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Exhibit R-2, RDT&E Budget Item Justification: FY 2018 Defense Logistics Agency	Date: May 2017
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Appropriation/Budget Activity 0400: Research, Development, Test & Evaluation, Defense-Wide / BA 5: System Development & Demonstration (SDD)	R-1 Program Element (Number/Name) PE 0605080S / Defense Agency Initiatives (DAI) - Financial System
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COST (\$ in Millions)	Prior Years	FY 2016	FY 2017	FY 2018 Base	FY 2018 OCO	FY 2018 Total	FY 2019	FY 2020	FY 2021	FY 2022	Cost To Complete	Total Cost
Total Program Element	79.757	30.568	30.457	24.436	-	24.436	40.300	2.899	1.923	25.567	Continuing	Continuing
1: Defense Agency Initiatives (DAI) - Financial System)	79.757	30.568	30.457	24.436	-	24.436	40.300	2.899	1.923	25.567	Continuing	Continuing

Program MDAP/MAIS Code:
Project MDAP/MAIS Code(s): 0491

A. Mission Description and Budget Item Justification

This program supports the Defense Agencies Initiative (DAI) Increment 2, an Acquisition Category I program. Previous funding for DAI, Increment 1, was documented in the Defense Enterprise Business Systems program element 0605070S, as well as, FY2013 4th Quarter Increment 2.

B. Program Change Summary (\$ in Millions)	FY 2016	FY 2017	FY 2018 Base	FY 2018 OCO	FY 2018 Total
Previous President's Budget	31.660	26.657	3.836	-	3.836
Current President's Budget	30.568	30.457	24.436	-	24.436
Total Adjustments	-1.092	3.800	20.600	-	20.600
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-1.092	-			
• DAI Increment 3	-	-	20.600	-	20.600
• PB17 Amendment Increase	-	3.800	-	-	-

Change Summary Explanation

A full-year FY 2017 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2017 (P.L. 114-254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution. Base: FY17PB (\$26.657M) + Request for Additional Appropriations (\$3.800M required to address emergency warfighter readiness. Funds are in support of the production environment for new agencies and meet the additional vendor software server requirements as DAI updates the other portions of the DAI Suite including, Operating system upgrade, Oracle Business Intelligence Enterprise Edition, and other applications/utilities to maintain currency with support. The increases will largely support Washington Headquarters Services and supported agencies. The data volume for WHS is roughly three times the volume of the largest DAI deployed agencies. Additionally, the growth in the number and size of attachments has resulted in higher storage requirements. This funding will also support additional equipment and services from Defense Information Systems Agency's Defense Enterprise Computing Center Ogden, UT.)

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0400: Research, Development, Test & Evaluation, Defense-Wide / BA 5: System Development & Demonstration (SDD)	PE 0605080S / Defense Agency Initiatives (DAI) - Financial System	
PB18 increase in funding to complete development efforts.		

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Exhibit R-2A, RDT&E Project Justification: FY 2018 Defense Logistics Agency										Date: May 2017		
Appropriation/Budget Activity 0400 / 5					R-1 Program Element (Number/Name) PE 0605080S / Defense Agency Initiatives (DAI) - Financial System				Project (Number/Name) 1 / Defense Agency Initiatives (DAI) - Financial System			
COST (\$ in Millions)	Prior Years	FY 2016	FY 2017	FY 2018 Base	FY 2018 OCO	FY 2018 Total	FY 2019	FY 2020	FY 2021	FY 2022	Cost To Complete	Total Cost
1: Defense Agency Initiatives (DAI) - Financial System	79.757	30.568	30.457	24.436	-	24.436	40.300	2.899	1.923	25.567	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		
Project MDAP/MAIS Code: 0491												

A. Mission Description and Budget Item Justification

The DAI mission is to deliver auditable Chief Financial Officer (CFO) Act compliant business environments for Defense Agencies providing accurate, timely, authoritative financial data supporting the DoD goal of standardizing financial management practices improving financial decision support, and supporting audit readiness. Currently, Defense Agencies use more than 10 different non-compliant financial management systems supporting diverse operational functions and the warfighter in decision making and financial reporting. These disparate, non-integrated systems do not meet statutory requirements to produce timely, auditable reports.

The DAI program modernizes the Defense Agencies' financial management processes by streamlining financial management capabilities, addressing financial reporting material weaknesses, and supporting financial statement auditability for the majority of agencies and field activities across the DoD. DAI will support a transformation of budget, finance, and accounting processes across participating defense agencies to help improve the quality of financial information, supporting financial auditability and decision making. The DAI business solution, once implemented, will provide a near real-time, web-based system from a ".mil" environment of integrated business processes that will enable in excess of 84,000 Defense Agency financial managers, program managers, auditors, and Defense Finance and Accounting Service (DFAS) representatives to make sound financial business decisions.

The DAI implementation approach is to deploy a standardized system solution that is consistent with requirements in the Federal Financial Management Improvement Act (FFMIA) and the DoD Business Enterprise Architecture (BEA), while leveraging the out-of-the-box capabilities of the selected Commercial-Off-the-Shelf (COTS) product, Oracle e-Business Suite (EBS), Release 12.2.3 (R12). DAI implemented an Oracle Office of Management and Budget Financial Systems Integration Office (FSIO) qualified COTS financial management business solution with common business processes and data standards. The Program Management Office (PMO) will not develop any objects that are included in core COTS software or services (i.e. vendor data from Federal authoritative source).

DAI supports the 2014 Quadrennial Defense Review (QDR) Strategy 5, "Reform the business and support functions of the Defense enterprise". DAI is also aligned to the DOD Agency Strategic Fiscal Years 2015-2018, Goal 5: Reform and Reshape the Defense Institution, Key Strategic Initiative - Improving competitiveness through accountability and efficiency and SO 5.2: Improve financial processes, controls, and information via audit readiness. The objective of the DAI system is to achieve auditable, CFO Act compliant business environments for the Defense Agencies with accurate, timely, authoritative financial data.

The primary goal is to deploy a standardized system solution to improve overall financial management and comply with BEA, Standard Financial Information Structure (SFIS)/Standard Line of Accounting (SLOA), and Office of Federal Financial Management (OFFM) requirements. Common business functions within budget execution include the Department's BEA End to End (E2E) business processes: Cost Management; Budget to Report; Procure to Pay (P2P); Acquire to Retire (real property

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lifecycle accounting only); Hire to Retire (Time and Labor reporting only); and Order to Cash. Release (Rel) 1 provided an application upgrade to Oracle R12 along with (P2P) enhancements facilitating SFIS/SLOA compliance and automated Time and Labor absence management. Rel 2 introduced Grants Financial Management accounting and the start of a phased implementation of Governance, Risk and Compliance (GRC) capabilities. Future capabilities will support Rel 3 Direct Treasury Disbursing and Budget Formulation as well as Rel 4 Defense Working Capital Fund accounting, and Re-Sale Accounting (for Defense Commissary Agency (DeCA).				
DAI is currently implemented at 20 Defense Agencies and the Office of the Under Secretary of Defense, Comptroller, (OUSD(C)) (Time and Labor only) and supporting over 29,990 users. The program office is also responsible for operational sustainment of the system. Funds are required for additional government and contractor support, licenses, maintenance, and hardware to accomplish the remaining capability developments and organizational deployments, and initiate the annual Statement on Standards for Attestation Engagements No. 18 (SSAE 18) assertion packages.				
The benefits of DAI are:				
<ul style="list-style-type: none">• Common business processes and Enterprise data standards (i.e., SFIS and SLOA);• Access to real-time financial data transactions;• Significantly reduced data reconciliation requirements;• Enhanced analysis and decision support capabilities; and• Use of United States Standard General Ledger (USSGL) Chart of Accounts to resolve DoD material weaknesses and deficiencies.				
The DAI PMO completed the Oracle R12 application upgrade. The DAI PMO also provides system integration services that include: acquisition/financial management, project management; blueprinting; design, build, and unit test; developing required Reports, Interfaces, Conversions, Extensions, Forms and Workflows (RICE-FW) objects; testing (cyber security/information assurance, integration, functional, performance, conversion, user acceptance, operational); end-user training (train the trainer/change management preparing the users for the cross functional skills and awareness needed to perform well with an integrated enterprise resource planning system); system deployment; conversion; information assurance; sustainment; data service; help desk support; as well as studies and analysis support.				
DLA Information Operations provides the program executive officer, program manager and PMO staff. The DAI PMO relies on DLA Acquisition for most contracting. Defense Information Systems Agency (DISA) Defense Enterprise Computing Centers (DECCs) provide application, development and test as well as Continuity of Operations (COOP) hosting, Technical Contracting Office for development task orders, and the Joint Interoperability Test Command for Interoperability testing. While the DAI PMO serves as systems integrator, niche activities; i.e. P2P, development, are contracted.				
B. Accomplishments/Planned Programs (\$ in Millions)		FY 2016	FY 2017	FY 2018
Title: Defense Agency Initiatives (DAI) - Financial System		30.568	30.457	24.436
FY 2016 Accomplishments: In FY2016, the PMO will:				

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B. Accomplishments/Planned Programs (\$ in Millions)			FY 2016	FY 2017	FY 2018
<ul style="list-style-type: none"> • Conducted a service provider, independent audit, SSSAE 16 and support the Audit Readiness Office in developing service provider assertion packages supporting the SSAE 16 SOC 1 Report and resolve any Notification of Findings (NOFs). The DAI PMO will use the DECCs SSAE 16 SOC 1 Report as the basis for its input for the annual DLA SOC 1 Report that Agencies will use in their audits. DECCs maintain all the operations software and hardware in the suite. • Conducted BEA compliance assessment against the current version (v10.0 as of September 8, 2015), document results in the Department's Integrated Business Framework – Data Alignment Portal (IBF-DAP) portal and conduct Business Process Re-engineering for Rel 4 and October 2017 deploying Defense Agencies. • Resolved critical software errors and critical statutory/regulatory enhancements that impact operations and incorporate changes identified during BPR, BEA compliance assessment and the Audit generated corrective action plans. • Supported the DoD Information Assurance Certification and Accreditation Process (DIACAP)/ Risk Management Framework (RMF) process maintaining activity to support actions included in the DAA required POA&M including an independent FISCAM Test of Design/Test of Effectiveness. The submission package will result in a DAA decision to award an ATO. • Conducted testing to include: unit testing on developed items; monthly Rel testing that includes regression; annual Rel development testing that includes a SIT and UAT; Rel 3 developmental testing including a SIT and UAT; as well as an operational assessment event in conjunction with DOT&E following the annual Rel at using Defense Agencies. • Conducted contract renewal competitions and exercise options on existing contracts and monitor contractor performance and billing. • Deployed Rel 2 to some of the October 2017 deploying Defense Agencies' for Time and Labor. • Conducted October 2017 deploying Defense Agencies' implementation activities including data conversion, BPR and workforce preparation. • Continued the implementation of GRC capabilities delivered in Rel 2. • Developed Rel 3 Budget Formulation and Direct Treasury Disbursing capabilities, DAI Configuration Control Working Group (CCWG) approved changes and develop ability to send/receive the Department's Purchase Request and Procurement Data Standards (PRDS/PDS). • Conducted an annual Acquisition In-Process Review (IPR) with the MDA. • Oversaw the operations of the DISA DECCs at Ogden, UT (Production and T&D to include training) and Columbus, OH (COOP). The PMO operates database servers, application servers and web servers, leveraging the DECC for infrastructure support and host site related IA and internal controls. DECC services are governed by an annually negotiated Service Level Agreement (SLA). • Maintained currency with existing Federal, DFAS and target Enterprise systems including the System for Award Management (SAM) web services, as SAM assumes the functionality of the Federal Integrated Acquisition Environment (IAE) systems. • Maintained a sufficient Information Assurance/cybersecurity posture and support the DIACAP/ RMF process maintaining activity to support actions included in the Designated Approval Authority required actions included in the POA&M including maintaining currency of documentation in Enterprise Mission Assurance Support Service (EMASS) portal. This includes maintaining the operational and application software currency and security patches. 					

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B. Accomplishments/Planned Programs (\$ in Millions)			FY 2016	FY 2017	FY 2018
<ul style="list-style-type: none"> • Maintained DAI master data leveraging feeds from the authoritative data sources. • Maintained the program's DODAF views in accordance with DLA guidance and in DLA systems. • Ensured sufficient administer all of the databases: production; T&D/training; and COOP. • Maintained the system configuration in accordance with the DLA J6 Enterprise Configuration Management Plan (ECMP) and DAI CCWG. • Maintained currency with functional policy with regard to function and data standards. • Maintained the technical side of the system including the internal processes and the operation of several interfaces with external systems leveraging DLA Transaction Services as well as established Federal Enterprise system web services. • Maintained and monitor user roles and responsibilities at the system level and guide using Agencies at the Component level. • Obtained an ATO and Interoperability Certification. <p>FY 2017 Plans: In FY 2017, the DAI PMO will</p> <ul style="list-style-type: none"> • Deploy Rel 3 to current Defense Agencies and to full financial capabilities to Defense Security Cooperation Agency, DoD Inspector General, Director of Operational Test & Evaluation, Defense Information Systems Agency (General Fund) and Defense Human Resources Activity. • DAI PMO will develop Rel 4 Re-Sale Accounting and Defense Working Capital Fund accounting, work instructions, training materials as well as any necessary RICE-FW objects. • Conduct pre-Rel 4 deployment planning and BPR, with new Agencies, Rel 3 Agency mocks and Rel 4 SE technical reviews. • Conduct a service provider, independent audit, SSSAE 18 and support the Audit Readiness Office in developing service provider assertion packages supporting the SSAE 18 Service SOC 1 Report and resolve any identified NOFs. • The DAI PMO will use the DECCs SSAE 18 SOC 1 Report as the basis for its input for the annual DLA SOC 1 Report that Agencies will use in their audits. DECCs maintain all the operations software and hardware in the suite. • Conduct BEA compliance assessment against the current version (v10.0 as of September 8, 2015), document results in the Department's IBF-DAP portal and conduct Business Process Re-engineering for newly joining Defense Agencies. • Resolve critical software errors and critical statutory/regulatory enhancements that impact operations and incorporate changes identified during BPR, BEA compliance assessment and the Audit generated corrective action plans. • Support the DIACAP/RMF process maintaining activity to support actions included in the DAA required POA&M resulting in a DAA decision to award an ATO. • Conduct testing to include: unit testing on developed items; monthly Rel testing that includes regression; annual Rel development testing that includes a SIT and UAT; Rel 4 developmental testing including a SIT and UAT; as well as an operational assessment event in conjunction with DOT&E following the annual Rel at using Defense Agencies. 					

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B. Accomplishments/Planned Programs (\$ in Millions)			FY 2016	FY 2017	FY 2018
<ul style="list-style-type: none"> • Conduct contract renewal competitions and exercise options on existing contracts and monitor contractor performance and billing. • Conduct October 2018 deploying Defense Agencies' implementation activities including data conversion, BPR and workforce preparation. • Continue the implementation of GRC capabilities delivered in Rel 2 based on audit feedback. • Develop, test and release Electronic Funds Distribution (EFD) to DAI production. • Conduct an annual Acquisition IPR with the MDA. • Oversee the operations of the DISA DECCs at Ogden, UT (Production and T&D to include training) and Columbus, OH (COOP). The PMO operates database servers, application servers and web servers, leveraging the DECC for infrastructure support and host site related IA and internal controls. DECC services are governed by an annually negotiated Service Level Agreement (SLA). • Maintain currency with existing Federal, DFAS and target Enterprise systems including the SAM web services, as SAM assumes the functionality of the Federal IAE systems. • Maintain a sufficient Information Assurance/cybersecurity posture and support the DIACAP/ RMF process maintaining activity to support actions included in the Designated Approval Authority required actions included in the POA&M including maintaining currency of documentation in EMASS. This includes maintaining the operational and application software currency and security patches. • Maintain DAI master data leveraging feeds from the authoritative data sources. • Maintain the program's DODAF views in accordance with DLA guidance and in DLA systems. • Ensure sufficient administer all of the databases: production; T&D/training; and COOP. • Maintain the system configuration in accordance with the DLA J6 ECMP and the DAI CCWG. • Maintain currency with functional policy with regard to function and data standards. • Maintain the technical side of the system including the internal processes and the operation of several interfaces with external systems leveraging DLA Transaction Services as well as established Federal Enterprise system web services. • Maintain and monitor user roles and responsibilities at the system level and guide using Agencies at the Component level. • Procure required hardware, software and licenses for new Agency's personnel. • Obtain an ATO and Interoperability Certification. <p>FY 2018 Plans: In FY 2018, the DAI PMO will:</p> <ul style="list-style-type: none"> • Field Increment 2 Rel 4 to users. • Development/Testing for DISA General Fund (GF) agency unique requirements and begin study/development of 4th Estate Defense Working Capital Fund (DWCF) capabilities. Study/develop Agency unique requirements for DeCA, including Independent Operational Assessment. • Work instructions and training materials. 					

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B. Accomplishments/Planned Programs (\$ in Millions)		FY 2016	FY 2017
<ul style="list-style-type: none"> • Conduct Follow-on Test and Evaluation event with using Agencies which completes the cycle of independent operational assessments. • Support the FM & time/labor for over 49k users at over 23 Agencies, Field Activities and orgs. • Support the DoD Information Assurance Certification and Accreditation Risk Management Framework process to support actions included in the Designated Authorizing Authority required Plan of Actions and Milestones including an independent FISCAM Test of Design/Test of Effectiveness to result in a DAA decision to award an Authority to Operate. • Continue to implement the Governance, Risk and Compliance capabilities by expanding Enterprise controls: Configuration, Access, Prevention & Transactions supporting audit findings, recommendations & CAPs. • Maintain the technical operation including: application of DISA Security Technical Implementation Guides, HW & SW currency for servers operating systems, middleware & applications including patches; overseeing internal processes within the DECC enclaves; & the daily operation of several interfaces with external systems leveraging DLA Transaction Services as well as established Federal Enterprise system web services. • Conduct regular adversarial assessments, RMF continuous monitoring including code scans, an independent Cyber Economic Vulnerability Assessment and a Cooperative Vulnerability and Penetration Assessment. • Obtain or maintain an interim Interoperability Certification or an Authority to Connect to the DoD Global Information Grid. • The Program will also perform developmental, operational and Cyber security testing with independent third parties under Office of the Secretary of Defense oversight. The Defense Logistics Agency will contract for an independent public accounting firm to conduct the annual FFMIA and SSAE 18 assessments and conduct Cyber security assessments on the system. 			
Accomplishments/Planned Programs Subtotals		30.568	30.457
C. Other Program Funding Summary (\$ in Millions) N/A			
Remarks			
D. Acquisition Strategy DAI is being developed and implemented using an evolutionary/incremental strategy including major annual software releases to accommodate upgrades as required by changes to the Department's BEA including new laws, regulations and policies as governed by its Functional Sponsor and Milestone Decision Authority (MDA). In the Acquisition Decision Memorandum (ADM) of September 23, 2013, the MDA placed DAI Increment 1 in sustainment. Increment 2 will address the Commercial Off The Shelf (COTS) application upgrade. The upgrade was completed (January 2015); therefore, Increment 2 Rel 1 overwrote Increment 1 for all users.			
E. Performance Metrics The following performance metrics will be performed on the DAI system:			

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<p>Functionality: Financial system performance. PEO will determine substantial compliance with the annual Investment Review of PMO assertion of compliance with the latest version of the Department's BEA in scope requirements for Defense Financial Management Improvement Guidance (DFMIG) and other laws regulations and policy. Objective: Substantial compliance.</p> <p>Program Conformance to BEA Processes, Data Standards, and Business Rules. The PEO will determine substantial compliance with the annual Investment Review of PMO assertion of compliance with the latest version of the Department's BEA. Objective: Substantial compliance.</p> <p>Net Ready Key Performance Parameter (NR-KPP) Attribute (Att) A - Support net-centric DoD military operations Mission: Transform the budget, finance, and accounting operations of the DoD Agencies to achieve accurate and reliable financial information in support of financial accountability and effective and efficient decision making throughout the Defense Agencies in support of the missions of the warfighter.</p> <p>A.1. Budget to Report (B2R). DAI provides General Ledger, Trial Balance, Budget Execution, and Financial Reporting Capabilities. DAI will measure the percentage of successful attempts to:</p> <ul style="list-style-type: none"> * Generate and transmit Trial Balance Reports. Objective-95%; * Receive budget information from agency-specific systems, to support budget execution. Objective-95%; and * Generate and transmit reports to support period end processing procedures. Objective-95% <p>A.2 Procure to Pay (P2P). DAI provides the capability to Order Materials and Services (Commitments), Record Purchases and Contract Information (Obligations) Pay Bills (Accounts Payable), and Create Ready to Pay File. DAI will measure the percentage of successful attempts to:</p> <ul style="list-style-type: none"> * Exchange contract, obligation, receipt and invoice information with external systems to support procurement processes. Objective-95%; * Receive Purchase Card information from external systems to manage government purchase cards (P-Cards). Objective-95%; * Exchange data across agencies to support intergovernmental Purchase Request (PR) processes. Objective-95%; * Receive travel related data from external systems to support travel financial accounting events. Objective-95%; and * Exchange miscellaneous payment information with trading partners. Objective-95%. <p>A.3. Order to Cash (O2C). DAI provides the capability to Receive Customer Orders, Record Work Performed on the orders, Bill Customers, and Track Accounts Receivable. DAI will measure the percentage of successful attempts to:</p> <ul style="list-style-type: none"> * Exchange data with external systems to support management of customer orders. Objective-95%; * Exchange receivables data with external systems. Objective-95%; and * Manage exchange collections data with external systems. Objective-95%. 		

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<p>A.4. Acquire to Retire (A2R). DAI provides the capability to record Asset Acquisition, Depreciation, and Disposal. DAI will measure the percentage of successful attempts to:</p> <ul style="list-style-type: none"> * Receive asset creation information from external systems. Objective-95%; * Accumulate and transmit costs incurred for Capital Assets on Construction in Progress (CIP) and Work in Progress (WIP) projects. Objective-95%; * Generate and transmit property accounting information. Objective-95%; * Receive property maintenance data from external systems. Objective-95%; and * Receive disposal of assets information from external systems. Objective-95%. <p>A.5. Cost Management (formerly Cost Accounting). DAI provides Cost Accounting and Allocation Capabilities. DAI will measure the percentage of successful attempts to:</p> <ul style="list-style-type: none"> * Receive Project Budgets from external systems. Objective-95%; and * Receive cost data to support cost collection processes. Objective-95%. <p>A. 6. Hire to Retire (H2R). DAI provides Civilian, Military, and Contractor Time and Labor capabilities. DAI will measure the percentage of successful attempts to:</p> <ul style="list-style-type: none"> * Exchange employee and timekeeping information with external systems. Objective-95%; and * Process and send payroll data to external systems. Objective-95%. <p>NR-KPP Att B - Managed in the Network</p> <p>1) Type of Networks that are connected:</p> <ul style="list-style-type: none"> - The DAI application supports multiple Defense Agencies, and thus is accessible from multiple network points. A typical user accesses the application via the web browser from his/her agency specific LAN/WAN and/or local site firewall configurations, traversing through the Non-Classified Internet Protocol Routing Network (NIPRNet) to reach the secure DAI application hosted within the DoD Demilitarized Zone (DMZ) which is controlled and managed by DISA. - The DAI production application is hosted in a DISA DECC environment located in Ogden, UT and is managed by DAI Program Management Office <p>2) Measures of Performance (MOPs) to measure network entrance and management performance:</p> <p>a) Network related (DISA) – as per DISA Catalog of Services</p> <ul style="list-style-type: none"> -Interactive Availability - Portion of network/system controlled by DISA CSD available to the partner during the interactive window -Batch Throughput – Completion rate and delivery by specified time during batch window specified in SLA <p>b) Database related (DAI Program Management Office)</p> <ul style="list-style-type: none"> -System Availability -On Line user system response <p>3) Network Management:</p>		

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<p>-The Agency (user) being supported is responsible for the communications infrastructure necessary for leaving their location to connect users to the NIPRNet</p> <p>-DISA is responsible for communications on NIPRNet between the end user and the main DAI environment</p> <p>-DAI Program Management Office is responsible for activities occurring within the application and the Oracle Database</p> <p>4) Systems Management</p> <p>-NIPRNet and Infrastructure - Centralized within DISA CSD</p> <p>-DAI System – centralized within DAI Program Management Office</p> <p>5) Network Configuration Parameters – N/A (within the realm of DISA management) DAI will measure the percentage of success for:</p> <ul style="list-style-type: none"> * Supports secure Internet/NIPRNET access to solution. Interactive Availability. Objective-98.5%; * Supports secure Internet/NIPRNET access to solution. Batch Throughput. Objective-95%; * Provides adequate system response and availability to support operations. System Availability. (Condition: 5000 users/hour) Objective-95%; and * Provides adequate system response and availability to support operations. On-line system response. (Condition: 5000 users/hour) Objective-95%. <p>NR-KPP Att C - Effectively Exchange Information.</p> <p>DAI will satisfy all top-level critical Information Exchange Requirements (IERs) with all required DoD Enterprise, DFAS, Defense Agencies, and Federal Systems, as documented in SV-6. There are 47 data exchanges with other systems. The objectives are 100% for accuracy and ten seconds to 1 day for timeliness. Additional details available upon request.</p> <p>Major Performers</p> <p>CACI INC Federal Chantilly, VA Global Model Implementation and Compliance Support to DAI</p> <p>CACI Inc Federal Chantilly, VA DAI Implementation Support Services</p> <p>TASC, Inc. Andover, MA DISA Test and Development</p> <p>CACI ISS, Inc</p>		

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<p>Fairfax, VA Infrastructure Support</p> <p>Terathink Corporation Reston, VA Data Conversion Support</p> <p>International Business Machines Corporation Reston, VA DAI Global Model Development for Procure to Pay (P2P), Order to Cash (O2C), Budget to Retire (B2R), and Customer Application Development (CAD)</p> <p>CACI Inc. Federal Chantilly, VA DAI Global Model Development for Acquire to Retire (A2R), Cost Accounting (CA), and Time and Labor (T&L)</p> <p>Mythics Inc DBA Virginia Beach, VA Oracle CLM and Purchase Software</p>		

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Exhibit R-3, RDT&E Project Cost Analysis: FY 2018 Defense Logistics Agency												Date: May 2017			
Appropriation/Budget Activity 0400 / 5						R-1 Program Element (Number/Name) PE 0605080S / Defense Agency Initiatives (DAI) - Financial System				Project (Number/Name) 1 / Defense Agency Initiatives (DAI) - Financial System					
Product Development (\$ in Millions)				FY 2016		FY 2017		FY 2018 Base		FY 2018 OCO		FY 2018 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
DAI Compliance Support	Option/CPFF	CACI Inc Federal : Chantilly, VA	10.411	8.129	Jun 2016	7.792	Jun 2017	7.800	Jun 2018	0.000		7.800	Continuing	Continuing	-
DAI Implementation Support	Option/CPAF	CACI Inc Federal : Chantilly, VA	13.511	2.089	Mar 2016	6.651	Mar 2017	6.510	Mar 2018	0.000		6.510	Continuing	Continuing	-
Infrastructure Support	Option/FFP	CACI ISS Inc : Fairfax, VA	4.043	4.140	May 2016	3.472	May 2017	3.635	May 2018	0.000		3.635	Continuing	Continuing	-
Global Model CAD	C/CPFF	CSC : Falls Church, VA	3.205	0.000		-		-		-		-	0.000	3.205	-
Global Model P2P	C/FFP	IBM : Bethesda, MD	14.701	4.511	Aug 2016	3.745	Aug 2017	0.277	Aug 2018	0.000		0.277	Continuing	Continuing	-
Global Model A2R	C/CPFF	CACI Inc Federal : Chantilly, VA	6.412	2.600	Aug 2016	2.361	Aug 2017	0.398	Aug 2018	0.000		0.398	Continuing	Continuing	-
Data Conversion	Option/FFP	Terathink : Reston, VA	1.664	0.848	Sep 2016	0.000		0.000		0.000		0.000	0	2.512	-
Jaws Professional Licenses	C/FFP	Immix : McLean, VA	0.017	0.000		0.000		0.000		0.000		0.000	0.000	0.017	-
Oracle Advanced Compression Licenses	TBD	TBD : TBD	0.000	1.622	Oct 2016	0.000		0.000		0.000		0.000	0.000	1.622	-
Oracle Contract Lifecycle Management licenses	C/FFP	Mythics Inc : Virginia Beach, VA	7.408	0.000		0.000		-		-		-	0.000	7.408	-
Oracle Licenses	MIPR	DISA : Pensacola,FL	5.446	0.000		1.000		-		-		-	0	6.446	-
Additional Memory	MIPR	DISA : Pensacola, FL	1.037	0.000		0.000		-		-		-	0	1.037	-
Kurzweil 5000 508 Assistive Tech Licenses	C/FFP	Envision Technology Inc : Bethesda, Md	0.008	-		-		-		-		-	0	0.008	-
Dragon Naturally Speaking 508	C/FFP	Red River Computer Co : Claremont, NH	0.007	-		-		-		-		-	0	0.007	-
Data Conversion	C/TBD	TBD : TBD	0.000	0.000		1.900	Sep 2017	0.945	Sep 2018	0.000		0.945	Continuing	Continuing	-
DISA/DITCO Delinquent Balance	MIPR	DISA DITCO : Scott AFB, IL	0.000	0.017	Aug 2016	-		-		-		-	0.000	0.017	-
DBTA Section 1553	MIPR	DFAS : Columbus, OH	0.000	0.377	Oct 2015	-		-		-		-	0.000	0.377	-

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Exhibit R-3, RDT&E Project Cost Analysis: FY 2018 Defense Logistics Agency												Date: May 2017			
Appropriation/Budget Activity 0400 / 5						R-1 Program Element (Number/Name) PE 0605080S / Defense Agency Initiatives (DAI) - Financial System				Project (Number/Name) 1 / Defense Agency Initiatives (DAI) - Financial System					
Product Development (\$ in Millions)				FY 2016		FY 2017		FY 2018 Base		FY 2018 OCO		FY 2018 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
GRC & BI Hardware	MIPR	DISA : Pensacola, FL	0.000	0.377	Oct 2015	-		-		-		-	0.000	0.377	-
OS Upgrade	MIPR	DISA : Pensacola, FL	0.000	0.108	Aug 2016	-		-		-		-	0.000	0.108	-
Dimensions RM Support Maintenance/ Tool	MIPR	DISA : Fort Meade, MD	0.660	0.216	Oct 2016	0.216	Oct 2017	0.227	Oct 2018	0.000		0.227	Continuing	Continuing	-
Oracle Linux Operating System Upgrade	MIPR	TBD : TBD	0.000	0.000		0.065	Oct 2016	0.068	Oct 2018	-		0.068	0.000	0.133	-
Subtotal			68.530	25.034		27.202		19.860		0.000		19.860	-	-	-
Test and Evaluation (\$ in Millions)				FY 2016		FY 2017		FY 2018 Base		FY 2018 OCO		FY 2018 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
Test and Development	MIPR	DISA : Pensacola, FL	4.001	4.719	Oct 2015	2.927	Oct 2016	3.250	Oct 2017	0.000		3.250	Continuing	Continuing	-
Independant Testing	MIPR	JITC : Indian Head, MD	2.945	0.328	May 2016	0.328	May 2017	0.344	May 2018	0.000		0.344	Continuing	Continuing	-
Performance and Regression Testing	MIPR	JITC : Ft Huachuca	1.700	0.236	Apr 2016	0.000		-		-		-	0	1.936	-
Operational Test and Evaluation	MIPR	JITC : Fort Huachuca, AZ	2.498	0.251	Oct 2015	0.000	Oct 2016	0.982	Oct 2017	0.000		0.982	Continuing	Continuing	-
DCPS Testing	MIPR	DFAS : Indianapolis, IN	0.083	-		-		-		-		-	0	0.083	-
Subtotal			11.227	5.534		3.255		4.576		0.000		4.576	-	-	-
			Prior Years	FY 2016		FY 2017		FY 2018 Base		FY 2018 OCO		FY 2018 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals			79.757	30.568		30.457		24.436		0.000		24.436	-	-	-
Remarks															

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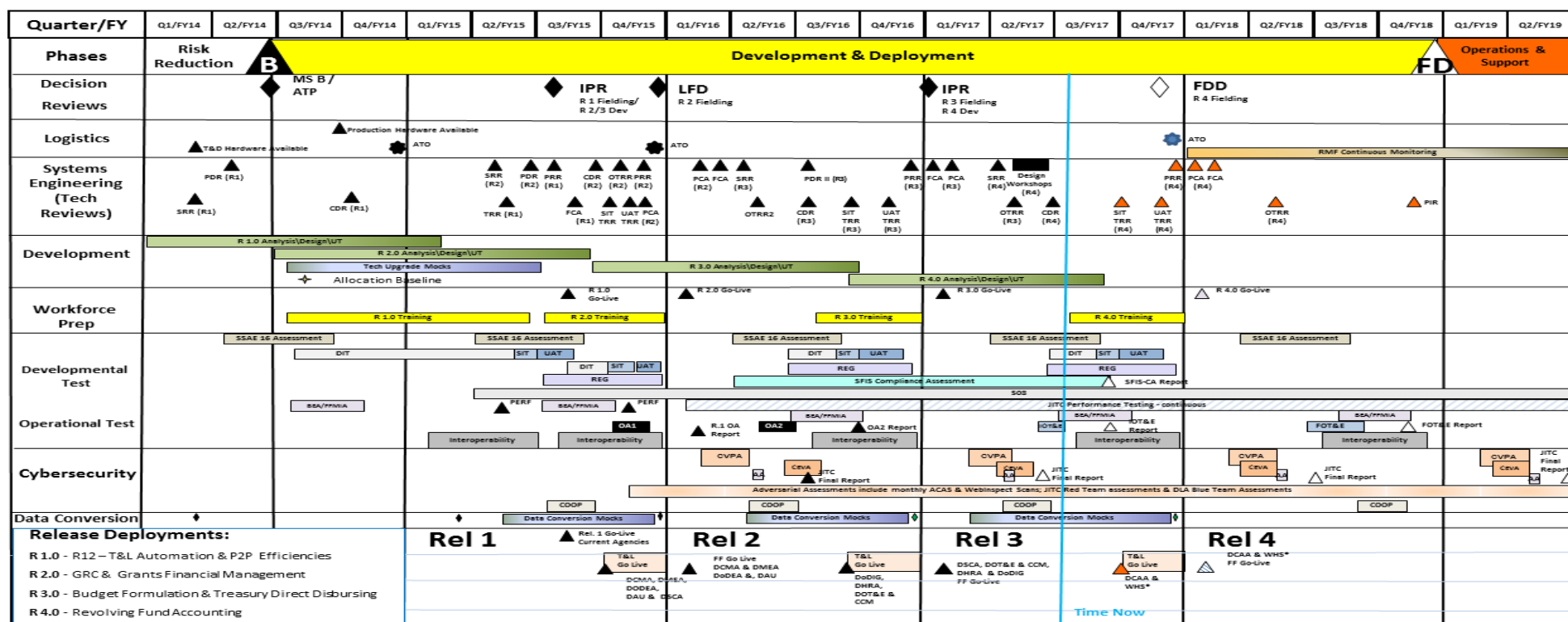
PE 0605080S: *Defense Agency Initiatives (DAI) - Finan...*
Defense Logistics Agency

***Note:** WHS deployment includes OSD Secretariat offices, Pentagon Force Protection Agency, Defense Test Resources Management Center (DTRMC), Defense Legal Services Agency (DLSA) and US Court of Appeals For Armed Services.

R-1 Program Element (Number/Name)
PE 0605080S / *Defense Agency Initiatives (DAI) - Financial System*

Project (Number/Name) 1 I Defense Agency Initiatives (DAI) - Financial System)	
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Revised INC 2 Schedule



50B: Section 50B/Disability Test
AA: Adversarial Assessment
ACAS: Assured Compliance Assessment Solution
ATO: Authority to Operate (Includes Production & COOP)
ATP: Authority to Proceed Decision Review
BEA: Business Enterprise Architecture
CCM: Center for Countermeasures
CDR: Critical Design Review
CEVA: Cyber Economic Vulnerability Assessment
COOP: Continuity of Operations Testing

CVPA: Cooperative Vulnerability & Penetration Assessment
DAU: Defense Acquisition University
DCAA: Defense Contract Audit Agency
DCFO: Deputy Chief Financial Officer
DCMA: Defense Contract Management Agency
DHRA: Defense Human Resources Activity
DMEA: Defense Microelectronic Activity
DODEA: DoD Education Activity
DODIG: DoD Inspector General
DOT&E: Director Operational Test and Development
DSCA: Defense Security Cooperation Agency
DT: Development Test

DIT: Developmental Integrated Test
DWCF: Defense Working Capital Fund
FCA: Functional Configuration Audit
FDD: Full Deployment Decision
FF: Full Financials
FFMIA: Federal Financial Management Information Act
FTOE: Follow-on Test and Evaluation
GRC: Governance, Risk and Compliance
IA: Information Assurance
IOC: Initial Operational Capability
IOTSE: Initial Operational Test & Evaluation
IPR: In-Process Review

JITC: Joint Interoperability Test Command
 MS: Milestone
 OA: Operational Assessment
 OTA: Operational Test Authority
 OTTR: Operational TRR
 P2P: Procure to Pay
 PCA: Physical Configuration Audit
 PDR: Preliminary Design Review
 Pen Test: Penetration Test (Black Team)
 PERF: Performance Test
 PIR: Post Implementation Review
 PROD: Production
 R: Release
 R12: Oracle E-Business Suite, Release 12

REG: Regression Test
RMF: Risk Management Framework
SFIS-CA: Standard Financial Information Structure
- Compliance Assessment
SIT: Systems Integration Test
SOD: Segregation of Duties
SRR: Software Requirements Review
SSAE 16: Statement of Standards for an
Attestation Engagement
Stds: Standards
T&D: Test and Development
T&L: Time & Labor
TRR: Test Readiness Review
UAT: User Acceptance Testing

USSGL: United States Standard General Ledger UT: Unit Test
WHS: Washington Headquarters Service

- ◆ DFAS Data conversion process begins (12-24 months duration/size)

Increment Approach

Updated April 18, 2017

***Note:** WHS deployment includes OSD Secretariat offices, Pentagon Force Protection Agency, Defense Test Resources Management Center (DTRMC), Defense Legal Services Agency (DLSA) and US Court of Appeals For Armed Services.

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Exhibit R-4A, RDT&E Schedule Details: FY 2018 Defense Logistics Agency			Date: May 2017
Appropriation/Budget Activity 0400 / 5	R-1 Program Element (Number/Name) PE 0605080S / <i>Defense Agency Initiatives (DAI) - Financial System</i>	Project (Number/Name) 1 / <i>Defense Agency Initiatives (DAI) - Financial System</i>	

Schedule Details

Events by Sub Project	Start		End	
	Quarter	Year	Quarter	Year
<i>Operations & Maintenance</i>				
DAI Compliance Support	1	2014	1	2014
DAI Implementation Support	4	2017	3	2019
Infrastructure Support	4	2017	3	2019
Global Model P2P	4	2017	3	2019
Global Model A2R	4	2017	3	2019
Data Conversion	4	2017	3	2019
Dimensions RM Support Maintenance/ Tool	4	2017	3	2019
<i>Research Development Testing & Evaluation</i>				
Test and Development	4	2017	3	2019
Independent Testing	4	2017	3	2019
Operational Test and Evaluation	4	2017	3	2019