

UNCLASSIFIED

Exhibit R-2, RDT&E Budget Item Justification: PB 2013 Air Force **DATE:** February 2012

APPROPRIATION/BUDGET ACTIVITY 3600: <i>Research, Development, Test & Evaluation, Air Force</i> BA 7: <i>Operational Systems Development</i>	R-1 ITEM NOMENCLATURE PE 0708610F: <i>Logistics Information Technology (LOGIT)</i>
--	--

COST (\$ in Millions)	FY 2011	FY 2012	FY 2013 Base	FY 2013 OCO	FY 2013 Total	FY 2014	FY 2015	FY 2016	FY 2017	Cost To Complete	Total Cost
Total Program Element	217.584	139.885	119.327	-	119.327	171.058	137.291	88.802	3.734	Continuing	Continuing
675208: <i>Expeditionary Combat Support System (ECSS)</i>	217.584	139.885	119.327	-	119.327	171.058	137.291	88.802	3.734	Continuing	Continuing
Quantity of RDT&E Articles	0	0	0	0	0	0	0	0	0		

A. Mission Description and Budget Item Justification

ECSS utilizes a Commercial-Off-The-Shelf (COTS) Enterprise Resource Planning (ERP) application to replace wholesale and retail legacy logistics Information Technology (IT) systems. ECSS is a component of the larger Expeditionary Logistics for the 21st Century (eLog21) systems architecture and consists of modules that will streamline and integrate financials, order management, purchasing, inventory management, distribution, and other business functions of the Air Force onto one platform. Use of ERP/COTS products will provide the warfighter and the AF enterprise with DoD and industry best business practices and capabilities, including product support & engineering, supply chain management, expeditionary logistics Command & Control, acquisition & procurement, and maintenance, repair and overhaul. ECSS will comply with the DoD IT Standards Registry (DISR), Business Enterprise Architecture (BEA), Chief Financial Officer (CFO) Act, and the Joint Financial Management Improvement Program (JFMIP). ECSS supports Financial Improvement and Audit Readiness (FIAR). ECSS will reside on the Global Combat Support System-Air Force (GCSS-AF) Integration Framework (IF). FY11-13 efforts include: requirements/gap analysis, business process reengineering, data cleansing, solution development, piloting, initial operational test and evaluation (IOT&E), organizational change management, training, IOT&E site preparation, risk reduction activities, and logistics modernization/remediation activities to achieve FIAR compliance for legacy systems.

Activities also include studies and analysis to support both current program planning and execution and future program planning.

This program is in Budget Activity 7, Operational System Development because this budget activity includes development efforts to upgrade systems that have been fielded or have received approval for full rate production and anticipate production funding in the current or subsequent fiscal year.

UNCLASSIFIED

Exhibit R-2, RDT&E Budget Item Justification: PB 2013 Air Force				DATE: February 2012	
APPROPRIATION/BUDGET ACTIVITY 3600: Research, Development, Test & Evaluation, Air Force BA 7: Operational Systems Development		R-1 ITEM NOMENCLATURE PE 0708610F: Logistics Information Technology (LOGIT)			
B. Program Change Summary (\$ in Millions)	FY 2011	FY 2012	FY 2013 Base	FY 2013 OCO	FY 2013 Total
Previous President's Budget	227.614	140.284	47.004	-	47.004
Current President's Budget	217.584	139.885	119.327	-	119.327
Total Adjustments	-10.030	-0.399	72.323	-	72.323
• Congressional General Reductions	-	-0.399			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-8.643	-			
• SBIR/STTR Transfer	-	-			
• Other Adjustments	-1.387	-	72.323	-	72.323
Change Summary Explanation					
After failing to meet Full Deployment Decision (FDD) within five years of when funds were first obligated, ECSS submitted a Critical Change Report (CCR) in February 2011. Subsequently, the MDA directed the implementation of additional reporting requirements and risk reduction activities. The Air Force is executing to the MDA-approved alternative.					
FY11: Program is reduced by \$1.387M due to Congressional General Reductions. Also, \$8.643M reprogrammed due to higher DoD priorities.					
FY12: Program is reduced by \$0.399M due to a Congressional General Reduction (FFRDC, Sec. 8023). The Air Force anticipates a restructure of the existing ECSS aquisition strategy based on a forthcoming Critical Change Report.					
FY13-17 increases funding for ECSS RDT&E in accordance with the OSD (CAPE) Independent Cost Estimate while also supporting efforts to ensure Financial Improvement and Audit Readiness (FIAR) compliance, per 2010 National Defense Authorization Act, Section 1003.					
C. Accomplishments/Planned Programs (\$ in Millions)	FY 2011	FY 2012	FY 2013		
Title: Product Development (ERP/COTS System Integration and OEM COTS Product Technical Support)	148.617	94.257	80.405		
Description: ERP/COTS Solution Development activity through System Integration Technical Test, Pre-production testing, Training and Site Preparation activities, data cleansing, and development efforts supporting Financial Improvement and Audit Readiness (FIAR) of Legacy Systems.					
FY 2011 Accomplishments: Continued ERP/COTS product development. Executed Increment 1 Pilot B and Pilot C System Integration Technical Test (SITT), pre-production testing, and Pilot B Go-Live. Continued Increment 1 Pilot C and Pilot D Training and Site Preparation activities.					

UNCLASSIFIED

Exhibit R-2, RDT&E Budget Item Justification: PB 2013 Air Force		DATE: February 2012		
APPROPRIATION/BUDGET ACTIVITY 3600: <i>Research, Development, Test & Evaluation, Air Force</i> BA 7: <i>Operational Systems Development</i>		R-1 ITEM NOMENCLATURE PE 0708610F: <i>Logistics Information Technology (LOGIT)</i>		
C. Accomplishments/Planned Programs (\$ in Millions)		FY 2011	FY 2012	FY 2013
Prepared for Increment 1 Initial Operational Test and Evaluation (IOT&E). Continued activities including gap analysis, data cleansing, and risk reduction efforts. FY 2012 Plans: Continue ERP solution development efforts. Complete Increment 1 Pilot C development activities. Continue requirements analysis, business process reengineering, gap analysis, data cleansing, and risk reduction efforts. FY 2013 Plans: ERP solution development. Logistics modernization and legacy systems development in support of FIAR. Continue requirements analysis, business process reengineering, gap analysis, data cleansing, and risk reduction efforts.				
Title: Support (Engineering Support, Independent Verification and Validation, Risk Reduction, Training, Data Cleansing) Description: Activities supporting ERP/COTS product development throughout Increment 1 System Integration Technical Test (SITT), pre-production testing, Pilot Go-Live, Training and Site Preparation, and Initial Operational Test and Evaluation (IOT&E). Support for gap analysis, data cleansing, and risk reduction efforts toward Financial Improvement and Audit Readiness (FIAR). FY 2011 Accomplishments: Continued support of ERP/COTS product development. Continued Increment 1 Pilot B and initiated Pilot C & D Training and Site Preparation activities. Executed Increment 1 Pilot B & C System Integration Technical Test (SITT), pre-production testing, and Pilot B Go-Live. Prepared for Increment 1 IOT&E. Continued activities including gap analysis, data cleansing, and risk reduction efforts. FY 2012 Plans: Continue support of ERP solution development efforts supporting logistics modernization. Support Increment 1 Pilot C development activities. Continue support of requirements analysis, business process reengineering, gap analysis, data cleansing, and risk reduction efforts. FY 2013 Plans: Support ERP solution development. Support logistics modernization and legacy systems development in support of FIAR. Continue supporting requirements analysis, business process reengineering, gap analysis, data cleansing, and risk reduction efforts.		43.578	22.790	19.441
Title: Test and Evaluation (Capabilities Integration and Test Support) Description: Test and Evaluation efforts for ERP/COTS product development throughout Increment 1 System Integration Technical Test (SITT), pre-production testing, Pilot Go-Live, Training and Site Preparation, and Initial Operational Test and		5.584	4.467	3.810

UNCLASSIFIED

Exhibit R-2, RDT&E Budget Item Justification: PB 2013 Air Force		DATE: February 2012		
APPROPRIATION/BUDGET ACTIVITY 3600: <i>Research, Development, Test & Evaluation, Air Force</i> BA 7: <i>Operational Systems Development</i>		R-1 ITEM NOMENCLATURE PE 0708610F: <i>Logistics Information Technology (LOGIT)</i>		
C. Accomplishments/Planned Programs (\$ in Millions)		FY 2011	FY 2012	FY 2013
Evaluation (IOT&E). Support for gap analysis, data cleansing, and risk reduction efforts toward Financial Improvement and Audit Readiness (FIAR). FY 2011 Accomplishments: Continued Test and Evaluation efforts for ERP/COTS product development. Continued Increment 1 Pilot B and initiated Pilot C & D Training and Site Preparation activities. Executed Increment 1 Pilot B & C System Integration Technical Test (SITT), pre-production testing, and Pilot B Go-Live. Prepared for Increment 1 IOT&E. Continued activities including gap analysis, data cleansing, and risk reduction efforts. FY 2012 Plans: Provide Test and Evaluation for ERP solution development efforts supporting logistics modernization. Provide Test and Evaluation required to complete Increment 1 Pilot C development activities. Continue requirements analysis, business process reengineering, gap analysis, data cleansing, and risk reduction efforts. FY 2013 Plans: Conduct Test and Evaluation for ERP solution development. Test and Evaluate logistics modernization and legacy systems development in support of FIAR.				
Title: Management Services (Government and Contractor Support) Description: Management Services for ERP/COTS product development throughout Increment 1 System Integration Technical Test (SITT), pre-production testing, Pilot Go-Live, Training and Site Preparation, and Initial Operational Test and Evaluation (IOT&E). Activities supporting gap analysis, data cleansing, and risk reduction efforts toward Financial Improvement and Audit Readiness (FIAR). FY 2011 Accomplishments: Continued providing Management Services for ERP/COTS product development. Managed Increment 1 Pilot B, C & D Training and Site Preparation activities, Pilot B & C System Integration Technical Test (SITT) and pre-production testing, and Pilot B Go-Live. Prepared for Increment 1 IOT&E. Continued activities including gap analysis, data cleansing, and risk reduction efforts to support FIAR. Declared Critical Change in early FY 2011 for failure to meet Full Deployment Decision within five years of funds first obligated. Initiated and completed Critical Change Report (CCR). Executed ECSS program based on CCR preferred alternative. FY 2012 Plans:		19.805	18.371	15.671

UNCLASSIFIED

Exhibit R-2, RDT&E Budget Item Justification: PB 2013 Air Force							DATE: February 2012					
APPROPRIATION/BUDGET ACTIVITY 3600: Research, Development, Test & Evaluation, Air Force BA 7: Operational Systems Development				R-1 ITEM NOMENCLATURE PE 0708610F: Logistics Information Technology (LOGIT)								
C. Accomplishments/Planned Programs (\$ in Millions)							FY 2011	FY 2012	FY 2013			
Provide Management Services for ERP solution development efforts supporting logistics modernization. Manage execution of Increment 1 Pilot C development activities. Continue management of requirements analysis, business process reengineering, gap analysis, data cleansing, and risk reduction efforts.												
Declare Critical Change in early FY 2012 for failure to meet Milestone B as previously reported in Feb 11 Critical Change Report (CCR). Initiate and complete CCR. Execute ECSS program based on CCR preferred alternative.												
FY 2013 Plans: Provide Management Services for ERP solution development. Provide Management Services for logistics modernization and legacy systems development in support of FIAR. Continue to manage requirements analysis, business process reengineering, gap analysis, data cleansing, and risk reduction efforts.												
Accomplishments/Planned Programs Subtotals							217.584	139.885	119.327			
D. Other Program Funding Summary (\$ in Millions)												
Line Item	FY 2011	FY 2012	FY 2013 Base	FY 2013 OCO	FY 2013 Total	FY 2014	FY 2015	FY 2016	FY 2017	Cost To Complete	Total Cost	
• OPAF, PE 0708610F, Logistics Inf...: Production Hardware, AIT, Licenses	9.500	55.793	0.771	0.000	0.771	32.335	37.467	68.699	7.362	Continuing	Continuing	
• O&M, PE 0708610F, Logistics ...: OCM, DISA, Mainteneance Fees	41.479	82.835	57.959	0.000	57.959	94.758	89.840	81.028	69.195	Continuing	Continuing	
E. Acquisition Strategy												
The ECSS acquisition strategy used a two-fold approach to award a COTS software solution followed by selection of a System Integrator. ECSS COTS and System Integrator Firm-Fixed Price (FFP) contracts were awarded using Enterprise Software Initiative (ESI) Blanket Purchase Agreement (BPA) (based on GSA schedule).												
Under the provisions of the System Integrator contract, funds are incrementally obligated; however, the contractor cannot invoice for payment until the performance-based milestone events are achieved and accepted by the Air Force.												
In FY12, the Air Force anticipates a restructure of the existing ECSS aquisition strategy based on the forthcoming Critical Change Report.												
F. Performance Metrics												
Please refer to the Performance Base Budget Overview Book for information on how Air Force resources are applied and how those resources are contributing to Air Force performance goals and most importantly, how they contribute to our mission.												

UNCLASSIFIED

Exhibit R-4, RDT&E Schedule Profile: PB 2013 Air Force		DATE: February 2012
APPROPRIATION/BUDGET ACTIVITY 3600: <i>Research, Development, Test & Evaluation, Air Force</i> BA 7: <i>Operational Systems Development</i>	R-1 ITEM NOMENCLATURE PE 0708610F: <i>Logistics Information Technology (LOGIT)</i>	PROJECT 675208: <i>Expeditionary Combat Support System (ECSS)</i>

UNCLASSIFIED

Exhibit R-4A, RDT&E Schedule Details: PB 2013 Air Force			DATE: February 2012
APPROPRIATION/BUDGET ACTIVITY 3600: <i>Research, Development, Test & Evaluation, Air Force</i> BA 7: <i>Operational Systems Development</i>	R-1 ITEM NOMENCLATURE PE 0708610F: <i>Logistics Information Technology (LOGIT)</i>	PROJECT 675208: <i>Expeditionary Combat Support System (ECSS)</i>	

Schedule Details

Events	Start		End	
	Quarter	Year	Quarter	Year
Increment 1 Milestone B Review	3	2012	3	2012
Potential Restructured Program Milestone B Review	1	2013	1	2013
Working Capital Fund (WCF) Financials Prototyping and Engineering Development	2	2012	4	2013
Working Capital Fund Financials IOT&E	4	2013	3	2014
Field WCF Financials	3	2014	2	2015
Wholesale Supply Engineering Development	4	2013	2	2014
Wholesale Supply IOT&E	2	2014	4	2014
Field Material Management (Wholesale)	4	2014	4	2015
Retail Supply Prototyping and Engineering Development	4	2013	4	2014
Retail Supply IOT&E	4	2014	3	2015
Field Material Management (Retail)	3	2015	4	2016
Equipment / Asset Management (EAM) Prototyping & Engineering Development	1	2013	4	2014
EAM IOT&E	4	2014	3	2015
Extend EAM to General Equipment / Asset Management	3	2015	4	2016