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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					R-1 Program Element (Number/Name)							
0400: Research, Development, Test & Evaluation, Defense-Wide / BA 5: System Development & Demonstration (SDD)					PE 0605090S / Defense Retired and Annuitant Pay System (DRAS)							
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 & production hosting environments	-	-	1.578	-	1.578
• 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).

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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)			
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												
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)										FY 2016	FY 2017	FY 2018
Title: Defense Retired and Annuitant Pay System (DRAS) 2										9.785	7.949	13.475
FY 2016 Accomplishments: -Achieved Acquisition Lifecycle Milestone B. -Issued a Task Order to for Build 1 and 2 requirements review and Build 1 system development. -Obtained additional Oracle PeopleSoft COTS software licenses. -Utilized Transaction Services for system interface activities. -Established Data Management environment in MilCloud and begin legacy data cleansing activities. -Completed 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 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. - Perform System Integration, Interoperability, User Acceptance Testing, and Parallel Operations Testing. -Establish production hosting environment and perform Cyber Defense Security activities.												
Accomplishments/Planned Programs Subtotals										9.785	7.949	13.475

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

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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 0605090S / Defense Retired and Annuitant Pay System (DRAS)				Project (Number/Name) 1 / Defense Retired and Annuitant Pay System 2 (DRAS)					
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
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 2017		FY 2018 Base		FY 2018 OCO		FY 2018 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals			18.030	9.785		7.949		13.475		-		13.475	-	-	-
Remarks															
The System Development and Integration IDIQ Contract was awarded 29 September 2016. The program is in the 2nd Option Year of this contract.															

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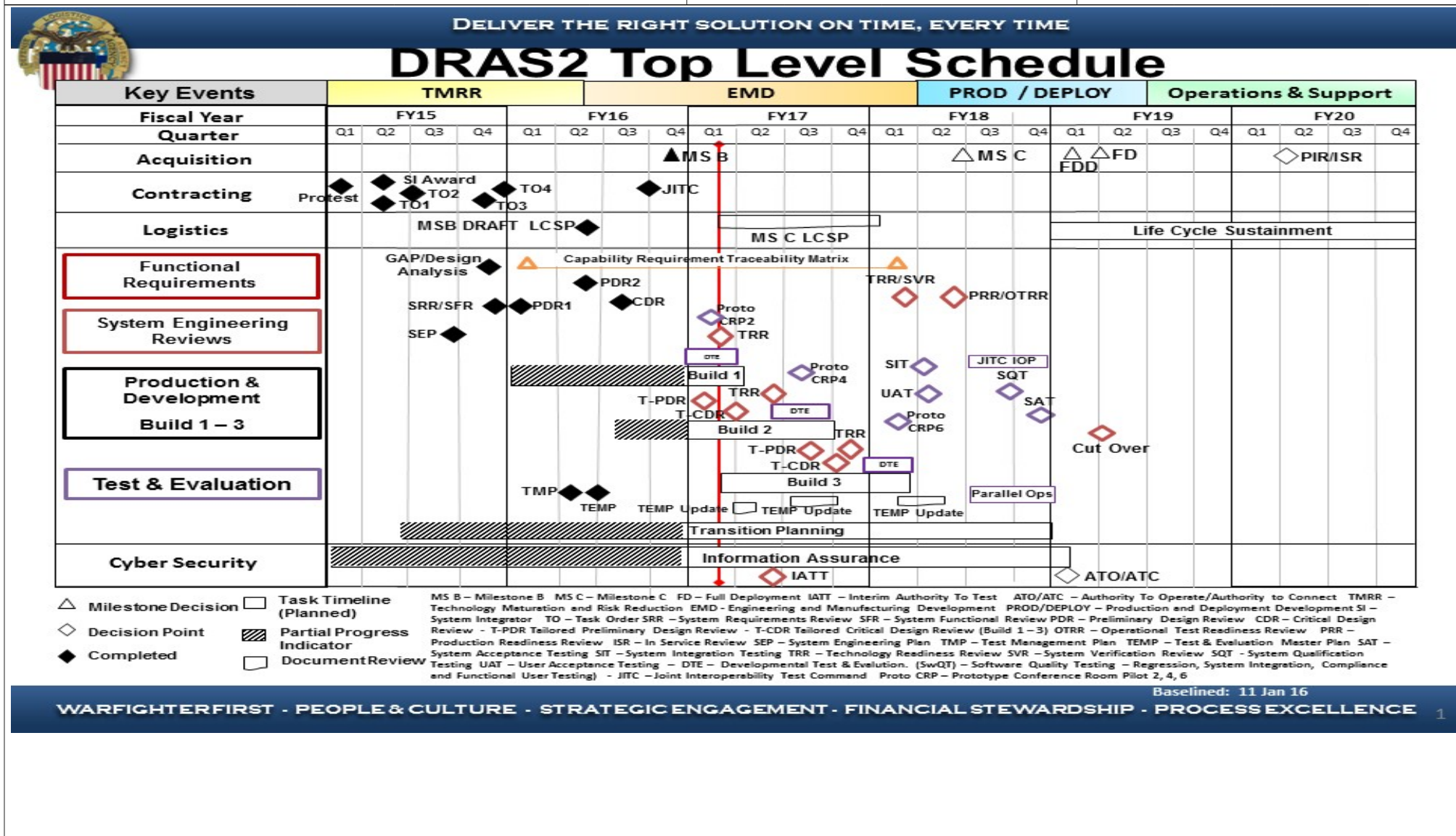
Exhibit R-4, RDT&E Schedule Profile: FY 2018 Defense Logistics Agency

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)



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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 0605090S / <i>Defense Retired and Annuitant Pay System (DRAS)</i>	Project (Number/Name) 1 / <i>Defense Retired and Annuitant Pay System 2 (DRAS)</i>	

Schedule Details

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