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Department of Defense
OFFICE OF PREPUBLICATION AND SECURITY REVIEW

Selected Acquisition Report (SAR)



Presidential and National Voice Conferencing Integrator (PNVC Integrator)

FY 2024 President's Budget

**Defense Acquisition Visibility Environment
(DAVE)**

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Common Acronyms and Abbreviations

\$B - Billions of Dollars

\$K - Thousands of Dollars

\$M - Millions of Dollars

ACAT - Acquisition Category

Acq O&M - Acquisition-Related Operations and Maintenance

ADM - Acquisition Decision Memorandum

APB - Acquisition Program Baseline

APPN - Appropriation

APUC - Average Procurement Unit Cost

BA - Budget Authority/Budget Activity

Blk - Block

BY - Base Year

CAPE - Cost Assessment and Program Evaluation

CARD - Cost Analysis Requirements Description

CDD - Capability Development Document

CLIN - Contract Line Item Number

CPD - Capability Production Document

CY - Calendar Year

DAB - Defense Acquisition Board

DAE - Defense Acquisition Executive

DAMIR - Defense Acquisition Management Information Retrieval

DoD - Department of Defense

DSN - Defense Switched Network

EMD - Engineering and Manufacturing Development

EVM - Earned Value Management

FMS - Foreign Military Sales

FOC - Full Operational Capability

FRP - Full Rate Production

FY - Fiscal Year

FYDP - Future Years Defense Program

ICE - Independent Cost Estimate

Inc - Increment

IOC - Initial Operational Capability

JROC - Joint Requirements Oversight Council

KPP - Key Performance Parameter

LRIP - Low Rate Initial Production

MDA - Milestone Decision Authority

MDAP - Major Defense Acquisition Program

MILCON - Military Construction

N/A - Not Applicable

O&M - Operations and Maintenance

O&S - Operating and Support

ORD - Operational Requirements Document

OSD - Office of the Secretary of Defense

PAUC - Program Acquisition Unit Cost

PB - President's Budget

- PE - Program Element
- PEO - Program Executive Officer
- PM - Program Manager
- POE - Program Office Estimate
- RDT&E - Research, Development, Test, and Evaluation
- SAR - Selected Acquisition Report
- SCP - Service Cost Position
- TBD - To Be Determined
- TY - Then Year
- U.S. - United States
- UCR - Unit Cost Reporting
- USD(A&S) - Under Secretary of Defense (Acquisition and Sustainment)
- USD(AT&L) - Under Secretary of Defense (Acquisition, Technology and Logistics)

Program Information

Program Name

Presidential and National Voice Conferencing Integrator (PNVC Integrator)

DoD Component

Air Force

Responsible Office

Program Manager

Name: Col Jonathan J. Sorbet

Date Assigned: 2 July 2018

Address: MITRE D, 202 Burlington Road,
Bedford, MA 01730

Phone: 781-271-4820

Mission and Description

The Presidential and National Voice Conferencing (PNVC) system is the Advanced Extremely High Frequency (AEHF) satellite communications voice conferencing system that will be used by the President of the United States for worldwide, secure, survivable voice conferencing and will provide improved capability for the user community.

The PNVC Integrator Program activities include program management, system engineering, development, integration, installation, testing, and sustainment of baseband equipment developed under a separate Defense Information Systems Agency (DISA) effort.

NOTE Some of this program's mission and description are Controlled Unclassified Information (CUI) and have been removed per paragraph (i) of title 10 United States Code 4351 which required the SAR be submitted without any designation relation to dissemination control.

Executive Summary

PNVC Integrator

Program Highlights Since Last Report

After the successful completion of Government Developmental Testing in CY 2021, the program management office (PMO) focused its efforts on hardware deliveries, site installation, and preparations for the Multi-Service Operational Test and Evaluation (MOT&E) which is planned for CY 2023.

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

NOTE: Some of this program's executive summary are Controlled Unclassified Information (CUI) and have been removed per paragraph (i) of title 10 United States Code 4351 which required the SAR be submitted without any designation relation to dissemination control.

History of Significant Developments Since Program Initiation

History of Significant Developments Since Program Initiation	
Date	Significant Development Description
Jan - 2022	APB Revision 1 approved; removed an externally controlled milestone, no impact to IOC
Oct - 2021	Original APB approved to baseline the program
Sep - 2021	Milestones B/C conducted, approved and ADM issued by MDA to formally initiate PNVC Integrator program at Milestone C.
1st Quarter FY2019	In FY 2021, funding shifted to the US Space Force with the transfer of all Space Force related appropriations.
Mar - 2019	Acquisition Strategy updated; AFPEO/NC3 approved updating PNVC Integrator program to ACAT II, and combined Milestone B/C as next acquisition milestone.
Dec - 2018	On December 1, 2018, program execution responsibility transferred to the AFPEO for Nuclear Command, Control, and Communications (NC3), and although the PNVC system is part of the AN/USQ-225 NC3 Weapon System, the lead MAJCOM for the program remains with the US Space Force, Space Operations Command (USSF/SpOC).
1st Quarter FY2019	In FY 2019, all funds for the program were formally realigned to the Air Force.
Dec - 2017	On December 12, 2017, Section 1661 of the National Defense Authorization Act (NDAA) for FY 2018 directed that all program elements and funding for the PNVC system be transferred to the PEO with responsibility for the Family of Advanced Beyond Line-of-Sight Terminals program, making the PNVC Integrator more fully responsible for the end-to-end funding and execution of the system.
Jan - 2016	Materiel Development Decision and PNVC Integrator Program established by AFPEO/SP as ACAT III program.
May - 2015	The Deputy Secretary of Defense assigned the end-to-end PNVC integration effort to the Air Force. Subsequently, SAF/AQ designated the program responsibility to the Air Force Program Executive Officer (AFPEO) for Space (SP).

Schedule

PNVC Integrator

Events	Initial Phase APB Objective	Current APB Development Objective/Threshold		Current Estimate/Actual	Deviation
PNVC Integrator Materiel Development Decision (MDD)	MDD	Jan 2016	Jan 2016	Jan 2016	
PNVC Acquisition Strategy for PNVC Integrator Contract (PIC) Request for Proposal (RFP) Decision - Acquisition Decision Memorandum (ADM) Signed	Acq. Strategy	Mar 2019	Mar 2019	Mar 2019	
PNVC Acquisition Strategy for the addition of the Baseband Kit (BBK)	Acq. Strategy Update	May 2020	May 2020	May 2020	
PNVC Milestone B and C Decision	MS B/C	Sep 2021	Dec 2021	Sep 2021	
This Data has been marked as CUI and has been removed		*	*	*	*

Schedule Note

1. Multi-Service Operational Test and Evaluation (MOT&E) completion date, which represented the end of test, was removed as a PNVC event since it is the responsibility of the Operational Test Agency (OTA).
2. In an Acquisition Decision Memorandum (ADM) dated March 7, 2019, the PNVC Acquisition Strategy was approved; the program was designated an ACAT II, approval was given for the PNVC Integrator Contract (PIC) Request for Proposal (RFP) go-ahead and directed future combined Milestone B/C by Colonel AMANDA G. KATO, USAF, AF Program Executive Officer for NC3 and Director, NC3 Integration Directorate.
3. An update to the ADM dated May 27, 2020 addressed the acquisition strategy changes to include the Baseband Kit (BBK) from Defense Information Systems and Agency (DISA) to the PNVC Integrator program.
4. The ADM, signed by Col Kato on May 24, 2021, documented the approval of the PNVC Integrator Program combined Milestone B/C event, the actions required to complete Milestone B/C to enter at Milestone C, and the proposed Acquisition Program Baseline (APB) parameters.

***NOTE:** Some of this program's schedule events are Controlled Unclassified Information (CUI) and have been removed per paragraph (i) of title 10 United States Code 4351 which required the SAR be submitted without any designation relation to dissemination control.

Performance

PNVC Integrator

NOTE: Performance Characteristics for this program are Controlled Unclassified Information (CUI) and have been removed per paragraph (i) of title 10 United States Code 4351 which required the SAR be submitted without any designation related to dissemination control.

Requirement Source

TEMP (Test & Evaluation Master Plan) (CUI) – Approved at DOT&E on August 30, 2021

SEP (System Engineering Plan) (CUI) – Approved by PEO on 30 April 30, 2021

MFP (Materiel Fielding Plan) (CUI) – Approved by PEO on July 26, 2021

Performance Note

PNVC Integrator program is a test and integration program and has no key performance parameters.

Acquisition Budget Estimate

PNVC Integrator

Total Acquisition Cost

		Milestone APB	Current APB		Budget Estimate PB 2024		
Category	Base Year	Objective (BY\$M)	Objective (BY\$M)	Threshold (BY\$M)	BY\$M	TY\$M	Deviation
RDT&E	2021	329.71	329.71	362.68	316.6	327.4	
Procurement	2021	59.65	59.65	65.61	50.543	56.8	
MILCON	2021						
Acq. O&M	2021						
Total		389.36	389.36	428.29	367.143	384.2	
PAUC	2021	N/A	N/A	N/A	N/A	N/A	
APUC	2021	N/A	N/A	N/A	N/A	N/A	

Budget Note

Minor changes were made to account for actual/sunk costs as well as slight adjustments to the phasing of requirements between fiscal years.

NOTE: Some of this Program's Budget Notes are Controlled Unclassified Information (CUI) and have been removed per paragraph (i) of title 10 United States Code 4351 which required the SAR be submitted without any designation relation to dissemination control.

Total End Item Quantity

Quantity Category	Current APB Quantity	Current Estimate Quantity
Development	0	0
Procurement	0	0
O&M-Acquired	--	--

Unit Cost**PNVC Integrator**

Current Baseline Compared with Current Estimate			
Category (\$M) Base Year:2021	Current UCR Baseline	Current Estimate	% Change
Program Acquisition Unit Cost			
Cost	0	0	N/A
Quantity	0	0	N/A
Unit Cost			
Average Procurement Unit Cost			
Cost	0	0	N/A
Quantity	0	0	N/A
Unit Cost			
Original Baseline Compared with Current Estimate			
Category (\$M) Base Year:2021	Original UCR Baseline	Current Estimate	% Change
Program Acquisition Unit Cost			
Cost	0	0	N/A
Quantity	0	0	N/A
Unit Cost			
Average Procurement Unit Cost			
Cost	0	0	N/A
Quantity	0	0	N/A
Unit Cost			

Program Acquisition Unit Cost (PAUC) or Average Procurement Unit Cost (APUC) are not applicable for this program.

Risks

PNVC Integrator

Risk and Sensitivity Analysis

Risk and Sensitivity Analysis

Current Procurement Cost (December - 2022)

1. The current procurement cost provides sufficient resources to execute the program under normal conditions, encountering average levels of technical, schedule, and programmatic risk, and external influence. In particular, it includes the most probable funding and schedule to complete procurement of the Baseband Enclosure IOC Hardware.

Original Baseline Estimate (September 2018)

1. A Program Office Estimate was completed in CY 2018 and the Single Best Estimate (SBE) was subsequently approved for the development and production portions of this program. The SBE includes funding for mitigation of potential PNVC Integrator Program risks to integration, test, and installation at the 50 percent confidence level.

Current Baseline Estimate (January - 2022)

1. The Acquisition Program Baseline (APB) provides sufficient resources to execute the program under normal conditions, encountering average levels of technical, schedule and programmatic risk, and external influence. In particular, it includes the most probable funding and schedule to complete integration of PNVC systems. The estimate includes funding to cover 7.2% overall cost growth to the Integration, Product Support and Material effort beyond current scope identified.

Significant Schedule Risks

Significant Schedule Risks

Current Estimate (December - 2022)

1. There are no known risks with this program at this time.

Technologies and Systems Engineering

Significant Technical Risks

Current Estimate (December - 2022)

1. There are no known risks with this program at this time.

Low Rate Initial Production

PNVC Integrator

There is no LRIP for this program.

Contracts & Efforts

Contract Data	
Contract Number	FA8735-20-C-0001
Effort Number	1
Modification Number	
Award Date	11/15/2019
Definitization Date	
Order Number	
CAGE Code/CAGE Legal Name	7Y193/Raytheon Company
Contract Title	PNVC Integrator
Contract Address	7887 Bryan Dairy Rd., Largo, FL 33777
Contract Type	CPFF, FFP

Contracts/Effort Price, Quantity, and Performance (\$M)		
Initial Target Price	Current Target Price	
\$82.5	\$149.8	
Initial Ceiling Price	Current Ceiling Price	
N/A	N/A	
Contractor EAC	PM EAC	
\$90.24	\$90.18	
Initial Quantity	Current Quantity	Delivered Quantity
N/A	N/A	N/A
BAC *	BCWP *	ACWP *
BCWS *	Cost Variance *	Schedule Variance *

***NOTE:** Some of this program's contract data are Controlled Unclassified Information (CUI) and have been removed per paragraph (i) of title 10 United States Code 4351 which required the SAR be submitted without any designation relation to dissemination control.

Contract Note:

Contract Type(s): CPFF, FFP

The PNVC Integrator Program awarded the PNVC Integrator Contract (PIC) in November 2019, which is the first contract issued and managed by the program office directly. This new contract was awarded to Raytheon Co, Largo, FL, as a \$82.5M cost-plus-fixed-fee contract, which includes a base award and contract options. The increase in the Target Price to \$149.8M is due to additional hardware procurement.

Factors Contributing to Schedule Variance: Some of this program's schedule variance are Controlled Unclassified Information (CUI) and have been removed per paragraph (i) of title 10 United States Code 4351 which required the SAR be submitted without any designation relation to dissemination control.

Deliveries and Expenditures

PNVC Integrator

Deliveries				
Delivered to Date	Planned to Date	Actual to Date	Total Quantity	Percent Delivered
Development	0	0	0	0.00%
Production	0	0	0	0.00%
Total Program Quantity Delivered	0	0	0	0.00%

Expended and Appropriated (TY \$M)

Years Appropriated to date: 10

Total Years Appropriated Funding (Current Baseline): 15

Percent Years Appropriated: 66.67%

Then-Year Funding Appropriated as Percentage of Total Acquisition Estimate: 80.80%

Then-Year Funding Expended as Percentage of Total Acquisition Estimate: 0.00%

Total Acquisition Cost: 384.2

F gk> lgu'bpf 'Gzr gpf kwf gu'P qvg

The PNVC Integrator Program has no system deliverables since the PNVC efforts are dependent upon previous component developments and procurements that were accomplished elsewhere. To ensure the end-to-end PNVC system performance meets user requirements, procurement of additional equipment and components below the system level is planned. All other PNVC Integrator program costs are for system-level integration, validation and verification testing, and sustainment only.

NOTE: Some of this program's Deliveries and Expenditures costs are Controlled Unclassified Information (CUI) and have been removed per paragraph (i) of title 10 United States Code 4351 which required the SAR be submitted without any designation relation to dissemination control.

Operating and Support Costs

PNVC Integrator

O&S Cost Breakdown:

Category (BY2021\$ Million)	PNVC Integrator
Unit-Level Manpower	*
Unit Operations	*
Maintenance	*
Sustaining Support	*
Continued System Improvements	*
Other	*
Total	*

* **NOTE:** Some of this program's operating and support costs are Controlled Unclassified Information (CUI) and have been removed per paragraph (i) of title 10 United States Code 4351 which required the SAR be submitted without any designation relation to dissemination control.

Operating and Support Cost Source: Program Office Estimate Approved: December 2022

Disposal Cost Source: Program Office Estimate Approved: December 2022

Total Program O&S Cost Compared with Baseline					
	Current Baseline				
Base Year: 2021	Objective (BY\$M)	Threshold (BY\$M)	Current Estimate (BY\$M)	Current Estimate (TY\$M)	Deviation
Total O&S	205.6	226.1	*	*	*

* **NOTE:** Some of this program's operating and support costs are Controlled Unclassified Information (CUI) and have been removed per paragraph (i) of title 10 United States Code 4351 which required the SAR be submitted without any designation relation to dissemination control.

Operating and Support Costs - Disposal and Unitized Costs**PNVC Integrator****Annual Unitized O&S Cost Definition and Calculation Relative to Total O&S Cost:**

Sustainment Factors	System Name: PNVC Integrator	Antecedent System Name:
Quantity to Sustain	*	
Unit of Measure	*	
Unit Expected Service Life	*	

Base Year: 2021

Annual Unitized O&S Cost by Category Base Year \$ Unit:(\$K)	System Name: PNVC Integrator	Antecedent System Name:
Unit-Level Manpower	*	
Unit Operations	*	
Maintenance	*	
Sustaining Support	*	
Continued System Improvements	*	
Other	*	
Total O&S	*	

Disposal/Demilitarization Cost Estimate

(BY2021\$M)	System Name: PNVC Integrator	Antecedent System Name:
Total Disposal	*	

Cost Estimate Source - Disposal

Type:	Program Office Estimate
Approval Authority and Date:	AFNWC 12/31/2022

Note:

***NOTE:** Some of this program's operating and support costs are Controlled Unclassified Information (CUI) and have been removed per paragraph (i) of title 10 United States Code 4351 which required the SAR be submitted without any designation relation to dissemination control.

Annualized Unit Cost does not apply. The PNVC Integrator Program has no system deliverables since the PNVC efforts are dependent upon previous component developments and procurements that were accomplished elsewhere. To ensure the end-to-end PNVC system performance meets user requirements, procurement of additional equipment and components below the system level is planned. All other PNVC Integrator program costs are for system-level integration, validation and verification testing, and sustainment only.