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**Exhibit R-2, RDT&E Budget Item Justification: PB 2014 Army** **DATE:** April 2013

<b>APPROPRIATION/BUDGET ACTIVITY</b> 2040: <i>Research, Development, Test &amp; Evaluation, Army</i> BA 5: <i>System Development &amp; Demonstration (SDD)</i>	<b>R-1 ITEM NOMENCLATURE</b> PE 0604822A: <i>General Fund Enterprise Business System (GFEBS)</i>
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COST (\$ in Millions)	All Prior Years	FY 2012	FY 2013 <sup>#</sup>	FY 2014 Base	FY 2014 OCO <sup>##</sup>	FY 2014 Total	FY 2015	FY 2016	FY 2017	FY 2018	Cost To Complete	Total Cost
Total Program Element	-	0.787	9.963	17.342	-	17.342	0.072	0.048	0.000	0.000	Continuing	Continuing
DV6: <i>General Fund Enterprise Business System</i>	-	0.000	9.963	17.342	-	17.342	0.072	0.048	0.000	0.000	Continuing	Continuing
GF5: <i>General Fund Enterprise Business System</i>	-	0.787	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing

<sup>#</sup> FY 2013 Program is from the FY 2013 President's Budget, submitted February 2012

<sup>##</sup> The FY 2014 OCO Request will be submitted at a later date

**Note**

\$0.227 million is required in FY 2014 for the Sensitive Activities (SA) program. Sensitive Activities provides a classified version of the GFEBS program. Sensitive Activities allows processing of data in a secure environment to protect and manage classified data without causing risk to our national security.

**A. Mission Description and Budget Item Justification**

The General Fund Business Enterprise System (GFEBS) is a Major Automated Information System (MAIS) program and completing the developmental phase. It will follow the DoD Business Enterprise Architecture which is aligned to the mandated Federal Enterprise Architecture. GFEBS was implemented to fulfill the needs and comply with the Federal Financial Management Improvement Act (FFMIA), The Chief Financial Officers Act of 1990, the Government Performance and Results Act of 1993, the Government Management Reform Act of 1994, and the Clinger-Cohen Act of 1996 and to fulfill the stated mission of the Assistant Secretary of the Army for Financial Management and Comptroller (ASA(FM&C)). GFEBS will replace financial systems operating in excess of 30 years including the Standard Finance Systems (STANFINS) and other costly feeder systems which do not allow the Department of Defense (DoD) or the U.S. government to achieve an unqualified opinion on its financial statements. GFEBS will become the Department of the Army's new core financial management system for administering its General Fund. GFEBS was developed using a commercial off-the-shelf (COTS) Enterprise Resource Planning (ERP) system that is certified by the Chief, Financial Officer Council (CFOC) and provides the six core financial functions. GFEBS will allow tactical commanders to make informed decisions on a virtually real time system.

On 1 October 2008, GFEBS deployed to Wave 1 end users at Fort Jackson Garrison, Defense Finance Accounting Service (DFAS) Indianapolis, Indiana and several other organizations. On 1 April 2009, GFEBS deployed to Wave 2 users at Fort Benning, Fort Stewart, DFAS Rome and several other organizations. Wave 3 deployed in October FY10, Wave 4 in January of FY11, Wave 5 in April 2011 and Wave 6 in July 2011. GFEBS is currently fielded to approximately 38,000 trained end users and the last development software release, Release 1.4.4, was fielded to all users in December 2011. Each fielded release subsumes the previous release keeping all deployed sites executing under the same GFEBS release. The Full Deployment Decision was received by the Milestone Decision Authority on 24 June 2011. In FY12 GFEBS deployed the remaining waves, 7-8, which encompass the remainder of the Active Army, Army Reserves, Army National Guard and select defense agencies.

Sensitive Activities provides a classified version of the GFEBS program. Sensitive Activities allows processing of data in a secure environment to protect and manage classified data without causing risk to our national security.

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<b>APPROPRIATION/BUDGET ACTIVITY</b> 2040: <i>Research, Development, Test &amp; Evaluation, Army</i> BA 5: <i>System Development &amp; Demonstration (SDD)</i>	<b>R-1 ITEM NOMENCLATURE</b> PE 0604822A: <i>General Fund Enterprise Business System (GFEBS)</i>
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<b>B. Program Change Summary (\$ in Millions)</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014 Base</b>	<b>FY 2014 OCO</b>	<b>FY 2014 Total</b>
Previous President's Budget	0.793	9.963	0.000	-	0.000
Current President's Budget	0.787	9.963	17.342	-	17.342
Total Adjustments	-0.006	0.000	17.342	-	17.342
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			
• Other Adjustments 1	-	-	17.342	-	17.342

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<b>Exhibit R-2A, RDT&amp;E Project Justification:</b> PB 2014 Army										<b>DATE:</b> April 2013		
<b>APPROPRIATION/BUDGET ACTIVITY</b> 2040: <i>Research, Development, Test &amp; Evaluation, Army</i> BA 5: <i>System Development &amp; Demonstration (SDD)</i>					<b>R-1 ITEM NOMENCLATURE</b> PE 0604822A: <i>General Fund Enterprise Business System (GFEBs)</i>				<b>PROJECT</b> DV6: <i>General Fund Enterprise Business System</i>			
<b>COST (\$ in Millions)</b>	<b>All Prior Years</b>	<b>FY 2012</b>	<b>FY 2013<sup>#</sup></b>	<b>FY 2014 Base</b>	<b>FY 2014 OCO <sup>##</sup></b>	<b>FY 2014 Total</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>Cost To Complete</b>	<b>Total Cost</b>
DV6: <i>General Fund Enterprise Business System</i>	-	0.000	9.963	17.342	-	17.342	0.072	0.048	0.000	0.000	Continuing	Continuing
Quantity of RDT&E Articles												

<sup>#</sup> FY 2013 Program is from the FY 2013 President's Budget, submitted February 2012

<sup>##</sup> The FY 2014 OCO Request will be submitted at a later date

**Note**

Project DV6 is General Fund Enterprise Business System - Sensitive Activities.

**A. Mission Description and Budget Item Justification**

Funds are requested for a Sensitive Activities (SA) instance of the General Fund Enterprise Business System (GFEBs). GFEBs is a commercial off-the-shelf (COTS) Enterprise Resource Planning (ERP) System certified by the Chief Financial Officers Council (CFOC). GFEBs has trained and supports over 53,000 end users at 227 installations worldwide and is the Army's solution to the current capability gap in accounting and financial management. Army still has classified and sensitive financial activity remaining in legacy systems that cannot be processed in our new, fully-fielded GFEBs. To protect sensitive information and enable auditability, Army needs a separate instance of GFEBs operated on a secure network (SIPRNET) for processing sensitive and classified financial transactions. GFEBs-SA will be implemented in two functional releases to 3,000 users across 100 locations worldwide. GFEBs-SA will integrate seamlessly with GFEBs to provide secure, web-based financial execution and reporting capabilities to the Army's classified and sensitive activities. SA is envisioned as a fully functional GFEBs application operated on a secure network (SIPRNET), including additional performance requirements designed to enhance security. SA is essential to comply with the Chief Financial Officers (CFO) Act and the Federal Financial Management Improvement Act (FFMIA); includes the additional security controls; shall be delivered NLT 3QFY15 with all capability and required cross domain interfaces. SA will be accessible on SIPRnet domain, contain Secret Collateral level information, and below. SA will utilize a cross-domain solution to exchange summary level financial transaction data to GFEBs and other required systems, enabling total general ledger accountability in one system. In accordance with 2010 NDAA, GFEBs-SA will support the legal requirements to achieve full audit readiness of all DOD financial statement by 2017. Without the SA increment, GFEBs will be unable to achieve an unqualified audit opinion or achieve audit readiness. GFEBs and GFEBs-SA will provide Army's decision makers with relevant, reliable, and timely information for decision making. RDTE funds are required to execute the System Integrator contract to develop and test the SA solution.

**B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)**

	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Title:</b> Product Development	0.000	9.963	17.342
<b>Articles:</b>		0	
<b>Description:</b> Funding is for the following activities:			
<b>FY 2013 Plans:</b>			

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<b>Exhibit R-2A, RDT&amp;E Project Justification:</b> PB 2014 Army	<b>DATE:</b> April 2013
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<b>APPROPRIATION/BUDGET ACTIVITY</b> 2040: <i>Research, Development, Test &amp; Evaluation, Army</i> BA 5: <i>System Development &amp; Demonstration (SDD)</i>	<b>R-1 ITEM NOMENCLATURE</b> PE 0604822A: <i>General Fund Enterprise Business System (GFEBS)</i>	<b>PROJECT</b> DV6: <i>General Fund Enterprise Business System</i>
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<b>B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)</b>	FY 2012	FY 2013	FY 2014
Award of a System Integrator contractor to develop and test functional, technical and configuration designs for a secure solution of GFEBS.  <b>FY 2014 Plans:</b> Execution of systems Integrator contractor to develop and test functional, technical and configuration designs for secure solution of GFEBS.			
<b>Accomplishments/Planned Programs Subtotals</b>	0.000	9.963	17.342

**C. Other Program Funding Summary (\$ in Millions)**

<u>Line Item</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u> <u>Base</u>	<u>FY 2014</u> <u>OCO</u>	<u>FY 2014</u> <u>Total</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Cost To</u> <u>Complete</u>	<u>Total Cost</u> <u>Continuing</u>
• OPA: OPA		4.968									

**Remarks**

**D. Acquisition Strategy**  
Plan, develop, and manage GFEBS-SA as a separate instance from GFEBS base program to support evolutionary delivery of capabilities. SA is envisioned as a fully functional GFEBS application operated on a secure network (SIPRNET), including additional performance requirements designed to enhance security. SA is essential to comply with the Chief Financial Officers (CFO) Act and the Federal Financial Management Improvement Act (FFMIA). Secure GFEBS functionality with mission critical cross-domain (NIPR/SIPR) interfaces to include the additional security controls, shall be delivered no later than 4QFY14. Fully integrated (across domains) secure GFEBS-SA capability with all required cross domain interfaces shall be delivered no later than 3QFY15.

**E. Performance Metrics**  
Performance metrics used in the preparation of this justification material may be found in the FY 2010 Army Performance Budget Justification Book, dated May 2010.



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<b>APPROPRIATION/BUDGET ACTIVITY</b> 2040: <i>Research, Development, Test &amp; Evaluation, Army</i> BA 5: <i>System Development &amp; Demonstration (SDD)</i>					<b>R-1 ITEM NOMENCLATURE</b> PE 0604822A: <i>General Fund Enterprise Business System (GFEBS)</i>				<b>PROJECT</b> GF5: <i>General Fund Enterprise Business System</i>			
<b>COST (\$ in Millions)</b>	<b>All Prior Years</b>	<b>FY 2012</b>	<b>FY 2013<sup>#</sup></b>	<b>FY 2014 Base</b>	<b>FY 2014 OCO <sup>##</sup></b>	<b>FY 2014 Total</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>Cost To Complete</b>	<b>Total Cost</b>
GF5: <i>General Fund Enterprise Business System</i>	-	0.787	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
Quantity of RDT&E Articles												

<sup>#</sup> FY 2013 Program is from the FY 2013 President's Budget, submitted February 2012

<sup>##</sup> The FY 2014 OCO Request will be submitted at a later date

**A. Mission Description and Budget Item Justification**

The General Fund Business Enterprise System (GFEBS) is a Major Automated Information System (MAIS) program and completing the developmental phase. It will follow the DoD Business Enterprise Architecture which is aligned to the mandated Federal Enterprise Architecture. GFEBS was implemented to fulfill the needs and comply with the Federal Financial Management Improvement Act (FFMIA), The Chief Financial Officers Act of 1990, the Government Performance and Results Act of 1993, the Government Management Reform Act of 1994, and the Clinger-Cohen Act of 1996 and to fulfill the stated mission of the Assistant Secretary of the Army for Financial Management and Comptroller (ASA(FM&C)). GFEBS will replace financial systems operating in excess of 30 years including the Standard Finance Systems (STANFINS) and other costly feeder systems which do not allow the Department of Defense (DoD) or the U.S. government to achieve an unqualified opinion on its financial statements. GFEBS will become the Department of the Army's new core financial management system for administering its General Fund. GFEBS was developed using a commercial off-the-shelf (COTS) Enterprise Resource Planning (ERP) system that is certified by the Chief, Financial Officer Council (CFOC) and provides the six core financial functions. GFEBS will allow tactical commanders to make informed decisions on a virtually real time system.

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**B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)**

	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Title:</b> Product Development	0.787	0.000	0.000
<b>Articles:</b>	0		
<b>Description:</b> Funding is provided for the following effort			
<b>FY 2012 Accomplishments:</b>			

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<b>APPROPRIATION/BUDGET ACTIVITY</b> 2040: <i>Research, Development, Test &amp; Evaluation, Army</i> BA 5: <i>System Development &amp; Demonstration (SDD)</i>	<b>R-1 ITEM NOMENCLATURE</b> PE 0604822A: <i>General Fund Enterprise Business System (GFEBS)</i>	<b>PROJECT</b> GF5: <i>General Fund Enterprise Business System</i>
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<b>B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
continue initiatives for interface partners			
<b>Accomplishments/Planned Programs Subtotals</b>	0.787	0.000	0.000

**C. Other Program Funding Summary (\$ in Millions)**

<u>Line Item</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u> Base	<u>FY 2014</u> OCO	<u>FY 2014</u> Total	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Cost To Complete</u>	<u>Total Cost</u>
• OPA: OPA,	25.459	4.216	6.314		6.314	2.692	14.111	2.752		0.000	55.544
• OMA: OMA,	60.753	59.113	56.707		56.707	52.155	49.928	50.736		0.000	329.392

**Remarks**

**D. Acquisition Strategy**

GFEBs is being procured as a performance-based acquisition to encourage innovative and creative solutions and to avoid hampering, dictating, or prescribing how the work must be performed. Therefore, the focus of the Statement of Objectives (SOO) was on "what" the Army is trying to achieve instead of "how" it must be achieved. The use of an SOO is an emerging method that transforms the acquisition process by requiring each of the competing contractors to develop their unique proposed technical approach, work breakdown schedule, project plan and schedule, schedule of deliverable items, performance metrics, performance measurement plan, and quality assurance plan. To achieve its GFEBs project objectives, the Army used an existing Blanket Purchase Agreement (BPA) to select a System Integrator (SI). The contract period of performance is 1 base year with 9 option years. DoD through the Department of the Navy has established enterprise agreements for ERP System Integration Services with five qualified SI(s) that are General Services Administration (GSA) Federal Supply Service (FSS) Schedule holders under the Enterprise Software Initiative (ESI). The Army has selected the SI; all contractor work will be performed under the selected SI's ESI-SI BPA through the award of one task order with several options. Multiple options are anticipated to support each project objective. The products and services described in task orders will be grouped and referenced as Contract Line Item Numbers (CLIN). All CLINs will be awarded on a Fixed Price basis with performance based incentives and disincentives. The task order and all options exercised will be performance based, containing financial incentive and disincentive provisions. Offerors were provided performance based metrics and were required to propose performance incentive and disincentive provisions by CLIN in their Quality Assurance Surveillance Plan (QASP) submitted in response to the Request for Quote (RFQ). The QASP elements were evaluated as part of the evaluation of the Offerors' proposals.

**E. Performance Metrics**

Performance metrics used in the preparation of this justification material may be found in the FY 2010 Army Performance Budget Justification Book, dated May 2010.

