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**Department of Defense
Fiscal Year (FY) 2026 Budget Estimates**

June 2025



Defense Logistics Agency

Defense-Wide Justification Book Volume 5 of 5

Research, Development, Test & Evaluation, Defense-Wide

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Defense Logistics Agency • Budget Estimates FY 2026 • RDT&E Program

Table of Volumes

Defense Advanced Research Projects Agency..... Volume 1

Missile Defense Agency..... Volume 2

Office of the Secretary Of Defense..... Volume 3

Creating Helpful Incentives To Produce Semi-Conductors (CHIPS) for America..... Volume 3

Chemical and Biological Defense Program..... Volume 4

Defense Contract Audit Agency..... Volume 5

Defense Contract Management Agency..... Volume 5

Defense Counterintelligence and Security Agency..... Volume 5

Defense Information Systems Agency..... Volume 5

Defense Logistics Agency..... Volume 5

Defense Security Cooperation Agency..... Volume 5

Defense Technical Information Center..... Volume 5

Defense Threat Reduction Agency..... Volume 5

DoD Human Resources Activity..... Volume 5

Operational Test and Evaluation, Defense..... Volume 5

The Joint Staff..... Volume 5

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Defense Logistics Agency • Budget Estimates FY 2026 • RDT&E Program

United States Cyber Command..... Volume 5

United States Special Operations Command..... Volume 5

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Defense Logistics Agency • Budget Estimates FY 2026 • RDT&E Program

Volume 5 Table of Contents

Comptroller Exhibit R-1..... Volume 5 - v
Program Element Table of Contents (by Budget Activity then Line Item Number).....Volume 5 - xi
Program Element Table of Contents (Alphabetically by Program Element Title).....Volume 5 - xiii
Exhibit R-2s..... Volume 5 - 1

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Department of Defense
FY 2026 President's Budget
Exhibit R-1 FY 2026 President's Budget
Total Obligational Authority
(Dollars in Thousands)

Jun 2025

<u>Appropriation</u>	<u>FY 2024</u> <u>Actuals</u>	<u>FY 2025</u> <u>Enacted</u>	<u>FY 2025</u> <u>Supplemental</u>	<u>FY 2025</u> <u>Total</u>	<u>FY 2026</u> <u>Disc</u> <u>Request</u>	<u>FY 2026</u> <u>Reconciliation</u> <u>Request</u>	<u>FY 2026</u> <u>Total</u>
Research, Development, Test and Evaluation, Defense-Wide	270,610	297,436	--	297,436	242,000		242,000
Total Research, Development, Test, & Evaluation	270,610	297,436		297,436	242,000		242,000

Department of Defense
FY 2026 President's Budget
Exhibit R-1 FY 2026 President's Budget
Total Obligational Authority
(Dollars in Thousands)

Jun 2025

	FY 2024 Actuals	FY 2025 Enacted	FY 2025 Supplemental	FY 2025 Total	FY 2026 Disc Request	FY 2026 Reconciliation Request	FY 2026 Total
<u>Summary Recap of Budget Activities</u>							
Advanced Technology Development	226,768	256,155		256,155	205,266		205,266
System Development & Demonstration	28,482	31,916		31,916	31,714		31,714
Management Support	8,468						
Operational Systems Development	6,892	9,365		9,365	5,020		5,020
Total Research, Development, Test, & Evaluation	270,610	297,436		297,436	242,000		242,000
<u>Summary Recap of FYDP Programs</u>							
Research and Development	263,718	288,071		288,071	236,980		236,980
Central Supply and Maintenance	6,892	9,365		9,365	5,020		5,020
Total Research, Development, Test, & Evaluation	270,610	297,436		297,436	242,000		242,000

Defense-Wide
FY 2026 President's Budget
Exhibit R-1 FY 2026 President's Budget
Total Obligational Authority
(Dollars in Thousands)

Jun 2025

	FY 2024	FY 2025	FY 2025	FY 2025	FY 2026	FY 2026	FY 2026
	Actuals	Enacted	Supplemental	Total	Disc Request	Reconciliation Request	Total
<u>Summary Recap of Budget Activities</u>							
Advanced Technology Development	226,768	256,155		256,155	205,266		205,266
System Development & Demonstration	28,482	31,916		31,916	31,714		31,714
Management Support	8,468						
Operational Systems Development	6,892	9,365		9,365	5,020		5,020
Total Research, Development, Test, & Evaluation	270,610	297,436		297,436	242,000		242,000
<u>Summary Recap of FYDP Programs</u>							
Research and Development	263,718	288,071		288,071	236,980		236,980
Central Supply and Maintenance	6,892	9,365		9,365	5,020		5,020
Total Research, Development, Test, & Evaluation	270,610	297,436		297,436	242,000		242,000

Defense-Wide
FY 2026 President's Budget
Exhibit R-1 FY 2026 President's Budget
Total Obligational Authority
 (Dollars in Thousands)

Jun 2025

<u>Appropriation</u>	FY 2024 Actuals	FY 2025 Enacted	FY 2025 Supplemental	FY 2025 Total	FY 2026 Disc Request	FY 2026 Reconciliation Request	FY 2026 Total
Defense Logistics Agency	270,610	297,436		297,436	242,000		242,000
Total Research, Development, Test and Evaluation, Defense-							
Wide	270,610	297,436		297,436	242,000		242,000

Defense-Wide
FY 2026 President's Budget
Exhibit R-1 FY 2026 President's Budget
Total Obligational Authority
(Dollars in Thousands)

Jun 2025

Appropriation: 0400D Research, Development, Test and Evaluation, Defense-Wide

Line No	Program Element Number	Item	Act	Sec	FY 2024	FY 2025	FY 2025	FY 2025	FY 2026	FY 2026	FY 2026
					Actuals	Enacted	Supplemental	Total	Disc Request	Reconciliation Request	Total
63	0603680S	Manufacturing Technology Program	03	U	66,935	100,366		100,366	50,610		50,610
64	0603712S	Generic Logistics R&D Technology Demonstrations	03	U	16,812	18,543		18,543	19,640		19,640
66	0603720S	Microelectronics Technology Development and Support	03	U	143,021	137,246		137,246	135,016		135,016
Advanced Technology Development					226,768	256,155		256,155	205,266		205,266
151	0605080S	Defense Agency Initiatives (DAI) - Financial System	05	U	28,482	31,916		31,916	31,714		31,714
System Development & Demonstration					28,482	31,916		31,916	31,714		31,714
185	0605502S	Small Business Innovative Research	06	U	8,468						
Management Support					8,468						
284	0708012S	Pacific Disaster Centers	07	U	3,762	6,361		6,361	2,000		2,000
285	0708047S	Defense Property Accountability System	07	U	3,130	3,004		3,004	3,020		3,020
Operational Systems Development					6,892	9,365		9,365	5,020		5,020
Total Research, Development, Test and Evaluation, Defense-Wide					270,610	297,436		297,436	242,000		242,000

Defense Logistics Agency
FY 2026 President's Budget
Exhibit R-1 FY 2026 President's Budget
Total Obligational Authority
(Dollars in Thousands)

Jun 2025

Appropriation: 0400D Research, Development, Test and Evaluation, Defense-Wide

Line No	Program Element Number	Item	Act	Sec	FY 2024	FY 2025	FY 2025	FY 2025	FY 2026	FY 2026	FY 2026
					Actuals	Enacted	Supplemental	Total	Disc Request	Reconciliation Request	Total
63	0603680S	Manufacturing Technology Program	03	U	66,935	100,366		100,366	50,610		50,610
64	0603712S	Generic Logistics R&D Technology Demonstrations	03	U	16,812	18,543		18,543	19,640		19,640
66	0603720S	Microelectronics Technology Development and Support	03	U	143,021	137,246		137,246	135,016		135,016
Advanced Technology Development					226,768	256,155		256,155	205,266		205,266
151	0605080S	Defense Agency Initiatives (DAI) - Financial System	05	U	28,482	31,916		31,916	31,714		31,714
System Development & Demonstration					28,482	31,916		31,916	31,714		31,714
185	0605502S	Small Business Innovative Research Management Support	06	U	8,468						
Management Support					8,468						
284	0708012S	Pacific Disaster Centers	07	U	3,762	6,361		6,361	2,000		2,000
285	0708047S	Defense Property Accountability System	07	U	3,130	3,004		3,004	3,020		3,020
Operational Systems Development					6,892	9,365		9,365	5,020		5,020
Total Defense Logistics Agency					270,610	297,436		297,436	242,000		242,000

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Defense Logistics Agency • Budget Estimates FY 2026 • RDT&E Program

Program Element Table of Contents (by Budget Activity then Line Item Number)

Appropriation 0400: Research, Development, Test & Evaluation, Defense-Wide

Line #	Budget Activity	Program Element Number	Program Element Title	Page
63	03	0603680S	Manufacturing Technology Program (ManTech).....	Volume 5 - 1
64	03	0603712S	Logistics Research and Development Technology (Log R&D).....	Volume 5 - 21
66	03	0603720S	Microelectronics Technology Development and Support (DMEA).....	Volume 5 - 35

Appropriation 0400: Research, Development, Test & Evaluation, Defense-Wide

Line #	Budget Activity	Program Element Number	Program Element Title	Page
151	05	0605080S	Defense Agencies Initiative (DAI) - Financial System.....	Volume 5 - 41

Appropriation 0400: Research, Development, Test & Evaluation, Defense-Wide

Line #	Budget Activity	Program Element Number	Program Element Title	Page
185	06	0605502S	Small Business Innovative Research (SBIR).....	Volume 5 - 51

UNCLASSIFIED

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Defense Logistics Agency • Budget Estimates FY 2026 • RDT&E Program

Appropriation 0400: Research, Development, Test & Evaluation, Defense-Wide

Line #	Budget Activity	Program Element Number	Program Element Title	Page
284	07	0708012S	Pacific Disaster Center.....	Volume 5 - 55
285	07	0708047S	Defense Property Accountability System (DPAS).....	Volume 5 - 65

UNCLASSIFIED

UNCLASSIFIED

Defense Logistics Agency • Budget Estimates FY 2026 • RDT&E Program

Program Element Table of Contents (Alphabetically by Program Element Title)

Program Element Title	Program Element Number	Line #	BA	Page
Defense Agencies Initiative (DAI) - Financial System	0605080S	151	05.....	Volume 5 - 41
Defense Property Accountability System (DPAS)	0708047S	285	07.....	Volume 5 - 65
Logistics Research and Development Technology (Log R&D)	0603712S	64	03.....	Volume 5 - 21
Manufacturing Technology Program (ManTech)	0603680S	63	03.....	Volume 5 - 1
Microelectronics Technology Development and Support (DMEA)	0603720S	66	03.....	Volume 5 - 35
Pacific Disaster Center	0708012S	284	07.....	Volume 5 - 55
Small Business Innovative Research (SBIR)	0605502S	185	06.....	Volume 5 - 51

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*All figures in this exhibit are for the FY 2026 discretionary appropriations
President's Budget request unless otherwise noted.*

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Exhibit R-2, RDT&E Budget Item Justification: PB 2026 Defense Logistics Agency **Date:** June 2025

Appropriation/Budget Activity 0400: <i>Research, Development, Test & Evaluation, Defense-Wide / BA 3: Advanced Technology Development (ATD)</i>	R-1 Program Element (Number/Name) PE 0603680S / <i>Manufacturing Technology Program (ManTech)</i>
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COST (\$ in Millions)	Prior Years	FY 2024	FY 2025	FY 2026 Base	FY 2026 OOC	FY 2026 Total	FY 2027	FY 2028	FY 2029	FY 2030	Cost To Complete	Total Cost
Total Program Element	408.311	66.935	100.366	50.610	-	50.610	-	-	-	-	Continuing	Continuing
IBA: <i>Industrial Base & Aging Weapon System Support</i>	233.327	35.043	46.625	41.533	-	41.533	-	-	-	-	Continuing	Continuing
TDM: <i>3D Tech Data Modernization / Model Based Enterprise</i>	174.984	31.892	53.741	9.077	-	9.077	-	-	-	-	Continuing	Continuing

A. Mission Description and Budget Item Justification

The Defense Logistics Agency (DLA) Manufacturing Technology (ManTech) Program funds the advanced technology development needed to achieve a responsive and efficient domestic industrial base that meets the warfighters' needs in an affordable and timely manner. The ManTech program works with DLA's diverse supply chains to improve manufacturing capability throughout a product's life cycle. It provides the crucial link between invention and application by maturing, scaling up, and validating advanced manufacturing technology in "real world" environments. ManTech developments provide a path to low-risk technology implementation for many small businesses and defense unique suppliers as well as depots and shipyards that are critical to DLA. By anticipating and addressing production and sustainment problems before they occur, readiness levels increase, and sustainment costs are decreased.

The ManTech R&D Program Element executes from two Lines of Effort (LOEs): Industrial Base and Aging Weapon System Support (IBA), and 3D Technical Data Modernization / Model-Based Enterprise (TDM). These LOEs are closely aligned to documented and tracked priorities specified in the most current DLA Strategic Plan, that calls for Digital Business Transformation as one of three critical capabilities to achieve DLA's business goals of enhancing performance, reducing costs, and becoming more predictive and data-driven. This critical capability also seeks to transform systems and processes to improve data transparency, reliability, and security for our employees, customers, and suppliers. DLA's initiatives within this critical capability align with the National Security Strategy (NSS) by emphasizing the importance of harnessing rapid emerging technologies that will transform how we do business.

- In addition to alignment with DLA's top strategic priorities, under Section 2521 of Title 10, US Code, DLA ManTech efforts are collaborated across DOD Military Services and Agencies. As a Principal member of the Joint Defense Manufacturing Technology Panel, DLA's efforts are integrated within the Joint Defense Priorities.

-The IBA LOE seeks to implement innovative and proactive technology solutions to ensure a robust, reliable industrial base that provides affordable and previously hard-to-procure critical parts for DOD weapon systems. This LOE is comprised the following portfolios: DOD Subsistence Supply Chain (Subsistence Network), Castings (Procurement Readiness Optimization Advanced Casting Technology), Forgings (Procurement Readiness Optimization—Forging Advanced System Technology), Batteries (Battery Network), Additive Manufacturing (AM), Advanced Microcircuit Emulation (AME), and Strategic Materials program.

-The TDM LOE integrates three-dimensional technical data and knowledge-based tools to transform and streamline supply system responsiveness for DLA-managed commodities. Efforts seek to improve and facilitate the exchange of engineering and logistics information among DLA, the Military Services, DLA industry partners and

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Exhibit R-2, RDT&E Budget Item Justification: PB 2026 Defense Logistics Agency **Date:** June 2025

Appropriation/Budget Activity 0400: <i>Research, Development, Test & Evaluation, Defense-Wide / BA 3: Advanced Technology Development (ATD)</i>	R-1 Program Element (Number/Name) PE 0603680S / <i>Manufacturing Technology Program (ManTech)</i>
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DLA customers. The benefits include shorter product introduction cycles, lower set up-costs for parts production and more economical small batch production. This LOE is comprised of the following portfolios for DOD soldier and individual equipment (Military Unique Sustainment Technology ((MUST)) and Defense Logistics Information Research (DLIR), as well as out of budget cycle or Emerging Requirements (EMR).

DLA's focus for this budget cycle highlights advanced capabilities in digital and technical data modernization, data management and analytics to fulfill the DLA role in the DOD Digital Engineering Strategy and improve sharing of data with the industrial base and supported organizations. Investment explores technologies to lower the Agency's material acquisition and operation costs and improve weapons systems support. This effort spans across both DLA R&D Program Elements and R&D LOEs, impacting across the DOD Joint Defense Manufacturing Technology Panel and DLA Enterprise logistics processes.

B. Program Change Summary (\$ in Millions)	FY 2024	FY 2025	FY 2026 Base	FY 2026 OOC	FY 2026 Total
Previous President's Budget	46.404	55.366	57.162	-	57.162
Current President's Budget	66.935	100.366	50.610	-	50.610
Total Adjustments	20.531	45.000	-6.552	-	-6.552
• Congressional General Reductions	-4.640	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	28.000	45.000			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-0.410	-			
• SBIR/STTR Transfer	-2.419	-			
• Realignment to O&M	-	-	-4.000	-	-4.000
• Program Reductions	-	-	-2.552	-	-2.552

Congressional Add Details (\$ in Millions, and Includes General Reductions)

Project: IBA: *Industrial Base & Aging Weapon System Support*

Congressional Add: *Steel Performance Initiative*

Congressional Add Subtotals for Project: IBA

Project: TDM: *3D Tech Data Modernization / Model Based Enterprise*

Congressional Add: *Artificial Intelligence Manufacturing*

Congressional Add: *Critical Mineral Supply Chain Resiliency*

Congressional Add: *High Purity Vanadium for Aerospace Titanium Alloys*

Congressional Add: *Hypersonic Radomes and Apertures*

	FY 2024	FY 2025
	5.000	-
	5.000	-
	5.000	-
	5.000	5.000
	2.000	-
	4.000	-

UNCLASSIFIED

Exhibit R-2, RDT&E Budget Item Justification: PB 2026 Defense Logistics Agency **Date:** June 2025

Appropriation/Budget Activity 0400: <i>Research, Development, Test & Evaluation, Defense-Wide I BA 3: Advanced Technology Development (ATD)</i>	R-1 Program Element (Number/Name) PE 0603680S / <i>Manufacturing Technology Program (ManTech)</i>
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Congressional Add Details (\$ in Millions, and Includes General Reductions)

	FY 2024	FY 2025
Congressional Add: <i>Processing Pilot for High-Purity Nickel</i>	3.000	-
Congressional Add: <i>Rare Earth Element Mining</i>	2.000	-
Congressional Add: <i>Recover, Reclaim, Recycle Materials from Defense Scrap</i>	2.000	-
Congressional Add: <i>Domestic Production of Tantalum</i>	-	4.000
Congressional Add: <i>High Performance Synthetic Graphite</i>	-	8.500
Congressional Add: <i>High Temperature Ceramic Composite Lab and Prototyping</i>	-	5.000
Congressional Add: <i>Nanostructured Iron Nitride Permanent Magnets</i>	-	12.000
Congressional Add: <i>Niobium Supply Chain for Aerospace Critical Superalloys</i>	-	3.000
Congressional Add: <i>Supply Chain Readiness Improvement Program</i>	-	7.500
Congressional Add Subtotals for Project: TDM	23.000	45.000
Congressional Add Totals for all Projects	28.000	45.000

Change Summary Explanation

FY 2026 Program Decrease due to the following:

- Realignment to DLA O&M for Joint Additive Manufacturing Model Exchange (JAMMEX).
- Program savings and Labor/NonLabor Adjustments

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency										Date: June 2025		
Appropriation/Budget Activity 0400 / 3					R-1 Program Element (Number/Name) PE 0603680S / <i>Manufacturing Technology Program (ManTech)</i>				Project (Number/Name) IBA / <i>Industrial Base & Aging Weapon System Support</i>			
COST (\$ in Millions)	Prior Years	FY 2024	FY 2025	FY 2026 Base	FY 2026 OOC	FY 2026 Total	FY 2027	FY 2028	FY 2029	FY 2030	Cost To Complete	Total Cost
IBA: <i>Industrial Base & Aging Weapon System Support</i>	233.327	35.043	46.625	41.533	-	41.533	-	-	-	-	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

Industrial Base and Aging Weapon System Support (IBA) Line of Effort seeks to implement innovative and proactive technology solutions to ensure a robust, reliable industrial base that provides affordable and previously hard-to-procure critical parts for DOD weapon systems through the following objectives:

1. Viable and Responsive Industrial Base: maximize Defense Industrial Base capability and capacity and improve availability, quality, and affordability to support the Warfighter.
2. Obsolescence Solutions: establish a trusted manufacturing capability for qualified microcircuits to support DOD weapon system lifecycles.
3. Advanced Manufacturing: leverage advanced manufacturing capabilities to introduce and integrate additive and advanced manufacturing concepts into the DOD supply chain.

The portfolios within the IBA LOE include food-service supply chain solutions (Subsistence Network), Castings (Procurement Readiness Optimization—Advanced Casting Technology), Forgings (Procurement Readiness Optimization—Forging Advanced System Technology), Batteries (Battery Network), Additive Manufacturing (AM), Advanced Microcircuit Emulation (AME) and Strategic Materials (SM).

The Subsistence Network (SUBNET) program focuses on developing and promoting manufacturing solutions in the subsistence supply chain for the Department of Defense and the Defense Logistics Agency. The program's expanded areas of interest include combat rations, food equipment, field and garrison feeding solutions, supply chain infrastructure and footprint, food innovations, food safety and food defense, nutrition and health, storage and packing solutions, surge and sustainment support, and water security. SUBNET forms a community of practice with the Military Services, U.S. Department of Agriculture, U.S. Army Combat Capabilities Development Command Soldier Center, Industry, Academia, and other federal partners to conduct RDT&E in the Subsistence Supply Chain. The SUBNET goals are to advance and innovate logistics processes and capitalize on industrial base's latest technological capabilities and capacity through RDT&E. The desired outcomes include reduced costs, increased efficiency and transparency, modernized processes, enhanced quality and safety, and greater ability to meet customer and operational surge demands.

The Casting (CAST) program works to ensure a stable, reliable, and competitive domestic casting industrial base supporting the weapon system needs of the Department of Defense (DOD) and the DLA. The casting program works with industry, universities, and the Casting Industry Associations to identify projects that improve the materials, processes and business practices of the nation's foundry industry. The program aligns projects with strategic issues and identified focus areas within the DLA and DOD. Guidance for these projects comes from the DLA Strategic Plan and input from the casting industry. Weapon system spare parts managed by DLA that contain castings are responsible for a disproportionate share of DLA's backorders or unfilled orders (UFOs). Cast parts are about two percent of National Stock Numbered Class IX parts but represent about five percent of all backorders, and when only the oldest backorders are considered, up to 10 percent

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency	Date: June 2025
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Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603680S / <i>Manufacturing Technology Program (ManTech)</i>	Project (Number/Name) IBA / <i>Industrial Base & Aging Weapon System Support</i>
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are castings. This program includes tasks that focus on developing new capabilities in the areas of inspection, materials, processes, modeling, and design. Once developed, these capabilities will support the foundry industry, where the technologies will be tested and implemented, most often in conjunction with the casting industry associations. These advancements improve the metal casting supply chains for the DOD and the DLA to better support the warfighter. We will invest in projects aimed at reducing lead-times, reducing costs, and improving quality of castings critical to DOD weapon systems.

The Forging (FORGE) program works to ensure a stable, reliable, and competitive domestic forging industrial base for the weapon system needs of the DOD and the DLA. Working with industry, universities, and the Forging Industry Association to identify projects that improve the materials, processes and business practices of the nation's forging industry. The program aligns its projects with strategic issues and focus areas identified within the DLA and DOD. Guidance for these projects comes from the DLA Strategic Plan and input from the forging industry. Weapon system spare parts managed by DLA that contain Forgings are responsible for a disproportionate share of DLA's backorders or UFOs. Forged parts are about two percent of National Stock Number (NSN) Class IX parts but represent about five percent of all backorders, and when only the oldest backorders are considered, up to 10 percent are forgings. This program includes tasks to develop new capabilities in the areas of inspection, materials, processes, modeling, and design. Once developed these capabilities will support the forging industry, where these technologies will be tested and implemented in conjunction with the forging industry associations. These advancements improve the forging supply chains for the DOD and the DLA to better support the warfighter. We will invest in projects aimed at reducing lead-time, reducing cost, and improving quality of forgings critical to DOD weapon systems.

The Battery Network (BATTNET) program objective is to develop the next generation of battery manufacturing technologies for cost and price efficiency, longer shelf life, and lighter batteries with higher energy. BATTNET conducts R&D initiatives to address sustainment gaps and bridge technical solutions into higher a Manufacturing Readiness Level (MRL) for specific groups of batteries. BATTNET also focuses on projects to develop the production capability for advanced lithium-based non-rechargeable and rechargeable batteries to ensure the prompt and sustained availability, quality, and affordability of Service approved batteries. Desired outcomes include: streamlined inventory and associated cost reductions through standardization and improved distribution practices; resolved obsolescence issues; addressed surge and sustainment issues; enhanced security of supply chain; increased competition and manufacturing base; reduced per unit battery cost; and leveraged Service-level (Army, Navy, Air Force) and other governmental (DOE, DOT, NASA) R&D efforts to insert new technology and practices into the existing DLA battery inventory.

The Additive Manufacturing (AM) program objective is to streamline AM methods, materials, manpower, metrics and machines to provide the Warfighter an alternate source of supply for designated requirements. This effort responds to DLA's role called out in DOD Instruction 5000.93. Use of AM in DOD is to integrate AM products into the supply chain. R&D is leading the developmental effort for effective AM joint procurement processes of items in the DoD enterprise. The AM effort explores innovative technologies and emerging industry trends which could include advanced manufacturing applications. The program pursues alternative means of supply from traditional manufacturing to additive manufacturing. Items that are otherwise non-procurable or susceptible to supply chain issues. The AM program includes collaborative efforts with the Military Services to develop analytical tools to further the adoption, advancement, and acceleration of AM, while considering logistics planning factors. The AM effort requires effective management of the digital thread composed of authoritative 3D digital technical data, manufacturing, and testing data exchanged among designers, engineers, logisticians, procurement managers and the vendor base to enable technical quality assurance acceptability. Potential AM benefits include products that can address an unfulfilled Warfighter readiness need by reducing production lead times, production costs, materials costs, storage costs, transportation costs and in some cases fuel consumption due to lighter design and material options. DLA R&D will leverage these efforts with Industry, Academia and ongoing Military Service-level agreements (Army, Navy, Marine Corps, Air Force).

UNCLASSIFIED

Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency **Date:** June 2025

Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603680S / <i>Manufacturing Technology Program (ManTech)</i>	Project (Number/Name) IBA / <i>Industrial Base & Aging Weapon System Support</i>
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Advanced Microcircuit Emulation (AME) program objective is to maintain a reliable and trusted domestic source for “non-procurable” linear and digital microcircuits. Microcircuit emulation allows the Services to save significant costs by using form, fit and functionally equivalent spare parts rather than redesigning the next-higher-assembly. Without the technologies planned on the AME Roadmap, DLA will not be able to support DoD’s requirements for high quality spare parts for critical electronic systems and subsystems, resulting in decreased warfighter readiness and significant cost for weapons system or component redesign.

Strategic Materials (SM) program objectives focus will be on emerging and rapidly expanding requirements to restore and stabilize strategic and critical materials supply chains that have been compromised by decreased or abandoned domestic production activities or lack of domestic reserves within the United States. Most of these requirements are in the form of research of materials and alloys and development of solutions including cost-efficient production, substitution, domestic qualification, and/or recycling.

B. Accomplishments/Planned Programs (\$ in Millions)

	FY 2024	FY 2025	FY 2026
<p>Title: Industrial Base (IB) and Aging Weapon System Support Line of Effort (LOE)</p> <p>Description: FY 2024 Accomplishments:</p> <p>The SUBNET program championed research, development, test, and evaluation projects to enhance the efficiency, quality, and safety of the DoD subsistence supply chain. The SUBNET program collaborated with military services, federal agencies, industry, and academia to leverage the latest technologies and innovations in successfully supporting and executing R&D projects. SUBNET effectively led projects in improving subsistence visibility with barcoding enhancement and road-mapping; investigation of sustainable packaging options for MREs; and investigation and determination of per- and polyfluoroalkyl (PFAS) sources throughout the MRE assembly line. The program supported the congressional interest R&D project on flake graphite-based (Fluorine Free Foam) solutions for Per and Polyfluorinated Substances (PFAS) contamination. The program also advanced Small Business Innovation Research (SBIR) topics in Subsistence and saw promising results with separation, compositing, recycling, and repurposing system; deployable assembly kitting platform for Unitized Group Rations (UGR); robotic automations in dining facilities; technological and operational improvements in cold-weather combat rations heating and hydration modules; and biodegradable cellulosic bio- polymers to replace plastics for military food packaging and food service.</p> <p>The CAST program continued research and development efforts focused on ensuring a viable and competitive metal casting industrial base providing affordable and high- quality parts for the Warfighter. Using partnerships to improve the material, manufacture, and procurement of defense parts. Educating the current and future work force on industrial practices to better solicit and procure parts with cast content. These focus areas were supported through multiple projects aimed at improving DLA’s casting procurement agility and supply base to support warfighter readiness. Projects to reduce lead times and no-bid situations, development of software to utilize knowledge and technics to provide should-cost estimates based on design criteria. Software developed using Optical Character Recognition and Machine Learning for identification of cast components from within technical data packages.</p>	30.043	46.625	41.533

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency		Date: June 2025
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603680S / <i>Manufacturing Technology Program (ManTech)</i>	Project (Number/Name) IBA / <i>Industrial Base & Aging Weapon System Support</i>

B. Accomplishments/Planned Programs (\$ in Millions)	FY 2024	FY 2025	FY 2026
<p>The DLA FORGE program utilized projects focused on sustaining and improving the forging manufacturing industrial base to ensure the DOD continues to have viable sources for the procurement of quality parts with forged content. Improving the manufacturing process and materials to decrease material cost. Expanding and strengthening our collaboration with suppliers, working directly with these suppliers to maintain and sustain and competitive forging supply chain. Specific focus was placed on workforce development and resources to ensure a capable and educated future workforce. Coatings for dies and billets that reduced environmental impact from sprayed lubricants, increased product quality and reduced waste and lead time. Integrated sensors and sensor technologies to monitor and improve the forging manufacturing process.</p> <p>The BATTNET program developed the manufacturing capability for lightweight, bipolar lead-acid batteries that could be transitioned to helicopter and other aviation platforms, as well as replacements for obsolete MIL-11188 batteries linked to the Bradley Fighting Vehicle and other systems. The program assisted manufacturing enhancements and product designs at key developers for high energy, ground vehicle lithium-ion 6T batteries (MIL-32565) and facilitated a DoD funded project with manufacturing enhancements for nickel-zinc batteries for a variety of applications. The program also contracted manufacturing trials and enhancements for LTO and LVO cells that display excellent safety, long cycle life and low temperature performance. The program completed six SBIR Phase 2 projects (\$8 million total) that expand graphite, CFx powder, solid-state LLZO anodes, direct applied separator equipment, high energy BB-2590B options, and advanced testers for the hardware-firmware-cybersecurity of lithium-ion battery management systems (BMS). The program continued to manage six other SBIR Phase 2 projects (\$10.5 million) for electrode and materials production methods, mobile-safe deactivation for end-of-life lithium batteries, and lithium-ion manufacturing designs to replace several reserve power nickel-cadmium batteries for Navy applications.</p> <p>The DLA-Additive Manufacturing (AM) program has continued its JAMA – Joint Additive Manufacturing Acceptability effort, and Military Partner Project Engagement. JAMA IV is underway and targets the application of the efforts of JAMA I-III, to verify their ability to function as a resource for use in the DoD Enterprise Environment. The requirements and specifications have been developed in collaboration with DLA/J344, JAMA government community, OSD, NIAR, and Deloitte to develop a proof-of-concept procurement IDIQ contract to engage both industry and the military services. The intention is to obtain additively manufactured parts through the supply chain from a streamlined means. JAMA IV is working to develop a Playbook from the JAMA series that will outline additive manufacturing processes in a joint operations environment. This initiative will be noted as a strategic data asset. Military Partners such as US Army DEVCOM and C5ISR are focus areas that successfully executed the development, testing, and production of Generic Universal Parts supporting platforms across the services for a multi-design and multi-material communications antenna. AM has partnered with Hyphen Innovations to develop next generation enhancements in a project for Repair and Enhancement using Hybrid Additive Builds for Advancing MRO (REHAB AM). This project targets improvement in rotary bladed sustainment and enhanced fatigue analysis to reduce unnecessary failures. The AM program partnered with DLA Land & Maritime to develop a small-scale fixtures lab that includes footprint, CAD software, 3D Printer to develop on-demand AM</p>			

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency		Date: June 2025
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603680S / <i>Manufacturing Technology Program (ManTech)</i>	Project (Number/Name) IBA / <i>Industrial Base & Aging Weapon System Support</i>

B. Accomplishments/Planned Programs (\$ in Millions)

	FY 2024	FY 2025	FY 2026
<p>fixtures for Tooling for Testing at their facility. This study will continue with a software comparison and alternative material review to determine the best framework for the effort.</p> <p>The AM program completed a project with US Army C5ISR Center to demonstrate the wide application of Additive Manufacturing to 3D-print a generic antenna. C5ISR leveraged internal designs and a digital design process, partnering with Optisys, Inc., an industry expert in metal 3D printing for Radio Frequency applications to showcase how this technology can modernize supply chains and enable on-demand parts availability. The AM program also completed an AM Tooling for Testing project with DLA Land & Maritime to develop Onsite 3D Printing & Scanning capabilities on a small scale to reduce turn times and costs for items needed to aid in laboratory testing. Parts can be produced which will allow the Mechanical Product Testing Center to learn to identify the failure modes and conditions in parts that were produced additively, something that will become much more common and Enables the Product Testing Centers to be more agile, flexible, and able to contribute in new ways to sustaining the warfighter.</p> <p>The Advanced Microcircuit Emulation (AME) program continued to develop manufacturing technologies required to achieve its goals of providing a reliable and trusted, domestic means of mitigating obsolescence in legacy microcircuits. AME continued its development of additional manufacturing capabilities to support legacy 20-volt and 40-volt analog microcircuits, radiation hardened analog microcircuits. AME continued exploring supporting an emerging supply chain risk in microcircuit cases with using additive manufacturing.</p> <p>The Strategic Materials (SM) program has continued to bolster the defense industrial base by reestablishing domestic production of a range of critical materials. Newly funded and recently completed projects focused on rare earth permanent magnets, high performance graphite for Li-ion batteries, thermal protection systems for hyper-sonics, and more. 12 SBIR, 4 STTR, and 2 Emergent IV contracts were completed (\$21 million total) while 20 SBIR, 7 STTR, and 2 Emergent IV contracts were awarded (\$42 million total). The SM program's developments in hyper-sonics have generated significant interest across the services, leading to an investment of \$7.8M from USAF towards several new projects for 2025.</p> <p>FY 2025 Plans: The SUBNET program will continue to develop and promote manufacturing improvements with R&D projects that leverage emerging technologies and innovations. The SUBNET program will continue to support and champion research projects that advance safety and quality of the foods destined for our Warfighters, which include but are not limited to: improving subsistence visibility with barcode scanning, sustainable/alternative biodegradable or compostable MRE packaging material sourcing, and MRE optimization. The program will also continue to pursue various Small Business Innovation Research (SBIR) topics in Subsistence, including shelf-life extension technologies for fresh fruits and vegetables.</p>			

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency		Date: June 2025
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603680S / <i>Manufacturing Technology Program (ManTech)</i>	Project (Number/Name) IBA / <i>Industrial Base & Aging Weapon System Support</i>

B. Accomplishments/Planned Programs (\$ in Millions)	FY 2024	FY 2025	FY 2026
<p>The CAST program will continue to monitor the research projects aiming to alleviate problems in the procurement and the manufacture of DOD weapon system parts. The projects also include design tools for manufacturing such as cost modeling and simulation. Process improvements such as light weighting, smart machines and manufacturing, automation and robotics, ergonomics, and sustainability. We will plan for future development in hybrid cast materials, enhanced alloys, and sustainable substitutes, die materials, furnace refractory coatings and digital threat integration and implementation.</p> <p>The FORGE program will continue to monitor projects focused on improving manufacturing processes and alternative forging manufacturing methods. New and innovative coatings for forging dies, and billets. Workforce development tools and resources to help the industry recruit new and retain existing employees. Sensors and smart manufacturing methods and technologies to improve the forging manufacturing process. These projects align with the needs of the DLA and the DoD aimed at supporting and fulfilling the needs of the warfighter. Will Initiate a new BAA for future forging topics as the current efforts conclude.</p> <p>The BATTNET program continues current projects for improving the production readiness, transition, and standardization of soldier and system batteries within the DLA supply chain, leveraging new battery manufacturing technologies. The program is successfully testing improved nickel-cadmium UPS batteries and safe lithium-ion versions for Navy applications. The program plans to initiate projects to expand and improve LVO and LTO cell manufacturing, cell manufacturing improvements for key DoD applications, and assist with addressing supply chain security and resilience issues for essential materials.</p> <p>The AM program will continue to explore emerging technology and innovative trends that are mission critical and mission essential. Current research projects include the development of AM accessibility and acceptability of parts across the enterprise while examining alternative manufacturing options for warfighter readiness. This will enable Military Services the opportunity to utilize manufacturing (AM & ADVM) as a means to decrease supply chain dependency and foreign reliance for much needed parts in the DoD supply chain. This program will continue to research ways to leverage AM policy, protocols and processes for improving part production capabilities. The program will utilize SBIR and Emergent BAA opportunities in Additive Manufacturing/ Advanced Manufacturing to develop future plans. The areas are shaped around Joint Operations in an environment of Contested Logistics. Key areas of R&D work include material qualification and development, process optimization, design modernization, part qualification and certification rapid prototyping, tech quality defect detection using AI, feedstock materials development, AM workforce training, AI for AM, Robotics for Readiness, Digital Twin/Digital Thread cataloging, Cyber-Security for AM, Surge Driven Process Capability for the Organic Industrial Base.</p> <p>The Advanced Microcircuit Emulation (AME) program will continue to develop its long-term technology roadmap. It will also continue planning for the specific emulation technology implementations to support specific device family groups in consonance with Customer and Agency requirements. The Analog Switch project is anticipated to begin.</p>			

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Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603680S / <i>Manufacturing Technology Program (ManTech)</i>	Project (Number/Name) IBA / <i>Industrial Base & Aging Weapon System Support</i>

B. Accomplishments/Planned Programs (\$ in Millions)	FY 2024	FY 2025	FY 2026
<p>The Strategic Materials (SM) program will continue to examine the requirements for research of materials and alloys, development of solutions with cost-efficient production, substitution, domestic qualification, and/or recycling to restore and stabilize strategic and critical materials supply chains that have been compromised by decreased or abandoned domestic production activities or lack of domestic reserves within the United States. As the number of export restrictions on critical minerals continues to increase, a greater emphasis needs to be placed on establishing domestic production and circular economies for these materials. To meet DOD needs for homeland missile defense, the SM program will fund STTR projects and manage contracts in collaboration with USAF in the field of hyper-sonics.</p> <p>FY 2026 Plans: The SUBNET program will continue to support and champion research projects that advance the safety and quality of the foods destined for our Warfighters. The projects include improving subsistence visibility with barcode scanning, sustainable MRE packaging material sourcing, MRE optimization, enhanced food sterilization methods, subsistence supply chain (farm-to- fork) monitoring studies, flameless ration heater alternatives, and data analytics in the subsistence supply chain. The program will also continue to pursue various SBIR topics in Subsistence.</p> <p>The CAST program will continue to monitor the research projects aiming to alleviate problems in the procurement and the manufacture of DOD weapon system parts. The projects include design tools for manufacturing such as cost modeling and simulation. Process improvements such as light weighting, smart machines and manufacturing, automation and robotics, ergonomics, and sustainability. We will plan for future development in hybrid cast materials, enhanced alloys, and sustainable substitutes, die materials, furnace refractory coatings and digital threat integration and implementation.</p> <p>The FORGE program will initiate work for projects executed under newly awarded contracts through a new BAA. These projects will be aligned with the needs of the DLA and the DoD aimed at supporting and fulfilling the needs of the warfighter.</p> <p>The BATTNET program will continue to execute projects for improving the production readiness, transition, and standardization of soldier and system batteries within the DLA supply chain. Projects will leverage new battery manufacturing technologies for the supply chain that have been developed by industry – advanced electrodes production, low-cost materials production or recycling, and advanced performance cells. The program intends to leverage deep-discharge, long cycle life, low temperature, and safe lithium-ion capabilities with the US Military Services to replace obsolete nickel-cadmium and lead-acid batteries in naval and aviation systems. The program intends on addressing manufacturing gaps and material supply risks to enhance supply sustainment.</p> <p>DLA AM is targeting AM methods and Advanced Manufacturing applications to evolve the level of innovative solutions that better support the Warfighter. This effort aims to increase part readiness and decrease manufacturing costs. Strategic focus on</p>			

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency		Date: June 2025
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603680S / <i>Manufacturing Technology Program (ManTech)</i>	Project (Number/Name) IBA / <i>Industrial Base & Aging Weapon System Support</i>

B. Accomplishments/Planned Programs (\$ in Millions)	FY 2024	FY 2025	FY 2026
<p>Additive Manufacturing in a Joint Operations Environment, Life-Cycle Manufacturing, and the use of AI to better support future opportunities in AM acceptance, adoption, and acceleration of efforts in a contested logistics environment.</p> <p>The AME program will continue to develop its long-term technology roadmap. It will also continue planning for the specific emulation technology implementations to support specific device family groups in consonance with Customer and Agency requirements. The 40 Volt Operational Amplifier project is anticipated to be completed and transitioned to full scale production. The 20 Volt Small Dimension Operational Amplifier project is also anticipated to be completed and transitioned to full scale production. AME will continue to develop an additive manufacturing capability for obsolete ceramic microcircuit cases and will continue its radiation hardened analog process development.</p> <p>The SM program will continue to examine the requirements for research of materials and alloys, development of solutions with cost-efficient production, substitution, domestic qualification, and/or recycling to restore and stabilize strategic and critical materials supply chains that have been compromised by decreased or abandoned domestic production activities or lack of domestic reserves within the United States. Phase I SBIR/STTR contracts bolstering domestic production of hypersonic thermal protection systems and gallium raw materials for high performance electronics will be down selected as appropriate to phase II commercialization efforts supporting the DOD.</p> <p>FY 2025 to FY 2026 Increase/Decrease Statement: FY26 Program Decreases due to the following:</p> <ul style="list-style-type: none"> - FY 2026 funding (\$4M) for the Joint Additive Manufacturing Model Exchange (JAMMEX) was realigned to the O&M Appropriation. -Program Savings -Labor/NonLabor Adjustments 			
Accomplishments/Planned Programs Subtotals	30.043	46.625	41.533

	FY 2024	FY 2025
<p>Congressional Add: Steel Performance Initiative</p> <p>FY 2024 Accomplishments: The Steel Performance Initiative (SPI) addressed the challenges and opportunities in our commercial industrial practices and the existing supply chain, including readiness to provide critical steel components to sustain the Warfighter. Improved MRL and TRL of Advanced High Strength Steels (AHSS) for weapon system transition. Developed process-driven performance modeling methodology supported by robust datasets to enable Fitness for Purpose (FFP) designs. Formulated quantitative nondestructive testing (QNDT)</p>	5.000	-

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency **Date:** June 2025

Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603680S / <i>Manufacturing Technology Program (ManTech)</i>	Project (Number/Name) IBA / <i>Industrial Base & Aging Weapon System Support</i>
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	FY 2024	FY 2025
methods and standards based on part performance. Mined properties of existing materials from published data and interrogate with smart analytics for improved alloys, modeling and design properties. Tailored Industry 4.0 technology for short-run steel production in Small and Medium Enterprises (SME). Coupled manufacturing processes for hybrid capability and optimize to create unique geometry, superior properties or cost-effective solutions. Provided a guide for the use of current specifications as alternatives to obsolete requirements of parts in legacy weapon systems. Enabled predictable blast and ballistic performance from high strain rate data with microstructural correlation.		
Congressional Adds Subtotals	5.000	-

C. Other Program Funding Summary (\$ in Millions)

N/A

Remarks

D. Acquisition Strategy

DLA R&D primarily uses Broad Agency Announcements (BAA) to competitively award contracts to industry and academic organizations for Advanced Technology Development projects. BAAs allow DLA R&D to see a wide range of technical approaches to address an area of interest or specific requirement. Multiple awards can be made so that the chances of a successful R&D outcome are maximized. BAAs are a flexible way to access all parts of the technology supply chain and structure a contract that satisfies the DOD requirements. To save potential offeror time and money, most BAAs include a short white paper submission that allows stakeholders to determine if the level of interest justifies requesting a full cost and technical proposal. Full proposals resulting from the white paper review are evaluated and move through an expedited evaluation and award process. Castings, Subsistence, Emergent Technology and Battery Network currently have open BAAs in FY2025.

Occasionally, DLA may use Other Transaction Authority (OTA) to rapidly deliver prototype capabilities with design and discovery techniques rather than requirements-based approaches. OTA agreements are especially useful for advancing technology adoption because they reach non-traditional, small business companies with innovative technologies and have the advantage of being able to go from development into production without a follow-on competitive contract.

In 2024, DLA R&D used The DLA Joint Enterprise Technology Services (JETS) JETS 2.0 multi-award Indefinite Delivery/Indefinite Quantity (IDIQ) contract vehicle. JETS 2.0 will be used to acquire IT services from small and large pre-qualified performers, including R&D Support tasks, with AM SME, AM Tech Specialist, Biologist, Chemist, Food Scientist, and Industrial Engineer labor categories.

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency										Date: June 2025		
Appropriation/Budget Activity 0400 / 3					R-1 Program Element (Number/Name) PE 0603680S / <i>Manufacturing Technology Program (ManTech)</i>				Project (Number/Name) TDM / <i>3D Tech Data Modernization / Model Based Enterprise</i>			
COST (\$ in Millions)	Prior Years	FY 2024	FY 2025	FY 2026 Base	FY 2026 OOC	FY 2026 Total	FY 2027	FY 2028	FY 2029	FY 2030	Cost To Complete	Total Cost
TDM: <i>3D Tech Data Modernization / Model Based Enterprise</i>	174.984	31.892	53.741	9.077	-	9.077	-	-	-	-	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The three-dimensional (3D) Technical Data Modernization (TDM) / Model-Based Enterprise (MBE) includes efforts to improve and facilitate the exchange of engineering and logistics information among DLA, the Military Services, industry partners, and customers. This LOE includes the Military Unique Sustainment Technology (MUST), the Defense Logistics Information Research (DLIR), and the Emerging Requirements (EMR) portfolios. A primary focus of this LOE is to capitalize on the emerging “Model Based Enterprise” paradigm and the semantic web as an enabler to a logistics system that is smart and connected up and down the supply chain and across all DLA Customers and suppliers. A major focus is to transform DoD engineering data from two-dimensional paper-based products to three-dimensional computer-based models, and to develop processes to move from “electronic paper” (i.e. PDF files) to technical data files that can interface directly with industries’ engineering systems. The benefits include shorter product introduction cycles, lower set up-costs for parts production and more economical small batch production. Objectives for this LOE includes:

1. Transform technical data into modern, machine-usable, neutral formats: support DoD’s digital modernization efforts and provide significant readiness improvements.
2. Create a model-enabled knowledge base shared among DLA, the Military Services and industry: streamline the delivery of accurate requirements and high-quality material and end-items throughout the supply chain.
3. Quickly develop emergent and breakthrough technologies into military significant capabilities.

The Military Unique Sustainment Technology (MUST) program addresses GAO Report 12-707 recommendations for DoD to establish a “knowledge-based approach” to define, communicate, and collaborate on military unique Combat Uniforms and Individual Equipment (CUIE) requirements. DLA has the responsibility to manage and maintain the technical requirements among the Services and the Defense Industrial Base. Currently there is no common environment for collaborating on new requirements among the stakeholders. The strategic objective of the DLA MUST program is to identify, develop, and adopt technologies that can significantly improve the joint process from transitioning new item development to DLA sustainment and operations. The Program focuses on technologies that will transform the military CUIE supply chain from an “electronic paper” (i.e. PDF/MS Word) based manual environment, into a knowledge-based model driven environment. This approach will result in seamlessly communicating military unique technical requirements throughout the end-to-end supply chain, leading toward a Model Based Enterprise.

The Defense Logistics Information Research (DLIR) program utilizes digital technologies to enhance the quality, security, and interoperability of logistics data, transforming DLA’s business processes and supporting the Defense Industrial Base (DIB). A key focus of DLIR is assisting Micro, Small, and Midsize Manufacturers (MSMMs) in adopting Industry 4.0 practices and developing the workforce within the DIB.

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency		Date: June 2025
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603680S / <i>Manufacturing Technology Program (ManTech)</i>	Project (Number/Name) TDM / <i>3D Tech Data Modernization / Model Based Enterprise</i>

B. Accomplishments/Planned Programs (\$ in Millions)	FY 2024	FY 2025	FY 2026
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Title: Three-dimensional (3D) Technical Data Modernization (TDM) / Model-Based Enterprise (MBE) (R&D LOE 2)	8.892	8.741	9.077
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Description: FY 2024 Accomplishments:

The MUST program focus has been to integrate the MUST developed components: 1) Supply Request Package (SRP) Tool, 2) Interim Change Management Solution (ICMS), 3) Quality Deficiency Assessment Reporting, and 3) the Digital Model Library (DML) using an Application Program Interface (API), to seamlessly communicate military unique technical requirements throughout the supply chain. Specifically, in FY 2024 MUST prototyped the capability to streamline input of clothing & textile defect data using handheld devices and RFID/barcodes at USMC recruit training centers. MUST also demonstrated the ability to identify clothing & textile items containing PFAS treatments, using inferences from digital documents in the DML. Finally, MUST developed tools allowed DLA Troop Support Clothing & Textiles to interface with the new Military Service lead Joint Clothing Textile Modernization Initiative (JCTMI) and support the Military Services Engineering Support Activities, and the Industrial Base.

In FY 2024, the DLIR program achieved remarkable progress in advancing digital transformation and enhancing operational efficiency. Key accomplishments included: Successful completion of the Paladin Digital Modernization Project. This initiative delivered a comprehensive Business Case Analysis (BCA) that provided strategic recommendations for optimizing procurement through digital transformation. The project converted 2D technical data into 3D models, aligning with Industry 4.0/5.0 standards. This transformation reduced procurement timelines, lowered costs, and strengthened supply chain resilience by addressing associated challenges. Additionally, the project standardized technical data management, establishing a unified, authoritative source of truth across military services. DLIR also transitioned the following R&D projects into operations: (1) Digital Sustainment Platform (DSP) transitioned to DLA J62, advancing Technical Data Management Transformation (TDMT). The DSP enables seamless integration of military technical data with suppliers' "as-manufactured" data, enhancing data interoperability and operational efficiency, (2) FLIS Data Cleansing Project transitioned to J34 for implementation, improving data accuracy and reliability, and (3) Order-to-Cash (O2C) Digital Twin Process Mining transitioned to J62KB, leveraging Celonis to significantly enhance DLA's O2C efficiency. This initiative utilized emerging technologies to align with the agency's Strategic Plan, driving operational excellence.

The EMR program executed Congressional add funding to support Strategic Materials and Rare Earth Element related technical projects for: High Performance NdFeB Magnets, Hypersonic Radomes and Apertures, Nanostructured Iron Nitride Permanent Magnets, Battery Grade Graphite, and received additional direct funding for Isomolded Graphite technology.

FY 2025 Plans:

MUST is working to further develop more powerful Artificial Intelligence based tools to incorporate interim change documents into

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Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603680S / <i>Manufacturing Technology Program (ManTech)</i>	Project (Number/Name) TDM / <i>3D Tech Data Modernization / Model Based Enterprise</i>

B. Accomplishments/Planned Programs (\$ in Millions)

base digital models, and to extract technical requirements from the digital models. Technical data content in the Digital Model Library (DML) is being expanded and the AI enhanced to make the DML information available throughout the supply chain. In addition, MUST is continuing to work with the Services to promote the use of data formats compatible with the digital document models and identify process touch points for the Joint Clothing & Textile Manufacturing Initiative (JCTMI). The digital document models can be efficiently managed (queried, analyzed, updated) and are capable of supplying data directly to test plans and manufacturing processes. Joint processes are currently being reengineered to take advantage of the digital model data. MUST is continuing to improve quality deficiency reporting at DLA Troop Support, and building new prototype tools and interfaces to improve digital model utility for the industrial base.

In FY 2025, the DLIR program shifted its emphasis from digital engineering to digital manufacturing, prioritizing advanced manufacturing techniques and AI-driven large language models (LLMs) to strengthen the Defense and Organic Industrial Base. This strategic pivot aims to enhance supply network resilience through three interconnected initiatives focused on identifying alternative manufacturing sources to support weapon system sustainment and provide surge capacity. These efforts include: (1) Searchable Manufacturer Database: This initiative developed a comprehensive database mapping 84,000 manufacturers to approximately 1,400 predefined capability ontologies. Accessible to the broader DoD community, the database enables efficient identification of suppliers to support sustainment and surge requirements., (2) MOSAIC (Manufacturing Optimization & Supplier AI Connector): Leveraging machine learning, MOSAIC matches CAD data to manufacturing processes and suppliers, currently focusing on machining with a database of over 20,000 suppliers mapped to a predefined ontology. Designed for dual use by DoD/ DLA and private industries, MOSAIC enhances supplier selection and process optimization, and (3) FILOS (Flexible Industrial Logistics, Operations, and Supplier Networks): Utilizing generative AI, neuro-symbolic reasoning, and optimization, FILOS identifies U.S.-based suppliers to reduce reliance on foreign sources. This system enables flexible manufacturing to meet demand surges, bolstering operational resilience and responsiveness. DLIR will also advance Industry 4.0 and workforce development for Micro, Small, and Mid-Size Manufacturers (MSMMs) and pursue prototype development for remote expert capabilities using Augmented Reality/Virtual Reality (AR/VR), targeting Authority to Operate (ATO) certification.

The EMR program will continue to enable DLA's investigation of new disruptive technology advances that may be implemented in the nearer term, without degrading well established program efforts. New funding has been received to develop domestic production of high purity nickel for use in Li-ion batteries.

FY 2026 Plans:

In FY 2026, MUST plans to further develop more powerful AI based tools and technical data content in the digital model library (DML) will continue to be expanded to make the DML information available throughout the supply chain. In addition, MUST will continue to improve quality deficiency reporting at DLA Troop Support, will work with the Services to promote the use of

FY 2024	FY 2025	FY 2026

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency		Date: June 2025
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603680S / <i>Manufacturing Technology Program (ManTech)</i>	Project (Number/Name) TDM / <i>3D Tech Data Modernization / Model Based Enterprise</i>

B. Accomplishments/Planned Programs (\$ in Millions)	FY 2024	FY 2025	FY 2026
<p>data formats compatible with the digital document models, and identify process touch points for the Joint Clothing & Textile Manufacturing Initiative (JCTMI). New prototype tools and interfaces will also be developed to improve digital model utility for the industrial base. A new Broad Agency Announcement will be issued to broaden the scope of MUST, incorporating expanded digital manufacturing efforts and strengthening collaboration with JCTMI and AFFOA.</p> <p>In Fiscal Year 2026, the DLIR program will build on its FY 2025 achievements, advancing advanced manufacturing and AI-driven large language models (LLMs) to strengthen the Defense Industrial Base (DIB) and Organic Industrial Base (OIB). The program will enhance supply chain resilience, workforce development, and material reclamation through the following initiatives: (1) Expanded Manufacturer Database: The searchable database will grow to include more manufacturers and capabilities, remaining accessible to government and contractor stakeholders to facilitate efficient supplier identification for sustainment and surge demands, (2) MOSAIC (Manufacturing Optimization & Supplier AI Connector): MOSAIC will enhance its machine learning algorithms to better align CAD data with manufacturing processes and suppliers. Focusing on machining with a database exceeding 20,000 suppliers, it will support both DoD/DLA and private industries, optimizing supplier matching and process efficiency, and (3) FILOS (Flexible Industrial Logistics, Operations, and Supplier Networks): Utilizing generative AI, neuro-symbolic reasoning, and optimization, FILOS will further identify U.S.-based suppliers to reduce foreign supply chain dependencies. This system will enable flexible manufacturing to address demand surges, enhancing operational resilience.</p> <p>In addition, DLIR program will focus on (1) Industry 4.0 Workforce Development: DLIR will advance training programs for Micro, Small, and Mid-Size Manufacturers (MSMMs), building expertise in advanced manufacturing. The program will also secure Authority to Operate (ATO) for AR/VR-based remote expert capabilities to improve operational support, and (2) DLA Disposition Services IT System for Circular Economy: This initiative will develop an AI-driven IT system to optimize material reclamation, reuse, and repurposing. Leveraging AI, LLMs, and machine learning, the system will automate material identification, classification, and tracking, and integrating with DLA's Enterprise Business System. It will streamline reverse logistics, reduce storage costs, and enable the repurposing of obsolete materials, such as rare earth metals and batteries, for additive manufacturing and strategic resource recovery, aligning with DLA's 2025-2030 Strategic Plan.</p> <p>The EMR program will continue to enable DLA's investigation of new disruptive technology advances that may be implemented in the nearer term, without degrading well established program efforts.</p> <p>FY 2025 to FY 2026 Increase/Decrease Statement: FY 2026 Program Decrease due to program savings and Labor/NonLabor Adjustments</p>			
Accomplishments/Planned Programs Subtotals	8.892	8.741	9.077

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency		Date: June 2025	
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603680S / <i>Manufacturing Technology Program (ManTech)</i>	Project (Number/Name) TDM / 3D Tech Data Modernization / Model Based Enterprise	
		FY 2024	FY 2025
Congressional Add: Artificial Intelligence Manufacturing FY 2024 Accomplishments: This Congressional Add, managed by the DLIR program, for the Manufacturing Optimization & Supplier AI Connector (MOSAIC) project aims to enhance DLA's ability to connect its manufacturing needs with a vast network of private manufacturers across the U.S. MOSAIC matches CAD data to manufacturing processes and suppliers, currently focusing on machining with a database of over 20,000 suppliers mapped to a predefined ontology. Designed for dual use by DoD/DLA and private industries, MOSAIC enhances supplier selection and process optimization. MOSAIC will continue into FY 2025 and FY 2026 with an expanded scope and complexity of ongoing research and development, addressing the decline in small and medium-sized manufacturers participating in the DIB and the impact of Diminishing Manufacturing Sources and Material Shortages (DMSMS) on warfighter readiness.		5.000	-
Congressional Add: Critical Mineral Supply Chain Resiliency FY 2024 Accomplishments: Completed process flow design for chemical conditioning of rare earth containing waste stream. FY 2025 Plans: Pending Proposal, Planned Obligation October 2025		5.000	5.000
Congressional Add: High Purity Vanadium for Aerospace Titanium Alloys FY 2024 Accomplishments: Preliminary construction complete, new furnaces and related production equipment ready for installation.		2.000	-
Congressional Add: Hypersonic Radomes and Apertures FY 2024 Accomplishments: Developing ceramic conversion process for RF window production, begun mechanical and dielectric characterization of test panels.		4.000	-
Congressional Add: Processing Pilot for High-Purity Nickel FY 2024 Accomplishments: Begun scaling production of concentrated Nickel leachates, established product offtake and R&D agreements.		3.000	-
Congressional Add: Rare Earth Element Mining FY 2024 Accomplishments: Begun characterization of 24 core samples, developed preliminary flotation and beneficiation methods to isolate a variety of rare earth elements.		2.000	-
Congressional Add: Recover, Reclaim, Recycle Materials from Defense Scrap		2.000	-

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency **Date:** June 2025

Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603680S / <i>Manufacturing Technology Program (ManTech)</i>	Project (Number/Name) TDM / <i>3D Tech Data Modernization / Model Based Enterprise</i>
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	FY 2024	FY 2025
FY 2024 Accomplishments: Developed scrap metal characterization methods, partnered with Disposition Services to sort and collect scrap for recycling.		
Congressional Add: Domestic Production of Tantalum FY 2025 Plans: Pending Proposal, Planned Obligation October 2025	-	4.000
Congressional Add: High Performance Synthetic Graphite FY 2025 Plans: Pending Proposal, Planned Obligation October 2025	-	8.500
Congressional Add: High Temperature Ceramic Composite Lab and Prototyping FY 2025 Plans: Pending Proposal, Planned Obligation October 2025	-	5.000
Congressional Add: Nanostructured Iron Nitride Permanent Magnets FY 2025 Plans: Pending Proposal, Planned Obligation October 2025	-	12.000
Congressional Add: Niobium Supply Chain for Aerospace Critical Superalloys FY 2025 Plans: Pending Proposal, Planned Obligation October 2025	-	3.000
Congressional Add: Supply Chain Readiness Improvement Program FY 2025 Plans: Pending Proposal, Planned Obligation October 2025	-	7.500
Congressional Adds Subtotals	23.000	45.000

C. Other Program Funding Summary (\$ in Millions)

N/A

Remarks

D. Acquisition Strategy

DLA R&D primarily uses Broad Agency Announcements (BAA) to competitively award contracts to industry and academic organizations for Advanced Technology Development projects. BAAs allow DLA R&D to see a wide range of technical approaches to address an area of interest or specific requirement. Multiple awards can be made so that the chances of a successful R&D outcome are maximized. BAAs are a flexible way to access all parts of the technology supply chain and structure a contract that satisfies the DOD requirements. To save potential offeror time and money, most BAAs include a short white paper submission that allows stakeholders to determine if the level of interest justifies requesting a full cost and technical proposal. Full proposals resulting from the white paper review are evaluated and move through an expedited evaluation and award process. DLIR and MUST programs currently have open BAAs through FY 2026 and FY 2025 respectively.

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency **Date:** June 2025

Appropriation/Budget Activity	R-1 Program Element (Number/Name)	Project (Number/Name)
0400 / 3	PE 0603680S / <i>Manufacturing Technology Program (ManTech)</i>	TDM / <i>3D Tech Data Modernization / Model Based Enterprise</i>

Occasionally, DLA will use Other Transaction Authority (OTA) to rapidly deliver prototype capabilities with design and discovery techniques rather than requirements-based approaches. OTA agreements are especially useful for advancing technology adoption because they reach non-traditional, small business companies with innovative technologies and have the advantage of being able to go from development into production without a follow-on competitive contract.

In 2024, DLA R&D used The DLA Joint Enterprise Technology Services (JETS) JETS 2.0 multi-award Indefinite Delivery/Indefinite Quantity (IDIQ) contract vehicle. JETS 2.0 will be used to acquire IT services from small and large pre-qualified performers, including R&D Support tasks, with AM SMEs, AM Tech Specialists, Biologists, Chemists, Food Scientists, and Industrial Engineer labor categories.

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Exhibit R-2, RDT&E Budget Item Justification: PB 2026 Defense Logistics Agency **Date:** June 2025

Appropriation/Budget Activity 0400: <i>Research, Development, Test & Evaluation, Defense-Wide / BA 3: Advanced Technology Development (ATD)</i>	R-1 Program Element (Number/Name) PE 0603712S / <i>Logistics Research and Development Technology (Log R&D)</i>
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COST (\$ in Millions)	Prior Years	FY 2024	FY 2025	FY 2026 Base	FY 2026 OOC	FY 2026 Total	FY 2027	FY 2028	FY 2029	FY 2030	Cost To Complete	Total Cost
Total Program Element	121.489	16.812	18.543	19.640	-	19.640	-	-	-	-	Continuing	Continuing
LOI: <i>Logistics Operations Innovation</i>	54.300	9.124	8.373	7.876	-	7.876	-	-	-	-	Continuing	Continuing
PAM: <i>Predictive Analytics / Modeling & Simulation</i>	34.696	3.884	3.942	4.013	-	4.013	-	-	-	-	Continuing	Continuing
SWM: <i>Smart-Warehouse Modernization</i>	32.493	3.804	6.228	7.751	-	7.751	-	-	-	-	Continuing	Continuing

A. Mission Description and Budget Item Justification

The Defense Logistics Agency (DLA) is responsible for providing the Military Services, other Federal Agencies, as well as combined and allied forces, the full spectrum of logistics, acquisition and technical services. DLA acquires, manages and provides virtually 100 percent of the consumable items the military services need to operate – including food, uniforms, fuel and energy, medical supplies, construction and barrier materials, equipment, and more than 85 percent of the military’s spare parts. DLA also provides logistics related services such as logistics information data management, the reutilization of military equipment, as well as document automation and production services. DLA R&D established five Lines of Effort (LOEs) in FY 2023. The Log R&D Program Element executes three LOEs: Logistics Operations Innovation, Predictive Analytics, Modeling & Simulation, and Smart Warehouse Modernization. The DLA Manufacturing Technology Program (PE 0603680S) executes two LOEs: Industrial Base and Aging weapon Systems Support and 3DTechnical Data Modernization/Model Based Enterprise.

The Log R&D program helps ensure that advanced logistics concepts and business processes are used to accomplish the agency’s mission with the leanest possible infrastructure. Log R&D identifies the best commercial business practices and tailors them, as necessary, into the most effective business processes for the agency. Log R&D develops and demonstrates high risk, high payoff technology that provides a significantly higher level of support at the lowest possible costs.

The LOEs are closely aligned to priorities specified in the most current DLA Strategic Plan, which identifies Digital Business Transformation as one of three critical capabilities to achieve DLA’s business goals of enhancing performance, reducing costs, and becoming more predictive and data driven. This critical capability also seeks to transform systems and processes to improve data transparency, reliability, and security for our employees, customers, and suppliers. DLA’s initiatives within this critical capability align with the National Security Strategy (NSS) by emphasizing the importance of harnessing rapid emerging technologies that will transform how DLA does business.

- Logistics Operations Innovation: R&D efforts to cultivate integration of innovative processes and technology into the DLA supply chains to enhance warfighter readiness and weapons system sustainment. This LOE focuses on supporting the DLA LOE 4: Modernized Acquisition and Supply Chain Management, while also investment in cross-cutting supply chain efforts, to include fuel quality and alternative fuel sources, and emergent needs that impact DLA’s ability to effectively support the warfighter through the following portfolios: Energy Readiness Program (ERP), Acquisition Modernization Technology Research (AMTR), and Supply Chain Management and Sustainability (SCMS).

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Exhibit R-2, RDT&E Budget Item Justification: PB 2026 Defense Logistics Agency **Date:** June 2025

Appropriation/Budget Activity 0400: <i>Research, Development, Test & Evaluation, Defense-Wide / BA 3: Advanced Technology Development (ATD)</i>	R-1 Program Element (Number/Name) PE 0603712S / <i>Logistics Research and Development Technology (Log R&D)</i>
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- Predictive Analytics, Modeling & Simulation: R&D efforts develop predictive analytic solutions using data and Artificial Intelligence/Machine Learning (AI/ ML) to solve high-impact problems, improve business operations, and provide actionable strategies to inform business decisions. Primarily focused on the DLA Strategic Plan Critical Capability C: Digital Business Transformation, these LOE efforts cut across DLA Strategic Plan LOE 1: Warfighter Always, LOE2: Trusted Mission Partner, and LOE 4: Modernized Acquisition and Supply Chain Management, supporting the warfighter through the Logistics Technology Research (LTR) portfolio of projects.

- Smart Warehouse Modernization: R&D efforts to modernize distribution and disposition operations through infusion of smart-warehousing, interconnected technologies, and automation. This LOE is dedicated to one of the primary focus areas of DLA’s Critical Capability for Digital Business Transformation: warehousing modernization through efforts within the Strategic Distribution and Disposition (SDD) portfolio of projects.

DLA’s focus for this budget cycle highlights advanced capabilities in digital and technical data modernization, management and analytics to transform DLA Business Processes to lower the Agency’s material acquisition and operation costs along with improving weapons systems support.

B. Program Change Summary (\$ in Millions)	FY 2024	FY 2025	FY 2026 Base	FY 2026 OOC	FY 2026 Total
Previous President's Budget	16.580	18.543	18.858	-	18.858
Current President's Budget	16.812	18.543	19.640	-	19.640
Total Adjustments	0.232	0.000	0.782	-	0.782
• Congressional General Reductions	-2.589	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	3.000	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	0.410	-			
• SBIR/STTR Transfer	-0.589	-			
• Program Adjustments	-	-	0.782	-	0.782

Congressional Add Details (\$ in Millions, and Includes General Reductions)

Project: LOI: *Logistics Operations Innovation*

Congressional Add: *Wood to Jet Fuel*

	FY 2024	FY 2025
	3.000	-
Congressional Add Subtotals for Project: LOI	3.000	-
Congressional Add Totals for all Projects	3.000	-

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Exhibit R-2, RDT&E Budget Item Justification: PB 2026 Defense Logistics Agency **Date:** June 2025

Appropriation/Budget Activity 0400: <i>Research, Development, Test & Evaluation, Defense-Wide / BA 3: Advanced Technology Development (ATD)</i>	R-1 Program Element (Number/Name) PE 0603712S / <i>Logistics Research and Development Technology (Log R&D)</i>
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Change Summary Explanation

FY 2026 Program Increase to support the Distribution Modernization Program requirements for Asset Visibility, Predictive Analytic capabilities, and Automation to modernize DLA Distribution operations and improve operations and safety for Disposition through Human Machine Teaming.

FY 2026 Program Decrease to support higher administration priorities and Labor/NonLabor Adjustments

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency										Date: June 2025		
Appropriation/Budget Activity 0400 / 3					R-1 Program Element (Number/Name) PE 0603712S / <i>Logistics Research and Development Technology (Log R&D)</i>				Project (Number/Name) LOI / <i>Logistics Operations Innovation</i>			
COST (\$ in Millions)	Prior Years	FY 2024	FY 2025	FY 2026 Base	FY 2026 OOC	FY 2026 Total	FY 2027	FY 2028	FY 2029	FY 2030	Cost To Complete	Total Cost
LOI: <i>Logistics Operations Innovation</i>	54.300	9.124	8.373	7.876	-	7.876	-	-	-	-	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The Logistics Operations Innovation Line of Effort (LOE) seeks to improve DLA supply chain performance and security through the integration of advanced technology and innovative processes into daily business operations. Research in these areas drive improvements to internal costs, reduce award delays, and improve material availability, supply chain security, and logistical planning. This will be accomplished using artificial intelligence/machine learning, block-chain technology, and research of emerging commercial best practices and technologies. In addition, out of cycle emergent technologies across all DLA supply chains and logistics processes are resourced in a timely manner without disrupting ongoing projects by funds reallocation. The objectives for this LOE include:

1. Secure supply chains: Improvements to the DoD Class III Bulk Fuel Petroleum, Oil and Lubricants supply system.
 - New or improved analytical methods to determine product quality or identify anomalies
 - Renewable energy technologies for military and government use
 - Enhanced military adoption and use of fuel products derived from petroleum alternatives

2. Technical Solutions for anti-counterfeiting detection: innovative solutions to prevent counterfeit parts in the logistical supply chain.
 - Reduced supply chain vulnerabilities through low-cost anti-counterfeiting solutions

3. Integrated logistics and acquisition information that yields cost savings and shortens lead times:
 - An enterprise market intelligence capability to optimize spending strategies and business outcomes
 - An enterprise market intelligence capability to optimize spending strategies and business outcomes
 - An automated contract quality capability that will result in a higher percentage of contracts executable upon award and subsequently a reduction of production lead time
 - A smart contracting capability using blockchain technology to automatically execute digital contracts when predetermined terms and conditions are met

The Logistics Operations Innovation LOE includes R&D efforts to develop new products and services for DLA customers in three programs:

- The Energy Readiness Program (ERP) roadmap helps to achieve the operational energy strategy goals of increasing sources of supply, developing and implementing alternative fuels under the ERP.
- The Acquisition Modernization Technology Research (AMTR) program assesses acquisition and procurement processes, uncovers and prioritizes areas that would benefit from IT modernization or advanced technologies, evaluates technical requirements, and pursues future research efforts for DLA.

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency	Date: June 2025
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Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603712S / <i>Logistics Research and Development Technology (Log R&D)</i>	Project (Number/Name) LOI / <i>Logistics Operations Innovation</i>
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– Supply Chain Management & Sustainment (SCM-S) seeks to deliver enterprise-level capabilities for Joint Warfighter readiness and lethality in contested logistics environments. Severe compound threats through sufficient, resilient, transparent global supply chains & infrastructure, for a secure and sustainable future

- Ensure installation of resiliency under severe compound threats
- Deliver Class IV Total Asset Visibility and Supplier Illumination
- Enhance SCRM efforts across DoD and industry while supporting globally integrated joint logistics operations.
- Demand forecasting in 90-day cycle using Class IV as a use case.

B. Accomplishments/Planned Programs (\$ in Millions)

	FY 2024	FY 2025	FY 2026
<p>Title: Logistics Operations Innovation Line of Effort (R&D LOE 4)</p> <p>Description: FY 2024 Accomplishments:</p> <p>Title: Logistics Operations Innovation Line of Effort (R&D LOE 4)</p> <p>Description: FY 2024 Accomplishments:</p> <p>The Energy Readiness Program continued support of the Congressional Add funded project with the University of Maine, Woody Biomass Conversion to Liquid Hydrocarbon Fuels. Following completed operational campaigns on producing synthetic crude oil for commercial and military fuel upgrades, University of Maine is working for pre-commercial production validation with a major oil refinery for hand-off of the technology in supporting developing industry goals in Maine and New England.</p> <p>ERP also managed successful completion of two President’s Budget funded projects:</p> <ul style="list-style-type: none"> • Investigating the Chemical Changes Responsible for Thermal Stability Failures in Jet Fuel – Developed baseline information to establish better links between the chemical compositions in fuels that contribute to degraded thermal stability and to understand how changes in composition can lead to similar failures in the property. • Trace Metals and Their Prevalence, Removal, and Impacts on Thermal Stability – Development of DOD analytical methods for trace metals and evaluate the metal content of petroleum fuels with various available instruments and novel techniques that will become more commonplace and standardized for conventional fuel testing. <p>The Acquisition Modernization Technology Research (AMTR) Program completed individually tailored Market Intelligence projects at DLA Land & Maritime, DLA Distribution, and DLA Disposition. Other efforts included a comprehensive look at improving DLA’s Contract Quality Review (CQR) process: identifying key contract quality metrics and developing a contract quality analytics strategy, designing visual dashboard prototypes and proof of concept quality analytics, recommending organizational structures needed to support contract quality, evaluating third-party commercial off-the-shelf solutions, and developing a Business Case Analysis to support the operationalization of prioritized contract quality capabilities. In addition, the AMTR Program led an effort to evaluate and recommend alternatives to DLA’s Internet Bid Board System (DIBBS).</p>	6.124	8.373	7.876

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency		Date: June 2025
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603712S / <i>Logistics Research and Development Technology (Log R&D)</i>	Project (Number/Name) LOI / <i>Logistics Operations Innovation</i>

B. Accomplishments/Planned Programs (\$ in Millions)	FY 2024	FY 2025	FY 2026
<p>The Supply Chain Management and Sustainment (SCM-S) program successfully established and transitioned a Class IV Trade Agreement Act (TAA) Compliant Database for Suppliers and Class IV Heavy Hitter Products for all countries within the INDOPACOM and AFRICOM regions with CENTCOM and EUCOM to be completed at the first quarter of FY 2026 SCM-S also completed over one million hours of multimodal transcontinental testing in four Geographic Combatant Commands for the Next Generation Transponder that provides near-real time in-transit asset visibility. SCM also completed Phase 1 of Heat-Tolerant Rapid Setting Cement.</p> <p>FY 2025 Plans: The Energy Readiness Program (ERP) will continue to working with DLA Energy Service customers to improve specifications and standards for fuel quality, engage in modeling and simulation of the energy supply chain and identifying alternative energy. ERP will also focus on determining R&D solutions for ongoing issues affecting fuel and fuel additive quality and operational requirements (e.g., thermal stability, storage stability, ignition capability). The program will continue to assist the military services in the qualification and certification of alternative fuels to meet military specification requirements; this will be in alignment with the current Administration’s goals addressing climate change through the decarbonization and carbon neutral emission attainment of transportation fuels.</p> <p>The Acquisition Modernization Technology Research (AMTR) Program piloted a Contract Quality Review (CQR) Dashboard in a ServiceNow development environment, designed a process for collecting data from individual Microsoft Excel-driven CQR checklists, defined requirements for an automated web-based CQR solution, and explored potential AI/ML use cases for improving contract quality. Efforts currently underway include developing recommendations for implementing smart contracts; i.e., digital contracts stored on a blockchain that are automatically executed when predetermined terms and conditions are met; developing high fidelity prototypes and technical documentation of AI/ML solutions to address specific Clothing & Textiles use cases, and expanding market intelligence capabilities to the Medical and Clothing & Textiles supply chains. AMTR is initiating an effort to develop a capability to determine item commerciality and reasonable market pricing using advanced analytical techniques (expected award Q3 FY 2025).</p> <p>FY 2025 Supply Chain Management and Sustainment (SCM-S) program baseline was increased to support to ensure Mission Accomplishment in a contested environment. It will focus on predictive data analytics to anticipate Class IV supply and demand over a 90-day horizon. Another key initiative in SCM-S involves operational visibility. In close partnership with DLA Troop Support Construction & Barriers (C&E), DLA Warehouse Modernization System (WMS), DLA J7, Air Force Research Lab (AFRL) and</p>			

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency		Date: June 2025
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603712S / <i>Logistics Research and Development Technology (Log R&D)</i>	Project (Number/Name) LOI / <i>Logistics Operations Innovation</i>

B. Accomplishments/Planned Programs (\$ in Millions)	FY 2024	FY 2025	FY 2026
<p>United States Transportation Command (USTRANSCOM), SCM-S will test and evaluate 250+ block-chained In-Transit Visibility (ITV) use cases.</p> <p>FY 2026 Plans: The Energy Readiness Program (ERP) will continue working with DLA Energy Service customers to improve specifications and standards for fuel quality, engage in modeling and simulation of the energy supply chain and identifying alternative energy. ERP will also focus on determining R&D solutions for ongoing issues affecting fuel and fuel additive quality and operational requirements (e.g., thermal stability, storage stability, ignition capability). The program will continue to assist the military services in the qualification and certification of alternative fuels to meet military specification requirements; this will be in alignment with the current Administration’s goals addressing climate change through the decarbonization and carbon neutral emission attainment of transportation fuels.</p> <p>The Acquisition Modernization Technology Research (AMTR) program will continue to focus on improving Acquisition practices, including efforts to develop an integrated view of contract quality, as well exploring AI/ML or other emerging technologies to address specific Acquisition pain points and/or opportunities such as contract closeout, prepopulated purchase request creation, data quality issues, and cost recovery rate optimization.</p> <p>SCM-S will begin large-scale testing of its block-chained in-transit asset visibility project in top tier mil-to-mil exercises. Projects scheduled to be completed at the end of FY 2026 includes all Trade-Agreements Act databases for four Geographic Combatant Commands and the classified version of Class 4 demand forecasting. FY 2025 to FY 2026 Increase/Decrease Statement: FY 2025 to FY 2026 Increase/Decrease Statement: FY 2026 Program Decrease due to program savings and Labor/NonLabor Adjustments</p>			
Accomplishments/Planned Programs Subtotals	6.124	8.373	7.876

	FY 2024	FY 2025
Congressional Add: Wood to Jet Fuel	3.000	-
FY 2024 Accomplishments: The Energy Readiness Program continued support of the Congressional Add funded project with the University of Maine, "Woody Biomass Conversion to Liquid Hydrocarbon Fuels. Following completed operational campaigns on producing synthetic crude oil for commercial and military fuel upgrades,		

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency **Date:** June 2025

Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603712S / <i>Logistics Research and Development Technology (Log R&D)</i>	Project (Number/Name) LOI / <i>Logistics Operations Innovation</i>
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	FY 2024	FY 2025
U of Maine is working for pre-commercial production validation with a major oil refinery for hand-off of the technology in supporting developing industry goals in Maine and New England.		
Congressional Adds Subtotals	3.000	-

C. Other Program Funding Summary (\$ in Millions)

N/A

Remarks

D. Acquisition Strategy

DLA R&D primarily uses Broad Agency Announcements (BAA) to competitively award contracts to industry and academic organizations for Advanced Technology Development projects. BAAs allow DLA R&D to see a wide range of technical approaches to address an area of interest or specific requirement. Multiple awards can be made so that the chances of a successful R&D outcome are maximized. BAAs are a flexible way to access all parts of the technology supply chain and structure a contract that satisfies the DOD requirements. To save potential offeror time and money, most BAAs include a short white paper submission that allows stakeholders to determine if the level of interest justifies requesting a full cost and technical proposal. Full proposals resulting from the white paper review are evaluated and move through an expedited evaluation and award process. In addition, AMTR established Indefinite Delivery Indefinite Quantity (IDIQ) awards with three industry partners to provide expertise and resources for R&D projects.

Occasionally, DLA will use Other Transaction Authority (OTA) to rapidly deliver prototype capabilities with design and discovery techniques rather than requirements-based approaches. OTA agreements are especially useful for advancing technology adoption because they reach non-traditional, small business companies with innovative technologies and have the advantage of being able to go from development into production without a follow-on competitive contract.

In 2024, DLA R&D used the DLA Joint Enterprise Technology Services (JETS) JETS 2.0 multi-award Indefinite Delivery/Indefinite Quantity (IDIQ) contract vehicle. JETS 2.0 will be used to acquire IT services from small and large pre-qualified performers, including R&D Support tasks, with AM SMEs, AM Tech Specialists, Biologists, Chemists, Food Scientists, and Industrial Engineer labor categories.

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency										Date: June 2025		
Appropriation/Budget Activity 0400 / 3					R-1 Program Element (Number/Name) PE 0603712S / <i>Logistics Research and Development Technology (Log R&D)</i>				Project (Number/Name) PAM / <i>Predictive Analytics / Modeling & Simulation</i>			
COST (\$ in Millions)	Prior Years	FY 2024	FY 2025	FY 2026 Base	FY 2026 OOC	FY 2026 Total	FY 2027	FY 2028	FY 2029	FY 2030	Cost To Complete	Total Cost
PAM: <i>Predictive Analytics / Modeling & Simulation</i>	34.696	3.884	3.942	4.013	-	4.013	-	-	-	-	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The Predictive Analytics, Modeling & Simulation Line of Effort (PAM) includes R&D efforts within the Logistics Technology Research (LTR) program. The focus of LTR is to develop predictive analytic solutions by applying AI/ML algorithms to data obtained from DLA and external sources which can help solve high-impact problems, improve business operations, and provide actionable strategies for optimized business decisions. Through the development of decision support tools, such as modeling, simulation, and other analytics to improve operational strategy decision-making, forecasting, and procurement, DLA will achieve more effective and efficient responses to emerging market and customer requirements. The objectives for this LOE include:

1. Leverage technological solutions for data analytics and integration for demand projections and supply chain risk management.
2. Data analytics integration for DLA, the military services and industry: allows businesses and vendors to aggregate data, analyze it, and transform it into useful information.
3. Explore emergent technologies in quantum computing and edge computing to enable advanced analytics.

B. Accomplishments/Planned Programs (\$ in Millions)

	FY 2024	FY 2025	FY 2026
Title: Predictive Analytics, Modeling & Simulation Line of Effort (R&D LOE 3)	3.884	3.942	4.013
Description: Funding and efforts for the Predictive Analytics, Modeling & Simulation Line of Effort began in FY 2023. FY 2022 efforts related to this LOE are outlined in the R-2A for Improving Logistics Processes (GLTD) under the LTR program.			
FY 2024 Accomplishments: Successful completion of three Phase I SBIR projects to develop a Cyber Digital Twin for Operational Technology Systems. These SBIR projects used a combination of digital twin technology and AI/ML to capture cyber intrusion signatures in OT systems for small to medium size industrial base manufacturers. Phase II is being worked now to improve upon the technology platform being developed. Additional projects have been considered in FY 2025 to bring this technology to secure DLA's OT systems enterprise wide. LTR completed the Remote Surveillance Inspection pilot study which gave DLA Additive Manufacturing SMEs a blueprint on how to utilize Augmented/Virtual Realty to perform remote inspection to streamline acceptance processes and increase the speed with which critical parts enter the supply chain and reach the warfighter. This project build upon the previous success of the DLA Joint			

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency		Date: June 2025		
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603712S / <i>Logistics Research and Development Technology (Log R&D)</i>	Project (Number/Name) PAM / <i>Predictive Analytics / Modeling & Simulation</i>		
B. Accomplishments/Planned Programs (\$ in Millions)		FY 2024	FY 2025	FY 2026
<p>Additive Manufacturing Acceptability (JAMA) II project's remote inspection pilot.</p> <p>The LTR Program participated and funded the DLA Automated Records Traceability (DART) project that was approved and moved into the DLA Production environment. The platform created an integrated solution that is transferrable to alternate traceability requirements.</p> <p>The LTR completed a successful pilot study using Digital Twin technology to develop modeling and simulation scenarios to modernize and update current warehouse configurations under DLA Disposition. The 3D digital twins and simulation provided DLA Disposition recommendations to improve operations and/or address challenges through testing and simulation of various organizational and operational changes that the agency is interested in evaluating. The technology also demonstrated how the technology can be more broadly applied across other warehouses within the network to change and modernize how the organization operates. DLA Disposition is gathering support to make this an enterprise-wide effort for other MSCs.</p> <p>FY 2025 Plans: The LTR program will continue to develop more AI/ML models for Supply Chain Risk Management and Supply Chain Security. Continue to explore the integration of AI/ML within DLA to include Large Language Models (LLM), such as ChatGPT. Further efforts will also be made for the integration of Blockchain for some of DLA's business processes, and the use of Digital Twins (Modeling and Simulation) to improve various business processes. Continue to conduct further research on new emerging technologies to safeguard and protect DLA's supply chain, and to improve DLA's requirements for data analytics. Continued focus on AR/VR and spatial computing to increase DLA's use of the technology within various MSCs. The LTR program will initiate two SBIR III projects dealing with OT Security that will serve as the basis for DLA's OT Security Framework.</p> <p>FY 2026 Plans: The LTR program will continue to integrate AI/ML models into various business process areas for DLA. Generative AI and LLMs will continue to be looked at for integration and implementation. Continued research with digital twin technology for modeling and simulation to improve DLA business processes. LTR will also explore quantum computing and quantum machine learning to bring this technology to DLA as well.</p> <p>FY 2025 to FY 2026 Increase/Decrease Statement: Program Increase for nonlabor/labor adjustments</p>				
Accomplishments/Planned Programs Subtotals		3.884	3.942	4.013
C. Other Program Funding Summary (\$ in Millions)				
N/A				

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency		Date: June 2025
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603712S / <i>Logistics Research and Development Technology (Log R&D)</i>	Project (Number/Name) PAM / <i>Predictive Analytics / Modeling & Simulation</i>

C. Other Program Funding Summary (\$ in Millions)

Remarks

D. Acquisition Strategy

DLA R&D primarily uses Broad Agency Announcements (BAA) to competitively award contracts to industry and academic organizations for Advanced Technology Development projects. BAAs allow DLA R&D to see a wide range of technical approaches to address an area of interest or specific requirement. Multiple awards can be made so that the chances of a successful R&D outcome are maximized. BAAs are a flexible way to access all parts of the technology supply chain and structure a contract that satisfies the DOD requirements. To save potential offeror time and money, most BAAs include a short white paper submission that allows stakeholders to determine if the level of interest justifies requesting a full cost and technical proposal. Full proposals resulting from the white paper review are evaluated and move through an expedited evaluation and award process.

To improve readiness and responsiveness to emerging Warfighter needs, DLA leverages Commercial Solution Openings (CSOs) and Other Transaction Authorities (OTAs), which accelerate the acquisition of commercially available solutions. These tools are problem-centric, flexible, and reduce the barrier to entry for non-traditional contractors to work with DLA. OTAs allow the agency to prototype innovative technologies or services, reducing risk, and have the advantage of going from development to production without needing a follow-on competitive solicitation.

In 2024, DLA R&D used The DLA Joint Enterprise Technology Services (JETS) JETS 2.0 multi-award Indefinite Delivery/Indefinite Quantity (IDIQ) contract vehicle. JETS 2.0 will be used to acquire IT services from small and large pre-qualified performers, including R&D Support tasks, with AM SMEs, AM Tech Specialists, Biologists, Chemists, Food Scientists, and Industrial Engineer labor categories.

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency										Date: June 2025		
Appropriation/Budget Activity 0400 / 3					R-1 Program Element (Number/Name) PE 0603712S / <i>Logistics Research and Development Technology (Log R&D)</i>				Project (Number/Name) SWM / <i>Smart-Warehouse Modernization</i>			
COST (\$ in Millions)	Prior Years	FY 2024	FY 2025	FY 2026 Base	FY 2026 OOC	FY 2026 Total	FY 2027	FY 2028	FY 2029	FY 2030	Cost To Complete	Total Cost
SWM: <i>Smart-Warehouse Modernization</i>	32.493	3.804	6.228	7.751	-	7.751	-	-	-	-	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The Smart Warehouse Modernization Line of Effort will assess and test cyber-secure smart-warehouse technologies to transform and modernize distribution and disposition operations. The objectives for this LOE include:

1. Increase productivity and efficiency through interconnected technologies and automation such as enhanced inventory management, materiel distribution, and asset visibility
2. Provide enhanced and cyber-secure operations

The Strategic Distribution & Disposition (SDD) Program collaborates with DLA Distribution and Disposition Services to identify legacy capabilities that are inadequate for emerging worldwide distribution and disposition requirements. A key objective of the SDD Program is to anticipate, assess, and meet the current and future Warfighter requirements by leveraging R&D to infuse innovation into solutions. Long-term objectives include mitigating the DOD Supply Chain Management high risk issues identified by the Government Accountability Office (GAO), 2018 (Inventory Management, Material Distribution and Asset Visibility).

B. Accomplishments/Planned Programs (\$ in Millions)

	FY 2024	FY 2025	FY 2026
Title: Smart Warehouse Modernization Line of Effort (R&D LOE 5)	3.804	6.228	7.751
<p>Description: Funding and efforts for the Smart Warehouse Modernization Line of Effort began in FY 2023 and is focused on advancing innovation, science & technology into DLA Distribution and DLA Disposition networks through research & development of technology solutions. This includes a focus on Automation (LOE Human Machine Teaming/Materiel Distribution), Asset Visibility, Network Optimization, and Circular Economy (Reclamation).</p> <p>FY 2024 Accomplishments:</p> <ul style="list-style-type: none"> • Installed 5G Private Network testbed at DLA Distribution Albany, GA and successfully tested Augmented Reality /Optical Character Recognition (AR/OCR) capabilities • Completed sequential Phase II B Small Business Innovative Research (SBIR) AR/OCR case study to implement AR/OCR technology for the warehouse Picking and Stowing processes • Research with the Naval Postgraduate School to identify a range of alternative solutions and determine the most suitable and feasible forecasting methodology that will fuse information on projected Fleet Material requirements for the DLA 			

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency		Date: June 2025
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603712S / <i>Logistics Research and Development Technology (Log R&D)</i>	Project (Number/Name) SWM / <i>Smart-Warehouse Modernization</i>

B. Accomplishments/Planned Programs (\$ in Millions)

Distribution Material Processing Center (MPC) workload predictability.
 • Completed 6 SBIR Phase 1 Feasibility Studies for Automated Inventory Technology and 3 have been down selected to a Phase III SBIR and 1 has been down selected to a Phase II BAA.

FY 2025 Accomplishments:

- Naval Post Graduate School created a Dashboard for Material Processing Center (MPC)
- Obtained DLA 5G Core
- Initiated SBIR Phase III Automated Inventory Management (AIM)
- Initiated Phase II Prototype for scanning of Inventory
- Initiated Phase I Feasibility Study of using millimeter wave scanning for anomaly detection
- Completed Phase I Feasibility Study for material identification scanning
- Completed Phase I Feasibility Study for Network Optimization
- Completed two SBIR Phase I Feasibility Studies for Automation (MHE Autonomous Kitting and Pallet Mover)
- Completed Phase I and Phase II of Circular Economy (Reclamation) foundational research study

FY 2025 Plans:

The Strategic Distribution and Disposition (SDD) program will continue to provide applied research, analytical, and decision support to DLA Distribution and Disposition Services, and provide support to the DLA J6 Network Transformation Program (formerly Distribution Modernization Program (DMP)). SDD will continue to engage with Industry, DOD sponsored FFRDCs and UARCs leveraging subject -matter expertise in key areas of research such as 5G Networks, 5G Technologies, Sensor Internet of Things (IoT), Blockchain, Quantum Computing, Artificial Intelligence/ Machine Learning (AI/ML), Automation (Material Distribution/Human Machine Teaming), Network Optimization, Circular Economy (Reclamation), and leverage the benefits realized from proven research studies to pilot technologies supporting DOD Supply Chain Management high risk issues identified by the Government Accountability Office (GAO), 2018 for Material Distribution Technologies (Goods to Man) and Asset Visibility Technologies.

FY 2026 Plans:

Solve NFR082 through exploration of Asset Visibility tools, tactics, techniques, and procedures. Continued research and exploration of Automation for both Distribution and Disposition.

FY 2025 to FY 2026 Increase/Decrease Statement:

FY 2024	FY 2025	FY 2026

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency	Date: June 2025
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Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603712S / <i>Logistics Research and Development Technology (Log R&D)</i>	Project (Number/Name) SWM / <i>Smart-Warehouse Modernization</i>
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B. Accomplishments/Planned Programs (\$ in Millions)	FY 2024	FY 2025	FY 2026
FY 2026 Program Increase to support the Distribution and Disposition requirements for Asset Visibility, Predictive Analytic capabilities, Automation (Human Machine Teaming), and Reclamation to modernize and improve operations and safety.			
Accomplishments/Planned Programs Subtotals	3.804	6.228	7.751

C. Other Program Funding Summary (\$ in Millions)

N/A

Remarks

D. Acquisition Strategy

DLA R&D primarily uses Broad Agency Announcements (BAA) to competitively award contracts to industry and academic organizations for Advanced Technology Development projects. BAAs allow DLA R&D to see a wide range of technical approaches to address an area of interest or specific requirement. Multiple awards can be made so that the chances of a successful R&D outcome are maximized. BAAs are a flexible way to access all parts of the technology supply chain and structure a contract that satisfies the DOD requirements. To save potential offeror time and money, most BAAs include a short white paper submission that allows stakeholders to determine if the level of interest justifies requesting a full cost and technical proposal. Full proposals resulting from the white paper review are evaluated and move through an expedited evaluation and award process. SWM has a BAA open through FY 2027.

Occasionally, DLA will use Other Transaction Authority (OTA) to rapidly deliver prototype capabilities with design and discovery techniques rather than requirements-based approaches. OTA agreements are especially useful for advancing technology adoption because they reach non-traditional, small business companies with innovative technologies and have the advantage of being able to go from development into production without a follow-on competitive contract.

In 2024, DLA R&D used The DLA Joint Enterprise Technology Services (JETS) JETS 2.0 multi-award Indefinite Delivery/Indefinite Quantity (IDIQ) contract vehicle. JETS 2.0 will be used to acquire IT services from small and large pre-qualified performers, including R&D Support tasks, with AM SMEs, AM Tech Specialists, Biologists, Chemists, Food Scientists, and Industrial Engineer labor categories.

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Exhibit R-2, RDT&E Budget Item Justification: PB 2026 Defense Logistics Agency **Date:** June 2025

Appropriation/Budget Activity 0400: <i>Research, Development, Test & Evaluation, Defense-Wide / BA 3: Advanced Technology Development (ATD)</i>	R-1 Program Element (Number/Name) PE 0603720S / <i>Microelectronics Technology Development and Support (DMEA)</i>
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COST (\$ in Millions)	Prior Years	FY 2024	FY 2025	FY 2026 Base	FY 2026 OOC	FY 2026 Total	FY 2027	FY 2028	FY 2029	FY 2030	Cost To Complete	Total Cost
Total Program Element	1,652.240	143.021	137.246	135.016	-	135.016	-	-	-	-	Continuing	Continuing
004: <i>Defense MicroElectronics Activity (DMEA)</i>	1,652.240	143.021	137.246	135.016	-	135.016	-	-	-	-	Continuing	Continuing

A. Mission Description and Budget Item Justification

The Defense Microelectronics Activity (DMEA) mission is to leverage advanced technologies to provide microelectronics solutions across the entire spectrum of technology development and system acquisition phases. It is critical to National Security for the Department to maintain technological superiority through microelectronics solutions via partnerships with the Defense Industrial Base, and by alternative means when industry is unable or unwilling to provide them. DMEA provides an in-house capability to quickly develop and deliver timely, cost-effective, technically appropriate solutions to sustain weapon systems, to modernize their capabilities, increase their lethality, address new threats, and meet operational demands. DMEA augments its in-house capability through extensive industry and Government partnerships, which enable streamlined access to a variety of microelectronics technologies and engineering services to enhance responsiveness and develop sources for advanced microelectronics solutions.

DMEA's capabilities are critical in an atmosphere of diminishing domestic semiconductor manufacturing capability and increasing worldwide supply chain risks. The Department has very little influence over the microelectronics industry; the defense market represents less than 0.1% share of the total global semiconductor market. Access to mainstream, State of the Practice (SOTP) and State of the Art (SOTA) technologies is therefore a major and growing challenge. Threats to defense microelectronics include counterfeiting, latent vulnerabilities, malicious insertions, reliability issues particular to military environments, consolidation and off-shoring of manufacturing, rapid obsolescence and diminishing technology availability coming from an unpredictable and unsecured supply chain. In addition, as the Department maintains its weapon systems longer than originally planned, extended use increases demand for sustainment and modernization, which further intensifies the need for DMEA's unique capabilities.

DMEA provides the Department with engineering expertise and laboratories to address the myriad of microelectronics issues and to meet military requirements across the entire spectrum of technology research and development, acquisition, and long-term support. DMEA applies its specialized capabilities to resolve microelectronics issues for hundreds of distinct Department programs across the acquisition lifecycle every year. In addition, DMEA assists the Combatant Commands (COCOMs) including SOCOM and CYBERCOM, and the Intelligence and Radiation-Hard communities.

DMEA also manages the Trusted Foundry Program which provides the Department with access to SOTA microelectronics manufacturing capabilities with the added benefit of Trust when required. This program administers and manages a robust ecosystem of accredited suppliers that meet the Departments requirements for semiconductor assurance per DoDI 5200.44. This program also provides the Department with the most advanced ASIC technology's available in a Trusted or ITAR assurance level. The program also provides for a Multi-Project Wafer (MPW) program, which enables the DoD to transfer research and prototyping into production acquisition programs.

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Exhibit R-2, RDT&E Budget Item Justification: PB 2026 Defense Logistics Agency **Date:** June 2025

Appropriation/Budget Activity 0400: <i>Research, Development, Test & Evaluation, Defense-Wide / BA 3: Advanced Technology Development (ATD)</i>	R-1 Program Element (Number/Name) PE 0603720S / <i>Microelectronics Technology Development and Support (DMEA)</i>
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B. Program Change Summary (\$ in Millions)	FY 2024	FY 2025	FY 2026 Base	FY 2026 OOC	FY 2026 Total
Previous President's Budget	144.707	137.246	140.579	-	140.579
Current President's Budget	143.021	137.246	135.016	-	135.016
Total Adjustments	-1.686	0.000	-5.563	-	-5.563
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-7.235	-			
• Congressional Rescissions	-	-			
• Congressional Adds	10.000	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-4.451	-			
• Program Adjustments	-	-	-5.563	-	-5.563

Congressional Add Details (\$ in Millions, and Includes General Reductions)

Project: 004: *Defense MicroElectronics Activity (DMEA)*

Congressional Add: *Enhanced RF Microelectronics Production*

	FY 2024	FY 2025
	10.000	-
Congressional Add Subtotals for Project: 004	10.000	-
Congressional Add Totals for all Projects	10.000	-

Change Summary Explanation

FY 2026 Program Decrease to support higher administration priorities and Labor/NonLabor Adjustments

Program Increase for M365 Enterprise Licensing Upgrade - DISA transfer funds to the services and Defense organizations to enable DoD components to buy Microsoft 365 (M365) ES license upgrades for their respective users.

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency										Date: June 2025		
Appropriation/Budget Activity 0400 / 3					R-1 Program Element (Number/Name) PE 0603720S / <i>Microelectronics Technology Development and Support (DMEA)</i>				Project (Number/Name) 004 / <i>Defense MicroElectronics Activity (DMEA)</i>			
COST (\$ in Millions)	Prior Years	FY 2024	FY 2025	FY 2026 Base	FY 2026 OOC	FY 2026 Total	FY 2027	FY 2028	FY 2029	FY 2030	Cost To Complete	Total Cost
004: <i>Defense MicroElectronics Activity (DMEA)</i>	1,652.240	143.021	137.246	135.016	-	135.016	-	-	-	-	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

DMEA maintains an in-house ability to quickly develop and deliver timely, cost-effective, technically appropriate solutions to sustain weapon systems, to modernize their capabilities, increase their lethality, address new threats, and meet operational demands. These funds also support DMEA's ability to partner with industry, other Government agencies, and academia to enable streamlined access to a variety of microelectronics technologies and engineering services.

These funds enable DMEA to provide increasingly rare government microelectronics design, fabrication, and test expertise to DoD programs. DMEA's knowledge of varying military requirements across a broad and diverse range of combatant environments and missions—along with its unique technical perspective—allows it to develop, manage and deliver novel, decisive, quick-turn microelectronics solutions for defense, intelligence, special operations, cyber and combat missions.

These funds allow DMEA to maintain and enhance critical, microelectronics design, aggregation, fabrication, post-processing, assembly, hardware assurance and analysis capabilities to ensure that the Department is provided with solutions that enable or maintain the warfighter's technological superiority over potential adversaries. These solutions use high mix, low volume, unique microelectronics that are endemic to military requirements but are not commercially available. In addition, funding provides for the development and sustainment support necessary to ensure availability of microelectronics technologies in accordance the Department's needs and facilitates the Trusted Supplier Accreditation program required by DoDI 5200.44.

DMEA will continue to manage and operate the Trusted Access Program Office (TAPO) to facilitate DoD and US Government access to state-of-the-art microelectronics manufacturers, including Trusted Foundries, for secure production runs and manufacturing and production planning for wafers, dies, and modules. DMEA will also continue to accredit trusted suppliers and leverage its designation by Secretary Austin as a Center for Industrial Technical Excellence (CITE) and continue to support small runs of DoD-critical microelectronics and semiconductors both inside and outside DoD. The CITE designation also delegates the authority to DMEA to establish Public Private Partnerships (PPP). The Department, other US Agencies, and the Intelligence Community require uninterrupted access to semiconductor processes to produce custom integrated circuits designed specifically for military purposes. DMEA, via the TAPO, partners with industry to provide the required solutions, and the necessary access to commercial SOTA microelectronics semiconductor capabilities to meet confidentiality, integrity, availability, performance and delivery needs. A critical element required to enable continued success is DMEA's protection of the industry partners' valuable Intellectual Property (IP). DMEA is an agile, Government-owned-and-operated organization, providing the structure and confidence necessary to assure them that commercial IP is protected from potential competitors. This strategic and cooperative industry partnership approach allows DMEA to use industry-developed IP by acquiring, installing, and applying them toward meeting the immediate and long-term needs of the Department. This unique capability is essential to all major weapon systems, combat operations, and support needs. As such, DMEA serves the Department, other US Agencies, industry and Allied nations.

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency	Date: June 2025
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Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603720S / <i>Microelectronics Technology Development and Support (DMEA)</i>	Project (Number/Name) 004 / <i>Defense MicroElectronics Activity (DMEA)</i>
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Programs that DMEA has recently provided critical support to include CH-53E Sea Stallion, Virginia, Class Submarines, Columbia Class Submarines, UH-60 Blackhawk, Air Force Air Combat Command, US Army Corps of Engineers, E-3 AWACS, Military GPS User Equipment, NASA Parker Solar Probe, Naval Research Laboratory High Power Microwave Office, among many others.

B. Accomplishments/Planned Programs (\$ in Millions)	FY 2024	FY 2025	FY 2026
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Title: Defense Microelectronics Activity Accomplishments/Plans	133.021	137.246	135.016
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Description: FY 2024 Accomplishments:

DMEA has designed, developed, and demonstrated microelectronics concepts, advanced technologies, and applications to solve operational problems. DMEA has applied advanced technologies to add performance enhancements in response to the newest asymmetric threats and to modernize and sustain aging weapon systems. To meet the increased missions seen in the last several years by CCMDs, Special Operations, and the Intelligence Community, DMEA extended and refreshed capability by recapitalizing and modernizing its aging laboratory infrastructure, all to meet quick turn solutions on which CCMDs and Special Operations can rely. DMEA has continued to manage the Trusted Foundry Program and provided the Department with access to state-of-the-art microelectronics semiconductor capabilities with the added benefit of Trust, if necessary, to meet their confidentiality, integrity, availability, performance and delivery needs via the Trusted Access Program Office. The program also provided the Services and other agencies with a competitive cadre of accredited Trusted suppliers that can meet the needs of their mission critical/essential systems for Trusted integrated circuit components. The Trusted Access Program Office has contracted with commercial sources to satisfy state-of-the-art semiconductor requirements. DMEA fostered all viable alternatives to continue the vital supply of Trusted microelectronics, including the work of the DMEA Trusted Access Program Office with commercial state-of-the-art industry.

FY 2025 Plans:

DMEA will design, develop, and demonstrate microelectronics concepts, advanced technologies, and applications to solve operational problems. DMEA will apply advanced technologies to add performance enhancements in response to the newest asymmetric threats and to modernize and sustain aging weapon systems. To meet the increased missions seen in the last several years by CCMDs and the Intelligence Community, DMEA will extend and refresh capability by recapitalizing and modernizing its aging laboratory infrastructure, all to meet quick turn solutions on which CCMDs and Special Operations can rely. DMEA will continue to act as the program manager for the Trusted Foundry Program and will provide the Department with access to state-of-the-art microelectronics semiconductor capabilities with the added benefit of Trust, if necessary, to meet their confidentiality, integrity, availability, performance and delivery needs via the TAPO. The program also provides the Services and other agencies with a competitive cadre of accredited Trusted suppliers that can meet the needs of their mission critical/essential systems for Trusted integrated circuit components. The TAPO has contracted with commercial sources to satisfy state-of-the-art semiconductor requirements. DMEA will foster all viable alternatives to continue the vital supply of Trusted microelectronics,

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency **Date:** June 2025

Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603720S / <i>Microelectronics Technology Development and Support (DMEA)</i>	Project (Number/Name) 004 / <i>Defense MicroElectronics Activity (DMEA)</i>
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B. Accomplishments/Planned Programs (\$ in Millions)	FY 2024	FY 2025	FY 2026
including the work of the DMEA TAPO with commercial state-of-the-art industry. In areas where Trust is not available, DMEA will support the Department in semiconductor assurance pilots and frameworks as needed.			
<i>FY 2026 Plans:</i> DMEA will design, develop, and demonstrate microelectronics concepts, advanced technologies, and applications to solve operational problems. DMEA will apply advanced technologies to add performance enhancements in response to the newest asymmetric threats and to modernize and sustain aging weapon systems. To meet the increased missions seen in the last several years by CCMDs and the Intelligence Community, DMEA will extend and refresh capability by recapitalizing and modernizing its aging laboratory infrastructure, all to meet quick turn solutions on which CCMDs and Special Operations can rely. DMEA will continue to act as the program manager for the Trusted Foundry Program and will provide the Department with access to state-of-the-art microelectronics semiconductor capabilities with the added benefit of Trust, if necessary, to meet their confidentiality, integrity, availability, performance and delivery needs via the Trusted Access Program Office. The program also provides the Services and other agencies with a competitive cadre of accredited Trusted suppliers that can meet the needs of their mission critical/essential systems for Trusted integrated circuit components. The Trusted Access Program Office has contracted with commercial sources to satisfy state-of-the-art semiconductor requirements. DMEA will foster all viable alternatives to continue the vital supply of Trusted microelectronics, including the work of the DMEA Trusted Access Program Office with commercial state-of-the-art industry.			
<i>FY 2025 to FY 2026 Increase/Decrease Statement:</i> FY 2026 Program Decrease due to program savings and Labor/NonLabor Adjustments			
Accomplishments/Planned Programs Subtotals	133.021	137.246	135.016

	FY 2024	FY 2025
<i>Congressional Add:</i> Enhanced RF Microelectronics Production	10.000	-
<i>FY 2024 Accomplishments:</i> DMEA continued its efforts (phase 4) on scaling and establishing a domestic 200mm Gallium Nitride (GaN) on Silicon (Si) source at a high volume DMEA accredited Trusted Supplier.		
Congressional Adds Subtotals	10.000	-

C. Other Program Funding Summary (\$ in Millions)

N/A

Remarks

D. Acquisition Strategy

N/A

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Exhibit R-2, RDT&E Budget Item Justification: PB 2026 Defense Logistics Agency **Date:** June 2025

Appropriation/Budget Activity 0400: Research, Development, Test & Evaluation, Defense-Wide / BA 5: System Development & Demonstration (SDD)	R-1 Program Element (Number/Name) PE 0605080S / Defense Agencies Initiative (DAI) - Financial System
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COST (\$ in Millions)	Prior Years	FY 2024	FY 2025	FY 2026 Base	FY 2026 OOC	FY 2026 Total	FY 2027	FY 2028	FY 2029	FY 2030	Cost To Complete	Total Cost
Total Program Element	284.194	28.482	31.916	31.714	-	31.714	-	-	-	-	Continuing	Continuing
01: Defense Agencies Initiative - Financial System	284.194	28.482	31.916	31.714	-	31.714	-	-	-	-	Continuing	Continuing

Program MDAP/MAIS Code:
Project MDAP/MAIS Code(s): 0491

A. Mission Description and Budget Item Justification

The Defense Agencies Initiative (DAI) program, a Category I Defense Business System, is an Enterprise Resource Planning (ERP) based program originally created to solve Defense Agency financial management problems through standard end-to-end business processes delivered by commercial off-the-shelf (COTS) software. DAI's mission is to provide an auditable, Chief Financial Officer (CFO) Act compliant business environment for the Defense customer organizations with accurate, timely, and authoritative financial data. DAI supports continued development and fielding of its current Increment 3 baseline. Previous funding for DAI Increments 1 and 2 were documented in the Defense Enterprise Business Systems program element 50605070S00. Increment 3 will deliver new financial capabilities including Defense Working Capital Fund (DWCF) and Re-Sale accounting plus a major application upgrade.

B. Program Change Summary (\$ in Millions)	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026 Base</u>	<u>FY 2026 OOC</u>	<u>FY 2026 Total</u>
Previous President's Budget	32.629	31.916	31.807	-	31.807
Current President's Budget	28.482	31.916	31.714	-	31.714
Total Adjustments	-4.147	0.000	-0.093	-	-0.093
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-3.400	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-0.747	-			
• Nonlabor inflation adjustment	-	-	-0.093	-	-0.093

Change Summary Explanation

FY 2026 Program Decrease: Slight reduction due to nonlabor inflation adjustment

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency **Date:** June 2025

Appropriation/Budget Activity 0400 / 5	R-1 Program Element (Number/Name) PE 0605080S / <i>Defense Agencies Initiative (DAI) - Financial System</i>	Project (Number/Name) 01 / <i>Defense Agencies Initiative - Financial System</i>
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COST (\$ in Millions)	Prior Years	FY 2024	FY 2025	FY 2026 Base	FY 2026 OOC	FY 2026 Total	FY 2027	FY 2028	FY 2029	FY 2030	Cost To Complete	Total Cost
01: <i>Defense Agencies Initiative - Financial System</i>	284.194	28.482	31.916	31.714	-	31.714	-	-	-	-	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

Project MDAP/MAIS Code: 0491

A. Mission Description and Budget Item Justification

DAI's mission is to deliver an auditable, CFO Act compliant business environment for Defense customer organizations providing accurate, timely, authoritative financial data supporting the DoD goal of standardizing financial management practices, improving financial decision support, and supporting audit readiness. DAI has replaced multiple non-compliant financial management systems supporting diverse operational functions and the warfighter in decision-making and financial reporting. DAI currently provides the capability to produce timely, auditable reports as noted in eight consecutive annual unmodified System and Organization Controls report (SOC-1).

The primary goal is to deploy a standardized system solution to improve overall financial management and comply with Business Enterprise Architecture (BEA), Standard Financial Information Structure (SFIS)/Standard Line of Accounting (SLOA), and Office of Federal Financial Management (OFFM) requirements. Common business functions within budget execution include the Department's BEA End-to-End (E2E) business processes: Cost Management; Budget to Report (B2R); Procure to Pay (P2P) with enhancements facilitating SFIS/SLOA and DoD procurement data standards and direct Treasury disbursing; Acquire to Retire (A2R) (real property lifecycle accounting only); Hire to Retire (H2R) (Time and Labor reporting and absence management only); Order to Cash (O2C); Proposal to Reward (P2R) (Grants financial management and accounting only; and a phased implementation of Governance, Risk, and Compliance (GCR) capabilities supporting audit readiness). Future Defense Working Capital Fund accounting, and Re-Sale Accounting (for Defense Commissary Agency (DeCA).

The DAI program modernizes the Defense Agencies' financial management processes by streamlining financial management capabilities, addressing financial reporting material weaknesses, and supporting financial statement auditability for the majority of agencies, field activities and non-Service organizations across the DoD. DAI supports a transformation of budget, finance, and accounting processes across participating defense agencies to help improve the quality of financial information, supporting financial auditability and decision-making. The DAI business solution, once fully implemented, will provide a near real-time, web-based system from a ".mil" environment of integrated business processes that will enable in excess of 84,000 Defense Agency financial managers, program managers, auditors, and Defense Finance and Accounting Service (DFAS) representatives to make sound financial business decisions.

The DAI implementation approach deploys a standardized system solution that is consistent with requirements in the Federal Financial Management Improvement Act (FFMIA) and the DoD Business Enterprise Architecture (BEA), while leveraging the out-of-the-box capabilities of the selected Commercial-Off-the-Shelf (COTS) product, Oracle e-Business Suite (EBS), Release 12.2.8 (R12). DAI implemented an Oracle Office of Management and Budget Financial Systems Integration Office (FSIO) qualified COTS financial management business solution with common business processes and data standards. The Program Management Office (PMO) will not develop any objects that are included in core COTS software or services (i.e. vendor data from Federal authoritative sources).

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency		Date: June 2025
Appropriation/Budget Activity 0400 / 5	R-1 Program Element (Number/Name) PE 0605080S / <i>Defense Agencies Initiative (DAI) - Financial System</i>	Project (Number/Name) 01 / <i>Defense Agencies Initiative - Financial System</i>
<p>DAI supports the FY 2022- 2026 Department of Defense Financial Management Strategy. Strategic Goal 2, Optimize taxpayer dollars for the highest value outcomes; Strategic Goal 3, Increases the integrity of financial results; Strategic Goal 4, Simplify and optimize our end-to-end business environment; and Strategic Goal 5, Empower data-driven, fiscally informed decision making.</p> <p>DAI is currently implemented at 30 Defense organizations and the Office of the Under Secretary of Defense, Comptroller (OUSD(C)). The program office is also responsible for operational sustainment of the system. The funding requested here is for additional government and contractor support, licenses, maintenance, and hardware to accomplish the remaining capability developments and organizational implementations. From 2017- 2024 DAI received unmodified audit opinions with no comments.</p> <p>The benefits of DAI are:</p> <ul style="list-style-type: none"> • Labor efficiencies (entering data once) and shared across all business processes (modules), workflows and lifecycle in a modern system; • Reduction in contractor support; • Financial visibility (Access to real-time financial data transactions); • Enabling agility and resilience in execution (No silos – anyone/anywhere can backfill and work continues); • Retiring legacy systems; • Shared common business processes and employment of Federal/DoD Enterprise data standards (i.e., SFIS, SLOA, Procurement Data Standard (PDS) and Procurement Request Data Standard (PRDS)); and United States Standard General Ledger (USSGL) Chart of Accounts to resolve DoD material weaknesses and deficiencies. • Reducing reliance on custom Reports, Interfaces, Conversions, Extensions, Forms and Workflows by leveraging application upgrades • Enhanced Internal controls to ensure accurate data, regulatory compliance and ensuring segregation of duties • Significantly reduced data reconciliation requirements; and • Enhanced analysis and decision support capabilities. <p>The DAI PMO also provides system integration services that include: acquisition/financial management, project management; configuration management; developing required Reports, Interfaces, Conversions, Extensions, Forms and Workflows (RICE-FW) objects; testing (cyber security, integration, functional, performance, conversion, user acceptance, operational); training (train the trainer/change management preparing the users for the cross functional skills and awareness needed to perform well with an integrated enterprise resource planning system); system deployment; data conversion; information assurance; database administration; as well as studies, coordination/analysis support.</p> <p>DLA Acquisition (J7) serves as the DAI Milestone Decision Authority (MDA), and DLA Information Operations (J6) provides the Program Executive Officer (PEO), program manager, and PMO staff. The DAI PMO relies on J7 for most contracting support. Defense Information Systems Agency (DISA) data centers provide production, test and development, as well as Continuity of Operations (COOP) hosting, and the Joint Interoperability Test Command (JITC) provides interoperability and performance testing. The DAI PMO serves as systems integrator.</p>		

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency		Date: June 2025
Appropriation/Budget Activity 0400 / 5	R-1 Program Element (Number/Name) PE 0605080S / <i>Defense Agencies Initiative (DAI) - Financial System</i>	Project (Number/Name) 01 / <i>Defense Agencies Initiative - Financial System</i>

B. Accomplishments/Planned Programs (\$ in Millions)	FY 2024	FY 2025	FY 2026
<p>Title: Defense Agencies Initiative (DAI) - Financial System</p> <p>Description: FY 2024 Accomplishments:</p> <ul style="list-style-type: none"> • Deployed in 30 organizations at over 4,500 locations worldwide, including 121K personnel and over 90K active users. • Obtained an eighth consecutive Unmodified Opinion for the FY 2024 DAI Statement on Standards for Attestation Engagements (SSAE) 18 Audit from auditors Ernst and Young at the FY24 DLA SSAE-18 Exit Conference (best outcome). • Deployed Release 6 to over 90K legacy users on 10 October. • Deployed Time and Labor capability to U.S. Cyber Command on 22 March. • Deployed full financial capability to the U.S. Cyber Command on 30 June. • Updated USSGL from 4.6 to 6.6 data format. • Developed and deployed budget formulation capability with Enterprise Performance Management (EPM) on 17 May. • Developed necessary work instructions and training materials. • Supported the DoD RMF process and support actions included in the Authorizing Official's (AO) required Plan of Actions and Milestones including an independent FISCAM Test of Design/Test of Effectiveness to result in an AO decision to award an Authority to Operate. Authority to Operate (ATO) for DAI's Enterprise Performance Management which was awarded 7 February. • Obtained an Interim Authority to Test (IATT) for DAI Cloud. • Conducted regular adversarial assessments, Risk Management Framework (RMF) continuous monitoring including code scans, and a Cooperative Vulnerability and Penetration Assessment. • Obtained an interim Interoperability Certification for Release 6.0. • Continued maturing the GRC capabilities by expanding Enterprise controls: Configuration, Access, Prevention & Transactions supporting audit findings, recommendations & CAPs. • Maintained technical operations including application of DISA Security Technical Implementation Guides, hardware & software currency for servers operating systems, middleware & applications including patches; overseeing internal processes within the Data Center enclaves: & the daily operation of several interfaces with external systems leveraging DLA Defense Automated Addressing System (DAAS), as well as established Federal Enterprise system web services. • Partnered with the Office of Under Secretary of Defense (OUSD), Comptroller's Robotic Process Automation (RPA) Team, and DAI user organizations to develop automations for many routine financial management entries - reducing clicks and process deviations among users. These automations have increased data quality and decreased process errors, thereby increasing DAI's auditability, reducing the number of Help Desk tickets received, and freeing DAI PMO sustainment resources to work on higher-value tasks. During FY 2024 the DAI RPA team developed and deployed thirty-seven (37) attended and unattended automations. <p>FY 2025 Plans: In FY 2025, the DAI PMO will:</p>	28.482	31.916	31.714

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency		Date: June 2025
Appropriation/Budget Activity 0400 / 5	R-1 Program Element (Number/Name) PE 0605080S / <i>Defense Agencies Initiative (DAI) - Financial System</i>	Project (Number/Name) 01 / <i>Defense Agencies Initiative - Financial System</i>

B. Accomplishments/Planned Programs (\$ in Millions)	FY 2024	FY 2025	FY 2026
<ul style="list-style-type: none"> • Migrate from DISA on-premises to Cloud Hosting throughout FY 2025. • Stabilize the USSGL update. • Conduct planning phase for onboarding USTRANSCOM, with Wave 1 implementation efforts beginning in FY 2026 • Deploy Release 7 to the existing customer organizations. • Develop Release 8 to deploy to customer organizations in October 2025. • Develop Release 9 to deploy to customer organizations in October 2026. • Support 30 organizations as they undergo audit by helping them with answering auditor RFIs and helping them locate required artifacts to maintain consistency of approach with all that use DAI. • Support the OSD Reform Initiatives including ICAM access control and G-Invoicing Support, includes monthly progress meetings and some coding. • Maintain Application User Licenses to support additional users and increased data storage costs based on application data growth. • Conduct a service provider, independent audit, SSAE-18, and support DLA Audit Readiness Office in developing an assertion package supporting DLA SOC 1 and resolve any identified NOFs. • Conduct BEA compliance assessment against the current version (v11.2 for compliance) document results in the Department's assessment portal and conduct BPR for newly joining agencies. • Resolve critical software errors and critical statutory/regulatory enhancements that affect operations and incorporate changes identified during BPR, BEA compliance assessment and the Audit generated corrective action plans. • Support RMF process maintaining activity to support actions included in the AO's required POA&M to maintain the ATO in both on-premise and Cloud environments. • Expand the use of RPA scripts to increase speed of data entry, ensuring data accuracy from data entry through the entire requisition life cycle. <p>FY 2026 Plans: In FY 2026, the DAI PMO will:</p> <ul style="list-style-type: none"> • Transition the application from an on-premise DISA-hosted environment to a commercial cloud hosting environment with go-live in April 2026. • Continue with cloud hosting stabilization efforts. • Develop Release 9 to deploy to customer organizations in October 2026. • Begin USTRANSCOM Wave 1 implementation efforts. • Continue to develop, deploy, and support Departmental initiatives to include G-Invoicing and Identity Credential Access Management (ICAM). • Continue ongoing support to 30 Organizations as they undergo audit by helping them with answering auditor PBCs. • Support Defense Agencies and activities to consolidate Audit activities and include ADVANA wrapper. 			

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency		Date: June 2025
Appropriation/Budget Activity 0400 / 5	R-1 Program Element (Number/Name) PE 0605080S / <i>Defense Agencies Initiative (DAI) - Financial System</i>	Project (Number/Name) 01 / <i>Defense Agencies Initiative - Financial System</i>

B. Accomplishments/Planned Programs (\$ in Millions)	FY 2024	FY 2025	FY 2026
<ul style="list-style-type: none"> • Support the DLA Audit Readiness Office in developing their assertion package, supporting DLA's SOC-1 report, and resolving any identified NFRs. • Undergo a DAI application standalone service provider independent audit (SSAE-18). • Maintain Application User Licenses to support additional users and increased data storage costs. • Conduct BEA compliance assessment against the current version and BPR for user organizations. • Support RMF processes to maintain DAI's ATO packages for the DAI legacy on-premise application and the EPM SaaS application, and to maintain DAI's IATT for DAI Cloud, and achieve an ATO in the DAI Cloud environment for FY 26. • Continue to expand the use of RPA to replace manual processes and improve resource utilization. • Increase Tier 2 Help Desk support to meet Production Support Request (PSR) resolution targets. • Increase Development Support for System Change Proposal (SCP) requirements backlog resolution. <p><i>FY 2025 to FY 2026 Increase/Decrease Statement:</i> -Funding decreased due to NonLabor Adjustments</p>			
Accomplishments/Planned Programs Subtotals	28.482	31.916	31.714

C. Other Program Funding Summary (\$ in Millions)

N/A

Remarks

D. Acquisition Strategy

DAI is developed and implemented using an evolutionary/incremental strategy including major annual software releases to accommodate upgrades as required by changes to the Department's BEA including new laws, regulations and policies as governed by its Functional Sponsor.

DAI Increments 1 and 2 are in sustainment. When Increment 3, Release 1 went live in October 2018, it subsumed Increment 2; therefore, only one DAI production baseline exists at any point in time.

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2026 Defense Logistics Agency											Date: June 2025		
Appropriation/Budget Activity 0400 / 5				R-1 Program Element (Number/Name) PE 0605080S / Defense Agencies Initiative (DAI) - Financial System				Project (Number/Name) 01 / Defense Agencies Initiative - Financial System					

Product Development (\$ in Millions)				FY 2024		FY 2025		FY 2026 Base		FY 2026 OOC		FY 2026 Total	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost			
DAI Application Development Support Services	C/CPFF	Application Development support to DAI : Virginia	38.350	18.939	Mar 2024	30.250	Feb 2025	19.700		-		19.700	Continuing	Continuing	Continuing
Requirements Management (RM) Support	MIPR	DISA : Fort Meade, MD	2.557	0.952	Oct 2023	-		0.522		-		0.522	Continuing	Continuing	Continuing
DCPDS/DAI Interface File Changes	MIPR	DLA Finance : Fort Belvoir, VA	0.246	-		-		-		-		-	Continuing	Continuing	Continuing
Prior Year Contracts	Option/ Various	MULTI : MULTI	192.275	-		-		-		-		-	Continuing	Continuing	Continuing
Subtotal			233.428	19.891		30.250		20.222		-		20.222	Continuing	Continuing	N/A

Remarks
 Prior Year Contracts include: Global Model Infrastructure C/FFP CACI: Chantilly, VA \$20.594 million; Global Model Implementation C/FFP CACI: Chantilly, VA \$39.580 million; Global Model Compliance C/FFP CACI: Chantilly, VA \$41.422 million; Global Model P2P C/FFP IBM: Bethesda, MD \$32.018 million; Global Model A2R C/CPFF CACI Inc Federal: Chantilly, VA \$18.845 million; DAI Data Conversion Support Option/FFP Terathink: Reston, VA \$2.857 million; Oracle Time & Labor Software License and Maintenance C/FP Mythics, Inc: Virginia Beach, VA \$1.020 million; Global Model CAD C/CPFF CSC: Falls Church, VA \$3.205 million; Jaws Professional Licenses C/FFP Immix: McLean, VA \$0.017 million; Oracle Advanced Compression Licenses \$1.622 million; Oracle Contract Lifecycle Management Licenses C/FFP Mythics Inc: Virginia Beach, VA \$7.408 million; Oracle Licenses MIPR DISA: Pensacola, FL \$5.446 million; Kurzweil 5000 508 Assistive Tech Licenses C/FFP Envision Technology Inc: Bethesda, MD \$0.008 million; Dragon Naturally Speaking 508 C/FFP Red River Computer Co: Claremont, NH \$0.007 million; DISA/DITCO Delinquent Balance MIPR DISA DITCO: Scott AFB, IL \$0.017 million; and DBTA Section 1553 MIPR DFAS: Columbus, OH \$0.377 million.

Support (\$ in Millions)				FY 2024		FY 2025		FY 2026 Base		FY 2026 OOC		FY 2026 Total	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost			
Estimated SBIR/STTR:	TBD	TBD : TBD	6.193	0.000		0.815		0.813		-		0.813	Continuing	Continuing	Continuing
Subtotal			6.193	0.000		0.815		0.813		-		0.813	Continuing	Continuing	N/A

Remarks
 SBIR/STTR reduction was taken off the topline in FY24.

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2026 Defense Logistics Agency **Date:** June 2025

Appropriation/Budget Activity 0400 / 5	R-1 Program Element (Number/Name) PE 0605080S / Defense Agencies Initiative (DAI) - Financial System	Project (Number/Name) 01 / Defense Agencies Initiative - Financial System
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Test and Evaluation (\$ in Millions)				FY 2024		FY 2025		FY 2026 Base		FY 2026 OOC		FY 2026 Total	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost			
DISA Hosting: Test and Development	MIPR	DISA : Pensacola, FL	31.880	6.993	Oct 2023	0.000		9.411		-		9.411	Continuing	Continuing	Continuing
Interoperability	MIPR	JITC : Fort Meade, MD	5.705	0.466	Oct 2023	0.000		0.246		-		0.246	Continuing	Continuing	Continuing
Performance and Regression Testing	MIPR	JITC : Fort Huachuca, AZ	6.361	0.904	Oct 2023	0.687	Oct 2024	0.849		-		0.849	Continuing	Continuing	Continuing
DCPS Testing	MIPR	DFAS : Indianapolis, IN	0.574	0.126	Oct 2023	0.108		0.114		-		0.114	Continuing	Continuing	Continuing
SFIS Testing	MIPR	JITC : Fort Huachuca	0.053	0.102		0.056		0.059		-		0.059	Continuing	Continuing	Continuing
Subtotal			44.573	8.591		0.851		10.679		-		10.679	Continuing	Continuing	N/A

Remarks
Previous MIPR actions: Operational Test and Evaluation, \$4.742

	Prior Years	FY 2024	FY 2025	FY 2026 Base	FY 2026 OOC	FY 2026 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	284.194	28.482	31.916	31.714	-	31.714	Continuing	Continuing	N/A

Remarks

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Exhibit R-4, RDT&E Schedule Profile: PB 2026 Defense Logistics Agency		Date: June 2025
Appropriation/Budget Activity 0400 / 5	R-1 Program Element (Number/Name) PE 0605080S / <i>Defense Agencies Initiative (DAI) - Financial System</i>	Project (Number/Name) 01 / <i>Defense Agencies Initiative - Financial System</i>

FY 2017				FY 2018				FY 2019				FY 2020				FY 2021				FY 2022				FY 2023			
1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4

Defense Agencies Initiative (DAI)	
DAI - - See schedule exhibit for more details	

FY 2024				FY 2025				FY 2026				FY 2027				FY 2028				FY 2029				FY 2030			
1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4

Defense Agencies Initiative (DAI)	
DAI - - See schedule exhibit for more details	

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Exhibit R-4A, RDT&E Schedule Details: PB 2026 Defense Logistics Agency		Date: June 2025
Appropriation/Budget Activity 0400 / 5	R-1 Program Element (Number/Name) PE 0605080S / <i>Defense Agencies Initiative (DAI) - Financial System</i>	Project (Number/Name) 01 / <i>Defense Agencies Initiative - Financial System</i>

Schedule Details

Events by Sub Project	Start		End	
	Quarter	Year	Quarter	Year
<i>Defense Agencies Initiative (DAI)</i>				
DAI - - See schedule exhibit for more details	1	2018	4	2029

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Exhibit R-2, RDT&E Budget Item Justification: PB 2026 Defense Logistics Agency **Date:** June 2025

Appropriation/Budget Activity 0400: <i>Research, Development, Test & Evaluation, Defense-Wide / BA 6: RDT&E Management Support</i>	R-1 Program Element (Number/Name) PE 0605502S / <i>Small Business Innovative Research (SBIR)</i>
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COST (\$ in Millions)	Prior Years	FY 2024	FY 2025	FY 2026 Base	FY 2026 OOC	FY 2026 Total	FY 2027	FY 2028	FY 2029	FY 2030	Cost To Complete	Total Cost
Total Program Element	91.065	8.468	0.000	0.000	-	0.000	-	-	-	-	Continuing	Continuing
01: <i>Small Business Innovative Research</i>	91.065	8.468	0.000	0.000	-	0.000	-	-	-	-	Continuing	Continuing

A. Mission Description and Budget Item Justification

Defense Logistics Agency's (DLA's) ability to deliver Americans the right logistics solution in every transaction requires more than successful management of the Agency's wholesale supplies and suppliers. It requires supply chain excellence. Our military's ability to generate and sustain combat readiness indefinitely, anywhere on the globe requires that DLA-managed materiel flow seamlessly and as needed from the nation's industrial base to where it is ultimately used.

DLA's Small Business Innovative Research (SBIR) program seeks to solicit innovative research and development proposals from the small business community to address DLA's strategic and operational requirements. All selections shall demonstrate and involve some technical risk with yet to be determined technical feasibility. Phase I proposals should demonstrate the feasibility of the proposed technology and provide a strong business case for Phase II investment for a prototype or at least a proof-of-concept demonstration. A favorable return on investment and commercialization potential have a strong influence on Phase II selections.

B. Program Change Summary (\$ in Millions)	FY 2024	FY 2025	FY 2026 Base	FY 2026 OOC	FY 2026 Total
Previous President's Budget	0.000	0.000	0.000	-	0.000
Current President's Budget	8.468	0.000	0.000	-	0.000
Total Adjustments	8.468	0.000	0.000	-	0.000
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	8.468	-			

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency										Date: June 2025		
Appropriation/Budget Activity 0400 / 6					R-1 Program Element (Number/Name) PE 0605502S / <i>Small Business Innovative Research (SBIR)</i>				Project (Number/Name) 01 / <i>Small Business Innovative Research</i>			
COST (\$ in Millions)	Prior Years	FY 2024	FY 2025	FY 2026 Base	FY 2026 OOC	FY 2026 Total	FY 2027	FY 2028	FY 2029	FY 2030	Cost To Complete	Total Cost
01: <i>Small Business Innovative Research</i>	91.065	8.468	0.000	0.000	-	0.000	-	-	-	-	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The Small Business Innovation Program (SBIP) explores innovative concepts pursuant to Public Law 106-554 (Small Business Reauthorization Act of 2000) and Public Law 107-50 (Small Business Technology Transfer Program Reauthorization Act of 2001), which mandates a two-phase competition for small businesses with innovative technologies with a defense application as well as a commercial value. The Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs will develop new dual-use technologies for possible future DLA operational and sustainment requirements. DLA strives to make it fast and easy for customers to work with our Agency by quickly understanding current requirements and anticipating their future needs. In support of the major subordinate commands and military Services, Small Business Innovation Research (SBIR) helps to ensure readiness and lethality across the end-to-end supply chain by optimizing retail and industrial support, which ultimately reduces risk and increases efficiency, and positions solutions for Warfighter requirements.

Dual-use means the technologies will be judged on their potential for future private sector investment both as a vehicle for reducing development time and cost, unit costs of new DLA technologies, and as a route to national economic growth through new commercial products. DLA will conduct the competition as well as award and manage the contracts.

The DLA's SBIR/STTR investments are divided into multiple Research Areas that are aligned with the National Defense Strategy and the DLA Strategic Plan.

DLA R&D SBIP Strategic Focus Areas

Hypersonic Vehicles: To meet increasing demand for hypersonic vehicle production, SBIP addresses the key bottleneck in the supply chain by producing innovations in thermal protection systems (TPS). Driving down lead times and production costs are critical to meeting hypersonic vehicle production capacity requirements in the near future.

-Domestic Critical Mineral Production: To buffer US supply chains from disruption due to raw material availability, SBIP fosters innovation in domestic separation and refining capabilities to produce rare earth and other critical minerals at costs that are competitive in global markets.

-Reshoring Defense Critical Materials: To reestablish domestic expertise and production facilities for defense critical materials such as permanent magnets and Li-Ion batteries, SBIP develops next generation technologies and circular economies to ensure the DoD is insulated from export restrictions placed on key components used in a range of platforms.

- Supply Chain Innovation: To maintain a secure and resilient supply chain, SBIP provides opportunities for our small business industrial base to engage in technological innovations that enhance supply chain operations, improve procurement lead times, and reduce life cycle costs.

DMEA

- Advanced microelectronics concepts, technologies, and applications

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency		Date: June 2025
Appropriation/Budget Activity 0400 / 6	R-1 Program Element (Number/Name) PE 0605502S / <i>Small Business Innovative Research (SBIR)</i>	Project (Number/Name) 01 / <i>Small Business Innovative Research</i>

- Continue to seek innovative technical solutions to DOD microelectronics research and development needs and increase private sector commercialization of these innovations.

B. Accomplishments/Planned Programs (\$ in Millions)

	FY 2024	FY 2025	FY 2026
<p>Title: SBIR Accomplishments/Plans</p> <p>Description: DLA FY 2025 SBIR/STTR Accomplishments:</p> <ul style="list-style-type: none"> - Established and developed domestic suppliers for critical minerals and strategic materials. Successfully developed recycling technologies for rare earth elements/magnets and qualified products for a drop-in replacement for high performance weapons systems (i.e., F-35s/F-16s, JDAMs, turbine engines for various fighter jets, etc.) -Bolstered the TPS supply chain for hypersonic vehicles through technological innovations and elimination of single point failures. Reduction of TPS production time and cost is critical to meeting expanding homeland missile defense needs. -Initiated multiple projects to reshore critical mineral production for defense and commercial applications. Current focus areas include rare earth elements such as Dy, Pr, Sc, etc. that are critical to a range of DoD platforms. - Sponsored innovative manufacturing technologies to enhance supply chain operation and improve weapon system lifecycle performance, including F-35 launcher rails and large caliber gun barrels. - Developed Additive Manufacturing process monitoring and control system for Laser Powder Bed Fusion and Directed Energy Deposition methods - Transition system to OEMs, Army ARL, Air Force, NASA, and other research institutions. - Grew Small Business capability to combat repair part sourcing challenges associated with weapon system aging, obsolescence, and DMSMS through innovation, reverse engineering, and advanced manufacturing techniques. <p>DMEA FY24 SBIR Accomplishments - The SBIR Program contributed to the advancement of microelectronics concepts, technologies, and applications through the following topics:</p> <ul style="list-style-type: none"> • One SBIR Sequential Phase II (SP2) - Rapid, Portable, Surface Texture Based Component Classifier (RAPSTEC) System; awarded 15 Dec 2023. • Six STTR Phase Is - Applications to Assist in Analysis and Re-Engineering of Printed Circuit Board Assemblies; awarded 13 Mar 2024. • One SBIR Direct to Phase II (DP2) - High Performance Clock Oscillator; awarded 7 May 2024. • One SBIR Phase I - Development of Versatile Wafer Probe System for High Power Devices; awarded 3 Jul 2024. • One SBIR Phase I - Robotic Leak Repair for Cyclotron Vacuum Systems; awarded 5 Jul 2024. • Two SBIR Phase Is - Ultra-High Voltage Reliability Test System; awarded 9 Jul 2024. • Four STTR Phase Is - Monolithic SDR SoC for SATCOM; awarded 8 Jul 2024. • One SBIR Phase II - High Voltage Package Encapsulants; awarded 30 Sep 2024. 	8.468	-	-
Accomplishments/Planned Programs Subtotals	8.468	-	-

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency		Date: June 2025
Appropriation/Budget Activity 0400 / 6	R-1 Program Element (Number/Name) PE 0605502S / <i>Small Business Innovative Research (SBIR)</i>	Project (Number/Name) 01 / <i>Small Business Innovative Research</i>

C. Other Program Funding Summary (\$ in Millions)

N/A

Remarks

N/A

D. Acquisition Strategy

The SBIR acquisition process seeks to match projects with DLA's Strategic Focus Areas. The goal is to align SBIR/STTR developed technology with current and future DLA requirements. DLA solicits all new project execution work through the DOD SBIR Broad Agency Announcement (BAA). There are three separate solicitation periods throughout each year. (Jan-Feb, May-Jun, and Sep-Oct)

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Exhibit R-2, RDT&E Budget Item Justification: PB 2026 Defense Logistics Agency **Date:** June 2025

Appropriation/Budget Activity 0400: <i>Research, Development, Test & Evaluation, Defense-Wide / BA 7: Operational Systems Development</i>	R-1 Program Element (Number/Name) PE 0708012S / <i>Pacific Disaster Center</i>
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COST (\$ in Millions)	Prior Years	FY 2024	FY 2025	FY 2026 Base	FY 2026 OOC	FY 2026 Total	FY 2027	FY 2028	FY 2029	FY 2030	Cost To Complete	Total Cost
Total Program Element	31.503	3.762	6.361	2.000	-	2.000	-	-	-	-	Continuing	Continuing
03: <i>Pacific Disaster Center</i>	31.503	3.762	6.361	2.000	-	2.000	0.000	0.000	0.000	0.000	Continuing	Continuing

A. Mission Description and Budget Item Justification

The Pacific Disaster Center (PDC) is a public/private partnership managed by the University of Hawaii under a cooperative agreement with the Department of Defense. It is functionally within the organization of the Office of the Under Secretary of Defense (Policy) (OUSD(P)) as Principal Staff Assistant (PSA) and Defense Logistics Agency (DLA) for program management. The PDC is a world-recognized authority and leader in science and information technology applications relating to humanitarian assistance and disaster relief (HA/DR), including real-time assessments, predictive analysis, and disaster risk reduction. PDC develops new and innovative technologies and services, operating an (unclassified) integrated multi-hazard monitoring, early warning, and decision support system, called DoD RAPIDS, for the Department. PDC also provides advanced analytics leveraged by the Department for strategic planning, risk intelligence, impact modeling, strategic competition, and critical asset protection.

B. Program Change Summary (\$ in Millions)	FY 2024	FY 2025	FY 2026 Base	FY 2026 OOC	FY 2026 Total
Previous President's Budget	1.905	1.861	1.874	-	1.874
Current President's Budget	3.762	6.361	2.000	-	2.000
Total Adjustments	1.857	4.500	0.126	-	0.126
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	2.000	4.500			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-0.143	-			
• Program Adjustment	-	-	0.126	-	0.126

Congressional Add Details (\$ in Millions, and Includes General Reductions)

Project: 03: *Pacific Disaster Center*

Congressional Add: *Global Water Security Center*

	FY 2024	FY 2025
	2.000	4.500
Congressional Add Subtotals for Project: 03	2.000	4.500
Congressional Add Totals for all Projects	2.000	4.500

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Exhibit R-2, RDT&E Budget Item Justification: PB 2026 Defense Logistics Agency **Date:** June 2025

Appropriation/Budget Activity
0400: *Research, Development, Test & Evaluation, Defense-Wide / BA 7: Operational Systems Development*

R-1 Program Element (Number/Name)
PE 0708012S / *Pacific Disaster Center*

Change Summary Explanation

FY 2026 Program Increase:

\$2M increase for the Logistics Support Activity (LSA) Program-- Classified Requirement

LSA - Reported in accordance with Title 10, United States Code, Section 119(a)(1) in the Special Access Program Annual Report.

FY 2026 Program Decrease:

\$1.874M reduction within the PDC baseline due to categorization of requirement.

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency										Date: June 2025		
Appropriation/Budget Activity 0400 / 7					R-1 Program Element (Number/Name) PE 0708012S / <i>Pacific Disaster Center</i>				Project (Number/Name) 03 / <i>Pacific Disaster Center</i>			
COST (\$ in Millions)	Prior Years	FY 2024	FY 2025	FY 2026 Base	FY 2026 OOC	FY 2026 Total	FY 2027	FY 2028	FY 2029	FY 2030	Cost To Complete	Total Cost
03: <i>Pacific Disaster Center</i>	31.503	3.762	6.361	2.000	-	2.000	0.000	0.000	0.000	0.000	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The PDC has provided operational support for an (unclassified) integrated multi-hazard monitoring, early warning and decision support system, called RAPIDS, for the Department since 2007. The system is frequently used by Combatant Commands (CCMD), particularly INDOPACOM and SOUTHCOM, for current operations, exercises, HA/DR missions. and was selected as one of the most effective systems in a position paper by the Department, reviewing all unclassified information sharing systems. “Expanded use of RAPIDS across the DoD at the Combatant Commands, Joint Task Force, and by deployed units from the services” was identified as “a primary Joint Staff objective” in a memorandum dated July 6, 2017. RAPIDS and PDC advanced analytics and data sets are leveraged across DoD for strategic planning, risk intelligence, impact modeling, strategic competition, and critical asset protection.

B. Accomplishments/Planned Programs (\$ in Millions)

	FY 2024	FY 2025	FY 2026
Title: Pacific Disaster Center (PDC)	1.762	1.861	2.000
Description: The Office of the Under Secretary of Defense for Policy, (OUSD(P)), is the Operational Sponsor and functional Office of Secretary of Defense (OSD) Principal Staff Assistant (PSA) for the Pacific Disaster Center (PDC) program. USD(P) will continue to provide acquisition oversight authority for the program.			
The PDC has been in operation since February 1996, as a public/private partnership managed by the University of Hawaii (UH) under a cooperative agreement with the Department of Defense. PDC functions, manpower, and budget resources transferred to the OUSD (A&S) and the Defense Logistics Agency (DLA) to serve as program manager effective 30 Sep 2011. The DLA J35 Plans Executive Directorate oversees program management responsibilities, primarily management and stewardship of governmental funds provided in Defense Department appropriations for DoD missions associated with DoD Crisis Management, Humanitarian Assistance and Disaster Relief (HA/DR), Theater Security Cooperation, and Defense Support to Civil Authorities (DSCA). The PDC Program Office also serves as a support element of the Hawaii-based organization, especially in gaining DOD and Federal agency support and resources, as well as business opportunities.			
The PDC is a world-recognized authority and leader in science and information technology applications relating to HA/DR. PDC applications and information products enhance preparedness, situational awareness, and civil-military communications for humanitarian missions worldwide, including national-level socio-economic Risk and Vulnerability Assessments that help inform strategies by measuring indicators for national resiliency using scientific methods. PDC capabilities have evolved to provide real-time trend analysis on natural or man-made (e.g., accidents, civil disorder, attacks) disasters to direct DoD response efforts and advanced analytics leveraged by the CCMDs, Services, and other DoD Components for strategic planning, risk intelligence, impact modeling, strategic competition, critical asset protection, and risk projections out to 25 years.			

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency		Date: June 2025
Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708012S / <i>Pacific Disaster Center</i>	Project (Number/Name) 03 / <i>Pacific Disaster Center</i>

B. Accomplishments/Planned Programs (\$ in Millions)	FY 2024	FY 2025	FY 2026
<p>In 2022, the Pacific Disaster Center was recognized as the winner of the United Nations Sasakawa Award for its global efforts related to disaster risk reduction.</p> <p>In 2024, the Pacific Disaster Center’s steady and strong growth over the last decade has been largely fueled by increased visibility and credibility resulting from meaningful engagements with the DoD Combatant Commands (CCMD) in almost all geographies, as well as by strengthening existing and forging new partnerships at home and abroad.</p> <p>PDC’s maturing programs are fast reshaping its value proposition for all stakeholders. While PDC’s DisasterAWARE flagship product continues to attract many, its risk assessment and analytical capabilities are playing an ever-increasing role in data-driven decision-making for CCMDs and all stakeholders. PDC’s partnership with CCMDs to develop analytical products addressing “Green-White” networks to help identify and develop strategies against malign actors, and “National Fragility” index to help quantify changing landscapes of national security and stability are all but a few examples of PDC’s maturing Global Risk and Vulnerability Assessment (RVA) program, aided by CCMD partnerships in supporting and (externally) funding National Disaster Preparedness Baseline Assessment (NDPBA) projects around the globe.</p> <p>FY 2024 Accomplishments:</p> <p>Enhanced the DisasterAWARE platform and related applications and tools that directly support operational readiness for multi-hazard early warning, monitoring and evidence-based decision support functions.</p> <ul style="list-style-type: none"> - Streamlined DisasterAWARE user interface to support accessibility of early warning information. - Advanced the transition from legacy architecture to service-based architecture. - Enhanced situational awareness briefs to focus on Early Warning for All and Analytics. <p>Developed and deployed advanced applications to enhance multi-hazard monitoring, situational awareness, notification/warning, exposure estimation, and impact modeling and assessments.</p> <ul style="list-style-type: none"> - Enhanced capability to expand knowledge and understanding of the hazard-exposure-impact continuum to provide advanced insight. - Expanded hazard coverage and analysis through automation of data gathering to support manual and automatic hazard generation. <p>PDC Stakeholder Engagement and Support:</p> <ul style="list-style-type: none"> - Met with AFRICOM J56 and the U.S. Embassy Kigali Security Cooperation Office to discuss options for support to DOD missions in Rwanda. 			

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency		Date: June 2025
Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708012S / <i>Pacific Disaster Center</i>	Project (Number/Name) 03 / <i>Pacific Disaster Center</i>

B. Accomplishments/Planned Programs (\$ in Millions)	FY 2024	FY 2025	FY 2026
<ul style="list-style-type: none"> - Participated in two virtual meetings with U.S. Embassy Security Cooperation Office (SCO) representatives in the AFRICOM region in conjunction with the NDPBA program. - Supported SOUTHCOM, regional partners, and the Costa Rican National Center for Emergencies (CNE) as part of Exercise CENTAM Guardian 24 (CG24) Phase II in San Jose, Costa Rica. - Participated in the Global Facility for Disaster Reduction and Recovery (GFDRR) Understanding Risk Global Forum in Japan. The Center led a panel discussion focusing on using data for evidence-based decision making and advanced analytics within the context of the Pacific islands. - Participated in the biennial Rim of the Pacific (RIMPAC) exercise at Pearl Harbor, Oahu. - Met with NASA Disaster Response Coordination System (DRCS) to continue discussions on organizational overviews with an emphasis on roles, methodologies, DisasterAWARE, and the ongoing partnership. - Met with Madagascar stakeholders to advance the AFRICOM-funded NDPBA for the country. - Concluded the yearlong SOUTHCOM-funded NDPBA for Suriname. - Participated in SOUTHCOM and U.S. Navy 4th Fleet sponsored Continuing Promise 2024 (CP24) to support increased Disaster Risk Reduction capacity for our partners and operationalize DisasterAWARE not only for response, but preparation and early warning. <p>FY 2025 Plans: FY 2025 Annual Plan activities build on the work completed in FY 2024 for sustainment of disaster management tools and services for DoD and public benefit. This includes sustainment of DisasterAWARE Pro for use by emergency responders globally; Disaster Alert for the general public; and RAPIDS, the DoD custom version of DisasterAWARE Pro. FY 2025 activities will include continued investments to enhance DisasterAWARE capabilities to ensure the technology keeps pace with big data and artificial intelligence advancements to enable rapid assessment of information and continued support for OSD, Joint Staff, CCMD, Services, and DoD Components planning and operations requirements.</p> <p>FY 2026 Plans: Logistics Support Activity (LSA) - Reported in accordance with Title 10, United States Code, Section 119(a)(1) in the Special Access Program Annual Report.</p> <p>FY 2025 to FY 2026 Increase/Decrease Statement: FY26 baseline increased: -\$2M in FY26 due to (LSA) requirement.</p> <p>FY26 baseline decreased: -\$1.874M reduction within the PDC baseline due to policy guidance to discontinue climate-specific investments, reduce installation energy and storage, and reduce low-priority op energy.</p>			
Accomplishments/Planned Programs Subtotals	1.762	1.861	2.000

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency	Date: June 2025
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Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708012S / <i>Pacific Disaster Center</i>	Project (Number/Name) 03 / <i>Pacific Disaster Center</i>
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	FY 2024	FY 2025
<p>Congressional Add: Global Water Security Center</p> <p>FY 2024 Accomplishments: The University of Alabama Global Water Security Center (GWSC) continued to furnish data and expert analysis on the water security implications of seasonal to decadal weather and climate events in support of DoD operational and strategic planning. The center’s FY 2024 accomplishments included release of water analysis and assessments for DoD Combatant Commands and agencies for: Slovenia; West Africa; Iraq; Panama Canal Deep Dive; China; El Niño/Grenada; and Mexico City.</p> <p>The GWSC’s cybersecurity and IT infrastructure services focused on the continuation of work to improve access to the GWSC data portal, including analytics to track user engagement; agile software development cycle, with a focus on building the user and data-management interfaces, increasing the speed at which data renders, appending forecast and sub-seasonal to seasonal with GWSC’s algorithms, and improving user experiences and data storage.</p> <p>In addition, the GWSC continued its partner engagements and liaison services by participating in DoD-sponsored training exercises in support of climate.</p> <p>FY 2025 Plans: Line of Effort (LOE) 1: Water and Environmental Security Analysis. Based on priorities set by OUSD (P) Arctic and Global Resilience (AGR), GWSC produces relevant, insightful Environmental Information Briefs (EIB) on water and environmental security analysis for DoD Components, including OSD, Joint Staff, Combatant Commands (CCMD), Military Services, and Military Intelligence Agencies. GWSC will update details in future analysis products in response to specific feedback on the EIBs.</p> <p>LOE 2: Partner Engagement and Education. Direct engagements with partners to improve initial input and feedback on finished products. Develop and deliver educational materials and educate DoD personnel about appropriate application and interpretation of relevant environmental data and concepts.</p> <p>LOE 3: Science Insight and Data Delivery. Evaluate fit-for-purpose of existing science, supporting science that produces new mid-term weather forecast data, and ensure data can be accessed rapidly and consistently.</p>	2.000	4.500
Congressional Adds Subtotals	2.000	4.500

C. Other Program Funding Summary (\$ in Millions)

N/A

Remarks

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency		Date: June 2025
Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708012S / <i>Pacific Disaster Center</i>	Project (Number/Name) 03 / <i>Pacific Disaster Center</i>

D. Acquisition Strategy

PDC projects beyond the baseline Situational Awareness & Decision Support Applications/Tools architecture (DisasterAWARE Pro/RAPIDS) undertaken in support of the DoD Cooperative Agreement (CA) with the University of Hawaii (UH) are from PDC customers (e.g., DoD, NGOs, other nations, academia, and industry). The PDC prepares the public, disaster managers, governments, and others to mitigate the effects of disasters. The goal is to have people and technology work together to preserve life, safeguard livelihoods, and protect property to foster disaster-resilient communities. Projects obtained and funded from this customer base serve to determine PDC product and services relevancy. PDC's expanded risk assessments to include scientific measure of Fragility profiles are received by DoD and other national policy makers as a base to inform the strategic decision-making process.

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2026 Defense Logistics Agency **Date:** June 2025

Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708012S / <i>Pacific Disaster Center</i>	Project (Number/Name) 03 / <i>Pacific Disaster Center</i>
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Test and Evaluation (\$ in Millions)				FY 2024		FY 2025		FY 2026 Base		FY 2026 OOC		FY 2026 Total	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost			
PDC Disaster AWARE: Early Warning and Decision Support Applications	MIPR	University of Hawaii Systems : Honolulu, HI	17.503	1.762	Dec 2023	1.861	Dec 2025	0.000		-		0.000	Continuing	Continuing	Continuing
Global Water Security Center	MIPR	University of Alabama through the University of Hawaii : Honolulu, HI	14.000	2.000	Sep 2024	4.500	Sep 2025	-		-		-	Continuing	Continuing	Continuing
LSA	MIPR	LSA : N/A	-	-		-		2.000	Sep 2026	-		2.000	Continuing	Continuing	-
Subtotal			31.503	3.762		6.361		2.000		-		2.000	Continuing	Continuing	N/A

Remarks
LSA - Reported in accordance with Title 10, United States Code, Section 119(a)(1) in the Special Access Program Annual Report.

	Prior Years	FY 2024	FY 2025	FY 2026 Base	FY 2026 OOC	FY 2026 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	31.503	3.762	6.361	2.000	-	2.000	Continuing	Continuing	N/A

Remarks

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Exhibit R-4, RDT&E Schedule Profile: PB 2026 Defense Logistics Agency **Date:** June 2025

Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708012S / <i>Pacific Disaster Center</i>	Project (Number/Name) 03 / <i>Pacific Disaster Center</i>
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	FY 2024				FY 2025				FY 2026				FY 2027				FY 2028				FY 2029				FY 2030			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
<i>Pacific Disaster Center</i>																												
Pacific Disaster Center (PDC)																												

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Exhibit R-4A, RDT&E Schedule Details: PB 2026 Defense Logistics Agency **Date:** June 2025

Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708012S / <i>Pacific Disaster Center</i>	Project (Number/Name) 03 / <i>Pacific Disaster Center</i>
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Schedule Details

Events by Sub Project	Start		End	
	Quarter	Year	Quarter	Year
<i>Pacific Disaster Center</i>				
Pacific Disaster Center	1	2022	4	2030

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Exhibit R-2, RDT&E Budget Item Justification: PB 2026 Defense Logistics Agency **Date:** June 2025

Appropriation/Budget Activity 0400: <i>Research, Development, Test & Evaluation, Defense-Wide I BA 7: Operational Systems Development</i>	R-1 Program Element (Number/Name) PE 0708047S / <i>Defense Property Accountability System (DPAS)</i>
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COST (\$ in Millions)	Prior Years	FY 2024	FY 2025	FY 2026 Base	FY 2026 OOC	FY 2026 Total	FY 2027	FY 2028	FY 2029	FY 2030	Cost To Complete	Total Cost
Total Program Element	26.512	3.130	3.004	3.020	-	3.020	-	-	-	-	Continuing	Continuing
ABC: <i>DPAS</i>	26.512	3.130	3.004	3.020	-	3.020	-	-	-	-	Continuing	Continuing

A. Mission Description and Budget Item Justification

The Defense Property Accountability System (DPAS) provides the Department an asset accountability system which is fully compliant with financial reporting regulations and has a clean audit history. With an integrated accountability, utilization, maintenance, and warehouse capability, DPAS provides the Department an enterprise solution for asset management.

B. Program Change Summary (\$ in Millions)

	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026 Base</u>	<u>FY 2026 OOC</u>	<u>FY 2026 Total</u>
Previous President's Budget	3.249	3.004	3.029	-	3.029
Current President's Budget	3.130	3.004	3.020	-	3.020
Total Adjustments	-0.119	0.000	-0.009	-	-0.009
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-0.119	-			
• Inflation Rate Nonlabor Adjustment	-	-	-0.009	-	-0.009

Change Summary Explanation

Slight reduction in FY 2026 due to inflation rate adjustment.

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency **Date:** June 2025

Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708047S / <i>Defense Property Accountability System (DPAS)</i>	Project (Number/Name) ABC / DPAS
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COST (\$ in Millions)	Prior Years	FY 2024	FY 2025	FY 2026 Base	FY 2026 OOC	FY 2026 Total	FY 2027	FY 2028	FY 2029	FY 2030	Cost To Complete	Total Cost
ABC: DPAS	26.512	3.130	3.004	3.020	-	3.020	-	-	-	-	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The DPAS system provides accountability and management functionality of General Equipment, Real Property and Internal Use Software, to the Department. The budgeted projects will provide enhancements to the existing capability, ensure efficient operation, and provide solutions for process gaps as they are discovered. The greater enhancements to DPAS allow the DOD to sunset legacy systems as DPAS assimilates the legacy functionality into the overall operations.

B. Accomplishments/Planned Programs (\$ in Millions)

	FY 2024	FY 2025	FY 2026
Title: Technical Refresh	3.130	3.004	3.020
<p>Description: During the Technical Refresh, changes to the system processes will be made so accounting transactions for equipment assets from the warehouse portion of the system will mirror the processes in the current Property Accountability. The processes to support the Army to field assets from the Program Executive Offices to their field units will also be in this version.</p> <p>FY2024 Accomplishments:</p> <ul style="list-style-type: none"> • Achieved an Unmodified audit opinion for the FY 2024 SSAE-18 SOC 1 • The Maintenance and Utilization (M&U) module updates were completed. • Completed the migration of the Operating Material & Supplies (OM&S) Accounting Transactions to a centralized process instead of having one process for Warehouse and one for Property. • Supported the Joint Strike Fighter Property Office (JPO) with data cleanup of over 300,000 assets initially loaded as a baseline. Records were not maintained so now they have to perform the disposals, updates and receipts that have occurred over the last year. • Migrated 7 US Marine Corps unit level warehouses as a pilot. Expecting USMC to name DPAS their warehouse solution based upon these results. • Completed 15 of 20 Army PEO implementations • Completed 27 of 120 Air Force Contractor Inventory Control Point implementations • Completed implementation of all Air Force Support Equipment Maintenance facilities • Increased the user base from 24,329 to 27,012 <p>FY 2025 Plans:</p>			

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Exhibit R-2A, RDT&E Project Justification: PB 2026 Defense Logistics Agency		Date: June 2025
Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708047S / <i>Defense Property Accountability System (DPAS)</i>	Project (Number/Name) ABC / DPAS

B. Accomplishments/Planned Programs (\$ in Millions)	FY 2024	FY 2025	FY 2026
<p>Complete technical refresh of all Accounting Transaction logic to permit transactions to be created in all modules of DPAS when appropriate. Achieve an unmodified opinion for the SSAE 18 audit. Complete modifications to ensure all modules of DPAS operate seamlessly with each other to improve the user experience and improve the accountability and financial reporting of assets.</p> <p>FY 2026 Plans: The program plans to Merge Marine Corps Platform Integration Center (MCPIC) with DPAS, Replace Global Combat Support System - Marine Corps (GCSS-MC), Replace Relational Supply for the Navy, and Implement Air Force Unit Level Supply.</p> <p>FY 2025 to FY 2026 Increase/Decrease Statement: The FY 2026 baseline was increased for inflation.</p>			
Accomplishments/Planned Programs Subtotals	3.130	3.004	3.020

C. Other Program Funding Summary (\$ in Millions)

N/A

Remarks

D. Acquisition Strategy

N/A

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Exhibit R-4, RDT&E Schedule Profile: PB 2026 Defense Logistics Agency		Date: June 2025
Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708047S / <i>Defense Property Accountability System (DPAS)</i>	Project (Number/Name) ABC / DPAS

Project Task	FY 2024				FY 2025				FY 2026				FY 2027				FY 2028				FY 2029				FY 2030			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Research			■				■											■										
Design			■	■			■	■											■	■								
Development				■						■				■						■							■	
Testing										■	■			■	■												■	■
Implementation											■				■												■	
Research			■				■				■				■					■							■	
Design			■	■			■	■			■	■			■	■				■	■					■	■	
Development	■			■	■			■	■			■	■		■	■				■	■				■	■		
Testing	■			■	■			■	■			■	■		■	■				■	■				■	■		
Implementation	■				■			■	■			■	■		■	■				■	■				■	■		
Research				■				■			■			■						■					■			■
Design	■			■	■			■	■			■	■		■	■				■	■			■	■			■
Development	■	■			■	■			■	■			■	■		■	■			■	■			■	■			
Testing	■	■			■	■			■	■			■	■		■	■			■	■			■	■			
Implementation		■				■								■	■					■	■			■	■			

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Exhibit R-4A, RDT&E Schedule Details: PB 2026 Defense Logistics Agency		Date: June 2025
Appropriation/Budget Activity 0400 / 7	R-1 Program Element (Number/Name) PE 0708047S / <i>Defense Property Accountability System (DPAS)</i>	Project (Number/Name) ABC / DPAS

Schedule Details

Events by Sub Project	Start		End	
	Quarter	Year	Quarter	Year
<i>Defense Property Accountability System (DPAS)</i>				
Defense Property Accountability System (DPAS)	1	2022	4	2030