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EXHIBIT R-2, RDT&E Budget Item Justification								DATE:			
								February 2004			

APPROPRIATION/BUDGET ACTIVITY						R-1 ITEM NOMENCLATURE					
RESEARCH DEVELOPMENT TEST & EVALUATION, NAVY /		**BA-5**				**NSIPS Dev/Mod 0508713N**					

COST ($ in Millions)	Prior Years Cost	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	Cost to Complete	Total Program
Total PE Cost	**0.000**	**0.000**	**8.553**	**4.600**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**Continuing**	**Continuing**
2908 COMNAVRESFOR		**0.000**	**8.553**	**4.600**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**Continuing**	**Continuing**
											0.000
											0.000
											0.000
											0.000
											0.000
Quantity of RDT&E Articles											**0**

(U) A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION:
    The Navy Standard Integrated Personnel System (NSIPS) is an Automated information System (AIS) designed to collect the personnel and pay data for all navy members. NSIPS will be Defense Information Infrastructure Common Operating Environment (DII COE) and year 2000 compliant. It will incorporate the functionalilty of many Navy Systems into an integrated Navy personnel and pay system for active duty, reserve, and retired personnel. NSIPS will interface with Defense Joint Military Pay System (DJMS) for pay functionality.

NSIPS will be focusing on Web enablement and the emergence as the single authoritative personnel database for the Navy. This will support migration to DIHMRS.

(U)   JUSTIFICATION FOR BUDGET ACTIVITY:
    This program is funded under SYSTEMS DEVELOPMENT AND DEMONSTRATION because it encompasses development and demonstration of new end-items prior to production approval decision.

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EXHIBIT R-2a, RDT&E Project Justification									DATE: **February 2004**		

APPROPRIATION/BUDGET ACTIVITY **RDT&E, N / BA5**		PROGRAM ELEMENT NUMBER AND NAME **NSIPS Dev/Mod 0508713N**				PROJECT NUMBER AND NAME **2908 COMNAVRESFOR**					
COST ($ in Millions)	Prior Years Cost	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009		Cost to Complete	Total Program
Project Cost		8.553	4.600	0.000	0.000	0.000	0.000	0.000	0.000	**Continuing**	**Continuing**
RDT&E Articles Qty											**0**

(U) A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION:

Navy Standard Integrated Personnel System (NSIPS) is an automated information system designed to collect the personnel and pay data for all Navy members. It incorporates the personnel and pay functionality of many Navy systems into an integrated Navy personnel and pay system for active duty, reserve, and retired personnel. NSIPS will interface with DJMS for pay functionality.

Prior to NSIPS, the Navy had several personnel and pay systems supporting various groups, located in assorted geographic areas, and based on different technologies. Among these systems are the following legacy systems that have been replaced by NSIPS: Source Data System (SDS); Diary Message Reporting System (DMRS); Reserve Standard Training, Administration, and Readiness Support (RSTARS); and; Uniform Microcomputer Disbursing System (UMIDS).

The transition from reserve to active status was not efficient or effective because the field pay and personnel systems for the active and reserve members interact only through cumbersome interfaces at the corporate level. The process is prone to mistakes and is time consuming. NSIPS improves this transaction processing, providing a faster, more accurate and easier to use system. In doing so, the system will replace the four legacy systems and reduce the costs associated with system maintenance and hardware upgrades. The NSIPS data elements are being continually submitted to Office of the Secretary of Defense for standardization, allowing for more precise and accurate reporting of personnel and pay data. NSIPS will eliminate problems encountered during the mobilization or change in status of members. NSIPS will also provide the flexibility found in modern systems allowing the addition of functions as the need arises. It will permit interoperability with other Services' personnel and pay systems as well as allowing the user to create ad hoc reports for specific requirements. In summary, NSIPS will provide the Navy with a comprehensive and reliable personnel and pay management system that meets the present and future needs of the Navy.

No new technology has been developed specifically for NSIPS. NSIPS will use Commercial-off-the-Shelf (COTS), Human Resources software as the foundation for the software development effort. NSIPS will use COTS hardware and existing Navy and DoD data processing and communications infrastructure to the maximum extent possible. In particular, NSIPS integrate its design requirements with the IT-21 and Navy Marine Corps Intranet initiatives to fully exploit these initiatives and their infrastructures. Sites without the required infrastructure will have resources provided by either the NSIPS Program, the host activity, or another DoD/DON agency.

Exhibit R-2a, RDTEN Project Justification
(Exhibit R-2a, page 2 of 9)

CLASSIFICATION:

EXHIBIT R-2a, RDT&E Project Justification			DATE: **February 2004**
APPROPRIATION/BUDGET ACTIVITY **RDT&E, N / BA-5**	PROGRAM ELEMENT NUMBER AND NAME **NSIPS Dev/Mod 0508713N**	PROJECT NUMBER AND NAME **2908 COMNAVRESFOR**	

(U) B. Accomplishments/Planned Program

		FY 03	FY 04	FY 05
Accomplishments/Effort/Subtotal Cost		8.553	4.600	0.000
RDT&E Articles Quantity				

The Navy Standard Integrated Personnel System (NSIPS) is an Automated information System (AIS) designed to collect the personnel and pay data for all navy members. NSIPS will be Defense Information Infrastructure Common Operating Environment (DII COE) and year 2000 compliant. It will incorporate the functionalilty of many Navy Systems into an integrated Navy personnel and pay system for active duty, reserve, and retired personnel. NSIPS will inteface with Defense Joint Military Pay System (DJMS) for pay functionality.
 FY 2003 ACCOMPLISHMENT: ($8.553) NSIPS developed additional capabilities and enhancements and completed ESR development and implemention and web enablement.
 FY 2004 PLAN: ($4.600) Enhancement development will continue along with development of the NSIPS data base as single source personnel authority.

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CLASSIFICATION:

EXHIBIT R-2a, RDT&E Project Justification		DATE:
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APPROPRIATION/BUDGET ACTIVITY	PROGRAM ELEMENT NUMBER AND NAME	PROJECT NUMBER AND NAME
RDT&E, N / BA-5	**NSIPS Dev/Mod 0508713N**	**2908 COMNAVRESFOR**

(U) C. PROGRAM CHANGE SUMMARY:

(U) Funding:	FY 2003	FY 2004	FY 2005
Previous President's Budget:	12.798	4.653	0.000
Current BES/President's Budget	8.553	4.600	0.000
Total Adjustments	-4.245	-0.053	0.000

Summary of Adjustments

	FY 2003	FY 2004	FY 2005
Section 8100: Business Process Reform	-0.051		
Section 8135: Economic Assumptions	-0.072	-0.040	
Section 8109: IT Cost Growth	-0.024		
Section 8029, PL 107-248 FFRDC Reduction	-0.008	-0.001	
Section 8094: Management Improvements		-0.012	
Repriorization	-3.500		
Inflation Savings	-0.136		
FY2003_SBIR	-0.454		
Subtotal	-4.245	-0.053	0.000

(U) Schedule:

   Not Applicable.

(U) Technical:

   Not Applicable.

CLASSIFICATION:

EXHIBIT R-2a, RDT&E Project Justification		DATE:
		February 2004

APPROPRIATION/BUDGET ACTIVITY	PROGRAM ELEMENT NUMBER AND NAME	PROJECT NUMBER AND NAME
RDT&E, N / BA-5	**NSIPS Dev/Mod 0508713N**	**2908 COMNAVRESFOR**

(U) D. OTHER PROGRAM FUNDING SUMMARY:

Line Item No. & Name	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	To Complete	Total Cost
BLI 3306 NSIPS	5.296	0.36	0.289	0	0	0	0	0	5.945

(U) E. ACQUISITION STRATEGY: *

The NSIPS acquisition strategy is to utilize existing ID/IQ contracts that provide products that comply with the Defense Information Infrastructure Common Operating Environment (DII COE) and Global Command Support System (GCSS) initiatives and offer best value to the government. Multiple vehicles may be used to access required support and COTS hardware/software. Other NSIPS contracts include development, test, and management support services. The scope of work is described in general terms and obligates the contractor to devote a specified level of effort for a stated time period. Task renewal for further periods of performance may involve new cost and fee arrangements. To reduce administration of tasks in acquisition Phase II, the PMO executing Basic Purchasing Agreements to the General Services Administration (GSA) Federal Supply Schedules (FSS) for contractors used to support other efforts and requirements for training, testing, and PMO support not performed by the prime software development contractor. The NSIPS program office, using a primary software development contractor (Lockheed Martin) is executing software development through a cost plus fixed fee type contract. Program Office support is obtained using existing GSA contracts and contracts awarded through SPAWARSYSCOM. Hardware is obtained using existing SPAWARSYSCOM Indefinite Delivery/Indefinite Quantity (ID/IQ) contracts.

* Not required for Budget Activities 1,2,3, and 6

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Exhibit R-3 Cost Analysis (page 1)										DATE: February 2004		
APPROPRIATION/BUDGET ACTIVITY **RDT&E, N / BA-5**			PROGRAM ELEMENT **NSIPS Dev/Mod 0508713N**				PROJECT NUMBER AND NAME **2908 COMNAVRESFOR**					
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 03 Cost	FY 03 Award Date	FY 04 Cost	FY 04 Award Date	FY 05 Cost	FY 05 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Primary Hardware Development											0.000	
Ancillary Hardware Development											0.000	
Aircraft Integration											0.000	
Ship Integration											0.000	
Ship Suitability											0.000	
Systems Engineering	CPFF	Contractor, ITC New Orleans	5.917	1.495	10/02						7.412	
Training Development	CPFF	Contractor, ITC New Orleans		0.250	10/02						0.250	
Licenses											0.000	
Tooling											0.000	
GFE											0.000	
Award Fees											0.000	
Subtotal Product Development			5.917	1.745		0.000		0.000		0.000	7.662	
Remarks:												
Development Support											0.000	
Software Development	CPFF	Contractor, ITC New Orleans	11.360	6.808	10/02	4.600	10/.03	0.000	01/00	Continuing	Continuing	
Integrated Logistics Support											0.000	
Configuration Management											0.000	
Technical Data											0.000	
Studies & Analyses											0.000	
GFE											0.000	
Award Fees											0.000	
Subtotal Support			11.360	6.808		4.600		0.000		0.000	22.768	
Remarks:												

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Exhibit R-3, Project Cost Analysis
(Exhibit R-3, page 6 of 9)

CLASSIFICATION:

Exhibit R-3 Cost Analysis (page 2)										DATE: **February 2004**		

APPROPRIATION/BUDGET ACTIVITY **RDT&E, N / BA-5**			PROGRAM ELEMENT **NSIPS Dev/Mod 0508713N**			PROJECT NUMBER AND NAME **NSIPS Dev/Mod 0508713N**						

Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 03 Cost	FY 03 Award Date	FY 04 Cost	FY 04 Award Date	FY 05 Cost	FY 05 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Developmental Test & Evaluation											0.000	
Operational Test & Evaluation											0.000	
Live Fire Test & Evaluation											0.000	
Test Assets											0.000	
Tooling											0.000	
GFE											0.000	
Award Fees											0.000	
Subtotal T&E			0.000	0.000		0.000		0.000		0.000	0.000	
Remarks:												
Contractor Engineering Support											0.000	
Government Engineering Support											0.000	
Program Management Support											0.000	
Travel											0.000	
Transportation											0.000	
SBIR Assessment											0.000	
Subtotal Management			0.000	0.000		0.000		0.000		0.000	0.000	
Remarks:												
Total Cost			17.277	8.553		4.600		0.000		0.000	30.430	
Remarks:												

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CLASSIFICATION:

EXHIBIT R4, Schedule Profile	DATE: **February 2004**

APPROPRIATION/BUDGET ACTIVITY	PROGRAM ELEMENT NUMBER AND NAME	PROJECT NUMBER AND NAME
RDT&E, N / BA-5	**NSIPS Dev/Mod 0508713N**	**2908 COMNAVRESFOR**

Fiscal Year	2002				2003				2004				2005				2006				2007				2008				2009			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Acquisition Milestones						MS III IOC △△				FOC △																						
Release 1.0																																
Test & Evaluation Milestones																																
Development Test			□ TECHEVAL																													
Operational Test				□ OPEVAL																												
Deliveries																																

R-1 SHOPPING LIST - Item No. 139

* Not required for Budget Activities 1, 2, 3, and 6

CLASSIFICATION:

Exhibit R-4a, Schedule Detail					DATE: **February 2004**			
APPROPRIATION/BUDGET ACTIVITY **RDT&BA-5**		PROGRAM ELEMENT **NSIPS Dev/Mod 0508713N**			PROJECT NUMBER AND NAME **2908 COMNAVRESFOR**			
Schedule Profile	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Prototype Phase								
System Design Review (SDR)								
Milestone II (MSII)								
Contract Preparation								
Software Specification Review (SSR)								
Preliminary Design Review (PDR)								
System Development								
Critical Design Review (CDR)								
Quality Design and Build								
Test Readiness Review (TRR)								
Developmental Testing (DT-IIA)								
Eng Dev Model (EDM) Radar Delivery - Lab								
Software Delivery 1XXSW								
Preproduction Readiness Review (PRR)								
EDM Radar Delivery - Flt Related								
Milestone C (MS C)	2Q							
Operational Testing (OT-IIA)								
Start Low-Rate Initial Production I (LRIP I)								
Software Delivery 2XXSW								
Developmental Testing (DT-IIB1)								
Developmental Testing (DT-IIB2)								
Start Low-Rate Initial Production II								
Operational Testing (OT-IIB)								
Developmental Testing (DT-IIC)								
Functional Configuration Audit (FCA)								
Low-Rate Initial Production I Delivery								
Technical Evaluation (TECHEVAL)								
Physical Configuration Audit								
Operational Evaluation (OT-IIC) (OPEVAL)								
Low-Rate Initail Production II Delivery								
IOC	2Q							
Full Rate Production (FRP) Decision								
Full Rate Production Start								
First Deployment								
Milestone IIIA (Full Operational Capability)		2Q						

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Exhibit R-4a, Schedule Detail
(Exhibit R-4a, page 9 of 9)