Exhibit R-2, RDT&E Budget Item Justification: PB 2011 Defense Logistics Agency	DATE: February 2010
APPROPRIATION/BUDGET ACTIVITY 0400: *Research, Development, Test & Evaluation, Defense-Wide* BA 6: *RDT&E Management Support*	R-1 ITEM NOMENCLATURE PE 0605502S: *Small Business Innovative Research (SBIR)*

COST ($ in Millions)	FY 2009 Actual	FY 2010 Estimate	FY 2011 Base Estimate	FY 2011 OCO Estimate	FY 2011 Total Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	Cost To Complete	Total Cost
Total Program Element	3.230	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
1: *Small Business Innovative Research (SBIR)*	3.230	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing

A. Mission Description and Budget Item Justification

Defense Logistics Agency's (DLA's) ability to deliver Americans the right logistics solution in every transaction requires more than successful management of the Department's wholesale supplies and suppliers. It requires supply chain excellence. Our military's ability to generate and sustain combat readiness indefinitely, anywhere on the globe requires that DLA-managed materiel flow seamlessly and as needed from the nation's industrial base to where it is ultimately used.

DLA's Small Business Innovative Research (SBIR) program seeks to solicit high-risk research and development proposals from the small business community. All selections shall demonstrate and involve a degree of technical risk where the technical feasibility of the proposed work has not been fully established. Phase I proposals should demonstrate the feasibility of the proposed technology and the merit of a Phase II for a prototype or at least a proof-of-concept demonstration. Phase II selections will be strongly influenced on future market possibilities and commercialization potential demonstrated.

B. Program Change Summary ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
Previous President's Budget	0.000	0.000	0.000	0.000	0.000
Current President's Budget	3.230	0.000	0.000	0.000	0.000
Total Adjustments	3.230	0.000	0.000	0.000	0.000
• Congressional General Reductions		0.000			
• Congressional Directed Reductions		0.000			
• Congressional Rescissions	0.000	0.000			
• Congressional Adds		0.000			
• Congressional Directed Transfers		0.000			
• Reprogrammings	0.000	0.000			
• SBIR/STTR Transfer	3.230	0.000			

Exhibit R-2A, RDT&E Project Justification: PB 2011 Defense Logistics Agency			DATE: February 2010
APPROPRIATION/BUDGET ACTIVITY 0400: *Research, Development, Test & Evaluation, Defense-Wide* BA 6: *RDT&E Management Support*	R-1 ITEM NOMENCLATURE PE 0605502S: *Small Business Innovative Research (SBIR)*	PROJECT 1: *Small Business Innovative Research (SBIR)*	

COST ($ in Millions)	FY 2009 Actual	FY 2010 Estimate	FY 2011 Base Estimate	FY 2011 OCO Estimate	FY 2011 Total Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	Cost To Complete	Total Cost
1: *Small Business Innovative Research (SBIR)*	3.230	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
Quantity of RDT&E Articles											

A. Mission Description and Budget Item Justification

Defense Logistics Agency's (DLA's) ability to deliver Americans the right logistics solution in every transaction requires more than successful management of the Department's wholesale supplies and suppliers. It requires supply chain excellence. Our military's ability to generate and sustain combat readiness indefinitely, anywhere on the globe requires that DLA-managed materiel flow seamlessly and as needed from the nation's industrial base to where it is ultimately used.

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B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
SBIR Accomplishments/Plans	3.230	0.000	0.000	0.000	0.000
FY 2009 Accomplishments: DLA's SBIR Topic for FY 2009 focused on implementing Executive Order 13329, encouraging innovation in manufacturing. Eight Phase I contract awards were awarded in such diverse areas as: 1.) development of selectively-tuned molecular probes as premature cure indicators for pre-coated fasteners used in aircraft structures; 2.) physics-based modeling of high speed machining of difficult nickel alloys used in turbine engines; 3.) advanced processing of powder based lightweight materials; 4.) hybrid molding technologies based on rammed graphite for lower cost titanium castings; 5.) a Long Range Ball Bar for rapidly characterizing the work volume of machine tools; 6.)a machine tool chatter					

Exhibit R-2A, RDT&E Project Justification: PB 2011 Defense Logistics Agency		DATE: February 2010
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B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
detection and avoidance system; 7.) an innovative positioning system for implementing adaptive force grinding techniques for rolling element bearing manufacture; 8.) use nanotechnology for coating techniques for viewing windows on machine tools that are resistant to chip abrasion and cutting tool fluids. Two Phase II awards were awarded for 1.) an innovative method for internal grinding and 2.) a physics-based modeling for drilling of stacked composite aerospace panels.					
Accomplishments/Planned Programs Subtotals	3.230	0.000	0.000	0.000	0.000

C. Other Program Funding Summary ($ in Millions)

N/A

D. Acquisition Strategy

N/A

E. Performance Metrics

N/A