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CLASSIFICATION:

EXHIBIT R-2, RDT&E Budget Item Justification								DATE: February 2004			
APPROPRIATION/BUDGET ACTIVITY RESEARCH DEVELOPMENT TEST & EVALUATION, NAVY /						R-1 ITEM NOMENCLATURE 0605014N Information Technology Development					
BA-5											
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
Total PE Cost	0.000	51.788	75.441	0.000	0.000	0.000	0.000	0.000	0.000	0.000	127.229
3033 DIMHRS		51.788	75.441	0.000	0.000	0.000	0.000	0.000	0.000	0.000	127.229
											0.000
											0.000
											0.000
											0.000
											0.000
Quantity of RDT&E Articles											0
<p>(U) A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION:</p> <p>The Defense Military Human Resources System (DIMHRS)(Pers/Pay) will be a single integrated, all Service, all Component military personnel and pay management and information system, supporting the complete military personnel life cycle through the full spectrum of military operations. The core will consist of common functions and appropriate interfaces to support Component/Service-unique functions. Military personnel functions support Active Duty, Retired, and Reserve Component personnel (and their families) throughout their entire military careers. Additionally, these functions support DoD-sponsored personnel during contingency and wartime operations. Individual Service business policies, practices, and processes will be examined and re-engineered, or combined with "best practice" solutions to satisfy DIMHRS (Pers/Pay) core functional requirements. These core functions address the personnel communities' support to: 1) meet the operator's mission requirements across the full spectrum of force mobilization and employment from peacetime to war, and 2) eliminate business policies and practices that create inequities among the Services and complicate processing. These core functions, while macro in nature, will be continuously validated to ensure the Program remains aligned with DoD and Joint warfighting strategies, objectives, and goals.</p> <p>(U) JUSTIFICATION FOR BUDGET ACTIVITY:</p> <p>This program is funded under SYSTEMS DEVELOPMENT AND DEMONSTRATION because it encompasses development and demonstration of new end-items prior to production approval decision.</p>											

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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	0605014N Information Technology Development					3033 Defense Military Human Resources System (DIMHRS)					
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		51.788	75.441	0.000	0.000	0.000	0.000	0.000	0.000	0.000	127.229
RDT&E Articles Qty											0

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

The Defense Military Human Resources System (DIMHRS)(Pers/Pay) will be a single integrated, all Service, all Component military personnel and pay management and information system, supporting the complete military personnel life cycle through the full spectrum of military operations. The core will consist of common functions and appropriate interfaces to support Component/Service-unique functions. Military personnel functions support Active Duty, Retired, and Reserve Component personnel (and their families) throughout their entire military careers. Additionally, these functions support DoD-sponsored personnel during contingency and wartime operations. Individual Service business policies, practices, and processes will be examined and re-engineered, or combined with "best practice" solutions to satisfy DIMHRS (Pers/Pay) core functional requirements. These core functions address the personnel communities' support to: 1) meet the operator's mission requirements across the full spectrum of force mobilization and employment from peacetime to war, and 2) eliminate business policies and practices that create inequities among the Services and complicate processing. These core functions, while macro in nature, will be continuously validated to ensure the Program remains aligned with DoD and Joint warfighting strategies, objectives, and goals.

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EXHIBIT R-2a, RDT&E Project Justification		DATE: February 2004	
APPROPRIATION/BUDGET ACTIVITY RDT&E, N / BA: 5	PROGRAM ELEMENT NUMBER AND NAME 0605014N Information Technology Development	PROJECT NUMBER AND NAME 3033 Defense Military Human Resources System (DIMHRS)	
(U) B. Accomplishments/Planned Program			
	FY 03	FY 04	FY 05
Accomplishments/Effort/Subtotal Cost	51.788	75.441	0.000
RDT&E Articles Quantity			
<p>1. (U) FY 2003 ACCOMPLISHMENTS: (51,788)</p> <p>Goal 1: Completed the Comprehensive Analysis of the 21 personnel and pay functional business areas, identifying how commercial best practices can assist the Department in transforming personnel and pay processes and those DoD requirements that must be added in order to meet mission requirements.</p> <p>Goal 2: Developed the Concept of Operations and related doctrinal and training programs to support the testing and acceptance of the initial operating capability.</p> <p>Goal 3: Completed Milestone B review of DIMHRS (Pers/Pay) , which approved the design, and development of the integrated system.</p> <p>Goal 4: Supported the selection of a Developer/Implementer for DIMHRS (Pers/Pay).</p> <p>2. (U) FY 2004PLAN: (75,441)</p> <p>Goal 1: Design, develop, and begin developmental testing of the initial operating capability (IOC) of the integrated system to be implemented by the Army.</p> <p>Goal 2: Complete and approve the Concept of Operations and related doctrinal and training programs to support the testing and acceptance.</p> <p>Goal 3: Validate and approve DITSCAP compliance.</p>			

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(U) C. PROGRAM CHANGE SUMMARY:

(U) Funding:	FY 2003	FY 2004	FY 2005
Previous President's Budget:	50.115	81.291	52.407
Current BES/President's Budget	51.788	75.441	0.000
Total Adjustments	1.673	-5.850	-52.407
Summary of Adjustments			
Congressional program reductions		-5.000	
Section 8100: Business Process Reform	-0.009		
Section 8135: Economic Assumptions	0.013		
Section 8109: IT Cost Growth	-0.004		
Section 8094: Management Improvements		-0.202	
Inflation Savings			
FY2003_SBIR	-1.327		
Section 8126, Efficiencies Revised		-0.648	
Reprogramming repriorization	3.000		
Transfer funds to OSD			-52.407
Congressional increases			
Subtotal	1.673	-5.850	-52.407

(U) Schedule:

Milestone B1 was obtained May, 2003. Awarded Developer/Implementer contract in September, 2003.

(U) Technical:

"Not Applicable."

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APPROPRIATION/BUDGET ACTIVITY RDT&E, N / BA-5			PROGRAM ELEMENT NUMBER AND NAME 0605014N Information Technology Development			PROJECT NUMBER AND NAME 3033 Defense Military Human Resources System (DIMHRS)		

(U) D. OTHER PROGRAM FUNDING SUMMARY:

<u>Line Item No. & Name</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>To Complete</u>	<u>Total Cost</u>
2905 OPN	0.01	5.7	0	0	0	0	0	0	5.71
OMN	10.5	13.4	0	0	0	0	0	0	23.9
OM-DW	0	0	24.7	35.6	51.4	43.7	40.3	Continuing	Continuing
1 RDT&E, D-W	0	0	52.4	20	0	0	0	0	72.4

(U) E. ACQUISITION STRATEGY: *

DIMHRS (Pers/Pay) program goal is to deliver, via an evolutionary acquisition methodology, the functionality and capability described in the approved source documents at the best value to the Government, considering performance, life cycle cost, and program risk. The program is employing Government support for those activities that are inherently Governmental in nature, and is contracting with industry for those activities best executed commercially.

The JPMO will use full and open competition for awarding all DIMHRS (Pers/Pay) contracts. The JPMO has aggressively fostered competition via wide distribution of Requests For Information (RFI), Synopsis, Draft RFP, Industry Day meetings and one-on-one meetings with potential offerors.

(U) F. MAJOR PERFORMERS: **

March 2001 - Present: PeopleSoft USA, Inc. COTS HR product - DoD Enterprise License
 Sept 2001- Present: Science & Engineering Associates (SEA) through SPAWAR Information Technology Center (SPAWARITC) Performs system engineering and system architecture; cost analysis document preparation and control: metrics.
 Sep 2003-Present: Northrop Grumman - Developer/Implementer for the DIMHRS (Pers/Pay) Program.

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

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Exhibit R-3 Cost Analysis (page 2)										DATE: February 2004		
APPROPRIATION/BUDGET ACTIVITY RDTE&E, N / BA-5			PROGRAM ELEMENT 0605014N Information Technology Development			PROJECT NUMBER AND NAME 3033 Defense Military Human Resources System (DIMHRS)						
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		COMOPTEVFOR Washingto	0.165	2.100	10/02	2.000	10/03			0.000	4.265	
Live Fire Test & Evaluation											0.000	
Test Assets											0.000	
Tooling											0.000	
GFE											0.000	
Award Fees											0.000	
Subtotal T&E			0.165	2.100		2.000		0.000		0.000	4.265	
Remarks:												
Contractor Engineering Support	CPFF/BOA	Science & Engineering Assoc	20.205	14.974	10/02	11.769	10/03				35.179	
											11.769	
Program Management Support	CPFF/BOA	Booz-Allen Hamilton, McLean, V	2.600	3.900	10/02	1.580	01/04				8.080	
Travel											0.000	
Transportation											0.000	
											0.000	
Subtotal Management			22.805	18.874		13.349		0.000		0.000	55.028	
Remarks:												
Total Cost			44.328	51.788		75.441		0.000		0.000	171.557	
Remarks:												

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EXHIBIT R4, Schedule Profile																								DATE:				February 2004				
APPROPRIATION/BUDGET ACTIVITY										PROGRAM ELEMENT NUMBER AND NAME										PROJECT NUMBER AND NAME												
RDT&E, N / BA-5										0605014N Information Technology Development										3033 Defense Military Human Resources System (DIMHRS)												
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				
Acquisition Milestones						MS B						MS B2																				
Software 1XXSW Delivery 2XXSW Delivery		SDR								PDR	CDR																					
Test & Evaluation Milestones																																
Development Test																																
Operational Test																																
Production Milestones																																
LRIP I FY 05																																
LRIP II FY 06																																
FRP FY 07																																
Deliveries																																

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

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Exhibit R-4a, Schedule Detail					DATE: February 2004			
APPROPRIATION/BUDGET ACTIVITY	PROGRAM ELEMENT				PROJECT NUMBER AND NAME			
RDT&BA-5	0605014N Information Technology Development				3033 Defense Military Human Resources System (DIMHRS)			
Schedule Profile	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Prototype Phase	1Q-3Q							
System Design Review (SDR)	2Q							
Milestone II (MSII) MS B		3Q						
Contract Preparation		4Q						
Software Specification Review (SSR)			1Q					
Preliminary Design Review (PDR)			1Q					
System Development			1Q-4Q					
Critical Design Review (CDR)			2Q					
Quality Design and Build			3Q-4Q					
Test Readiness Review (TRR)								
Developmental Testing (DT-IA)								
Eng Dev Model (EDM) Radar Delivery - Lab	NA							
Software Delivery 1XXSW								
Preproduction Readiness Review (PRR)								
EDM Radar Delivery - Flt Related	NA							
Milestone C (MS C) Fielding Decision								
Operational Testing (OT-B1)								
Start Low-Rate Initial Production I (LRIP I)	NA							
Software Delivery 2XXSW								
Developmental Testing (DT-B2)								
Start Low-Rate Initial Production II	NA							
Operational Testing (OT-B2)								
Functional Configuration Audit (FCA)								
Low-Rate Initial Production I Delivery	NA							
Physical Configuration Audit								
Low-Rate Initail Production II Delivery	NA							
IOC								
Full Rate Fielding (FRF) Decision								
Full Rate Fielding Start								
Final Operational Capabilty (FOC)								

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