

EXHIBIT R-2, RDT&E Budget Item Justification

DATE:

February 2006

APPROPRIATION/BUDGET ACTIVITY

RESEARCH DEVELOPMENT TEST & EVALUATION, NAVY /

BA 5

R-1 ITEM NOMENCLATURE

0604273N, VXX EXEC HELO DEVELOPMENT

COST (\$ in Millions)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	
Total PE Cost	535.694	921.840	682.597	682.735	367.961	210.751	34.230	
3058 VH-XX HELO REPLACEMENT	535.694	921.840	682.597	682.735	367.961	210.751	34.230	

(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. The VXX program provides the replacement helicopter for the VH-3D and VH-60N. In order for the VXX to be available to assume the Presidential vertical lift mission by 2008, three test article aircraft, system design and development (SDD) efforts, maintenance trainers, and associated logistics must be initiated by 2005. Five pilot production aircraft and associated design and development efforts must also be initiated to support the desired timeline. 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 and establish the initial operational capability. Contractor efforts are expected to include SDD work, test article aircraft, and pilot production aircraft. SDD efforts will include system and subsystem requirements and functional analysis and allocation, system and subsystem design, development, and test, human and crew systems integration, facilities upgrades/modifications and environmental assessments, security plan implementation, program management activities, to include risk management and logistics support program implementation.

EXHIBIT R-2a, RDT&E Project Justification								DATE:			
APPROPRIATION/BUDGET ACTIVITY		PROGRAM ELEMENT NUMBER AND NAME					PROJECT NUMBER AND NAME				
RDT&E, N /		BA 5					0604273N, VXX EXEC HELO DEVELOPMENT				
3058 VH-XX HELO REPLACEMENT		3058, VH-XX HELO REPLACEMENT									
COST (\$ in Millions)		FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011			
3058 VH-XX HELO REPLACEMENT		535.694	921.840	682.597	682.735	367.961	210.751	34.230			
RDT&E Articles Qty		3	5		3						
<p>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. The VXX program provides the replacement helicopter for the VH-3D and VH-60N. In order for the VXX to be available to assume the Presidential vertical lift mission by 2008, three test article aircraft, system design and development (SDD) efforts, maintenance trainers, and associated logistics must be initiated by 2005. Five pilot production aircraft and associated design and development efforts must also be initiated to support the desired timeline. 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 and establish the initial operational capability. Contractor efforts are expected to include SDD, test article aircraft, and pilot production aircraft. SDD efforts will include system and subsystem requirements and functional analysis and allocation, system and subsystem design, development, and test, human and crew systems integration, facilities upgrades/modifications and environmental assessments, security plan implementation, program management activities, to include risk management and logistics support program implementation.</p>											

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APPROPRIATION/BUDGET ACTIVITY	BA 5	PROGRAM ELEMENT NUMBER AND NAME	PROJECT NUMBER AND NAME	
RDT&E, N /		0604273N, VXX EXEC HELO DEVELOPMENT	3058, VH-XX HELO REPLACEMENT	
B. ACCOMPLISHMENTS / PLANNED PROGRAM:				
	FY 2005	FY 2006	FY 2007	
Accomplishments / Effort / Sub-total Cost	492.591	880.328	615.330	
RDT&E Articles Qty	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.				
	FY 2005	FY 2006	FY 2007	
Accomplishments / Effort / Sub-total Cost	10.109	14.633	28.761	
RDT&E Articles Qty				
Test and Evaluation of test article aircraft, pilot production aircraft, and SDD assets, including Live Fire Test and Evaluation.				
	FY 2005	FY 2006	FY 2007	
Accomplishments / Effort / Sub-total Cost	32.994	26.879	38.506	
RDT&E Articles Qty				
In-house, field activity, and contractor support of VXX Integrated Product Teams (IPTs) activities. Efforts include, but are not limited to, government development support, integrated logistics support, engineering support, program management support, systems engineering support, support equipment, technical pubs, and travel for VHXX program.				

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APPROPRIATION/BUDGET ACTIVITY		PROGRAM ELEMENT NUMBER AND NAME				PROJECT NUMBER AND NAME					
RDT&E, N /		BA 5		0604273N, VXX EXEC HELO DEVELOPMENT				3058, VH-XX HELO REPLACEMENT			
C. PROGRAM CHANGE SUMMARY											
Funding:		FY 2005	FY 2006	FY 2007							
Previous President's Budget:		550.853	935.932	560.631							
Current BES / President's Budget:		535.694	921.840	682.597							
Total Adjustments		-15.159	-14.092	121.966							
Summary of Adjustments											
Congressional Reductions											
Congressional Rescissions											
Congressional Undistributed Reductions		-14.237	-9.830								
Congressional Increases											
Economic Assumptions			-4.262	3.572							
Miscellaneous Adjustments		-0.922		118.394							
Subtotal		-15.159	-14.092	121.966							
Schedule: Not Applicable											
Technical: Not Applicable											
D. OTHER PROGRAM FUNDING SUMMARY:											
BLI 045500; V-XX	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	To Complete	Total Cost		
	0.000	0.000	0.000	54.047	451.119	369.259	406.739	980.619	2,261.783		
E. ACQUISITION STRATEGY: The VH-XX program was designated an ACAT ID program. Analysis of Alternatives & Concept design studies were completed to help determine which competing technology was the most appropriate to satisfy the Executive Vertical Lift requirement. The program received milestone B/C approval from OUSD (AT&L) on 27 JAN 2005 and subsequently awarded an SDD contract to LMSI on 28 JAN 2005.											

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Exhibit R-3 Cost Analysis (page 1)									DATE:			
									February 2006			
APPROPRIATION/BUDGET ACTIVITY		PROGRAM ELEMENT				PROJECT NUMBER AND NAME						
RDT&E, N /		BA 5 0604273N, VXX EXEC HELO DEVELOPMENT				3058, VH-XX HELO REPLACEMENT						
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PY s 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
PRODUCT DEVELOPMENT												
Primary Hdw Development	C-CPAF	LOCKHEED MARTIN CORP, OWEGO, NY		492.591	1/28/2005	880.328	1/28/2006	615.330	1/28/2007	1,080.751	3,069.000	3,069.000
Systems Eng	WX	NAWCAD, PATUXENT RIVER MD	2.349								2.349	
SUBTOTAL PRODUCT DEVELOPMENT			2.349	492.591		880.328		615.330		1,080.751	3,071.349	
Remarks: Target value of contract does not reflect additional funding required for LRIP I.												
SUPPORT												
Develop Support Equip	VARIOUS	VARIOUS		2.400	1/1/2005	4.100	1/1/2006	11.300	1/1/2007	55.275	73.075	
Integrated Logistics Sup	VARIOUS	NADEP, CHERRY POINT NC		1.053	1/1/2005						1.053	
Integrated Logistics Sup	VARIOUS	NAWCAD, LAKEHURST NJ		1.179	1/1/2005						1.179	
Integrated Logistics Sup	VARIOUS	VARIOUS	1.565	2.003	1/1/2005	4.710	1/1/2006	11.500	1/1/2007	56.250	76.028	
Studies & Analyses	C-FFP	LOCKHEED MARTIN CORP, OWEGO, NY	87.423								87.423	87.423
Studies & Analyses	C-FFP	SIKORSKY AIRCRAFT, CT	87.422								87.422	87.422
Studies & Analyses	WX	NAWCAD, PATUXENT RIVER MD	2.180								2.180	
SUBTOTAL SUPPORT			178.590	6.635		8.810		22.800		111.525	328.360	
Remarks:												
TEST & EVALUATION												
Dev Test & Eval	VARIOUS	VARIOUS	.884	8.959	1/1/2005	13.633	1/1/2006	27.761	1/1/2007	124.247	175.484	
Live Fire Test & Eval	WX	NAWCWD, CHINA LAKE CA	1.490	1.150	1/1/2005	1.000	1/1/2006	1.000	1/1/2007	7.310	11.950	
SUBTOTAL TEST & EVALUATION			2.374	10.109		14.633		28.761		131.557	187.434	
Remarks:												
MANAGEMENT												
Contractor Eng Sup	VARIOUS	VARIOUS	3.084	1.410	11/1/2004	2.541	11/1/2005	1.438	11/1/2006	7.036	15.509	
Government Eng Sup	WX	NAWCAD, PATUXENT RIVER MD	11.467	17.900	11/1/2004	7.049	11/1/2005	8.157	11/1/2006	39.864	84.436	
Government Eng Sup	VARIOUS	VARIOUS	.096	.441	VARIOUS	1.950	VARIOUS	1.452	VARIOUS	7.102	11.041	
Program Mgmt Sup	VARIOUS	VARIOUS	18.948	6.086	11/1/2004	5.941	11/1/2005	4.343	11/1/2006	21.243	56.561	
Travel	VARIOUS	NAVAIR, PAXTUXENT RIVER MD	.357	.522	11/1/2004	.588	11/1/2005	.316	11/1/2006	1.546	3.329	
SUBTOTAL MANAGEMENT			33.952	26.359		18.069		15.706		76.791	170.877	
Remarks:												
Total Cost			217.265	535.694		921.840		682.597		1,400.624	3,758.020	
Remarks:												

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EXHIBIT R4, Schedule Profile

DATE:

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APPROPRIATION/BUDGET ACTIVITY

PROGRAM ELEMENT NUMBER AND NAME

PROJECT NUMBER AND NAME

RDT&E, N /

BA-5

0604273N, VXX EXEC HELO DEVELOPMENT

3058, VXX HELO REPLACEMENT

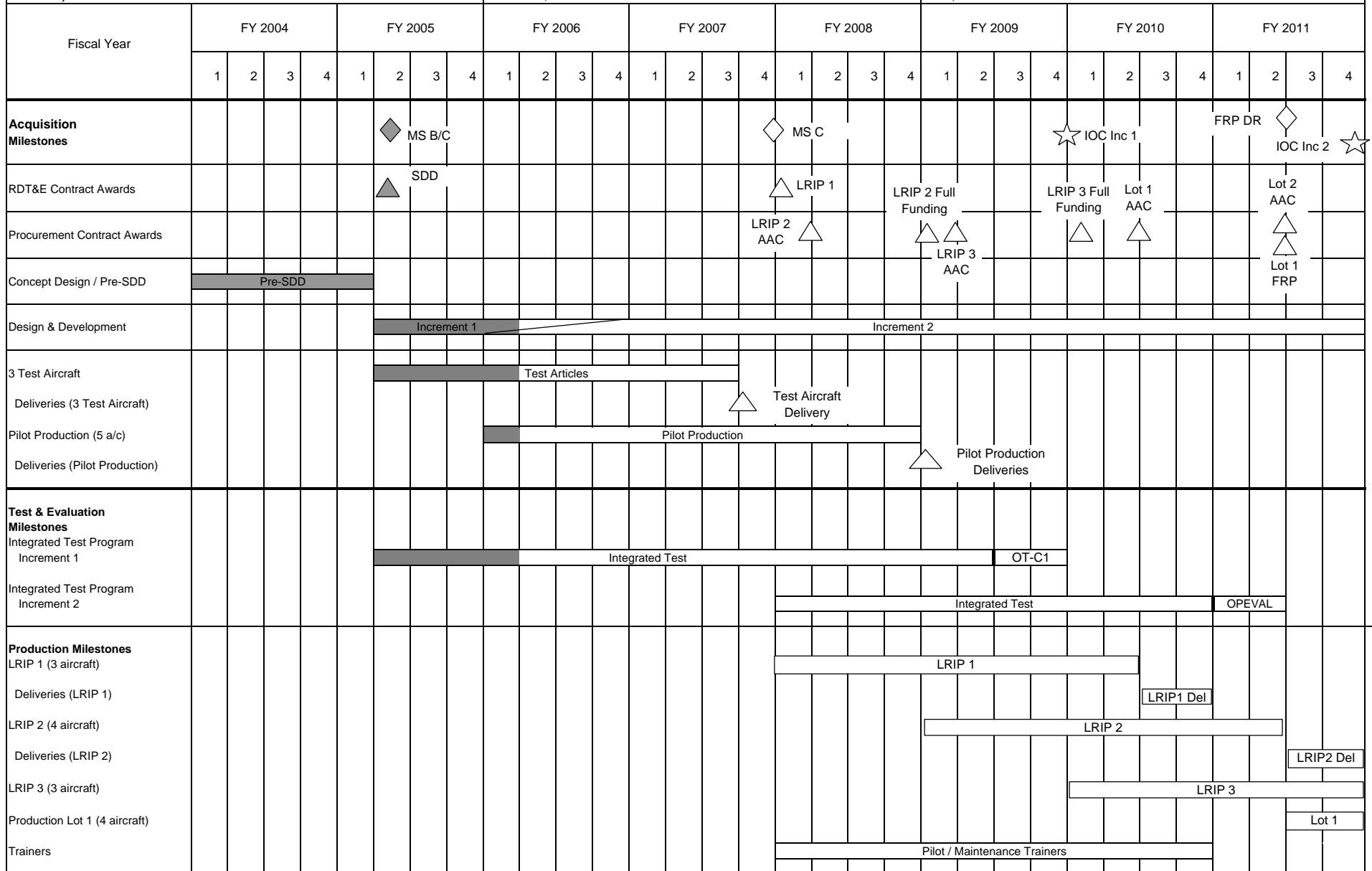


Exhibit R-4, Schedule Profile

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R-1 Shopping List Item No 99

(Exhibit R-4, page 6 of 7)

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CLASSIFICATION:

Exhibit R-4a, Schedule Detail

DATE:

February 2006

APPROPRIATION/BUDGET ACTIVITY RDT&BA-5	PROGRAM ELEMENT 0604273N, VXX EXEC HELO DEVELOPMENT				PROJECT NUMBER AND NAME 3058, VXX 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-4Q				
Integrated Test Program (Increment 1)		2Q-4Q	1Q-4Q	1Q-4Q	1Q-4Q	1Q-2Q		
Pilot Production			1Q-4Q	1Q-4Q	1Q-4Q	1Q		
Milestone C (MSC)					1Q			
Low-Rate Initial Production I (LRIP I) Contract Award					1Q			
Low-Rate Initial Production I					1Q-4Q	1Q-4Q	1Q-2Q	
Low-Rate Initial Production II AAC Contract Award					1Q-2Q			
Pilot / Maintenance Trainers					1Q-4Q	1Q-4Q	1Q-4Q	
Integrated Test Program (Increment II)					1Q-4Q	1Q-4Q	1Q-4Q	
Low-Rate Initial Production II						1Q-4Q	1Q-4Q	1Q-2Q
Low-Rate Initial Production II Full Funding Contract Award						1Q		
Low-Rate Initial Production III AAC Contract Award						1Q		
Operational Testing						3Q-4Q		
LRIP 3 Full Funding							1Q	
IOC (Increment 1)							1Q	
Lot 1 AAC							2Q	
Low-Rate Initial Production I Delivery							3Q-4Q	
Low-Rate Initial Production III							1Q-4Q	1Q-4Q
OPEVAL								1Q-2Q
Lot 2 AAC								2Q
Lot 1 FRP								2Q
Full Rate Production (FRP) Decision								2Q-3Q
Low-Rate Initial Production II Delivery								3Q-4Q
Production Lot 1 (4 aircraft)								3Q-4Q
IOC (Increment 2)								4Q

Exhibit R-4a, Schedule Detail

(Exhibit R-4a, page 7 of 7)

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R-1 Shopping List Item No 99