CLASSIFICATION:

EXHIBIT R-2, RDT&E Budget Item Justification						DATE: February 2004	
APPROPRIATION/BUDGET ACTIVITY **RESEARCH DEVELOPMENT TEST & EVALUATION, NAV Engineering & Manufacturing**				R-1 ITEM NOMENCLATURE 0604910N Smart Card Program			
COST ($ in Millions)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Total PE0604910N Cost	**0.623**	**0.546**	**0.695**	**0.710**	**0.725**	**0.297**	**0.000**
Smart Card Program	**0.623**	**0.546**	**0.695**	**0.710**	**0.725**	**0.297**	**0.000**
Quantity of RDT&E Articles **Not Applicable**							

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

(U)B. JUSTIFICATION OF BUDGET ACTIVITY: Smart Card funding was realigned from AAUSN to NAVSUP in FY 2003.

R-1 SHOPPING LIST - Item No. 134

CLASSIFICATION:

EXHIBIT R-2a, RDT&E Project Justification						DATE: February 2004	
APPROPRIATION/BUDGET ACTIVITY **RDT&E, N / BA-5**				PROJECT NUMBER AND NAME T2902 Smart Card Program			
COST ($ in Millions)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Project Cost	**0.623**	**0.546**	**0.695**	**0.710**	**0.725**	**0.297**	**0.000**
RDT&E Articles Qty **Not Applicable**							

A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION: The Department of the Navy e-Business Operations Office is chartered to provide leading edge enabling technologies to Sailors and Marines through the use of a single multi-functional Smart Card, now referred to as the Common Access Card (CAC). Investigation of new technologies will be accomplished through interface proofs of concept demonstrating new Smart Card related technologies associated with the wireless industry, other industry standard operating systems, and biometric technology. Pilot demonstrations will also be conducted to identify and provide seed money for the development of software applications supporting functional requirements across the DoN. The goal of these projects will be to apply Smart Card Technology to streamlined processes enhancing cost effectiveness and improving operational readiness and quality of life.

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CLASSIFICATION:

EXHIBIT R-2a, RDT&E Project Justification		DATE:
		February 2004
APPROPRIATION/BUDGET ACTIVITY **RDT&E, N / BA-5**	PROGRAM ELEMENT NUMBER AND NAME 0604910N Navy IT Dev\Mod	PROJECT NUMBER AND NAME T2902 Smart Card Program

B. Accomplishments/Planned Program

	FY 03	FY 04	FY 05
Accomplishments/Effort/Subtotal Cost			
RDT&E Articles Quantity	0.623		

FY03 funding will be used to initiate 2-3 pilot projects to add functionality and utitlity to the CAC to enhance cost effectiveness and improve operational readiness and quality of life.

	FY 03	FY 04	FY 05
Accomplishments/Effort/Subtotal Cost		0.546	
RDT&E Articles Quantity			

FY04 funding will be used to initiate 2-3 pilot projects to add functionality and utitlity to the CAC to enhance cost effectiveness and improve operational readiness and quality of life.

	FY 03	FY 04	FY 05
Accomplishments/Effort/Subtotal Cost			0.695
RDT&E Articles Quantity			

FY05 funding will be used to initiate 2-3 pilot projects to add functionality and utitlity to the CAC to enhance cost effectiveness and improve operational readiness and quality of life.

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CLASSIFICATION:

EXHIBIT R-2a, RDT&E Project Justification		DATE: February 2004
APPROPRIATION/BUDGET ACTIVITY **RDT&E, N / BA-5**	PROGRAM ELEMENT NUMBER AND NAME 0604910N Smart Card Program	PROJECT NUMBER AND NAME T2902 Smart Card Program

C. PROGRAM CHANGE SUMMARY:

	FY 2003	FY 2004	FY 2005
Funding:			
Last President's Budget:	0.695	0.552	0.697
Adjustments since the last President's Budget:	-0.072	-0.006	-0.002
Current Baseline	0.623	0.546	0.695
Summary of Adjustments			
Congressional program reductions			
Congressional undistributed reductions			
Congressional rescissions			
SBIR/STTR Transfer	-0.018		
FY 2003 Update	-0.054		
Sec 8126 Efficiencies/ Rev		-0.005	
Sec 8909 Management Imp.		-0.001	
Economic Assumtions			
Inflation			-0.002
Reprogrammings			
Congressional increases			
Subtotal	-0.072	-0.006	-0.002

Schedule:

   Not Applicable

Technical:

   Not Applicable

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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	0604910N Smart Card Program	T2902 Smart Card Program

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
Not Applicable									

E. ACQUISITION STRATEGY: *

The milestone for all years is the completion of proof of concept intiatives for the benefit of the Department of Navy. In each of the fiscal years approximately 2-3 projects will be executed.

F. MAJOR PERFORMERS: **

Not Applicable

* Not required for Budget Activities 1,2,3, and 6
** Required for DON and OSD submit only.

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CLASSIFICATION:

Exhibit R-3 Cost Analysis (page 1)											DATE: February 2004	
APPROPRIATION/BUDGET ACTIVITY **RDT&E, N / BA-5**			PROGRAM ELEMENT 0604910N Navy IT Dev\Mod		PROJECT NUMBER AND NAME T2902 Smart Card Program								
Cost Categories (Tailor to WBS, or System/Item Requirements)	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												
Ancillary Hardware Development												
Systems Engineering												
Licenses												
Tooling												
GFE												
Award Fees												
Subtotal Product Development			0.000	0.000		0.000		0.000		0.000	0.000	0.000
Remarks:												
Development Support Equipment												
Software Development												
Training Development												
Integrated Logistics Support												
Configuration Management												
Technical Data												
GFE												
Subtotal Support			0.000	0.000		0.000		0.000		0.000	0.000	
Remarks:												

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CLASSIFICATION:

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

APPROPRIATION/BUDGET ACTIVITY	PROGRAM ELEMENT	PROJECT NUMBER AND NAME
RDT&E, N / BA-5	0604910N Navy IT Dev\Mod	T2902 Smart Card Program

Cost Categories (Tailor to WBS, or System/Item Requirements)	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				0.623	04/03	0.546	03/04	0.695	TBD	TBD	1.169	
Operational Test & Evaluation												
Tooling												
GFE												
Subtotal T&E			0.000	0.623		0.546		0.695			1.169	

Remarks:

Cost Categories												
Contractor Engineering Support												
Government Engineering Support												
Program Management Support												
Travel												
Labor (Research Personnel)												
Overhead												
Subtotal Management			0.000	0.000		0.000		0.000		0.000	0.000	

Remarks:

Total Cost			0.000	0.623		0.546		0.695		0.000	1.169	

Remarks:

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CLASSIFICATION:

EXHIBIT R4, Schedule Profile																							DATE: February 2004			

APPROPRIATION/BUDGET ACTIVITY **RDT&E, N / BA-5**	PROGRAM ELEMENT NUMBER AND NAME 0604910N Navy IT Dev\Mod	PROJECT NUMBER AND NAME T2902 Smart Card Program

Fiscal Year	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
Acquisition Milestones																												
Pilot Execution				█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█					
Test & Evaluation Milestones																												
Development Test																												
Operational Test																												
Production Milestones																												
LRIP I FY 05																												
LRIPII FY 06																												
FRP FY 07																												
Deliveries																												

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

CLASSIFICATION:

Exhibit R-4a, Schedule Detail		DATE: February 2004				
APPROPRIATION/BUDGET ACTIVITY **RDT&E, N / BA-5**	PROGRAM ELEMENT 0604910N Navy IT Dev\Mod		PROJECT NUMBER AND NAME T2902 Smart Card Program			
Schedule Profile	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Prototype Phase	1Q-4Q	1Q-4Q	1Q-4Q				
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)							
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							
Full Rate Production (FRP) Decision							
Full Rate Production Start							
First Deployment							

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