



Selected Acquisition Report (SAR)

RCS: DD-A&T(Q&A)823-224



B-2 EHF SATCOM AND COMPUTER INCREMENT I

As of December 31, 2010

Defense Acquisition Management
Information Retrieval
(DAMIR)

UNCLASSIFIED

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Program Information

Designation And Nomenclature (Popular Name)

B-2 Extremely High Frequency SATCOM Capability, Increment 1

DoD Component

Air Force

Responsible Office

Responsible Office

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References

SAR Baseline (Development Estimate)

Air Force Acquisition Executive (AFAE) Approved Acquisition Program Baseline (APB) dated May 30, 2007

Approved APB

AFAE Approved Acquisition Program Baseline (APB) dated May 30, 2007

Mission and Description

The aging Ultra High Frequency (UHF) Military Satellite Communications (MILSATCOM) system is being phased out and replaced by the Advanced Extremely High Frequency (AEHF) Satellite Communications (SATCOM) system. The B-2 Extremely High Frequency (EHF) SATCOM program supports the replacement of the present B-2 UHF Terminal Set with an EHF SATCOM system that will be compatible with the legacy EHF Satellite (MILSTAR I/II) constellation and the future AEHF satellite constellation. The B-2 EHF SATCOM system is one element of a system of systems that includes the AEHF satellites, multiple platforms, and the Family of Advanced Beyond-Line-of-Site Terminals (FAB-T). The B-2 EHF SATCOM upgrade is a three increment program. Increment 1 will provide upgraded flight management computer processors, increased data storage, re-hosted flight management operational flight program (FMOFP), and a high bandwidth data bus in order to prevent degradation of existing capabilities resulting from EHF SATCOM installation. Additionally, the Increment 1 Integrated Processing Unit (IPU) and Disk Drive Unit (DDU) architectures establish a high speed fiber optic structure network as well as maintain connectivity to legacy interfaces. Increment 1 provides a processing growth path to future B-2 upgrades. EHF SATCOM Increment 2 will ensure continuing secure, survivable communication capability; and Increment 3 will enable the B-2 to interface with the Global Information Grid (GIG) and provide Net Ready capability.

Executive Summary

The EHF Increment 1 Engineering, Manufacturing, and Development (EMD) effort is near completion with both significant successes and some software challenges to report. Since the annual December 2009 submission, full hardware qualification was completed on the program's major line replaceable units. In addition, the first developmental flight test took place on September 1, 2010. The first off-range sortie followed on October 21, 2010, demonstrating that the EHF hardware and software were of adequate stability and maturity to progress with completing test points in this environment.

Delays to certification of the program's initial software drop added pressure to the projected completion of the EHF Increment 1 Developmental Test program. In addition, the program experienced a five-month delay to the start of flight test due to a mix of early aircraft install issues, aircraft health, and a higher B-2 test priority (Massive Ordnance Penetrator/MOP); however, the test program is considered successful to date with ten sorties flown with no significant system-under-test issues. The cumulative effect of these delays drives an eight-month delay to the current estimate of the final Dedicated Initial Operational Test and Evaluation flight schedule milestone. All flight test points using the latest software release (PD 6.1) are complete, and the program schedule remains in the bounds of the original acquisition baseline established at Milestone B in May 2007.

Hardware development activity progressed to plan throughout the period. Qualification-configured Integrated Processing Units (IPUs) and Disk Drive Units (DDUs) have been delivered.

The software development delays experienced early in 2010 contributed to an increase in the contract cost. To date the contract experienced a 5.6% cost variance due to now complete subcontractor efforts, early test aircraft install issues and ongoing correction of software deficiencies. The team continues to track software technical performance measures and the developmental flight test schedule to ensure system level maturity and mitigate additional cost growth. The current variance is fully funded within current program developmental budget. The early software development issues have been resolved and three software releases were completed in 2010.

The loss of an aircraft in February 2008 and realignment of depot activation funds is applying pressure to the Average Procurement Unit Cost (APUC). The small fleet size and relatively low production cost magnifies the effect of these changes. The program is mitigating the pressure to the APUC by moving to a two-lot production buy instead of three production lots. The FY2012 President's Budget does not support a three-lot buy profile at the 80% confidence level. Even though the funding level is adequate, it is not properly phased to support the more efficient two-lot buy. Air Force Global Strike Command (AFGSC) is addressing this efficiency initiative in future budget submissions.

The Acquisition Decision Memorandum for the Production Acquisition Strategy Panel was signed January 14, 2011 approving the production strategy, authorizing release of the production Request for Proposal (RFP) and approving a Low Rate Initial Production (LRIP) quantity increase from two to five aircraft. The RFP was released on January 28, 2011 as planned. Production planning efforts determined that the program's estimated Required Assets Available (RAA) date be adjusted from March 2014 to September 2014 in order to efficiently align planned program installs with the B-2 Program Depot Maintenance schedule and to account for a combined install with another B-2 program. The RAA requires eight assigned aircraft to be modified and the RAA adjustment remains within the original Acquisition Program Baseline (APB) threshold date.

There are no significant software issues with this program.

Threshold Breaches

APB Breaches

Schedule		<input type="checkbox"/>
Performance		<input type="checkbox"/>
Cost	RDT&E	<input type="checkbox"/>
	Procurement	<input type="checkbox"/>
	MILCON	<input type="checkbox"/>
	Acq O&M	<input type="checkbox"/>
Unit Cost	PAUC	<input type="checkbox"/>
	APUC	<input type="checkbox"/>

Nunn-McCurdy Breaches

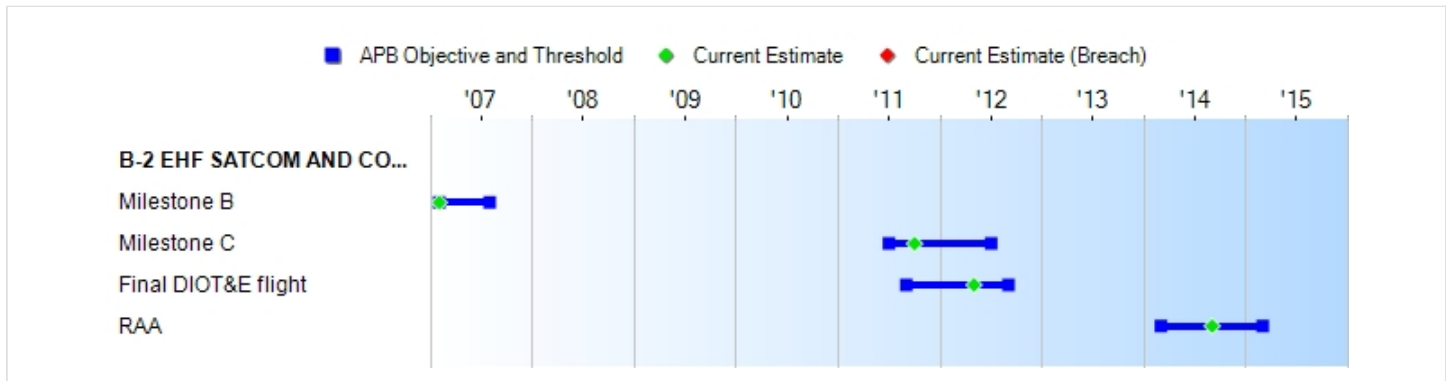
Current UCR Baseline

PAUC	None
APUC	None

Original UCR Baseline

PAUC	None
APUC	None

Schedule



Milestones	SAR Baseline Dev Est	Current APB Development Objective/Threshold		Current Estimate
Milestone B	FEB 2007	FEB 2007	AUG 2007	FEB 2007
Milestone C	JUL 2011	JUL 2011	JUL 2012	OCT 2011 (Ch-1)
Final DIOT&E flight	SEP 2011	SEP 2011	SEP 2012	MAY 2012 (Ch-2)
RAA	MAR 2014	MAR 2014	MAR 2015	SEP 2014 (Ch-3)

Acronyms And Abbreviations

DIOT&E - Dedicated Initial Operational Test and Evaluation
 RAA - Required Assets Available

Change Explanations

- (Ch-1) Milestone C changed from July 2011 to October 2011. This will ensure the production proposal and Air Force Cost Analysis Agency certified cost position are available and reconciled prior to the Milestone C decision.
- (Ch-2) Final DIOT&E flight changed from September 2011 to May 2012 due to a mix of early install issues, aircraft health, and higher B-2 test priorities at the Air Force Flight Test Center (AFFTC).
- (Ch-3) Required Assets Available (RAA) changed from March 2014 to September 2014 due to a two month delay to the planned production contract award and most current combined install schedule with another B-2 program.

Memo

Required Assets Available (RAA) is defined as eight assigned aircraft are modified, sufficient aircrews and maintenance personnel are trained, sufficient aircrew and maintenance trainers are upgraded, formal aircrew and maintenance technical orders are delivered and adequate spares are available to support 509th Bombardment Wing operational tasking. Initial Operational Capability is declared by the Commander, Air Force Global Strike Command when the B-2 operational squadrons have completed each incremental upgrade.

Performance

Characteristics	SAR Baseline Dev Est	Current APB Development Objective/Threshold		Demonstrated Performance	Current Estimate
Information Assurance (IA)	Protection consistent w/the classification of data being stored, processed, or transferred 100% of the time	Protection consistent w/the classification of data being stored, processed, or transferred 100% of the time	Protection consistent w/the classification of data being stored, processed, or transferred 100% of the time	TBD	Protection consistent w/the classification of data being stored, processed, or transferred 100% of the time
Flight Management Functionality	IFC-P5 functionality shall be maintained	IFC-P5 functionality shall be maintained	IFC-P5 functionality shall be maintained	TBD	IFC-P5 functionality shall be maintained

Requirements Source: Capability Development Document (CDD), dated July 28, 2006.

Acronyms And Abbreviations

IFC - Integrated Functional Capability

Change Explanations

None

Memo

IFC-P5 is the fifth major block software release for the B-2 Weapon System and is specifically tied to the Radar Modernization Program.

Track To Budget

General Memo

This SAR includes funding only for Increment 1 of the B-2 EHF SATCOM and Computer Upgrade Program.

RDT&E funding for this program is provided under Program Element 0101127F, project 5345 beginning in FY 2010. Project numbers 5345 and 3843 include funds for all B-2 Modifications. In FY 2012, the project number changes to 6022 which includes funds for B-2 EHF Increment 1 and Increment 2 .

Aircraft Procurement, Air Force BA 05 line is shared for all B-2 Modifications (EHF SATCOM is modification number 110026 on the Exhibit P-40, Budget Item Justification). Funding for Initial Spares is in the shared BA 06 line; funding for Post Production Support is provided in BA 07 (ICN 000075), and funding for Other Production is provided in BA 07 (ICN B00200). The BA 07 line is shared for all B-2 Modifications.

RDT&E

APPN 3600	BA 07	PE 0101127F	(Air Force)	
	Project 5345	B-2 EHF Inc 1 SATCOM and Computer Upgrade	(Shared)	(Sunk)
	Complete FY 2011			
	Project 6022	B-2 EHF Inc 1 SATCOM and Computer Upgrade	(Shared)	
APPN 3600	BA 05	PE 0604240F	(Air Force)	
	Project 3843	B-2 EHF Inc 1 SATCOM and Computer Upgrade	(Shared)	(Sunk)
	Complete FY 2009			

Procurement

APPN 3010	BA 07	PE 0101127F	(Air Force)	
	ICN 000075	B-2 EHF Inc 1 SATCOM and Computer Upgrade	(Shared)	
APPN 3010	BA 06	PE 0101127F	(Air Force)	
	ICN 000999	B-2 EHF Inc 1 SATCOM and Computer Upgrade	(Shared)	
APPN 3010	BA 07	PE 0101127F	(Air Force)	
	ICN B00200	B-2 EHF Inc 1 SATCOM and Computer Upgrade	(Shared)	
APPN 3010	BA 05	PE 0101127F	(Air Force)	

ICN B00200

B-2 EHF Inc 1 SATCOM and
Computer Upgrade

(Shared)

Cost and Funding

Cost Summary

Total Acquisition Cost and Quantity

Appropriation	BY2007 \$M			BY2007 \$M	TY \$M		
	SAR Baseline Dev Est	Current APB Development Objective/Threshold		Current Estimate	SAR Baseline Dev Est	Current APB Development Objective	Current Estimate
RDT&E	544.9	544.9	599.4	462.5	574.4	574.4	482.1
Procurement	114.8	114.8	126.3	118.4	131.7	131.7	134.4
Flyaway	95.8	--	--	98.1	109.6	--	111.2
Recurring	95.8	--	--	98.1	109.6	--	111.2
Non Recurring	0.0	--	--	0.0	0.0	--	0.0
Support	19.0	--	--	20.3	22.1	--	23.2
Other Support	12.2	--	--	8.5	14.0	--	9.6
Initial Spares	6.8	--	--	11.8	8.1	--	13.6
MILCON	0.0	0.0	--	0.0	0.0	0.0	0.0
Acq O&M	0.0	0.0	--	0.0	0.0	0.0	0.0
Total	659.7	659.7	N/A	580.9	706.1	706.1	616.5

Quantity	SAR Baseline Dev Est	Current APB Development	Current Estimate
RDT&E		4	4
Procurement		17	16
Total		21	20

The quantity reflected in the current estimate is a result of the loss of a B-2 aircraft, tail no. 89-0127, in February 2008.

Unit of Measure: One B-2 modification shipset is defined as two Integrated Processing Units (IPU) and two Disk Drive Units (DDU) and their associated software and hardware.

Cost and Funding**Funding Summary**

**Appropriation and Quantity Summary
FY2012 President's Budget / December 2010 SAR (TY\$ M)**

Appropriation	Prior	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	To Complete	Total
RDT&E	341.8	76.9	57.1	6.3	0.0	0.0	0.0	0.0	482.1
Procurement	0.0	0.0	34.3	46.5	34.5	11.6	7.5	0.0	134.4
MILCON	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acq O&M	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PB 2012 Total	341.8	76.9	91.4	52.8	34.5	11.6	7.5	0.0	616.5
PB 2011 Total	371.5	78.0	65.6	40.6	35.9	18.6	7.6	0.8	618.6
Delta	-29.7	-1.1	25.8	12.2	-1.4	-7.0	-0.1	-0.8	-2.1

Quantity	Undistributed	Prior	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	To Complete	Total
Development	4	0	0	0	0	0	0	0	0	4
Production	0	0	0	5	6	5	0	0	0	16
PB 2012 Total	4	0	0	5	6	5	0	0	0	20
PB 2011 Total	4	0	0	4	6	6	0	0	0	20
Delta	0	0	0	1	0	-1	0	0	0	0

Cost and Funding

Annual Funding By Appropriation

Annual Funding TY\$

3600 | RDT&E | Research, Development, Test, and Evaluation, Air Force

Fiscal Year	Quantity	End Item Recurring Flyaway TY \$M	Non End Item Recurring Flyaway TY \$M	Non Recurring Flyaway TY \$M	Total Flyaway TY \$M	Total Support TY \$M	Total Program TY \$M
2005	--	--	--	--	--	--	4.4
2006	--	--	--	--	--	--	38.3
2007	--	--	--	--	--	--	78.1
2008	--	--	--	--	--	--	77.1
2009	--	--	--	--	--	--	90.9
2010	--	--	--	--	--	--	53.0
2011	--	--	--	--	--	--	76.9
2012	--	--	--	--	--	--	57.1
2013	--	--	--	--	--	--	6.3
Subtotal	4	--	--	--	--	--	482.1

Annual Funding BY\$**3600 | RDT&E | Research, Development, Test, and Evaluation, Air Force**

Fiscal Year	Quantity	End Item Recurring Flyaway BY 2007 \$M	Non End Item Recurring Flyaway BY 2007 \$M	Non Recurring Flyaway BY 2007 \$M	Total Flyaway BY 2007 \$M	Total Support BY 2007 \$M	Total Program BY 2007 \$M
2005	--	--	--	--	--	--	4.6
2006	--	--	--	--	--	--	38.8
2007	--	--	--	--	--	--	77.2
2008	--	--	--	--	--	--	74.7
2009	--	--	--	--	--	--	87.0
2010	--	--	--	--	--	--	50.2
2011	--	--	--	--	--	--	71.8
2012	--	--	--	--	--	--	52.5
2013	--	--	--	--	--	--	5.7
Subtotal	4	--	--	--	--	--	462.5

Annual Funding TY\$**3010 | Procurement | Aircraft Procurement, Air Force**

Fiscal Year	Quantity	End Item Recurring Flyaway TY \$M	Non End Item Recurring Flyaway TY \$M	Non Recurring Flyaway TY \$M	Total Flyaway TY \$M	Total Support TY \$M	Total Program TY \$M
2012	5	26.0	3.5	--	29.5	4.8	34.3
2013	6	27.8	8.8	--	36.6	9.9	46.5
2014	5	20.8	7.9	--	28.7	5.8	34.5
2015	--	--	10.1	--	10.1	1.5	11.6
2016	--	--	6.3	--	6.3	1.2	7.5
Subtotal	16	74.6	36.6	--	111.2	23.2	134.4

Annual Funding BY\$**3010 | Procurement | Aircraft Procurement, Air Force**

Fiscal Year	Quantity	End Item Recurring Flyaway BY 2007 \$M	Non End Item Recurring Flyaway BY 2007 \$M	Non Recurring Flyaway BY 2007 \$M	Total Flyaway BY 2007 \$M	Total Support BY 2007 \$M	Total Program BY 2007 \$M
2012	5	23.4	3.2	--	26.6	4.3	30.9
2013	6	24.7	7.8	--	32.5	8.7	41.2
2014	5	18.1	7.0	--	25.1	5.0	30.1
2015	--	--	8.6	--	8.6	1.3	9.9
2016	--	--	5.3	--	5.3	1.0	6.3
Subtotal	16	66.2	31.9	--	98.1	20.3	118.4

Low Rate Initial Production

	Initial LRIP Decision	Current Total LRIP
Approval Date	2/22/2007	1/14/2011
Approved Quantity	2	5
Reference	ADM	ADM
Start Year	2012	2012
End Year	2012	2012

The Low Rate Initial Production (LRIP) quantity is five units, as approved in the Acquisition Decision Memorandum dated January 14, 2011, an increase from two units approved at Milestone B in 2007. The five unit LRIP quantity exceeds ten percent of the total buy quantity, but is necessary to achieve cost efficiencies within the small B-2 fleet and to deliver this capability in a timely manner. The LRIP quantity increase will reduce obsolescence risk, prevent breaks in manufacturing and installation, establish an initial production base, and permit an orderly increase in production rate leading to full-rate production upon completion of operational testing. The increase from a two to a five LRIP buy is low technical risk based on fully qualified hardware now in developmental flight test and the Air Force Operational Test and Evaluation Center operational assessment to be available at Milestone C. Although the approved production buy is three lots, a two lot buy strategy is currently under consideration. This proposed strategy will result in \$9.5M of cost avoidance and a shorter production schedule that will deliver to the warfighter six months to one year earlier than originally planned.

Foreign Military Sales

None

Nuclear Cost

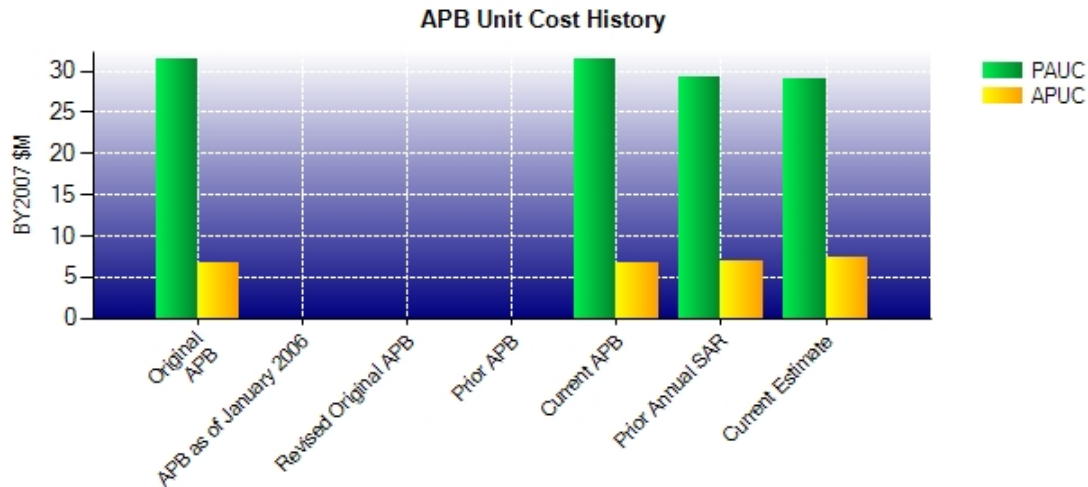
None

Unit Cost**Unit Cost Report**

	BY2007 \$M	BY2007 \$M	
Unit Cost	Current UCR Baseline (MAY 2007 APB)	Current Estimate (DEC 2010 SAR)	BY % Change
Program Acquisition Unit Cost (PAUC)			
Cost	659.7	580.9	
Quantity	21	20	
Unit Cost	31.414	29.045	-7.54
Average Procurement Unit Cost (APUC)			
Cost	114.8	118.4	
Quantity	17	16	
Unit Cost	6.753	7.400	+9.58

	BY2007 \$M	BY2007 \$M	
Unit Cost	Original UCR Baseline (MAY 2007 APB)	Current Estimate (DEC 2010 SAR)	BY % Change
Program Acquisition Unit Cost (PAUC)			
Cost	659.7	580.9	
Quantity	21	20	
Unit Cost	31.414	29.045	-7.54
Average Procurement Unit Cost (APUC)			
Cost	114.8	118.4	
Quantity	17	16	
Unit Cost	6.753	7.400	+9.58

Unit Cost History



	Date	BY2007 \$M		TY \$M	
		PAUC	APUC	PAUC	APUC
Original APB	MAY 2007	31.414	6.753	33.624	7.747
APB as of January 2006	N/A	N/A	N/A	N/A	N/A
Revised Original APB	N/A	N/A	N/A	N/A	N/A
Prior APB	N/A	N/A	N/A	N/A	N/A
Current APB	MAY 2007	31.414	6.753	33.624	7.747
Prior Annual SAR	DEC 2009	29.175	6.881	30.930	7.844
Current Estimate	DEC 2010	29.045	7.400	30.825	8.400

SAR Unit Cost History

Current SAR Baseline to Current Estimate (TY \$M)

Initial PAUC Dev Est	Changes								PAUC Current Est
	Econ	Qty	Sch	Eng	Est	Oth	Spt	Total	
33.624	-0.525	1.381	0.395	0.000	-4.140	0.000	0.090	-2.799	30.825

Current SAR Baseline to Current Estimate (TY \$M)

Initial APUC Dev Est	Changes								APUC Current Est
	Econ	Qty	Sch	Eng	Est	Oth	Spt	Total	
7.747	-0.256	0.109	0.494	0.000	0.194	0.000	0.112	0.653	8.400

SAR Baseline History

Item/Event	SAR Planning Estimate (PE)	SAR Development Estimate (DE)	SAR Production Estimate (PdE)	Current Estimate
Milestone I	N/A	N/A	N/A	N/A
Milestone B	N/A	FEB 2007	N/A	FEB 2007
Milestone C	N/A	JUL 2011	N/A	OCT 2011
IOC	N/A	MAR 2014	N/A	SEP 2014
Total Cost (TY \$M)	N/A	706.1	N/A	616.5
Total Quantity	N/A	21	N/A	20
Prog. Acq. Unit Cost (PAUC)	N/A	33.624	N/A	30.825

Required Assets Available (RAA) is used in place of Initial Operational Capability (IOC).

Cost Variance**Cost Variance Summary**

Summary Then Year \$M				
	RDT&E	Proc	MILCON	Total
SAR Baseline (Dev Est)	574.4	131.7	--	706.1
Previous Changes				
Economic	-6.4	-3.8	--	-10.2
Quantity	--	-6.0	--	-6.0
Schedule	--	+8.1	--	+8.1
Engineering	--	--	--	--
Estimating	-74.9	+9.0	--	-65.9
Other	--	--	--	--
Support	--	-13.5	--	-13.5
Subtotal	-81.3	-6.2	--	-87.5
Current Changes				
Economic	--	-0.3	--	-0.3
Quantity	--	--	--	--
Schedule	--	-0.2	--	-0.2
Engineering	--	--	--	--
Estimating	-11.0	-5.9	--	-16.9
Other	--	--	--	--
Support	--	+15.3	--	+15.3
Subtotal	-11.0	+8.9	--	-2.1
Total Changes	-92.3	+2.7	--	-89.6
CE - Cost Variance	482.1	134.4	--	616.5
CE - Cost & Funding	482.1	134.4	--	616.5

Summary Base Year 2007 \$M				
	RDT&E	Proc	MILCON	Total
SAR Baseline (Dev Est)	544.9	114.8	--	659.7
Previous Changes				
Economic	--	--	--	--
Quantity	--	-5.3	--	-5.3
Schedule	--	+5.3	--	+5.3
Engineering	--	--	--	--
Estimating	-71.5	+7.6	--	-63.9
Other	--	--	--	--
Support	--	-12.3	--	-12.3
Subtotal	-71.5	-4.7	--	-76.2
Current Changes				
Economic	--	--	--	--
Quantity	--	--	--	--
Schedule	--	--	--	--
Engineering	--	--	--	--
Estimating	-10.9	-5.3	--	-16.2
Other	--	--	--	--
Support	--	+13.6	--	+13.6
Subtotal	-10.9	+8.3	--	-2.6
Total Changes	-82.4	+3.6	--	-78.8
CE - Cost Variance	462.5	118.4	--	580.9
CE - Cost & Funding	462.5	118.4	--	580.9

Previous Estimate: December 2009

RDT&E	\$M	
	Base Year	Then Year
Current Change Explanations		
Decrease due to funds returned to the Air Force for unrealized risk in FY 2010, offset by an Air Force Cost Analysis Agency FY 2012 plus-up for potential software and flight issues. (Estimating)	-10.9	-11.0
RDT&E Subtotal	-10.9	-11.0
Procurement	\$M	
	Base Year	Then Year
Current Change Explanations		
Revised escalation indices. (Economic)	N/A	-0.3
The decrease is due to production funding profile changes that accelerated the procurement buy profile. (Schedule)	0.0	-0.2
The decrease is due to reduction and realignment of the B-2 Training System upgrade requirements. (Estimating)	-2.0	-2.1
The increase is due to higher costs for wiring and equipment racks in the Aft Bay (Estimating)	+2.8	+3.1
The decrease is due to an overall reduction and rephasing of systems engineering and program management due to the revised buy/install profile (Estimating)	-1.5	-1.8
The decrease is due to reductions in Program Management Administration (PMA) and B-2 infrastructure costs (Estimating)	-4.6	-5.1
The increase is due to approved funding for Depot Activation and Interim Contractor Support. (Support)	+7.1	+8.0
The increase is due to revised requirements for Initial Spares. (Support)	+6.5	+7.3
Procurement Subtotal	+8.3	+8.9

Contracts

Appropriation: RDT&E

Contract Name	EHF Incr I, SDD
Contractor	Northrop Grumman
Contractor Location	Palmdale, CA 93550
Contract Number, Type	F33657-99-D-0028/39, CPAF
Award Date	May 31, 2007
Definitization Date	May 31, 2007

Initial Contract Price (\$M)			Current Contract Price (\$M)			Estimated Price At Completion (\$M)	
Target	Ceiling	Qty	Target	Ceiling	Qty	Contractor	Program Manager
183.9	N/A	4	215.8	N/A	4	222.3	224.2

Variance	Cost Variance	Schedule Variance
Cumulative Variances To Date	-9.0	-1.1
Previous Cumulative Variances	-5.0	-1.8
Net Change	-4.0	+0.7

Cost And Schedule Variance Explanations

Contract performance data is based on the January 25, 2011 Contract Performance Report (CPR) which includes data as of December 31, 2010. The unfavorable net change to cost variance is primarily due to increased cost to resolve software deficiencies. The favorable net change to schedule variance is primarily due to completion of Integrated Processor Unit, Disk Drive Unit deliveries and software development. The Program Manager's Estimate at Completion (EAC) is slightly higher than the Contractor's EAC and is based on a cost and schedule efficiency calculation adjusted for known risks and opportunities.

Contract Comments

The EAC and contract target price increased from the previous report primarily due to contract changes to acquire supplier obsolescence support and acquire additional hardware for the Software Integration Lab. The EAC also increased from the previous report due to increased cost to resolve software deficiencies.

Deliveries and Expenditures

Deliveries To Date	Plan To Date	Actual To Date	Total Quantity	Percent Delivered
Development	1	1	4	25.00%
Production	0	0	16	0.00%
Total Program Quantities Delivered	1	1	20	5.00%

Expenditures and Appropriations (TY \$M)			
Total Acquisition Cost	616.5	Years Appropriated	7
Expenditures To Date	355.6	Percent Years Appropriated	58.33%
Percent Expended	57.68%	Appropriated to Date	418.7
Total Funding Years	12	Percent Appropriated	67.92%

Operating and Support Cost

Assumptions And Ground Rules

The maintenance concept for the B-2 EHF is two level (organizational and depot). Organizational maintenance will consist of Air Force maintenance personnel removing and replacing failed items, performing preventative maintenance, and conducting fault isolation actions. All repairs of the Line Replaceable Units removed from the B-2 aircraft will be accomplished at the depot level. The source of repair for depot maintenance for Increment 1 is projected to be Warner Robins Air Logistics Center for the two Line Replaceable Units, the Integrated Processing Unit and the Data Disk Drive. The System Development and Demonstration (SDD) contract requires delivery of repair data and associated training. The planning for establishing this repair capability will be accomplished during the SDD contract. There are no operating and support (O&S) costs associated with B-2 EHF SATCOM and Computer Upgrade, Increment 1, because improved reliability and maintainability provided by this modification should reduce O&S costs incurred for B-2 legacy computers. There is no antecedent system for this modification capability.

Costs BY2007 \$M		
Cost Element	B-2 EHF SATCOM AND COMPUTER INCREMENT I	Antecedent System
Unit-Level Manpower	--	--
Unit Operations	--	--
Maintenance	--	--
Sustaining Support	--	--
Continuing System Improvements	--	--
Indirect Support	--	--
Other	--	--
Total Unitized Cost (Base Year 2007 \$)	--	--

Total O&S Costs \$M	B-2 EHF SATCOM AND COMPUTER INCREMENT I	Antecedent System
Base Year	--	--
Then Year	--	--