



Selected Acquisition Report (SAR)

RCS: DD-A&T(Q&A)823-542



LPD 17 San Antonio Class Amphibious Transport Dock (LPD 17)

As of December 31, 2012

Defense Acquisition Management
Information Retrieval
(DAMIR)

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Program Information

Program Name

LPD 17 San Antonio Class Amphibious Transport Dock (LPD 17)

DoD Component

Navy

Responsible Office

Responsible Office

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References

SAR Baseline (Development Estimate)

Defense Acquisition Executive (DAE) Approved Acquisition Program Baseline (APB) dated June 17, 1996

Approved APB

Navy Acquisition Executive (NAE) Approved Acquisition Program Baseline (APB) dated September 18, 2011

Mission and Description

The LPD 17 Class Amphibious Transport Dock Ship is the functional replacement for the LPD 4, LSD 36, LKA 113, and LST 1179 Classes of Amphibious Ships for embarking, transporting and landing elements of a Marine landing force in an assault by helicopters, landing craft, amphibious vehicles, and by a combination of these methods to conduct the primary amphibious warfare mission.

Executive Summary

The LPD 17 program successfully completed a challenging year, delivering three ships within a twelve-month timeframe. Requirements remain stable; and the program office continues to focus on improving product reliability.

LPD 22 (USS SAN DIEGO) was commissioned at her namesake city in May 2012; and LPD 23 (USS ANCHORAGE) was commissioned without ceremony shortly after her delivery in September 2012. The formal ceremony will be held in May 2013; and both ships are currently undergoing planned availabilities in preparation for transfer to the in-service amphibious program office. LPD 24 (USS ARLINGTON) rounded out the trio of deliveries and was accepted by the Navy in December 2012. Commissioning is planned for April 2013 in the ship's homeport.

The in-service LPD 17 class ships continue to receive positive feedback from the sailors and marines assigned to them as they conduct overseas deployments, actively participate in joint and multi-national exercises, and support special events such as the Bicentennial of the War of 1812.

Follow-on Test and Evaluation (FOT&E) has been completed; Commander, Operational Test and Evaluation Force (COTF) issued their FOT&E report on August 6, 2012; and survivability was resolved as "Satisfactory."

The detail design and construction contract for LPD 27 was awarded to Huntington Ingalls Industries (HII) on July 27, 2012; and construction has commenced. The Initial Baseline Review (IBR) to baseline the production plan and establish the Earned Value Management (EVM) baseline is planned for Spring 2013.

As of December 31, 2012, HII production efforts on LPDs 25 and 26 were 91% and 25%, respectively. LPD 25 (SOMERSET) will be the last LPD 17 class ship constructed at HII's Avondale facility with delivery planned for Summer 2013.

The Navy continues to monitor the planned closure of HII's Avondale facility. An effort to partially mitigate the impact of that closure on the workforce was officially executed in September 2012 as the Navy entered into a cooperative education agreement with the Delgado Community College Foundation providing funding for the school's advanced manufacturing programs at the Avondale shipyard. Under the agreement, the Navy will support a four-year program to maintain and expand the science, technology, engineering, and math related aspects of the apprenticeship program.

There are no significant software-related issues with this program at this time.

Threshold Breaches

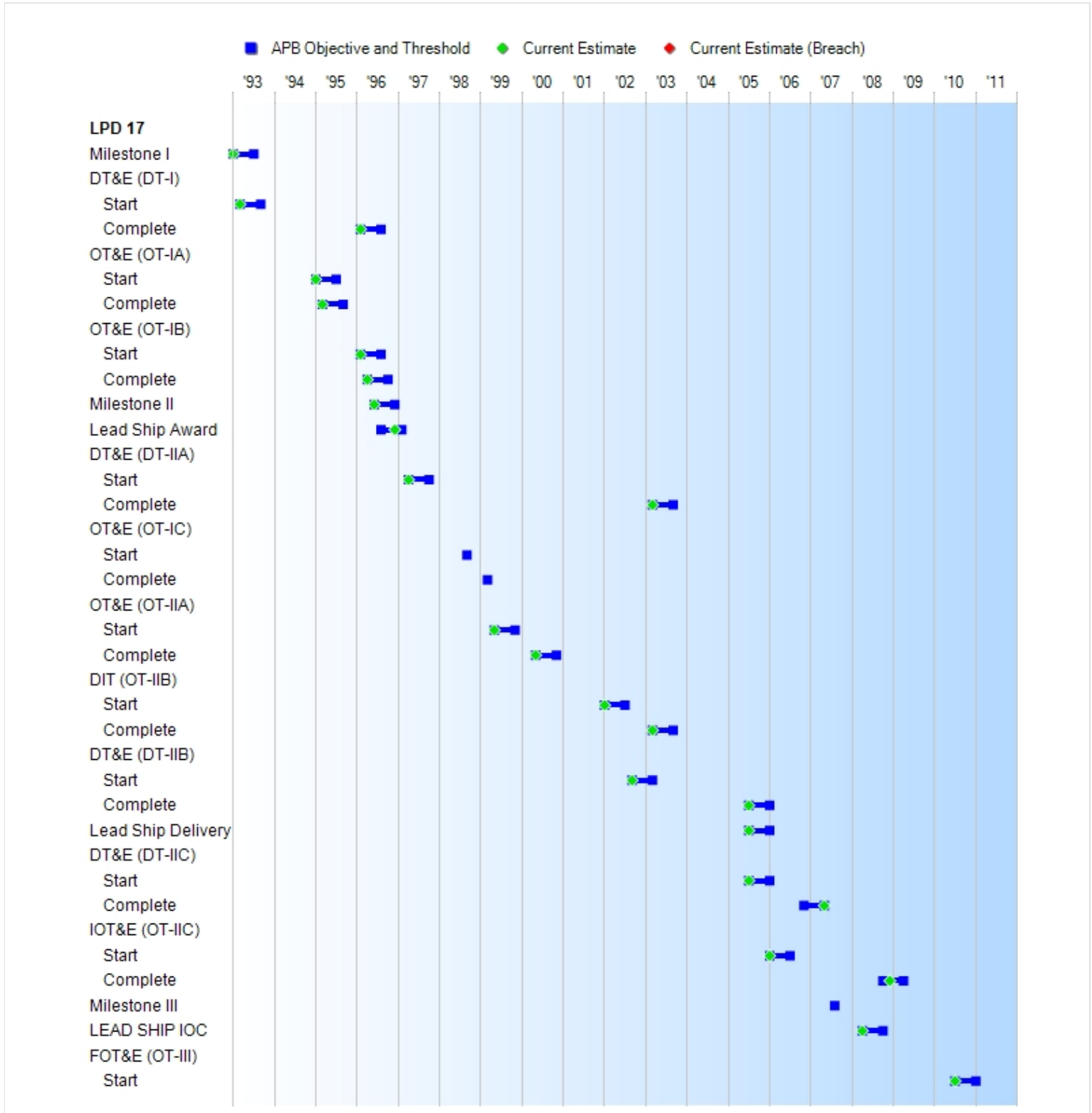
APB Breaches		
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Schedule		<input type="checkbox"/>
Performance		<input type="checkbox"/>
Cost	RDT&E	<input type="checkbox"/>
	Procurement	<input type="checkbox"/>
	MILCON	<input type="checkbox"/>
	Acq O&M	<input type="checkbox"/>
O&S Cost		<input type="checkbox"/>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

Nunn-McCurdy Breaches		
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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 I	JAN 1993	JAN 1993	JUL 1993	JAN 1993
DT&E (DT-I)				
Start	MAR 1993	MAR 1993	SEP 1993	MAR 1993
Complete	FEB 1996	FEB 1996	AUG 1996	FEB 1996
OT&E (OT-IA)				
Start	JAN 1995	JAN 1995	JUL 1995	JAN 1995
Complete	MAR 1995	MAR 1995	SEP 1995	MAR 1995
OT&E (OT-IB)				
Start	FEB 1996	FEB 1996	AUG 1996	FEB 1996
Complete	APR 1996	APR 1996	OCT 1996	APR 1996
Milestone II	JUN 1996	JUN 1996	DEC 1996	JUN 1996
Lead Ship Award	AUG 1996	AUG 1996	FEB 1997	DEC 1996
DT&E (DT-IIA)				
Start	SEP 1996	APR 1997	OCT 1997	APR 1997
Complete	AUG 1998	MAR 2003	SEP 2003	MAR 2003
OT&E (OT-IC)				
Start	SEP 1998	N/A	N/A	N/A
Complete	MAR 1999	N/A	N/A	N/A
OT&E (OT-IIA)				
Start	JUN 2003	MAY 1999	NOV 1999	MAY 1999
Complete	SEP 2003	MAY 2000	NOV 2000	MAY 2000
DIT (OT-IIB)				
Start	N/A	JAN 2002	JUL 2002	JAN 2002
Complete	N/A	MAR 2003	SEP 2003	MAR 2003
DT&E (DT-IIB)				
Start	SEP 1998	SEP 2002	MAR 2003	SEP 2002
Complete	JUN 2002	JUL 2005	JAN 2006	JUL 2005
Lead Ship Delivery	JUN 2002	JUL 2005	JAN 2006	JUL 2005
DT&E (DT-IIC)				
Start	JUL 2002	JUL 2005	JAN 2006	JUL 2005
Complete	JAN 2004	NOV 2006	MAY 2007	MAY 2007
IOT&E (OT-IIC)				
Start	N/A	JAN 2006	JUL 2006	JAN 2006
Complete	N/A	OCT 2008	APR 2009	DEC 2008
Milestone III	AUG 2007	N/A	N/A	N/A
LEAD SHIP IOC	JAN 2004	APR 2008	OCT 2008	APR 2008
FOT&E (OT-III)				
Start	JAN 2011	JUL 2010	JAN 2011	JUL 2010

Acronyms And Abbreviations

DIT - Design Integration Testing
DT - Developmental Test
DT&E - Developmental Test and Evaluation
FOT&E - Follow-on Operational Test and Evaluation
IOC - Initial Operational Capability
IOT&E - Initial Operational Test and Evaluation
N/A - Not Applicable
OT - Operational Test
OT&E - Operational Test and Evaluation

Change Explanations

None

Performance

Characteristics	SAR Baseline Dev Est	Current APB Development Objective/Threshold	Demonstrated Performance	Current Estimate
Mobility				
Sustained Speed (Kts)	23	23	21.5	24
Endurance ((NM)(K) @ Kts)	10/22	10/22	9.5/20	10.6/20
Amphibious Warfare Embarkation (Net)				
Troops	750	750	650	720
Vehicles (Sq Ft)(k)	25	25	22	22
Cargo (Cubic Feet)(k)	25	25	22	34
Bulk Fuel (Gals)(k)	325	325	250	307
LCAC	2	2	1(+1)	2
VTOL Land/Launch Spots (CH-46 or CH-53E or MV-22)	4/3/2	4/3/2	4/2/2	4/2/2
VTOL Maint/Storage (CH-46 or CH-53E or MV-22)	3/1/1	3/1/1	2/1/1	2/1/1
Ship To Shore Capability (LCAC)				
Sustained Operations (reload 6 LCACs) (mins)	220	220	285	274
Operational Availability (Ao)	.90	.90	.80	.85

(Ch-1)

Requirements Source: Operational Requirements Document (ORD) Revision 3 dated April 8, 1996

Acronyms And Abbreviations

- Gals - gallons
- K/k - Thousands
- Kts - Knots
- LCAC - Landing Craft Air Cushion
- mins - minutes
- NM - Nautical Miles
- Sq Ft - square feet
- VTOL - Vertical Take-Off and Landing

Change Explanations

(Ch-1) Operational availability current estimate changed from .82 to .85 to reflect data as of December 2012.

Memo

Demonstrated performance for Sustained Speed and Vehicles (Sq Ft) reflect performance during LPD 17 Builder's Trials (BT).

Demonstrated performance for Troops, Cargo (Cubic Feet), LCAC, and VTOL Land/Launch Spots reflect measurements taken during LPD 17 Sail Away Trials.

Demonstrated performance for Bulk Fuel, VTOL Maint/Storage, and Sustained Operations reflect performance during LPD 17 Class Initial Operational Test and Evaluation (IOT&E) events.

Demonstrated performance for Operational Availability reflects performance cited in the LPD 17 class Operational Evaluation (OPEVAL) report dated January 2010.

Track To Budget**RDT&E**

APPN 1319	BA 05	PE 0604311N	(Navy)	
	Project 2283	LPD 17 Class Systems Integration	(Shared)	(Sunk)

Procurement

APPN 1611	BA 01	PE 0204411N	(Navy)	
	ICN 0946	LPD Class Support Equipment	(Shared)	
	ICN 0981	Items Less Than \$5M	(Shared)	
APPN 1611	BA 03	PE 0204411N	(Navy)	
	ICN 3036	LPD-17		
APPN 1611	BA 05	PE 0204411N	(Navy)	
	ICN 5110	Outfitting	(Shared)	
	ICN 5300	Completion of Prior Year Shipbuilding Programs	(Shared)	(Sunk)

Funding in BA 01 / ICN 0981 and BA 01 / ICN 0946 is for non-acquisition related efforts and is not included in the Acquisition Program Baseline (APB) objective.

Cost and Funding

Cost Summary

Total Acquisition Cost and Quantity

Appropriation	BY1996 \$M			BY1996 \$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	78.7	111.3	122.4	116.1	77.8	114.0	120.1
Procurement	8939.4	14347.1	15781.8	14104.5	10684.0	18714.0	18722.2
Flyaway	8939.4	--	--	14104.5	10684.0	--	18722.2
Recurring	8939.4	--	--	14039.1	10684.0	--	18606.4
Non Recurring	0.0	--	--	65.4	0.0	--	115.8
Support	0.0	--	--	0.0	0.0	--	0.0
Other Support	0.0	--	--	0.0	0.0	--	0.0
Initial Spares	0.0	--	--	0.0	0.0	--	0.0
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	9018.1	14458.4	N/A	14220.6	10761.8	18828.0	18842.3

Confidence Level for Current APB Cost 95% - Eight ships have been delivered to the fleet; and the remaining three ships are under fixed price contracts.

Quantity	SAR Baseline Dev Est	Current APB Development	Current Estimate
RDT&E		0	0
Procurement		12	11
Total		12	11

Cost and Funding

Funding Summary

Appropriation and Quantity Summary FY2014 President's Budget / December 2012 SAR (TY\$ M)

Appropriation	Prior	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	To Complete	Total
RDT&E	120.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	120.1
Procurement	18280.4	140.3	45.0	68.1	102.9	54.1	31.4	0.0	18722.2
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 2014 Total	18400.5	140.3	45.0	68.1	102.9	54.1	31.4	0.0	18842.3
PB 2013 Total	18387.3	140.3	76.2	54.7	54.5	32.1	74.0	0.0	18819.1
Delta	13.2	0.0	-31.2	13.4	48.4	22.0	-42.6	0.0	23.2

Program funding and production quantities listed in this SAR are consistent with the FY 2014 President's Budget (PB). The FY 2014 PB did not reflect the enacted DoD appropriation for FY 2013, nor sequestration; it reflected the President's requested amounts for FY 2013.

Quantity	Undistributed	Prior	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	To Complete	Total
Development	0	0	0	0	0	0	0	0	0	0
Production	0	11	0	0	0	0	0	0	0	11
PB 2014 Total	0	11	0	0	0	0	0	0	0	11
PB 2013 Total	0	11	0	0	0	0	0	0	0	11
Delta	0	0	0	0	0	0	0	0	0	0

Cost and Funding

Annual Funding By Appropriation

Annual Funding TY\$

1319 | RDT&E | Research, Development, Test, and Evaluation, Navy

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
1990	--	--	--	--	--	--	0.5
1991	--	--	--	--	--	--	4.9
1992	--	--	--	--	--	--	1.2
1993	--	--	--	--	--	--	10.3
1994	--	--	--	--	--	--	28.0
1995	--	--	--	--	--	--	10.8
1996	--	--	--	--	--	--	9.2
1997	--	--	--	--	--	--	4.3
1998	--	--	--	--	--	--	12.9
1999	--	--	--	--	--	--	1.3
2000	--	--	--	--	--	--	2.3
2001	--	--	--	--	--	--	0.2
2002	--	--	--	--	--	--	0.5
2003	--	--	--	--	--	--	5.6
2004	--	--	--	--	--	--	3.1
2005	--	--	--	--	--	--	7.4
2006	--	--	--	--	--	--	8.5
2007	--	--	--	--	--	--	4.8
2008	--	--	--	--	--	--	0.3
2009	--	--	--	--	--	--	--
2010	--	--	--	--	--	--	4.0
Subtotal	--	--	--	--	--	--	120.1

Annual Funding BY\$
1319 | RDT&E | Research, Development, Test, and Evaluation, Navy

Fiscal Year	Quantity	End Item Recurring Flyaway BY 1996 \$M	Non End Item Recurring Flyaway BY 1996 \$M	Non Recurring Flyaway BY 1996 \$M	Total Flyaway BY 1996 \$M	Total Support BY 1996 \$M	Total Program BY 1996 \$M
1990	--	--	--	--	--	--	0.6
1991	--	--	--	--	--	--	5.4
1992	--	--	--	--	--	--	1.3
1993	--	--	--	--	--	--	10.8
1994	--	--	--	--	--	--	28.7
1995	--	--	--	--	--	--	10.9
1996	--	--	--	--	--	--	9.1
1997	--	--	--	--	--	--	4.2
1998	--	--	--	--	--	--	12.5
1999	--	--	--	--	--	--	1.2
2000	--	--	--	--	--	--	2.2
2001	--	--	--	--	--	--	0.2
2002	--	--	--	--	--	--	0.5
2003	--	--	--	--	--	--	5.1
2004	--	--	--	--	--	--	2.7
2005	--	--	--	--	--	--	6.4
2006	--	--	--	--	--	--	7.1
2007	--	--	--	--	--	--	3.9
2008	--	--	--	--	--	--	0.2
2009	--	--	--	--	--	--	--
2010	--	--	--	--	--	--	3.1
Subtotal	--	--	--	--	--	--	116.1

Annual Funding TY\$
1611 | Procurement | Shipbuilding and Conversion, Navy

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
1996	1	1051.9	--	--	1051.9	--	1051.9
1997	--	--	--	--	--	--	--
1998	--	96.0	--	--	96.0	--	96.0
1999	1	653.2	--	--	653.2	--	653.2
2000	2	1557.6	--	--	1557.6	--	1557.6
2001	--	592.3	--	--	592.3	--	592.3
2002	--	418.1	--	--	418.1	--	418.1
2003	1	1240.8	--	--	1240.8	--	1240.8
2004	1	1655.3	--	--	1655.3	--	1655.3
2005	1	1314.2	--	--	1314.2	--	1314.2
2006	1	3305.3	--	--	3305.3	--	3305.3
2007	--	471.2	--	--	471.2	--	471.2
2008	1	1603.1	--	--	1603.1	--	1603.1
2009	1	1033.1	--	--	1033.1	--	1033.1
2010	--	1235.4	--	--	1235.4	--	1235.4
2011	--	58.8	--	--	58.8	--	58.8
2012	1	1994.1	--	--	1994.1	--	1994.1
2013	--	140.3	--	--	140.3	--	140.3
2014	--	45.0	--	--	45.0	--	45.0
2015	--	14.4	--	53.7	68.1	--	68.1
2016	--	65.2	--	37.7	102.9	--	102.9
2017	--	29.7	--	24.4	54.1	--	54.1
2018	--	31.4	--	--	31.4	--	31.4
Subtotal	11	18606.4	--	115.8	18722.2	--	18722.2

Annual Funding BY\$
1611 | Procurement | Shipbuilding and Conversion, Navy

Fiscal Year	Quantity	End Item Recurring Flyaway BY 1996 \$M	Non End Item Recurring Flyaway BY 1996 \$M	Non Recurring Flyaway BY 1996 \$M	Total Flyaway BY 1996 \$M	Total Support BY 1996 \$M	Total Program BY 1996 \$M
1996	1	1024.9	--	--	1024.9	--	1024.9
1997	--	--	--	--	--	--	--
1998	--	90.1	--	--	90.1	--	90.1
1999	1	603.5	--	--	603.5	--	603.5
2000	2	1403.4	--	--	1403.4	--	1403.4
2001	--	515.9	--	--	515.9	--	515.9
2002	--	362.1	--	--	362.1	--	362.1
2003	1	1015.9	--	--	1015.9	--	1015.9
2004	1	1307.8	--	--	1307.8	--	1307.8
2005	1	994.2	--	--	994.2	--	994.2
2006	1	2415.4	--	--	2415.4	--	2415.4
2007	--	329.3	--	--	329.3	--	329.3
2008	1	1084.0	--	--	1084.0	--	1084.0
2009	1	678.5	--	--	678.5	--	678.5
2010	--	785.1	--	--	785.1	--	785.1
2011	--	36.3	--	--	36.3	--	36.3
2012	1	1205.3	--	--	1205.3	--	1205.3
2013	--	83.2	--	--	83.2	--	83.2
2014	--	26.2	--	--	26.2	--	26.2
2015	--	8.2	--	30.7	38.9	--	38.9
2016	--	36.5	--	21.2	57.7	--	57.7
2017	--	16.3	--	13.5	29.8	--	29.8
2018	--	17.0	--	--	17.0	--	17.0
Subtotal	11	14039.1	--	65.4	14104.5	--	14104.5

The LPD 17 class program closeout costs are reflected in the non-recurring flyaway cost spread over FY 2015-2017.

Cost Quantity Information
1611 | Procurement | Shipbuilding and Conversion, Navy

Fiscal Year	Quantity	End Item Recurring Flyaway (Aligned with Quantity) BY 1996 \$M
1996	1	1813.2
1997	--	--
1998	--	--
1999	1	1162.4
2000	2	2348.4
2001	--	--
2002	--	--
2003	1	1319.7
2004	1	1248.9
2005	1	1132.0
2006	1	1217.2
2007	--	--
2008	1	1295.6
2009	1	1235.3
2010	--	--
2011	--	--
2012	1	1266.4
2013	--	--
2014	--	--
2015	--	--
2016	--	--
2017	--	--
2018	--	--
Subtotal	11	14039.1

Low Rate Initial Production

	Initial LRIP Decision	Current Total LRIP
Approval Date	6/17/1996	6/17/1996
Approved Quantity	12	12
Reference	ADM	ADM
Start Year	1996	1996
End Year	2015	2015

The Current Total LRIP Quantity is more than 10% of the total production quantity due to the Acquisition Decision Memorandum (ADM) dated June 17, 1996 approving 12 LRIP ships which is standard for shipbuilding programs.

Foreign Military Sales

None

Nuclear Cost

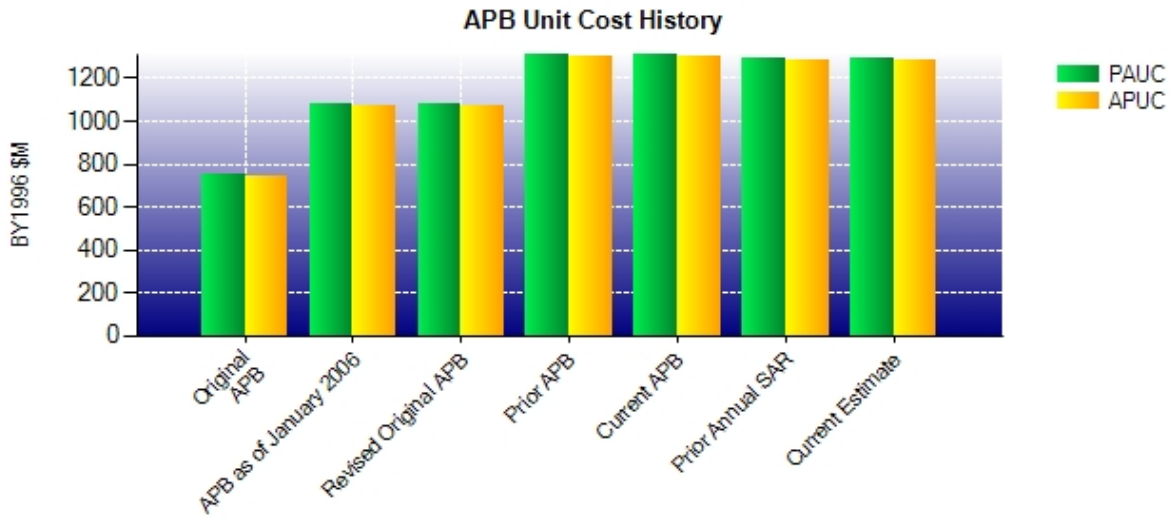
None

Unit Cost**Unit Cost Report**

	BY1996 \$M	BY1996 \$M	
Unit Cost	Current UCR Baseline (SEP 2011 APB)	Current Estimate (DEC 2012 SAR)	BY % Change
Program Acquisition Unit Cost (PAUC)			
Cost	14458.4	14220.6	
Quantity	11	11	
Unit Cost	1314.400	1292.782	-1.64
Average Procurement Unit Cost (APUC)			
Cost	14347.1	14104.5	
Quantity	11	11	
Unit Cost	1304.282	1282.227	-1.69

	BY1996 \$M	BY1996 \$M	
Unit Cost	Revised Original UCR Baseline (OCT 2005 APB)	Current Estimate (DEC 2012 SAR)	BY % Change
Program Acquisition Unit Cost (PAUC)			
Cost	12955.2	14220.6	
Quantity	12	11	
Unit Cost	1079.600	1292.782	+19.75
Average Procurement Unit Cost (APUC)			
Cost	12842.4	14104.5	
Quantity	12	11	
Unit Cost	1070.200	1282.227	+19.81

Unit Cost History



	Date	BY1996 \$M		TY \$M	
		PAUC	APUC	PAUC	APUC
Original APB	JUN 1996	751.508	744.950	896.817	890.333
APB as of January 2006	OCT 2005	1079.600	1070.200	1283.233	1273.642
Revised Original APB	OCT 2005	1079.600	1070.200	1283.233	1273.642
Prior APB	DEC 2010	1314.400	1304.282	1711.636	1701.273
Current APB	SEP 2011	1314.400	1304.282	1711.636	1701.273
Prior Annual SAR	DEC 2011	1297.209	1286.655	1710.827	1699.909
Current Estimate	DEC 2012	1292.782	1282.227	1712.936	1702.018

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	
896.817	90.000	-52.844	83.245	0.000	508.118	187.600	0.000	816.119	1712.936

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

Initial APUC Dev Est	Changes								APUC Current Est
	Econ	Qty	Sch	Eng	Est	Oth	Spt	Total	
890.333	89.982	-53.433	82.691	0.000	504.845	187.600	0.000	811.685	1702.018

SAR Baseline History

Item/Event	SAR Planning Estimate (PE)	SAR Development Estimate (DE)	SAR Production Estimate (PdE)	Current Estimate
Milestone I	JAN 1993	JAN 1993	N/A	JAN 1993
Milestone II	JUL 1995	JUN 1996	N/A	JUN 1996
Milestone III	OCT 2003	AUG 2007	N/A	N/A
IOC	OCT 2003	N/A	N/A	N/A
Total Cost (TY \$M)	59.1	10761.8	N/A	18842.3
Total Quantity	N/A	12	N/A	11
Prog. Acq. Unit Cost (PAUC)	N/A	896.817	N/A	1712.936

Cost Variance

Summary Then Year \$M				
	RDT&E	Proc	MILCON	Total
SAR Baseline (Dev Est)	77.8	10684.0	--	10761.8
Previous Changes				
Economic	+0.2	+888.7	--	+888.9
Quantity	--	-1478.1	--	-1478.1
Schedule	+6.1	+909.6	--	+915.7
Engineering	--	--	--	--
Estimating	+36.0	+5631.2	--	+5667.2
Other	--	+2063.6	--	+2063.6
Support	--	--	--	--
Subtotal	+42.3	+8015.0	--	+8057.3
Current Changes				
Economic	--	+101.1	--	+101.1
Quantity	--	--	--	--
Schedule	--	--	--	--
Engineering	--	--	--	--
Estimating	--	-77.9	--	-77.9
Other	--	--	--	--
Support	--	--	--	--
Subtotal	--	+23.2	--	+23.2
Total Changes	+42.3	+8038.2	--	+8080.5
CE - Cost Variance	120.1	18722.2	--	18842.3
CE - Cost & Funding	120.1	18722.2	--	18842.3

Summary Base Year 1996 \$M				
	RDT&E	Proc	MILCON	Total
SAR Baseline (Dev Est)	78.7	8939.4	--	9018.1
Previous Changes				
Economic	--	--	--	--
Quantity	--	-1325.1	--	-1325.1
Schedule	+4.8	+410.1	--	+414.9
Engineering	--	--	--	--
Estimating	+32.6	+4596.8	--	+4629.4
Other	--	+1532.0	--	+1532.0
Support	--	--	--	--
Subtotal	+37.4	+5213.8	--	+5251.2
Current Changes				
Economic	--	--	--	--
Quantity	--	--	--	--
Schedule	--	-1.3	--	-1.3
Engineering	--	--	--	--
Estimating	--	-47.4	--	-47.4
Other	--	--	--	--
Support	--	--	--	--
Subtotal	--	-48.7	--	-48.7
Total Changes	+37.4	+5165.1	--	+5202.5
CE - Cost Variance	116.1	14104.5	--	14220.6
CE - Cost & Funding	116.1	14104.5	--	14220.6

Previous Estimate: December 2011

Procurement	\$M	
Current Change Explanations	Base Year	Then Year
Revised escalation indices. (Economic)	N/A	+101.1
Schedule variance associated with realignment of program closeout funding. (Schedule)	-1.3	0.0
Adjustment for current and prior escalation. (Estimating)	-56.6	-91.4
Miscellaneous adjustments to post delivery and outfitting budgets. (Estimating)	+10.3	+14.6
Revised estimates reflect actual costs. (Estimating)	-1.1	-1.1
Procurement Subtotal	-48.7	+23.2

Contracts

Appropriation: Procurement

Contract Name **LPD 25**
 Contractor Huntington Ingalls Industries
 Contractor Location 1000 Access Road
 Pascagoula, MS 39567-0149
 Contract Number, Type N00024-06-C-2222/25, FPIF
 Award Date December 21, 2007
 Definitization Date December 21, 2007

Initial Contract Price (\$M)			Current Contract Price (\$M)			Estimated Price At Completion (\$M)	
Target	Ceiling	Qty	Target	Ceiling	Qty	Contractor	Program Manager
1212.8	1349.9	1	1216.0	1353.0	1	1353.0	1353.0

Variance	Cost Variance	Schedule Variance
Cumulative Variances To Date (2/17/2013)	-117.0	-65.0
Previous Cumulative Variances	-78.1	-112.4
Net Change	-38.9	+47.4

Cost And Schedule Variance Explanations

The unfavorable net change in the cost variance is due to the requirement for additional efforts above the original plan and budget in multiple crafts. Rework in some crafts has also been a contributing factor.

The favorable net change in the schedule variance is due to a more thorough shipbuilder focus on manning levels and craft performance, which has resulted in the attainment of increased compartment releases and recovery of some of the lost schedule.

Contract Comments

This contract is more than 90% complete; therefore, this is the final report for this contract.

The difference between the Initial Contract Price Target and the Current Contract Price Target is due to the incorporation of engineering change proposals.

LPD 25 ship construction is being performed at Huntington Ingalls Industries, Avondale Operations.

LPD 25 is under a fixed price incentive contract so the Navy's total liability is capped at the contract ceiling. Funding has been budgeted to cover the liability. Efforts to achieve a higher launch completion level, which is the most optimal and cost-effective, and review of river height projections at Avondale resulted in an adjustment to LPD 25's delivery date.

Appropriation: Procurement

Contract Name **LPD 26**
 Contractor Huntington Ingalls Industries
 Contractor Location 1000 Access Road
 Pascagoula, MS 39567-0149
 Contract Number, Type N00024-06-C-2222/26, FPIF
 Award Date April 01, 2011
 Definitization Date April 01, 2011

Initial Contract Price (\$M)			Current Contract Price (\$M)			Estimated Price At Completion (\$M)	
Target	Ceiling	Qty	Target	Ceiling	Qty	Contractor	Program Manager
1487.2	1690.0	1	1509.0	1715.0	1	1565.0	1516.0

Variance	Cost Variance	Schedule Variance
Cumulative Variances To Date (2/17/2013)	-52.7	-35.5
Previous Cumulative Variances	-5.3	+25.4
Net Change	-47.4	-60.9

Cost And Schedule Variance Explanations

The unfavorable net change in the cost variance is due to an insufficient labor mix which has led to craft inefficiency and resulted in the need for rework. The shipbuilder is conducting additional training to mitigate the risk of future rework and improve the skill mix across the labor force. Overruns in overhead have also contributed to the unfavorable cost variance.

The unfavorable net change in the schedule variance is due to a shortage of skilled labor in the hull and pipe trades. Additionally, weather has impacted schedule performance as some material staging areas do not have adequate shelter. The schedule variance is being measured against the shipbuilder's internal Performance Management Baseline (PMB), which reflects a November 2015 delivery date. LPD 26 delivery date is projected for February 2016.

Contract Comments

The difference between the Initial Contract Price Target and the Current Contract Price Target is due to the incorporation of engineering change proposals and negotiation of a contract price adjustment to cover the Navy's share of corporate office and general insurance expenses following completion of the spin-off of Northrop Grumman's shipbuilding division.

LPD 26 construction is being performed at Huntington Ingalls Industries, Pascagoula Operations.

The contractor's estimate includes contract clauses associated with restructuring costs related to the closure of Avondale and deferred depreciation expenses from Hurricane Katrina insurance claims. The associated cost will be incorporated into the Program Manager's estimate upon negotiation of those clauses.

Deliveries and Expenditures

Deliveries To Date	Plan To Date	Actual To Date	Total Quantity	Percent Delivered
Development	0	0	0	--
Production	8	8	11	72.73%
Total Program Quantities Delivered	8	8	11	72.73%

Expenditures and Appropriations (TY \$M)			
Total Acquisition Cost	18842.3	Years Appropriated	24
Expenditures To Date	15234.8	Percent Years Appropriated	82.76%
Percent Expended	80.85%	Appropriated to Date	18540.8
Total Funding Years	29	Percent Appropriated	98.40%

The above data is current as of 2/28/2013.

Operating and Support Cost

LPD 17

Assumptions and Ground Rules

Cost Estimate Reference:

Cost element data was pulled from the Operating and Support Cost Analysis Model (OSCAM) within the Navy's Visibility and Management of Operating and Support Costs (VAMOSC) system. Date of the most recent Program Office estimate is May 1, 2013.

Sustainment Strategy:

The cost elements include all personnel, equipment, supplies, software, and services including support associated with operating, modifying, maintaining, supplying, training, and supporting the LPD 17 program. The LPD 17 program is an 11-ship class with a 40-year expected service life. Life cycle engineering and support contracts are in place to support sustainment efforts.

Antecedent Information:

The LPD 4 class is one of the four amphibious ship classes being functionally replaced by the LPD 17 class.

Unitized O&S Costs BY1996 \$M		
Cost Element	LPD 17 Average Annual Cost per LPD Class Hull	LPD 4 (Antecedent) Average Annual Cost per LPD Class Hull
Unit-Level Manpower	16.1	12.3
Unit Operations	2.5	3.9
Maintenance	9.8	8.6
Sustaining Support	0.8	0.9
Continuing System Improvements	1.3	2.4
Indirect Support	8.1	8.3
Other	0.0	0.0
Total	38.6	36.4

Unitized Cost Comments:

The cost element data was pulled from the Operating and Support Cost Analysis Model (OSCAM) within the Navy's Visibility and Management of Operating and Support Costs (VAMOSC) system. The cost element estimates are based on all data available in OSCAM for each class.

Total O&S Cost \$M				
Current Development APB Objective/Threshold			Current Estimate	
	LPD 17		LPD 17	LPD 4 (Antecedent)
Base Year	0.0	0.0	16984.0	16016.0
Then Year	0.0	N/A	41260.0	38253.0

Total O&S Costs Comments:

Date of most recent Program Office estimate is May 1, 2013.

The total operating and support cost estimates for both the LPD 17 class and LPD 4 class are based on 11 ships over the same 40-year life cycle timeframe.

The increase in the total Operating and Support cost estimate from the previous report is driven by the inclusion of indirect costs in this year's report.

Disposal Costs

The estimate for total disposal costs for the LPD 17 class is \$56.1M (Base Year FY96 dollars).