



Selected Acquisition Report (SAR)

RCS: DD-A&T(Q&A)823-429



VH-92A Presidential Helicopter (VH-92A)

As of FY 2016 President's Budget

Defense Acquisition Management
Information Retrieval
(DAMIR)

Table of Contents

Common Acronyms and Abbreviations for MDAP Programs	3
Program Information	5
Responsible Office	5
References	5
Mission and Description	6
Executive Summary	7
Threshold Breaches	8
Schedule	9
Performance	10
Track to Budget	12
Cost and Funding	13
Low Rate Initial Production	20
Foreign Military Sales	21
Nuclear Costs	21
Unit Cost	22
Cost Variance	25
Contracts	28
Deliveries and Expenditures	29
Operating and Support Cost	30

Common Acronyms and Abbreviations for MDAP Programs

Acq O&M - Acquisition-Related Operations and Maintenance
ACAT - Acquisition Category
ADM - Acquisition Decision Memorandum
APB - Acquisition Program Baseline
APPN - Appropriation
APUC - Average Procurement Unit Cost
\$B - Billions of Dollars
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
FOC - Full Operational Capability
FMS - Foreign Military Sales
FRP - Full Rate Production
FY - Fiscal Year
FYDP - Future Years Defense Program
ICE - Independent Cost Estimate
IOC - Initial Operational Capability
Inc - Increment
JROC - Joint Requirements Oversight Council
\$K - Thousands of Dollars
KPP - Key Performance Parameter
LRIP - Low Rate Initial Production
\$M - Millions of Dollars
MDA - Milestone Decision Authority
MDAP - Major Defense Acquisition Program
MILCON - Military Construction
N/A - Not Applicable
O&M - Operations and Maintenance
ORD - Operational Requirements Document
OSD - Office of the Secretary of Defense
O&S - Operating and Support
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
UCR - Unit Cost Reporting
U.S. - United States
USD(AT&L) - Under Secretary of Defense (Acquisition, Technology and Logistics)

Program Information

Program Name

VH-92A Presidential Helicopter (VH-92A)

DoD Component

Navy

Responsible Office

Col Robert Pridgen
PMA274 Presidential Helicopters Program
Program Executive Office - Air, Anti-Submarine Warfare,
Assault & Special Mission
48202 Bronson Road, Building 2805
Patuxent River, MD 20670-1547

Phone: 301-757-5782**Fax:** 301-757-7999**DSN Phone:****DSN Fax:****Date****Assigned:** July 2, 2014robert.d.pridgen@navy.mil

References

SAR Baseline (Development Estimate)

Defense Acquisition Executive (DAE) Approved Acquisition Program Baseline (APB) dated April 17, 2014

Approved APB

Defense Acquisition Executive (DAE) Approved Acquisition Program Baseline (APB) dated April 17, 2014

Mission and Description

The VH-92A Presidential Helicopter (VH-92A) program mission is to provide safe, reliable, and timely transportation for the President, Vice President, Foreign Heads of State, and other official parties as directed by the Director of the White House Military Office. Presidential helicopter transportation requirements are executed by Marine Helicopter Squadron One (HMX-1) and support the President worldwide and the Vice President primarily inside the National Capital Region. Mission tasking encompasses two (2) main types of missions, administrative lift (Mission Tasking 1) and contingency operations (Mission Tasking 2). The VH-92A platform will replace both In-Service aircraft (VH-3D and VH-60N) and is based on Sikorsky's commercial S-92A helicopter. The acquisition strategy for the VH-92A program involves integration of mature government-defined mission systems and an executive interior into the existing S-92A air vehicle.

Executive Summary

After successfully completing the Milestone B DAB review, the USD(AT&L) approved the program to enter the EMD phase in an ADM dated April 17, 2014. The APB was approved on April 17, 2014, and a Fixed Price Incentive Firm contract was competitively awarded to Sikorsky Aircraft Corporation on May 7, 2014. A total quantity of 23 aircraft will be procured, consisting of 21 operational aircraft and 2 test aircraft.

In accordance with section 2366b(e) of title 10, United States Code, the VH-92A program has received a waiver for the requirement to conduct a PDR and a post-PDR assessment prior to Milestone B. As documented in the Congressional notification letters dated April 17, 2014, this provision was waived because delaying the start of EMD until completion of the PDR and post-PDR assessment would unnecessarily cause a significant delay and cost increase to replace the existing, aging aircraft with a modern aircraft utilizing advanced technologies that provide capability improvements. A delay in availability of the aircraft will affect initial operational capability and will not meet the critical national security objective to deliver the replacement for the existing Presidential helicopter by FY 2020. The USD(AT&L) will continue to review the program annually until the program satisfies all certification requirements.

The program completed the System Requirements Review in August 2015 and Integrated Baseline Review in November 2015. During FY 2015, the program is planning for the System Functional Review and PDR.

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

Threshold Breaches

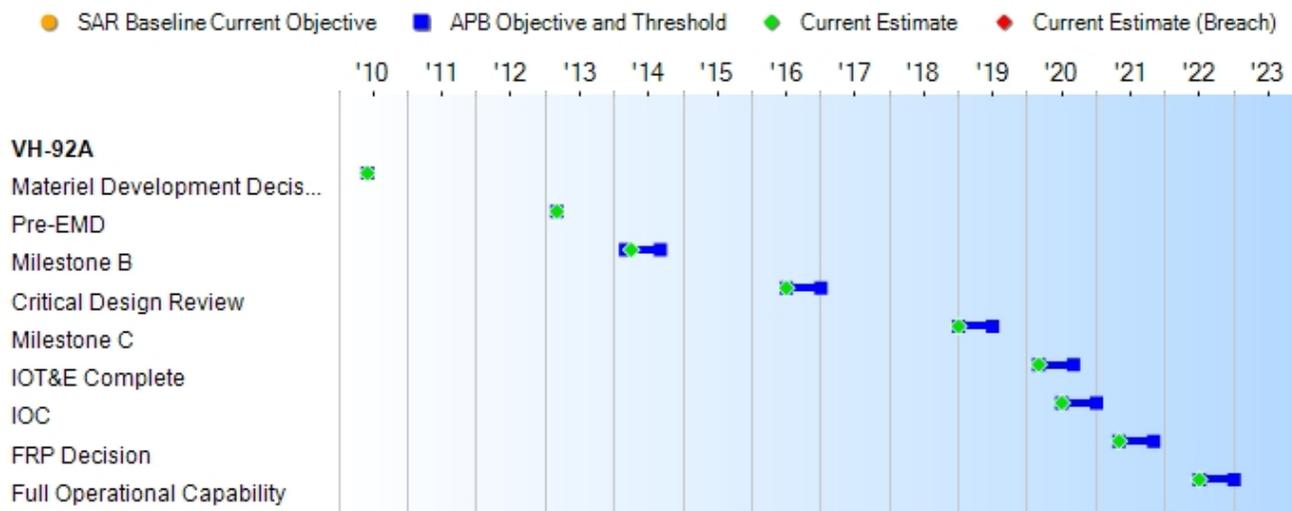
APB Breaches

- Schedule
- Performance
- Cost
 - RDT&E
 - Procurement
 - MILCON
 - Acq O&M
- O&S Cost
- Unit Cost
 - PAUC
 - APUC

Nunn-McCurdy Breaches

- Current UCR Baseline**
 - PAUC None
 - APUC None
- Original UCR Baseline**
 - PAUC None
 - APUC None

Schedule



Schedule Events				
Events	SAR Baseline Development Estimate	Current APB Development Objective/Threshold		Current Estimate
Materiel Development Decision	Jun 2010	Jun 2010	Jun 2010	Jun 2010
Pre-EMD	Mar 2013	Mar 2013	Mar 2013	Mar 2013
Milestone B	Mar 2014	Mar 2014	Sep 2014	Apr 2014
Critical Design Review	Jul 2016	Jul 2016	Jan 2017	Jul 2016
Milestone C	Jan 2019	Jan 2019	Jul 2019	Jan 2019
IOT&E Complete	Mar 2020	Mar 2020	Sep 2020	Mar 2020
IOC	Jul 2020	Jul 2020	Jan 2021	Jul 2020
FRP Decision	May 2021	May 2021	Nov 2021	May 2021
Full Operational Capability	Jul 2022	Jul 2022	Jan 2023	Jul 2022

Change Explanations

None

Acronyms and Abbreviations

IOT&E - Initial Operational Test & Evaluation

Performance

Performance Characteristics				
SAR Baseline Development Estimate	Current APB Development Objective/Threshold	Demonstrated Performance	Current Estimate	
Passenger Seating and Lift Capacity				
(Objective= Threshold) MT-1: 14 passengers MT-2	(Objective= Threshold) MT-1: 14 passengers MT-2	MT-1: 12 passengers MT-2: 14 passengers	TBD	MT-1: 12 passengers MT-2: 14 passengers
Range (Operational Day)				
MT-1 NCR, NCR Return: >100 NM MT-1 CONUS/OCONUS: >200 NM MT-2: >300 NM	MT-1 NCR, NCR Return: >100 NM MT-1 CONUS/OCONUS: >200 NM MT-2: >300 NM	MT-1 NCR, NCR Return: >50 NM MT-1 CONUS/OCONUS: >150 NM MT-2: >250 NM	TBD	MT-1 NCR, NCR Return: >50 NM MT-1 CONUS/OCONUS: >150 NM MT-2: >250 NM
Hover Performance				
HOGE with mission payload and other required equipment (High Hot Day)	HOGE with mission payload and other required equipment (High Hot Day)	HOGE with mission payload and other required equipment (Operational Day)	TBD	HOGE with mission payload and other required equipment (Operational Day)
Transportability				
(Objective= Threshold) MT-2: (1) MT-2 aircraft and all required equipment, personnel (29), and SE necessary to execute deployed maintenance and mission requirements shall be transportable using (1) C-17.	(Objective= Threshold) MT-2: (1) MT-2 aircraft and all required equipment, personnel (29), and SE necessary to execute deployed maintenance and mission requirements shall be transportable using (1) C-17.	MT-2: (1) MT-2 aircraft and all required equipment, personnel (29), and SE necessary to execute deployed maintenance and mission requirements shall be transportable using (1) C-17.	TBD	MT-2: (1) MT-2 aircraft and all required equipment, personnel (29), and SE necessary to execute deployed maintenance and mission requirements shall be transportable using (1) C-17.
Landing Zone Suitability				
(Objective= Threshold) Maintain at least a 50 foot obstacle clearance during all phases of approach, landing, take- off, and departure from the existing White House South Lawn.	(Objective= Threshold) Maintain at least a 50 foot obstacle clearance during all phases of approach, landing, take- off, and departure from the existing White House South Lawn.	Maintain at least a 50 foot obstacle clearance during all phases of approach, landing, take -off, and departure from the existing White House South Lawn.	TBD	Maintain at least a 50 foot obstacle clearance during all phases of approach, landing, take -off, and departure from the existing White House South Lawn.
Sustainment: Materiel Availability - Am, Operational Availability -Ao				
Am ≥ 59% MT-1: Ao ≥ 85% MT-2: Ao ≥ 85%	Am ≥ 59% MT-1: Ao ≥ 85% MT-2: Ao ≥ 85%	Am ≥ 57% MT-1: Ao ≥ 80% MT-2: Ao ≥ 83%	TBD	Am ≥ 57% MT-1: Ao ≥ 80% MT-2: Ao ≥ 83%
Training				

(Objective= Threshold) Reduce the overall time to train for pilots and crew chiefs from current In-Service aircraft time to train utilizing a Systems Approach to Training.	(Objective= Threshold) Reduce the overall time to train for pilots and crew chiefs from current In-Service aircraft time to train utilizing a Systems Approach to Training.	Reduce the overall time to train for pilots and crew chiefs from current In-Service aircraft time to train utilizing a Systems Approach to Training.	TBD	Reduce the overall time to train for pilots and crew chiefs from current In-Service aircraft time to train utilizing a Systems Approach to Training.
Net-Ready				
(Objective= Threshold) Support net-centric military operations Enter and be managed on the network Exchanges information.	(Objective= Threshold) Support net-centric military operations Enter and be managed on the network Exchanges information.	Support net-centric military operations Enter and be managed on the network Exchanges information.	TBD	Support net-centric military operations Enter and be managed on the network Exchanges information.

Classified Performance information is provided in the classified annex to this submission.

Requirements Reference

Capability Development Document (CDD) dated January 3, 2013

Change Explanations

None

Notes

With J-4 concurrence and as documented in the CDD, Energy KPP is not applicable for VH-92A. Net Ready KPP Products are detailed in the CDD, Appendix A.

The VH-92A program was planned and budgeted to the performance threshold.

Acronyms and Abbreviations

Am - Materiel Availability
 Ao - Operational Availability
 CONUS - Continental United States
 HOGE - Hover out of Ground Effect
 MT-1 - Mission Tasking 1 (administrative lift)
 MT-2 - Mission Tasking 2 (contingency operations)
 NCR - National Capital Region
 NM - Nautical Mile
 OCONUS - Outside the Continental United States
 SE - Support Equipment

Track to Budget

RDT&E

Appn	BA	PE
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Navy 1319 05 0604273N

Project	Name
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3300 Presidential Helicopter (VH-92A)

Procurement

Appn	BA	PE
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Navy 1506 04 0901212M

Line Item	Name
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0455 VH-92A Executive Helo

Cost and Funding

Cost Summary

Total Acquisition Cost							
Appropriation	BY 2014 \$M			BY 2014 \$M	TY \$M		
	SAR Baseline Development Estimate	Current APB Development Objective/Threshold		Current Estimate	SAR Baseline Development Estimate	Current APB Development Objective	Current Estimate
RDT&E	2606.1	2606.1	2866.7	2610.5	2805.7	2805.7	2785.4
Procurement	2043.6	2043.6	2248.0	2065.2	2379.0	2379.0	2379.1
Flyaway	--	--	--	1488.5	--	--	1712.3
Recurring	--	--	--	1488.5	--	--	1712.3
Non Recurring	--	--	--	0.0	--	--	0.0
Support	--	--	--	576.7	--	--	666.8
Other Support	--	--	--	309.9	--	--	360.4
Initial Spares	--	--	--	266.8	--	--	306.4
MILCON	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
Total	4649.7	4649.7	N/A	4675.7	5184.7	5184.7	5164.5

Confidence Level

Confidence Level of cost estimate for current APB: 50%

The current APB cost estimate provides sufficient resources to execute the program under normal conditions, encountering average levels of technical, schedule and programmatic risk and external interference. It is consistent with average resource expenditures on historical efforts of similar size, scope, and complexity and represents a notional 50% confidence level.

Total Quantity			
Quantity	SAR Baseline Development Estimate	Current APB Development	Current Estimate
RDT&E		6	6
Procurement		17	17
Total		23	23

Cost and Funding

Funding Summary

Appropriation Summary									
FY 2016 President's Budget / December 2014 SAR (TY\$ M)									
Appropriation	Prior	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	To Complete	Total
RDT&E	294.8	368.1	507.1	589.7	481.7	293.4	131.7	118.9	2785.4
Procurement	0.0	0.0	0.0	0.0	0.0	795.6	781.4	802.1	2379.1
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 2016 Total	294.8	368.1	507.1	589.7	481.7	1089.0	913.1	921.0	5164.5
	--	--	--	--	--	--	--	--	--

Quantity Summary										
FY 2016 President's Budget / December 2014 SAR (TY\$ M)										
Quantity	Undistributed	Prior	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	To Complete	Total
Development	6	0	0	0	0	0	0	0	0	6
Production	0	0	0	0	0	0	6	6	5	17
PB 2016 Total	6	0	0	0	0	0	6	6	5	23
	--	--	--	--	--	--	--	--	--	--

Cost and Funding

Annual Funding By Appropriation

Annual Funding							
1319 RDT&E Research, Development, Test, and Evaluation, Navy							
Fiscal Year	Quantity	TY \$M					
		End Item Recurring Flyaway	Non End Item Recurring Flyaway	Non Recurring Flyaway	Total Flyaway	Total Support	Total Program
2010	--	--	--	--	--	--	23.0
2011	--	--	--	--	--	--	73.9
2012	--	--	--	--	--	--	58.9
2013	--	--	--	--	--	--	46.2
2014	--	--	--	--	--	--	92.8
2015	--	--	--	--	--	--	368.1
2016	--	--	--	--	--	--	507.1
2017	--	--	--	--	--	--	589.7
2018	--	--	--	--	--	--	481.7
2019	--	--	--	--	--	--	293.4
2020	--	--	--	--	--	--	131.7
2021	--	--	--	--	--	--	32.3
2022	--	--	--	--	--	--	9.6
2023	--	--	--	--	--	--	9.8
2024	--	--	--	--	--	--	9.6
2025	--	--	--	--	--	--	9.9
2026	--	--	--	--	--	--	10.2
2027	--	--	--	--	--	--	10.1
2028	--	--	--	--	--	--	10.0
2029	--	--	--	--	--	--	10.2
2030	--	--	--	--	--	--	7.2
Subtotal	6	--	--	--	--	--	2785.4

Annual Funding 1319 RDT&E Research, Development, Test, and Evaluation, Navy							
Fiscal Year	Quantity	BY 2014 \$M					
		End Item Recurring Flyaway	Non End Item Recurring Flyaway	Non Recurring Flyaway	Total Flyaway	Total Support	Total Program
2010	--	--	--	--	--	--	24.2
2011	--	--	--	--	--	--	76.0
2012	--	--	--	--	--	--	59.6
2013	--	--	--	--	--	--	46.0
2014	--	--	--	--	--	--	91.5
2015	--	--	--	--	--	--	357.5
2016	--	--	--	--	--	--	484.0
2017	--	--	--	--	--	--	552.5
2018	--	--	--	--	--	--	442.6
2019	--	--	--	--	--	--	264.3
2020	--	--	--	--	--	--	116.3
2021	--	--	--	--	--	--	28.0
2022	--	--	--	--	--	--	8.1
2023	--	--	--	--	--	--	8.2
2024	--	--	--	--	--	--	7.8
2025	--	--	--	--	--	--	7.9
2026	--	--	--	--	--	--	8.0
2027	--	--	--	--	--	--	7.8
2028	--	--	--	--	--	--	7.5
2029	--	--	--	--	--	--	7.5
2030	--	--	--	--	--	--	5.2
Subtotal	6	--	--	--	--	--	2610.5

For RDT&E aircraft, the first 2 will support contractor and government led testing and will remain as test and evaluation assets. The remaining 4 will support the completion of government led testing and will be utilized for Initial Operational Test & Evaluation. These 4 aircraft will then transition to operational status.

Annual Funding 1506 Procurement Aircraft Procurement, Navy								
Fiscal Year	Quantity	TY \$M						
		End Item Recurring Flyaway	Non End Item Recurring Flyaway	Non Recurring Flyaway	Total Flyaway	Total Support	Total Program	
2019	6	594.6	--	--	594.6	201.0	795.6	
2020	6	596.7	--	--	596.7	184.7	781.4	
2021	5	521.0	--	--	521.0	228.7	749.7	
2022	--	--	--	--	--	36.0	36.0	
2023	--	--	--	--	--	16.4	16.4	
Subtotal	17	1712.3	--	--	1712.3	666.8	2379.1	

Annual Funding 1506 Procurement Aircraft Procurement, Navy								
Fiscal Year	Quantity	BY 2014 \$M						
		End Item Recurring Flyaway	Non End Item Recurring Flyaway	Non Recurring Flyaway	Total Flyaway	Total Support	Total Program	
2019	6	526.7	--	--	526.7	178.1	704.8	
2020	6	518.2	--	--	518.2	160.4	678.6	
2021	5	443.6	--	--	443.6	194.7	638.3	
2022	--	--	--	--	--	30.1	30.1	
2023	--	--	--	--	--	13.4	13.4	
Subtotal	17	1488.5	--	--	1488.5	576.7	2065.2	

Low Rate Initial Production

Item	Initial LRIP Decision	Current Total LRIP
Approval Date	4/17/2014	4/17/2014
Approved Quantity	12	12
Reference	Milestone B ADM	Milestone B ADM
Start Year	2019	2019
End Year	2022	2022

The Current Total LRIP Quantity is more than 10% of the total production quantity due to the requirement to have a minimum of 12 aircraft to establish an initial production base for the system. This LRIP quantity has been approved by the MDA as documented in the Milestone B ADM.

Foreign Military Sales

None

Nuclear Costs

None

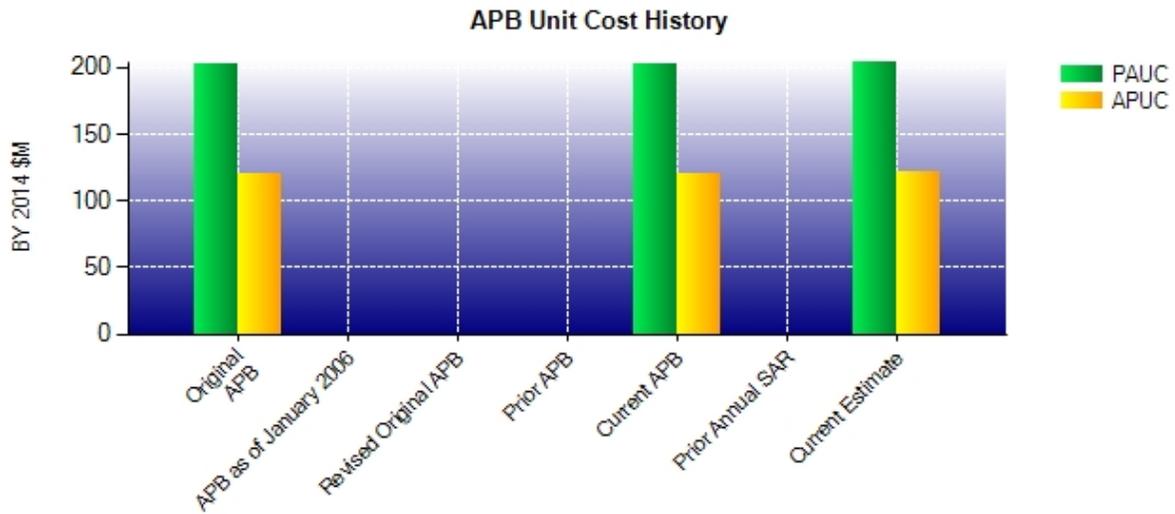
Unit Cost

Unit Cost Report

Item	BY 2014 \$M	BY 2014 \$M	% Change
	Current UCR Baseline (Apr 2014 APB)	Current Estimate (Dec 2014 SAR)	
Program Acquisition Unit Cost			
Cost	4649.7	4675.7	
Quantity	23	23	
Item	202.161	203.291	+0.56
Average Procurement Unit Cost			
Cost	2043.6	2065.2	
Quantity	17	17	
Unit Cost	120.212	121.482	+1.06

Item	BY 2014 \$M	BY 2014 \$M	% Change
	Original UCR Baseline (Apr 2014 APB)	Current Estimate (Dec 2014 SAR)	
Program Acquisition Unit Cost			
Cost	4649.7	4675.7	
Quantity	23	23	
Unit Cost	202.161	203.291	+0.56
Average Procurement Unit Cost			
Cost	2043.6	2065.2	
Quantity	17	17	
Unit Cost	120.212	121.482	+1.06

Unit Cost History



Item	Date	BY 2014 \$M		TY \$M	
		PAUC	APUC	PAUC	APUC
Original APB	Apr 2014	202.161	120.212	225.422	139.941
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	Apr 2014	202.161	120.212	225.422	139.941
Prior Annual SAR	N/A	N/A	N/A	N/A	N/A
Current Estimate	Dec 2014	203.291	121.482	224.543	139.947

SAR Unit Cost History

Current SAR Baseline to Current Estimate (TY \$M)									
Initial PAUC Development Estimate	Changes								PAUC Current Estimate
	Econ	Qty	Sch	Eng	Est	Oth	Spt	Total	
225.422	-2.331	0.000	0.000	0.000	0.643	0.000	0.809	-0.879	224.543

Current SAR Baseline to Current Estimate (TY \$M)									
Initial APUC Development Estimate	Changes								APUC Current Estimate
	Econ	Qty	Sch	Eng	Est	Oth	Spt	Total	
139.941	-1.447	0.000	0.000	0.000	0.359	0.000	1.094	0.006	139.947

SAR Baseline History				
Item	SAR Planning Estimate	SAR Development Estimate	SAR Production Estimate	Current Estimate
Milestone A	N/A	N/A	N/A	N/A
Milestone B	N/A	Mar 2014	N/A	Apr 2014
Milestone C	N/A	Jan 2019	N/A	Jan 2019
IOC	N/A	Jul 2020	N/A	Jul 2020
Total Cost (TY \$M)	N/A	5184.7	N/A	5164.5
Total Quantity	N/A	23	N/A	23
PAUC	N/A	225.422	N/A	224.543

Cost Variance

Summary TY \$M				
Item	RDT&E	Procurement	MILCON	Total
SAR Baseline (Development Estimate)	2805.7	2379.0	--	5184.7
Previous Changes				
Economic	+6.0	+7.4	--	+13.4
Quantity	--	--	--	--
Schedule	--	--	--	--
Engineering	--	--	--	--
Estimating	-6.0	-16.8	--	-22.8
Other	--	--	--	--
Support	--	+9.4	--	+9.4
Subtotal	--	--	--	--
Current Changes				
Economic	-35.0	-32.0	--	-67.0
Quantity	--	--	--	--
Schedule	--	--	--	--
Engineering	--	--	--	--
Estimating	+14.7	+22.9	--	+37.6
Other	--	--	--	--
Support	--	+9.2	--	+9.2
Subtotal	-20.3	+0.1	--	-20.2
Total Changes	-20.3	+0.1	--	-20.2
CE - Cost Variance	2785.4	2379.1	--	5164.5
CE - Cost & Funding	2785.4	2379.1	--	5164.5

Summary BY 2014 \$M				
Item	RDT&E	Procurement	MILCON	Total
SAR Baseline (Development Estimate)	2606.1	2043.6	--	4649.7
Previous Changes				
Economic	--	--	--	--
Quantity	--	--	--	--
Schedule	--	--	--	--
Engineering	--	--	--	--
Estimating	-4.3	-14.3	--	-18.6
Other	--	--	--	--
Support	--	+8.1	--	+8.1
Subtotal	-4.3	-6.2	--	-10.5
Current Changes				
Economic	--	--	--	--
Quantity	--	--	--	--
Schedule	--	--	--	--
Engineering	--	--	--	--
Estimating	+8.7	+19.8	--	+28.5
Other	--	--	--	--
Support	--	+8.0	--	+8.0
Subtotal	+8.7	+27.8	--	+36.5
Total Changes	+4.4	+21.6	--	+26.0
CE - Cost Variance	2610.5	2065.2	--	4675.7
CE - Cost & Funding	2610.5	2065.2	--	4675.7

Previous Estimate: June 2014

RDT&E	\$M	
Current Change Explanations	Base Year	Then Year
Revised escalation indices. (Economic)	N/A	-35.0
Adjustment for current and prior escalation. (Estimating)	+5.0	+5.1
Revised estimate to update fact of life changes and actuals in prior years. (Estimating)	-5.3	0.0
Revised estimate to reflect the application of new outyear inflation indices. (Estimating)	+9.0	+9.6
RDT&E Subtotal	+8.7	-20.3

Procurement	\$M	
Current Change Explanations	Base Year	Then Year
Revised escalation indices. (Economic)	N/A	-32.0
Revised estimate to reflect the application of new outyear inflation indices. (Estimating)	+19.8	+22.9
Increase in Other Support due to the application of new outyear inflation indices. (Support)	+7.1	+8.2
Increase in Initial Spares due to the application of new outyear inflation indices. (Support)	+0.9	+1.0
Procurement Subtotal	+27.8	+0.1

Contracts

Contract Identification

Appropriation: RDT&E
Contract Name: Presidential Helicopter Replacement Program (EMD)
Contractor: Sikorsky Aircraft Corp.
Contractor Location: 6900 Main Street PO Box 9731
 Stratford, CT 06615-9131
Contract Number: N00019-14-C-0050
Contract Type: Fixed Price Incentive(Firm Target) (FPIF)
Award Date: May 07, 2014
Definitization Date: May 07, 2014

Contract Price							
Initial Contract Price (\$M)			Current Contract Price (\$M)			Estimated Price At Completion (\$M)	
Target	Ceiling	Qty	Target	Ceiling	Qty	Contractor	Program Manager
1244.7	1326.7	6	1241.9	1317.2	6	1278.3	1278.3

Target Price Change Explanation

The difference between the Initial Contract Price Target and the Current Contract Price Target is due to a contract modification that moved spares from a Fixed Price Incentive Contract Line Item Number (CLIN) to a Firm Fixed Price CLIN which reduced the overall contract price. The difference between the Initial Target and Initial Ceiling previously submitted in the June 2014 SAR and the Initial Target and Initial Ceiling that are reflected in this SAR is a result of an administrative correction to remove funds that were inaccurately reported against this contract.

Contract Variance		
Item	Cost Variance	Schedule Variance
Cumulative Variances To Date (12/23/2014)	-0.4	-0.7
Previous Cumulative Variances	0.0	0.0
Net Change	-0.4	-0.7

Cost and Schedule Variance Explanations

The unfavorable cumulative cost variance is due to implementation of 2014 Forward Pricing Rate Proposal in November 2014.

The unfavorable cumulative schedule variance is due to several supplier management and scheduling tasks that are little to no risk to program schedule and critical path.

Deliveries and Expenditures

Deliveries				
Delivered to Date	Planned to Date	Actual to Date	Total Quantity	Percent Delivered
Development	6	0	6	0.00%
Production	17	0	17	0.00%
Total Program Quantity Delivered	23	0	23	0.00%

Expended and Appropriated (TY \$M)			
Total Acquisition Cost	5164.5	Years Appropriated	6
Expended to Date	311.9	Percent Years Appropriated	28.57%
Percent Expended	6.04%	Appropriated to Date	662.9
Total Funding Years	21	Percent Appropriated	12.84%

The above data is current as of February 25, 2015.

Operating and Support Cost

Cost Estimate Details

Date of Estimate:	January 16, 2014
Source of Estimate:	SCP
Quantity to Sustain:	21
Unit of Measure:	Aircraft
Service Life per Unit:	40.00 Years
Fiscal Years in Service:	FY 2021 - FY 2062

Aircraft Attrition: 1 aircraft over the life of the program

Aircraft Pipeline Factor: 19% of Total Aircraft Inventory (TAI)

Squadrons: Marine Helicopter Squadron One (HMX-1) Helicopters per (active) squadron: 16

Monthly Flight Hours per Helicopter: 19.8

Total TAI Helicopter Years: 840

Total Primary Authorized Aircraft Helicopter Years: 648

Total program acquisition quantity of 23 aircraft is comprised of 2 test aircraft and 21 operational aircraft. The quantity to sustain encompasses the 21 operational aircraft.

Sustainment Strategy

The VH-92 program will utilize Organizational, limited Intermediate and Depot level maintenance capabilities. Contractor maintenance will be employed as support for depot level repairables. Aircraft rework will be performed via an organic depot level Integrated Maintenance Program. During sustainment, in-service engineering support will be provided by the Contractor.

Antecedent Information

The Antecedent VH-3D/VH-60N data is representative of FY 2011 to FY 2013 average of Naval Visibility And Management of Operating and Support Cost (VAMOSC) reported cost data.

Total O&S Costs = Average annual O&S Cost/aircraft * total aircraft operating years = \$12.060M * 840 = \$10,130.4M BY 2014.

Annual O&S Costs BY2014 \$M			
Cost Element	VH-92A		VH-3D/VH-60N (Antecedent)
	Average Annual Cost Per Aircraft		Average Annual Cost Per Aircraft
Unit-Level Manpower		1.750	1.750
Unit Operations		0.360	0.330
Maintenance		5.980	4.670
Sustaining Support		0.810	0.690
Continuing System Improvements		2.190	4.310
Indirect Support		0.310	0.310
Other		0.000	0.000
Total		11.400	12.060

Item	Total O&S Cost \$M			
	VH-92A			VH-3D/VH-60N (Antecedent)
	Current Development APB Objective/Threshold	Current Estimate		
Base Year	10140.4	11154.4	9573.0	10130.4
Then Year	17674.3	N/A	16631.1	N/A

For Total O&S Cost, the Current Estimate of \$9,573.0M BY 2014 is the SCP established to support the Program's Navy Gate 5 and Milestone B Review held during the second quarter of FY 2014. The CAPE ICE of \$10,140.4M BY 2014 was selected to establish the APB objective value. Differences between the numbers are primarily driven by Maintenance Concept and projected System Improvements for the platform.

Equation to Translate Annual Cost to Total Cost

Average Annual O&S Cost/aircraft = Total O&S Costs / total aircraft operating years = \$9,573.0M / 840 = \$11.400M BY 2014

O&S Cost Variance		
Category	BY 2014 \$M	Change Explanations
Prior SAR Total O&S Estimates - Jun 2014 SAR	9573.0	
Programmatic/Planning Factors	0.0	
Cost Estimating Methodology	0.0	
Cost Data Update	0.0	
Labor Rate	0.0	
Energy Rate	0.0	
Technical Input	0.0	
Other	0.0	
Total Changes	0.0	

Current Estimate	9573.0
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Disposal Estimate Details

Date of Estimate:	January 16, 2014
Source of Estimate:	SCP
Disposal/Demilitarization Total Cost (BY 2014 \$M):	Total costs for disposal of all Aircraft are 1.2

The estimate will be refined at Milestone C based on the System Disposal Plan Annex to the Life Cycle Sustainment Plan.