

Exhibit P-40, Budget Item Justification Sheet

Date:

February 2004

Appropriation / Budget Activity/Serial No:

Procurement, Marine Corps (1109) / Weapons and Tracked Combat Vehicles (BA-2)

P-1 Item Nomenclature:

Expeditionary Fighting Vehicle (EFV) Advance Procurement

Program Elements for Code B Items: 0603611M (RDT&E,N)/0206211M (PMC)

Code:

B

Other Related Program Elements:

N/A

	Prior Years	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	To Complete	Total Prog
Proc Qty												
Gross Cost (\$M)												
Less PY Adv Proc (\$M)						0.000	(10.383)	(2.772)	(5.044)			(18.199)
Plus CY Adv Proc (\$M)						10.383	2.772	5.044	0.000			18.199
Net Proc (P-1) (\$M)						10.383	(7.611)	2.272	(5.044)			0.000
Initial Spares (\$M)												
Total Proc Cost (\$M)						10.383	(7.611)	2.272	(5.044)			0.000
Wpn Sys Proc U/C (\$M)												

MISSION AND DESCRIPTION: The Expeditionary Fighting Vehicle (EFV) will field a successor to the Marine Corps' current amphibious vehicle, the Assault Amphibious Vehicle Model 7A1 (AAV7A1). The EFV will provide the principal means of tactical surface mobility for the Marine Air Ground Task Force (MAGTF) during both ship-to-objective maneuvers and sustained combat operations ashore as part of the Navy and Marine Corps concepts within the Expeditionary Maneuver Warfare capstone. The EFV will provide the Marine Corps with the capability to execute the full spectrum of military missions from humanitarian operations to conventional combat operations. The EFV replaces the AAV7A1 Vehicle, which was originally fielded in the early 1970s.

The EFV is a self-deploying, high water-speed, amphibious, armored, tracked vehicle capable of operating in all weather as well as Nuclear, Biological, and Chemical (NBC) environments. The EFV provides essential command, control, communications and intelligence (C4I) functions for embarked personnel and EFV units. The EFV C4I systems are compatible with other Marine Corps assets as well as with Army, Air Force, Navy and NATO C4I assets. Along with the Landing Craft Air Cushion (LCAC) and the MV-22 Osprey, the EFV will provide the Marine Corps Warfighters with the tactical mobility assets required to spearhead the concepts within the Expeditionary Maneuver Warfare capstone.

The EFV is the Marine Corps' number one priority ground system acquisition program as well as the only ACAT-1D program managed by the Marine Corps. Acquisition of the EFV is critical to the Marine Corps.

PEN 0206211M

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BASIS FOR FY 2005 BUDGET REQUEST:

The first EFV production vehicle was procured in FY03 with delivery planned in FY05. This vehicle follows the complete fabrication and testing of the nine System Development and Demonstration (SDD) Phase prototypes. This vehicle is intended for Director, Operational Testing and Evaluation (DOT&E) Production Representative Live Fire Test (PRLFT) in FY06 through FY07, followed by the vehicle being fielded in FY08. The vehicle is being procured in a lot of one (1) in order to support DOT&E PRLFT, to test hard production tooling and production processes, and to reduce technical risk associated with production of the 18 vehicles scheduled for procurement in FY06. The follow on LRIP vehicle buys in FY06, FY07, and FY08 require advance procurement one (1) year prior to contract award. The advance procurement is required for: Aluminum for the Hull/Turret, Compact Modular Sights, Final Drives, Hydropneumatic Suspension Units, Gun Mounts, Water Jets, Manifolds, and Reservoirs.

EFV Milestone Events:

Development Test (DTI)	Jan 2000 - Feb 2001
Development Test (DTII)	Jun 2003 - Mar 2008
Milestone C LRIP DAB	Sep 2005
Initial Operational Test & Evaluation (IOT&E)	Jun 2007 - Apr 2008
SAE FRP Decision	Aug 2008

Advance Procurement Requirements Analysis-Funding (P-10A)				First System Award Date: November 2002		First System Completion Date: November 2004		Date: February 2004						
Appropriation / Budget Activity/Serial No: Procurement, Marine Corps (1109) / Weapons and Tracked Combat Vehicles (BA-2)				P-1 Line Item Nomenclature / Weapon System: Expeditionary Fighting Vehicle (EFV) Advance Procurement										
(\$ in Millions)														
	PLT (mos)	When Rqd (mos)	Pr Yrs	2001	2002	2003	2004	2005	2006	2007	2008	2009	To Comp	Total
End Item Quantity:	18					1	0	0	18	24	54	90	671	1013
Aluminum for Hull/Turret	30	1						3.177	2.672	5.044				10.893
Compact Modular Sights	30	11						2.508						2.508
Final Drives	30	9						0.084	0.100					0.184
Hydropneumatic Suspension Units	30	10						0.843						0.843
Gun Mount - Titanium	30	8						0.417						0.417
Water Jets	30	9						3.048						3.048
Manifolds	30	8						0.181						0.181
Reservoirs	30	8						0.125						0.125
Total Advance Procurement							0.000	10.383	2.772	5.044				18.199
Description: Funding is for long-lead requirements for the EFV production program. Advance procurement is calculated on a termination liability basis through November of the following fiscal year, reflecting the contractor's funding requirements for the procurement of long-lead material necessary to protect the delivery schedule. If the advanced procurement funding is not approved, an eight month break in production will occur and cause a significant increase in EFV production program costs.														

Advance Procurement Requirements Analysis-Present Value Analysis (P-10C)

Date: February 2004

Appropriation / Budget Activity/Serial No: #N/A

P-1 Line Item Nomenclature / Weapon System: Expeditionary Fighting Vehicle (EFV) Advanced Procurement

(\$ in Millions)												
	Pr Yrs	2001	2002	2003	2004	2005	2006	2007	2008	2009	To Comp	Total
Proposal w/o AP												
Then Year Cost							43.950	6.167	10.977			61.094
Constant Year Cost (CY01\$)							40.619	5.595	9.764			55.978
Present Value							37.335	5.000	8.484			50.819
AP Proposal												
Then Year Cost						10.383	30.603	7.630	4.492			53.108
Constant Year Cost (CY01\$)						9.763	28.284	6.922	3.995			48.964
Present Value						9.229	25.997	6.186	3.472			44.884
Difference (AP Savings)												
Then Year Cost						(10.383)	13.347	(1.463)	6.485			7.986
Constant Year Cost (CY01\$)						(9.763)	12.335	(1.327)	5.769			7.014
Present Value						(9.229)	11.338	(1.186)	5.012			5.935

Remarks:

Advance Procurement Requirements Analysis-Execution (P-10D)

Date: February 2004

Appropriation / Budget Activity/Serial No:
Procurement, Marine Corps (1109) / Weapons and Tracked Combat Vehicles (BA-2)

P-1 Line Item Nomenclature / Weapon System:
Expeditionary Fighting Vehicle (EFV) Advance Procurement

		(\$ in Millions)													
		2002					2003					2004		2005	
	PLT (mos)	Qty	Contract Forecast Date	Actual Contract Date	Total Cost Request	Actual Contract Cost	Qty	Contract Forecast Date	Actual Contract Date	Total Cost Request	Actual Contract Cost	Qty	Contract Forecast Date	Qty	Contract Forecast Date
End Item															
Aluminum for Hull/Turret	30													T.L.	11/2004
Compact Modular Sights	30													T.L.	11/2004
Final Drives	30													T.L.	11/2004
Hydropneumatic Suspension Units	30													T.L.	11/2004
Gun Mount - Titanium	30													T.L.	11/2004
Water Jets	30													T.L.	11/2004
Manifolds	30													T.L.	11/2004
Reservoirs	30													T.L.	11/2004

Description:

Advance Procurement Requirements Analysis-Obligations/Expenditures (P-10E)

Date:

February 2004

Appropriation / Budget Activity/Serial No:

P-1 Line Item Nomenclature / Weapon System:

Procurement, Marine Corps (1109) / Weapons and Tracked Combat Vehicles (BA-2)

Expeditionary Fighting Vehicle (EFV) Advance Procurement

(\$ in Millions)

	Total Program													Total Obl/Exp (Cum)	Ending Balance (Cum)
		Oct-04	Nov-04	Dec-05	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05		
FY 05 T.L Schedule Obl Plan	10.383	Oct-04	Nov-04 3.177 10.383	Dec-05	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05 7.206	Aug-05	Sep-05	10.383 10.383	0.000
FY 06 T.L Schedule Obl Plan	2.772	Oct-05	Nov-05 2.772	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06 2.672	May-06	Jun-06	Jul-06 0.100	Aug-06	Sep-06	2.772 2.772	0.000
FY 07 T.L Schedule Obl Plan	5.044	Oct-06	Nov-06 5.044	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07 5.044	Aug-07	Sep-07	5.044 5.044	0.000

Narrative:

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Program Elements for Code B Items: 0603611M (RDT&E,N)/0206211M (PMC)

Code:

B

Other Related Program Elements:

	Prior Years	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	To Complete	Total Prog
Proc Qty				1	0	0	18	24	54	90	826	1013
Gross Cost (\$M)				16.490	97.195	57.318	247.335	264.774	550.872	831.726	6180.522	8246.232
Less PY Adv Proc (\$M)							(10.383)	(2.772)	(5.044)			(18.199)
Plus CY Adv Proc (\$M)						10.383	2.772	5.044				18.199
Net Proc (P-1) (\$M)				16.490	97.195	67.701	239.724	267.046	545.828	831.726	6180.522	8246.232
Initial Spares (\$M)				0.501	0.000	0.000	9.076	9.568	19.421	29.483	247.599	315.648
Total Proc Cost (\$M)				16.991	97.195	67.701	248.800	276.614	565.249	861.209	6428.121	8561.880
Wpn Sys Proc U/C (\$M)				16.991	N/A	N/A	13.822	11.526	10.468	9.569	7.782	8.452

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Milestone C LRIP DAB	Sep 2005
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SAE FRP Decision	Aug 2008

Exhibit P-5, Weapon WPN SYST Cost Analysis		Appropriation/ Budget Activity/Serial No: Procurement, Marine Corps (1109) / Weapons and Tracked Combat Vehicles (BA-2)			P-1 Line Item Nomenclature: Expeditionary Fighting Vehicle (EFV)			Weapon System Type:			Date: February 2004			
Weapon System Cost Elements		ID	FY 02			FY 03			FY 04			FY 05		
		CD	TotalCost	Qty	UnitCost	TotalCost	Qty	UnitCost	TotalCost	Qty	UnitCost	TotalCost	Qty	UnitCost
			\$M	Each	\$M	\$M	Each	\$M	\$M	Each	\$M	\$M	Each	\$M
Total Vehicles							1			0				
Surface Vehicle		B			16.069	1	16.069							
System Engineering/Program Mgmt. (GDLS)		B												
Training		B												
Data		B												
Support Equipment		B												
Engineering Change Orders		B												
Industrial Equipment/Tooling (Non-recurring)		B							97.195			57.318		
Training Simulators		B												
First Article Test (Non-recurring)		B												
Follow-On Test and Evaluation		B												
Support Contractor		B												
Program Office Operations		B			0.421									
Gross Cost					16.490	1	16.490		97.195			57.318		
Less Advanced Procurement														
Plus Advanced Procurement												10.383		
Net Procurement					16.490				97.195			67.701		
Initial Spares					.501									
Total Procurement Cost					16.991	1	16.991		97.195			67.701		

Exhibit P-5a, Budget Procurement History and Planning

Date:
February 2004

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WBS Cost Elements: Fiscal Years	Contractor and Location	Contract Method and Type	Location of PCO	Award Date	Date of First Delivery	QTY Each	Unit Cost \$M	Specs Avail?	Date Revsn Avail	RFP Issue Date
EFV FY03	General Dynamics - Woodbridge, VA	SS/CPAF	MARCORSYSCOM	Feb-03	May-05	1	16.069	Yes		Mar-02
Special Tooling/Special Test Equipment FY04 / FY05	General Dynamics-Woodbridge, VA	SS/CPIF	MARCORSYSCOM	Feb-04	VARIOUS	VARIOUS	154.513	N/A		Jun-03

REMARKS:

Sole Source Procurement is required based on General Dynamic's unique capabilities and experience and to eliminate substantial duplication of costs.

Exhibit P-20, Requirements Study		Appropriation/Budget Activity/Serial No: Procurement, Marine Corps (1109) / Weapons and Tracked Combat Vehicles (BA-2)					Date: February 2004			
P-1 Line Item Nomenclature (Include DODIC for Ammunition Items): Expeditionary Fighting Vehicle (EFV)			Admin Leadtime (after Oct 1): 2 months				Prod Leadtime: 18 months			
Line Descriptions: (Enter name of Sub-BLI Item Here)		FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	
Buy Summary			1	0	0	18	24	54	90	
Unit Cost (\$M)			16.069			12.620	10.036	9.098	8.382	
Total Cost (\$M)			16.991	97.195	67.701	248.800	276.614	565.249	861.209	
Asset Dynamics										
Beginning Asset Position						1	1	10	29	
Deliveries from: FY 2003 Funding					1					
Deliveries from: FY 2004 Funding										
Deliveries from: FY 2005 Funding										
Deliveries from Subsequent Years Funds							9	19	28	
Other Gains										
Combat Losses										
Training Losses										
Test Losses										
Other Losses										
Disposals/Retirements/Attritions										
End of Year Asset Position					1	1	10	29	57	
Inventory Objective or Current Authorized Allowance										
Inventory Objective 1,013		Actual Training Expenditures		Other than Training Usage		Disposals (Vehicles/Other)		Vehicles Eligible for Replacement	Aircraft: TOAI	N/A
Assets Rqd for Combat Loads:		00 thru FY XXXX		00 thru FY XXXX		00 thru FY XXXX		FY XXXX	PAA: TAI	N/A
WRM Rqmt:		FY XXXX		FY XXXX		FY XXXX		FY XXXX	Attrition Res	N/A
Pipeline:		FY XXXX		FY XXXX		FY XXXX		Augment	BAI	N/A
Other:	1,013	FY XXXX		FY XXXX		FY XXXX			Inactive Inv	N/A
Total:	1,013								Storage	N/A
Remarks:										

