

ARMY RDT&E BUDGET ITEM JUSTIFICATION (R2 Exhibit)

February 2005

BUDGET ACTIVITY

5 - System Development and Demonstration

PE NUMBER AND TITLE

0604 22A - General Fund Enterprise Business System (GFEBS)

PROJECT

GF5

| COST (In Thousands) | | FY 2004 Actual | FY 2005 Estimate | FY 2006 Estimate | FY 2007 Estimate | FY 2008 Estimate | FY 2009 Estimate | FY 2010 Estimate | FY 2011 Estimate | Cost to Complete | Total Cost |
|---------------------|---|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|------------|
| GF5 | GENERAL FUND ENTERPRISE BUSINESS SYSTEM (GFEBS) | 0 | 0 | 71119 | 61764 | 63053 | 30558 | 0 | 0 | Continuing | Continuing |

A. Mission Description and Budget Item Justification: The General Fund Business Enterprise System (GFEBS) is in the PRE-MAIS process and will follow the DoD Business Enterprise Architecture which is aligned to the mandated Federal Enterprise Architecture. GFEBS was implemented to fulfill the needs and comply with the Federal Financial Management Improvement Act (FFMIA), The Chief Financial Officers Act of 1990, the Government Performance and Results Act of 1993, the Government Management Reform Act of 1994, and the Clinger-Cohen Act of 1996 and to fulfill the stated mission of the Assistance Secretary of the Army for Financial Management and Management and Comptroller (ASA(FM&C)). GFEBS will replace financial systems over 30 years old like the Standard Finance Systems (STANFINS) and other costly feeder systems which do not allow the Department of Defense (DoD) or the U.S. government achieve an unqualified opinion on its financial statements. GFEBS will become the Department of the Army's new core financial management system for administering its General Fund. GFEBS will be a commercial off-the-shelf (COTS) Enterprise Resource Planning (ERP) system that is certified by the Joint Financial Management Improvement Program (JFMIP) and provides the six core financial functions. GFEBS will allow tactical commanders to make informed decisions on an almost real time system.

Accomplishments/Planned Program

| | FY 2004 | FY 2005 | FY 2006 | FY 2007 |
|--|---------|---------|---------|---------|
| System Concept Exploration and Development | 0 | 0 | 27358 | 23727 |
| System Engineering and Technical Support | 0 | 0 | 32398 | 30080 |
| System Initiation and Implementation | 0 | 0 | 4663 | 0 |
| Project Management | 0 | 0 | 6700 | 7957 |
| Totals | 0 | 0 | 71119 | 61764 |

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B. Program Change Summary

| | FY 2005 | FY 2006 | FY 2007 |
|----------------------------------|---------|---------|---------|
| Previous President's Budget | 0 | 0 | 0 |
| Current Budget (FY 2006/2007 PB) | 0 | 71119 | 61764 |
| Total Adjustments | 0 | 71119 | 61764 |
| Net of Program/Database Changes | | | |
| Congressional Program Reductions | | | |
| Congressional Rescissions | | | |
| Congressional Increases | | | |
| Reprogrammings | | | |
| SBIR/STTR Transfer | | | |
| Adjustments to Budget Years | | 71119 | 61764 |

Change Summary Explanation: Funding: FY 06/07 - Funding increase in support of the General Fund Business Enterprise System (GFEBS) program.

C. Other Program Funding Summary

| | FY 2004 | FY 2005 | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | To Compl | Total Cost |
|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|----------|------------|
| RDTE, 655013316 | 0 | 29254 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 29254 |
| OPA, BE4168000 | 0 | 0 | 0 | 77358 | 115314 | 0 | 0 | 0 | 0 | 192672 |
| OMA, 432612000 | 0 | 31800 | 6900 | 29600 | 43000 | 88700 | 89300 | 97600 | 0 | 386900 |

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D. Acquisition Strategy: GFEBS is being procured as a performance-based acquisition to encourage innovative and creative solutions and to avoid hampering, dictating, or prescribing how the work must be performed. Therefore, the focus of the Statement of Objectives (SOO) is on “what” the Army is trying to achieve instead of how it must be achieved. The use of a SOO is an emerging method that transforms the acquisition process by requiring each of the competing contractors to develop their unique proposed technical approach, work breakdown schedule, project plan and schedule, schedule of deliverable items, performance metrics, performance measurement plan, and quality assurance plan. To achieve its GFEBS project objectives, the Army will use an existing Blanket Purchase Agreement (BPA) to select a System Integrator (SI). The contract period of performance will have 1 base year with 9 option years. DoD through the Department of the Navy has established enterprise agreements for ERP System Integration Services with five qualified SI(s) that are GSA Federal Supply Service (FSS) Schedule holders under the Enterprise Software Initiative (ESI). Once the Army has selected the SI, all contractor work will be performed under the selected SI’s ESI-SI BPA through the award of one task order with several options. Multiple options are anticipated to support each project objective. The products and services described in task orders will be grouped and referenced as Contract Line Item Numbers (CLIN). All CLINs will be awarded on either a Fixed Price basis with performance based incentives and disincentives. The task order and all options exercised will be performance based, containing financial incentive and disincentive provisions. Offerors will be provided performance based metrics and be required to propose performance incentive and disincentive provisions by CLIN in their Quality Assurance Surveillance Plan (QASP) submitted in response to the Request for Quote (RFQ). The QASP elements will be evaluated as part of the evaluation of the Offerors’ proposals.

| ARMY RDT&E COST ANALYSIS(R3) | | | | | | | | | February 2005 | | | |
|--|------------------------|--------------------------------|----------------|--------------|--|--------------|--------------------|--------------|--------------------|-----------------------|------------|--------------------------|
| BUDGET ACTIVITY 5 - System Development and Demonstration | | | | | PE NUMBER AND TITLE 0604 22A - General Fund Enterprise Business System (GFEBS) | | | | | PROJECT GF5 | | |
| I. Product Development | Contract Method & Type | Performing Activity & Location | Total PYs Cost | FY 2005 Cost | FY 2005 Award Date | FY 2006 Cost | FY 2006 Award Date | FY 2007 Cost | FY 2007 Award Date | Cost To Complete | Total Cost | Target Value of Contract |
| a . Concept Exploration/Development | TBD | TBD | 0 | 0 | | 27358 | 1-4Q | 23727 | 1-4Q | Continue | 51085 | 0 |
| | | | | | | | | | | | | |
| Subtotal: | | | 0 | 0 | | 27358 | | 23727 | | Continue | 51085 | 0 |
| | | | | | | | | | | | | |
| II. Support Cost | Contract Method & Type | Performing Activity & Location | Total PYs Cost | FY 2005 Cost | FY 2005 Award Date | FY 2006 Cost | FY 2006 Award Date | FY 2007 Cost | FY 2007 Award Date | Cost To Complete | Total Cost | Target Value of Contract |
| a . System Engineering and Support | TBD | TBD | 0 | 0 | | 32398 | 1-4Q | 30080 | 1-4Q | Continue | 62478 | 0 |
| | | | | | | | | | | | | |
| Subtotal: | | | 0 | 0 | | 32398 | | 30080 | | Continue | 62478 | 0 |
| | | | | | | | | | | | | |

| ARMY RDT&E COST ANALYSIS(R3) | | | | | | | | | February 2005 | | | |
|--|------------------------|--------------------------------|----------------|--------------|--|--------------|--------------------|--------------|--------------------|-----------------------|------------|--------------------------|
| BUDGET ACTIVITY 5 - System Development and Demonstration | | | | | PE NUMBER AND TITLE 0604 22A - General Fund Enterprise Business System (GFEBS) | | | | | PROJECT GF5 | | |
| III. Test and Evaluation | Contract Method & Type | Performing Activity & Location | Total PYs Cost | FY 2005 Cost | FY 2005 Award Date | FY 2006 Cost | FY 2006 Award Date | FY 2007 Cost | FY 2007 Award Date | Cost To Complete | Total Cost | Target Value of Contract |
| a . System Initiation and Implementation | TBD | TBD | 0 | 0 | | 4663 | 1-4Q | 0 | | Continue | 4663 | 0 |
| | | | | | | | | | | | | |
| Subtotal: | | | 0 | 0 | | 4663 | | 0 | | Continue | 4663 | 0 |
| | | | | | | | | | | | | |
| IV. Management Services | Contract Method & Type | Performing Activity & Location | Total PYs Cost | FY 2005 Cost | FY 2005 Award Date | FY 2006 Cost | FY 2006 Award Date | FY 2007 Cost | FY 2007 Award Date | Cost To Complete | Total Cost | Target Value of Contract |
| a . Project Management Office Services | TBD | TBD | 0 | 0 | | 6700 | 1-4Q | 7957 | 1-4Q | 0 | 14657 | 0 |
| | | | | | | | | | | | | |
| Subtotal: | | | 0 | 0 | | 6700 | | 7957 | | 0 | 14657 | 0 |
| | | | | | | | | | | | | |
| Project Total Cost: | | | 0 | 0 | | 71119 | | 61764 | | Continue | 132883 | 0 |
| | | | | | | | | | | | | |

Schedule Profile (R4 Exhibit)

February 2005

BUDGET ACTIVITY

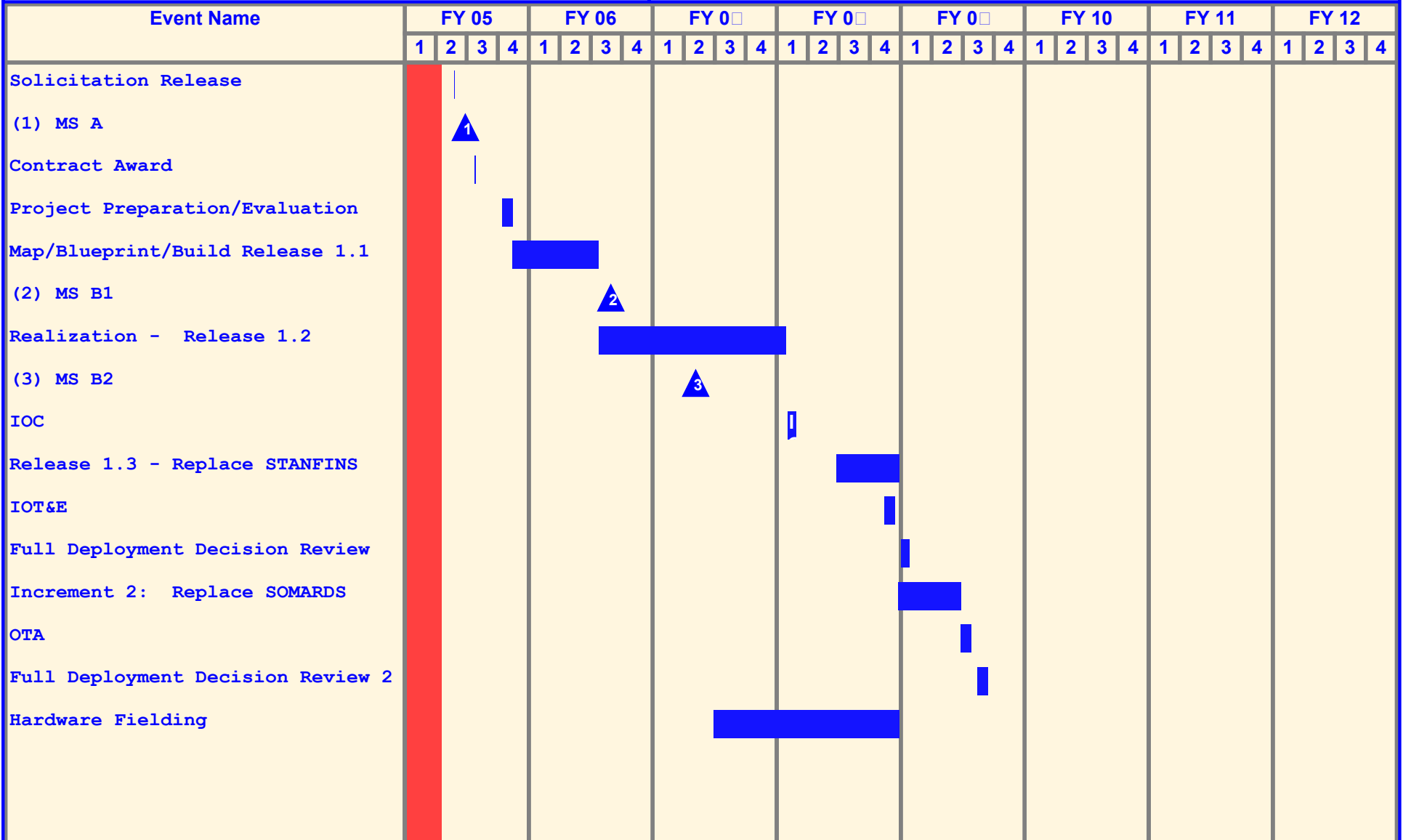
5 - System Development and Demonstration

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0604 22A - General Fund Enterprise Business System (GFEBS)

PROJECT

GF5



| Schedule Detail (R4a Exhibit) | | | | | | | February 2005 | |
|--|---------|---------|---------|--|---------|---------|-----------------------|---------|
| BUDGET ACTIVITY 5 - System Development and Demonstration | | | | PE NUMBER AND TITLE 0604 22A - General Fund Enterprise Business System (GFEBS) | | | PROJECT GF5 | |
| <u>Schedule Detail</u> | FY 2004 | FY 2005 | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 |
| Contract Solicitation Release | | 2Q | | | | | | |
| MS A - Milestone | | 2Q | | | | | | |
| Contract Award | | 3Q | | | | | | |
| Project Preparation/Evaluation | | 4Q | | | | | | |
| Map/Blueprint/Build Release 1.1 | | 4Q | 1-3Q | | | | | |
| MS B1 | | | 3Q | | | | | |
| Realization Release 1.2 | | | 3-4Q | 1-4Q | 1Q | | | |
| MS B2 | | | | 2Q | | | | |
| IOC | | | | | 1Q | | | |
| Release 1.3 - Replace STANFINS | | | | | 2-4Q | | | |
| IOT&E | | | | | 4Q | | | |
| Full Deployment Decision Review | | | | | | 1Q | | |
| Increment 2 Replace SOMARDS | | | | | 4Q | 1-2Q | | |
| OTA | | | | | | 2-3Q | | |
| Full Deployment Decision Review 2 | | | | | | 3Q | | |
| Hardware Fielding | | | | 2-4Q | 1-4Q | | | |