Exhibit R-2/R-2a, RDT&E Budget Item Justification	Date: February 2006

Appropriation/Budget Activity Engineering and Manufacturing Development RDT&E, DW, Budget Activity: 5	100 Item Nomenclature: Weapon System Lifecycle Management - Core Business Mission Area PE 0605019D8Z

Cost ($ in millions)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Total PE Cost	0.000	3.543	0.000	0.000	0.000	0.000	0.000

A. Mission Description and Budget Item Justification

The Business Management Modernization Program (BMMP) Core Business Mission Areas (CBMAs) were established as part of the program's governance approach. The mission of the CBMA is to lead business process transformation through business process reengineering (BPR) and system integration. The Supply Chain Systems Transformation (AQ) CBMA leads the transformation to strategic acquisition by integrating the people, processes, and technologies required to implement a modern acquisition environment that supports the Warfighter's needs.

The Weapons System Lifecycle Management (WSLM) CBMA is one of five end-to-end functional business areas established by the Department as a framework to transform business operations, implement the Department's Business Enterprise Architecture, and manage the Core Business Mission Area's Information Technology (IT) portfolio. Key mandates for the WSLM include the President's Management Agenda, the E-Government Act of 2002, and the National Defense Authorization Acts of 2003 and 2005. The WSLM Core Business Mission Area includes 153 reported procurement systems and almost 176,000 systems users, representing $124 million. In addition to managing its Defense Department investments, WSLM must also align federal enterprise systems and initiatives with DoD enterprise initiatives.

WSLM is an end-to-end functional area that includes systems and capabilities to better provide for the warfighter's needs. Through determination of common business processes and management of enterprise wide investments in information technology for WSLM business solutions, and within the framework of its governance structure, WSLM brings transparency to acquisition information. This transparency is critical to supporting full life-cycle management of the Department's processes that deliver weapon systems and automated information technology support systems.

Accomplishments/Planned Program:

FY 2005:

1. FY 2005 funds were used for specific program functionality changes in order to facilitate consolidation or retirement of specific information systems.
2. Wide Area Workflow engineering changes increased deployment of this system to additional users, assisted in the capture of Unique Identification and Radio Frequency Identification data, and helped the Military equipment valuation data capture and link multiple systems together using WAWF as the hub.
3. Changes to the system facilitated the elimination of other current forms of DoD electronic invoice and receipt processing such as the WINS system.
4. FY 2005 funds were used to merge two service level systems, Electronic Document Access (EDA) and Navy Air Force Interchange (NAFI), into one system for all services to use. The resulting system included the functionality of both EDA and NAFI, which saved the DoD in time and system maintenance efforts.

FY 2006:

1. Funds will continue to be used for system changes as part of the DoD portfolio management process with regard to merger or consolidation of systems based on duplicate capability.
2. Standard Procurement System (SPS) will incur some functionality adjustments based on the migration to the new Federal Procurement Data System -Next Generation.
3. This new system is mandatory for all Federal agencies and requires the shut down of multiple feeder systems from DoD agencies. Functionality must be included in SPS to shut down the systems.
4. Funds will also be used to incorporate strategic sourcing functional capability in existing systems. Currently there are multiple agencies with portions of this capability (Army, Navy, Air Force, etc.) that need to be merged or consolidated into a single capability delivery vehicle.

FY 2007:

For FY 2007, the Deputy Secretary of Defense approved the transfer of this program to the Business Transformation Agency. The planned program and accomplishments are separately addressed in the budget request for the BTA.

B. Program Change Summary	FY 2005	FY 2006	FY 2007	
FY 2006/2007 President's Budget	0.000	3.600	0.000	
FY 2007 President's Budget	0.000	3.543	0.000	
Total Revised Estimate	0.000	3.543	0.000	
Total Adjustments		-.057		
Congressional Adjustments(Distributed)				
Congressional Adjustments(Undistributed)		. -.057		

Current Budget Submit/Budget Estimate

    Funding: The decrease in FY 2006 reflects Congressional action for undistributed reductions. The decrease between FY 2006 and FY 2007 reflect a functional transfer of the Weapon System Lifecycle Management CBMA to the Defense Business Transformation Agency, which is separately addressed.

    Schedule: Business process reengineering commenced with the completion of the first version of the BEA. The reengineering will be on-going in an incremental approach consistent with the increments of BMMP. All results will be documented in updates to the BEA. Additionally, this information is addressed in more detail in the Enterprise Transition Plan, which is provided separately to the Congress and the Office of Management and Budget.

    Technical: Not Applicable

C. **Other Program Funding Summary:** N/A

D. **Acquisition Strategy:** Program will make use of competed vehicles or internal resources. The strategy is to competitively contract work with the private sector for required effort. Additional details about the Acquisition Strategy are listed in the Exhibit 300/Modified 300.

E. **Performance Metrics:** The performance metrics for these resources are addressed in the Exhibit 300/Modified 300.

Exhibit R-3, RDT & E, DW Project Cost Analysis

Appropriation: RDT&E, DW, Budget Activity: 5

	Program Element: 0605019D8Z	Date: February 2006 Weapon System Lifecycle Management Core Business Mission Area

($ in millions)

Cost Categories	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2005 Cost	FY 2005 Award Date	FY 2006 Cost	FY 2006 Award Date	Cost to Complete	Total Cost	Target Value of Contract
WAWF Eng Changes	Interagency Agreement	OSD	0.000	2.100	Mar 2005	0.000	0.000	0.000	2.100	2.100
SPS Eng Changes	Time and Material					3.543	Oct 2005		3.543	3.543

Exhibit R-4, Schedule Profile		Date: February 2006
Appropriation/Budget Activity RDT&E, DW, Budget Activity: 5	Program Element Number and Name 0605019D8Z Weapon System Lifecycle Management Core Business Mission Area	Project Number and Name Weapon System Lifecycle Management Core Business Mission Area

Fiscal Year	2005				2006				2007				2008				2009				2010				2011				2012			
	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	1	2	3	4
Merge Electronic Document Access (EDA) and Navy Air Force Interchange (NAFI)	△																															
SPS Eng Changes					△																											

Exhibit R-4a, Schedule Detail				Date: February 2006					
Appropriation/Budget Activity RDT&E, DW, Budget Activity: 5	Program Element Number and Name 0605019D8Z Weapon System Lifecycle Management Core Business Mission Area			Project Number and Name Weapon System Lifecycle Management Core Business Mission Area					
Schedule Profile	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	2013
WAWF Eng Changes	Oct 2004								
Merge Electronic Document Access (EDA) and Navy Air Force Interchange (NAFI)	Oct 2004								
SPS Eng Changes		Oct 2005							