Selected Acquisition Report (SAR)

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

KC-130J Transport Aircraft (KC-130J)

As of FY 2015 President's Budget

Defense Acquisition Management
Information Retrieval
(DAMIR)

Table of Contents

Common Acronyms and Abbreviations

Acq O&M - Acquisition-Related Operations and Maintenance
APB - Acquisition Program Baseline
APPN - Appropriation
APUC - Average Procurement Unit Cost
BA - Budget Authority/Budget Activity
BY - Base Year
DAMIR - Defense Acquisition Management Information Retrieval
Dev Est - Development Estimate
DoD - Department of Defense
DSN - Defense Switched Network
Econ - Economic
Eng - Engineering
Est - Estimating
FMS - Foreign Military Sales
FY - Fiscal Year
IOC - Initial Operational Capability
$K - Thousands of Dollars
LRIP - Low Rate Initial Production
$M - Millions of Dollars
MILCON - Military Construction
N/A - Not Applicable
O&S - Operating and Support
Oth - Other
PAUC - Program Acquisition Unit Cost
PB - President's Budget
PE - Program Element
Proc - Procurement
Prod Est - Production Estimate
QR - Quantity Related
Qty - Quantity
RDT&E - Research, Development, Test, and Evaluation
SAR - Selected Acquisition Report
Sch - Schedule
Spt - Support
TBD - To Be Determined
TY - Then Year
UCR - Unit Cost Reporting

Program Information

Program Name

KC-130J Transport Aircraft (KC-130J)

DoD Component

Navy

Responsible Office

Responsible Office

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Date Assigned June 24, 2010

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 Transport Aircraft (KC-130J) is a high-wing, long range land based monoplane which is powered by four turboprop engines equipped with six blade variable pitch propellers.

The KC-130J program provides the Marine Corps with air-to-air refueler/tactical transport capability to replace the KC-130 F/R/T aircraft. Specific KC-130J mission capabilities encompass air-to-air refueling, rapid ground refueling, tactical troop transport, aerial delivery of personnel and cargo, airborne radio relay, tactical aero-medical evacuation, intelligence, surveillance, and reconnaissance, and Close Air Support. The KC-130J improves readiness, capability and survivability while reducing maintenance and operating costs.

Executive Summary

The current Program of Record is 104 aircraft - 79 United States Marine Corps and 25 United States Navy Reserve. As of March 20, 2014, 47 aircraft have been delivered. All aircraft are being acquired through United States Air Force procurement contracts.

The KC-130J has been continuously forward deployed in support of multiple operations since February 2005. Five Harvest HAWK kits (Block E) have been delivered as of March 20, 2014. Harvest HAWK has been continuously forward deployed since fielding in October 2010.

Congressional reductions in the FY 2014 appropriated budget resulted in the decrease of one aircraft; however, the total aircraft quantity remains unchanged.

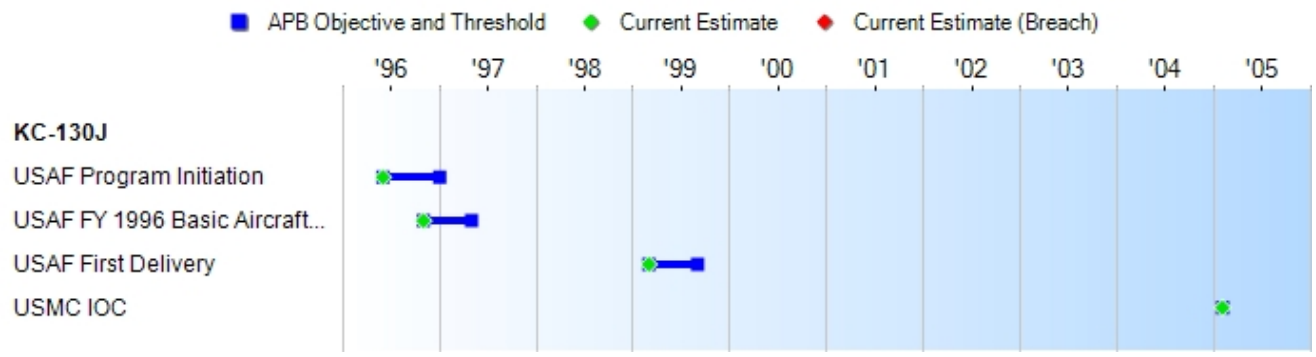
There are no significant software-related issues with this program at this time.

Threshold Breaches

APB Breaches		
Schedule		☐
Performance		☐
Cost	RDT&E	☐
	Procurement	☐
	MILCON	☐
	Acq O&M	☐
O&S Cost		☐
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
USMC IOC	FEB 2005	FEB 2005	FEB 2005	FEB 2005

Change Explanations

None

Memo

Structural, safety of flight, and capability modifications continue to be developed and incorporated.

Acronyms and Abbreviations

USAF - United States Air Force
USMC - United States Marine Corps

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 25000 lb Cargo Load	2,700 nm	2,700 nm	The C-130J deployment range, at long-range cruise airspeeds, mean cruise weight fuel flow, a cruise altitude of 27,000 ft or above, 6,700 lbs reserve fuel overhead destination with a 25,000 lb cargo payload, and the	2,700 nm	2,700 nm

			conditions stated above, the deployment range must be 2,460 nm		
Maximum Effort Ground Roll	The maximum effort landing ground roll at 135,000 lbs will not exceed 1800 ft	The maximum effort landing ground roll at 135,000 lbs will not exceed 1800 ft	The maximum effort landing ground roll at 135,000 lbs will not exceed 1800 ft	1800 ft	The maximum effort landing ground roll at 135,000 lbs will not exceed 1800 ft
Maximum Effort Takeoff Run	2700 ft	2700 ft	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 164,000 lbs in 3,300 ft	2700 ft	2700 ft

Requirements Source

Operational Requirements Letter (ORL) Change 3 dated February 14, 2009

Change Explanations

None

Memo

ORL Change 3 was clarified on November 12, 2013 with no changes to the KC-130J Performance Characteristics.

Acronyms and Abbreviations

ft - Feet
lbs - Pounds
nm - Nautical Miles

Track to Budget

RDT&E

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

Procurement

Appn		BA	PE		
Navy	1506	04	0502379N		
	Line Item		**Name**		
	041600		Direct Support Squadron		(Sunk)
Navy	1506	04	0502504M		
	Line Item		**Name**		
	041600		KC-130/VMGR Squadrons (MCR)		
Navy	1506	04	0206127M		
	Line Item		**Name**		
	041600		KC-130J Squadrons (Marine Air Wing)		(Sunk)
Navy	1506	06	0502379N		
	Line Item		**Name**		
	060500		Direct Support Squadron	(Shared)	(Sunk)
Navy	1506	06	0502504M		
	Line Item		**Name**		
	060500		KC-130/VMGR Squadrons (MCR)	(Shared)	
Navy	1506	06	0206127M		
	Line Item		**Name**		
	060500		KC-130J Squadrons (Marine Air Wing)	(Shared)	(Sunk)
Defense-Wide	0350	00			
	Line Item		**Name**		
	1301		National Guard Reserve Equipment		

PEs 0502379N and 0206127M will be used to procure aircraft beyond FY 2019.

VMGR is a Marine Aerial Refueler Transport Squadron.

Cost and Funding

Cost Summary

Total Acquisition Cost and Quantity

Appropriation	BY2010 $M			BY2010 $M	TY $M		
	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	9357.2	9846.3	9846.3	11005.6
Flyaway	--	--	--	7999.4	--	--	9458.5
Recurring	--	--	--	7853.4	--	--	9279.6
Non Recurring	--	--	--	146.0	--	--	178.9
Support	--	--	--	1357.8	--	--	1547.1
Other Support	--	--	--	921.8	--	--	1059.6
Initial Spares	--	--	--	436.0	--	--	487.5
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	9395.3	9881.8	9881.8	11043.4

Confidence Level for 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
FY2015 President's Budget / December 2013 SAR (TY$ M)

Appropriation	Prior	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	To Complete	Total
RDT&E	37.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	37.8
Procurement	3866.2	105.4	92.5	123.4	154.1	99.9	140.2	6423.9	11005.6
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 2015 Total	3904.0	105.4	92.5	123.4	154.1	99.9	140.2	6423.9	11043.4
PB 2014 Total	3668.8	170.7	106.2	136.8	108.7	205.7	508.3	5623.7	10528.9
Delta	235.2	-65.3	-13.7	-13.4	45.4	-105.8	-368.1	800.2	514.5

Quantity	Undistributed	Prior	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	To Complete	Total
Development	0	0	0	0	0	0	0	0	0	0
Production	0	51	1	1	1	2	1	1	46	104
PB 2015 Total	0	51	1	1	1	2	1	1	46	104
PB 2014 Total	0	48	2	1	1	1	2	4	45	104
Delta	0	3	-1	0	0	1	-1	-3	1	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	775.9	--	17.5	793.4	40.9	834.3
2009	2	103.2	--	3.0	106.2	38.6	144.8
2010	--	--	--	--	--	--	--
2011	--	--	--	--	--	--	--
2012	1	69.6	--	1.9	71.5	14.8	86.3
2013	3	230.3	--	--	230.3	--	230.3
2014	1	92.7	--	2.0	94.7	10.7	105.4
2015	1	56.8	--	2.0	58.8	33.7	92.5
2016	1	85.4	--	2.0	87.4	36.0	123.4
2017	2	133.5	--	4.1	137.6	16.5	154.1
2018	1	74.2	--	2.1	76.3	23.6	99.9
2019	1	109.5	--	2.2	111.7	28.5	140.2
2020	4	422.8	--	8.8	431.6	110.5	542.1
2021	4	408.2	--	9.0	417.2	95.4	512.6
2022	4	424.3	--	9.1	433.4	61.2	494.6
2023	4	441.0	--	9.2	450.2	54.5	504.7
2024	4	458.3	--	9.5	467.8	91.6	559.4
2025	4	476.3	--	9.7	486.0	50.1	536.1

2026	4	495.0	--	9.9	504.9	57.8	562.7
2027	4	514.5	--	10.1	524.6	58.9	583.5
2028	4	534.8	--	10.3	545.1	68.8	613.9
2029	4	555.9	--	10.5	566.4	61.3	627.7
2030	4	533.0	--	10.7	543.7	55.3	599.0
2031	2	253.9	--	5.5	259.4	28.2	287.6
Subtotal	**104**	**9279.6**	**--**	**178.9**	**9458.5**	**1512.8**	**10971.3**

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	777.5	--	17.5	795.0	41.0	836.0
2009	2	102.0	--	3.0	105.0	38.1	143.1
2010	--	--	--	--	--	--	--
2011	--	--	--	--	--	--	--
2012	1	64.9	--	1.8	66.7	13.8	80.5
2013	3	211.3	--	--	211.3	--	211.3
2014	1	83.5	--	1.8	85.3	9.7	95.0
2015	1	50.2	--	1.8	52.0	29.8	81.8
2016	1	74.0	--	1.7	75.7	31.3	107.0
2017	2	113.5	--	3.5	117.0	14.0	131.0
2018	1	61.8	--	1.8	63.6	19.7	83.3
2019	1	89.5	--	1.8	91.3	23.2	114.5
2020	4	338.7	--	7.0	345.7	88.5	434.2
2021	4	320.6	--	7.1	327.7	74.8	402.5
2022	4	326.7	--	7.0	333.7	47.1	380.8
2023	4	332.9	--	6.9	339.8	41.1	380.9
2024	4	339.1	--	7.0	346.1	67.9	414.0
2025	4	345.5	--	7.0	352.5	36.4	388.9

2026	4	352.1	--	7.0	359.1	41.1	400.2
2027	4	358.8	--	7.0	365.8	41.1	406.9
2028	4	365.6	--	7.0	372.6	47.1	419.7
2029	4	372.6	--	7.0	379.6	41.1	420.7
2030	4	350.2	--	7.0	357.2	36.4	393.6
2031	2	163.6	--	3.5	167.1	18.2	185.3
Subtotal	**104**	**7853.4**	**--**	**146.0**	**7999.4**	**1326.7**	**9326.1**

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	793.7
2009	2	132.0
2010	--	--
2011	--	--
2012	1	67.1
2013	3	191.8
2014	1	74.0
2015	1	53.8
2016	1	65.3
2017	2	132.1
2018	1	65.5
2019	1	77.0
2020	4	313.3
2021	4	319.8
2022	4	325.8
2023	4	332.0

2024	4	338.3
2025	4	344.7
2026	4	351.2
2027	4	357.9
2028	4	364.7
2029	4	371.6
2030	4	378.7
2031	2	192.9
Subtotal	**104**	**7853.4**

Annual Funding TY$
0350 | Procurement | National Guard and Reserve Equipment ,Defense

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
2013	--	--	--	--	--	34.3	34.3
Subtotal	**--**	**--**	**--**	**--**	**--**	**34.3**	**34.3**

Annual Funding BY$
0350 | Procurement | National Guard and Reserve Equipment ,Defense

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
2013	--	--	--	--	--	31.1	31.1
Subtotal	**--**	**--**	**--**	**--**	**--**	**31.1**	**31.1**

Low Rate Initial Production

There is no LRIP for this program.

Foreign Military Sales

Country	Date of Sale	Quantity	Total Cost $M	Memo
Kuwait	5/4/2010	3	213.2	Aircraft are being procured through the Air Force production contract. Deliveries are scheduled for FY 2014.

Nuclear Costs

None

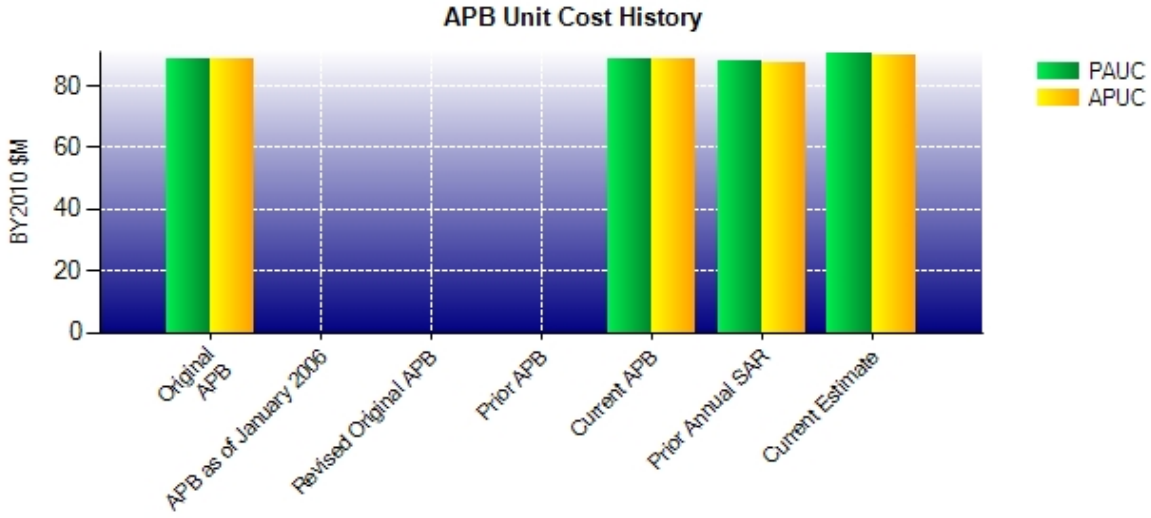
Unit Cost

Unit Cost Report

	BY2010 $M	BY2010 $M	
Unit Cost	**Current UCR Baseline (FEB 2011 APB)**	**Current Estimate (DEC 2013 SAR)**	**BY % Change**
Program Acquisition Unit Cost (PAUC)			
Cost	9233.9	9395.3	
Quantity	104	104	
Unit Cost	88.788	90.339	+1.75
Average Procurement Unit Cost (APUC)			
Cost	9198.3	9357.2	
Quantity	104	104	
Unit Cost	88.445	89.973	+1.73

	BY2010 $M	BY2010 $M	
Unit Cost	**Original UCR Baseline (FEB 2011 APB)**	**Current Estimate (DEC 2013 SAR)**	**BY % Change**
Program Acquisition Unit Cost (PAUC)			
Cost	9233.9	9395.3	
Quantity	104	104	
Unit Cost	88.788	90.339	+1.75
Average Procurement Unit Cost (APUC)			
Cost	9198.3	9357.2	
Quantity	104	104	
Unit Cost	88.445	89.973	+1.73

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 2012	87.662	87.296	101.239	100.876
Current Estimate	DEC 2013	90.339	89.973	106.187	105.823

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	2.592	0.000	10.976	2.127	-5.584	0.000	1.059	11.170	106.187

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	2.594	0.000	10.975	2.127	-5.608	0.000	1.059	11.147	105.823

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	11043.4
Total Quantity	N/A	N/A	104	104
Prog. Acq. Unit Cost (PAUC)	N/A	N/A	95.017	106.187

Cost Variance

Summary Then Year $M				
	RDT&E	Proc	MILCON	Total
SAR Baseline (Prod Est)	35.5	9846.3	--	9881.8
Previous Changes				
Economic	-0.2	+297.2	--	+297.0
Quantity	--	--	--	--
Schedule	--	+893.1	--	+893.1
Engineering	--	--	--	--
Estimating	+2.5	-609.2	--	-606.7
Other	--	--	--	--
Support	--	+63.7	--	+63.7
Subtotal	+2.3	+644.8	--	+647.1
Current Changes				
Economic	--	-27.4	--	-27.4
Quantity	--	--	--	--
Schedule	--	+248.3	--	+248.3
Engineering	--	+221.2	--	+221.2
Estimating	--	+26.0	--	+26.0
Other	--	--	--	--
Support	--	+46.4	--	+46.4
Subtotal	--	+514.5	--	+514.5
Total Changes	+2.3	+1159.3	--	+1161.6
CE - Cost Variance	37.8	11005.6	--	11043.4
CE - Cost & Funding	37.8	11005.6	--	11043.4

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	--	+367.5	--	+367.5
Engineering	--	--	--	--
Estimating	+2.5	-510.1	--	-507.6
Other	--	--	--	--
Support	--	+23.1	--	+23.1
Subtotal	+2.5	-119.5	--	-117.0
Current Changes				
Economic	--	--	--	--
Quantity	--	--	--	--
Schedule	--	+81.3	--	+81.3
Engineering	--	+158.8	--	+158.8
Estimating	--	+18.2	--	+18.2
Other	--	--	--	--
Support	--	+20.1	--	+20.1
Subtotal	--	+278.4	--	+278.4
Total Changes	+2.5	+158.9	--	+161.4
CE - Cost Variance	38.1	9357.2	--	9395.3
CE - Cost & Funding	38.1	9357.2	--	9395.3

Previous Estimate: December 2012

Procurement	$M	
Current Change Explanations	**Base Year**	**Then Year**
Revised escalation indices. (Economic)	N/A	-27.4
Adjustment for current and prior escalation. (Estimating)	+2.5	+2.8
Revised estimate to reflect the application of new outyear inflation indices. (Estimating)	+19.1	+24.1
Schedule variance resulting from multiple aircraft rephasing adjustments within the Future Years Defense Program (FYDP) and a stretchout to the end of production from FY 2028 to FY 2031. (Schedule)	0.0	+107.6
Additional schedule variance resulting from multiple aircraft rephasing adjustments within the FYDP and a stretchout to the end of production from FY 2028 to FY 2031. (Schedule)	+81.3	+140.7
Incorporation of Airframe Engineering Change Proposals (ECPs) with production line cut-in of combined United States Air Force Block 7.0/8.1 upgrades for Communications, Navigation, Surveillance/Air Traffic Management compliance. (Engineering)	+105.5	+147.2
Incorporation of Airframe ECPs with production line cut-in of Large Aircraft Infrared Countermeasures. (Engineering)	+47.9	+66.6
Incorporation of Airframe ECPs with production line cut-in of KC-130J Adjustable Ballast System. (Engineering)	+5.4	+7.4
Revised estimate for Lockheed Martin Airframe multi-year procurement contract. (Estimating)	-6.7	-7.4
Revised estimate for Government Furnished Equipment. (Estimating)	+3.3	+6.5
Adjustment for current and prior escalation. (Support)	+0.4	+0.4
Increase in Other Support for a Weapon Systems Trainer and a Cockpit Procedures Trainer funded by FY 2013 National Guard and Reserve Equipment Appropriation (NGREA) funds (DoD). (Support)	+31.1	+34.3
Increase in Other Support due to removal of the FY 2013 NGREA funded Trainers, updated Trainers estimates and re-phasing, and for additional years of labor due to stretchout of procurement profile (Navy). (Support)	+0.9	+20.2
Decrease in Initial Spares due to revised cost estimate. (Support)	-12.3	-8.5
Procurement Subtotal	+278.4	+514.5

Contracts

Appropriation: Procurement	
Contract Name	**Systems Engineering and Logistics Support Sustainment (SELSS)**
Contractor	Lockheed Martin Corporation
Contractor Location	86 South Cobb Drive Marietta, GA 30060
Contract Number, Type	N00019-14-D-0006/1, FFP
Award Date	December 26, 2013
Definitization Date	December 26, 2013

Initial Contract Price ($M)			Current Contract Price ($M)			Estimated Price at Completion ($M)	
Target	Ceiling	Qty	Target	Ceiling	Qty	Contractor	Program Manager
49.3	N/A	0	49.3	N/A	0	49.3	49.3

Cost and Schedule Variance Explanations

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

Contract Comments

This is the first time this contract is being reported.

Appropriation: Procurement

Contract Name	**Multi-Year Model Contract**
Contractor	Lockheed Martin Corporation
Contractor Location	86 South Cobb Drive Marietta, GA 30060
Contract Number, Type	FA8625-14-C-6450/1, FFP
Award Date	December 09, 2013
Definitization Date	

Initial Contract Price ($M)			Current Contract Price ($M)			Estimated Price at Completion ($M)	
Target	Ceiling	Qty	Target	Ceiling	Qty	Contractor	Program Manager
169.7	N/A	0	169.7	N/A	0	169.7	169.7

Cost and Schedule Variance Explanations

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

Contract Comments

This is the first time this contract is being reported.

The contract has been awarded to provide for Advance Procurement. The contract will be definitized for aircraft procurement in the 1st quarter FY 2015.

Appropriation: Procurement

Contract Name	**C-130J FYOC IV**
Contractor	Lockheed Martin Corporation
Contractor Location	86 South Cobb Drive Marietta, GA 30060
Contract Number, Type	FA8625-11-C-6597, FFP
Award Date	March 16, 2011
Definitization Date	March 16, 2011

Initial Contract Price ($M)			Current Contract Price ($M)			Estimated Price at Completion ($M)	
Target	Ceiling	Qty	Target	Ceiling	Qty	Contractor	Program Manager
71.2	N/A	0	71.2	N/A	1	71.2	71.2

Cost and Schedule Variance Explanations

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

Contract Comments

The previous SAR incorrectly included United States Coast Guard HC-130J aircraft procured through this contract.

Appropriation: Procurement	
Contract Name	**Follow-On Five Year Option Contract (FYOC) - III**
Contractor	Lockheed Martin Corporation
Contractor Location	86 South Cobb Drive Marietta, GA 30060
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	792.9	N/A	14	792.9	792.9

Target Price Change Explanation

The difference between the Initial Contract Price Target and the Current Contract Price Target is due to additional aircraft procurements required.

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.

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

Appropriation: Procurement

Contract Name	**CLS Airframe**
Contractor	Lockheed Martin Corporation
Contractor Location	86 South Cobb Drive Marietta, GA 30060
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	74.4	N/A	N/A	74.4	74.4

Target Price Change Explanation

The difference between the Initial Contract Price Target and the Current Contract Price Target is due to the descoping of the contract requirements.

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	**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	215.1	N/A	N/A	215.1	215.1

Target Price Change Explanation

The difference between the Initial Contract Price Target and the Current Contract Price Target is due to the contract extending 12 months.

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.

Deliveries and Expenditures

Delivered to Date	Plan to Date	Actual to Date	Total Quantity	Percent Delivered
Development	0	0	0	--
Production	47	47	104	45.19%
Total Program Quantity Delivered	47	47	104	45.19%

Expended and Appropriated (TY $M)			
Total Acquisition Cost	11043.4	Years Appropriated	18
Expended to Date	3563.0	Percent Years Appropriated	51.43%
Percent Expended	32.26%	Appropriated to Date	4009.4
Total Funding Years	35	Percent Appropriated	36.31%

The above data is current as of 3/20/2014.

Operating and Support Cost

KC-130J

Assumptions and Ground Rules

Cost Estimate Reference:
Date of Estimate: February 2014
Source: Naval Air Systems Command 4.2 Cost Department; O&S Division

This is the third update for the KC-130J O&S cost estimate since the Navy Service Cost Position was established in 2010. Visibility and Management of Operating and Support Costs (VAMOSC) data from FY 2001 through FY 2012, or FY 2013 where it was available, was used to establish the KC-130J baseline. Projections based on the historical costs in VAMOSC provide the majority of the outyear estimates. A phased approach estimate includes the ramp-up of aircraft as they are introduced to the fleet through the retirement of the KC-130J aircraft from service with a total aircraft procurement of 104 (maximum Program Aircraft Authorized (PAA) of 94).

Sustainment Strategy:
KC-130J unique parts will be supported by two-level maintenance (Organizational to Depot) via Contractor Logistics Support. C-130 common parts will be supported via organic three-level support.

Quantity =104 (94 PAA)
Service Life (Useful Life) = approximately 40 years
Estimated Duration = FY 2001 to FY 2073
Aircraft Attrition Rate = 0.1% of Total Aircraft Inventory (TAI) per year
Average Flight Hours per Month per Aircraft = 50
Total Operating Aircraft Years = 3,923

Antecedent Information:
The antecedent systems are the KC-130F, KC-130R, and C/KC-130T aircraft. KC-130F and KC-130R were used in a blended analysis to compare to the KC-130J. C/KC-130T reserve squadron aircraft data is not included in the Antecedent Average Annual Cost per Aircraft, and it should be noted that the KC-130F/R models were in ramp down phase during the time that data was available. Additionally, both the KC-130F and KC-130R were Acquisition Category II programs that relied heavily on United States Air Force program sustainment. KC-130J aircraft will replace the KC-130F, KC-130R, and C/KC-130T aircraft one-for-one.

The capture of O&S data in available reporting systems has changed significantly over time. Antecedent systems began their service life before continuous, reliable recording systems were available. VAMOSC provides costs for FY 1997 to present. The cost data for platforms in existence prior to 1997 is either unavailable or incomplete. In summary, sufficient historical data and resources do not exist to create a credible comparison of Total O&S Costs.

A data pull from the VAMOSC Aircraft Type Model Series Report was made in January 2014 to obtain Maintenance, Sustaining Support, and Continuing System Improvements cost data. The steady state average of this data from 1999 to 2001 was used. The VAMOSC total aircraft number for these years was 47, 48, and 48 respectively. The Unit Level Manpower and Indirect Support costs were assumed to be the same as for the KC-130J. The Unit Operations costs were calculated using December 2012 Cost Adjustment and Visibility Tracking System data from 1995 to 2009 to obtain the fuel consumption ratio of the antecedent aircraft to the KC-130J. The antecedent average annual cost was then multiplied by the KC-130J total operating aircraft years to find the total BY antecedent cost.

Unitized O&S Costs BY2010 $M		
Cost Element	**KC-130J Avg Annual Cost per Aircraft**	**KC-130 F/R/T (Antecedent) Avg Annual Cost per Aircraft**
Unit-Level Manpower	2.121	2.121
Unit Operations	1.852	1.501
Maintenance	4.133	1.869
Sustaining Support	0.395	0.124
Continuing System Improvements	0.411	0.294
Indirect Support	0.750	0.750
Other	0.000	0.000
Total	9.662	6.659

Unitized Cost Comments:

The Average Annual Cost per Aircraft for the KC-130J is calculated by dividing the Total O&S Cost by the Total Operational Aircraft Years for the program.

	Total O&S Cost $M			
	Current Production APB Objective/Threshold		**Current Estimate**	
	KC-130J		**KC-130J**	**KC-130 F/R/T (Antecedent)**
Base Year	43344.2	47678.6	37904.5	26122.0
Then Year	77520.4	N/A	65241.5	N/A

Total O&S Costs Comments:

For comparison purposes, the BY Antecedent Total O&S Cost is the product of the Antecedent's Average Annual Cost per Aircraft and the Operational Aircraft Years of the KC-130J.

O&S Cost Variance		
Category	BY 2010 $M	Change Explanations
Previous SAR Total O&S Estimate - December 2012	39,987.257	
Cost Estimating Methodology	-1,980.832	Projected forward using historical averages instead of regressions, removed double counting
Cost Data Update	-423.257	Updated historical cost information, FY 2012 actuals, and FY 2013 actuals where available
Labor Rate	-1,859.937	Composite Labor, Indirect Rates, and Manning Document update
Energy Rate	+646.484	Fuel rate update
Technical Input	0.000	
Programmatic/Planning Factors	+1,534.794	Reduced flying hours and delayed induction of aircraft which extended program life
Other	0.000	
Total Changes	-2,082.748	

Current Estimate	37,904.509	

Primary drivers to the variance are reduced historical costs, which then reflect on the regressions used to calculate the out-year costs, and reduced labor rates. Reduced flying hours and delayed induction during the Future Years Defense Program increased O&S costs.

Disposal Costs:

The Rough Order of Magnitude estimated cost of demilitarization/disposal phase for the remaining aircraft is $25M (BY 2010 dollars). The estimate will be refined as the System Disposal Plan Annex to the Life Cycle Sustainment Plan is developed.