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Exhibit R-2, RDT&E Budget Item Justification: PB 2013 Army **DATE:** February 2012

APPROPRIATION/BUDGET ACTIVITY				R-1 ITEM NOMENCLATURE							
2040: <i>Research, Development, Test & Evaluation, Army</i> BA 5: <i>Development & Demonstration (SDD)</i>				PE 0604822A: <i>General Fund Enterprise Business System (GFEBs)</i>							
COST (\$ in Millions)	FY 2011	FY 2012	FY 2013 Base	FY 2013 OCO	FY 2013 Total	FY 2014	FY 2015	FY 2016	FY 2017	Cost To Complete	Total Cost
Total Program Element	13.094	0.793	9.963	-	9.963	-	-	-	-	Continuing	Continuing
DV6: <i>GENERAL FUND ENTERPRISE BUSINESS SYSTEM SENSITIVE</i>	-	-	9.963	-	9.963	-	-	-	-	Continuing	Continuing
GF5: <i>GENERAL FUND ENTERPRISE BUSINESS SYSTEM (GFEBs)</i>	13.094	0.793	-	-	-	-	-	-	-	Continuing	Continuing

Note

\$9.963 million is required in FY 2013 for the Sensitive Activities (SA) program. Sensitive Activities provides a classified version of the GFEBs program. Sensitive Activities allows processing of data in a secure environment to protect and manage classified data without causing risk to our national security.

A. Mission Description and Budget Item Justification

The General Fund Business Enterprise System (GFEBs) is a Major Automated Information System (MAIS) program and completing the developmental phase. It will follow the DoD Business Enterprise Architecture which is aligned to the mandated Federal Enterprise Architecture. GFEBs was implemented to fulfill the needs and comply with the Federal Financial Management Improvement Act (FFMIA), The Chief Financial Officers Act of 1990, the Government Performance and Results Act of 1993, the Government Management Reform Act of 1994, and the Clinger-Cohen Act of 1996 and to fulfill the stated mission of the Assistant Secretary of the Army for Financial Management and Comptroller (ASA(FM&C)). GFEBs will replace financial systems operating in excess of 30 years including the Standard Finance Systems (STANFINS) and other costly feeder systems which do not allow the Department of Defense (DoD) or the U.S. government to achieve an unqualified opinion on its financial statements. GFEBs will become the Department of the Army's new core financial management system for administering its General Fund. GFEBs was developed using a commercial off-the-shelf (COTS) Enterprise Resource Planning (ERP) system that is certified by the Chief, Financial Officer Council (CFOC) and provides the six core financial functions. GFEBs will allow tactical commanders to make informed decisions on a virtually real time system.

On 1 October 2008, GFEBs deployed to Wave 1 end users at Fort Jackson Garrison, Defense Finance Accounting Service (DFAS) Indianapolis, Indiana and several other organizations. On 1 April 2009, GFEBs deployed to Wave 2 users at Fort Benning, Fort Stewart, DFAS Rome and several other organizations. Wave 3 deployed in October FY10, Wave 4 in January of FY11, Wave 5 in April 2011 and Wave 6 in July 2011. GFEBs is currently fielded to approximately 38,000 trained end users and the last development software release, Release 1.4.4, was fielded to all users in December 2011. Each fielded release subsumes the previous release keeping all deployed sites executing under the same GFEBs release. The Full Deployment Decision was received by the Milestone Decision Authority on 24 June 2011. In FY12 GFEBs is scheduled to deploy the remaining waves, 7-8, which encompass the remainder of the Active Army, Army Reserves, Army National Guard and select defense agencies.

Sensitive Activities provides a classified version of the GFEBs program. Sensitive Activities allows processing of data in a secure environment to protect and manage classified data without causing risk to our national security.

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APPROPRIATION/BUDGET ACTIVITY 2040: <i>Research, Development, Test & Evaluation, Army</i> BA 5: <i>Development & Demonstration (SDD)</i>	R-1 ITEM NOMENCLATURE PE 0604822A: <i>General Fund Enterprise Business System (GFEBS)</i>
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B. Program Change Summary (\$ in Millions)	FY 2011	FY 2012	FY 2013 Base	FY 2013 OCO	FY 2013 Total
Previous President's Budget	13.576	0.794	0.808	-	0.808
Current President's Budget	13.094	0.793	9.963	-	9.963
Total Adjustments	-0.482	-0.001	9.155	-	9.155
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			
• Other Adjustments 1	-0.482	-0.001	9.155	-	9.155

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COST (\$ in Millions)	FY 2011	FY 2012	FY 2013 Base	FY 2013 OCO	FY 2013 Total	FY 2014	FY 2015	FY 2016	FY 2017	Cost To Complete	Total Cost
DV6: <i>GENERAL FUND ENTERPRISE BUSINESS SYSTEM SENSITIVE</i>	-	-	9.963	-	9.963	-	-	-	-	Continuing	Continuing
Quantity of RDT&E Articles											

A. Mission Description and Budget Item Justification

The General Fund Enterprise Business System (GFEBs) is a Major Automated Information System (MAIS)(ACAT-1AM) project that replaces 30+-year-old financial systems including the Standard Finance Systems (STANFINS), Standard Operations and Maintenance, Army R&D System (SOMARDS), and Database Commitment Accounting System (DbCAS/WebCas. GFEBs will become the Dept of the Army's new core financial and asset management system for administering its general fund, improving performance, standardizing processes and ensuring future needs are met. GFEBs is a commercial off-the-shelf (COTS) Enterprise Resource Planning (ERP) System certified by the Chief Financial Officers Council (CFOC).GFEBs will train and support nearly 54,000 users at over 200 installations worldwide and is the Army's solution to the current capability gap in accounting and financial management. This new capability will provide improved functionality in general fund core financial functions including: general ledger management; financial reporting; real property, plant, and equipment accountability; reimbursables, revenue, and accounts receivable; cost management; funds control and budgetary accounting; accounts payable; and audit trails and system controls and meets legislative mandates to develop an auditable financial system. Presently, none of these functional areas are adequately addressed with existing processes and capabilities. The primary objectives for the GFEBs financial management system are to improve performance, standardize business processes, ensure capability exists to meet future needs, and provide Army's decision makers with relevant, reliable, and timely information.

On 1 October 2008, GFEBs deployed to Wave 1 end users at Fort Jackson Garrison, Defense Finance Accounting Service (DFAS) Indianapolis, Indiana and several other organizations. On 1 April 2009, GFEBs deployed to Wave 2 users at Fort Benning, Fort Stewart, DFAS Rome and several other organizations. Wave 3 deployed in October FY10, Wave 4 in January of FY11, Wave 5 in April 2011 and Wave 6 in July 2011. GFEBs is currently fielded to approximately 38,000 trained end users and the last development software release, Release 1.4.4, was fielded to all users in December 2011. Each fielded release subsumes the previous release keeping all deployed sites executing under the same GFEBs release. The Full Deployment Decision was received by the Milestone Decision Authority on 24 June 2011. In FY12 GFEBs is scheduled to deploy the remaining waves, 7-8, which encompass the remainder of the Active Army, Army Reserves, Army National Guard and select defense agencies.

Funds are for the Sensitive Activities (SA) increment of the GFEBs program developed to process data in a secure environment to protect and manage classified data. Without the SA increment, GFEBs will be unable to achieve an unliquidated audit opinion and, as all other activities of the Army convert to GFEBs, the SA activities will be exposed unless they, too, convert to GFEBs functionality. Funds are required to execute the System Integrator contract to develop and test the SA solution.

B. Accomplishments/Planned Programs (\$ in Millions)	FY 2011	FY 2012	FY 2013
Title: Product Development	-	-	9.963

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APPROPRIATION/BUDGET ACTIVITY 2040: <i>Research, Development, Test & Evaluation, Army</i> BA 5: <i>Development & Demonstration (SDD)</i>	R-1 ITEM NOMENCLATURE PE 0604822A: <i>General Fund Enterprise Business System (GFEBs)</i>	PROJECT DV6: <i>GENERAL FUND ENTERPRISE BUSINESS SYSTEM SENSITIVE</i>
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B. Accomplishments/Planned Programs (\$ in Millions)	FY 2011	FY 2012	FY 2013
Description: Funding is for the following activities:			
FY 2013 Plans: Execution of System Integrator contract to develop and test functional, technical and configuration designs for secure solution of GFEBs.			
Accomplishments/Planned Programs Subtotals	-	-	9.963

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

<u>Line Item</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u> <u>Base</u>	<u>FY 2013</u> <u>OCO</u>	<u>FY 2013</u> <u>Total</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Cost To Complete</u>	<u>Total Cost</u>
• OPA: OPA			4.968		4.968					0.000	18.918

D. Acquisition Strategy
Plan, develop, and manage GFEBs-SA as separate increment from GFEBs base program.
Evolutionary delivery of capabilities.

E. Performance Metrics
Performance metrics used in the preparation of this justification material may be found in the FY 2010 Army Performance Budget Justification Book, dated May 2010.

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APPROPRIATION/BUDGET ACTIVITY 2040: <i>Research, Development, Test & Evaluation, Army</i> BA 5: <i>Development & Demonstration (SDD)</i>				R-1 ITEM NOMENCLATURE PE 0604822A: <i>General Fund Enterprise Business System (GFEBs)</i>				PROJECT GF5: <i>GENERAL FUND ENTERPRISE BUSINESS SYSTEM (GFEBs)</i>			
COST (\$ in Millions)	FY 2011	FY 2012	FY 2013 Base	FY 2013 OCO	FY 2013 Total	FY 2014	FY 2015	FY 2016	FY 2017	Cost To Complete	Total Cost
GF5: <i>GENERAL FUND ENTERPRISE BUSINESS SYSTEM (GFEBs)</i>	13.094	0.793	-	-	-	-	-	-	-	Continuing	Continuing
Quantity of RDT&E Articles											

A. Mission Description and Budget Item Justification

The General Fund Business Enterprise System (GFEBs) is a Major Automated Information System (MAIS) program and completing the developmental phase. It will follow the DoD Business Enterprise Architecture which is aligned to the mandated Federal Enterprise Architecture. GFEBs was implemented to fulfill the needs and comply with the Federal Financial Management Improvement Act (FFMIA), The Chief Financial Officers Act of 1990, the Government Performance and Results Act of 1993, the Government Management Reform Act of 1994, and the Clinger-Cohen Act of 1996 and to fulfill the stated mission of the Assistant Secretary of the Army for Financial Management and Comptroller (ASA(FM&C)). GFEBs will replace financial systems operating in excess of 30 years including the Standard Finance Systems (STANFINS) and other costly feeder systems which do not allow the Department of Defense (DoD) or the U.S. government to achieve an unqualified opinion on its financial statements. GFEBs will become the Department of the Army's new core financial management system for administering its General Fund. GFEBs was developed using a commercial off-the-shelf (COTS) Enterprise Resource Planning (ERP) system that is certified by the Chief, Financial Officer Council (CFOC) and provides the six core financial functions. GFEBs will allow tactical commanders to make informed decisions on a virtually real time system.

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B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)

	FY 2011	FY 2012	FY 2013
Title: Product Development	13.094	0.793	-
Articles:	0	0	
Description: Funding is provided for the following effort			
FY 2011 Accomplishments:			

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B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)	FY 2011	FY 2012	FY 2013
finalize development of Release 1.4 Reports, Interfaces, Conversions, Extensions (RICE) objects for Debt Management, Federated, Foreign Military Sales (FMS), Logistics Modernization Program (LMP) and Global Command and Control Systems, Army (GCSS,A).			
FY 2012 Plans: continue initiatives for interface partners			
Accomplishments/Planned Programs Subtotals	13.094	0.793	-

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

<u>Line Item</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u> <u>Base</u>	<u>FY 2013</u> <u>OCO</u>	<u>FY 2013</u> <u>Total</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Cost To</u> <u>Complete</u>	<u>Total Cost</u>
• OPA: <i>OPA,</i>	97.858	25.459	4.216		4.216		2.692	14.111	2.752	0.000	153.402
• OMA: <i>OMA,</i>	73.248	60.753	59.113		59.113		52.155	49.928	50.736	0.000	402.640

D. Acquisition Strategy

GFEBs is being procured as a performance-based acquisition to encourage innovative and creative solutions and to avoid hampering, dictating, or prescribing how the work must be performed. Therefore, the focus of the Statement of Objectives (SOO) was on "what" the Army is trying to achieve instead of "how" it must be achieved. The use of an SOO is an emerging method that transforms the acquisition process by requiring each of the competing contractors to develop their unique proposed technical approach, work breakdown schedule, project plan and schedule, schedule of deliverable items, performance metrics, performance measurement plan, and quality assurance plan. To achieve its GFEBs project objectives, the Army used an existing Blanket Purchase Agreement (BPA) to select a System Integrator (SI). The contract period of performance is 1 base year with 9 option years. DoD through the Department of the Navy has established enterprise agreements for ERP System Integration Services with five qualified SI(s) that are General Services Administration (GSA) Federal Supply Service (FSS) Schedule holders under the Enterprise Software Initiative (ESI). The Army has selected the SI; all contractor work will be performed under the selected SI's ESI-SI BPA through the award of one task order with several options. Multiple options are anticipated to support each project objective. The products and services described in task orders will be grouped and referenced as Contract Line Item Numbers (CLIN). All CLINs will be awarded on a Fixed Price basis with performance based incentives and disincentives. The task order and all options exercised will be performance based, containing financial incentive and disincentive provisions. Offerors were provided performance based metrics and were required to propose performance incentive and disincentive provisions by CLIN in their Quality Assurance Surveillance Plan (QASP) submitted in response to the Request for Quote (RFQ). The QASP elements were evaluated as part of the evaluation of the Offerors' proposals.

E. Performance Metrics

Performance metrics used in the preparation of this justification material may be found in the FY 2010 Army Performance Budget Justification Book, dated May 2010.

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2013 Army DATE: February 2012

APPROPRIATION/BUDGET ACTIVITY 2040: <i>Research, Development, Test & Evaluation, Army</i> BA 5: <i>Development & Demonstration (SDD)</i>	R-1 ITEM NOMENCLATURE PE 0604822A: <i>General Fund Enterprise Business System (GFEBS)</i>	PROJECT GF5: <i>GENERAL FUND ENTERPRISE BUSINESS SYSTEM (GFEBS)</i>
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Product Development (\$ in Millions)				FY 2012		FY 2013 Base		FY 2013 OCO		FY 2013 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Total Prior Years Cost	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
Development	Various	Accenture:Kingstowne VA 22305	120.181	0.793		-		-		-	0.000	120.974	0.000
Subtotal			120.181	0.793		-		-		-	0.000	120.974	0.000
Project Cost Totals			120.181	0.793		-		-		-	0.000	120.974	0.000

Remarks