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Exhibit P-40, Budget Line Item Justification: PB 2020 Army **Date:** March 2019

Appropriation / Budget Activity / Budget Sub Activity: 2035A: Other Procurement, Army / BA 01: Tactical and Support Vehicles / BSA 10: Tactical Vehicles **P-1 Line Item Number / Title:** 8331D16506 / PLS ESP

ID Code (A=Service Ready, B=Not Service Ready): A **Program Elements for Code B Items:** N/A **Other Related Program Elements:** 0604622A

Line Item MDAP/MAIS Code: N/A

Resource Summary	Prior Years	FY 2018	FY 2019	FY 2020 Base	FY 2020 OCO	FY 2020 Total	FY 2021	FY 2022	FY 2023	FY 2024	To Complete	Total
Procurement Quantity (<i>Units in Each</i>)	248	94	-	8	24	32	-	-	-	-	-	374
Gross/Weapon System Cost (<i>\$ in Millions</i>)	783.616	59.729	-	6.280	16.941	23.221	15.163	-	-	-	-	881.729
Less PY Advance Procurement (<i>\$ in Millions</i>)	-	-	-	-	-	-	-	-	-	-	-	-
Net Procurement (P-1) (<i>\$ in Millions</i>)	783.616	59.729	-	6.280	16.941	23.221	15.163	-	-	-	-	881.729
Plus CY Advance Procurement (<i>\$ in Millions</i>)	-	-	-	-	-	-	-	-	-	-	-	-
Total Obligation Authority (<i>\$ in Millions</i>)	783.616	59.729	-	6.280	16.941	23.221	15.163	-	-	-	-	881.729

(The following Resource Summary rows are for informational purposes only. The corresponding budget requests are documented elsewhere.)

Initial Spares (<i>\$ in Millions</i>)	-	-	-	-	-	-	-	-	-	-	-	-
Flyaway Unit Cost (<i>\$ in Thousands</i>)	-	-	-	-	-	-	-	-	-	-	-	-
Gross/Weapon System Unit Cost (<i>\$ in Thousands</i>)	3,159.742	635.415	-	785.000	705.875	725.656	-	-	-	-	-	2,357.564

Description:

The Palletized Load System Extended Service Program (PLS ESP) is a Department of the Army (DA) supported recapitalization program critical to increasing the 16.5 ton payload to include armor capability for the 10 wheel drive PLS fleet. The PLS A1 truck contains capability for onboard Load Handling System, 16.5 ton PLS trailer, PLS Enhanced Container Handling Unit (E-CHU) for transporting 20' International Organization for Standardization containers, M3 Container Roll-in/Out Platforms (CROPs), M1077 Flatracks and M1 Flatracks in an armored configuration. The PLS ESP will remanufacture and upgrade older PLS AOs to the A1 configuration. The PLS A1 has improved survivability with an integrated underbody A-cab and a scalable B-kit (common to the HEMTT A4), an improved powertrain, suspension and electrical system and adds an anti-lock braking system, air conditioning and traction control. This program produces a like-new vehicle with a full new vehicle warranty.

The Approved Acquisition Objective for PLS trucks is 6,001.

Secondary Distribution		FY 2018	FY 2019	FY 2020 Base	FY 2020 OCO	FY 2020 Total	FY 2021	FY 2022	FY 2023	FY 2024
Army	Quantity	94	-	8	24	32	-	-	-	-
	Total Obligation Authority	59.729	-	6.280	16.941	23.221	15.163	-	-	-
Total: Secondary Distribution	Quantity	94	-	8	24	32	-	-	-	-
	Total Obligation Authority	59.729	-	6.280	16.941	23.221	15.163	-	-	-

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Exhibit P-40, Budget Line Item Justification: PB 2020 Army **Date:** March 2019

Appropriation / Budget Activity / Budget Sub Activity:
 2035A: Other Procurement, Army / BA 01: Tactical and Support Vehicles / BSA 10: Tactical Vehicles **P-1 Line Item Number / Title:**
 8331D16506 / PLS ESP

ID Code (A=Service Ready, B=Not Service Ready): A **Program Elements for Code B Items:** N/A **Other Related Program Elements:** 0604622A

Line Item MDAP/MAIS Code: N/A

Exhibits Schedule					Prior Years	FY 2018	FY 2019	FY 2020 Base	FY 2020 OCO	FY 2020 Total
Exhibit Type	Title*	Subexhibits	ID CD	MDAP/MAIS Code	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)	Quantity / Total Cost (Each) / (\$ M)
P-5	D16506 / PLS ESP	P-5a, P-21	A		248 / 783.616	94 / 59.729	- / -	8 / 6.280	24 / 16.941	32 / 23.221
P-40	Total Gross/Weapon System Cost				248 / 783.616	94 / 59.729	- / -	8 / 6.280	24 / 16.941	32 / 23.221

*Title represents 1) the Number / Title for Items; 2) the Number / Title [DODIC] for Ammunition; and/or 3) the Number / Title (Modification Type) for Modifications.

Note: Totals in this Exhibit P-40 set may not be exact or sum exactly due to rounding.

Justification:
 FY 2020 Base procurement dollars in the amount of \$6.280 million supports recapitalization of a quantity of 8 Palletized Load System (PLS) trucks in support of Direct Army and Army Prepositioned Stock (APS) requirements. PLS-ESP remanufactures and upgrades older PLS A0 vehicles to the current armor capable A1 configuration. The PLS vehicles are in need of recapitalization due to the age of the fleet as many are beyond normal repair guidelines. Maintenance Expenditure Limit (MEL) component part obsolescence is a concern as well. The PLS program is a critical enabler to support the Army's modernization priorities in support of the National Defense Strategy through movement of Soldiers, air defense & missile defenses, sensors, network, fuel, ammunition, etc. Funds are required to fill readiness gaps to address both capacity and capability holes which must be filled to carry out the National Defense Strategy.

FY 2020 OCO procurement dollars in the amount of \$16.941 million supports recapitalization of a quantity of 28 PLS trucks to the A1 configuration in support of the Combatant Command (COCOM) requirement for unit equipment sets to deter potential adversaries and support the European Deterrence Initiative (EDI). This provisions the EDI Army Pre-positioned Stock (APS) which supports the establishment of Armored Brigade Combat Teams (ABCT). Procurement is necessary to outfit the pre-positioned equipment sets. There is no excess inventory or viable substitute available to support the EDI requirement. APS must be filled with trucks that meet armoring requirements.

The automated feed for FY20 OCO quantity of 24 is incorrect and the correct quantity is 28.

In accordance with Section 1815 of the FY 2008 National Defense Authorization Act (P.L. 110-181), this item is necessary for use by the active and reserve components of the Armed Forces for homeland defense missions, domestic emergency responses, and providing military support to civil authorities.

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Exhibit P-5, Cost Analysis: PB 2020 Army		Date: March 2019
Appropriation / Budget Activity / Budget Sub Activity: 2035A / 01 / 10	P-1 Line Item Number / Title: 8331D16506 / PLS ESP	Item Number / Title [DODIC]: D16506 / PLS ESP

ID Code (A=Service Ready, B=Not Service Ready) : A	MDAP/MAIS Code:
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Resource Summary	Prior Years	FY 2018	FY 2019	FY 2020 Base	FY 2020 OCO	FY 2020 Total
Procurement Quantity (Units in Each)	248	94	-	8	24	32
Gross/Weapon System Cost (\$ in Millions)	783.616	59.729	-	6.280	16.941	23.221
Less PY Advance Procurement (\$ in Millions)	-	-	-	-	-	-
Net Procurement (P-1) (\$ in Millions)	783.616	59.729	-	6.280	16.941	23.221
Plus CY Advance Procurement (\$ in Millions)	-	-	-	-	-	-
Total Obligation Authority (\$ in Millions)	783.616	59.729	-	6.280	16.941	23.221

(The following Resource Summary rows are for informational purposes only. The corresponding budget requests are documented elsewhere.)

Initial Spares (\$ in Millions)	-	-	-	-	-	-
Gross/Weapon System Unit Cost (\$ in Thousands)	3,159.742	635.415	-	785.000	705.875	725.656

Note: Subtotals or Totals in this Exhibit P-5 may not be exact or sum exactly due to rounding.

Cost Elements	Prior Years			FY 2018			FY 2019			FY 2020 Base			FY 2020 OCO			FY 2020 Total		
	Unit Cost (\$ K)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ K)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ K)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ K)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ K)	Qty (Each)	Total Cost (\$ M)	Unit Cost (\$ K)	Qty (Each)	Total Cost (\$ M)
Flyaway Cost																		
Recurring Cost																		
PLS M1075A1 Truck (ESP) ^(†)	566.243	650	368.058	483.412	34	16.436	-	-	-	531.000	4	2.124	531.063	16	8.497	531.050	20	10.621
PLS M1074A1 Truck (ESP) ^(†)	1,022.653	225	230.097	537.698	63	33.875	-	-	-	596.500	4	2.386	596.167	12	7.154	596.250	16	9.540
Recurring Engineering (STS)	-	-	18.024	-	-	0.650	-	-	-	-	-	0.155	-	-	-	-	-	0.155
Engineering Changes	-	-	29.382	-	-	0.650	-	-	-	-	-	0.135	-	-	0.470	-	-	0.605
Matrix Functional Support	-	-	29.316	-	-	2.598	-	-	-	-	-	0.885	-	-	-	-	-	0.885
Testing	-	-	9.785	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TADSS	-	-	13.323	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Documentation	-	-	13.022	-	-	-	-	-	-	-	-	0.371	-	-	-	-	-	0.371
Support Equipment	-	-	3.105	-	-	0.011	-	-	-	-	-	0.015	-	-	0.053	-	-	0.068
Fielding	-	-	63.624	-	-	2.500	-	-	-	-	-	0.049	-	-	0.173	-	-	0.222
First Destination	-	-	5.880	-	-	3.009	-	-	-	-	-	0.160	-	-	0.594	-	-	0.754
<i>Subtotal: Recurring Cost</i>	-	-	783.616	-	-	59.729	-	-	-	-	-	6.280	-	-	16.941	-	-	23.221
<i>Subtotal: Flyaway Cost</i>	-	-	783.616	-	-	59.729	-	-	-	-	-	6.280	-	-	16.941	-	-	23.221
Gross/Weapon System Cost	3,159.742	248	783.616	635.415	94	59.729	-	-	-	785.000	8	6.280	705.875	24	16.941	725.656	32	23.221

Remarks:

The RFS automatic feed for FY20 OCO quantity of 24 is incorrect and the correct quantity is 28.

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Exhibit P-5, Cost Analysis: PB 2020 Army		Date: March 2019
Appropriation / Budget Activity / Budget Sub Activity: 2035A / 01 / 10	P-1 Line Item Number / Title: 8331D16506 / PLS ESP	Item Number / Title [DODIC]: D16506 / PLS ESP
ID Code (A=Service Ready, B=Not Service Ready) : A		MDAP/MAIS Code:

Secondary Distribution		FY 2018	FY 2019	FY 2020 Base	FY 2020 OCO	FY 2020 Total
Army	Quantity	94	-	8	24	32
	Total Obligation Authority	59.729	-	6.280	16.941	23.221
Total:	Quantity	94	-	8	24	32
Secondary Distribution	Total Obligation Authority	59.729	-	6.280	16.941	23.221

(t) indicates the presence of a P-5a

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Exhibit P-5a, Procurement History and Planning: PB 2020 Army **Date:** March 2019

Appropriation / Budget Activity / Budget Sub Activity: 2035A / 01 / 10	P-1 Line Item Number / Title: 8331D16506 / PLS ESP	Item Number / Title [DODIC]: D16506 / PLS ESP
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Cost Elements	O C O	FY	Contractor and Location	Method/Type or Funding Vehicle	Location of PCO	Award Date	Date of First Delivery	Qty <i>(Each)</i>	Unit Cost <i>(\$ K)</i>	Specs Avail Now?	Date Revision Available	RFP Issue Date
PLS M1075A1 Truck (ESP) ^(†)		2018	Oshkosh Defense - LLC / Oshkosh, WI	SS / FPIF	TACOM, Warren, MI	May 2018	Jan 2019	34	483.412	Y		
PLS M1075A1 Truck (ESP) ^(†)		2020	Oshkosh Defense - LLC / Oshkosh, WI	SS / FPIF	TACOM, Warren, MI	Mar 2020	Nov 2020	20	531.050	Y		
PLS M1074A1 Truck (ESP) ^(†)		2018	Oshkosh Defense - LLC / Oshkosh, WI	SS / FPIF	TACOM, Warren, MI	May 2018	Jan 2019	63	537.698	Y		
PLS M1074A1 Truck (ESP) ^(†)		2020	Oshkosh Defense - LLC / Oshkosh, WI	SS / FPIF	TACOM, Warren, MI	Mar 2020	Nov 2020	16	596.250	Y		

^(†) indicates the presence of a P-21

Remarks:

Unit costs are determined by range pricing at ceiling amount for each Ordering Year (OY) and reconciled after the delivery order (DO) is completed.

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Exhibit P-21, Production Schedule: PB 2020 Army	Date: March 2019
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Appropriation / Budget Activity / Budget Sub Activity: 2035A / 01 / 10	P-1 Line Item Number / Title: 8331D16506 / PLS ESP	Item Number / Title [DODIC]: D16506 / PLS ESP
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Cost Elements <i>(Units in Each)</i>				Fiscal Year 2018														Fiscal Year 2019												BALANCE						
O C O #	M F R #	FY	SERVICE	PROC QTY	ACCEPT PRIOR TO 1 OCT 2017	BAL DUE AS OF 1 OCT	Calendar Year 2018												Calendar Year 2019																	
							O C T	N O V	D E C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P	O C T	N O V	D E C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G		S E P					
PLS M1075A1 Truck (ESP)																																				
Prior Years Deliveries: 650																																				
	1	2018	ARMY	34	0	34																													7	
	1	2020	ARMY	20	0	20																													20	
PLS M1074A1 Truck (ESP)																																				
Prior Years Deliveries: 225																																				
	2	2018	ARMY	63	0	63																													15	
	2	2020	ARMY	16	0	16																														16

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Exhibit P-21, Production Schedule: PB 2020 Army **Date:** March 2019

Appropriation / Budget Activity / Budget Sub Activity: 2035A / 01 / 10	P-1 Line Item Number / Title: 8331D16506 / PLS ESP	Item Number / Title [DODIC]: D16506 / PLS ESP
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Cost Elements <i>(Units in Each)</i>						Fiscal Year 2020													Fiscal Year 2021													BALANCE	
O C C #	M F R #	FY	SERVICE	PROC QTY	ACCEPT PRIOR TO 1 OCT 2019	BAL DUE AS OF 1 OCT	Calendar Year 2020													Calendar Year 2021													
							O C T	N O V	D E C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P	O C T	N O V	D E C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P			
PLS M1075A1 Truck (ESP)																																	
Prior Years Deliveries: 650																																	
	1	2018	ARMY	34	27	7	3	2	2																				0				
	1	2020	ARMY	20	0	20																							0				
PLS M1074A1 Truck (ESP)																																	
Prior Years Deliveries: 225																																	
	2	2018	ARMY	63	48	15	5	5	5																				0				
	2	2020	ARMY	16	0	16																							0				
							O C T	N O V	D E C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P	O C T	N O V	D E C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P			

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Exhibit P-21, Production Schedule: PB 2020 Army **Date:** March 2019

Appropriation / Budget Activity / Budget Sub Activity: 2035A / 01 / 10	P-1 Line Item Number / Title: 8331D16506 / PLS ESP	Item Number / Title [DODIC]: D16506 / PLS ESP
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MFR Ref #	Manufacturer Name - Location	Production Rates (Each / Month)			Procurement Leadtime (Months)							
		MSR For 2020	1-8-5 For 2020	MAX For 2020	Initial				Reorder			
					ALT Prior to Oct 1	ALT After Oct 1	Manufacturing PLT	Total After Oct 1	ALT Prior to Oct 1	ALT After Oct 1	Manufacturing PLT	Total After Oct 1
1	Oshkosh Defense - LLC - Oshkosh, WI	20	924	2,520	0	6	8	14	0	6	8	14
2	Oshkosh Defense - LLC - Oshkosh, WI	20	924	2,520	0	6	8	14	0	6	8	14

"A" in the Delivery Schedule indicates the Contract Award Date.

Note: Due to space limitations, quantities in the Exhibit P-21 delivery calendar are truncated and rounded based on the maximum quantity in the calendar as follows. If the maximum quantity is less than or equal to than 9,999, all quantities are shown as each. If the maximum quantity is between 10,000 and 999,999 all quantities are shown in thousands. If the maximum quantity is between 1,000,000 and 999,999,999 all quantities are shown in millions (rounded to the nearest thousand). If the maximum quantity is equal or greater than 1,000,000,000 all quantities are shown in billions (rounded to the nearest million).