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

R-1 Program Element (Number/Name)

Appropriation/Budget Activity

PE 0605090S I Defense Retired and Annuitant Pay System (DRAS)

Date: May 2017

0400: Research, Development, Test & Evaluation, Defense-Wide I BA 5:

System Development & Demonstration (SDD)

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	18.030	9.785	7.949	13.475	-	13.475	2.226	1.753	1.785	1.821	Continuing	Continuing
1: Defense Retired and Annuitant Pay System 2 (DRAS)	18.030	9.785	7.949	13.475	-	13.475	2.226	1.753	1.785	1.821	Continuing	Continuing

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)	FY 2016	FY 2017	FY 2018 Base	FY 2018 OCO	FY 2018 Total
Previous President's Budget	10.135	4.949	4.872	-	4.872
Current President's Budget	9.785	7.949	13.475	-	13.475
Total Adjustments	-0.350	3.000	8.603	-	8.603
 Congressional General Reductions 	-	-			
 Congressional Directed Reductions 	-	-			
 Congressional Rescissions 	-	-			
 Congressional Adds 	-	-			
 Congressional Directed Transfers 	-	-			
 Reprogrammings 	-	-			
SBIR/STTR Transfer	-0.350	-			
 DRAS2 Establish pre-production & 	-	-	1.578	-	1.578
production hosting environments					
 Reprogramming from O&M 	-	-	4.025	-	4.025
PB17 Amended Program Increase	-	3.000	-	-	-
PB18 Program Increase	-	-	3.000	-	3.000

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 (\$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).

UNCLASSIFIED

Exhibit R-2, RDT&E Budget Item Justification: FY 2018 Defense Logistic	cs Agency	Date: May 2017
Appropriation/Budget Activity 0400: Research, Development, Test & Evaluation, Defense-Wide I BA 5: System Development & Demonstration (SDD)	R-1 Program Element (Number/Name) PE 0605090S I Defense Retired and Anni	uitant Pay System (DRAS)
PB18 Increase to continue the development of the functional and sy	stem requirements of DRAS2.	

PE 0605090S: *Defense Retired and Annuitant Pay System...*Defense Logistics Agency

Exhibit R-2A, RDT&E Project Justification: FY 2018 Defense Logistics Agency									Date: May 2017			
0400 / 5 PE 0605090S / Defense Retired and 1 / D				Project (N 1 / Defense System 2 (e Retired ar	ne) nd Annuitani	t Pay					
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 Retired and Annuitant Pay System 2 (DRAS)	18.030	9.785	7.949	13.475	-	13.475	2.226	1.753	1.785	1.821	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

B. Accomplishments/Planned Programs (\$ in Millions)

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.

Title: Defense Retired and Annuitant Pay System (DRAS) 2	9.785	7.949	13.475
FY 2016 Accomplishments: -Achieved Acquisition Lifecycle Milestone BIssued a Task Order to for Build 1 and 2 requirements review and Build 1 system developmentObtained additional Oracle PeopleSoft COTS software licensesUtilized Transaction Services for system interface activitiesEstablished Data Management environment in MilCloud and begin legacy data cleansing activitiesCompleted Build 1 configuration and design activities and began Build 1 development.			
FY 2017 Plans: -Issue a Task Order to finalize Build 3 requirements, begin Build 2 and 3 development, including Conference Room Pilot demonstrationsObtain additional COTS software licensingContinue development of system interfaces and performance testingEstablish 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 Perform System Integration, Interoperability, User Acceptance Testing, and Parallel Operations TestingEstablish production hosting environment and perform Cyber Defense Security activities.			
Accomplishments/Planned Programs Subtotals	9.785	7.949	13.475

FY 2016

FY 2017

FY 2018

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

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

FY 2017

FY 2016

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

Project Cost Totals

Appropriation/Budget Activity

Product Development (\$ in Millions)

0400 / 5

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

FY 2018

Base

13.475

Annuitant Pay System (DRAS)

Project (Number/Name)

1 I Defense Retired and Annuitant Pay

Date: May 2017

System 2 (DRAS)

FY 2018

Total

13.475

FY 2018

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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	Total Cost	Target Value of Contract
DRAS2 System Development and Integration	Option/ IDIQ	CSRA : Herndon, VA	7.372	5.724	Sep 2016	3.100	Oct 2017	10.271	Nov 2017	-		10.271	Continuing	Continuing	-
DRAS2 COTS License Purchase	Option/ IDIQ	CSRA/Oracle : To be Determined	8.808	1.635	May 2016	3.667	May 2017	0.000		-		0.000	Continuing	Continuing	-
DISA Hosting	MIPR	Virtual Operating Environment : Mechanicsburg, PA	0.000	0.721	Nov 2016	0.332	Nov 2017	1.537	Nov 2017	-		1.537	Continuing	Continuing	-
Transaction Services Interface Design	MIPR	DLA Transaction Services : Chambersburg, PA	1.850	1.050	Jul 2016	0.850	May 2016	0.412	Jul 2018	-		0.412	Continuing	Continuing	-
JITC - Testing	MIPR	JITC : To Be Determined	0.000	0.655	Jul 2016	0.000		1.255	Dec 2017	-		1.255	Continuing	Continuing	_
		Subtotal	18.030	9.785		7.949		13.475		-		13.475	-	-	-
			Prior Years	FY	2016	FY 2	2017		2018 ise		2018 CO	FY 2018 Total	Cost To	Total Cost	Target Value of Contract

7.949

Remarks

The System Development and Integration IDIQ Contract was awarded 29 September 2016. The program is in the 2nd Option Year of this contract.

9.785

18.030

Exhibit R-4, RDT&E Schedule Profile: FY 2018 Defense Logistics Agency **Date:** May 2017 R-1 Program Element (Number/Name) Appropriation/Budget Activity Project (Number/Name) 1 I Defense Retired and Annuitant Pay 0400 / 5 PE 0605090S I Defense Retired and Annuitant Pay System (DRAS) System 2 (DRAS) DELIVER THE RIGHT SOLUTION ON TIME, EVERY TIME DRAS2 Top Level **Key Events EMD** PROD / DEPLOY Operations & Support FY15 Fiscal Year FY17 FY18 FY19 FY20 FY16 Q2 Q3 Q1 Q2 Q3 Q4 Q2 | Q3 Q4 Q1 Q2 | Q3 Q4 Q2 Q3 Q4 Q1 Q2 Quarter 01 Q4 A AFD **≜**MSB △ MS C ○PIR/ISR Acquisition SI Award JITC Contracting MSB DRAFT LCSP Logistics Life Cycle Sustainment MS C LCSP GAP/Design Capability Requirement Traceability Matrix Functional Analysis RR/SVR Requirements PDR2 OPRR/OTRR Proto CRP2 System Engineering SEP TRR Reviews OTE SIT JITC IOP OProto CRP4 Build 1 SQT **Production &** UAT Development OProto CRP6 Build 1 - 3 Build 2 T-CDR Cut Over T-PDR DTE Test & Evaluation Build 3 TMP Parallel Ops TEMP Update TEMP Update TEMP Update Transition Planning Information Assurance Cyber Security ATO/ATC MS B - Milestone B MS C - Milestone C FD - Full Deployment IATT - Interim Authority To Test ATO/ATC - Authority To Operate/Authority to Connect TMRR Task Timeline △ Milestone Decision □ Technology Maturation and Risk Reduction EMD - Engineering and Manufacturing Development PROD/DEPLOY - Production and Deployment Development SI -(Planned) System Integrator TO - Task Order SRR - System Requirements Review SFR - System Functional Review PDR - Preliminary Design Review CDR - Critical Design **Decision Point** Partial Progress Review - T-PDR Tailored Preliminary Design Review - T-CDR Tailored Critical Design Review (Build 1-3) OTRR - Operational Test Readiness Review PRR Production Readiness Review ISR - In Service Review SEP - System Engineering Plan TMP - Test Management Plan TEMP - Test & Evaluation Master Plan SAT -Indicator Completed System Acceptance Testing SIT - System Integration Testing TRR - Technology Readiness Review SVR - System Verification Review SQT - System Qualification **DocumentReview** Testing UAT - User Acceptance Testing - DTE - Developmental Test & Evalution. (SwQT) - Software Quality Testing - Regression, System Integration, Compliance and Functional User Testing) - JITC - Joint Interoperability Test Command Proto CRP - Prototype Conference Room Pilot 2, 4, 6 WARFIGHTER FIRST - PEOPLE & CULTURE - STRATEGIC ENGAGEMENT - FINANCIAL STEWARDSHIP - PROCESS EXCELLENCE

PE 0605090S: *Defense Retired and Annuitant Pay System...* Defense Logistics Agency

Exhibit R-4A, RDT&E Schedule Details: FY 2018 Defense Logistics Agency			Date: May 2017
0400 / 5	R-1 Program Element (Number/Name) PE 0605090S I Defense Retired and Annuitant Pay System (DRAS)	, ,	umber/Name) e Retired and Annuitant Pay (DRAS)

Schedule Details

	Start		End		
Events by Sub Project	Quarter	Year	Quarter	Year	
Defense Retired and Annuitant Pay System (DRAS)					
Defense Retired and Annuitant System (DRAS)	1	2017	4	2022	