ARMY RDT&E BUDGET ITEM JUSTIFICATION (R2 Exhibit)	February 2006

BUDGET ACTIVITY 4 - Advanced Component Development and Prototypes	PE NUMBER AND TITLE 0603024A - Unique Item Identification (UID)	PROJECT U02

COST (In Thousands)	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
U02 UNIQUE ITEM IDENTIFICATION (UID)	0	1479	1520	1520	1520	0	0	0	6039

A. Mission Description and Budget Item Justification: The Department of Defense (DoD) vision for unique item identification is to uniquely identify tangible items in order to facilitate item tracking in DoD business systems and provide reliable and accurate technical and financial data for management, financial accountability, and asset management purposes. The policy relies to the maximum extent practicable on commercial item markings and does not impose unique government data requirements.

Unique Identification (UID) is a mandatory DOD requirement on all solicitations issued on or after January 1, 2004. UID, or a recognized equivalent, is required for all property items delivered to the Government if: (1) the acquisition cost is $5,000 or more, (2) it is either a serially managed, mission essential or controlled inventory piece of equipment or a reparable item, or a consumable item or material where permanent identification is required, (3) it is a component of a delivered item, if the program manager has determined that unique identification is required, or (4) a UID or a DOD-recognized UID equivalent is available.

The following strategic outcomes have been defined:

* Data integration across Department, Government, and Industry systems as envisioned by the DoD Business Enterprise Architecture
* Improved item management and accountability
* Improved asset visibility and life-cycle management
* Clean audit opinions on the property, plant, and equipment and operating materials and supplies portions of DoD financial statements

The DoD UID focuses first on the requirements for new equipment, major modifications, and re-procurements of equipment and spares. The second phase of implementation will apply the UID policy to existing assets and other business venues including maintenance. This includes the data mining tool which will screen purchase card buys for tangible property and forward these transactions to the applicable property book officer (using the purchase card authorization tool) to ensure the UIDs for these buys have been entered into the UID registry. Unique identification of tangible items will: Help achieve integration of item data across the Department, Federal and industry asset management systems envisioned by the DoD Business Enterprise Architecture (BEA); improve item management and accountability; improve asset visibility and life cycle management; and, enable clean audit opinions on tangible item portions of DoD financial statements.

Accomplishments/Planned Program	FY 2005	FY 2006	FY 2007
The unique identifier registry has been deployed. As of 11 January 2006, 264 contractors are providing item unique identifiers allowing the department to individually track 78,964 newly procured items and 11,820 previously procured items. Combined there are 90,784 personal property entries into the registry. Full asset visibility for all functional areas will not occur until all systems from logistics, acquisition, transportation, property management, and financial are enhanced to support item unique identification. The following system enhancements bring the Defense Department closer to achieving full asset visibility. The capability to track government furnished property shipments to contractors has been developed in the wide area workflow system. The unique identifier registry has been enhanced to collect and maintain item unique upgrades or major overhauls effecting the life cycle and or cost of that specific item. The Defense Medical Logistics Support System has been enhanced to support item unique identification. The Plant Clearance and Lost Damaged Destroyed system used by the Defense Contract Management Agency to manage personal property has been redesigned to support item unique identification. The site unique identification registry has been established and is being populated to provide the Department of Defense visibility of real property across the department. FY 2007 and out years will continue with analysis design, development and integration of the unique identification registries.	0	1479	1520

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BUDGET ACTIVITY **4 - Advanced Component Development and Prototypes**	PE NUMBER AND TITLE **0603024A - Unique Item Identification (UID)**	PROJECT **U02**

Total		0	1479	1520

ARMY RDT&E BUDGET ITEM JUSTIFICATION (R2 Exhibit)

February 2006

BUDGET ACTIVITY	PE NUMBER AND TITLE	PROJECT
4 - Advanced Component Development and Prototypes	**0603024A - Unique Item Identification (UID)**	**U02**

B. Program Change Summary	FY 2005	FY 2006	FY 2007
Previous President's Budget (FY 2006)	0	0	0
Current BES/President's Budget (FY 2007)	0	1479	1520
Total Adjustments	0	1479	1520
Congressional Program Reductions		-6	
Congressional Rescissions		-15	
Congressional Increases			
Reprogrammings			
SBIR/STTR Transfer			
Adjustments to Budget Years			

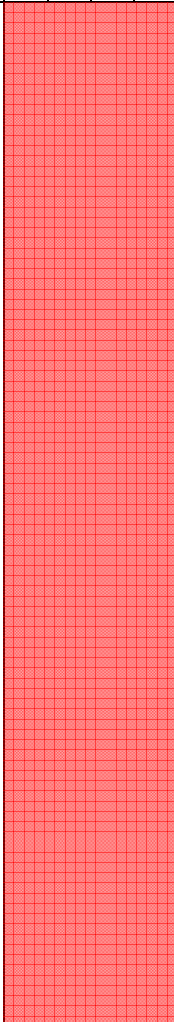| **C. Other Program Funding Summary**	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	To Compl	Total Cost
OMA APE 432612	12225	13700	13700	13700	13700	14047	14402	0	95474

Comment:

D. Acquisition Strategy The Unique Identification UID) acquisition strategy will make extensive use of Integrated Product Teams (IPTs) consisting of in-house matrix and contract support. The strategy will be accomplished via performance-based acquisition procurement efforts. Spiral software development will be employed through the evolutionary acquisition of time-phased requirements through blocks of capability building on preceding blocks while ongoing to full, interoperable capability. UID must support the near term needs of the acquisition community while achieving the long-term goal of a collaborative business enterprise environment. The evolutionary acquisition approach UID is taking will acquire contractor support and services for program management and integration early in its acquisition life cycle phases. Phased implementation and incremental development will align with the Acquisition Business Enterprise Architecture. Implementation of maturing technology and commercial off-the-shelf software (COTS) will provide the necessary flexibility for building an Information Technology environment to sustain a collaborative business enterprise and achieve the Department of Defense goal for a Global Information Grid (GIG).

ARMY RDT&E COST ANALYSIS (R3)

February 2006

BUDGET ACTIVITY	PE NUMBER AND TITLE	PROJECT
4 - Advanced Component Development and Prototypes	**0603024A - Unique Item Identification (UID)**	**U02**

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
Analysis and Design, Development, Integration and Testing	Competetive contract, Time & Materials	Northrop Grumman and Defense Information Systems Agency (DISA)	0	0		1479	1-4Q	1520	1-4Q	Continue	0	0
Subtotal:			0	0		1479		1520		Continue	0	0

II. Support Costs	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
Subtotal:			0									

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
Subtotal:			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
Subtotal:			0									

| **Project Total Cost:** | | | **0** | **0** | | **1479** | | **1520** | | | **0** | **0** | **0** |

Schedule Profile (R4 Exhibit)

February 2006

BUDGET ACTIVITY	PE NUMBER AND TITLE	PROJECT
4 - Advanced Component Development and Prototypes	0603024A - Unique Item Identification (UID)	U02

Event Name	FY 05				FY 06				FY 07				FY 08				FY 09				FY 10				FY 11			
	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
Development, Design and Implementation																												

Schedule Detail (R4a Exhibit)

BUDGET ACTIVITY	PE NUMBER AND TITLE	PROJECT
4 - Advanced Component Development and Prototypes	**0603024A - Unique Item Identification (UID)**	**U02**

Schedule Detail	**FY 2005**	**FY 2006**	**FY 2007**	**FY 2008**	**FY 2009**	**FY 2010**	**FY 2011**
Development, Design and Implementation		1-4Q	1-4Q	1-4Q	1-4Q		