

CLASSIFICATION:

(U) A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION:
Marine Helicopter Squadron One (HMX-1) is required to provide safe and timely transportation for the President and Vice President of the United States, heads of state and others as directed by the White House Military Office (WHMO). The global nature of these commitments requires HMX-1 aircraft to deploy worldwide and operate in varying environmental and climatic conditions without mission degradation. Currently two Type, Model, Series (TMS) aircraft are used by HMX-1 for the Presidential support mission – the VH-3D and the VH-60N. Numerous modifications and improvements have been incorporated over the past several years to both aircraft commensurate with emerging technologies and White House requirements. In order for the VXX to be available to assume the Presidential vertical lift mission by 2008, three test article aircraft, five pilot production aircraft, system design and development efforts, maintenance trainers, and associated logistics must be initiated by 2005. In addition, 3 Low-Rate Initial Production aircraft will be procured starting in FY2008. These aircraft will provide production representative articles to complete operational testing. The VHXX program provides the replacement for the VH-3D Presidential helicopter. The following areas need to be explored: Nuclear Effects, E3 /TEMPEST certification requirements, Survivability (Vulnerability/Susceptibility), Facilities upgrade/modifications- Source Selection, Environmental Impact, Security, Cost Estimation, Requirements Analysis, Functional Analysis and Allocation, Risk Management, Crew System/Human Systems Integration (HSI), and Logistics Support Analysis. Contractor efforts are expected to include System Design and Development work, test article aircraft, and pilot production aircraft.

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EXHIBIT R-2a, RDT&E Project Justification							DATE:	
							February 2005	
APPROPRIATION/BUDGET ACTIVITY RDT&E, N / BA-5		PROGRAM ELEMENT NUMBER AND NAME 0604273N VHXX EXECUTIVE HELO DEVELOPMENT			PROJECT NUMBER AND NAME 3058 VHXX REPLACEMENT			
COST (\$ in Millions)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Project Cost	189.713	550.853	935.932	560.631	618.624	371.282	219.781	84.576
RDT&E Articles Qty		3	5		3			
A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION: Marine Helicopter Squadron One (HMX-1) is required to provide safe and timely transportation for the President and Vice President of the United States, heads of state and others as directed by the White House Military Office (WHMO). The global nature of these commitments requires HMX-1 aircraft to deploy worldwide and operate in varying environmental and climatic conditions without mission degradation. Currently two Type, Model, Series (TMS) aircraft are used by HMX-1 for the Presidential support mission – the VH-3D and the VH-60N. Numerous modifications and improvements have been incorporated over the past several years to both aircraft commensurate with emerging technologies and White House requirements. In order for the VXX to be available to assume the Presidential vertical lift mission by 2008, three test article aircraft, five pilot production aircraft, system design and development efforts, maintenance trainers, and associated logistics must be initiated by 2005. In addition, 3 Low-Rate Initial Production aircraft will be procured starting in FY2008. These aircraft will provide production representative articles to complete operational testing. The VHXX program provides the replacement for the VH-3D Presidential helicopter. The following areas need to be explored: Nuclear Effects, E3 /TEMPEST certification requirements, Survivability (Vulnerability/Susceptibility), Facilities upgrade/modifications- Source Selection, Environmental Impact, Security, Cost Estimation, Requirements Analysis, Functional Analysis and Allocation, Risk Management, Crew System/Human Systems Integration (HSI), and Logistics Support Analysis. Contractor efforts are expected to include System Design and Development work, test article aircraft, and pilot production aircraft.								
*Project Cost includes both PE 0604273N and 0604212N								

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B. Accomplishments/Planned Program																			
<table border="1" style="width: 100%; border-collapse: collapse;"><thead><tr><th style="width: 30%;"></th><th style="width: 15%;">FY 04</th><th style="width: 15%;">FY 05</th><th style="width: 15%;">FY 06</th><th style="width: 15%;">FY 07</th></tr></thead><tbody><tr><td>Accomplishments/Effort/Subtotal Cost</td><td style="text-align: center;">3.084</td><td></td><td></td><td></td></tr><tr><td>RDT&E Articles Quantity</td><td></td><td></td><td></td><td></td></tr></tbody></table>						FY 04	FY 05	FY 06	FY 07	Accomplishments/Effort/Subtotal Cost	3.084				RDT&E Articles Quantity				
	FY 04	FY 05	FY 06	FY 07															
Accomplishments/Effort/Subtotal Cost	3.084																		
RDT&E Articles Quantity																			
A Requirements Analysis and Functional Analysis and Allocation was contracted for VHXX Replacement utilizing an existing NAVAIR contractual vehicle.																			
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	FY 04	FY 05	FY 06	FY 07															
Accomplishments/Effort/Subtotal Cost		498.353	880.328	496.325															
RDT&E Articles Quantity		3	5																
Contract award for initial test article aircraft, long-lead pilot production aircraft efforts, System Design and Development (SDD) work efforts, low-rate initial production, and support of training systems efforts including but not limited to, aircrew / pilot trainers, training curriculum, and requisite training support.																			
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B. Accomplishments/Planned Program				
	FY 04	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost	1.501	19.300	19.600	25.800
RDT&E Articles Quantity				
<div style="border: 1px solid black; height: 60px; margin-top: 10px;"></div>				
	FY 04	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost	31.972	33.200	36.004	38.506
RDT&E Articles Quantity				
<div style="border: 1px solid black; height: 60px; margin-top: 10px;"></div>				
	FY 04	FY 05	FY 06	FY 07
Accomplishments/Effort/Subtotal Cost	153.156			
RDT&E Articles Quantity				
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EXHIBIT R-2a, RDT&E Project Justification			DATE:
			February 2005
APPROPRIATION/BUDGET ACTIVITY	PROGRAM ELEMENT NUMBER AND NAME	PROJECT NUMBER AND NAME	
RDT&E, N / BA-5	0604273N VHXX EXECUTIVE HELO DEVELOPMENT	3058 VHXX REPLACEMENT	

C. PROGRAM CHANGE SUMMARY:

Funding:	FY 2004	FY 2005	FY 2006	FY 2007
Previous President's Budget:	195.233	777.449	692.128	502.495
Current BES/President's Budget	189.713	550.853	935.932	560.631
Total Adjustments	-5.520	-226.596	243.804	58.136

Summary of Adjustments

Congressional program reductions		-220.000		
Congressional undistributed reductions		-5.459		
Congressional rescissions				
SBIR/STTR Transfer	-5.164			
Other adjustments		-1.137	237.069	51.281
Economic Assumptions	-0.181		6.735	6.855
Reprogrammings	-0.175			
Congressional increases				
Subtotal	-5.520	-226.596	243.804	58.136

Schedule:

The Department of the Navy decided to extend source selection efforts in order to better understand each offeror's proposal. PMA-274 senior leadership developed a 'way forward' for the VH-XX program to accomplish essential risk reduction efforts with FY04 funding due to the associated acquisition strategy changes that shifted SDD tasks into FY05. This 'way forward' was briefed to and approved by ASN(RDA) on 21 April 2004, and subsequently briefed to and approved by USD(AT&L) on 26 April 2004. The program has awarded expanded risk reduction efforts in light of the DoN decision.

Technical:

Not Applicable

*Program Change Summary Includes PE 0604273N and 0604212N

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EXHIBIT R-2a, RDT&E Project Justification									DATE: February 2005	
APPROPRIATION/BUDGET ACTIVITY RDTE, N / BA-5			PROGRAM ELEMENT NUMBER AND NAME 0604273N VHXX EXECUTIVE HELO DEVELOPMENT				PROJECT NUMBER AND NAME 3058 VHXX REPLACEMENT			
D. OTHER PROGRAM FUNDING SUMMARY:										
<u>Line Item No. & Name</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>FY 2010</u>	<u>FY 2011</u>	<u>To Complete</u>	<u>Total Cost</u>
BLI 045500; V-XX	0	0	0	0	57.865	421.019	352.423	330.892	967.421	2129.62
 E. ACQUISITION STRATEGY:										
VH-XX has been formally designated as an ACAT ID program. An Analysis of Alternatives was completed in FY03 to help determine which competing technology was the most appropriate to satisfy the Executive Vertical Lift requirement. Concept design studies have been completed. System Design and Development (SDD) contract was awarded to Lockheed Martin Corporation on January 28, 2005.										

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Exhibit R-3 Cost Analysis (page 1)										DATE: February 2005		
APPROPRIATION/BUDGET ACTIVITY RD&E, N / BA-5			PROGRAM ELEMENT 0604273N VHXX EXECUTIVE HELO DEVELOPMENT			PROJECT NUMBER AND NAME 3058 VHXX REPLACEMENT						
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 05 Cost	FY 05 Award Date	FY 06 Cost	FY 06 Award Date	FY 07 Cost	FY 07 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Primary Hardware Development	C-CPAF	LOCKHEED MARTIN, NY		492.591	01/05	873.832	01/06	492.832	01/07	Continuing	Continuing	
Systems Engineering	VARIOUS	Various		5.762	01/05	6.496	01/06	3.493	01/07	Continuing	Continuing	
Systems Engineering	WX	NAWCAD Pax River, MD	2.349								2.349	
Subtotal Product Development			2.349	498.353		880.328		496.325		Continuing	Continuing	
Remarks:												
Develop Support Equip	VARIOUS	Various		3.012	01/05	4.100	01/06	11.300	01/07	Continuing	Continuing	
Integrated Logistics Sup	VARIOUS	Various	1.565	4.282	01/05	7.700	01/06	11.500	01/07	Continuing	Continuing	
Studies & Analyses	C-FFP	LOCKHEED MARTIN, NY	87.423							0.000	87.423	87.423
Studies & Analyses	C-FFP	SIKORSKY AIRCRAFT, CT	87.422							0.000	87.422	87.422
Studies & Analyses	WX	NAWCAD Pax River, MD	2.180								2.180	
Subtotal Support			178.590	7.294		11.800		22.800		Continuing	Continuing	
Remarks:												

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Exhibit R-3 Cost Analysis (page 2)										DATE: February 2005		
APPROPRIATION/BUDGET ACTIVITY RDTE&E, N / BA-5				PROGRAM ELEMENT 0604273N VHXX EXECUTIVE HELO DEVELOPMENT			PROJECT NUMBER AND NAME H3058 VHXX REPLACEMENT					
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s Cost	FY 05 Cost	FY 05 Award Date	FY 06 Cost	FY 06 Award Date	FY 07 Cost	FY 07 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Dev Test & Eval	TBD	Various				18.600	01/06	24.800	01/07	Continuing	Continuing	
Dev Test & Eval	WX	NAWCAD Pax River, MD	0.937	18.300	01/05					Continuing	Continuing	
Live Fire Test & Eval	WX	NAWCWD CHINA LAKE, CA	0.490	1.000	01/05	1.000	01/06	1.000	01/07	Continuing	Continuing	
Subtotal T&E			1.427	19.300		19.600		25.800		Continuing	Continuing	
Remarks:												
Contractor Eng Sup	VARIOUS	Various	4.164	2.038	11/04	2.541	11/05	1.367	11/06	Continuing	Continuing	
Government Eng Sup	VARIOUS	Various	0.096	2.395	11/04	1.950	11/05	1.452	11/06	Continuing	Continuing	
Government Eng Sup	WX	NAWCAD Pax River, MD	11.334	13.571	11/04	11.049	11/05	8.228	11/06	Continuing	Continuing	
Program Mgmt Sup	VARIOUS	Various	18.948	7.380	11/04	8.076	11/05	4.343	11/06	Continuing	Continuing	
Travel	VARIOUS	NAWCAD Pax River, MD	0.357	0.522	11/04	0.588	11/05	0.316	11/06	Continuing	Continuing	
Subtotal Management			34.899	25.906		24.204		15.706		Continuing	Continuing	
Remarks:												
Total Cost			217.265	550.853		935.932		560.631		Continuing	Continuing	
Remarks:												

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Exhibit R-2, RDTE Budget Item Justification
(Exhibit R-2, page 8 of 10)

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EXHIBIT R4, Schedule Profile

DATE:

February 2005

APPROPRIATION/BUDGET ACTIVITY

PROGRAM ELEMENT NUMBER AND NAME

PROJECT NUMBER AND NAME

RDT&E, N / BA-5

0604273N, VH-XX EXEC HELO DEVELOPMENT

3058, VH-XX HELO REPLACEMENT

Fiscal Year	FY 2004				FY 2005				FY 2006				FY 2007				FY 2008				FY 2009				FY 2010				FY 2011			
	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/C									◇	MS C							☆	IOC Inc 1			FRP DR	◇	IOC Inc 2	☆	
RDT&E Contract Awards						△	SDD										△	LRIP 1														
Procurement Contract Awards																			△	LRIP 2 AAC	△	LRIP 2 Full Funding										
Concept Design / Pre-SDD	Pre-SDD																															
Design & Development					Increment 1								Increment 2																			
3 Test Aircraft									Test Articles																							
Deliveries (3 Test Aircraft)																	△	Test Aircraft Delivery														
Pilot Production (5 a/c)									Pilot Production																							
Deliveries (Pilot Production)																					△	Pilot Production Deliveries										
Test & Evaluation Milestones																																
Integrated Test Program Increment 1									Integrated Test								OT-C1															
Integrated Test Program Increment 2																	Integrated Test				OPEVAL											
Production Milestones																																
LRIP 1 (3 aircraft)																	LRIP 1															
Deliveries (LRIP 1)																					LRIP1 Del											
LRIP 2 (4 aircraft)																	LRIP 2															
Deliveries (LRIP 2)																					LRIP2 Del											
Trainers																	Pilot / Maintenance Trainers															

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Exhibit R-2, RDTEN Budget Item Justification

(Exhibit R-2, page 9 of 10)

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Exhibit R-4a, Schedule Detail						DATE: February 2005		
APPROPRIATION/BUDGET ACTIVITY RDT&BA-5	PROGRAM ELEMENT 0604273N, VH-XX EXEC HELO DEVELOPMENT				PROJECT NUMBER AND NAME 3058, VH-XX HELO REPLACEMENT			
Schedule Profile	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Concept Design/Pre-SDD	1Q-4Q	1Q						
Milestone B/C (MSB/C)		2Q						
SDD Contract Award		2Q						
Quality Design and Build (Test Articles)		2Q-4Q	1Q-4Q	1Q-3Q				
Pilot Production			1Q-4Q	1Q-4Q				
Integrated Test Program (Increment 1)		2Q-4Q	1Q-4Q	1Q-4Q				
Milestone C (MSC)				4Q				
Low-Rate Initial Production I (LRIP I) Contract Award								
Low-Rate Initial Production I								
Low-Rate Initial Production II AAC Contract Award								
Pilot / Maintenance Trainers								
Low-Rate Initial Production II Full Funding Contract Award								
Operational Testing								
Integrated Test Program (Increment II)								
Low-Rate Initial Production II								
IOC (Increment 1)								
Low-Rate Initial Production I Delivery								
OPEVAL								
Low-Rate Initial Production II Delivery								
Full Rate Production (FRP) Decision								
IOC (Increment 2)								

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