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Exhibit R-2, RDT&E Budget Item Justification: FY 2018 Defense Logistics Agency

Appropriation/Budget Activity
0400: Research, Development, Test & Evaluation, Defense-Wide / BA 5:
System Development & Demonstration (SDD)

R-1 Program Element (Number/Name)
PE 0605090S / Defense Retired and Annuitant Pay System (DRAS)

<table>
<thead>
<tr>
<th>COST ($ in Millions)</th>
<th>Prior Years</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018 Base</th>
<th>FY 2018 OCO</th>
<th>FY 2018 Total</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>Cost To Complete</th>
<th>Total Cost</th>
</tr>
</thead>
</table>

A. Mission Description and Budget Item Justification
The primary objective of Defense Retired and Annuitant Pay System 2 (DRAS 2) is to establish and maintain a modern retiree and annuitant pay system featuring automated, market technology in place of selected manual processes.

B. Program Change Summary ($ in Millions)

<table>
<thead>
<tr>
<th>Previous President's Budget</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018 Base</th>
<th>FY 2018 OCO</th>
<th>FY 2018 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.135</td>
<td>4.949</td>
<td>4.872</td>
<td>-</td>
<td>4.872</td>
<td>4.872</td>
</tr>
<tr>
<td>Total Adjustments</td>
<td>-0.350</td>
<td>3.000</td>
<td>8.603</td>
<td>-</td>
<td>8.603</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Change Summary Explanation</th>
</tr>
</thead>
</table>
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 ($4.949M) + Request for Additional Appropriations ($3.000M required to address emergency warfighter readiness. Funds are in support of system integration and development activities for design and testing; requirements development, testing, delivery not supported within the COTS software; a partial procurement of the Oracle PeopleSoft License; and a development of interfaces to the military branches of services and other departments such as the Veteran's Administration (VA) via the Global Exchange (GEX).

PE 0605090S: Defense Retired and Annuitant Pay System... Defense Logistics Agency
<table>
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<th>Appropriation/Budget Activity</th>
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</table>

PB18 Increase to continue the development of the functional and system requirements of DRAS2.
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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 0605090S / Defense Retired and Annuitant Pay System (DRAS)

Project (Number/Name)
1 / Defense Retired and Annuitant Pay System 2 (DRAS)

<table>
<thead>
<tr>
<th>COST ($ in Millions)</th>
<th>Prior Years</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018 Base</th>
<th>FY 2018 OCO</th>
<th>FY 2018 Total</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>Cost To Complete</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantity of RDT&amp;E Articles</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
</tbody>
</table>

A. Mission Description and Budget Item Justification

The primary objective of Defense Retired and Annuitant Pay System 2 (DRAS 2) is to establish and maintain a modern retiree and annuitant pay system. DRAS 2 will replace the current Defense Retiree and Annuitant Systems (DRAS) and selected manual processes with proven state of the market technology. This modernization will consolidate disparate DRAS systems and business processes, reduce system redundancies and inefficiencies, and increase customer satisfaction.

B. Accomplishments/Planned Programs ($ in Millions)

<table>
<thead>
<tr>
<th>FY 2016 Accomplishments:</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achieved Acquisition Lifecycle Milestone B.</td>
<td>9.785</td>
<td>7.949</td>
<td>13.475</td>
</tr>
<tr>
<td>Issued a Task Order to for Build 1 and 2 requirements review and Build 1 system development.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obtained additional Oracle PeopleSoft COTS software licenses.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilized Transaction Services for system interface activities.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Established Data Management environment in MilCloud and begin legacy data cleansing activities.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Completed Build 1 configuration and design activities and began Build 1 development.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

FY 2017 Plans:

- Issue a Task Order to finalize Build 3 requirements, begin Build 2 and 3 development, including Conference Room Pilot demonstrations.
- Obtain additional COTS software licensing.
- Continue development of system interfaces and performance testing.
- Establish pre-production hosting environment and perform Cyber Defense Security activities.

FY 2018 Plans:

- Issue a Task Order to continue Build 1 and 2 development, Conference Room Pilot demonstrations and system training.
- Establish production hosting environment and perform Cyber Defense Security activities.

Accomplishments/Planned Programs Subtotals

<table>
<thead>
<tr>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.785</td>
<td>7.949</td>
<td>13.475</td>
</tr>
</tbody>
</table>
### UNCLASSIFIED

**Exhibit R-2A, RDT&E Project Justification:** FY 2018 Defense Logistics Agency  
**Date:** May 2017

<table>
<thead>
<tr>
<th>Appropriation/Budget Activity</th>
<th>R-1 Program Element (Number/Name)</th>
<th>Project (Number/Name)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0400 / 5</td>
<td>PE 0605090S / Defense Retired and Annuitant Pay System (DRAS)</td>
<td>1 / Defense Retired and Annuitant Pay System 2 (DRAS)</td>
</tr>
</tbody>
</table>

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

N/A

**Remarks**

**D. Acquisition Strategy**

DRAS2 achieved Milestone B in August 2016 and entered into the Engineering, Development, and Production Phase of the Acquisition Lifecycle. DRAS2 is scheduled for Full Deployment in January 2019.

**E. Performance Metrics**

N/A
### Exhibit R-3, RDT&E Project Cost Analysis: FY 2018 Defense Logistics Agency

**Date:** May 2017

<table>
<thead>
<tr>
<th>Appropriation/Budget Activity</th>
<th>PE 0400 / 5</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>R-1 Program Element (Number/Name)</th>
<th>PE 0605090S</th>
<th>Defense Retired and Annuitant Pay System (DRAS)</th>
</tr>
</thead>
</table>

| Project (Number/Name) | 1 | Defense Retired and Annuitant Pay System 2 (DRAS) |

#### Product Development ($ in Millions)

<table>
<thead>
<tr>
<th>Cost Category Item</th>
<th>Contract Method &amp; Type</th>
<th>Performing Activity &amp; Location</th>
<th>Prior Years</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018 Base</th>
<th>FY 2018 OCO</th>
<th>FY 2018 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Cost</td>
<td>Award Date</td>
<td>Cost</td>
<td>Award Date</td>
<td>Cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
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<tr>
<td>Development and</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integration</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DRAS2 COTS License Purchase</td>
<td>Option/IDIQ</td>
<td>CSRA/Oracle : To be Determined</td>
<td>8.808</td>
<td>1.635</td>
<td>May 2016</td>
<td>3.667</td>
<td>May 2017</td>
<td>0.000</td>
</tr>
<tr>
<td>DISA Hosting</td>
<td>MIPR</td>
<td>Virtual Operating Environment : Mechanicsburg, PA</td>
<td>0.000</td>
<td>0.721</td>
<td>Nov 2016</td>
<td>0.332</td>
<td>Nov 2017</td>
<td>1.537</td>
</tr>
<tr>
<td>Transaction Services Interface Design</td>
<td>MIPR</td>
<td>DLA Transaction Services : Chambersburg, PA</td>
<td>1.850</td>
<td>1.050</td>
<td>Jul 2016</td>
<td>0.850</td>
<td>May 2016</td>
<td>0.412</td>
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<tr>
<td>JITC - Testing</td>
<td>MIPR</td>
<td>JITC : To Be Determined</td>
<td>0.000</td>
<td>0.655</td>
<td>Jul 2016</td>
<td>0.000</td>
<td>1.255</td>
<td>Dec 2017</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td>18.030</td>
<td>9.785</td>
<td>7.949</td>
<td>13.475</td>
<td></td>
<td></td>
</tr>
<tr>
<td>** Remarks**</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

**Remarks**
The System Development and Integration IDIQ Contract was awarded 29 September 2016. The program is in the 2nd Option Year of this contract.
Exhibit R-4, RDT&E Schedule Profile: FY 2018 Defense Logistics Agency

Appropriation/Budget Activity
0400 / 5

R-1 Program Element (Number/Name)
PE 0605090S I Defense Retired and Annuitant Pay System (DRAS)

Project (Number/Name)
1 I Defense Retired and Annuitant Pay System 2 (DRAS)

Date: May 2017

DRAS2 Top Level Schedule

Key Events | TMRR | EMD | PROD / DEPLOY | Operations & Support
--- | --- | --- | --- | ---
Fiscal Year |
FY15 |
FY16 |
FY17 |
FY18 |
FY19 |
FY20 |
Quarter |
Q1 |
Q2 |
Q3 |
Q4 |
Q1 |
Q2 |
Q3 |
Q4 |
Q1 |
Q2 |
Q3 |
Q4 |
Q1 |
Q2 |
Q3 |
Q4 |
Acquisition |
SI Award |
TO4 |
JITC |
MS 8 |
MS C |
FD |
PRR/ISR |
Contracting |
TO1 |
TP3 |
Logistics |
MS B Draft |
LCSP |
MS B LCSP |
Life Cycle Sustainment |
Functional Requirements |
System Engineering Reviews |
Production & Development |
Builds 1 – 3 |
Test & Evaluation |
Cyber Security |
Information Assurance |
IATT |
AIO/AITC |

MS B – Milestone B
MS C – Milestone C
FD – Full Deployment
IATT – Interim Authority To Test
AIO/AITC – Authority To Operate/Authority To Connect
TMRR – Technology Maturity and Risk Reduction
EMD – Engineering and Manufacturing Development
PROD/DEPLOY – Production and Deployment Development
SI – System Integration
TO – Task Order
SRR – System Requirements Review
SFR – System Functional Review
PDR – Preliminary Design Review
CDR – Critical Design Review
T-PDR – Tailored Preliminary Design Review
T-CDR – Tailored Critical Design Review
OTR – Operational Test Readiness Review
PRR – Production Readiness Review
SAT – System Acceptance Testing
SIT – System Integration Testing
TRR – Technology Readiness Review
SVR – System Verification Review
OFT – Operational Test Evaluation
JITC – Joint Interoperability Test Command
Proto CRP – Prototype Conference Room Pilot

Baseline: 11 Jan 16

Warfighter First - People & Culture - Strategic Engagement - Financial Stewardship - Process Excellence
### Schedule Details

<table>
<thead>
<tr>
<th>Events by Sub Project</th>
<th>Start</th>
<th>End</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defense Retired and Annuitant Pay System (DRAS)</td>
<td>Quarter</td>
<td>Year</td>
</tr>
<tr>
<td>Defense Retired and Annuitant System (DRAS)</td>
<td>1</td>
<td>2017</td>
</tr>
</tbody>
</table>