



Selected Acquisition Report (SAR)

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



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

As of June 30, 2014

Defense Acquisition Management
Information Retrieval
(DAMIR)

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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

Presidential Helicopter Fleet Replacement (VXX)

DoD Component

Navy

Responsible Office

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Date

Assigned: July 2, 2014

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 Presidential Helicopter Fleet Replacement (VXX) 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 VXX 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 VXX program involves integration of mature government-defined mission systems and an executive interior into the existing S-92A air vehicle.

Executive Summary

This is the initial SAR submission for the Presidential Helicopter Fleet Replacement (VXX) program. After successfully completing the Milestone B Defense Acquisition Board review, the Under Secretary of Defense (Acquisition, Technology and Logistics) (USD(AT&L)) approved the program to enter the Engineering and Manufacturing Development (EMD) phase in an Acquisition Decision Memorandum 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 VXX program has received a waiver for the requirement to conduct a Preliminary Design Review (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.

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

Threshold Breaches

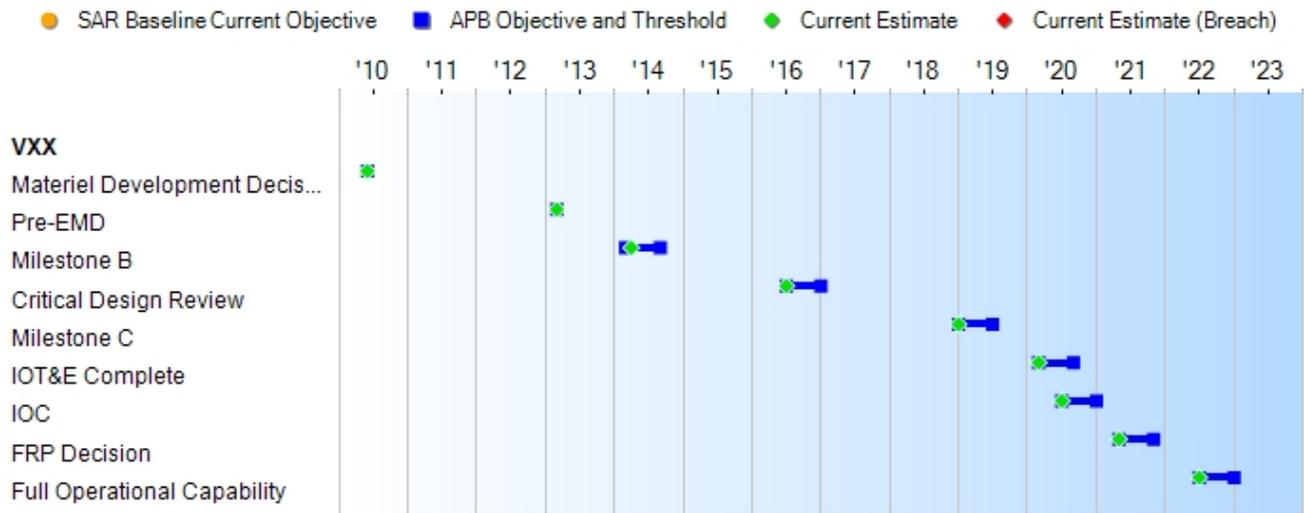
APB Breaches

- 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

EMD - Engineering and Manufacturing Development
 FRP - Full Rate Production
 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 VXX CDD, Energy KPP is not applicable for VXX.
Net Ready KPP Products are detailed in the VXX CDD, Appendix A.

The VXX 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
KPP - Key Performance Parameter
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 (VXX)

Procurement

Appn	BA	PE
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Navy 1506 04 0901212M

Line Item	Name
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0455 VH-XX 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	2601.8	2805.7	2805.7	2805.7
Procurement	2043.6	2043.6	2248.0	2037.4	2379.0	2379.0	2379.0
Flyaway	--	--	--	1468.7	--	--	1712.3
Recurring	--	--	--	1468.7	--	--	1712.3
Non Recurring	--	--	--	0.0	--	--	0.0
Support	--	--	--	568.7	--	--	666.7
Other Support	--	--	--	302.8	--	--	357.1
Initial Spares	--	--	--	265.9	--	--	309.6
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	4639.2	5184.7	5184.7	5184.7

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									
Jun 2014 Exception SAR (TY \$M)									
Appropriation	Prior	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	To Complete	Total
RDT&E	202.1	94.2	388.1	582.1	614.6	415.9	276.7	232.0	2805.7
Procurement	0.0	0.0	0.0	0.0	0.0	0.0	795.6	1583.4	2379.0
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
Jun 2014 Total	202.1	94.2	388.1	582.1	614.6	415.9	1072.3	1815.4	5184.7
	--	--	--	--	--	--	--	--	--

Quantity Summary										
Jun 2014 Exception SAR (TY \$M)										
Quantity	Undistributed	Prior	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	To Complete	Total
Development	6	0	0	0	0	0	0	0	0	6
Production	0	0	0	0	0	0	0	6	11	17
Jun 2014 Total	6	0	0	0	0	0	0	6	11	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	--	--	--	--	--	--	59.0
2013	--	--	--	--	--	--	46.2
2014	--	--	--	--	--	--	94.2
2015	--	--	--	--	--	--	388.1
2016	--	--	--	--	--	--	582.1
2017	--	--	--	--	--	--	614.6
2018	--	--	--	--	--	--	415.9
2019	--	--	--	--	--	--	276.7
2020	--	--	--	--	--	--	135.9
2021	--	--	--	--	--	--	9.5
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	--	--	--	--	--	2805.7

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	--	--	--	--	--	--	92.2
2015	--	--	--	--	--	--	372.7
2016	--	--	--	--	--	--	548.2
2017	--	--	--	--	--	--	567.5
2018	--	--	--	--	--	--	376.5
2019	--	--	--	--	--	--	245.6
2020	--	--	--	--	--	--	118.2
2021	--	--	--	--	--	--	8.1
2022	--	--	--	--	--	--	8.0
2023	--	--	--	--	--	--	8.0
2024	--	--	--	--	--	--	7.7
2025	--	--	--	--	--	--	7.8
2026	--	--	--	--	--	--	7.9
2027	--	--	--	--	--	--	7.7
2028	--	--	--	--	--	--	7.4
2029	--	--	--	--	--	--	7.4
2030	--	--	--	--	--	--	5.1
Subtotal	6	--	--	--	--	--	2601.8

For RDT&E aircraft, 4 will support Initial Operational Test & Evaluation and then transition to operational status. The other 2 aircraft will remain test and evaluation assets.

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	183.4	780.1	
2021	5	521.0	--	--	521.0	229.9	750.9	
2022	--	--	--	--	--	36.0	36.0	
2023	--	--	--	--	--	16.4	16.4	
Subtotal	17	1712.3	--	--	1712.3	666.7	2379.0	

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	519.7	--	--	519.7	175.7	695.4	
2020	6	511.3	--	--	511.3	157.1	668.4	
2021	5	437.7	--	--	437.7	193.1	630.8	
2022	--	--	--	--	--	29.6	29.6	
2023	--	--	--	--	--	13.2	13.2	
Subtotal	17	1468.7	--	--	1468.7	568.7	2037.4	

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

Foreign Military Sales

None

Nuclear Costs

None

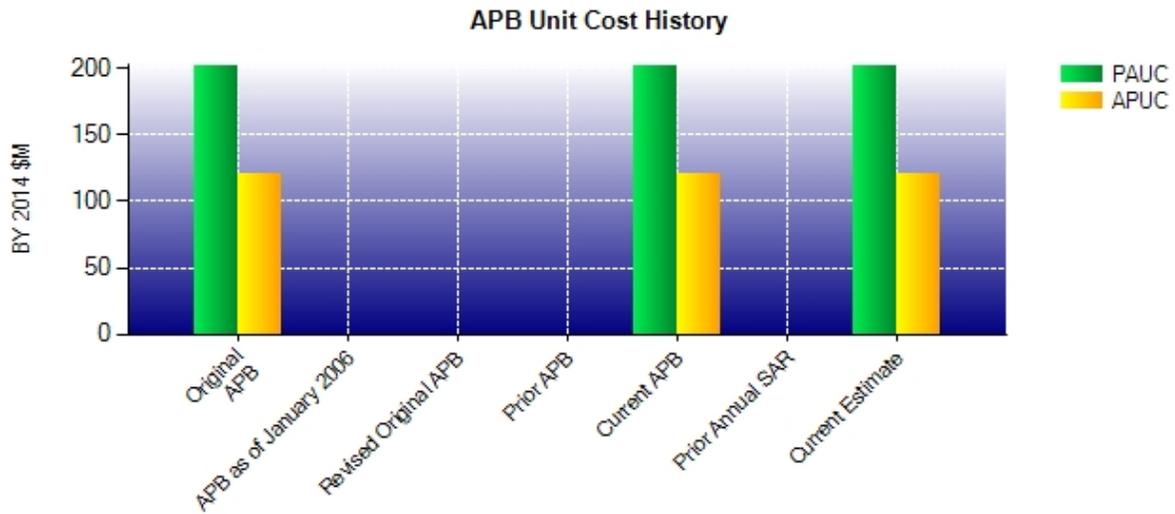
Unit Cost

Unit Cost Report

Item	BY 2014 \$M	BY 2014 \$M	% Change
	Current UCR Baseline (Apr 2014 APB)	Current Estimate (Jun 2014 SAR)	
Program Acquisition Unit Cost			
Cost	4649.7	4639.2	
Quantity	23	23	
Item	202.161	201.704	-0.23
Average Procurement Unit Cost			
Cost	2043.6	2037.4	
Quantity	17	17	
Unit Cost	120.212	119.847	-0.30

Item	BY 2014 \$M	BY 2014 \$M	% Change
	Original UCR Baseline (Apr 2014 APB)	Current Estimate (Jun 2014 SAR)	
Program Acquisition Unit Cost			
Cost	4649.7	4639.2	
Quantity	23	23	
Unit Cost	202.161	201.704	-0.23
Average Procurement Unit Cost			
Cost	2043.6	2037.4	
Quantity	17	17	
Unit Cost	120.212	119.847	-0.30

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	Jun 2014	201.704	119.847	225.422	139.941

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	0.583	0.000	0.000	0.000	-0.992	0.000	0.409	0.000	225.422

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	0.435	0.000	0.000	0.000	-0.988	0.000	0.553	0.000	139.941

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	5184.7
Total Quantity	N/A	23	N/A	23
PAUC	N/A	225.422	N/A	225.422

Cost Variance

Summary TY \$M				
Item	RDT&E	Procurement	MILCON	Total
SAR Baseline (Development Estimate)	2805.7	2379.0	--	5184.7
Previous Changes				
Economic	--	--	--	--
Quantity	--	--	--	--
Schedule	--	--	--	--
Engineering	--	--	--	--
Estimating	--	--	--	--
Other	--	--	--	--
Support	--	--	--	--
Subtotal	--	--	--	--
Current 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	--	--	--	--
Total Changes	--	--	--	--
Current Estimate	2805.7	2379.0	--	5184.7

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	--	--	--	--
Other	--	--	--	--
Support	--	--	--	--
Subtotal	--	--	--	--
Current 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
Total Changes	-4.3	-6.2	--	-10.5
Current Estimate	2601.8	2037.4	--	4639.2

Initial SAR - Above variances (if any) reflect changes since the SAR Baseline/APB.

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

RDT&E	\$M	
Current Change Explanations	Base Year	Then Year
Revised escalation indices. (Economic)	N/A	+6.0
Adjustment for current and prior escalation. (Estimating)	-1.5	-1.5
Revised estimate to align with FY 2015 PB. (Estimating)	+1.2	0.0
Revised estimate to reflect the application of new outyear inflation indices (Estimating)	-4.0	-4.5
RDT&E Subtotal	-4.3	0.0

Procurement	\$M	
Current Change Explanations	Base Year	Then Year
Revised escalation indices. (Economic)	N/A	+7.4
Revised estimate to align with FY 2015 PB. (Estimating)	+0.2	0.0
Realignment of Airframe Non-Recurring Engineering costs to Support; these are dollars intended for Interim Contract Support (ICS) to System Demonstration Test Article (SDTA) aircraft. (Estimating)	-9.8	-11.6
Revised estimate to reflect the application of new outyear inflation indices. (Estimating)	-4.7	-5.2
Increase in ICS for SDTA aircraft. (Support)	+5.9	+7.2
Increase in Initial Spares to align with current requirement. (Support)	+2.2	+2.2
Procurement Subtotal	-6.2	0.0

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
1464.7	1559.5	6	1464.7	1559.5	6	1464.7	1464.7

Contract Variance		
Item	Cost Variance	Schedule Variance
Cumulative Variances To Date (6/7/2014)		0.0
Previous Cumulative Variances		--
Net Change		+0.0

Cost and Schedule Variance Explanations

None

General Contract Variance Explanation

The Engineering and Manufacturing Development (EMD) Fixed Price Incentive Firm (FPIF) type contract was awarded May 2014, and cost/schedule variance reporting will commence August 2014.

Deliveries and Expenditures

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

Expended and Appropriated (TY \$M)			
Total Acquisition Cost	5184.7	Years Appropriated	5
Expended to Date	198.8	Percent Years Appropriated	23.81%
Percent Expended	3.83%	Appropriated to Date	296.3
Total Funding Years	21	Percent Appropriated	5.71%

The above data is current as of June 24, 2014.

Operating and Support Cost

Assumptions and Ground Rules

Cost Estimate Reference:

- Estimate Source: Department of Navy Service Cost Position approved January 16, 2014

Sustainment Strategy:

- Organizational, limited Intermediate and Depot level maintenance capabilities
- Depot level contractor maintenance support for depot level repairables
- Organic depot level Integrated Maintenance Program for aircraft rework
- Contractor in-service engineering support
- Helicopter Service Life: 40 years
- Estimate Duration: FY 2021 to 2062
- Aircraft Attrition: 1 aircraft over the life of the program
- Aircraft Pipeline Factor: 19% of Total Aircraft Inventory (TAI)
- Total Helicopters Sustained: 21
- 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

Antecedent Information:

- Antecedent VH-3D/VH-60N data representative of FY 2010 to FY 2012 average of Visibility And Management of Operating and Support Cost reported cost data.

Unitized O&S Costs BY2014 \$K			
Cost Element	VXX		VH-3D/VH-60N (Antecedent)
	Average Annual Cost Per Aircraft		Average Annual Cost Per Aircraft
Unit-Level Manpower	1745.100		1745.100
Unit Operations	362.800		340.500
Maintenance	5979.300		5273.200
Sustaining Support	811.500		653.900
Continuing System Improvements	2189.800		3912.400
Indirect Support	307.900		349.900
Other	0.000		0.000
Total	11396.400		12275.000

Unitized Cost Comments:

Total O&S Costs = Average annual O&S Cost/aircraft * total aircraft operating years = \$11,396.4K * 840 = \$9,573.0M

VXX cost comparison to the existing fielded platform is not fitting since the antecedent's costs are comprised of recent actuals (an average of FY10-12 data) and are not life cycle representative for which VXX cost estimates were developed – meaning, estimated out in the 2021 thru 2062 timeframe.

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

Total O&S Cost Comment

For this initial SAR submission, the current O&S estimate represents the latest Program Office estimate. The most notable areas affecting this program estimate are related to the maintenance concept for a commercial helicopter and associated future planned system improvements.

Disposal Estimate Details

Date of Estimate:

Source of Estimate:

Disposal/Demilitarization Total Cost (BY 2014 \$M):

Based on the identified programmatic baseline, the estimated cost of the Demil/Disposal phase for the VXX is \$1.2 million (BY 2014 \$). The estimate will be refined at Milestone C based on the System Disposal Plan Annex to the Life Cycle Sustainment Plan.