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<b>Exhibit R-2, RDT&amp;E Budget Item Justification: FY 2018 Navy</b>	<b>Date: May 2017</b>
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<b>Appropriation/Budget Activity</b> 1319: Research, Development, Test & Evaluation, Navy / BA 6: RDT&E Management Support					<b>R-1 Program Element (Number/Name)</b> PE 0605865N / Operational Test & Eval Capability							
<b>COST (\$ in Millions)</b>	<b>Prior Years</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018 Base</b>	<b>FY 2018 OCO</b>	<b>FY 2018 Total</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>Cost To Complete</b>	<b>Total Cost</b>
Total Program Element	0.000	17.796	18.199	20.298	-	20.298	21.950	23.099	23.587	24.177	Continuing	Continuing
0831: OPTEVFOR Support	0.000	17.796	18.199	20.298	-	20.298	21.950	23.099	23.587	24.177	Continuing	Continuing

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

Funding in this project funds the civilian salaries and operating costs for the Commander, Operational Test and Evaluation Force (COMOPTEVOR). In addition, it supports several senior management initiatives aimed at increasing efficiencies in Test and Evaluation (T&E). These initiatives include IT database and decision making technology upgrades; implementation of Integrated Testing and Mission Based Test Design across all programs; and improved staffing and expertise in the areas of DON acquisition processes, Modeling and Simulation, Statistical Studies, Cybersecurity, and similar disciplines. All of these initiatives are aimed at improving the quality of testing and evaluation, thus ensuring delivery to fleet units of fully tested and capable combat systems.

<b>B. Program Change Summary (\$ in Millions)</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018 Base</b>	<b>FY 2018 OCO</b>	<b>FY 2018 Total</b>
Previous President's Budget	17.985	18.160	18.487	-	18.487
Current President's Budget	17.796	18.199	20.298	-	20.298
Total Adjustments	-0.189	0.039	1.811	-	1.811
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-0.189	0.000			
• Program Adjustments	0.000	0.039	1.679	-	1.679
• Rate/Misc Adjustments	0.000	0.000	0.132	-	0.132

**Change Summary Explanation**

Fleet demand for Cybersecurity testing has increased by 63% since FY14 due to real world threats and Department of Defense (DoD) directives. Cyber Security threats continue to evolve and it has become more challenging for the Navy to protect systems, detect threats, react to threats and restore system functionality after a cyber attack. These evolving threats require specialized training, tool sets and increased proficiency in COMOPTEVFOR's cyber security test manpower. The funding increase supports additional Cyber Security manpower to meet the Program Cyber Security Operational Tests (OT) required by DoD.

The cyber manpower increase is offset by the realignment of 14 Management Headquarters Activity (MHA) FTE from this program element into 0902498N Management Headquarters (Departmental Support Accounts).

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<div>Technical: N/A</div> <div>Schedule: N/A</div>		

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Exhibit R-2A, RDT&E Project Justification: FY 2018 Navy										Date: May 2017		
Appropriation/Budget Activity 1319 / 6					R-1 Program Element (Number/Name) PE 0605865N / <i>Operational Test &amp; Eval Capability</i>				Project (Number/Name) 0831 / <i>OPTEVFOR Support</i>			
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
0831: <i>OPTEVFOR Support</i>	0.000	17.796	18.199	20.298	-	20.298	21.950	23.099	23.587	24.177	Continuing	Continuing
Quantity of RDT&E Articles		-	-	-	-	-	-	-	-	-		
A. Mission Description and Budget Item Justification												
<p>This program element (PE) provides Commander, Operational Test and Evaluation Force (COMOPTEVFOR) general support funding for headquarters annual operating costs and ensures COMOPTEVFOR compliance with Secretary of Defense (SECDEF) and Secretary of the Navy (SECNAV) directives to conduct independent operational testing and evaluation. This funding supports planning, testing, and reporting on the operational effectiveness and suitability of new and improved systems and recommending fleet usage to the Chief of Naval Operations (CNO). Funding also supports recently instituted initiatives (including the manpower to execute) that improve COMOPTEVFOR's ability to develop "minimum, adequate" test strategies maximizing efficiencies and minimizing assets required to conduct planned operational testing, thereby driving down overall test and evaluation costs for the Navy. The CNO, as well as acquisition executives and managers at all levels, have a continuing need for expeditious and efficient conduct of Operational Test and Evaluation (OT&amp;E) by COMOPTEVFOR in support of training and equipping fleet forces. To this end, this funding supports COMOPTEVFOR's continued pursuit of a variety of senior management initiatives aimed at increasing efficiencies in T&amp;E; these senior management initiatives include IT database and decision making technology upgrades, implementation of Integrated Testing and Mission Based Test Design across all programs, and improved staffing and expertise in the areas of DON acquisition processes, Modeling and Simulation, Statistical Studies, Information Assurance, and similar disciplines. All of these initiatives are aimed at improving the quality of testing and evaluation, thus ensuring delivery to fleet units of fully tested and capable combat systems. OT&amp;E issues have direct long term Navy-wide implications on the Fleet's readiness and warfighting capability. Rapid advances in technology, changes in fleet tactics, and increased complexity of weapons systems and platforms, combined with reductions in manpower, force structure, and budgets have created an increased need for technical and operational analyses that are sophisticated and timely in order to ensure an optimal return on investment of Navy resources.</p>												
B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)								FY 2016	FY 2017	FY 2018 Base	FY 2018 OCO	FY 2018 Total
Title: OPTEVFOR SUPPORT								17.796	18.199	20.298	0.000	20.298
								Articles: -	-	-	-	-
Description: Funding in this project funds the civilian salaries and operating costs for the Commander, Operational Test and Evaluation Force (COMOPTEVOR). In addition, it supports several senior management initiatives aimed at increasing efficiencies in Test and Evaluation (T&E). These initiatives include IT database and decision making technology upgrades; implementation of Integrated Testing and Mission Based Test Design across all programs; and improved staffing and expertise in the areas of DON acquisition processes, Modeling and Simulation, Statistical Studies, Information Assurance, and similar disciplines. All of these initiatives are aimed at improving the quality of testing and evaluation, thus ensuring delivery to fleet units of fully tested and capable combat systems.												

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Exhibit R-2A, RDT&E Project Justification: FY 2018 Navy				Date: May 2017		
Appropriation/Budget Activity 1319 / 6		R-1 Program Element (Number/Name) PE 0605865N / Operational Test & Eval Capability		Project (Number/Name) 0831 / OPTEVFOR Support		
B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)		FY 2016	FY 2017	FY 2018 Base	FY 2018 OCO	FY 2018 Total
<p><b>FY 2016 Accomplishments:</b></p> <ul style="list-style-type: none"><li>- This project provided for the civilian salaries and operating costs for COMOPTEVOR.</li><li>- Agile IT: Continued Agile IT Operational Test and Evaluation (OT&amp;E efforts); a third program is under consideration for inclusion in this method.</li><li>- Test and Product Processes: Continued efforts to enhance and improve test processes and products in support of increasing the value of OT&amp;E.</li><li>- Continued efforts to electronically link program deficiencies to the Warfare Capability Baseline (WCB) assessment efforts (PHOENIX).</li><li>- Workforce Shaping: Anticipate limited, but measurable progress to continue in the effort to acquire analytic and cybersecurity workforce improvements.</li><li>- WCB 6 completed during FY16.</li></ul> <p><b>FY 2017 Plans:</b></p> <ul style="list-style-type: none"><li>- This project funds civilian salaries and operating costs for COMOPTEVOR</li><li>- Agile IT process is expected to benefit and be refined following the first full year of effort.</li><li>- OT&amp;E processes and methods will continue to be examined for improvement</li><li>- Anticipate that the linkage between WCB and deficiencies will be complete and other electronic database efforts associated with PHOENIX will continue.</li><li>- Workforce shaping efforts will continue across the FYDP.</li><li>- 7th increment of WCB is expected to be completed.</li></ul> <p><b>FY 2018 Base Plans:</b></p> <ul style="list-style-type: none"><li>- This project funds civilian salaries and operating costs for COMOPTEVOR</li><li>- Agile IT: Expect to continue Agile IT OT&amp;E efforts; additional programs are under consideration for inclusion in this method.</li><li>- Test and Product Processes: as a learning organization, COTF will continue efforts to enhance and improve test processes and products in support of increasing the value of OT&amp;E.</li><li>- Anticipate that the linkage between WCB and deficiencies will be complete and other electronic database efforts associated with PHOENIX will continue.</li><li>- Increased CIVPERS E/S will support increased optempo in cyber security testing.</li><li>- 8th increment of WCB is expected to be completed.</li></ul> <p><b>FY 2018 OCO Plans:</b></p>						

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<b>B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)</b>					
	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018 Base</b>	<b>FY 2018 OCO</b>	<b>FY 2018 Total</b>
N/A					
<b>Accomplishments/Planned Programs Subtotals</b>	17.796	18.199	20.298	0.000	20.298
<b>C. Other Program Funding Summary (\$ in Millions)</b>					
N/A					
<b>Remarks</b>					
<b>D. Acquisition Strategy</b>					
N/A					
<b>E. Performance Metrics</b>					
<p>As indicated in section A above, funding provides for core headquarters operations and support (O&amp;S) costs related to required operational testing and evaluation (T&amp;E) conducted in support of Navy acquisition programs. The preponderance of funding provides for the annual O&amp;S costs for day to day operations of the staff/headquarters of COMOPTEVFOR, located in Norfolk, Virginia. (Pursuant to DoD Financial Management Regulations and Navy financial policy guidance, as a T&amp;E activity, COMOPTEVFOR's annual support costs are funded via RDTEN vice OMN; hence, and unlike most RDTEN programs, these funds provide for O&amp;S costs typical of military field commands/activities). Within this project, over 1/2 of the funding supports salaries of assigned civilian personnel. The remaining funds provide for other routine support costs such as travel, IT support, supplies, and other overhead/administrative support costs. The primary metric used within the project involves support for scheduled Navy acquisition program testing and subsequent analysis and reporting of results of testing to appropriate senior Navy acquisition officials and to the Navy chain of command directly to the CNO and various OPNAV/SECNAV staff offices. The performance goal is met when all assigned/scheduled testing and reporting is supported each year. Specific test program success is measured through analytic results of testing conducted throughout the year and constant interaction with program offices, acquisition decision makers, OPNAV staff resource sponsor offices, OSD and other service T&amp;E offices/activities, and miscellaneous other customers/stakeholders. This project also supports testing and evaluation of various Joint/multi-service programs in which the Navy shares responsibilities in support of the acquisition community. The following metrics relate directly to the funding provided and are applicable to current operations.</p> <p>Number of Tests Conducted - FY16 = 103; FY17 = 104; FY18 = 108            Number of Programs Supported - FY16 = 422; FY17 = 424; FY18 = 424</p>					