,694
Raytheon		C/CPIF	Dec 94	5,694	5,694	5,695	0	0		0	5,695
Raytheon		C/CPIF	Dec 96	136,930	136,930	83,855	4,206	1,680	211	Continuing	TBD
Boeing		C/CPIF	Jan 96	20,397	20,397	16,107	200	0	0		16,307
Engineering Services		Various	Various	N/A	N/A	14,162	330	495	84	Continuing	TBD
Program Management*		PO	Various	N/A	N/A	8,300	380	118	80	Continuing	TBD
Note*: Based on a Memorandum of Agreement, RDT&E program costs includes Navy PMA working capital funded personnel funded at 50%/50% ratio per Service.											
<u>Support and Management Organizations</u>											
Various Contracts		FFP	Various	N/A	N/A	1,811	315	82	0	Continuing	TBD
<u>Test and Evaluation Organizations</u>											
Field Activities		PO	Oct 96	N/A	N/A	12,235	1,515	537	0	Continuing	TBD
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RDT&E PROGRAM ELEMENT/PROJECT COST BREAKDOWN (R-3)							DATE February 2003		
BUDGET ACTIVITY 07 - Operational System Development				PE NUMBER AND TITLE 0207161F Tactical AIM Missiles			PROJECT 4132		
(U) <u>Government Furnished Property:</u>									
	<u>Contract</u>								
	<u>Method/Type</u>	<u>Award or</u>							
<u>Item</u>	<u>or Funding</u>	<u>Obligation</u>	<u>Delivery</u>	<u>Total Prior</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget to</u>	<u>Total</u>
<u>Description</u>	<u>Vehicle</u>	<u>Date</u>	<u>Date</u>	<u>to FY 2002</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>Complete</u>	<u>Program</u>
<u>Product Development Property</u>									
N/A	N/A	N/A	N/A	0	0	0		0	0
<u>Support and Management Property</u>									
N/A	N/A	N/A	N/A	0	0	0		0	0
<u>Test and Evaluation Property</u>									
N/A	N/A	N/A	N/A	0	0	0		0	0
				<u>Total Prior</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget to</u>	<u>Total</u>
<u>Subtotals</u>				<u>to FY 2002</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>Complete</u>	<u>Program</u>
Subtotal Product Development				133,813	5,116	2,293	375	TBD	TBD
Subtotal Support and Management				1,811	315	82	0	TBD	TBD
Subtotal Test and Evaluation				12,235	1,515	537	0	TBD	TBD
Total Project				147,859	6,946	2,912	375	TBD	TBD

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