

Exhibit MYP-1, Multiyear Procurement Criteria

Program: F/A-18E/F (Strike Fighter) Hornet/EA-18G (Electronic Attack) Growler

1. Multiyear Procurement Description:

This proposed multiyear procurement (MYP III) covers the purchase of 116 F/A-18E/F aircraft and 58 EA-18G aircraft for a total of 174 aircraft in FY2010 through FY2014 under a single five-year fixed price incentive fee contract. The F/A-18E/F program includes three years of Low Rate Initial Production (LRIP) (FY1997-1999) and 15 years of Full Rate Production (FRP). The EA-18G program includes two years of LRIP (FY2007-FY2008) and four years of FRP. This MYP strategy has been structured to achieve significant savings (\$797M) from the Single Year Procurement (SYP) while providing quantity flexibility for emergent requirements.

The MYP upfront investment for Cost Reduction Initiatives (CRI) will be funded over the life of the program.

A unique feature of this MYP is quantity flexibility. The government will have the right to increase the quantity in an amount not to exceed 54 aircraft in any year (after the first year) at the time of initial funding for that year. This provision provides the government with the ability to increase quantities to procure emergent requirements for more aircraft without breaking the MYP or disturbing the savings/cost avoidance already established in the budget.

The EA-18G Airborne Electronic Attack (AEA) kit is not part of this procurement, only the airframe structure and Contractor Furnished Equipment (CFE) avionics will be procured under the MYP III contract.

2. Benefit to the Government:

a. Substantial Savings:

Implementation of this proposed MYP will yield a significant savings through the terms of the contract. Specifically, total savings for FY2010-FY2014 attributable to this multiyear strategy are \$797M. The MYP III fixed price incentive fee contract type has a 50/50 incentive share with the contractor and a 50/50 share for overrun costs.

Savings will be generated as a result of CRI investments of \$100M that would not meet the contractor's Internal Rate of Return objectives under a SYP of 174 aircraft. MYP I and MYP II lessons learned were reviewed and incorporated into the MYP III strategy for affordability. A cancellation ceiling is anticipated for a Not to Exceed (NTE) amount of \$100M of Non-recurring funding; the exact cancellation provisions will be negotiated. Several CRIs that can only be accomplished in a MYP environment have been identified and will be matured for consideration for the MYP III CRI program.

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2. Benefit to the Government (continued):

In addition to the cost avoidance generated through these investments and initiatives, procuring at a guaranteed rate of minimum production will also yield cost avoidances/savings. Allowing the contractor to manage Facilities and Subcontractors to a guaranteed production rate will reduce costs by allowing them to engage in activities including, but not limited to, reducing the number of production set-ups, reducing administrative costs, and receiving price breaks for raw materials and components.

Reducing the number of set-ups can provide a significant cost avoidance/savings when producing components or materials with high set-up to run ratios and the dollar value of the component is low. Sheet metal procurement and low value castings and forgings are examples of areas in which lower prices can be negotiated with suppliers based on reduced set-up costs associated with larger quantity procurements.

Administrative costs are reduced because there is only one proposal, negotiation, and purchase order vice five separate SYP actions. These costs are reduced at the prime contractor level, since they have only one contract to negotiate with the government instead of five. Prime contractor costs will also be reduced at the subcontract level, since all tiers will only need to be entered into one time. Since some suppliers include proposal preparation and negotiation as a direct charge to the purchase order, there will be a dollar for dollar reduction in these cases and the cost avoidances will not get lost in the overhead rates. Another administrative reduction is realized in production planning. Cost avoidances/savings will be gained because production line administrative processes will be performed only once, rather than five times under a SYP strategy.

Many electronics components have minimum buy quantities, which may not be met under a SYP, driving up unit costs and total cost. MYP quantities will allow the prime contractor and subcontractors at all tiers to exceed minimum order quantities and capture the cost avoidance on these components. Typically suppliers will provide price discounts to lock in business. Given this five-year contract, suppliers will have a larger total business base and therefore greater stability. Suppliers will be capable of finding innovative processes and be able to justify capital investments necessary to reduce costs. Some of these cost reductions will be passed on to the customer in the form of price reductions. In addition to these types of process innovations and capital investments, subcontractor competition is expected to be greater based on larger purchase volumes.

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2. Benefit to the Government (continued):

b. Stability of Requirement:

The requirement for the F/A-18E/F has been consistently validated, supporting the first and second multi-year procurement of 423 aircraft through the end of FY09. The 2010 Quadrennial Defense Review (QDR) recommended 10-11 aircraft carriers and 10 aircraft wings. Currently these aircraft wings are comprised of F/A-18 E/F aircraft and therefore the requirement for an additional 174 aircraft remains valid.

The Airborne Electronic Attack Analysis of Alternatives (AEA AOA) clearly identified the need for Airborne Electronic Attack through 2030. The Navy reviewed the recommendations of the AOA, and selected the F/A-18F platform to host the AEA core capability to meet these requirements; it was designated as the EA-18G weapon system.

The EA-18G approach, integrating the AEA capability into the F/A-18F platform, was determined to be the lowest risk option available to the Navy that minimized capability gap as the current EA-6B becomes increasingly unaffordable. The USN decided to procure 26 EA-18G aircraft as the replacement for the Expeditionary EA-6B aircraft in December 2009. The current inventory objective is 114 aircraft.

c. Stability of Funding:

The Navy has demonstrated its commitment to a stable funding stream for the F/A-18E/F and EA-18G multiyear through every step of this year's budget process by fully funding the requirement. This commitment was reaffirmed by top level Navy leadership through its support in the final budget submission. Funding support for the FA-18E/F and the EA-18G has consistently been demonstrated by both the Navy and the Congress through implementation of two previous MYP contracts.

Defense Planning Guidance (DPG) has fixed the total program and Future Year Defense Plan (FYDP) quantities. This document emphasizes the criticality of the F/A-18E/F to overall DoD aviation planning and demonstrates the Department's commitment to properly fund this weapon system to the quantities proposed in the multiyear plan.

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d. Stable Configuration:

As of September 2011, F/A-18E/F Super Hornet aircraft have flown over 917,401 hours. The F/A-18E/F program continues to remain on cost and deliver ahead of schedule. To date, 423 FRP aircraft deliveries have been completed in accordance with or prior to the contract delivery schedule. This brings the total deliveries to 485 aircraft, of which 404 were production (62 LRIP) and seven were Engineering and Manufacturing Demonstration (EMD) aircraft.

As of September 2011, EA-18G aircraft have flown over 28,750 hours. The EA-18G aircraft has successfully completed its Operational Evaluation period, was found to be operationally effective and suitable, and has achieved Initial Operating Capability (IOC). Additionally, one Fleet Replacement Squadron has been stood up and four operational fleet squadrons have achieved Safe for Fight status.

Future upgrades are planned. The F/A-18E/F and EA-18G have and will continue to have a stable design and a planned roadmap of pre-planned avionics enhancements. The contractors' unrivaled technical success, production and field experience garnered from the F/A-18A/B/C/D program, and substantial knowledge gained over two consecutive MYPs, provide a technically mature design with which to enter another MYP procurement.

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e. Realistic Cost Estimate:

The estimate for both the cost of the MYP contract and anticipated cost avoidance through the use of the MYP for F/A-18E/F and EA-18G are realistic. The current independent cost estimate was developed by the Office of the Secretary of Defense (OSD) Cost Assessment and Program Evaluation (CAPE) group and is based on proven estimating techniques and on a significant amount of F/A-18A/B/C/D/E/F production history. The approach, methodology, and assumptions used to derive the estimate were validated by the Office of the Secretary of Defense (OSD) Cost Analysis Improvement Group (CAIG) during the Defense Acquisition Board (DAB) Review in March 1997 and again jointly validated by the Naval Center for Cost Analysis (NCCA) and the OSD CAIG during the Milestone III Review in March 2000. Additionally, the Cost Assessment and Program Evaluation (CAPE) validated the FRP estimate for the EA-18G in 2009.

The independent single-year cost estimate developed by CAPE, when compared to the proposed MYP strategy, validates the projected savings under a multiyear scenario. Additionally, the projected multiyear savings are within historical projected savings ranges. The updated cost estimate to support the multiyear procurement, like all life-cycle cost estimates previously performed by the Cost Analysis Improvement Group (CAIG), now CAPE, is not consistent with the 80% confidence level specified in the Weapon System Acquisition Reform Act of 2009, section 101, subsection 2334(d)(1). The estimate is, like all previous CAIG estimates, built upon a product-oriented work breakdown structure, based on historical cost information to the maximum extent possible, and most importantly, based on conservative assumptions that are consistent with actual demonstrated successful contractor and government performance. Based on the cost analysis performed from actuals from the past two MYP contracts, there is a high degree of confidence in the F/A-18E/F and EA-18G cost estimates, as well as in the estimated savings associated with the proposed multiyear procurement.

f. National Security:

The QDR and DPG emphasize the criticality of the F/A-18E/F and EA-18G to the overall National Security Strategy and demonstrate the Department's commitment to properly fund these weapon systems to the quantities proposed in the multiyear plan. The National Security implications are two-fold; the first is maintaining the industrial base for carrier-launched aircraft, the second is providing a credible fleet asset until the procurement of the F-35 Joint Strike Fighter (JSF) is in sufficient quantities. The F/A-18E/F production line is the only active line capable of building carrier-based fighter aircraft. Until the Joint Strike Fighter is built and fielded, the F/A-18E/F remains the navy's mainstay fighter aircraft. The Chief of Naval Operations and the Commandant of the Marine Corps signed a Memorandum of Understanding in August 2002 directing the integration of all DoN Tactical Aviation (TACAIR). By creating a more modern, capable, reliable, affordable, and smaller force, the DoN TACAIR integration plan reduced the procurement objective from 548 to 460 F/A-18E/F aircraft (plus 2 aircraft to replace those used in the EA-18G SDD program). The F/A-18E/F Current Program of Record is 565, which includes the following quantity changes: addition of 32 aircraft in PB08; decrease of 4 aircraft (moved to EA-18G program); addition of 3 supplemental aircraft in FY07; addition of 13 supplemental aircraft in FY08; addition of 9 aircraft in FY10; addition of 9 supplemental aircraft in FY11 and an addition of 41 aircraft in FY12-14. The EA-18G Current Program of Record Estimate is 114 which includes the following quantity changes: 1 additional supplemental aircraft in FY07; 3 supplemental aircraft in FY08; and an addition of 26 Expeditionary aircraft in PB11.

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f. National Security (continued):

These procurement objectives were key to the rapid retirement of legacy F-14, S-3 aircraft, EA-6B and the replacement of the F/A-18C aircraft as they reach the end of their service life and retire.

The QDR and DPG emphasize the criticality of the F/A-18E/F and EA-18G to the overall National Security Strategy and demonstrate the Department's commitment to properly fund this weapon system to the quantities proposed in the multiyear plan. The DoD sustained the procurement objective of 565 F/A-18E/Fs and 114 EA-18Gs to replace the carrier and expeditionary EA-6Bs, as a solid transition to the Joint Strike Fighter, demonstrating the Department's commitment to the quantities proposed in the multi-year plan.

3. Source of Cost Avoidance/Savings:

\$ in Millions	
Inflation	\$ 64.4
Vendor Procurement	\$245.0
Manufacturing	\$269.1
Design/Engineering	\$215.8
Tool Design	\$ 2.7
Total Savings:	\$797.0

4. Advantages of the MYP:

This MYP strategy has been structured to achieve significant savings/cost avoidance of \$797M and provide quantity flexibility for emergent requirements. The government will have the right to increase the quantity not to exceed 54 aircraft in any year (after the first year) at the time of initial funding for that year. The ability to increase quantities also benefits the government by providing an ability to procure emergent requirements for more aircraft without breaking the MYP or disturbing savings/cost avoidance already established in baseline.

Implementation of this proposed MYP will yield significant savings through the terms of the contract. Specifically, total savings for FY2010-2014 attributable to this multiyear strategy are \$797M. The MYP III fixed price incentive fee contract type has a 50/50 incentive share with the contractor and a 50/50 for overrun costs.

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5. Impact on Industrial Base:

Implementation of this proposed MYP will have a favorable impact on the industrial base. The stability afforded by the use of a MYP will allow the prime contractor to enter into long-term agreements with suppliers, at every tier, which provides substantial cost avoidance. Such long term agreements incentivize both the prime and the subcontractors to invest in process improvements such as those previously cited, which will yield long-term benefits in terms of product quality and cost. The stability of the prime multiyear contract will also foster improved competition at the subcontractor level, as the offer of a longer-term business arrangement will encourage more aggressive pursuit of a contract award. The contractor and subcontractors will be at a reduced risk when implementing production process improvements, facility improvements, tooling design improvements, and fabrication process improvements. The ability for the government and industry to enter into a long-term agreement will allow industry the opportunity to place capital investments upfront, which reduces the overall cost and improves the quality of the F/A-18E/F and EA-18G.

6. Multiyear Procurement Summary:

	Annual Contracts	MYP Alternate
Quantity	174	174
Total Contract Price	\$8.410B	\$7.613B
Cancellation Ceiling (highest point)		
Funded		\$0.0M
Unfunded		\$100.0M
\$ Cost Avoidance Over Annual		\$797.0M
% of Cost Avoidance Over Annual		9.48%

Exhibit MYP-2 Total Program Funding Plan (Total)					Date Feb-12								
Aircraft Procurement, Total					P-1 Line Item Nomenclature - F/A-18E/F (Strike Fighter) Hornet/EA-18G (Electronic Attack) Growler								
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	TOTAL
Proc Qty		40	43	40	38	13							174
Annual Procurement													
Gross Cost (P-1)		3,033.0	3,285.7	3,587.8	3,496.8	1,251.8	8.1						14,663.2
Less PY Adv Proc		(100.8)	(73.1)	(46.1)	(91.4)	(30.3)							(341.7)
Net Proc (= P-1)		2,932.2	3,212.6	3,541.6	3,405.4	1,221.5	8.1						14,321.5
Plus CY Adv Proc	78.6	71.2	46.1	91.4	30.3								317.6
Weapon Sys Cost	78.6	3,003.4	3,258.8	3,633.0	3,435.7	1,221.5	8.1						14,639.1
Multiyear Procurement													
Gross Cost (P-1)		3,033.0	3,197.9	3,280.9	3,154.0	1,192.4	8.1						13,866.2
Less PY Adv Proc		(100.8)	(73.1)	(46.1)	(91.4)	(30.3)							(341.7)
Net Proc (=P-1)		2,932.2	3,124.7	3,234.8	3,062.6	1,162.1	8.1						13,524.5
Adv. Proc.													
For FY10	78.6												
For FY11		71.2											71.2
For FY12			46.1										46.1
For FY13				91.4									91.4
For FY14					30.3								30.3
Plus CY Adv Proc	78.6	3,003.4	3,170.9	3,326.2	3,092.9	1,162.1	8.1						13,842.1
Weapon Sys Cost	78.6	3,003.4	3,170.9	3,326.2	3,092.9	1,162.1	8.1						13,842.1
Multiyear Cost Avoidance (\$)	0.0	0.0	87.9	306.8	342.8	59.4	0.0						796.9
Cancellation Ceiling, Funded													
Cancellation Ceiling, Unfunded			100.0										100.0
OUTLAYS													
Annual	10.2	420.3	1,588.5	2,621.5	3,188.3	3,157.1	2,162.3	1,035.0	376.2	79.2	0.5		14,639.1
Multiyear (Budget)	10.2	420.3	1,577.1	2,548.3	3,000.7	2,916.0	1,992.6	954.3	346.8	75.4	0.5		13,842.1
Cost Avoidance	0.0	0.0	11.4	73.3	187.5	241.1	169.7	80.7	29.4	3.8	0.0		796.9
Remarks													
A cancellation ceiling is anticipated for a Not to Exceed amount of \$100M of Non-recurring funding; the exact cancellation provisions will be negotiated.													

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Exhibit MYP-2, Multiyear Procurement Criteria
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Exhibit MYP-2 Total Program Funding Plan F/A-18E/F (Strike Fighter) Hornet					Date Feb-12								
Aircraft Procurement, Total					P-1 Line Item Nomenclature - F/A-18E/F (Strike Fighter) Hornet								
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	TOTAL
Proc Qty		18	31	28	26	13							116
Annual Procurement													
Gross Cost (P-1)	0.0	1,471.6	2,284.4	2,447.4	2,358.6	1,229.9							9,792.0
Less PY Adv Proc	0.0	(54.1)	(52.8)	(2.3)	(63.3)	(30.3)							(202.8)
Net Proc (= P-1)	0.0	1,417.5	2,231.6	2,445.2	2,295.4	1,199.6							9,589.2
Plus CY Adv Proc	31.9	50.9	2.3	63.3	30.3	0.0							178.7
Weapon Sys Cost	31.9	1,468.4	2,233.9	2,508.4	2,325.7	1,199.6							9,767.9
Multiyear Procurement													
Gross Cost (P-1)	0.0	1,471.6	2,222.3	2,242.5	2,098.4	1,170.4							9,205.2
Less PY Adv Proc	0.0	(54.1)	(52.8)	(2.3)	(63.3)	(30.3)							(202.8)
Net Proc (=P-1)	0.0	1,417.5	2,169.5	2,240.2	2,035.1	1,140.2							9,002.5
Adv. Proc.													
For FY10	31.9												31.9
For FY11		50.9											50.9
For FY12			2.3										2.3
For FY13				63.3									63.3
For FY14					30.3								30.3
Plus CY Adv Proc	31.9	1,468.4	2,171.8	2,303.4	2,065.4	1,140.2							9,181.1
Weapon Sys Cost	31.9	1,468.4	2,171.8	2,303.4	2,065.4	1,140.2							9,181.1
													0.0
Multiyear Cost Avoidance (\$)			62.1	205.0	260.2	59.4							586.8
													0.0
Cancellation Ceiling, Funded													0.0
Cancellation Ceiling, Unfunded			100.0										100.0
													0.0
OUTLAYS													0.0
Annual	4.1	203.0	858.0	1,619.5	2,112.8	2,167.7	1,612.6	813.4	300.0	76.8			9,767.9
Multiyear (Budget)	4.1	203.0	849.9	1,569.3	1,982.4	1,991.7	1,482.1	749.7	275.8	73.0			9,181.1
Cost Avoidance	0.0	0.0	8.1	50.3	130.4	175.9	130.5	63.7	24.1	3.8			586.8
Remarks													
A cancellation ceiling is anticipated for a Not to Exceed amount of \$100M of Non-recurring funding; the exact cancellation provisions will be negotiated.													

P-1 Shopping List - Item No. 3 & 4

Exhibit MYP-2, Multiyear Procurement Criteria
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Exhibit MYP-2 Total Program Funding Plan EA-18G					Date Feb-12								
Aircraft Procurement, Total					P-1 Line Item Nomenclature - EA-18G								
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	TOTAL
Proc Qty		22	12	12	12								58
Annual Procurement													0.0
Gross Cost (P-1)	0.0	1,561.4	1,001.3	1,140.3	1,138.2	22.0	8.1						4,871.2
Less PY Adv Proc	0.0	(46.7)	(20.3)	(43.9)	(28.1)	0.0	0.0						(139.0)
Net Proc (= P-1)	0.0	1,514.7	981.0	1,096.4	1,110.0	22.0	8.1						4,732.2
Plus CY Adv Proc	46.7	20.3	43.9	28.1	0.0	0.0	0.0						139.0
Weapon Sys Cost	46.7	1,535.0	1,024.9	1,124.6	1,110.0	22.0	8.1						4,871.2
Multiyear Procurement													
Gross Cost (P-1)	0.0	1,561.4	975.6	1,038.5	1,055.6	22.0	8.1						4,661.0
Less PY Adv Proc	0.0	(46.7)	(20.3)	(43.9)	(28.1)	0.0	0.0						(139.0)
Net Proc (=P-1)	0.0	1,514.7	955.3	994.6	1,027.4	22.0	8.1						4,522.1
Adv. Proc.													
For FY10	46.7												
For FY11		20.3											20.3
For FY12			43.9										43.9
For FY13				28.1									28.1
For FY14													0.0
Plus CY Adv Proc	46.7	1,535.0	999.1	1,022.7	1,027.4	22.0	8.1						4,661.0
Weapon Sys Cost	46.7	1,535.0	999.1	1,022.7	1,027.4	22.0	8.1						4,661.0
													0.0
Multiyear Cost Avoidance (\$)	0.0	0.0	25.7	101.8	82.6	0.0	0.0						210.2
													0.0
Cancellation Ceiling, Funded													0.0
Cancellation Ceiling, Unfunded													0.0
													0.0
OUTLAYS													0.0
Annual	6.1	217.3	730.5	1,002.0	1,075.5	989.4	549.7	221.5	76.2	2.4	0.5		4,871.2
Multiyear (Budget)	6.1	217.3	727.2	979.0	1,018.3	924.2	510.4	204.6	71.0	2.4	0.5		4,661.0
Cost Avoidance	0.0	0.0	3.3	23.0	57.2	65.2	39.3	16.9	5.3	0.0	0.0		210.2
Remarks													

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Exhibit MYP-2, Multiyear Procurement Criteria
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Exhibit MYP-3 Total Contract Funding Plan (F/A-18E/F)							Date Feb-12						
Aircraft Procurement, Total							P-1 Line Item Nomenclature - F/A-18E/F (Strike Fighter) Hornet						
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	TOTAL
Proc Qty		18.0	31.0	28.0	26.0	13.0							116
Annual Procurement		748.5	1,392.8	1,418.3	1,309.5	825.5							5,694.5
CC/NRE													0.0
Less PY Adv Proc	0.0	(54.1)	(52.8)	(2.3)	(63.3)	(30.3)							(202.8)
Net Proc (= P-1)	0.0	694.4	1,340.0	1,416.0	1,246.2	795.2							5,491.8
Plus CY Adv Proc	31.9	50.9	2.3	63.3	30.3	0.0							178.7
Contract Price	31.9	745.3	1,342.2	1,479.3	1,276.5	795.2							5,670.4
Multiyear Procurement		748.5	1,330.7	1,213.3	1,049.3	766.0							5,107.8
CC/NRE													0.0
Less PY Adv Proc		(54.1)	(52.8)	(2.3)	(63.3)	(30.3)							(202.8)
Net Proc (=P-1)		694.4	1,277.8	1,211.1	986.0	735.7							4,905.0
Adv. Proc.													0.0
For FY10	31.9												31.9
For FY11		50.9											50.9
For FY12			2.3										2.3
For FY13				63.3									63.3
For FY14					30.3								30.3
Total Adv Proc	31.9	50.9	2.3	63.3	30.3								178.7
Contract Price	31.9	745.3	1,280.1	1,274.3	1,016.3	735.7							5,083.7
Multiyear Cost Avoidance (\$)			62.1	205.0	260.2	59.4							586.8
Cancellation Ceiling, Funded													
Cancellation Ceiling, Unfunded			100.0										
OUTLAYS													
Annual	4.1	109.0	467.3	930.0	1,226.7	1,249.1	957.4	494.1	181.9	50.9			5,670.4
Multiyear	4.1	109.0	459.2	879.7	1,096.3	1,073.1	827.0	430.3	157.7	47.1			5,083.7
Cost Avoidance	0.0	0.0	8.1	50.3	130.4	175.9	130.5	63.7	24.1	3.8			586.8
Remarks A cancellation ceiling is anticipated for a Not to Exceed amount of \$100M of Non-recurring funding; the exact cancellation provisions will be negotiated.													

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Exhibit MYP-3, Multiyear Procurement Criteria
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Exhibit MYP-3 Total Contract Funding Plan (EA-18G)							Date Feb-12						
Aircraft Procurement, Total							P-1 Line Item Nomenclature - EA-18G						
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	TOTAL
Proc Qty		22	12	12	12								58
Annual Procurement		988.6	539.1	607.8	604.4								2,739.9
CC/NRE													
Less PY Adv Proc	0.0	(46.7)	(20.3)	(43.9)	(28.1)								(139.0)
Net Proc (= P-1)	0.0	941.9	518.8	564.0	576.3								2,601.0
Plus CY Adv Proc	46.7	20.3	43.9	28.1	0.0								139.0
Contract Price	46.7	962.2	562.7	592.1	576.3								2,739.9
Multiyear Procurement		988.6	513.4	506.0	521.8								2,529.8
CC/NRE													
Less PY Adv Proc		(46.7)	(20.3)	(43.9)	(28.1)								(139.0)
Net Proc (=P-1)		941.9	493.1	462.1	493.7								2,390.8
Adv. Proc.													0.0
For FY10	46.7												46.7
For FY11		20.3											20.3
For FY12			43.9										43.9
For FY13				28.1									28.1
For FY14													0.0
Total Adv Proc	46.7	20.3	43.9	28.1	0.0								139.0
Contract Price	46.7	962.2	537.0	490.3	493.7								2,529.8
Multiyear Cost Avoidance (\$)	0.0	0.0	25.7	101.8	82.6								210.2
Cancellation Ceiling, Funded													
Cancellation Ceiling, Unfunded													
OUTLAYS													
Annual	6.1	142.8	452.8	585.3	592.9	529.1	283.5	110.5	36.9				2,739.9
Multiyear	6.1	142.8	449.4	562.3	535.8	463.9	244.2	93.6	31.6				2,529.8
Cost Avoidance	0.0	0.0	3.3	23.0	57.2	65.2	39.3	16.9	5.3				210.2
Remarks													
EA-18G Gross P-1 MYP-3 does not include the Airborne Electronic Attack Kit cost.													

P-1 Item No. 1 & 2

Exhibit MYP-3, Multiyear Procurement Criteria
(MYP, Page 12 of 14)

Exhibit MYP-4 Present Value Analysis (F/A-18E/F)							Date Feb-12						
Aircraft Procurement, Total							P-1 Line Item Nomenclature - F/A-18E/F (Strike Fighter) Hornet						
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	TOTAL
Annual Proposal													
Then Year Cost	4.147	109.011	467.274	929.968	1226.703	1249.066	957.418	494.068	181.889	50.891			5,670.4
Constant Year Cost	4.079	106.004	451.235	889.490	1160.085	1167.660	886.077	454.554	166.603	46.260			5,332.0
Present Value	4.079	104.851	441.469	860.771	1110.415	1105.505	829.783	421.044	152.642	41.923			5,072.5
Multiyear Proposal													
Then Year Cost	4.147	109.011	459.198	879.714	1096.343	1073.129	826.964	430.334	157.747	47.088			5,083.7
Constant Year Cost	4.079	106.004	443.514	841.867	1037.758	1003.917	765.294	395.702	144.400	42.804			4,785.3
Present Value	4.079	104.851	433.915	814.686	993.325	950.478	716.673	366.531	132.300	38.790			4,555.6
Difference													
Then Year Cost	0.000	0.000	8.076	50.255	130.360	175.937	130.454	63.734	24.142	3.803			586.8
Constant Year Cost	0.000	0.000	7.721	47.623	122.327	163.743	120.784	58.851	22.203	3.457			546.7
Present Value	0.000	0.000	7.554	46.085	117.089	155.027	113.110	54.513	20.342	3.133			516.9
Multiyear Cost Avoidance (\$)	0.000	0.000	7.554	46.085	117.089	155.027	113.110	54.513	20.342	3.133			516.9
Remarks Constant Year Costs are in FY2009 dollars Costs may not add due to rounding Present value is calculated in accordance with DoD Instruction 7041.3													

P-1 Item No. 3 & 4

Exhibit MYP-4, Multiyear Procurement Criteria
(MYP, Page 13 of 14)

Exhibit MYP-4 Present Value Analysis (EA-18G)							Date Feb-12						
Aircraft Procurement, Total							P-1 Line Item Nomenclature - EA-18G						
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	TOTAL
Annual Proposal													
Then Year Cost	6.070	142.824	452.783	585.338	592.949	529.093	283.499	110.504	36.881				2,739.9
Constant Year Cost	5.971	138.909	438.739	562.868	562.847	497.026	264.396	102.754	34.096				2,607.6
Present Value	5.971	137.397	429.244	544.694	538.748	470.569	247.598	95.179	31.238				2,500.6
Multiyear Proposal													
Then Year Cost	6.070	142.824	449.438	562.319	535.789	463.908	244.239	93.578	31.595				2,529.8
Constant Year Cost	5.971	138.909	435.541	541.070	509.152	436.182	227.847	87.004	29.208				2,410.9
Present Value	5.971	137.397	426.115	523.601	487.353	412.964	213.371	80.590	26.761				2,314.1
Difference													
Then Year Cost	0.000	0.000	3.346	23.019	57.160	65.185	39.260	16.926	5.287				210.2
Constant Year Cost	0.000	0.000	3.198	21.797	53.695	60.844	36.549	15.750	4.887				196.7
Present Value	0.000	0.000	3.129	21.094	51.396	57.606	34.227	14.589	4.478				186.5
Multiyear Cost Avoidance (\$)	0.000	0.000	3.129	21.094	51.396	57.606	34.227	14.589	4.478				186.5
Remarks Constant Year Costs are in FY2009 dollars Costs may not add due to rounding Present value is calculated in accordance with DoD Instruction 7041.3													

P-1 Item No. 1 & 2

Exhibit MYP-4, Multiyear Procurement Criteria
(MYP, Page 14 of 14)

Exhibit MYP-I, Multiyear Procurement CriteriaProgram: V-22 OSPREY (All Services)

1. Multiyear Procurement Description:

This proposed follow-on multiyear procurement (MYP) covers the purchase of 98 V-22 aircraft in FY2013 through FY2017 under a single, five-year, fixed-price type contract. This procurement includes 91 MV-22 and 7 CV-22 aircraft. The MYP strategy is structured to achieve \$852.4 Million (TY\$) in savings over the five-year period within the Aircraft Procurement, Navy; Aircraft Procurement, Air Force; and Defense-Wide Procurement appropriations. This proposed MYP contract follows nine years of Low Rate Initial Production (LRIP)(FY1997-2005), two years of Full Rate Production (FY2006-2007), and five years of production under the initial MYP (FY2008-FY2012). Note the 7 CV-22 aircraft are being jointly procured by Air Force and Special Operations Command (SOCOM).

The MYP will include a Variation in Quantity clause and/or an Options clause allowing for minor fluctuation of aircraft quantities from the PB-13 budget position.

2. Benefit to the Government:

a. Substantial Savings:

Implementation of this proposed MYP will yield substantial savings through the term of the contract. Specifically, savings for FY2013 through FY2017 attributable to this MYP strategy is estimated at \$852.4 Million (TY\$), for a total of 11.6%.

Overhead rates are projected to be lower as a result of stable and continuous production. A MYP provides a stable production base which alleviates year-to-year fluctuation of forward pricing rates. In addition, the long term stable procurement increases the likelihood the prime contractor will include other potential aircraft buys (i.e., Foreign Military Sales (FMS) and Other Government Aircraft sales) in the assumed business base pricing for all five years of the planned MYP.

Labor costs are projected to be significantly lower due to enhanced workforce stability. This stability is based on an expected lower employee turnover from having a guaranteed minimum production base to forecast labor needs, and avoiding hiring spikes and sudden layoffs. In addition, the more stable workforce will minimize loss of learning accumulated from previous multiyear procurements.

Material costs are projected to be significantly lower in MYP. Annual procurements result in aircraft quantities potentially fluctuating from year to year. A fluctuating business base leads to increased number of purchase orders compared to MYP. The prospect of a long term, five year buy enables prime contractor to secure Long Term Agreements (LTAs) with suppliers and make greater use of Economic Order Quantity (EOQ) buys, as well as utilize work force more efficiently. A MYP allows prime contractor to be more aggressive in the pursuit of LTAs with major suppliers.

Similarly, reducing the number of setups can provide significant savings when producing components or materials with high setup-to-run ratios, where the dollar value of the component or material is low. Low-value castings, sheet metal procurements, and forgings are examples of areas in which lower prices can be negotiated with suppliers based on reduced setup costs associated with larger quantity procurements.

P-1 Shopping List - Item No 9 & 10

Exhibit MYP-1, Multiyear Procurement Criteria
(MYP, Page 1 of 17)

Exhibit MYP-1, Multiyear Procurement CriteriaProgram: V-22 OSPREY (All Services)

2. Benefit to the Government (continued):

Multiyear buys support broadening the competitive base with opportunity for participation by suppliers not otherwise willing or able to compete for single year procurements, particularly in cases involving high startup costs. In addition, the contractor is more likely to second source items and drive costs down, which would be less incentivized in a Single Year Procurement (SYP) environment. The contractor is also more motivated to improve productivity through investment in capital facilities, equipment and advanced manufacturing technology.

Many electronic components have minimum-buy quantities that may not be met under single-year procurements, driving up unit costs so that total cost is artificially high. MYP quantities will allow the prime contractor and subcontractors at all tiers to meet or exceed minimum-order quantities and capture cost avoidance on many components. Typically, suppliers will provide price discounts to lock in business. Given a five-year contract, suppliers will have greater total business and stability. Therefore, they will be incentivized to find innovative processes and be able to justify capital investments necessary to reduce costs. Some of these cost reductions will be passed on to the customer in the form of price reductions. In addition to these types of process innovations and capital investments, competition is expected to be greater based on larger purchase volumes, and obsolescence risks and costs (principal concerns in electronic components) are expected to be minimized.

In general, parts obsolescence is minimized in a multiyear environment, as suppliers utilize EOQ buys and lifetime buys, maintaining efficient production and minimizing disruption. The contractor and its suppliers are more likely to go out on risk to protect parts identified as no longer available in the marketplace. Under a SYP, the contractor and its suppliers would be less inclined to continue this practice because of the uncertainty of future aircraft quantities and contract awards.

Since some suppliers include proposal preparation and negotiation as a direct charge to the purchase order, there will be a dollar for dollar reduction in these cases and the cost avoidance will not get lost in overhead rates. The contractor and its suppliers--in addition to the Government--will avoid the costs associated with submittal, evaluation and negotiation of proposals for each single year contract, as well as the subsequent post-award audits for each single year contract.

In addition, more favorable labor costs, material costs and overhead rates are anticipated to have a synergistic impact on the overall cost of this MYP buy. The business base impact from more stable planning in terms of labor force, material orders and overhead rates can be captured by the government as well as continued inflation benefits from a stable buy utilizing economic material orders.

Profit in a MYP is also expected to be lower than in a SYP. The stability and predictability of a MYP should result in lower risk to the contractor, more favorable cost of capital, and improved opportunity cost calculations. The end result should be a lower percentage of profit relative to total costs.

P-1 Shopping List - Item No 9 & 10

Exhibit MYP-1, Multiyear Procurement Criteria
(MYP, Page 2 of 17)

Exhibit MYP-1, Multiyear Procurement CriteriaProgram: V-22 OSPREY (All Services)

2. Benefit to the Government (continued):

b. Stability of Requirement:

The requirement for a Medium Lift Replacement (MLR) aircraft is well documented within the Services. The Joint Multi-Mission Vertical Lift Aircraft (JMVX) Operational Requirements Document (ORD) was approved by the Joint Requirements Oversight Council (JROC) in April 1995. The latest revision to the JMVX ORD (ORD Change 4) was approved in February 2005. The current V-22 Capability Production Document (CPD) is dated September 2010. The MV-22 continues to be a top priority of the Marine Corp; similarly, CV-22 is one of USSOCOM's top priorities in prosecuting terrorism and insurgent activities. If either of the Services has a need for additional aircraft during the term of the MYP, the contract will provide a mechanism by which the quantity of aircraft can be increased.

c. Stability of Funding:

The Defense Acquisition Board (DAB) conducted a review of the V-22 program in September 2005 and directed the program to proceed to full rate production. In 2001, the Quadrennial Defense Review validated the Department's requirement for the V-22 and accelerated the production profile to speed deployment. The Navy, Air Force, and SOCOM have demonstrated commitment to a stable funding stream for the MV-22 and CV-22 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.

d. Stable Configuration:

The V-22 aircraft has completed over 130,000 flight hours. There are currently 13 operational squadrons meeting the Fleet operational demands, including those supporting combat operations in Operation Enduring Freedom (OEF) and on Marine Expeditionary Unit (MEU) deployments.

The V-22 program successfully completed its Operational Evaluation period in 2005, and was found to be operationally effective and suitable. The program reached initial operational capability (IOC) for the Marine Corps' MV-22 in June 2007 and USSOCOM's CV-22 in March 2009. At the end of the current MYP contract, the program will have delivered 16 production lots of aircraft. The V-22's demonstrated stability supports contract award of the second MYP and aircraft production beginning in FY2013 (Lot 17).

e. Realistic Cost Estimates:

The current cost estimate is realistic and based upon the current multiyear contract extrapolated out to a follow-on MYP. The estimates are based on historical cost data/actuals for 14 production lots of aircraft, as well as a series of data/information provided by the contractor in January-July 2011. Review and validation by Secretary of Defense Office of Cost Assessment and Program Evaluation (CAPE) is planned to complete by February 2012.

Exhibit MYP-1, Multiyear Procurement CriteriaProgram: V-22 OSPREY (All Services)

2. Benefit to the Government (continued):

f. National Security:

The Quadrennial Defense Review and Defense Planning Guidance have set total V-22 production quantities. These documents emphasize the criticality of the V-22 to the overall National Security Strategy and demonstrate the Department's commitment to properly fund this weapon system to the quantities proposed in the multiyear plan. The V-22 provides the armed forces and national leaders with a multi-mission aircraft capable of worldwide self-deployability, which allows for the continued execution of global military commitments while significantly reducing demands on finite strategic sealift and airlift assets.

The Marine Corps' Operational Maneuver from the Sea foresees warfare that requires tactically adaptive, technologically agile, opportunistic, and exploitative forces. Individuals and forces must be able to rapidly reorganize and reorient across a broad range of new tasks and missions in fluid operational environments. Additionally, the U.S. Special Operations Command (USSOCOM) variant (CV-22) is capable of penetrating politically or militarily denied areas to support special operations missions and collateral special operations activities (Executive Order 12333 (Special Activities)). Finally, dominant maneuver will provide U.S. forces with overwhelming and asymmetric advantages to accomplish assigned operational tasks. The dominant maneuver concept requires more flexible strategic and tactical sea and airlift. Procurements of the Marine Corps' MV-22 and Special Operations Force's CV-22 tiltrotor aircraft are examples of the Department's effort to improve long and medium range lift for national security objectives.

3. Source of Savings:

	\$ in Millions
Rates	\$ 145.5
Labor	\$ 156.8
Material	\$ 513.4
Profit	<u>\$ 36.7</u>
Total Savings	\$ 852.4

P-1 Shopping List - Item No 9 & 10

Exhibit MYP-1, Multiyear Procurement Criteria
(MYP, Page 4 of 17)

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Exhibit MYP-1, Multiyear Procurement CriteriaProgram: V-22 OSPREY (All Services)

4. Advantages of the MYP:

This MYP strategy has been structured to achieve substantial savings (\$852.4M) 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. Savings resulting from economic order quantities, manufacturing initiatives, and independent planning result in significant benefit to industry and the Government.

5. Impact on Defense Industrial Base:

Implementation of this proposed MYP will yield a favorable impact on the industrial base. The stability afforded by the use of a MYP will allow the prime contractor to enter into long-term agreements with suppliers, at every tier, which will provide substantial cost avoidance. Such long-term agreements incentivize both the prime contractor and subcontractors to invest in process improvements that yield long-term benefits in terms of product quality and cost. The stability of the prime multiyear contract will also foster improved competition at the subcontractor level, as the offer of a longer term business arrangement will encourage more aggressive pursuit of a contract award. The prime contractor and subcontractors will be at a reduced risk when implementing production process improvements, facility improvements, tooling design improvements, and fabrication process improvements. The ability for the Government and industry to enter into a long-term agreement will allow industry the opportunity to place capital investments upfront, which reduces the overall cost and improves the quality of the V-22.

6. Multiyear Procurement Summary:

<u>\$ in Millions</u>	<u>Annual Contracts</u>	<u>Multiyear Contract</u>
Quantity	98	98
Total Contract Price	\$ 7,352.8	\$ 6,500.4
\$ Savings Over Annual		\$ 852.4
% Savings Over Annual		11.6%

* V-22 programs are budgeted to support a follow-on multiyear strategy and not annual contracting. If MYP is not approved, the \$852.4M savings will need to be added to program funding levels to ensure that annual contracts are executable. There is no cancellation ceiling.

P-1 Shopping List - Item No 9 & 10

Exhibit MYP-1, Multiyear Procurement Criteria
(MYP, Page 5 of 17)

Exhibit MYP-2, Total Program Funding Plan						Date Feb-12										
All Services						P-1 Line Item Nomenclature - V-22 Osprey										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Annual Procurement																
Proc Qty		21	21	19	19	18										98
Gross Cost (P-1)		1,902.0	1,992.3	1,808.5	1,753.6	1,722.1										9,178.4
Less PY Adv Proc		(86.6)	(86.6)	(74.7)	(75.9)	(67.4)										(391.3)
Net Proc (= P-1)		1,815.4	1,905.7	1,733.7	1,677.6	1,654.7										8,787.1
Plus CY Adv Proc	86.6	86.6	74.7	75.9	67.4	-										391.3
Weapon Sys Cost	86.6	1,902.0	1,980.4	1,809.7	1,745.1	1,654.7										9,178.4
Multiyear Proc																
Proc Qty		21	21	19	19	18										98
Gross Cost (P-1)	50.0	1,779.1	1,828.4	1,618.8	1,545.9	1,503.8										8,326.0
Less PY Adv Proc	-	(86.6)	(87.7)	(77.5)	(77.8)	(74.1)										(403.8)
Net Proc (=P-1)	50.0	1,692.5	1,740.6	1,541.3	1,468.1	1,429.7										7,922.2
Adv. Proc.																
' For FY13	86.6															86.6
' For FY14	-	87.7														87.7
' For FY15	-	31.8	45.8													77.5
' For FY16	-	29.6	5.9	42.3												77.8
' For FY17	-	22.3	3.5	-	48.2											74.1
Plus CY Adv Proc	86.6	171.4	55.2	42.3	48.2											403.8
Weapon Sys Cost	136.6	1,863.9	1,795.8	1,583.6	1,516.3	1,429.7										8,326.0
Multiyear Savings (\$)																
	(50.0)	38.1	184.6	226.1	228.7	225.0										852.4
OUTLAYS																
Annual	11.3	280.2	1,006.2	1,569.3	1,753.9	1,792.4	1,507.1	832.1	320.2	105.9						9,178.4
Multiyear	17.8	294.2	982.7	1,464.7	1,581.2	1,582.7	1,312.7	721.3	277.2	91.5						8,326.0
Savings	(6.5)	(14.1)	23.5	104.7	172.6	209.7	194.4	110.8	43.0	14.4						852.4

Remarks:
FY 2012 Advance Procurement (AP) funds will be executed prior to the award of the planned FY 2013 MYP contract. Subsequent to the planned FY 2013 MYP contract award, the FY 2012 AP funds will be incorporated into the FY 2013 MYP contract as a separate contract line item (CLIN).
MYP includes investment costs budgeted in NRE (\$50.0M in FY12) for Cost Reduction Initiatives yielding producibility improvements and savings.
The current budget is based on a follow-on MYP.
There is no cancellation ceiling.

P-1 Shopping List - Item No 9 & 10

Exhibit MYP-2, Total Program Funding Plan
(MYP, Page 6 of 17)

Exhibit MYP-3, Total Contract Funding Plan						Date Feb-12										
All Services						P-1 Line Item Nomenclature - V-22										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Annual Procurement																
Proc Qty		21	21	19	19	18										98
Airframce/CFE		1,515.1	1,557.0	1,425.5	1,450.1	1,405.1										7,352.8
Less PY Adv Proc		(81.9)	(80.9)	(69.0)	(70.2)	(61.9)										(363.8)
Net Proc (= P-1)		1,433.2	1,476.1	1,356.5	1,379.9	1,343.2										6,989.0
Plus CY Adv Proc	81.9	80.9	69.0	70.2	61.9	-										363.8
Contract Price	81.9	1,514.1	1,545.1	1,426.7	1,441.8	1,343.2										7,352.8
Multiyear Proc																
Proc Qty		21	21	19	19	18										98
Airframce/CFE	50.0	1,392.3	1,393.1	1,235.9	1,242.5	1,186.8										6,500.4
Less PY Adv Proc		(81.9)	(82.0)	(71.8)	(72.0)	(68.5)										(376.3)
Net Proc (=P-1)	50.0	1,310.3	1,311.0	1,164.1	1,170.4	1,118.2										6,124.1
Adv. Proc.																
' For FY13	81.928															81.9
' For FY14	0.000	82.013														82.0
' For FY15	0.000	31.756	40.017													71.8
' For FY16	0.000	29.601	5.897	36.548												72.0
' For FY17	0.000	22.324	3.546	0.000	42.653											68.5
Total Adv Proc	81.928	165.694	49.460	36.548	42.653											376.3
Contract Price	131.9	1,476.0	1,360.5	1,200.6	1,213.1	1,118.2										6,500.4
Multiyear Savings (\$)	(50.0)	38.1	184.6	226.1	228.7	225.0										852.4
																11.6%
OUTLAYS																
Annual	10.7	228.0	800.8	1,237.2	1,389.1	1,442.1	1,221.6	675.9	261.5	86.0						7,352.8
Multiyear	17.2	242.0	777.3	1,132.5	1,216.5	1,232.4	1,027.2	565.2	218.5	71.6						6,500.4
Savings	(6.5)	(14.1)	23.5	104.7	172.6	209.7	194.4	110.8	43.0	14.4						852.4

Remarks:

FY 2012 Advance Procurement (AP) funds will be executed prior to the award of the planned FY 2013 MYP contract. Subsequent to the planned FY 2013 MYP contract award, the FY 2012 AP funds will be incorporated into the FY 2013 MYP contract as a separate contract line item (CLIN).

MYP includes investment costs budgeted in NRE (\$50.0M in FY12) for Cost Reduction Initiatives yielding producibility improvements and savings.

The current budget is based on a follow-on MYP.

There is no cancellation ceiling.

P-1 Shopping List - Item No 9 & 10

Exhibit MYP-3, Total Contract Funding Plan
(MYP, Page 7 of 17)

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Exhibit MYP-4, Present Value Analysis						Date Feb-12										
All Services						P-1 Line Item Nomenclature - V-22										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Annual Proposal																
Then Year Cost	10.7	228.0	800.8	1,237.2	1,389.1	1,442.1	1,221.6	675.9	261.5	86.0	-	-	-	-	-	7,352.8
Constant Year Cost	10.5	221.9	765.9	1,162.4	1,282.1	1,307.5	1,088.0	591.4	224.8	72.6	-	-	-	-	-	6,727.1
Present Value	10.7	221.9	757.6	1,137.2	1,240.7	1,251.5	1,030.1	553.8	208.2	66.5	-	-	-	-	-	6,478.2
Multiyear Proposal																
Then Year Cost	17.2	242.0	777.3	1,132.5	1,216.5	1,232.4	1,027.2	565.2	218.5	71.6	-	-	-	-	-	6,500.4
Constant Year Cost	17.0	235.6	743.5	1,064.1	1,122.8	1,117.4	914.8	494.4	187.8	60.4	-	-	-	-	-	5,957.8
Present Value	17.2	235.6	735.4	1,041.0	1,086.5	1,069.5	866.1	463.0	174.0	55.4	-	-	-	-	-	5,743.8
Difference																
Then Year Cost	(6.5)	(14.1)	23.5	104.7	172.6	209.7	194.4	110.8	43.0	14.4	-	-	-	-	-	852.4
Constant Year Cost	(6.4)	(13.7)	22.4	98.3	159.3	190.1	173.1	96.9	36.9	12.2	-	-	-	-	-	769.2
Present Value	(6.5)	(13.7)	22.2	96.2	154.2	182.0	163.9	90.8	34.2	11.1	-	-	-	-	-	734.4
Multiyear Savings (\$)	(6.5)	(14.1)	23.5	104.7	172.6	209.7	194.4	110.8	43.0	14.4	-	-	-	-	-	852.4

Remarks:

Costs may not add due to rounding.
Present value is calculated in accordance with DoD Instruction 7041.3.

P-1 Shopping List - Item No 9 & 10

Exhibit MYP-4, Present Value Analysis
(MYP, Page 8 of 17)

Exhibit MYP-2, Total Program Funding Plan					Date Feb-12											
Aircraft Procurement, Navy/APN-1					P-1 Line Item Nomenclature - MV-22											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Annual Procurement																
Proc Qty		17	18	19	19	18										91.0
Gross Cost (P-1)		1451.2	1642.0	1808.5	1753.6	1722.1										8,377.4
Less PY Adv Proc		-63.8	-69.4	-74.7	-75.9	-67.4										(351.2)
Net Proc (= P-1)		1387.4	1572.6	1733.7	1677.6	1654.7										8,026.1
Plus CY Adv Proc	63.8	69.4	74.7	75.9	67.4	0.0										351.2
Weapon Sys Cost	63.8	1456.8	1647.4	1809.7	1745.1	1654.7										8,377.4
Multiyear Proc																
Proc Qty		17	18	19	19	18										91.0
Gross Cost (P-1)	50.0	1366.9	1509.8	1618.8	1545.9	1503.8										7,595.2
Less PY Adv Proc	0.0	-63.8	-70.5	-77.5	-77.8	-74.1										(363.7)
Net Proc (=P-1)	50.0	1303.1	1439.2	1541.3	1468.1	1429.7										7,231.5
Adv. Proc.																
' For FY13	63.8															63.8
' For FY14		70.5														70.5
' For FY15		31.8	45.8													77.5
' For FY16		29.6	5.9	42.3												77.8
' For FY17		22.3	3.5		48.2											74.1
Plus CY Adv Proc	63.8	154.2	55.2	42.3	48.2	0.0										363.7
Weapon Sys Cost	113.8	1457.3	1494.4	1583.6	1516.3	1429.7										7,595.2
Multiyear Savings (\$)	-50.0	-0.5	152.9	226.1	228.7	225.0										782.2
OUTLAYS																
Annual	8.3	213.6	786.9	1306.3	1596.4	1721.9	1485.7	832.1	320.2	105.9						8,377.4
Multiyear	14.8	232.7	782.2	1225.3	1438.1	1518.7	1293.4	721.3	277.2	91.5						7,595.2
Savings	-6.5	-19.1	4.7	81.0	158.3	203.2	192.4	110.8	43.0	14.4						782.2

Remarks:

FY 2012 Advance Procurement (AP) funds will be executed prior to the award of the planned FY 2013 MYP contract. Subsequent to the planned FY 2013 MYP contract award, the FY 2012 AP funds will be incorporated into the FY 2013 MYP contract as a separate contract line item (CLIN).

MYP includes investment costs budgeted in NRE (\$50.0M in FY12) for Cost Reduction Initiatives yielding producibility improvements and savings.

The current budget is based on a follow-on MYP.

There is no cancellation ceiling.

P-1 Shopping List - Item No 9 & 10

Exhibit MYP-2, Total Program Funding Plan
(MYP, Page 9 of 17)

Exhibit MYP-3, Total Contract Funding Plan						Date Feb-12										
Aircraft Procurement, Navy/APN-1						P-1 Line Item Nomenclature - MV-22										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Annual Procurement																
Proc Qty		17	18	19	19	18										91
Airframce/CFE		1166.3	1289.9	1425.5	1450.1	1405.1										6,736.9
Less PY Adv Proc		-59.1	-63.6	-69.0	-70.2	-61.9										(323.8)
Net Proc (= P-1)		1107.3	1226.2	1356.5	1379.9	1343.2										6,413.2
Plus CY Adv Proc	59.1	63.6	69.0	70.2	61.9	0.0										323.8
Contract Price	59.1	1170.9	1295.2	1426.7	1441.8	1343.2										6,736.9
Multiyear Proc																
Proc Qty		17	18	19	19	18										91
Airframce/CFE	50.0	1082.0	1157.6	1235.9	1242.5	1186.8										5,954.7
Less PY Adv Proc	0.0	-59.1	-64.8	-71.8	-72.0	-68.5										(336.2)
Net Proc (=P-1)	50.0	1023.0	1092.8	1164.1	1170.4	1118.2										5,618.5
Adv. Proc.																
' For FY13	59.1															59.1
' For FY14		64.8														64.8
' For FY15		31.8	40.0													71.8
' For FY16		29.6	5.9	36.5												72.0
' For FY17		22.3	3.5		42.7											68.5
Total Adv Proc	59.1	148.5	49.5	36.5	42.7	0.0										336.2
Contract Price	109.1	1171.5	1142.3	1200.6	1213.1	1118.2										5,954.7
Multiyear Savings (\$)	-50.0	-0.5	152.9	226.1	228.7	225.0										782.2
																11.6%
OUTLAYS																
Annual	7.7	174.7	631.1	1036.4	1269.5	1388.7	1205.6	675.9	261.5	86.0						6,736.9
Multiyear	14.2	193.7	626.4	955.3	1111.2	1185.4	1013.2	565.2	218.5	71.6						5,954.7
Savings	-6.5	-19.1	4.7	81.0	158.3	203.2	192.4	110.8	43.0	14.4						782.2

Remarks:

FY 2012 Advance Procurement (AP) funds will be executed prior to the award of the planned FY 2013 MYP contract. Subsequent to the planned FY 2013 MYP contract award, the FY 2012 AP funds will be incorporated into the FY 2013 MYP contract as a separate contract line item (CLIN).

MYP includes investment costs budgeted in NRE (\$50.0M in FY12) for Cost Reduction Initiatives yielding producibility improvements and savings.

The current budget is based on a follow-on MYP.

There is no cancellation ceiling.

P-1 Shopping List - Item No 9 & 10

Exhibit MYP-3, Total Contract Funding Plan
(MYP, Page 10 of 17)

Exhibit MYP-4, Present Value Analysis						Date Feb-12										
Aircraft Procurement, Navy/APN-1						P-1 Line Item Nomenclature - MV-22										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Annual Proposal																
Then Year Cost	7.7	174.7	631.1	1,036.4	1,269.5	1,388.7	1,205.6	675.9	261.5	86.0						6,736.9
Constant Year Cost	7.6	170.0	603.6	973.7	1,171.7	1,259.0	1,073.7	591.4	224.8	72.6						6,148.1
Present Value	7.7	170.0	597.0	952.7	1,133.8	1,205.1	1,016.6	553.8	208.2	66.5						5,911.4
Multiyear Proposal																
Then Year Cost	14.2	193.7	626.4	955.3	1,111.2	1,185.4	1,013.2	565.2	218.5	71.6						5,954.7
Constant Year Cost	14.0	188.6	599.1	897.6	1,025.6	1,074.8	902.4	494.4	187.8	60.4						5,444.8
Present Value	14.2	188.6	592.6	878.2	992.5	1,028.7	854.4	463.0	174.0	55.4						5,241.5
Difference																
Then Year Cost	(6.5)	(19.1)	4.7	81.0	158.3	203.2	192.4	110.8	43.0	14.4						782.2
Constant Year Cost	(6.4)	(18.6)	4.5	76.2	146.1	184.3	171.3	96.9	36.9	12.2						703.3
Present Value	(6.5)	(18.6)	4.4	74.5	141.3	176.4	162.2	90.8	34.2	11.1						669.9
Multiyear Savings (\$)	(6.5)	(19.1)	4.7	81.0	158.3	203.2	192.4	110.8	43.0	14.4						782.2

Remarks:

Costs may not add due to rounding.

Present value is calculated in accordance with DoD Instruction 7041.3.

P-1 Shopping List - Item No 9 & 10

Exhibit MYP-4, Present Value Analysis
(MYP, Page 11 of 17)

Exhibit MYP-2, Total Program Funding Plan						Date Feb-12										
Aircraft Procurement, Air Force						P-1 Line Item Nomenclature - CV-22 Osprey										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Annual Procurement																
Proc Qty *		4	3													7
Gross Cost (P-1)		344.7	268.9													613.6
Less PY Adv Proc		(20.0)	(15.0)													(35.0)
Net Proc (= P-1)		324.7	253.9													578.6
Plus CY Adv Proc	20.0	15.0	-													35.0
Weapon Sys Cost	20.0	339.7	253.9													613.6
Multiyear Proc																
Proc Qty *		4	3													7
Gross Cost (P-1)	-	314.2	245.8													560.0
Less PY Adv Proc	-	(20.0)	(15.0)													(35.0)
Net Proc (=P-1)	-	294.2	230.8													525.0
Adv. Proc.																
' For FY13	20.0															20.0
' For FY14	-	15.0														15.0
' For FY15	-	-	-													-
' For FY16	-	-	-													-
' For FY17	-	-	-													-
Plus CY Adv Proc	20.0	15.0	-													35.0
Weapon Sys Cost	20.0	309.2	230.8													560.0
Multiyear Savings (\$)	-	30.5	23.1													53.6
OUTLAYS																
Annual	2.6	51.8	168.1	200.9	120.3	53.7	16.3									613.6
Multiyear	2.6	47.8	153.5	183.0	109.5	48.9	14.8									560.0
Savings	-	4.0	14.6	17.9	10.8	4.9	1.5									53.6

Remarks:

FY 2012 Advance Procurement (AP) funds will be executed prior to the award of the planned FY 2013 MYP contract. Subsequent to the planned FY 2013 MYP contract award, the FY 2012 AP funds will be incorporated into the FY 2013 MYP contract as a separate contract line item (CLIN).

* Quantities for the CV-22 are shown under Appropriation 3010 (Aircraft Procurement, Air Force). In accordance with the approved program plan, the Air Force is funding the majority of the procurement cost for CV-22. USSOCOM is funding delta costs above the baseline aircraft for special operations force unique equipment.

The current budget is based on a follow-on MYP.

There is no cancellation ceiling.

P-1 Shopping List - Item No 9 & 10

Exhibit MYP-2, Total Program Funding Plan
(MYP, Page 12 of 17)

Exhibit MYP-3, Total Contract Funding Plan						Date Feb-12										
Aircraft Procurement, Air Force						P-1 Line Item Nomenclature - CV-22 Osprey										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Annual Procurement																
Proc Qty *		4	3													7
Airframce/CFE		279.1	211.3													490.4
Less PY Adv Proc		(20.0)	(15.0)													(35.0)
Net Proc (= P-1)		259.1	196.3													455.4
Plus CY Adv Proc	20.0	15.0														35.0
Contract Price	20.0	274.1	196.3													490.4
Multiyear Proc																
Proc Qty *		4	3													7
Airframce/CFE	-	248.6	188.2													436.8
Less PY Adv Proc	-	(20.0)	(15.0)													(35.0)
Net Proc (=P-1)	-	228.6	173.2													401.8
Adv. Proc.																
' For FY13	20.0															20.0
' For FY14	-	15.0														15.0
' For FY15	-	-	-													-
' For FY16	-	-														-
' For FY17	-	-														-
Total Adv Proc	20.0	15.0	-													35.0
Contract Price	20.0	243.6	173.2													436.8
Multiyear Savings (\$)																
	-	30.5	23.1													53.6
																10.9%
OUTLAYS																
Annual	2.6	43.2	135.7	159.3	94.7	42.3	12.6									490.4
Multiyear	2.6	39.3	121.1	141.4	83.9	37.4	11.1									436.8
Savings	-	4.0	14.6	17.9	10.8	4.9	1.5									53.6

Remarks:

FY 2012 Advance Procurement (AP) funds will be executed prior to the award of the planned FY 2013 MYP contract. Subsequent to the planned FY 2013 MYP contract award, the FY 2012 AP funds will be incorporated into the FY 2013 MYP contract as a separate contract line item (CLIN).

* Quantities for the CV-22 are shown under Appropriation 3010 (Aircraft Procurement, Air Force). In accordance with the approved program plan, the Air Force is funding the majority of the procurement cost for CV-22. USSOCOM is funding delta costs above the baseline aircraft for special operations force unique equipment.

The current budget is based on a follow-on MYP.

The FY12 AAC will be modified for inclusion in the MYP contract at the time of contract definitization in FY13.

There is no cancellation ceiling.

P-1 Shop P-1 Shopping List - Item No 9 & 10

Exhibit MYP-4, Present Value Analysis						Date Feb-12										
Aircraft Procurement, Air Force						P-1 Line Item Nomenclature - CV-22 Osprey										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Annual Proposal																
Then Year Cost	2.6	43.2	135.7	159.3	94.7	42.3	12.6									490.4
Constant Year Cost	2.6	42.1	129.8	149.7	87.4	38.3	11.2									461.1
Present Value	2.6	42.1	128.4	146.5	84.6	36.7	10.6									451.4
Multiyear Proposal																
Then Year Cost	2.6	39.3	121.1	141.4	83.9	37.4	11.1									436.8
Constant Year Cost	2.6	38.2	115.8	132.9	77.5	33.9	9.9									410.7
Present Value	2.6	38.2	114.6	130.0	75.0	32.5	9.3									402.1
Difference																
Then Year Cost	-	4.0	14.6	17.9	10.8	4.9	1.5									53.6
Constant Year Cost	-	3.9	14.0	16.9	10.0	4.4	1.3									50.3
Present Value	-	3.9	13.8	16.5	9.6	4.2	1.2									49.2
Multiyear Savings (\$)	-	4.0	14.6	17.9	10.8	4.9	1.5									53.6

Remarks:

Costs may not add due to rounding.

Present value is calculated in accordance with DoD Instruction 7041.3.

P-1 Shopping List - Item No 9 & 10

Exhibit MYP-4, Present Value Analysis
(MYP, Page 14 of 17)

Exhibit MYP-2, Total Program Funding Plan						Date Feb-12										
Defense-Wide Procurement, SOCOM						P-1 Line Item Nomenclature - CV-22 Modification										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Annual Procurement																
Proc Qty *		-	-													-
Gross Cost (P-1)		106.1	81.3													187.4
Less PY Adv Proc		(2.9)	(2.2)													(5.1)
Net Proc (= P-1)		103.3	79.1													182.4
Plus CY Adv Proc	2.9	2.2	-													5.1
Weapon Sys Cost	2.9	105.5	79.1													187.4
Multiyear Proc																
Proc Qty *		-	-													-
Gross Cost (P-1)	-	98.0	72.8													170.8
Less PY Adv Proc	-	(2.9)	(2.2)													(5.1)
Net Proc (=P-1)	-	95.2	70.6													165.8
Adv. Proc.																
' For FY13	2.9															2.9
' For FY14	-	2.2														2.2
' For FY15	-	-	-													-
' For FY16	-	-														-
' For FY17	-	-	-													-
Plus CY Adv Proc	2.9	2.2	-													5.1
Weapon Sys Cost	2.9	97.4	70.6													170.8
Multiyear Savings (\$)	-	8.1	8.5													16.6
OUTLAYS																
Annual	0.4	14.8	51.2	62.1	37.2	16.7	5.1									187.4
Multiyear	0.4	13.7	47.0	56.4	33.6	15.1	4.5									170.8
Savings	-	1.1	4.2	5.7	3.6	1.6	0.5									16.6

Remarks:

FY 2012 Advance Procurement (AP) funds will be executed prior to the award of the planned FY 2013 MYP contract. Subsequent to the planned FY 2013 MYP contract award, the FY 2012 AP funds will be incorporated into the FY 2013 MYP contract as a separate contract line item (CLIN).

* Quantities for the CV-22 are shown under Appropriation 3010 (Aircraft Procurement, Air Force). In accordance with the approved program plan, the Air Force is funding the majority of the procurement cost for CV-22. USSOCOM is funding delta costs above the baseline aircraft for special operations force unique equipment.

The current budget is based on a follow-on MYP.

There is no cancellation ceiling.

P-1 Shopping List - Item No 9 & 10

Exhibit MYP-2, Total Program Funding Plan
(MYP, Page 15 of 17)

Exhibit MYP-3, Total Contract Funding Plan						Date Feb-12										
Defense-Wide Procurement, SOCOM						P-1 Line Item Nomenclature - CV-22 Modification										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Annual Procurement																
Proc Qty *		-	-													-
Airframce/CFE		69.7	55.8													125.5
Less PY Adv Proc		(2.9)	(2.2)													(5.1)
Net Proc (= P-1)		66.9	53.6													120.4
Plus CY Adv Proc	2.9	2.2	-													5.1
Contract Price	2.9	69.1	53.6													125.5
Multiyear Proc																
Proc Qty *		-	-													-
Airframce/CFE	-	61.6	47.3													108.9
Less PY Adv Proc	-	(2.9)	(2.2)													(5.1)
Net Proc (=P-1)	-	58.7	45.1													103.8
Adv. Proc.																
' For FY13	2.9	-														2.9
' For FY14	-	2.2														2.2
' For FY15	-	-	-													-
' For FY16	-	-	-													-
' For FY17	-	-	-													-
Total Adv Proc	2.9	2.2	-													5.1
Contract Price	2.9	61.0	45.1													108.9
Multiyear Savings (\$)																
	-	8.1	8.5													16.6
																13.2%
OUTLAYS																
Annual	0.4	10.1	34.1	41.4	25.0	11.2	3.4									125.5
Multiyear	0.4	9.0	29.9	35.8	21.4	9.6	2.9									108.9
Savings	-	1.1	4.2	5.7	3.6	1.6	0.5									16.6

Remarks:

FY 2012 Advance Procurement (AP) funds will be executed prior to the award of the planned FY 2013 MYP contract. Subsequent to the planned FY 2013 MYP contract award, the FY 2012 AP funds will be incorporated into the FY 2013 MYP contract as a separate contract line item (CLIN).

* Quantities for the CV-22 are shown under Appropriation 3010 (Aircraft Procurement, Air Force). In accordance with the approved program plan, the Air Force is funding the majority of the procurement cost for CV-22. USSOCOM is funding delta costs above the baseline aircraft for special operations force unique equipment.

The current budget is based on a follow-on MYP.

The FY12 AAC will be modified for inclusion in the MYP contract at the time of contract definitization in FY13.

There is no cancellation ceiling.

P-1 Shopping List - Item No 9 & 10

Exhibit MYP-3, Total Contract Funding Plan
(MYP, Page 16 of 17)

Exhibit MYP-4, Present Value Analysis						Date Feb-12										
Defense-Wide Procurement, SOCOM						P-1 Line Item Nomenclature - CV-22 Modification										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Annual Proposal																
Then Year Cost	0.4	10.1	34.1	41.4	25.0	11.2	3.4									125.5
Constant Year Cost	0.4	9.8	32.6	38.9	23.0	10.1	3.1									117.9
Present Value	0.4	9.8	32.2	38.1	22.3	9.7	2.9									115.4
Multiyear Proposal																
Then Year Cost	0.4	9.0	29.9	35.8	21.4	9.6	2.9									108.9
Constant Year Cost	0.4	8.8	28.6	33.6	19.7	8.7	2.6									102.3
Present Value	0.4	8.8	28.3	32.9	19.1	8.3	2.4									100.1
Difference																
Then Year Cost	-	1.1	4.2	5.7	3.6	1.6	0.5									16.6
Constant Year Cost	-	1.0	4.0	5.3	3.3	1.4	0.5									15.6
Present Value	-	1.0	4.0	5.2	3.2	1.4	0.5									15.2
Multiyear Savings (\$)	-	1.1	4.2	5.7	3.6	1.6	0.5									16.6

Remarks:

Costs may not add due to rounding.

Present value is calculated in accordance with DoD Instruction 7041.3.

P-1 Shopping List - Item No 9 & 10

Exhibit MYP-4, Present Value Analysis
(MYP, Page 17 of 17)

UNCLASSIFIED

Exhibit MYP-1, Multiyear Procurement Criteria
Program: MH-60R/S Helicopter Airframes

1. Multiyear Procurement Description:

This proposed Multi-Year Procurement (MYP) covers the purchase of 193 Navy MH-60 helicopter airframes in FY2012 through FY2016 under a single, five year fixed price type contract. The MYP strategy is structured to achieve \$347.4 Million (TY\$) in Navy cost avoidance over the five year period within the Navy Aircraft Procurement appropriation. This proposed Navy MH-60R/S MYP contract follows a currently executing (FY2007 through FY2011) joint Service MYP between the Army, Navy and Sikorsky Aircraft Corporation for H-60 helicopters. These MYP exhibits document the Navy only portion of the overall Army and Navy MYP for H-60 airframes. The Army portion of the MYP exhibits will be incorporated at PB budget submission so that one overall MYP exhibit for H-60 airframes can be submitted to OSD(C). The MYP will include a Variation in Quantity Clause allowing for minor fluctuation of aircraft quantities from the PB12 profile. The Army and Navy met SECDEF certification requirements 1 March 2011.

2. Benefit to the Government:

a. Substantial Cost Avoidance:

Implementation of this proposed MYP will yield significant opportunity for cost avoidance through the term of the contract. Specifically, cost avoidance for FY2012 through FY2016 attributable to this MYP strategy is estimated at \$347.4 Million (TY\$). This level of avoidance is based on a comparison of the estimated prices for five single year contracts to the estimated price for one five year multiyear contract.

Administrative costs are reduced since there is only one proposal, negotiation, and purchase order instead of a string of five single year procurement actions. These costs are reduced to the prime contractor, since they have only one contract to negotiate with the government vice five. Prime contractor costs will also be reduced as subcontracts at all tiers will only be entered into once. Since some suppliers include proposal preparation and negotiation as a direct charge to the purchase order, there will be a dollar for dollar reduction in these cases and the cost avoidance will not get lost in overhead rates. Another administrative reduction is realized in production planning. Cost avoidance will be gained as production line administrative processes will only be performed once, rather than five times under single year procurement. Additionally, the workload on the Government's acquisition workforce will be reduced via the MYP, resulting in greater efficiency in other MH-60 acquisition operations.

P-1 Shopping List - Item No.

Exhibit MYP-1, Multiyear Procurement Criteria
(MYP, Page 1 of 14)
UNCLASSIFIED

Exhibit MYP-1, Multiyear Procurement CriteriaProgram: MH-60R/S Helicopter Airframes

The prime contractor sets the standard for the vendors that support his contract commitments and, as new processes and innovations are implemented at the prime facility, the vendors are encouraged to adopt those elements that enhance their performance. The stability of long term commitments supported by multiyear contracts provides the collateral required to support their financial investments.

Many electronics components have minimum buy quantities which may not be met under single year procurements, driving up unit costs so that total cost is artificially high. Multiyear procurement quantities will allow the prime contractor and subcontractors at all tiers to exceed minimum order quantities and capture cost avoidance on these components. Typically suppliers will provide price discounts to lock in business. Given a five year contract, suppliers will have greater total business and stability. Therefore, they will be capable of finding innovative processes and be able to justify capital investments necessary to reduce costs. Some of these cost reductions will be passed on to the customer in the form of price reductions. In addition to these types of process innovations and capital investments, competition is expected to be greater based on larger purchase volumes and obsolescence risks and costs are expected to be minimized.

b. Stability of Requirement:

The requirement for both the MH-60R and MH-60S aircraft is well documented within the Navy. The Navy's total MH-60 requirement is set forth in the Navy Aviation Plan 2030. Both the MH-60R and MH-60S are key components in the Navy's investment strategy for long range recapitalization and modernization requirements needed to support the tenets of the maritime strategy. The MH-60R Operational Requirements Document (ORD) was approved by the Joint Requirements Oversight Council (JROC) in August 1992 and the latest revision which updated the document to a Capability Production Document was approved in November 2005. The MH-60S Operational Requirements Document (ORD) was approved in August 2002 and the latest revision (ORD Update 2) was approved by the JROC in February 2008.

P-1 Shopping List - Item No.

Exhibit MYP-1, Multiyear Procurement Criteria
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Exhibit MYP-1, Multiyear Procurement CriteriaProgram: MH-60R/S Helicopter Airframes

c. Stability of Funding:

The Service Acquisition Executive (SAE) conducted a review of the MH-60R program in March 2006 and directed the program to proceed to full rate production. The SAE conducted a review of the MH-60S program in August 2002 and directed the program to proceed to full rate production. Independent cost estimates were conducted to support both of these milestone decisions. Funding support for the MH-60R and MH-60S has consistently been shown by both the Navy and the Congress.

d. Stable Configuration:

The MH-60R airframe will be in its sixth year and the MH-60S airframe will be in its eleventh year of full-rate production in FY12 and will be produced in basically the same configurations that have been utilized in previous years. There have been some configuration changes during that period to allow for changing mission requirements or to improve on the producibility or reliability of the system. The Navy portion of the proposed contract will procure two distinct airframe configurations; the MH-60R and the MH-60S. Commonality between the configurations is substantial.

e. Realistic Cost Estimates:

The procurement cost estimate for the MH-60R and MH-60S airframe is realistic. The estimates are based on many years of historical cost data/actuals and the most accurate cost data to date, as well as data provided by the contractor in the Spring/Summer 2010. The contract is a five year Firm Fixed Price contract.

P-1 Shopping List - Item No.

Exhibit MYP-1, Multiyear Procurement Criteria
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Exhibit MYP-1, Multiyear Procurement CriteriaProgram: MH-60R/S Helicopter Airframes

f. National Security:

As a principle element of the Defense Planning Guidance (DPG), the Department of the Navy developed its Transformation Roadmap. The Roadmap describes the key naval concepts, capabilities, initiatives, processes and programs that will guide the transformation efforts of the Navy. Naval transformation will support joint transformation by delivering new military capabilities that will greatly expand the sovereign options available to joint force commanders to project power, assure access, and protect and advance America's interests worldwide in the face of emergent threat technologies and strategies. One of these naval concepts is Sea Shield. Sea Shield permits the joint force to operate effectively despite adversary efforts to deny theater access to U.S. forces. It achieves these goals by exploiting global sea control to defeat area denial threats including aircraft, missiles, small littoral surface combatants, mines, and submarines. Concepts and capabilities are being developed to counter the threats from quiet diesel submarines operating near the coast and mines in and beyond the surf zone. The MH-60R/S aircraft are key components in providing these capabilities. MH-60R/S are lethal and flexible platforms that offers the force commander multiple options to conduct a capabilities based response to future threats. MH-60R/S systems directly support five of the nine joint capability areas to include force application, battle space awareness, protection, building partnerships and logistics.

3. Source of Cost avoidance:

	\$ in Millions
Inflation	\$ 16.0
Material	\$121.1
Rates	\$158.9
Fee	\$ 51.4
Total Cost Avoidance	\$347.4

P-1 Shopping List - Item No.

Exhibit MYP-1, Multiyear Procurement Criteria
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Exhibit MYP-1, Multiyear Procurement CriteriaProgram: MH-60R/S Helicopter Airframes

4. Advantages of the MYP:

This MYP strategy has been structured to achieve significant cost avoidance (\$347.4 Million) 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. This strategy maintains the capability to produce additional aircraft to maintain an industrial base necessary to meet the production requirements of current and future helicopter systems. Cost avoidance resulting from economic order quantities and independent planning result in benefit to industry and government.

5. Impact on Industrial Base:

Implementation of this proposed MYP will also yield a favorable impact on the industrial base. The stability afforded by the use of a multiyear procurement will allow the prime contractor to enter into long term agreements with suppliers, at every tier, which provide substantial cost avoidance. Such long term agreements incentivize both the prime and the subcontractors to invest in process improvements which yield long term benefits in terms of product quality and cost. The stability of the prime multiyear contract will also foster improved competition at the sub contractor level, as the offer of a longer term business arrangement will encourage more aggressive pursuit of a contract award. The contractor and subcontractor will be at a reduced risk when implementing production process improvements, facility improvements, tooling design improvements, and fabrication process improvements. The ability for the government and industry to enter into a long-term agreement will allow industry the opportunity to place capital investments upfront, which reduces the overall cost and improves the quality of the Navy MH-60.

6. Multiyear Procurement Summary:

	Annual Contracts	MYP Contracts
Quantity	193	193
Total Contract Price	\$3,771.4	\$3,424.1
\$ Cost Avoidance Over Annual		\$ 347.4*
% of Cost Avoidance Over Annual		9.2%

*MH-60R/S programs are budgeted to support a follow-on MYP strategy and not annual contracting. If MYP is not approved, the \$347.4M in cost avoidance will need to be added to program funding levels to ensure the annual contracts are executable.

Exhibit MYP-2 Total Program Funding Plan (Total)					Date Feb-12								
Aircraft Procurement, Total					P-1 Line Item Nomenclature - H-60								
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
Proc Qty		42	37	37	39	38							193
Annual Procurement													
Gross Cost (P-1)		1453.4	1302.0	1420.2	1681.7	1776.6							7633.9
Less PY Adv Proc		(195.0)	(195.0)	(218.9)	(274.6)	(301.0)							(1184.5)
Net Proc (= P-1)		1258.4	1107.0	1201.3	1407.1	1475.5							6449.3
Plus CY Adv Proc	195.0	272.9	246.5	308.1	162.0								1184.5
Weapon Sys Cost	195.0	1531.4	1353.5	1509.4	1569.1	1475.5							7633.9
Multiyear Proc													
Gross Cost (P-1)		1371.1	1236.7	1363.1	1612.3	1703.3							7286.5
Less PY Adv Proc		(195.0)	(195.0)	(224.1)	(282.5)	(310.4)							(1207.0)
Net Proc (=P-1)		1176.1	1041.7	1138.9	1329.9	1392.9							6079.5
Adv. Proc.													
' For FY12	195.0												195.0
' For FY13	0.0	195.0											195.0
' For FY14	0.0	71.9	152.2										224.1
' For FY15	0.0	9.7	97.2	175.6									282.5
' For FY16	0.0	6.8	5.7	135.9	162.0								310.4
Plus CY Adv Proc	195.0	283.5	255.2	311.4	162.0								1207.0
Weapon Sys Cost	195.0	1459.6	1296.8	1450.4	1491.9	1392.9							7286.5
Multiyear Cost Avoidance (\$)	0.0	71.8	56.7	59.0	77.2	82.7							347.4
Cancellation Ceiling, Funded													
Cancellation Ceiling, Unfunded													
OUTLAYS													
Annual	29.2	307.7	871.3	1,225.3	1,388.1	1,487.6	1,273.2	673.4	246.1	95.9	28.5	7.4	7633.9
Multiyear (Budget)	29.2	296.9	834.1	1,173.2	1,329.5	1,418.6	1,208.6	638.3	233.2	90.8	27.0	7.0	7286.5
Cost Avoidance	0.0	10.8	37.2	52.1	58.6	69.1	64.6	35.2	12.9	5.1	1.5	0.4	347.4
Remarks													
Both estimates, Annual and Multiyear, assume a follow-on MYP for Lockheed Martin Mission Systems and Common Cockpit, for which there are EOQ funds in FY12-FY14.													
Since the current budget already assumes a follow-on MYP, deltas shown are Cost Avoidance, not Savings.													

P-1 Shopping List - Item No

Exhibit MYP-2, Total Program Fundi
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Exhibit MYP-2 Total Program Funding Plan (Romeo)					Date Feb-12								
Aircraft Procurement, Romeo					P-1 Line Item Nomenclature - H-60R								
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
Proc Qty		24	19	19	31	38							131
Annual Procurement													
Gross Cost (P-1)		959.0	825.6	896.2	1,347.0	1,747.6							5775.3
Less PY Adv Proc		(128.3)	(129.9)	(148.0)	(233.5)	(301.0)							(940.7)
Net Proc (= P-1)		830.7	695.7	748.2	1,113.4	1,446.5							4834.6
Plus CY Adv Proc	128.3	202.1	178.1	270.3	162.0								940.7
Weapon Sys Cost	128.3	1,032.8	873.8	1,018.5	1,275.4	1,446.5							5775.3
Multiyear Proc													
Gross Cost (P-1)		903.8	786.8	862.8	1,288.8	1,674.3							5516.4
Less PY Adv Proc		(128.3)	(129.9)	(151.0)	(239.6)	(310.4)							(959.2)
Net Proc (=P-1)		775.5	656.9	711.8	1,049.2	1,363.8							4557.3
Adv. Proc.													
' For FY12	128.3												128.3
' For FY13	0.0	129.9											129.9
' For FY14	0.0	66.2	84.8										151.0
' For FY15	0.0	6.5	95.4	137.7									239.6
' For FY16	0.0	6.8	5.7	135.9	162.0								310.4
Plus CY Adv Proc	128.3	209.4	185.9	273.6	162.0								959.2
Weapon Sys Cost	128.3	985.0	842.8	985.4	1,211.2	1,363.8							5516.4
Multiyear Cost Avoidance (\$)	0.0	47.8	31.1	33.1	64.2	82.7							258.9
Cancellation Ceiling, Funded													
Cancellation Ceiling, Unfunded													
OUTLAYS													
Annual	19.2	206.2	580.9	810.5	957.7	1,154.1	1,099.7	604.5	220.7	88.0	26.6	7.2	5775.3
Multiyear (Budget)	19.2	199.1	557.1	779.4	921.1	1,101.3	1,042.8	572.2	208.9	83.3	25.1	6.8	5516.4
Cost Avoidance	0.0	7.2	23.8	31.1	36.5	52.8	56.8	32.2	11.8	4.8	1.5	0.4	258.9
Remarks													
Both estimates, Annual and Multiyear, assume a follow-on MYP for Lockheed Martin Mission Systems and Common Cockpit, for which there are EOQ funds in FY12-FY14.													
Since the current budget already assumes a follow-on MYP, deltas shown are Cost Avoidance, not Savings.													

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Exhibit MYP-2, Total Program Funding Plan
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Exhibit MYP-2 Total Program Funding Plan (Sierra)					Date Feb-12								
Aircraft Procurement, Sierra					P-1 Line Item Nomenclature - H-60S								
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
Proc Qty		18	18	18	8	0							62
Annual Procurement													
Gross Cost (P-1)		494.4	476.4	524.0	334.7	29.0							1858.5
Less PY Adv Proc		(66.7)	(65.1)	(70.9)	(41.1)	0.0							(243.8)
Net Proc (= P-1)		427.7	411.3	453.1	293.6	29.0							1614.7
Plus CY Adv Proc	66.7	70.9	68.4	37.8	0.0								243.8
Weapon Sys Cost	66.7	498.6	479.7	490.9	293.6	29.0							1858.5
Multiyear Proc													
Gross Cost (P-1)		467.3	449.9	500.2	323.6	29.0							1770.0
Less PY Adv Proc		(66.7)	(65.1)	(73.1)	(42.9)	0.0							(247.8)
Net Proc (=P-1)		400.6	384.8	427.1	280.6	29.0							1522.2
Adv. Proc.													
' For FY12	66.7												66.7
' For FY13	0.0	65.1											65.1
' For FY14	0.0	5.7	67.4										73.1
' For FY15	0.0	3.2	1.9	37.8									42.9
' For FY16	0.0	0.0	0.0	0.0	0.0								0.0
Plus CY Adv Proc	66.7	74.0	69.3	37.8	0.0								247.8
Weapon Sys Cost	66.7	474.7	454.1	465.0	280.6	29.0							1770.0
Multiyear Cost Avoidance (\$)	0.0	23.9	25.6	26.0	13.0	0.0							88.5
Cancellation Ceiling, Funded													
Cancellation Ceiling, Unfunded													
OUTLAYS													
Annual	10.0	101.5	290.5	414.8	430.5	333.5	173.6	69.0	25.4	7.9	1.9	0.1	1858.5
Multiyear (Budget)	10.0	97.9	277.1	393.8	408.4	317.3	165.8	66.0	24.3	7.6	1.8	0.1	1770.0
Cost Avoidance	0.0	3.6	13.4	21.0	22.1	16.3	7.8	2.9	1.1	0.3	0.1	0.0	88.5
Remarks													
Both estimates, Annual and Multiyear, assume a follow-on MYP for Lockheed Martin Mission Systems and Common Cockpit, for which there are EOQ funds in FY12-13.													
Since the current budget already assumes a follow-on MYP, deltas shown are Cost Avoidance, not Savings.													

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Exhibit MYP-3, Total Program Funding Plan
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Exhibit MYP-3 Total Contract Funding Plan (Total)						Date Feb-12							
Aircraft Procurement, Total						P-1 Line Item Nomenclature - H-60							
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
Proc Qty		42	37	37	39	38							193
Annual Procurement													
SAC Airframe		741.2	684.0	706.7	812.1	827.4							3771.4
Less PY Adv Proc		(89.9)	(91.5)	(79.0)	(101.5)	(112.5)							(474.3)
Net Proc (= P-1)		651.3	592.4	627.8	710.6	715.0							3297.1
Plus CY Adv Proc	89.9	91.5	79.0	101.5	112.5								474.3
Contract Price	89.9	742.8	671.4	729.2	823.1	715.0							3771.4
Multiyear Proc													
SAC Airframe		658.9	618.6	649.6	742.8	754.1							3424.1
Less PY Adv Proc		(89.9)	(91.5)	(84.2)	(109.3)	(121.9)							(496.8)
Net Proc (=P-1)		569.0	527.1	565.4	633.4	632.3							2927.2
Adv. Proc.													
' For FY12	89.9												89.9
' For FY13	-	91.5											91.5
' For FY14	-	5.2	79.0										84.2
' For FY15	-	2.9	4.9	101.5									109.3
' For FY16	-	2.3	3.7	3.3	112.5								121.9
Total Adv Proc	89.9	102.0	87.6	104.8	112.5								496.8
Contract Price	89.9	671.1	614.7	670.2	745.9	632.3							3424.1
Multiyear Cost Avoidance (\$)	0.0	71.8	56.7	59.0	77.2	82.7							347.4
													9.2%
Cancellation Ceiling, Funded													
Cancellation Ceiling, Unfunded													
OUTLAYS													
Annual	13.5	147.4	423.6	599.4	685.5	746.9	635.4	332.7	122.1	47.3	14.1	3.6	3771.4
Multiyear	13.5	136.6	386.3	547.3	626.9	677.8	570.8	297.5	109.3	42.2	12.6	3.2	3424.1
Cost Avoidance	0.0	10.8	37.2	52.1	58.6	69.1	64.6	35.2	12.9	5.1	1.5	0.4	347.4
Remarks													
Since the current budget already assumes a follow-on MYP, deltas shown are Cost Avoidance, not Savings. Likewise, the Cost Avoidance percentage is calculated by dividing the delta by the Multiyear Total. SAC Airframe contract deltas influence the budgeted ECO costs, so deltas in the ECO line are included in the Annual Procurement scenario (total of \$6.2M across all of FY12-16 Romeo & Sierra).													

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Exhibit MYP-3, Total Contract Funding Plan
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Exhibit MYP-3 Total Contract Funding Plan (Romeo)						Date Feb-12							
Aircraft Procurement, Romeo						P-1 Line Item Nomenclature - H-60R							
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
Proc Qty		24	19	19	31	38							131
Annual Procurement													
SAC Airframe		454.0	387.4	404.4	661.9	827.4							2735.1
Less PY Adv Proc		(66.3)	(67.5)	(54.5)	(90.3)	(112.5)							(391.0)
Net Proc (= P-1)		387.7	319.9	349.9	571.6	715.0							2344.1
Plus CY Adv Proc	66.3	67.5	54.5	90.3	112.5								391.0
Contract Price	66.3	455.2	374.4	440.3	684.1	715.0							2735.1
Multiyear Proc													
SAC Airframe		398.8	348.5	371.0	603.7	754.1							2476.2
Less PY Adv Proc		(66.3)	(67.5)	(57.5)	(96.3)	(121.9)							(409.4)
Net Proc (=P-1)		332.5	281.0	313.5	507.4	632.3							2066.8
Adv. Proc.													
' For FY12	66.3												66.3
' For FY13	0.0	67.5											67.5
' For FY14	0.0	3.0	54.5										57.5
' For FY15	0.0	2.0	4.0	90.3									96.3
' For FY16	0.0	2.3	3.7	3.3	112.5								121.9
Total Adv Proc	66.3	74.8	62.3	93.7	112.5								409.4
Contract Price	66.3	407.3	343.3	407.2	619.8	632.3							2476.2
Multiyear Cost Avoidance (\$)	0.0	47.8	31.1	33.1	64.2	82.7							258.9
													9.5%
Cancellation Ceiling, Funded													
Cancellation Ceiling, Unfunded													
OUTLAYS													
Annual	9.9	94.8	257.2	352.6	434.3	565.6	549.2	300.2	110.3	44.0	13.4	3.6	2735.1
Multiyear	9.9	87.6	233.4	321.5	397.7	512.8	492.4	268.0	98.5	39.2	12.0	3.2	2476.2
Cost Avoidance	0.0	7.2	23.8	31.1	36.5	52.8	56.8	32.2	11.8	4.8	1.5	0.4	258.9
Remarks													
Since the current budget already assumes a follow-on MYP, deltas shown are Cost Avoidance, not Savings. Likewise, the Cost Avoidance percentage is calculated by dividing the delta by the Multiyear Total. SAC Airframe contract deltas influence the budgeted ECO costs, so deltas in the ECO line are included in the Annual Procurement scenario (total of \$5.1M across all of FY12-16).													

Exhibit MYP-3 Total Contract Funding Plan (Sierra)						Date Feb-12							
Aircraft Procurement, Sierra						P-1 Line Item Nomenclature - H-60S							
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
Proc Qty		18	18	18	8	0							62
Annual Procurement													
SAC Airframe		287.2	296.6	302.3	150.2	0.0							1036.3
Less PY Adv Proc		(23.6)	(24.1)	(24.5)	(11.2)	0.0							(83.3)
Net Proc (= P-1)		263.6	272.5	277.8	139.0	0.0							953.0
Plus CY Adv Proc	23.6	24.1	24.5	11.2	0.0								83.3
Contract Price	23.6	287.6	297.0	289.0	139.0	0.0							1036.3
Multiyear Proc													
SAC Airframe		260.1	270.1	278.6	139.1	0.0							947.8
Less PY Adv Proc		(23.6)	(24.1)	(26.7)	(13.0)	0.0							(87.4)
Net Proc (=P-1)		236.5	246.1	251.9	126.1	0.0							860.5
Adv. Proc.													
' For FY12	23.6												23.6
' For FY13	0.0	24.1											24.1
' For FY14	0.0	2.2	24.5										26.7
' For FY15	0.0	1.0	0.9	11.2									13.0
' For FY16	0.0	0.0	0.0	0.0	0.0								0.0
Total Adv Proc	23.6	27.2	25.4	11.2	0.0								87.4
Contract Price	23.6	263.7	271.4	263.0	126.1	0.0							947.8
Multiyear Cost Avoidance (\$)	0.0	23.9	25.6	26.0	13.0	0.0							88.5
													8.5%
Cancellation Ceiling, Funded													
Cancellation Ceiling, Unfunded													
OUTLAYS													
Annual	3.5	52.6	166.4	246.8	251.2	181.2	86.2	32.5	11.8	3.4	0.7	-	1036.3
Multiyear	3.5	49.0	153.0	225.8	229.2	165.0	78.4	29.6	10.7	3.1	0.6	-	947.8
Cost Avoidance	-	3.6	13.4	21.0	22.1	16.3	7.8	2.9	1.1	0.3	0.1	-	88.5
Remarks													
Since the current budget already assumes a follow-on MYP, deltas shown are Cost Avoidance, not Savings. Likewise, the Cost Avoidance percentage is calculated by dividing the delta by the Multiyear Total. SAC Airframe contract deltas influence the budgeted ECO costs, so deltas in the ECO line are included in the Annual Procurement scenario (total of \$1.1M across all of FY12-15).													

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Exhibit MYP-3, Total Contract Funding Plan
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Exhibit MYP-4 Present Value Analysis (Total)						Date Feb-12							
Aircraft Procurement, Total						P-1 Line Item Nomenclature - H-60							
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
Annual Proposal													
Then Year Cost	13.5	147.4	423.6	599.4	685.5	746.9	635.4	332.7	122.1	47.3	14.1	3.6	3771.4
Constant Year Cost	13.9	149.9	423.6	588.9	661.7	708.1	591.8	304.4	109.7	41.8	12.2	3.0	3609.1
Present Value	13.4	141.0	393.7	539.4	594.6	624.1	513.6	262.0	94.1	35.6	10.4	2.6	3224.5
Multiyear Proposal													
Then Year Cost	13.5	136.6	386.3	547.3	626.9	677.8	570.8	297.5	109.3	42.2	12.6	3.2	3424.1
Constant Year Cost	13.9	138.9	386.3	537.8	605.1	642.7	531.6	272.2	98.2	37.3	10.9	2.7	3277.7
Present Value	13.4	130.7	359.2	492.6	543.8	566.5	461.5	234.4	84.2	31.8	9.2	2.3	2929.4
Difference													
Then Year Cost	0.0	10.8	37.2	52.1	58.6	69.1	64.6	35.2	12.9	5.1	1.5	0.4	347.4
Constant Year Cost	0.0	11.0	37.2	51.2	56.5	65.5	60.2	32.2	11.5	4.5	1.3	0.4	331.4
Present Value	0.0	10.3	34.6	46.9	50.8	57.6	52.1	27.7	9.9	3.8	1.1	0.3	295.0
Multiyear Cost Avoidance (\$)	0.0	10.8	37.2	52.1	58.6	69.1	64.6	35.2	12.9	5.1	1.5	0.4	347.4
Remarks Constant Year Costs in Budget Year 13\$ Since the current budget already assumes a follow-on MYP, deltas shown are Cost Avoidance, not Savings.													

P-1 Shopping List - Item No

Exhibit MYP-4, Present Value Analysis
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Exhibit MYP-4 Present Value Analysis (Romeo)						Date Feb-12							
Aircraft Procurement, Romeo						P-1 Line Item Nomenclature - H-60R							
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
Annual Proposal													
Then Year Cost	9.9	94.8	257.2	352.6	434.3	565.6	549.2	300.2	110.3	44.0	13.4	3.6	2,735.1
Constant Year Cost	10.3	96.4	257.2	346.5	419.2	536.3	511.5	274.7	99.1	38.8	11.6	3.0	2,604.6
Present Value	9.8	90.7	239.2	317.4	376.1	471.2	442.7	235.9	84.8	33.0	9.9	2.6	2,313.3
Multiyear Proposal													
Then Year Cost	9.9	87.6	233.4	321.5	397.7	512.8	492.4	268.0	98.5	39.2	12.0	3.2	2,476.2
Constant Year Cost	10.3	89.1	233.4	315.9	383.9	486.2	458.6	245.2	88.6	34.6	10.4	2.7	2,358.8
Present Value	9.8	83.9	217.1	289.4	344.4	427.3	397.0	210.6	75.8	29.4	8.8	2.3	2,095.8
Difference													
Then Year Cost	0.0	7.2	23.8	31.1	36.5	52.8	56.8	32.2	11.8	4.8	1.5	0.4	258.9
Constant Year Cost	0.0	7.3	23.8	30.5	35.3	50.1	52.9	29.5	10.6	4.2	1.3	0.4	245.8
Present Value	0.0	6.8	22.1	28.0	31.6	43.9	45.7	25.3	9.0	3.6	1.1	0.3	217.5
Multiyear Cost Avoidance (\$)	0.0	7.2	23.8	31.1	36.5	52.8	56.8	32.2	11.8	4.8	1.5	0.4	258.9
Remarks Constant Year Costs in Budget Year 13\$ Since the current budget already assumes a follow-on MYP, deltas shown are Cost Avoidance, not Savings.													

P-1 Shopping List - Item No

Exhibit MYP-4, Present Value Analysis
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Exhibit MYP-4 Present Value Analysis (Sierra)						Date Feb-12							
Aircraft Procurement, H-60 Sierra						P-1 Line Item Nomenclature - H-60S							
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
Annual Proposal													
Then Year Cost	3.5	52.6	166.4	246.8	251.2	181.2	86.2	32.5	11.8	3.4	0.7	0.0	1036.3
Constant Year Cost	3.7	53.5	166.4	242.5	242.5	171.8	80.3	29.7	10.6	3.0	0.6	0.0	1004.5
Present Value	3.5	50.3	154.5	222.0	218.5	152.9	70.9	26.2	9.3	2.6	0.5	0.0	911.2
Multiyear Proposal													
Then Year Cost	3.5	49.0	153.0	225.8	229.2	165.0	78.4	29.6	10.7	3.1	0.6	0.0	947.8
Constant Year Cost	3.7	49.8	153.0	221.9	221.2	156.4	73.0	27.0	9.6	2.7	0.5	0.0	918.9
Present Value	3.5	46.8	142.1	203.1	199.4	139.2	64.5	23.8	8.4	2.4	0.5	0.0	833.7
Difference													
Then Year Cost	0.0	3.6	13.4	21.0	22.1	16.3	7.8	2.9	1.1	0.3	0.1	0.0	88.5
Constant Year Cost	0.0	3.7	13.4	20.6	21.3	15.4	7.3	2.7	1.0	0.3	0.1	0.0	85.6
Present Value	0.0	3.4	12.4	18.9	19.2	13.7	6.4	2.4	0.8	0.2	0.0	0.0	77.5
Multiyear Cost Avoidance (\$)	0.0	3.6	13.4	21.0	22.1	16.3	7.8	2.9	1.1	0.3	0.1	0.0	88.5
Remarks													
Constant Year Costs in Budget Year 13\$													
Since the current budget already assumes a follow-on MYP, deltas shown are Cost Avoidance, not Savings.													

P-1 Shopping List - Item No

Exhibit MYP-1, Multiyear Procurement Criteria
Program: MH-60R/S Mission Avionics/Common Cockpit

1. Multiyear Procurement Description:

This proposed Multi-Year Procurement (MYP) covers the purchase of 193 Navy MH-60 Mission Avionics suites/systems in FY2012 through FY2016 under a single, five year fixed price type contract. This procurement includes 131 MH-60R Mission Avionics suites. This encompasses the procurement and installation of the Multi-Mode Radar, Electronic Support Measures, Weapon stations, Equipment racks, Sensor operators station, and Common Cockpit. This contract also procures the installation of mission system government furnished equipment; which includes but is not limited to the Forward Looking Infrared Radar, Airborne Low Frequency Sonar, and Integrated Self-Defense systems. This MYP will also include the procurement of 62 Common Cockpits for MH-60S. The MYP strategy is structured to achieve \$168.2 Million (TY\$) in cost avoidance over the five year period within the Navy Aircraft Procurement appropriation. This proposed Navy MH-60R/S MYP contract follows a currently executing (FY2007 through FY2011) MYP with Lockheed Martin Systems Integration for MH-60R Mission Avionics Systems.

The MYP will include a Variation in Quantity Clause allowing for minor fluctuation of aircraft quantities from the PB12 profile.

2. Benefit to the Government:

a. Substantial Cost Avoidance:

Implementation of this proposed MYP will yield significant opportunity for cost avoidance through the term of the contract. Specifically, cost avoidance for FY2012 through FY2016 attributable to this MYP strategy is estimated at \$168.2 Million (TY\$).

The cost avoidance associated with the MH-60 Mission Avionics MYP will principally be achieved as a result of Economic Order Quantity (EOQ) investments. Procuring select components at economic order quantities also will reduce costs by reducing the number of production set-ups, reducing administrative costs, receiving price breaks for raw materials and components, minimizing obsolescence risks/costs and further stabilizing the MH-60 supply chain.

Exhibit MYP-1, Multiyear Procurement Criteria
Program: MH-60R/S Mission Avionics/Common Cockpit

Administrative costs are reduced since there is only one proposal, negotiation, and purchase order instead of a string of five single year procurement actions. These costs are reduced to the prime contractor, since they have only one contract to negotiate with the government vice five. Prime contractor costs will also be reduced as subcontracts at all tiers will only be entered into once. Since some suppliers include proposal preparation and negotiation as a direct charge to the purchase order, there will be a dollar for dollar reduction in these cases and the cost avoidance will not get lost in overhead rates. Another administrative reduction is realized in production planning. Cost avoidance will be gained as production line administrative processes will only be performed once, rather than five times under single year procurement. Additionally, the workload on the Government's acquisition workforce will be reduced via the MYP, resulting in greater efficiency in other MH-60 acquisition operations.

Many electronics components have minimum buy quantities which may not be met under single year procurements, driving up unit costs so that total cost is artificially high. Multiyear procurement quantities will allow the prime contractor and subcontractors at all tiers to exceed minimum order quantities and capture cost avoidance on these components. Typically suppliers will provide price discounts to lock in business. Given a five year contract, suppliers will have greater total business and stability. Therefore, they will be capable of finding innovative processes and be able to justify capital investments necessary to reduce costs. Some of these cost reductions will be passed on to the customer in the form of price reductions. In addition to these types of process innovations and capital investments, competition is expected to be greater based on larger purchase volumes and obsolescence risks and costs are expected to be minimized.

b. Stability of Requirement:

The requirement for both the MH-60R and MH-60S aircraft is well documented within the Navy. The Navy's total MH-60 requirement is set forth in the Navy Aviation Plan 2030. Both the MH-60R and MH-60S are key components in the Navy's investment strategy for long range recapitalization and modernization requirements needed to support the tenets of the maritime strategy. The MH-60R Operational Requirements Document (ORD) was approved by the Joint Requirements Oversight Council (JROC) in August 1992 and the latest revision which updated the document to a Capability Production Document was approved in November 2005. The MH-60S Operational Requirements Document (ORD) was approved in August 2002 and the latest revision (ORD Update 2) was approved by the JROC in February 2008.

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Exhibit MYP-1, Multiyear Procurement Criteria
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Exhibit MYP-1, Multiyear Procurement Criteria
Program: MH-60R/S Mission Avionics/Common Cockpit

c. Stability of Funding:

The Service Acquisition Executive (SAE) conducted a review of the MH-60R program in March 2006 and directed the program to proceed to full rate production. The SAE conducted a review of the MH-60S program in August 2002 and directed the program to proceed to full rate production. Independent cost estimates were conducted to support both of these milestone decisions. Funding support for the MH-60R and MH-60S has consistently been shown by both the Navy and the Congress.

d. Stable Configuration:

The MH-60R mission avionics is mature technology that was found to be operationally effective and suitable with all mission system performance meeting or exceeding threshold requirements. The mission systems have been in production since 2001 and entered full rate production in 2006. The MH-60R/S Common Cockpit was found to be operationally effective and suitable during Operational Evaluation and entered full rate production in August 2002. The Common Cockpit system has been deployed in the Fleet since August 2002.

e. Realistic Cost Estimates:

The procurement cost estimate for both the MH-60R/MH-60S Mission Avionics (which includes Common Cockpit) are realistic. The estimates are based on several years of historical cost data/actuals and the most accurate cost data to date as well as data provided by the contractor in April 2009. The contract is a five year Firm Fixed Price contract.

Exhibit MYP-1, Multiyear Procurement Criteria
Program: MH-60R/S Mission Avionics/Common Cockpit

f. National Security:

As a principle element of the Defense Planning Guidance (DPG), the Department of the Navy developed its Transformation Roadmap. The Roadmap describes the key naval concepts, capabilities, initiatives, processes and programs that will guide the transformation efforts of the Navy. Naval transformation will support joint transformation by delivering new military capabilities that will greatly expand the sovereign options available to joint force commanders to project power, assure access, and protect and advance America's interests worldwide in the face of emergent threat technologies and strategies. One of these naval concepts is Sea Shield. Sea Shield permits the joint force to operate effectively despite adversary efforts to deny theater access to U.S. forces. It achieves these goals by exploiting global sea control to defeat area denial threats including aircraft, missiles, small littoral surface combatants, mines, and submarines. Concepts and capabilities are being developed to counter the threats from quiet diesel submarines operating near the coast and mines in and beyond the surf zone. The MH-60R/S aircraft are key components in providing these capabilities. MH-60R/S are lethal and flexible platforms that offers the force commander multiple options to conduct a capabilities based response to future threats. MH-60R/S systems directly support five of the nine joint capability areas to include force application, battle space awareness, protection, building partnerships and logistics.

3. Source of Cost avoidance:

\$ in Millions

Inflation	\$ 18.1
Vendor Procurement	\$ 91.2
Manufacturing/PM/Eng	\$ 58.9
Total Cost Avoidance	\$168.2

P-1 Shopping List - Item No.

Exhibit MYP-1, Multiyear Procurement Criteria
(MYP, Page 4 of 14)
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Exhibit MYP-1, Multiyear Procurement Criteria
Program: MH-60R/S Mission Avionics/Common Cockpit

4. Advantages of the MYP:

This MYP strategy has been structured to achieve significant cost avoidance (\$168.2 Million) 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. This strategy maintains the capability to produce additional aircraft to maintain an industrial base necessary to meet the production requirements of current and future helicopter systems. Cost avoidance resulting from economic order quantities and independent planning result in benefit to industry and government.

5. Impact on Industrial Base:

Implementation of this proposed MYP will also yield a favorable impact on the industrial base. The stability afforded by the use of a multiyear procurement will allow the prime contractor to enter into long term agreements with suppliers, at every tier, which provide substantial cost avoidance. Such long term agreements incentivize both the prime and the subcontractors to invest in process improvements which yield long term benefits in terms of product quality and cost. The stability of the prime multiyear contract will also foster improved competition at the sub contractor level, as the offer of a longer term business arrangement will encourage more aggressive pursuit of a contract award. The contractor and subcontractor will be at a reduced risk when implementing production process improvements, facility improvements, tooling design improvements, and fabrication process improvements. The ability for the government and industry to enter into a long-term agreement will allow industry the opportunity to place capital investments upfront, which reduces the overall cost and improves the quality of the Navy MH-60.

6. Multiyear Procurement Summary:

	Annual Contracts	MYP Contract
Quantity	193	193
Total Contract Price	\$1,623.7	\$1,455.5
\$ Cost Avoidance Over Annual		\$ 168.2*
% of Cost Avoidance Over Annual		10.4%

*MH-60R/S programs are budgeted to support a follow-on MYP strategy and not annual contracting. If MYP is not approved, the \$168.2M in cost avoidance will need to be added to program funding levels to ensure the annual contracts are executable.

Exhibit MYP-2 Total Program Funding Plan (Total)					Date Feb-12								
Aircraft Procurement, Total					P-1 Line Item Nomenclature - H-60								
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
Proc Qty		42	37	37	39	38							193
Annual Procurement													
Gross Cost (P-1)		1375.6	1258.7	1390.8	1668.0	1761.5							7,454.7
Less PY Adv Proc		(197.0)	(195.5)	(182.7)	(228.5)	(237.3)							(1,041.0)
Net Proc (= P-1)		1178.6	1063.2	1208.1	1439.5	1524.2							6,413.6
Plus CY Adv Proc	197.0	206.0	186.1	224.0	227.9								1,041.0
Weapon Sys Cost	197.0	1384.7	1249.3	1432.2	1667.3	1524.2							7,454.7
Multiyear Proc													
Gross Cost (P-1)		1371.1	1236.7	1363.1	1612.3	1703.3							7,286.5
Less PY Adv Proc		(195.0)	(195.0)	(224.1)	(282.5)	(310.4)							(1,207.0)
Net Proc (=P-1)		1176.1	1041.7	1138.9	1329.9	1392.9							6,079.5
Adv. Proc.													
' For FY12	195.0												195.0
' For FY13	0.0	195.0											195.0
' For FY14	0.0	71.9	152.2										224.1
' For FY15	0.0	9.7	97.2	175.6									282.5
' For FY16	0.0	6.8	5.7	135.9	162.0								310.4
Plus CY Adv Proc	195.0	283.5	255.2	311.4	162.0								1,207.0
Weapon Sys Cost	195.0	1459.6	1296.8	1450.4	1491.9	1392.9							7,286.5
Multiyear Cost Avoidance (\$)	2.0	(75.0)	(47.5)	(18.2)	175.5	131.4							168.2
Cancellation Ceiling, Funded													
Cancellation Ceiling, Unfunded													
OUTLAYS													
Annual	29.5	286.5	797.6	1,130.2	1,327.6	1,495.2	1,306.4	691.5	253.7	99.1	29.7	7.6	7,454.7
Multiyear (Budget)	29.2	296.9	834.1	1,173.2	1,329.5	1,418.6	1,208.6	638.3	233.2	90.8	27.0	7.0	7,286.5
Cost Avoidance	0.3	(10.4)	(36.5)	(43.0)	(2.0)	76.6	97.7	53.3	20.5	8.3	2.7	0.7	168.2
Remarks Both estimates, Annual and Multiyear, assume a follow-on MYP for Sikorsky Airframe, for which there are EOQ funds in FY12-FY14. Since the current budget already assumes a follow-on MYP, deltas shown are Cost Avoidance, not Savings.													

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Exhibit MYP-2, Total Program Funding Plan
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Exhibit MYP-2 Total Program Funding Plan (Romeo)					Date Feb-12								
Aircraft Procurement, Romeo					P-1 Line Item Nomenclature - H-60R								
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
Proc Qty		24	19	19	31	38							131
Annual Procurement													
Gross Cost (P-1)		908.9	804.7	885.6	1,339.9	1,732.5							5,671.5
Less PY Adv Proc		(130.1)	(129.9)	(112.2)	(188.2)	(237.3)							(797.8)
Net Proc (= P-1)		778.7	674.8	773.3	1,151.6	1,495.2							4,873.7
Plus CY Adv Proc	130.1	137.3	117.0	185.5	227.9								797.8
Weapon Sys Cost	130.1	916.0	791.7	958.9	1,379.5	1,495.2							5,671.5
Multiyear Proc													
Gross Cost (P-1)		903.8	786.8	862.8	1,288.8	1,674.3							5,516.4
Less PY Adv Proc		(128.3)	(129.9)	(151.0)	(239.6)	(310.4)							(959.2)
Net Proc (=P-1)		775.5	656.9	711.8	1,049.2	1,363.8							4,557.3
Adv. Proc.													
' For FY12	128.3												128.3
' For FY13	0.0	129.9											129.9
' For FY14	0.0	66.2	84.8										151.0
' For FY15	0.0	6.5	95.4	137.7									239.6
' For FY16	0.0	6.8	5.7	135.9	162.0								310.4
Plus CY Adv Proc	128.3	209.4	185.9	273.6	162.0								959.2
Weapon Sys Cost	128.3	985.0	842.8	985.4	1,211.2	1,363.8							5,516.4
Multiyear Cost Avoidance (\$)	1.9	(69.0)	(51.0)	(26.5)	168.3	131.4							155.0
Cancellation Ceiling, Funded													
Cancellation Ceiling, Unfunded													
OUTLAYS													
Annual	19.5	189.5	522.4	735.5	914.4	1,172.5	1,137.6	624.4	229.0	91.4	27.8	7.5	5,671.5
Multiyear (Budget)	19.2	199.1	557.1	779.4	921.1	1,101.3	1,042.8	572.2	208.9	83.3	25.1	6.8	5,516.4
Cost Avoidance	0.3	(9.6)	(34.7)	(43.9)	(6.8)	71.3	94.8	52.2	20.1	8.1	2.7	0.7	155.0
Remarks													
Both estimates, Annual and Multiyear, assume a follow-on MYP for Sikorsky Airframe, for which there are EOQ funds in FY12-FY14.													
Since the current budget already assumes a follow-on MYP, deltas shown are Cost Avoidance, not Savings.													

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Exhibit MYP-2, Total Program Funding Plan
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Exhibit MYP-2 Total Program Funding Plan (Sierra)					Date Feb-12								
Aircraft Procurement, Sierra					P-1 Line Item Nomenclature - H-60S								
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
Proc Qty		18	18	18	8	0							62
Annual Procurement													
Gross Cost (P-1)		466.7	454.0	505.3	328.1	29.0							1,783.2
Less PY Adv Proc		(66.9)	(65.6)	(70.5)	(40.3)	0.0							(243.2)
Net Proc (= P-1)		399.9	388.4	434.8	287.8	29.0							1,539.9
Plus CY Adv Proc	66.9	68.8	69.1	38.5	0.0								243.2
Weapon Sys Cost	66.9	468.7	457.5	473.3	287.8	29.0							1,783.2
Multiyear Proc													
Gross Cost (P-1)		467.3	449.9	500.2	323.6	29.0							1,770.0
Less PY Adv Proc		(66.7)	(65.1)	(73.1)	(42.9)	0.0							(247.8)
Net Proc (=P-1)		400.6	384.8	427.1	280.6	29.0							1,522.2
Adv. Proc.													
' For FY12	66.7												66.7
' For FY13	0.0	65.1											65.1
' For FY14	0.0	5.7	67.4										73.1
' For FY15	0.0	3.2	1.9	37.8									42.9
' For FY16	0.0	0.0	0.0	0.0	0.0								0.0
Plus CY Adv Proc	66.7	74.0	69.3	37.8	0.0								247.8
Weapon Sys Cost	66.7	474.7	454.1	465.0	280.6	29.0							1,770.0
Multiyear Cost Avoidance (\$)	0.1	(6.0)	3.5	8.3	7.2	0.0							13.1
Cancellation Ceiling, Funded													
Cancellation Ceiling, Unfunded													
OUTLAYS													
Annual	10.0	97.0	275.2	394.7	413.2	322.6	168.7	67.1	24.8	7.7	1.8	0.1	1,783.2
Multiyear (Budget)	10.0	97.9	277.1	393.8	408.4	317.3	165.8	66.0	24.3	7.6	1.8	0.1	1,770.0
Cost Avoidance	0.0	(0.8)	(1.8)	0.9	4.8	5.3	3.0	1.1	0.5	0.1	0.0	0.0	13.1
Remarks Both estimates, Annual and Multiyear, assume a follow-on MYP for Sikorsky Airframe, for which there are EOQ funds in FY12 and FY13. Since the current budget already assumes a follow-on MYP, deltas shown are Cost Avoidance, not Savings.													

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Exhibit MYP-3, Total Program Funding Plan
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Exhibit MYP-3 Total Contract Funding Plan (Total)						Date Feb-12							
Aircraft Procurement, Total						P-1 Line Item Nomenclature - H-60							
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
Proc Qty		42	37	37	39	38							193
Annual Procurement													
LMSI MS/CC/NRE		286.7	248.9	254.7	386.9	446.4							1,623.7
Less PY Adv Proc		(74.5)	(72.7)	(66.4)	(94.6)	(110.7)							(418.8)
Net Proc (= P-1)		212.2	176.2	188.3	292.4	335.8							1,204.8
Plus CY Adv Proc	74.5	72.7	66.4	94.6	110.7								418.8
Contract Price	74.5	284.9	242.6	282.8	403.0	335.8							1,623.7
Multiyear Proc													
LMSI MS/CC/NRE		282.2	226.9	226.9	331.3	388.2							1,455.5
Less PY Adv Proc		(72.5)	(72.2)	(107.9)	(148.5)	(183.8)							(584.9)
Net Proc (=P-1)		209.7	154.7	119.1	182.8	204.4							870.6
Adv. Proc.													
' For FY12	72.5												72.5
' For FY13	-	72.2											72.2
' For FY14	-	66.7	41.2										107.9
' For FY15	-	6.8	92.3	49.4									148.5
' For FY16	-	4.5	2.0	132.5	44.8								183.8
Total Adv Proc	72.5	150.1	135.5	182.0	44.8								584.9
Contract Price	72.5	359.8	290.2	301.0	227.5	204.4							1,455.5
Multiyear Cost Avoidance (\$)	2.0	(75.0)	(47.5)	(18.2)	175.5	131.4							168.2
													10.4%
Cancellation Ceiling, Funded													
Cancellation Ceiling, Unfunded													
OUTLAYS													
Annual	11.2	72.5	171.7	228.4	274.8	330.6	293.1	153.9	56.9	22.2	6.7	1.7	1,623.7
Multiyear	10.9	83.0	208.2	271.4	276.8	254.0	195.4	100.6	36.3	13.9	4.0	1.0	1,455.5
Cost Avoidance	0.3	(10.4)	(36.5)	(43.0)	(2.0)	76.6	97.7	53.3	20.5	8.3	2.7	0.7	168.2
Remarks													
Since the current budget already assumes a follow-on MYP, deltas shown are Cost Avoidance, not Savings. Likewise, the Cost Avoidance percentage is calculated by dividing the delta by the Multiyear Total. LMSI MS contract deltas influence the budgetted ECO costs, so deltas in the ECO line are included in the Annual Procurement scenario (total of \$1.6M across all of FY12-16).													

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Exhibit MYP-3, Total Contract Funding Plan
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Exhibit MYP-3 Total Contract Funding Plan (Romeo)						Date Feb-12							
Aircraft Procurement, Romeo						P-1 Line Item Nomenclature - H-60R							
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
Proc Qty		24	19	19	31	38							131
Annual Procurement													
LMSI MS/CC/NRE		252.1	211.9	216.8	367.7	446.4							1,495.0
Less PY Adv Proc		(61.3)	(59.0)	(52.4)	(88.1)	(110.7)							(371.4)
Net Proc (= P-1)		190.9	152.9	164.4	279.7	335.8							1,123.5
Plus CY Adv Proc	61.3	59.0	52.4	88.1	110.7								371.4
Contract Price	61.3	249.9	205.3	252.4	390.3	335.8							1,495.0
Multiyear Proc													
LMSI MS/CC/NRE		247.0	194.0	194.0	316.6	388.2							1,339.9
Less PY Adv Proc		(59.4)	(59.0)	(91.2)	(139.4)	(183.8)							(532.8)
Net Proc (=P-1)		187.6	135.0	102.8	177.3	204.4							807.1
Adv. Proc.													
' For FY12	59.4												59.4
' For FY13	0.0	59.0											59.0
' For FY14	0.0	63.2	28.0										91.2
' For FY15	0.0	4.5	91.3	43.6									139.4
' For FY16	0.0	4.5	2.0	132.5	44.8								183.8
Total Adv Proc	59.4	131.2	121.3	176.1	44.8								532.8
Contract Price	59.4	318.8	256.3	278.9	222.0	204.4							1,339.9
Multiyear Cost Avoidance (\$)	1.9	(69.0)	(51.0)	(26.5)	168.3	131.4							155.0
													10.4%
Cancellation Ceiling, Funded													
Cancellation Ceiling, Unfunded													
OUTLAYS													
Annual	9.2	62.0	148.3	197.6	246.0	311.3	284.2	150.5	55.7	21.8	6.7	1.7	1,495.0
Multiyear	8.9	71.6	183.0	241.5	252.7	240.1	189.4	98.4	35.6	13.7	4.0	1.0	1,339.9
Cost Avoidance	0.3	(9.6)	(34.7)	(43.9)	(6.8)	71.3	94.8	52.2	20.1	8.1	2.7	0.7	155.0
Remarks													
Since the current budget already assumes a follow-on MYP, deltas shown are Cost Avoidance, not Savings. Likewise, the Cost Avoidance percentage is calculated by dividing the delta by the Multiyear Total. LMSI MS contract deltas influence the budgetted ECO costs, so deltas in the ECO line are included in the Annual Procurement scenario (total of \$1.6M across all of FY12-16).													

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Exhibit MYP-3, Total Contract Funding Plan
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Exhibit MYP-3 Total Contract Funding Plan (Sierra)						Date Feb-12							
Aircraft Procurement, Sierra						P-1 Line Item Nomenclature - H-60S							
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
Proc Qty		18	18	18	8	0							62
Annual Procurement													
LMSI CC/NRE		34.6	37.0	37.9	19.2	0.0							128.7
Less PY Adv Proc		(13.3)	(13.6)	(14.0)	(6.5)	0.0							(47.4)
Net Proc (= P-1)		21.3	23.4	23.9	12.7	0.0							81.3
Plus CY Adv Proc	13.3	13.6	14.0	6.5	0.0								47.4
Contract Price	13.3	35.0	37.4	30.4	12.7	0.0							128.7
Multiyear Proc													
LMSI CC/NRE		35.2	32.9	32.9	14.6	0.0							115.6
Less PY Adv Proc		(13.1)	(13.2)	(16.7)	(9.1)	0.0							(52.0)
Net Proc (=P-1)		22.1	19.7	16.2	5.5	0.0							63.6
Adv. Proc.													
' For FY12	13.1												13.1
' For FY13	0.0	13.2											13.2
' For FY14	0.0	3.5	13.2										16.7
' For FY15	0.0	2.3	1.0	5.8									9.1
' For FY16	0.0	0.0	0.0	0.0	0.0								0.0
Total Adv Proc	13.1	18.9	14.2	5.8	0.0								52.0
Contract Price	13.1	41.0	33.9	22.1	5.5	0.0							115.6
Multiyear Cost Avoidance (\$)	0.1	(6.0)	3.5	8.3	7.2	0.0							13.1
													10.2%
Cancellation Ceiling, Funded													
Cancellation Ceiling, Unfunded													
OUTLAYS													
Annual	2.0	10.5	23.4	30.8	28.8	19.3	8.9	3.3	1.2	0.3	0.1	-	128.7
Multiyear	2.0	11.4	25.2	29.9	24.0	13.9	6.0	2.2	0.7	0.2	0.0	-	115.6
Cost Avoidance	0.0	(0.8)	(1.8)	0.9	4.8	5.3	3.0	1.1	0.5	0.1	0.0	-	13.1
Remarks													
Since the current budget already assumes a follow-on MYP, deltas shown are Cost Avoidance, not Savings. Likewise, the Cost Avoidance percentage is calculated by dividing the delta by the Multiyear Total.													

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Exhibit MYP-3, Total Contract Funding Plan
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Exhibit MYP-4 Present Value Analysis (Total)						Date Feb-12							
Aircraft Procurement, Total						P-1 Line Item Nomenclature - H-60							
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
Annual Proposal													
Then Year Cost	11.2	72.5	171.7	228.4	274.8	330.6	293.1	153.9	56.9	22.2	6.7	1.7	1623.7
Constant Year Cost	11.6	73.8	171.7	224.4	265.3	313.4	273.0	140.8	51.1	19.6	5.8	1.4	1551.9
Present Value	11.1	69.6	159.8	205.7	238.1	275.8	236.7	121.1	43.8	16.7	4.9	1.2	1384.5
Multiyear Proposal													
Then Year Cost	10.9	83.0	208.2	271.4	276.8	254.0	195.4	100.6	36.3	13.9	4.0	1.0	1455.5
Constant Year Cost	11.3	84.4	208.2	266.7	267.2	240.8	182.0	92.1	32.7	12.3	3.5	0.9	1401.8
Present Value	10.8	79.5	193.8	244.5	240.7	213.0	158.4	79.4	28.0	10.4	2.9	0.7	1262.2
Difference													
Then Year Cost	0.3	(10.4)	(36.5)	(43.0)	(2.0)	76.6	97.7	53.3	20.5	8.3	2.7	0.7	168.2
Constant Year Cost	0.3	(10.6)	(36.5)	(42.2)	(1.9)	72.6	91.0	48.7	18.5	7.3	2.4	0.6	150.1
Present Value	0.3	(9.9)	(33.9)	(38.8)	(2.5)	62.8	78.4	41.7	15.8	6.2	2.0	0.5	122.4
Multiyear Cost Avoidance (\$)	0.3	(10.4)	(36.5)	(43.0)	(2.0)	76.6	97.7	53.3	20.5	8.3	2.7	0.7	168.2
Remarks													
Constant Year Costs in Budget Year 13 \$													
Since the current budget already assumes a follow-on MYP, deltas shown are Cost Avoidance, not Savings.													

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Exhibit MYP-4, Present Value Analysis
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Exhibit MYP-4 Present Value Analysis (Romeo)						Date Feb-12							
Aircraft Procurement, Romeo						P-1 Line Item Nomenclature - H-60R							
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
Annual Proposal													
Then Year Cost	9.2	62.0	148.3	197.6	246.0	311.3	284.2	150.5	55.7	21.8	6.7	1.7	1,495.0
Constant Year Cost	9.5	63.0	148.3	194.1	237.4	295.2	264.7	137.7	50.1	19.3	5.8	1.4	1,426.6
Present Value	9.1	59.5	138.0	177.9	213.0	259.5	229.4	118.4	42.9	16.4	4.9	1.2	1,270.2
Multiyear Proposal													
Then Year Cost	8.9	71.6	183.0	241.5	252.7	240.1	189.4	98.4	35.6	13.7	4.0	1.0	1,339.9
Constant Year Cost	9.2	72.8	183.0	237.3	243.9	227.6	176.4	90.0	32.0	12.1	3.4	0.9	1,288.7
Present Value	8.8	68.6	170.3	217.5	219.6	201.2	153.4	77.6	27.5	10.3	2.9	0.7	1,158.5
Difference													
Then Year Cost	0.3	(9.6)	(34.7)	(43.9)	(6.8)	71.3	94.8	52.2	20.1	8.1	2.7	0.7	155.0
Constant Year Cost	0.3	(9.8)	(34.7)	(43.2)	(6.5)	67.6	88.3	47.7	18.1	7.2	2.3	0.6	137.8
Present Value	0.3	(9.1)	(32.2)	(39.6)	(6.7)	58.4	76.0	40.8	15.4	6.1	2.0	0.5	111.7
Multiyear Cost Avoidance (\$)	0.3	(9.6)	(34.7)	(43.9)	(6.8)	71.3	94.8	52.2	20.1	8.1	2.7	0.7	155.0
Remarks													
Constant Year Costs in Budget Year 13 \$													
Since the current budget already assumes a follow-on MYP, deltas shown are Cost Avoidance, not Savings.													

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Exhibit MYP-4, Present Value Analysis
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Exhibit MYP-4 Present Value Analysis (Sierra)						Date Feb-12							
Aircraft Procurement, H-60 Sierra						P-1 Line Item Nomenclature - H-60S							
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
Annual Proposal													
Then Year Cost	2.0	10.5	23.4	30.8	28.8	19.3	8.9	3.3	1.2	0.3	0.1	0.0	128.7
Constant Year Cost	2.1	10.7	23.4	30.3	27.8	18.3	8.3	3.1	1.1	0.3	0.1	0.0	125.3
Present Value	2.0	10.1	21.8	27.8	25.1	16.3	7.3	2.7	0.9	0.3	0.0	0.0	114.3
Multiyear Proposal													
Then Year Cost	2.0	11.4	25.2	29.9	24.0	13.9	6.0	2.2	0.7	0.2	0.0	0.0	115.6
Constant Year Cost	2.0	11.6	25.2	29.4	23.2	13.2	5.5	2.0	0.7	0.2	0.0	0.0	113.1
Present Value	1.9	10.9	23.5	27.0	21.0	11.8	4.9	1.8	0.6	0.1	0.0	0.0	103.7
Difference													
Then Year Cost	0.0	(0.8)	(1.8)	0.9	4.8	5.3	3.0	1.1	0.5	0.1	0.0	0.0	13.1
Constant Year Cost	0.0	(0.9)	(1.8)	0.9	4.6	5.1	2.8	1.0	0.4	0.1	0.0	0.0	12.3
Present Value	0.0	(0.8)	(1.7)	0.8	4.1	4.4	2.4	0.9	0.4	0.1	0.0	0.0	10.7
Multiyear Cost Avoidance (\$)	0.0	(0.8)	(1.8)	0.9	4.8	5.3	3.0	1.1	0.5	0.1	0.0	0.0	13.1
Remarks													
Constant Year Costs in Budget Year 13 \$													
Since the current budget already assumes a follow-on MYP, deltas shown are Cost Avoidance, not Savings.													

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