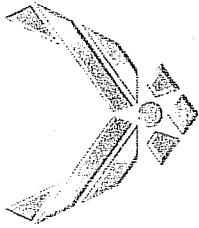
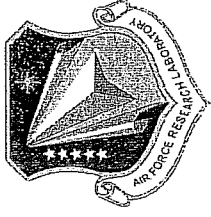


SLICC/SLIP Financial Update

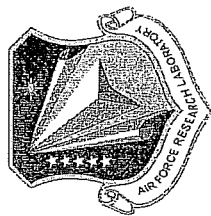
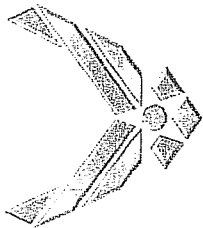
26 March 2008



SLICC / SLIP Program Background



- In 2006, AMC approached AFRL with the SLICC program
 - Initial AFRL proposal in Nov 2006 covered only SLICC
 - Initial program concept was to re-use already-engineered and already-approved Steel Eagle components (module shelter, wall materials, environmental systems, etc.) to reduce schedule and minimize cost
- In January 2007, AMC requested AFRL's assistance with SLIP
- SLICC eventually departed from the Steel Eagle baseline. AMC also placed emphasis on "world class" interior. Shelter, tables, environmental systems, wall coverings, power components, and other details had to be re-designed.
- Cost estimates have fluctuated over time as dictated by program requirements and as actual final costs for various components have been determined
- The following pages identify the various cost estimates that have been generated and describe the background for each revision
- The following charts include baseline program costs and the 12 Mar 2008 AFRL letter addressing customization costs. The DER costs are not included in these charts because it is a separable effort somewhat unrelated to the core acquisition program. This document is targeted at tracking design-oriented decisions and costs. Updated charts reflecting the addition of the DER letter can be provided if desired.



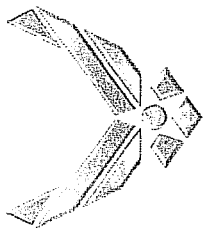
SLICC Cost Estimates

Summary of Cost Revisions

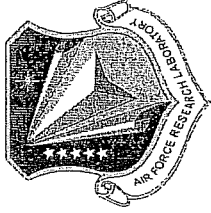
Date	Event	SLICC Total	(Contract Labor)	(Contract ODC*)	(Gov / Misc)	Notes
Nov 2006	AFRL Letter to AMC	\$1.743M	(\$937K)	(\$684K)	(\$122K)	Initial Estimate. Based on re-use of already-designed Steel Eagle components (module shell, environmental, wall materials, etc.) to minimize cost and schedule.
Mar 2007	Briefing to MGen McMahon	\$2.5M	(\$900K)	(\$1,300M)	(\$300K)	Verbal estimates generated on-site at Scott AFB with contractor and subcontractor after meeting with AMC on altering SLICC design to incorporate two separate modules.
Mar 2007	Official Contractor Proposal	\$2.4M	(\$913K)	(\$1,215M)	(\$275K)	Official contractor proposal to AFRL that formed the basis for the actual baseline contract task order award.
Jun 2007	Briefing to MGen McMahon	\$2.77M	(\$913K)	(\$1,585M)	(\$275K)	Update to MGen McMahon driven by AMC request to implement "world-class" interior and cost changes to berthing module shelter and seating components. Berthing shelter increased \$225k and interior components increased \$310K.
Nov 2007	Official Contractor Proposal	\$2,659M	(\$913K)	(\$1,471M)	(\$275K)	Official contractor proposal to AFRL to incorporate all changes since April 2007 award.
Mar 2008	AFRL Letter to AMC	\$2,735M	(\$928K)	(\$1,512M)	(\$295K)	Letter from AFRL to identify and estimate impact of most-recent changes requested by AMC.

* ODC = Other/Direct Costs = Materials and other non-manpower costs

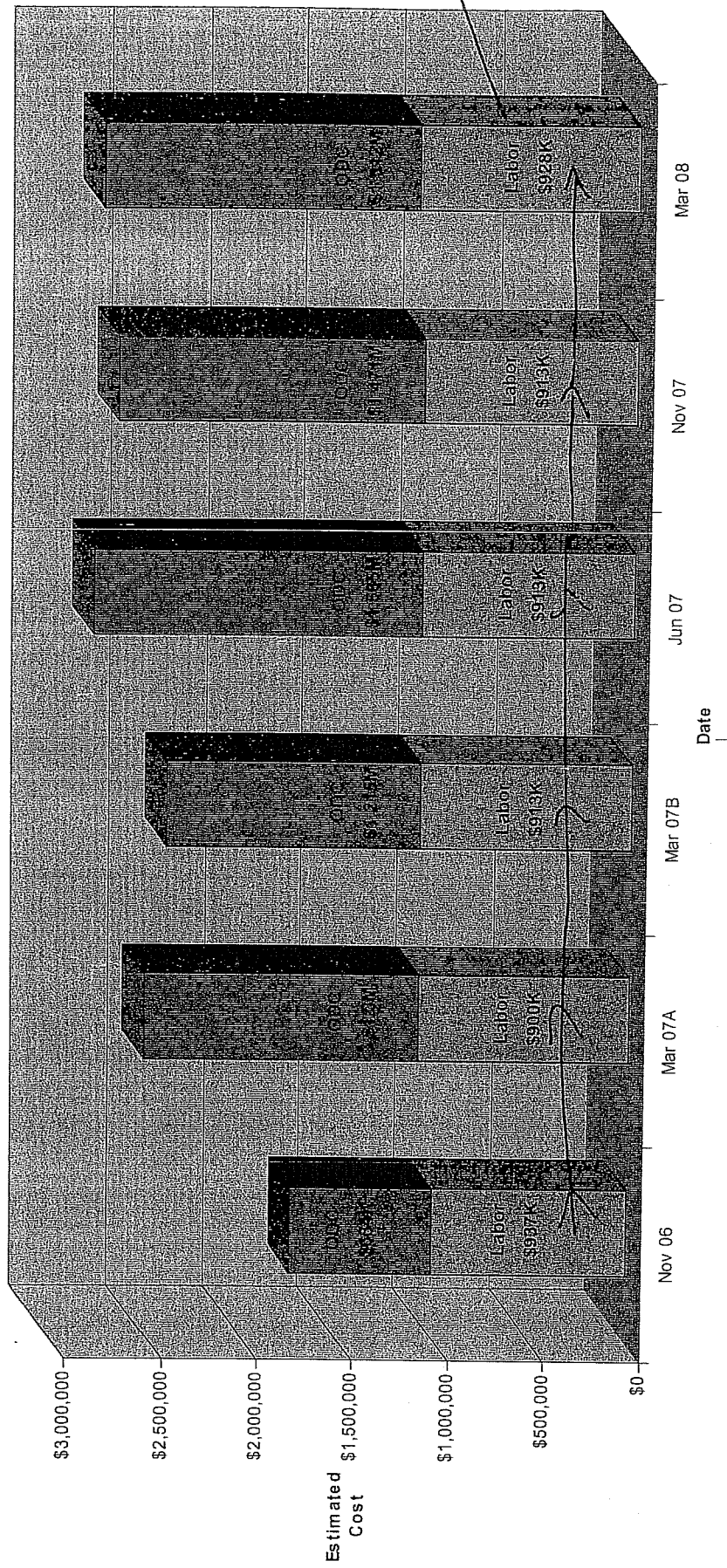
Note: Numbers may not add due to rounding

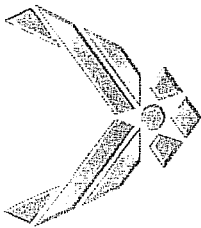


SLICC Cost History

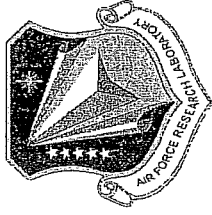


SLICC History





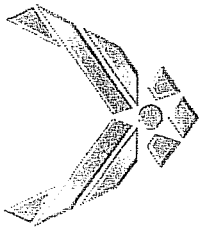
SLIP Cost Estimates Summary of Revisions



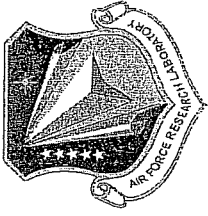
Date	Event	SLIP Total	(Contract Labor)	(Contract ODC)	Notes
Mar 2007	Briefing to MGen McMahon	\$1.1M	(\$300K)	(\$800K)	Initial estimate.
Mar 2007	Official Contractor Proposal	\$1.135M	(\$291K)	(\$844K)	Official contractor proposal to AFRL that formed the basis for the actual baseline contract task order award.
Jun 2007	Briefing to MGen McMahon	\$1.17M	(\$291K)	(\$877K)	Update to MGen McMahon driven by AMC request to implement "world class" interior. Seat costs increased by \$206K, but other credits reduced total increase to \$35K. Plan was for AFRL/SelectTech to fabricate interior components (tables, etc.) to minimize further cost increases for "world class" components.
Nov 2007	Official Contractor Proposal	\$1.427M	(\$291K)	(\$1.136M)	Official contractor proposal to AFRL to incorporate all changes since April 2007 award. At AMC's request, SLIP design now utilized PPI (interior subcontractor) components instead of AFRL/SelectTech-fabricated components.
Feb 2008	Official Contractor Proposal	\$1.441M	(\$293K)	(\$1.148M)	Official contractor proposal to AFRL to incorporate new lighting for SLIP based on AMC feedback on SLIP #1. (Minor update to obligate the last \$14K of AMC funding).
Mar 2008	AFRL Letter to AMC	\$1.659M	(\$517K)	(\$1.142M)	Letter from AFRL to identify and estimate impact of most recent changes requested by AMC. Cost changes driven by decision to treat SLIP #1 as prototype and re-design SLIPs 2-4. These numbers do not reflect the addition of the DER package.

*ODC = Other Direct Costs = Materials and other non-manpower costs

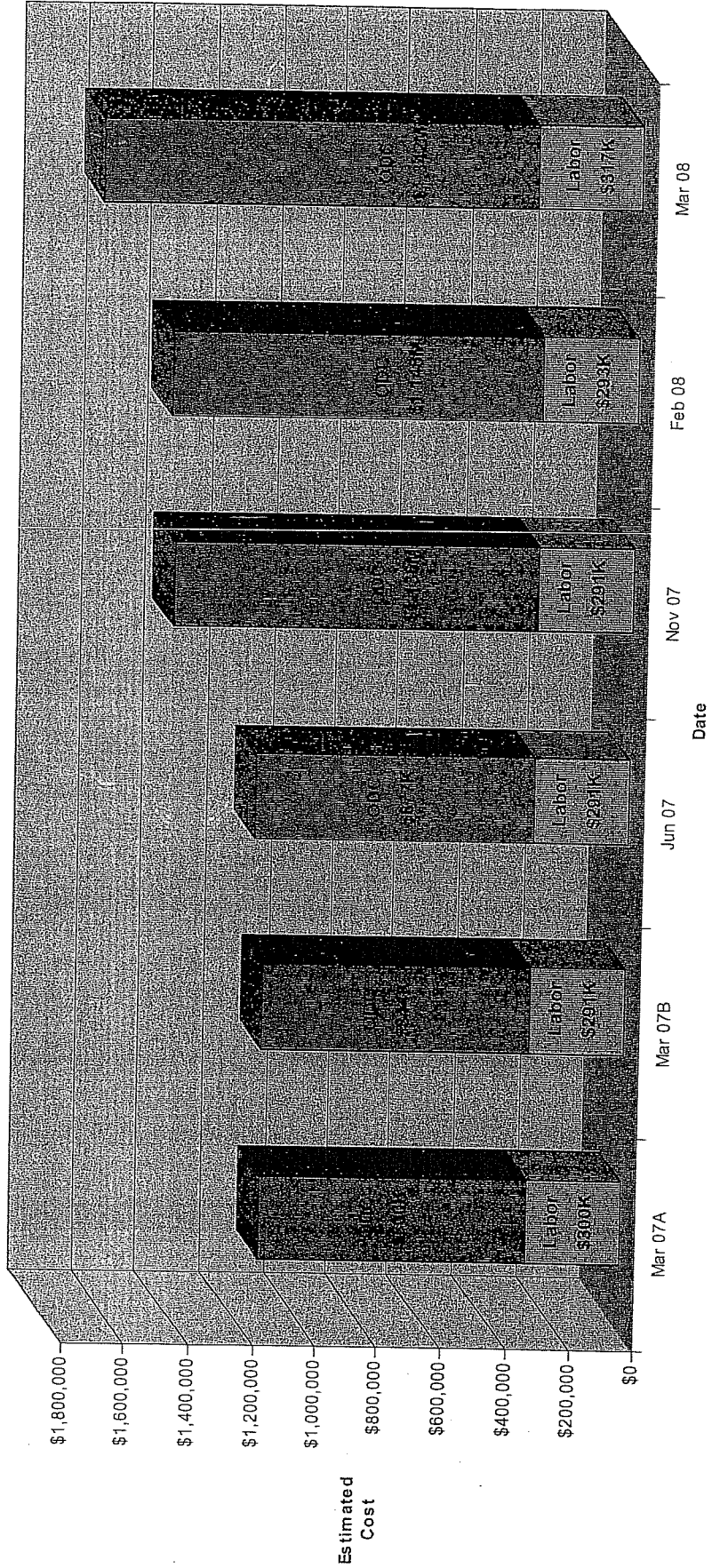
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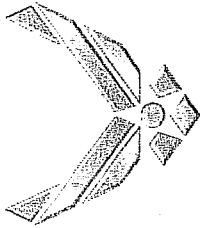


SLIP Cost History



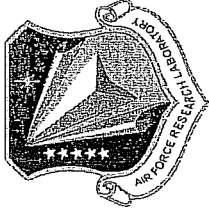
SLIP History



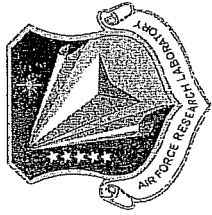
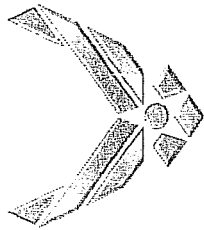


Cost Summary

SLICC/SLIP Total Cost



Date	Event	SLICC Total	SLIP Total	Overall Total	Notes
Nov 2006	AFRL Letter to AMC	\$1.743M	N/A	\$1.743M	
Mar 2007	Briefing to MGen McMahon	\$2.5M	\$1.1M	\$3.6M	AMC provided \$4.1M of funding in March 2007.
Mar 2007	Official Contractor Proposal	\$2.4M	\$1.135M	\$3.535M	Contract effort was officially awarded in April 2007.
Jun 2007	Briefing to MGen McMahon	\$2.77M	\$1.17M	\$3.94M	
Nov 2007	Official Contractor Proposal	\$2.659M	\$1.427M	\$4.09M	This proposal and subsequent award obligated virtually 100% of the funds provided by AMC. Changes and fluctuations after this date have been worked as much as possible to remain within the original budget provided by AMC.
Feb 2008	Official Contractor Proposal	\$2.659M	\$1.44M	\$4.1M	This proposal committed the last \$14K of available funding.
Mar 2008	AFRL Letter to AMC	\$2.755M	\$1.659M	\$4.394M	This letter was produced to identify and estimate the most recent series of changes that were over and above the original budget. These numbers do not reflect the DER package for SLIP.



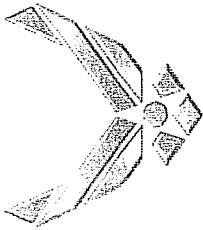
SLICC/SLIP

Funding Distribution/Status

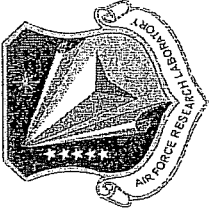
- Funds Provided by AMC: \$4.1M

Item	Contract Manpower (Estimated and Obligated)	Contract Manpower (Expended)	Contract Manpower (Final Estimate including March 2008 Changes Letter)	Contract ODC (Estimated and Obligated)	Contract ODC (Expended)	Contract ODC (Final Estimate including March 2008 Changes Letter)	Subtotal (Final Estimate Including Gov/Misc Costs)
SLICC	\$913K	\$600K	\$928K	\$1,471M	\$117M	\$1512M	\$2.735M
SLIP	\$293K	\$253K	\$317K	\$1,148M	\$106M	\$1,312M	\$1.659M
Total	\$1,206M	\$853K	\$1,245M	\$2,619M	\$223M	\$2,851M	\$4.394M

- Estimated and Obligated = Current contractual estimate. These funds are obligated on contract.
- Expended = Current estimate of actual program expenditures as of 1 March 2008
- Final Estimate = Includes baseline program and costs described in 12 March 2008 AFRL letter



Cost Estimates



- Previous pages highlight that AFRL and SelectTech manpower costs have not significantly changed since March 2007 program award and kickoff
- Cost increases have virtually all been in the area of materials and other non-labor costs due to the expense of SLICC/SLIP components and costs incurred by changing design details that were previously finalized
- SLIP Examples:

Item	Original Estimate	Current Estimate
Seats (16 total) (Includes seat frames, NRE, testing, upholstery, accessories, etc.)	\$320K	\$641K
Ancillary Components (Table, Other wood products)	\$15K	\$187K
Net Increase		+493K

- AFRL and SelectTech have tried diligently to satisfy AMC's schedule and program objectives for SLICC and SLIP while making all reasonable efforts to keep costs within the budget provided.