Selected Acquisition Report (SAR)

RCS: DD-A&T(Q&A)823-433

KC-130J

As of December 31, 2011

Defense Acquisition Management
Information Retrieval
(DAMIR)

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Program Information

Designation And Nomenclature (Popular Name)

KC-130J (KC-130J)

DoD Component

Navy

Responsible Office

Responsible Office

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References

SAR Baseline (Production Estimate)

Navy Acquisition Executive (NAE) Approved Acquisition Program Baseline (APB), dated February 7, 2011.

Approved APB

Navy Acquisition Executive (NAE) Approved Acquisition Program Baseline (APB) dated February 7, 2011

Mission and Description

The KC-130J aircraft is a high-wing, long range, land-based monoplane which is powered by four turboprop engines equipped with six blade variable pitch propellers. It is a baseline cargo/transport aircraft modified to meet United States Marine Corps (USMC) mission requirements and is the next generation C-130 utilized by the Marine Corps in supporting forward deployed missions. It provides the Marine Corps with an aircraft that is a self-deployable tanker equipped with airdrop/cargo handling equipment, precision navigation, self-protection, and command and control capabilities to enable the aircraft to effectively perform all fixed-wing, rotary-wing, and tilt-rotor refueling, rapid ground refueling, and targeting Intelligence, Surveillance, Reconnaissance and munitions delivery capability for conduct of close air support for ground forces.

Executive Summary

The KC-130J program was designated as Acquisition Category IC by the Undersecretary of Defense for Acquisition, Technology and Logistics on April 12, 2010 due to increased aircraft procurement quantities. The Navy Service Cost Position (SCP) was approved on December 15, 2010 and is the baseline for the Acquisition Category IC Acquisition Program Baseline which was approved on February 7, 2011.

The KC-130J has been forward deployed in support of Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) continuously since February 2005. The current Program of Record is 104 aircraft - 79 USMC and 25 United States Naval Reserve (USNR). Forty-six aircraft have been delivered as of January 31, 2012. All aircraft are being acquired through the C-130J United States Air Force (USAF) procurement contract. Three Harvest HAWK kits (Block E) have been delivered to the fleet.

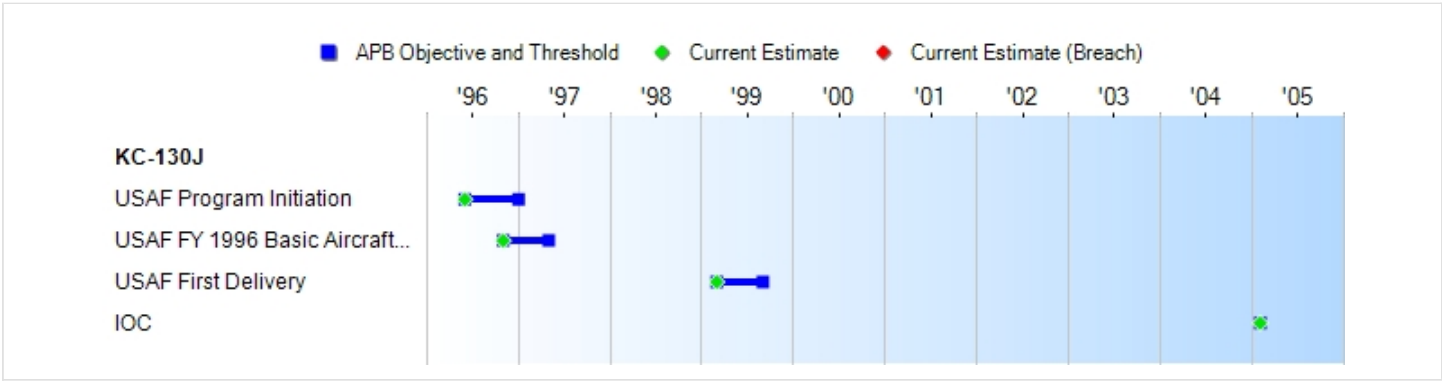
There are no significant software-related issues with this program at this time.

Threshold Breaches

APB Breaches		
Schedule		☐
Performance		☐
Cost	RDT&E	☐
	Procurement	☐
	MILCON	☐
	Acq O&M	☐
Unit Cost	PAUC	☐
	APUC	☐

Nunn-McCurdy Breaches		
Current UCR Baseline		
	PAUC	None
	APUC	None
Original UCR Baseline		
	PAUC	None
	APUC	None

Schedule



Milestones	SAR Baseline Prod Est	Current APB Production Objective/Threshold		Current Estimate
USAF Program Initiation	JUN 1996	JUN 1996	JAN 1997	JUN 1996
USAF FY 1996 Basic Aircraft Contract	NOV 1996	NOV 1996	MAY 1997	NOV 1996
USAF First Delivery	MAR 1999	MAR 1999	SEP 1999	MAR 1999
IOC	FEB 2005	FEB 2005	FEB 2005	FEB 2005

Acronyms And Abbreviations

FY - Fiscal Year
IOC - Initial Operational Capability
USAF - United States Air Force

Change Explanations

None

Memo

Structural, safety of flight, and capability modifications continue to be developed and incorporated. The date cited for Initial Operational Capability (IOC) is for United States Marine Corps (USMC) capability.

Performance

Characteristics	SAR Baseline Prod Est	Current APB Production Objective/Threshold		Demonstrated Performance	Current Estimate
Net Ready	100% of interfaces; services; policy-enforcement controls; and data correctness, availability and processing in the joint architecture.	100% of interfaces; services; policy-enforcement controls; and data correctness, availability and processing in the joint architecture.	100% of interfaces; services; policy-enforcement controls; and data correctness, availability and processing requirements present in the Block 5.4 configuration designated as enterprise-level or critical in the joint integrated architecture.	Objective met with the incorporation of Block 5.4	100% of interfaces; services; policy-enforcement controls; and data correctness, availability and processing in the joint architecture.
Range with 25000lb Cargo Load	2,700nm	2,700nm	The C-130J deployment range, at long-range cruise airspeeds, mean cruise weight fuel flow, a cruise altitude of 27,000ft or above, 6,700lbs reserve fuel overhead destination with a 25,000lb cargo payload, and the conditions stated above, the	2,700nm	2,700nm

			deployment range must be 2,460nm		
Maximum Effort Ground Roll	The maximum effort landing ground roll at 135,000lbs will not exceed 1800ft	The maximum effort landing ground roll at 135,000lbs will not exceed 1800ft	The maximum effort landing ground roll at 135,000lbs will not exceed 1800ft	1800ft	The maximum effort landing ground roll at 135,000lbs will not exceed 1800ft
Maximum Effort Takeoff Run	2700ft	2700ft	The aircraft shall be able to perform a maximum effort take off from a prepared surface at sea level, standard day, no wind, and maximum gross weight of 164,000lbs in 3,300 ft	2700ft	2700ft

Requirements Source:
Operational Requirements Letter (ORL) Change 3 for the KC-130J Tactical Aerial Tanker of February 14, 2009

Acronyms And Abbreviations

ft - Feet
lbs - Pounds
nm - Nautical Miles

Change Explanations

None

Track To Budget

General Memo

Aircraft Procurement, Navy - Budget Activity 05 is incorporated as a subset of total Operations and Support costs. Item Control Number 0560, Program Elements 0206127M, 0502379N and 0502504M apply.

RDT&E

APPN 1319	BA 05	PE 0605430N	(Navy)	
	Project 3199	C/KC-130 Avionics Modernization Program		(Sunk)

Procurement

APPN 1506	BA 04	PE 0206127M	(Navy)	
	ICN 041600	KC-130J Squadrons (Marine Air Wing)		
APPN 1506	BA 04	PE 0502504M	(Navy)	
	ICN 041600	KC-130/VMGR Squadrons (MCR)		
APPN 1506	BA 04	PE 0502379N	(Navy)	
	ICN 041600	Direct Support Squadron		
APPN 1506	BA 06	PE 0206127M	(Navy)	
	ICN 060500	KC-130J Squadrons (Marine Air Wing)	(Shared)	
APPN 1506	BA 06	PE 0502504M	(Navy)	
	ICN 060500	KC-130/VMGR Squadrons (MCR)	(Shared)	
APPN 1506	BA 06	PE 0502379N	(Navy)	
	ICN 060500	Direct Support Squadron	(Shared)	

VMGR is a Marine Aerial Refueler Transport Squadron.

Cost and Funding

Cost Summary

Total Acquisition Cost and Quantity

	BY2010 $M			BY2010 $M	TY $M		
Appropriation	SAR Baseline Prod Est	Current APB Production Objective/Threshold		Current Estimate	SAR Baseline Prod Est	Current APB Production Objective	Current Estimate
RDT&E	35.6	35.6	39.2	38.1	35.5	35.5	37.8
Procurement	9198.3	9198.3	10118.1	9281.1	9846.3	9846.3	10491.1
Flyaway	7883.7	--	--	7768.5	8456.0	--	8785.0
Recurring	7742.6	--	--	7616.6	8298.8	--	8607.3
Non Recurring	141.1	--	--	151.9	157.2	--	177.7
Support	1314.6	--	--	1512.6	1390.3	--	1706.1
Other Support	725.1	--	--	975.9	760.1	--	1106.3
Initial Spares	589.5	--	--	536.7	630.2	--	599.8
MILCON	0.0	0.0	--	0.0	0.0	0.0	0.0
Acq O&M	0.0	0.0	--	0.0	0.0	0.0	0.0
Total	9233.9	9233.9	N/A	9319.2	9881.8	9881.8	10528.9

Confidence Level For the Current APB Cost 50% - The current APB cost estimate provided sufficient resources to execute the program under normal conditions, encountering average levels of technical, schedule and programmatic risk and external interference. It was consistent with average resource expenditures on historical efforts of similar size, scope, and complexity and represents a notional 50% confidence level when established.

Quantity	SAR Baseline Prod Est	Current APB Production	Current Estimate
RDT&E	0	0	0
Procurement	104	104	104
Total	104	104	104

Cost and Funding

Funding Summary

Appropriation and Quantity Summary
FY2013 President's Budget / December 2011 SAR (TY$ M)

Appropriation	Prior	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	To Complete	Total
RDT&E	37.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	37.8
Procurement	3527.5	87.3	26.0	165.4	201.9	234.6	212.1	6036.3	10491.1
MILCON	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acq O&M	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PB 2013 Total	3565.3	87.3	26.0	165.4	201.9	234.6	212.1	6036.3	10528.9
PB 2012 Total	3564.1	94.4	51.2	314.2	291.8	371.3	627.7	4627.1	9941.8
Delta	1.2	-7.1	-25.2	-148.8	-89.9	-136.7	-415.6	1409.2	587.1

Quantity	Undistributed	Prior	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	To Complete	Total
Development	0	0	0	0	0	0	0	0	0	0
Production	0	47	1	0	2	2	2	2	48	104
PB 2013 Total	0	47	1	0	2	2	2	2	48	104
PB 2012 Total	0	47	1	0	4	3	4	5	40	104
Delta	0	0	0	0	-2	-1	-2	-3	8	0

Cost and Funding

Annual Funding By Appropriation

Annual Funding TY$
1319 | RDT&E | Research, Development, Test, and Evaluation, Navy

Fiscal Year	Quantity	End Item Recurring Flyaway TY $M	Non End Item Recurring Flyaway TY $M	Non Recurring Flyaway TY $M	Total Flyaway TY $M	Total Support TY $M	Total Program TY $M
2008	--	--	--	--	--	--	22.4
2009	--	--	--	--	--	--	14.1
2010	--	--	--	--	--	--	1.3
Subtotal	**--**	**--**	**--**	**--**	**--**	**--**	**37.8**

Annual Funding BY$

1319 | RDT&E | Research, Development, Test, and Evaluation, Navy

Fiscal Year	Quantity	End Item Recurring Flyaway BY 2010 $M	Non End Item Recurring Flyaway BY 2010 $M	Non Recurring Flyaway BY 2010 $M	Total Flyaway BY 2010 $M	Total Support BY 2010 $M	Total Program BY 2010 $M
2008	--	--	--	--	--	--	22.7
2009	--	--	--	--	--	--	14.1
2010	--	--	--	--	--	--	1.3
Subtotal	**--**	**--**	**--**	**--**	**--**	**--**	**38.1**

Annual Funding TY$
1506 | Procurement | Aircraft Procurement, Navy

Fiscal Year	Quantity	End Item Recurring Flyaway TY $M	Non End Item Recurring Flyaway TY $M	Non Recurring Flyaway TY $M	Total Flyaway TY $M	Total Support TY $M	Total Program TY $M
1997	3	162.6	--	--	162.6	38.9	201.5
1998	2	110.1	--	--	110.1	7.1	117.2
1999	2	107.0	--	--	107.0	4.1	111.1
2000	1	62.3	--	1.2	63.5	7.7	71.2
2001	3	195.8	--	--	195.8	53.5	249.3
2002	2	138.2	--	--	138.2	30.3	168.5
2003	4	284.6	--	--	284.6	45.1	329.7
2004	--	42.8	--	--	42.8	95.9	138.7
2005	4	289.5	--	--	289.5	52.7	342.2
2006	8	460.7	--	14.3	475.0	87.5	562.5
2007	3	176.9	--	14.3	191.2	53.1	244.3
2008	13	777.3	--	17.5	794.8	40.9	835.7
2009	2	114.0	--	3.0	117.0	38.6	155.6
2010	--	--	--	--	--	--	--
2011	--	--	--	--	--	--	--
2012	1	67.7	--	1.9	69.6	17.7	87.3
2013	--	23.0	--	--	23.0	3.0	26.0
2014	2	147.7	--	3.9	151.6	13.8	165.4
2015	2	154.1	--	4.0	158.1	43.8	201.9
2016	2	159.3	--	4.1	163.4	71.2	234.6
2017	2	163.5	--	4.1	167.6	44.5	212.1
2018	4	382.1	--	8.3	390.4	104.0	494.4
2019	5	445.4	--	10.6	456.0	74.0	530.0
2020	5	463.3	--	10.8	474.1	81.7	555.8
2021	5	482.2	--	11.0	493.2	77.0	570.2
2022	5	501.6	--	11.2	512.8	85.6	598.4
2023	5	522.1	--	11.4	533.5	80.2	613.7
2024	5	543.4	--	11.7	555.1	148.6	703.7
2025	5	522.8	--	11.9	534.7	83.4	618.1
2026	2	235.5	--	4.9	240.4	47.3	287.7
2027	2	244.8	--	4.9	249.7	39.6	289.3
2028	2	254.7	--	5.0	259.7	49.8	309.5
2029	2	249.9	--	5.1	255.0	41.1	296.1
2030	1	122.4	--	2.6	125.0	44.4	169.4
Subtotal	**104**	**8607.3**	**--**	**177.7**	**8785.0**	**1706.1**	**10491.1**

Annual Funding BY$
1506 | Procurement | Aircraft Procurement, Navy

Fiscal Year	Quantity	End Item Recurring Flyaway BY 2010 $M	Non End Item Recurring Flyaway BY 2010 $M	Non Recurring Flyaway BY 2010 $M	Total Flyaway BY 2010 $M	Total Support BY 2010 $M	Total Program BY 2010 $M
1997	3	199.2	--	--	199.2	47.6	246.8
1998	2	133.3	--	--	133.3	8.6	141.9
1999	2	127.9	--	--	127.9	4.9	132.8
2000	1	73.5	--	1.4	74.9	9.1	84.0
2001	3	228.3	--	--	228.3	62.4	290.7
2002	2	159.1	--	--	159.1	34.9	194.0
2003	4	321.3	--	--	321.3	50.9	372.2
2004	--	47.1	--	--	47.1	105.4	152.5
2005	4	309.7	--	--	309.7	56.3	366.0
2006	8	479.5	--	14.9	494.4	91.1	585.5
2007	3	179.9	--	14.5	194.4	54.1	248.5
2008	13	778.8	--	17.5	796.3	41.1	837.4
2009	2	112.6	--	3.0	115.6	38.1	153.7
2010	--	--	--	--	--	--	--
2011	--	--	--	--	--	--	--
2012	1	63.4	--	1.8	65.2	16.6	81.8
2013	--	21.2	--	--	21.2	2.7	23.9
2014	2	133.6	--	3.5	137.1	12.6	149.7
2015	2	137.0	--	3.6	140.6	38.9	179.5
2016	2	139.1	--	3.6	142.7	62.1	204.8
2017	2	140.2	--	3.5	143.7	38.2	181.9
2018	4	321.9	--	7.0	328.9	87.7	416.6
2019	5	368.6	--	8.8	377.4	61.3	438.7
2020	5	376.7	--	8.8	385.5	66.4	451.9
2021	5	385.1	--	8.8	393.9	61.5	455.4
2022	5	393.5	--	8.8	402.3	67.2	469.5
2023	5	402.4	--	8.8	411.2	61.7	472.9
2024	5	411.4	--	8.9	420.3	112.4	532.7
2025	5	388.8	--	8.8	397.6	62.0	459.6
2026	2	172.0	--	3.6	175.6	34.6	210.2
2027	2	175.7	--	3.5	179.2	28.4	207.6
2028	2	179.5	--	3.5	183.0	35.2	218.2
2029	2	173.0	--	3.5	176.5	28.5	205.0
2030	1	83.3	--	1.8	85.1	30.1	115.2
Subtotal	**104**	**7616.6**	**--**	**151.9**	**7768.5**	**1512.6**	**9281.1**

Cost Quantity Information
1506 | Procurement | Aircraft Procurement, Navy

Fiscal Year	Quantity	End Item Recurring Flyaway (Aligned with Quantity) BY 2010 $M
1997	3	199.2
1998	2	133.3
1999	2	128.0
2000	1	73.5
2001	3	228.3
2002	2	159.1
2003	4	313.9
2004	--	--
2005	4	309.9
2006	8	483.4
2007	3	181.6
2008	13	793.9
2009	2	132.0
2010	--	--
2011	--	--
2012	1	77.7
2013	--	--
2014	2	133.8
2015	2	137.2
2016	2	139.3
2017	2	140.2
2018	4	288.4
2019	5	369.0
2020	5	377.0
2021	5	385.4
2022	5	393.8
2023	5	402.6
2024	5	411.5
2025	5	420.5
2026	2	171.9
2027	2	175.6
2028	2	179.5
2029	2	183.4
2030	1	93.7
Subtotal	**104**	**7616.6**

Low Rate Initial Production

None

Foreign Military Sales

Country	Date of Sale	Quantity	Total Cost $M	Memo
Kuwait	5/4/2010	3	245.4	Aircraft are being procured through the Air Force production contract. Deliveries are scheduled for FY 2014.

Nuclear Cost

None

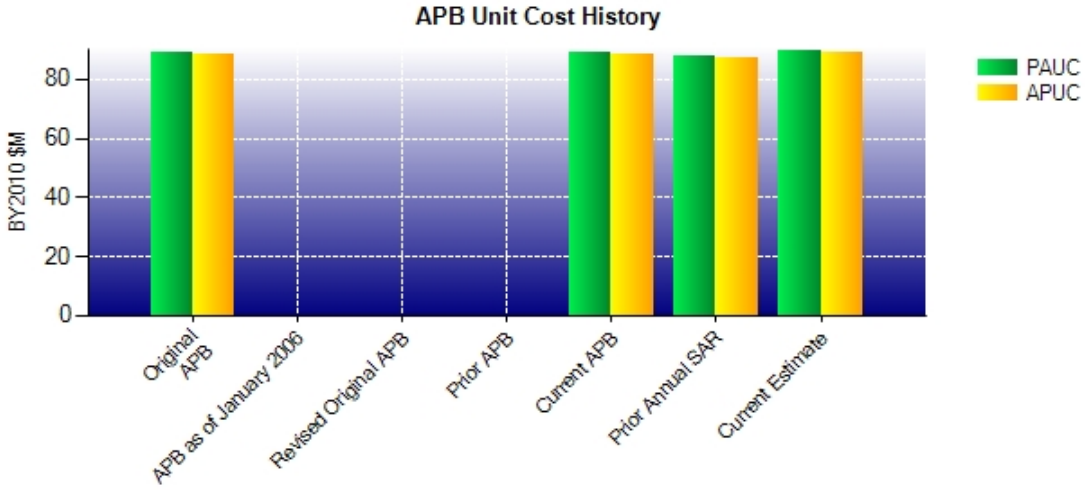
Unit Cost

Unit Cost Report

Unit Cost	BY2010 $M Current UCR Baseline (FEB 2011 APB)	BY2010 $M Current Estimate (DEC 2011 SAR)	BY % Change
Program Acquisition Unit Cost (PAUC)			
Cost	9233.9	9319.2	
Quantity	104	104	
Unit Cost	88.788	89.608	+0.92
Average Procurement Unit Cost (APUC)			
Cost	9198.3	9281.1	
Quantity	104	104	
Unit Cost	88.445	89.241	+0.90

Unit Cost	BY2010 $M Original UCR Baseline (FEB 2011 APB)	BY2010 $M Current Estimate (DEC 2011 SAR)	BY % Change
Program Acquisition Unit Cost (PAUC)			
Cost	9233.9	9319.2	
Quantity	104	104	
Unit Cost	88.788	89.608	+0.92
Average Procurement Unit Cost (APUC)			
Cost	9198.3	9281.1	
Quantity	104	104	
Unit Cost	88.445	89.241	+0.90

Unit Cost History



		BY2010 $M		TY $M	
	Date	PAUC	APUC	PAUC	APUC
Original APB	FEB 2011	88.788	88.445	95.017	94.676
APB as of January 2006	N/A	N/A	N/A	N/A	N/A
Revised Original APB	N/A	N/A	N/A	N/A	N/A
Prior APB	N/A	N/A	N/A	N/A	N/A
Current APB	FEB 2011	88.788	88.445	95.017	94.676
Prior Annual SAR	DEC 2010	87.887	87.530	95.594	95.240
Current Estimate	DEC 2011	89.608	89.241	101.239	100.876

SAR Unit Cost History

Current SAR Baseline to Current Estimate (TY $M)

Initial PAUC Prod Est	Changes								PAUC Current Est
	Econ	Qty	Sch	Eng	Est	Oth	Spt	Total	
95.017	1.259	0.000	6.659	0.000	-4.508	0.000	2.812	6.222	101.239

Current SAR Baseline to Current Estimate (TY $M)

Initial APUC Prod Est	Changes								APUC Current Est
	Econ	Qty	Sch	Eng	Est	Oth	Spt	Total	
94.676	1.261	0.000	6.660	0.000	-4.532	0.000	2.812	6.201	100.876

SAR Baseline History

Item/Event	SAR Planning Estimate (PE)	SAR Development Estimate (DE)	SAR Production Estimate (PdE)	Current Estimate
Milestone A	N/A	N/A	N/A	N/A
Milestone B	N/A	N/A	N/A	N/A
Milestone III	N/A	N/A	JUN 1996	JUN 1996
IOC	N/A	N/A	FEB 2005	FEB 2005
Total Cost (TY $M)	N/A	N/A	9881.8	10528.9
Total Quantity	N/A	N/A	104	104
Prog. Acq. Unit Cost (PAUC)	N/A	N/A	95.017	101.239

Cost Variance

Cost Variance Summary

Summary Then Year $M				
	RDT&E	Proc	MILCON	Total
SAR Baseline (Prod Est)	35.5	9846.3	--	9881.8
Previous Changes				
Economic	-0.2	-2.6	--	-2.8
Quantity	--	--	--	--
Schedule	--	+278.0	--	+278.0
Engineering	--	--	--	--
Estimating	+1.5	-508.7	--	-507.2
Other	--	--	--	--
Support	--	+292.0	--	+292.0
Subtotal	+1.3	+58.7	--	+60.0
Current Changes				
Economic	--	+133.7	--	+133.7
Quantity	--	--	--	--
Schedule	--	+414.6	--	+414.6
Engineering	--	--	--	--
Estimating	+1.0	+37.4	--	+38.4
Other	--	--	--	--
Support	--	+0.4	--	+0.4
Subtotal	+1.0	+586.1	--	+587.1
Total Changes	+2.3	+644.8	--	+647.1
CE - Cost Variance	37.8	10491.1	--	10528.9
CE - Cost & Funding	37.8	10491.1	--	10528.9

Summary Base Year 2010 $M				
	RDT&E	Proc	MILCON	Total
SAR Baseline (Prod Est)	35.6	9198.3	--	9233.9
Previous Changes				
Economic	--	--	--	--
Quantity	--	--	--	--
Schedule	--	+102.7	--	+102.7
Engineering	--	--	--	--
Estimating	+1.5	-426.2	--	-424.7
Other	--	--	--	--
Support	--	+228.3	--	+228.3
Subtotal	+1.5	-95.2	--	-93.7
Current Changes				
Economic	--	--	--	--
Quantity	--	--	--	--
Schedule	--	+185.4	--	+185.4
Engineering	--	--	--	--
Estimating	+1.0	+22.9	--	+23.9
Other	--	--	--	--
Support	--	-30.3	--	-30.3
Subtotal	+1.0	+178.0	--	+179.0
Total Changes	+2.5	+82.8	--	+85.3
CE - Cost Variance	38.1	9281.1	--	9319.2
CE - Cost & Funding	38.1	9281.1	--	9319.2

Previous Estimate: December 2010

RDT&E	$M	
Current Change Explanations	**Base Year**	**Then Year**
Additional Below Threshold Reprogramming (BTR) funds in FY 2008-2009. (Estimating)	+1.0	+1.0
RDT&E Subtotal	+1.0	+1.0

Procurement	$M	
Current Change Explanations	**Base Year**	**Then Year**
Revised escalation indices. (Economic)	N/A	+133.7
Schedule variance resulting from moving 9 aircraft from FY 2014-2018 into FY 2024-2030, which also extended the production profile three additional years. (Schedule)	+185.4	+414.6
Adjustment for current and prior escalation. (Estimating)	-3.0	-2.6
Re-phasing of prior year annual variances to account for incorrect Advance Procurement calculations in previous Cost and Funding Inputs. (Estimating)	+1.0	0.0
Increase in revised cost estimate of FY 2027 Airframe cost. (Estimating)	+84.1	+117.2
Revised cost estimate of Flyaway and Advance Procurement costs. (Estimating)	-59.2	-77.2
Adjustment for current and prior escalation. (Support)	-0.2	-0.7
Increase in Other Support to obtain additional Trainers (+5 Cockpit Procedure Trainers in FY 2013, +1 Observer Trainer and +1 Internal Loads Trainer in FY 2016, +1 Harvest HAWK Weapon Systems Operator Trainer in FY 2017), and increases related to a stretch-out of the production profile. (Support)	+59.5	+88.8
Decrease in Initial Spares due to revised estimate. (Support)	-89.6	-87.7
Procurement Subtotal	+178.0	+586.1

Contracts

Appropriation: Procurement	
Contract Name	**Follow-On Five Year Option Contract (FYOC) - III**
Contractor	Lockheed Martin Corp.
Contractor Location	86 South Cobb Drive Marietta, GA 30063
Contract Number, Type	FA8625-06-C-6456, FFP
Award Date	February 01, 2006
Definitization Date	February 01, 2006

Initial Contract Price ($M)			Current Contract Price ($M)			Estimated Price At Completion ($M)	
Target	Ceiling	Qty	Target	Ceiling	Qty	Contractor	Program Manager
121.9	N/A	2	794.3	N/A	13	794.3	794.3

Cost And Schedule Variance Explanations

Cost and Schedule variance reporting is not required on this FFP contract.

Contract Comments

The difference between the initial contract price target and the current contract price target is due to the purchase of additional aircraft.

This contract is managed by the U.S. Air Force. The costs and quantities shown represent KC-130J funding and quantities only.

The Initial Contract Quantity was incorrectly identified as N/A in the last report. This submission has been updated to reflect the correct Initial Contract Quantity of 2.

Appropriation: Procurement

Contract Name	**KJ Harvest Hercules Airborne Weapons Kit (HAWK)**
Contractor	Lockheed Martin Corp
Contractor Location	86 South Cobb Drive Marietta, GA 30006
Contract Number, Type	N00019-09-C-0053, FFP
Award Date	May 08, 2009
Definitization Date	September 30, 2009

Initial Contract Price ($M)			Current Contract Price ($M)			Estimated Price At Completion ($M)	
Target	Ceiling	Qty	Target	Ceiling	Qty	Contractor	Program Manager
48.5	N/A	3	48.5	N/A	3	48.5	48.5

Cost And Schedule Variance Explanations

Cost and Schedule variance reporting is not required on this FFP contract.

Contract Comments

This contract is more than 90% complete; therefore, this is the final report for this contract.

Appropriation: Procurement

Contract Name	**CLS Airframe**
Contractor	Lockheed Martin Corp
Contractor Location	86 South Cobb Drive Marietta, GA 30006
Contract Number, Type	N00019-09-D-0015, FFP
Award Date	January 01, 2009
Definitization Date	April 01, 2010

Initial Contract Price ($M)			Current Contract Price ($M)			Estimated Price At Completion ($M)	
Target	Ceiling	Qty	Target	Ceiling	Qty	Contractor	Program Manager
92.6	N/A	N/A	125.7	N/A	N/A	125.7	125.7

Cost And Schedule Variance Explanations

Cost and Schedule variance reporting is not required on this FFP contract.

Contract Comments

The difference between the initial contract price target and the current contract price target is due to high operational tempo in the fleet which required additional funding for spares.

The Initial Contract Price (Target) was incorrectly identified as $92.9M in the last report. This submission has been updated to reflect the correct Initial Contract Price (Target) of $92.6M.

Appropriation: Procurement

Contract Name	**Power By the Hour**
Contractor	Rolls-Royce Corporation
Contractor Location	2355 S. Tibbs Ave Indianapolis, IN 46421
Contract Number, Type	N00019-09-D-0020, FFP
Award Date	March 01, 2009
Definitization Date	March 01, 2009

Initial Contract Price ($M)			Current Contract Price ($M)			Estimated Price At Completion ($M)	
Target	Ceiling	Qty	Target	Ceiling	Qty	Contractor	Program Manager
168.0	N/A	N/A	197.0	N/A	N/A	197.0	197.0

Cost And Schedule Variance Explanations

Cost and Schedule variance reporting is not required on this FFP contract.

Contract Comments

The difference between the initial contract price target and the current contract price target is due to additional efforts to support Foreign Military Sales (FMS).

Deliveries and Expenditures

Deliveries To Date	Plan To Date	Actual To Date	Total Quantity	Percent Delivered
Development	0	0	0	--
Production	46	46	104	44.23%
Total Program Quantities Delivered	46	46	104	44.23%

Expenditures and Appropriations (TY $M)			
Total Acquisition Cost	10528.9	Years Appropriated	16
Expenditures To Date	3400.8	Percent Years Appropriated	47.06%
Percent Expended	32.30%	Appropriated to Date	3652.6
Total Funding Years	34	Percent Appropriated	34.69%

Deliveries and expenditures are current as of January 31, 2012.

Operating and Support Cost

Assumptions And Ground Rules

Date of estimate: February 2012
Source: AIR-4.2 Operating & Support (O&S) cost estimate
KC-130J Program Initiation = FY 1997

Estimated Duration = FY 2001 through FY 2070

Total number of KC-130J aircraft procured = 104

Primary Aircraft Authorization = 95

KC-130J Life (without Service Life Extension Program) = 40 years

Aircraft Attrition Rate = 0.1% per Year

Average flight hours per month per aircraft = 49.9

Total Operating Aircraft Years = 4,042

Legacy portions of the aircraft will be repaired organically (3-level maintenance).

Unique portions of the aircraft (avionics and propulsion) will be repaired using Contract Logistics Support.
Antecedent average annual cost per aircraft is based on KC-130F&R from FY 1999 to FY 2001, 47.7 aircraft, 19,382 flight hours per year, assuming 40 year life per aircraft.
KC-130T reserve squadron aircraft data is not included in antecedent average annual cost per aircraft, and it should be noted that KC-130F&R models were in ramp down phase during this time that data was available.
Antecedent total O&S cost is not available for comparison purposes.
Total O&S Cost (BY 2010 $M) = Average Annual Cost per Aircraft (BY 2010 $M) x Total Operating Aircraft Years.

Changes for the December 2011 SAR include adding cost growth to the commercial depot Power by the Hour contract, updated regression data, and program duration increase from 67 to 70 years due to delivery profile changes.

Costs BY2010 $M		
Cost Element	**KC-130J Avg Annual Cost per Aircraft**	**KC-130 F/R/T Avg Annual Cost per Aircraft (N/A)**
Unit-Level Manpower	2.327	1.420
Unit Operations	1.679	0.789
Maintenance	4.453	1.878
Sustaining Support	0.341	0.131
Continuing System Improvements	0.946	0.317
Indirect Support	0.489	0.387
Other	0.000	0.000
Total Unitized Cost (Base Year 2010 $)	10.235	4.922

Total O&S Costs $M	KC-130J	KC-130 F/R/T
Base Year	41373.7	0.0
Then Year	74536.6	0.0

As defined by the Cost Assessment and Program Evaluation Department Operating and Support (O&S) Cost Estimating Guide of October 2007, disposal cost is not part of O&S. It is not currently estimated for this program.