

Exhibit MYP-1, Multiyear Procurement Criteria		Date: April 2013
Appropriation / Budget Activity: 3010 Aircraft Procurement - Air Force / Airlift Aircraft (BA-02)		P-1 Item Nomenclature: C-130J Variants
<p>1. <u>Multiyear Procurement Description:</u></p> <p>This multiyear procurement (MYP) encompasses FY 2014 through FY 2018. 79 C-130J variant aircraft which includes 43 HC/MC/AC-130J, 29 C-130J, and 7 KC-130J aircraft that will be procured in FY 2014-2018 (18,14,28,11,8 aircraft respectively). The details for these aircraft are in separate P-1 Line Items. The total C-130J variant cost of this MYP is estimated to be \$5.809B (Then Year \$). All aircraft are fully funded with initial spares in the years they are to be ordered. The overall contract will also include a priced option for 5 HC-130J aircraft for United States Coast Guard (USCG).</p> <p>This multiyear contract uses a combination of Economic Order Quantity and Advance Procurement funding to provide the U.S. Government maximum savings in price and delivery schedule. This MYP employs \$228M economic order quantity (EOQ) funding in FY 2014 which results in savings for bulk purchases of materials and components to reduce materials costs and for investments in productivity enhancements which reduced labor costs. EOQ funding will be applied to the production of 61 FY2015-2018 aircraft, and will be offset in the form of reduced payments at aircraft delivery. The FY 2014 aircraft are fully funded. Advance Procurement funding in FY 2014-2018 will enable Lockheed Martin to authorize and place on order materials, equipment suppliers and subcontractors with sufficient lead time to support the planned delivery schedule within the context of the multiyear funding, prices, and cancellation ceilings. For lead time purposes, there are approximately 750 part numbers with lead times greater than 24 months and approximately 7,700 part numbers with lead times greater than 12 months.</p> <p>In addition, this multiyear contract will include incentive clauses to allow the Government and Lockheed Martin to share in the benefits of the more efficient production of C-130J variant aircraft.</p>		
<p>2. <u>Benefit to the Government:</u></p> <p>a. <u>Substantial Savings:</u></p> <p>This multiyear contract will provide the U.S. Government maximum savings in both price and delivery schedule. Implementation of this proposed MYP will yield substantial savings through the term of the contract. Specifically, savings for the FY 2014 through FY 2018 attributable to this MYP strategy is estimated at \$610.6 Million (TY\$), for a total of 9.5%.</p> <p>b. <u>Stability of Requirement:</u></p> <p>The U.S. Air Force has had a long-standing objective to modernize its C-130 fleet. The USAF has a requirement for C-130J variant aircraft to replace older C-130s that are nearing the end of their economic service lives. This requirement has not changed since program inception. Under the Air Force plan, C-130J procurement of various configurations is to begin ramping up starting in FY 2014 towards a delivery rate of 18 aircraft per year by the end of this decade. The requirement is expected to remain unchanged during the contemplated multiyear contract period with production expected to continue through 2018. The current Air Force plan replaces retiring C-130s from the active Air Force, Air National Guard and Air Force Reserve units.</p> <p>c. <u>Stability of Funding:</u></p>		

P-1 Shopping List - Item No

01-0416

Exhibit MYP-1, Multiyear Procurement Criteria
(MYP, Page 1 of 13)

Exhibit MYP-1, Multiyear Procurement Criteria		Date: April 2013
Appropriation / Budget Activity: 3010 Aircraft Procurement - Air Force / Other Aircraft (BA-04)		P-1 Item Nomenclature: C-130J Variants
<p>The Navy, Air Force and SOCOM have demonstrated commitment to a stable funding stream for the C-130J variants through every phase of the budgeting process by fully funding the requirement across the Future Years Defense Program (FYDP). Funding support for the program has been consistently shown by the military services and the Congress. The Air Force has a requirement for 172 C-130J and 131 HC/MC/AC-130J aircraft. The Navy has a requirement for 104 KC-130J aircraft.</p> <p>d. <u>Stable Configuration:</u></p> <p>The C-130J variant aircraft configuration is stable, currently on contract, and in production. The current C-130J variant aircraft model specification forms the USG production baseline and is included in the existing Five-Year Option Contract (FYOC) for procuring USAF C-130J variant aircraft. This model specification will be incorporated in the MYP contract.</p> <p>The baseline C-130J variant aircraft has been thoroughly tested and certified by the Federal Aviation Administration (FAA) and the USAF. Similar versions of the C-130J aircraft have been tested and placed into operational service by seven foreign nations including, the British Royal Air Force, the Royal Australian Air Force, the Italian Air Force, the Royal Canadian Air Force, the Danish Air Force, the Royal Norwegian Air Force, and the Indian Air Force. As of February 2012, 250 C-130Js have been delivered to operational USG units and FMS customers.</p> <p>e. <u>Realistic Cost Estimate:</u></p> <p>The funding estimates for this MYP are based on program office estimates based on prior actual aircraft procurement costs (FY 1995-FY 2011) for annual and multiyear procurement of 79 USG C-130J variant aircraft from FY 2014 through FY 2018. Knowledge gained by 1) prior procurement of USAF C-130J variant aircraft and 2) a previous multiyear procurement on the C-130J variants, support the conclusion that multiyear pricing with projected savings of 9.5% to the contract (when compared to annual option procurement) are realistic. This MYP will be a Fixed Price Incentive Firm contract.</p> <p>f. <u>National Security:</u></p> <p>The National Military Strategy of the United States calls upon the Armed Forces to retain the ability to rapidly deploy and sustain capabilities to diverse regions, and the Quadrennial Defense Review 2010 acknowledges the fundamental importance of U.S. capability to project power. The Department of Defense (DOD) has made informed investment decisions designed to maintain the right mix of strategic and intra-theater transportation capabilities. Investments in DOD's theater capabilities, as stated in the Mobility Capabilities & Requirements (MCRS-16) study, include ongoing procurement of C-130J aircraft to recapitalize the Air Force's aging C-130 fleet to improve the ability to rapidly reposition forces and equipment within an area of operations, and the development of a precision airdrop system.</p>		
<p>3. <u>Source of Savings:</u></p> <p>The stability and upfront material purchases of a multiyear contract for 79 C-130J variant aircraft will enable Lockheed Martin and its suppliers to implement a more efficient planning and manufacturing cycle predicated on a production rate that supports delivery of multiyear aircraft earlier than by annual option procurement. A multiyear contract for 79 aircraft enables a stabilized production rate, configuration commonality, parts predictability, manufacturing process improvements, and reduces risks associated with production rate instability caused by fluctuating annual procurement by the U.S. Government. This procurement stability is reflected directly in reduced unit prices versus a less</p>		

P-1 Shopping List - Item No

01-0416

Exhibit MYP-1, Multiyear Procurement Criteria
(MYP, Page 2 of 13)

Exhibit MYP-1, Multiyear Procurement CriteriaDate:
April 2013**Appropriation / Budget Activity:**

3010 Aircraft Procurement - Air Force / Other Aircraft (BA-04)

P-1 Item Nomenclature:

C-130J Variants

stable and less predictable annual procurement.

	<u>\$ in Millions</u>
Inflation	\$ 54.306
Vendor Procurement	\$ 472.745
Manufacturing	\$ 54.343
Design/Engineering	\$ 0.000
Tool Design	\$ 29.242
Support Equipment	\$ 0.000
Other	\$ 0.000
Workload Savings	\$ 0.000
Total	\$ 610.636

4. Advantages of the MYP:

The MYP strategy has been structured to achieve substantial savings (\$610.6M) and will eliminate the need to develop an annual plan on a yearly basis; one year of planning will replace five independent years of planning. The savings resulting from the economic order quantities, manufacturing initiatives, and independent planning will result in significant benefit to industry and the Government.

5. Impact on Defense Industrial Base:

Lacking a long-term/multiyear commitment to C-130J variant production, the unpredictability and instability of annual aircraft procurement causes key C-130J suppliers to withdraw from the program, increasing the aircraft price for diminishing manufacturing sources. This multiyear procurement will enable Lockheed to maintain a viable, profitable C-130J variant production line at its Marietta, GA facility. The production line stability also increases the likelihood of additional FMS or direct commercial sales of the C-130J variants to other nations.

6. Multiyear Procurement Summary:

	<u>Annual Contracts</u>	<u>MultiYear Contract</u>
Quantity	79	79
Total Contract Price	\$ 6,419.700	\$ 5,809.100
Cancellation Ceiling (highest point)		
Funded		\$ 0.000
Unfunded		\$ 0.000
\$ Cost Avoidance Over Annual		\$ 610.600
% Cost Avoidance Over Annual		9.5 %

UNCLASSIFIED

Exhibit MYP-2 Total Program Funding Plan (USAF)						Date: April 2013								
PROCUREMENT						P-1 Line Item Nomenclature - C-130J Variants (NAVY)								
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		TOTAL
Procurement Quantity		2	1	1	1	2								7
Annual Procurement														
Gross Cost		160.8	111.7	142.8	100.6	225.9								741.8
Less PY Adv Procurement		(23.0)	(12.3)	(12.7)	(13.2)	(27.4)								(88.6)
Net Procurement (= P-1)		137.8	99.4	130.1	87.4	198.5								653.2
Plus CY Adv Procurement	23.0	12.3	12.7	13.2	27.4									88.6
Weapon System Cost	23.0	150.1	112.1	143.3	114.8	198.5								741.8
Multiyear Procurement														
Gross Cost (P-1)		157.4	106.4	137.1	95.1	210.0								706.0
Less PY Adv Procurement		(23.0)	(16.3)	(16.7)	(17.2)	(35.4)								(108.6)
Net Procurement (= P-1)		134.4	90.1	120.4	77.9	174.6								597.4
Advance Procurement														
'For FY14	23.0													23.0
'For FY15		16.3												16.3
'For FY16		4.0	12.7											16.7
'For FY17		4.0		13.2										17.2
'For FY18		8.0			27.4									35.4
Plus CY Adv Procurement	23.0	32.3	12.7	13.2	27.4									108.6
Weapon System Cost	23.0	166.7	102.8	133.6	105.3	174.6								706.0
MultiyearSavings (\$)		(16.6)	9.3	9.7	9.5	23.9								35.8
Multiyear Savings (%) (total only)														4.8 %
Cancellation Ceiling, Funded														
Cancellation Ceiling, Unfunded														
OUTLAYS														
Annual	3.0	27.6	73.2	100.9	117.4	130.8	132.6	84.3	41.8	19.5	7.7	3.0		741.8
Multiyear	3.0	29.7	77.8	100.8	112.6	121.7	120.2	75.9	37.4	17.4	6.8	2.7		706.0
Savings		(2.1)	(4.6)	0.1	4.8	9.1	12.4	8.4	4.4	2.1	0.9	0.3		35.8

* Numbers may not add due to rounding.

P-1 Shopping List - Item No

01-0416

(MYP, Page 5 of 13)

UNCLASSIFIED

UNCLASSIFIED

Exhibit MYP-3 Total Contract Funding Plan (USAF)							Date: April 2013							
PROCUREMENT							P-1 Line Item Nomenclature - C-130J Variants (NAVY)							
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		TOTAL
Procurement Quantity		2	1	1	1	2								7
Annual Procurement														
Gross Cost		140.0	75.4	78.9	81.3	167.4								543.0
Less PY Adv Procurement		(20.0)	(10.4)	(10.8)	(11.2)	(23.4)								(75.8)
Net Procurement (= P-1)		120.0	65.0	68.1	70.1	144.0								467.2
Plus CY Adv Procurement	20.0	10.4	10.8	11.2	23.4									75.8
Contract Price	20.0	130.4	75.8	79.3	93.5	144.0								543.0
Multiyear Procurement														
Gross Cost (P-1)		136.6	70.1	73.2	75.8	151.5								507.2
Less PY Adv Procurement		(20.0)	(14.4)	(14.8)	(15.2)	(31.4)								(95.8)
Net Procurement (= P-1)		116.6	55.7	58.4	60.6	120.1								411.4
Advance Procurement														
'For FY14	20.0													20.0
'For FY15		14.4												14.4
'For FY16		4.0	10.8											14.8
'For FY17		4.0		11.2										15.2
'For FY18		8.0			23.4									31.4
Plus CY Adv Procurement	20.0	30.4	10.8	11.2	23.4									95.8
Contract Price	20.0	147.0	66.5	69.6	84.0	120.1								507.2
MultiyearSavings (\$)		(16.6)	9.3	9.7	9.5	23.9								35.8
Multiyear Savings (%) (total only)														6.6 %
Cancellation Ceiling, Funded														
Cancellation Ceiling, Unfunded														
OUTLAYS														
Annual	2.6	24.0	60.8	74.2	79.7	92.8	95.8	61.0	30.2	14.1	5.7	2.1		543.0
Multiyear	2.6	26.1	65.4	74.1	74.9	83.7	83.4	52.7	25.8	12.0	4.9	1.6		507.2
Savings		(2.1)	(4.6)	0.1	4.8	9.1	12.4	8.3	4.4	2.1	0.8	0.5		35.8

* Numbers may not add due to rounding.

P-1 Shopping List - Item No

01-0416

(MYP, Page 6 of 13)

UNCLASSIFIED

UNCLASSIFIED

Exhibit MYP-4 Present Value Analysis (USAF)						Date: April 2013								
PROCUREMENT						P-1 Line Item Nomenclature - C-130J Variants (NAVY)								
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		TOTAL
Annual Proposal														
Then Year Cost	2.6	24.0	60.8	74.2	79.7	92.8	95.8	61.0	30.2	14.1	5.7	2.1		543.0
Constant Year Cost	2.6	23.6	58.7	70.4	74.2	84.9	86.1	53.9	26.2	12.0	4.8	1.7		499.0
Present Value	2.6	23.5	58.3	69.8	73.4	83.8	84.8	52.9	25.7	11.7	4.7	1.7		492.8
Multiyear Proposal														
Then Year Cost	2.6	26.1	65.4	74.1	74.9	83.7	83.4	52.7	25.8	12.0	4.9	1.6		507.2
Constant Year Cost	2.6	25.6	63.1	70.3	69.8	76.6	75.0	46.5	22.4	10.2	4.1	1.3		467.4
Present Value	2.6	25.6	62.7	69.7	69.0	75.6	73.8	45.7	21.9	10.0	4.0	1.3		461.8
Difference														
Then Year Cost		(2.1)	(4.6)	0.1	4.8	9.1	12.4	8.3	4.4	2.1	0.8	0.5		35.8
Constant Year Cost		(2.1)	(4.4)	0.1	4.5	8.3	11.1	7.3	3.8	1.8	0.7	0.4		31.5
Present Value		(2.1)	(4.4)	0.1	4.4	8.2	11.0	7.2	3.7	1.7	0.7	0.4		31.0
Multiyear Savings (\$)		(2.1)	(4.6)	0.1	4.8	9.1	12.4	8.3	4.4	2.1	0.8	0.5		35.8
NOTE: MYP Procurement Period is 12 years. Real Interest Rate for MYP Procurement Period of 12 years is 1.00240000%. (OMB Circular No. A-94, January 2013)														

* Numbers may not add due to rounding.

P-1 Shopping List - Item No

01-0416

(MYP, Page 7 of 13)

UNCLASSIFIED

UNCLASSIFIED

Exhibit MYP-2 Total Program Funding Plan (USAF)						Date: April 2013								
PROCUREMENT						P-1 Line Item Nomenclature - C-130J Variants (USAF)								
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		TOTAL
Procurement Quantity		16	13	27	10	6								72
Annual Procurement														
Gross Cost		1995.6	1402.6	2409.5	1129.3	645.0								7582.0
Less PY Adv Procurement														
Net Procurement (= P-1)		1995.6	1402.6	2409.5	1129.3	645.0								7582.0
Plus CY Adv Procurement														
Weapon System Cost		1995.6	1402.6	2409.5	1129.3	645.0								7582.0
Multiyear Procurement														
Gross Cost (P-1)		1883.0	1279.0	2241.4	1024.5	579.3								7007.2
Less PY Adv Procurement			(182.0)	(378.0)	(140.0)	(84.0)								(784.0)
Net Procurement (= P-1)		1883.0	1097.0	1863.4	884.5	495.3								6223.2
Advance Procurement														
'For FY15		354.0												354.0
'For FY16			270.0											270.0
'For FY17				100.0										100.0
'For FY18					60.0									60.0
Plus CY Adv Procurement		354.0	270.0	100.0	60.0									784.0
Weapon System Cost		2237.0	1367.0	1963.4	944.5	495.3								7007.2
MultiyearSavings (\$)		(241.4)	35.6	446.1	184.8	149.7								574.8
Multiyear Savings (%) (total only)														7.6 %
Cancellation Ceiling, Funded														
Cancellation Ceiling, Unfunded														
OUTLAYS														
Annual		157.7	591.8	1183.9	1523.4	1558.9	1269.2	734.8	386.7	131.6	44.0			7582.0
Multiyear		176.7	647.2	1220.5	1440.6	1373.5	1087.2	609.9	312.0	106.3	33.3			7007.2
Savings		(19.0)	(55.4)	(36.6)	82.8	185.4	182.0	124.9	74.7	25.3	10.7			574.8

* Numbers may not add due to rounding.

P-1 Shopping List - Item No

01-0416

(MYP, Page 8 of 13)

UNCLASSIFIED

UNCLASSIFIED

Exhibit MYP-3 Total Contract Funding Plan (USAF)						Date: April 2013								
PROCUREMENT						P-1 Line Item Nomenclature - C-130J Variants (USAF)								
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		TOTAL
Procurement Quantity		16	13	27	10	6								72
Annual Procurement														
Gross Cost		1205.2	1013.4	2191.2	900.3	566.6								5876.7
Less PY Adv Procurement														
Net Procurement (= P-1)		1205.2	1013.4	2191.2	900.3	566.6								5876.7
Plus CY Adv Procurement														
Contract Price		1205.2	1013.4	2191.2	900.3	566.6								5876.7
Multiyear Procurement														
Gross Cost (P-1)		1118.6	917.8	1989.1	787.5	488.9								5301.9
Less PY Adv Procurement			(156.0)	(324.0)	(120.0)	(72.0)								(672.0)
Net Procurement (= P-1)		1118.6	761.8	1665.1	667.5	416.9								4629.9
Advance Procurement														
'For FY15		328.0												328.0
'For FY16			216.0											216.0
'For FY17				80.0										80.0
'For FY18					48.0									48.0
Plus CY Adv Procurement		328.0	216.0	80.0	48.0									672.0
Contract Price		1446.6	977.8	1745.1	715.5	416.9								5301.9
MultiyearSavings (\$)		(241.4)	35.6	446.1	184.8	149.7								574.8
Multiyear Savings (%) (total only)														9.8 %
Cancellation Ceiling, Funded														
Cancellation Ceiling, Unfunded														
OUTLAYS														
Annual		95.2	370.5	812.8	1168.2	1281.5	1032.1	631.5	336.8	109.4	38.7			5876.7
Multiyear		114.3	425.9	849.5	1085.2	1096.0	862.9	493.6	262.0	84.1	28.4			5301.9
Savings		(19.1)	(55.4)	(36.7)	83.0	185.5	169.2	137.9	74.8	25.3	10.3			574.8

* Numbers may not add due to rounding.

P-1 Shopping List - Item No

01-0416

(MYP, Page 9 of 13)

UNCLASSIFIED

UNCLASSIFIED

Exhibit MYP-4 Present Value Analysis (USAF)						Date: April 2013								
PROCUREMENT						P-1 Line Item Nomenclature - C-130J Variants (USAF)								
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		TOTAL
Annual Proposal														
Then Year Cost		95.2	370.5	812.8	1168.2	1281.5	1032.1	631.5	336.8	109.4	38.7			5876.7
Constant Year Cost		93.5	357.6	770.5	1087.9	1172.3	927.5	557.4	292.0	93.2	32.4			5384.3
Present Value		93.4	356.7	767.9	1083.0	1165.9	921.5	553.3	289.6	92.3	32.0			5355.4
Multiyear Proposal														
Then Year Cost		114.3	425.9	849.5	1085.2	1096.0	862.9	493.6	262.0	84.1	28.4			5301.9
Constant Year Cost		112.3	411.0	805.3	1010.6	1002.6	775.4	435.7	227.2	71.6	23.8			4875.6
Present Value		112.1	410.0	802.5	1006.1	997.1	770.4	432.5	225.3	71.0	23.5			4850.4
Difference														
Then Year Cost		(19.1)	(55.4)	(36.7)	83.0	185.5	169.2	137.9	74.8	25.3	10.3			574.8
Constant Year Cost		(18.8)	(53.5)	(34.8)	77.3	169.7	152.0	121.7	64.9	21.6	8.6			508.8
Present Value		(18.7)	(53.3)	(34.7)	76.9	168.8	151.1	120.8	64.3	21.3	8.5			505.0
Multiyear Savings (\$)		(19.1)	(55.4)	(36.7)	83.0	185.5	169.2	137.9	74.8	25.3	10.3			574.8
NOTE: MYP Procurement Period is 10 years. Real Interest Rate for MYP Procurement Period of 10 years is 1.00100000%. (OMB Circular No. A-94, January 2013)														

* Numbers may not add due to rounding.

P-1 Shopping List - Item No

01-0416

(MYP, Page 10 of 13)

UNCLASSIFIED

UNCLASSIFIED

Exhibit MYP-2 Total Program Funding Plan (All Services)							Date: April 2013							
All Services							P-1 Line Item Nomenclature - C-130J Variants							
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		TOTAL
Procurement Quantity		18	14	28	11	8								79
Annual Procurement														
Gross Cost		2156.4	1514.3	2552.3	1229.9	870.9								8323.8
Less PY Adv Procurement		(23.0)	(12.3)	(12.7)	(13.2)	(27.4)								(88.6)
Net Procurement (= P-1)		2133.4	1502.0	2539.6	1216.7	843.5								8235.2
Plus CY Adv Procurement	23.0	12.3	12.7	13.2	27.4									88.6
Weapon System Cost	23.0	2145.7	1514.7	2552.8	1244.1	843.5								8323.8
Multiyear Procurement														
Gross Cost (P-1)		2040.4	1385.4	2378.5	1119.6	789.3								7713.2
Less PY Adv Procurement		(23.0)	(198.3)	(394.7)	(157.2)	(119.4)								(892.6)
Net Procurement (= P-1)		2017.4	1187.1	1983.8	962.4	669.9								6820.6
Advance Procurement														
'For FY14	23.0													23.0
'For FY15		370.3												370.3
'For FY16		4.0	282.7											286.7
'For FY17		4.0		113.2										117.2
'For FY18		8.0			87.4									95.4
Plus CY Adv Procurement	23.0	386.3	282.7	113.2	87.4									892.6
Weapon System Cost	23.0	2403.7	1469.8	2097.0	1049.8	669.9								7713.2
MultiyearSavings (\$)		(258.0)	44.9	455.8	194.3	173.6								610.6
Multiyear Savings (%) (total only)														7.3 %
Cancellation Ceiling, Funded														
Cancellation Ceiling, Unfunded														
OUTLAYS														
Annual	3.0	185.3	665.0	1284.8	1640.8	1689.7	1401.8	819.1	428.5	151.1	51.7	3.0		8323.8
Multiyear	3.0	206.4	725.0	1321.3	1553.2	1495.2	1207.4	685.8	349.4	123.7	40.1	2.7		7713.2
Savings		(21.1)	(60.0)	(36.5)	87.6	194.5	194.4	133.3	79.1	27.4	11.6	0.3		610.6

* Numbers may not add due to rounding.

P-1 Shopping List - Item No

01-0416

(MYP, Page 11 of 13)

UNCLASSIFIED

UNCLASSIFIED

Exhibit MYP-3 Total Contract Funding Plan (All Services)						Date: April 2013								
All Services						P-1 Line Item Nomenclature - C-130J Variants								
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		TOTAL
Procurement Quantity		18	14	28	11	8								79
Annual Procurement														
Gross Cost		1345.2	1088.8	2270.1	981.6	734.0								6419.7
Less PY Adv Procurement		(20.0)	(10.4)	(10.8)	(11.2)	(23.4)								(75.8)
Net Procurement (= P-1)		1325.2	1078.4	2259.3	970.4	710.6								6343.9
Plus CY Adv Procurement	20.0	10.4	10.8	11.2	23.4									75.8
Contract Price	20.0	1335.6	1089.2	2270.5	993.8	710.6								6419.7
Multiyear Procurement														
Gross Cost (P-1)		1255.2	987.9	2062.3	863.3	640.4								5809.1
Less PY Adv Procurement		(20.0)	(170.4)	(338.8)	(135.2)	(103.4)								(767.8)
Net Procurement (= P-1)		1235.2	817.5	1723.5	728.1	537.0								5041.3
Advance Procurement														
'For FY14	20.0													20.0
'For FY15		342.4												342.4
'For FY16		4.0	226.8											230.8
'For FY17		4.0		91.2										95.2
'For FY18		8.0			71.4									79.4
Plus CY Adv Procurement	20.0	358.4	226.8	91.2	71.4									767.8
Contract Price	20.0	1593.6	1044.3	1814.7	799.5	537.0								5809.1
MultiyearSavings (\$)		(258.0)	44.9	455.8	194.3	173.6								610.6
Multiyear Savings (%) (total only)														9.5 %
Cancellation Ceiling, Funded														
Cancellation Ceiling, Unfunded														
OUTLAYS														
Annual	2.6	119.2	431.3	887.0	1247.9	1374.3	1127.9	692.5	367.0	123.5	44.4	2.1		6419.7
Multiyear	2.6	140.4	491.3	923.6	1160.1	1179.7	946.3	546.3	287.8	96.1	33.3	1.6		5809.1
Savings		(21.2)	(60.0)	(36.6)	87.8	194.6	181.6	146.2	79.2	27.4	11.1	0.5		610.6

* Numbers may not add due to rounding.

P-1 Shopping List - Item No

01-0416

(MYP, Page 12 of 13)

UNCLASSIFIED

UNCLASSIFIED

Exhibit MYP-4 Present Value Analysis (All Services)						Date: April 2013								
All Services						P-1 Line Item Nomenclature - C-130J Variants								
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		TOTAL
Annual Proposal														
Then Year Cost	2.6	119.2	431.3	887.0	1247.9	1374.3	1127.9	692.5	367.0	123.5	44.4	2.1		6419.7
Constant Year Cost	2.6	117.1	416.2	840.9	1162.1	1257.2	1013.6	611.3	318.2	105.2	37.2	1.7		5883.3
Present Value	2.6	116.7	413.8	833.9	1149.6	1240.7	997.9	600.4	311.8	102.8	36.2	1.7		5808.1
Multiyear Proposal														
Then Year Cost	2.6	140.4	491.3	923.6	1160.1	1179.7	946.3	546.3	287.8	96.1	33.3	1.6		5809.1
Constant Year Cost	2.6	137.9	474.1	875.6	1080.4	1079.2	850.4	482.2	249.6	81.9	27.9	1.3		5343.0
Present Value	2.6	137.4	471.3	868.3	1068.8	1065.0	837.2	473.6	244.5	80.0	27.2	1.3		5277.3
Difference														
Then Year Cost		(21.2)	(60.0)	(36.6)	87.8	194.6	181.6	146.2	79.2	27.4	11.1	0.5		610.6
Constant Year Cost		(20.8)	(57.9)	(34.7)	81.8	178.0	163.2	129.1	68.7	23.3	9.3	0.4		540.3
Present Value		(20.8)	(57.6)	(34.4)	80.9	175.7	160.7	126.8	67.3	22.8	9.1	0.4		530.8
Multiyear Savings (\$)		(21.2)	(60.0)	(36.6)	87.8	194.6	181.6	146.2	79.2	27.4	11.1	0.5		610.6
NOTE: MYP Procurement Period is 12 years. Real Interest Rate for MYP Procurement Period of 12 years is 1.00240000%. (OMB Circular No. A-94, January 2013)														

* Numbers may not add due to rounding.

P-1 Shopping List - Item No

01-0416

(MYP, Page 13 of 13)

UNCLASSIFIED