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<b>Exhibit P-40, Advance Procurement Budget Line Item Justification:</b> PB 2024 Navy							<b>Date:</b> March 2023					
<b>Appropriation / Budget Activity / Budget Sub Activity:</b> 1507N: Weapons Procurement, Navy / BA 02: Other Missiles / BSA 2: Tactical Missiles							<b>P-1 Line Item Number / Title:</b> 2234 / Standard Missile					
<b>Program Elements for Code B Items:</b> N/A							<b>Other Related Program Elements:</b> N/A					
<b>Line Item MDAP/MAIS Code:</b> 000												

<b>Resource Summary</b>	<b>Prior Years</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024 Base</b>	<b>FY 2024 OCO</b>	<b>FY 2024 Total</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>To Complete</b>	<b>Total</b>
Gross/Weapon System Cost ( <i>\$ in Millions</i> )	288.484	45.357	-	227.320	-	227.320	127.830	-	-	-	-	688.991
Net Procurement (P-1) ( <i>\$ in Millions</i> )	288.484	45.357	-	227.320	-	227.320	127.830	-	-	-	-	688.991
<b>Total Obligation Authority</b> ( <i>\$ in Millions</i> )	<b>288.484</b>	<b>45.357</b>	<b>-</b>	<b>227.320</b>	<b>-</b>	<b>227.320</b>	<b>127.830</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>688.991</b>

**Description:**

The SM-6 provides an extended range engagement capability to provide the air superiority and the umbrella of protection for joint U.S. forces and allies against the full spectrum of manned-fixed and rotary-winged aircraft, unmanned aerial vehicles, and land attack and anti-ship cruise missiles in flight. This capability contributes significantly to the continuous protection of forward deployed ground maneuver forces as well as theater rear assets. The SM-6 is the primary extended range air defense weapon for AEGIS cruisers and destroyers and potentially future combatants.

FY 2023 is the last year of the FY 2019 - FY 2023 MYP. FY 2024 is the first year of the FY 2024 - FY 2028 five-year MYP. Economic Order Quantity for Advance Procurement funds for FY 2025 - FY 2028 are reflected in the budget.

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<b>Appropriation / Budget Activity / Budget Sub Activity:</b> 1507N: Weapons Procurement, Navy / BA 02: Other Missiles / BSA 2: Tactical Missiles	<b>P-1 Line Item Number / Title:</b> 2234 / Standard Missile
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Program Elements for Code B Items: N/A	Other Related Program Elements: N/A
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**Line Item MDAP/MAIS Code:** 000

Exhibits Schedule				Prior Years	FY 2022	FY 2023	FY 2024 Base	FY 2024 OCO	FY 2024 Total
Exhibit Type	Title*	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-10	1 / STANDARD MISSILE			1,181 / 288.484	125 / 45.357	125 / -	125 / 227.320	- / -	125 / 227.320
<b>P-40</b>	<b>Total Gross/Weapon System Cost</b>			<b>1,181 / 288.484</b>	<b>125 / 45.357</b>	<b>125 / -</b>	<b>125 / 227.320</b>	<b>- / -</b>	<b>125 / 227.320</b>

\*Title represents the P-10 Title for Advance Procurement.

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

**Justification:**  
 The budget reflects a funding profile for a five-year Multiyear Procurement beginning in FY 2019 and completing in FY 2023. The multiyear procurement contracts provide for the procurement of up to 625 Standard Missile-6 (SM-6) guided missiles. The use of Advanced Procurement provides Economic Order Quantity (EOQ) to reduce the cost of subcontractor effort, material, and components enabling greater production efficiencies and substantial cost savings.

FY 2023 is the last year of procurement for SM-6 BLK I/A All Up Rounds via the FY 2019-2023 Multiyear Procurement (MYP) approved by National Defense Authorization Act for 2019, Division A, Title I, Section 125. The FY 2019-2023 MYP contract realizes significant five-year savings (\$326M) over single-year procurement for the FY 2019-2023 period. This funding has already been removed from the FYDP. MYP also allows for immediate obligation of funds after allocation without additional negotiation.

Funding covers EOQ in support of the FY 2019-2023 MYP contract. EOQ will fund the procurement of MK72 Booster, MK104 Dual Thrust Rocket Motors (DTRM) and Guidance Sections. Booster is a 26-month lead time due to the unique steel for the case and additional time for mating with a Thrust Vector Actuator (TVA). The DTRM has a 22-month lead time due to the specialty steel required for manufacturing. The guidance section takes 24 months to deliver due to the lead time in the specialty Circuit Card Assemblies.

The budget reflects a funding profile for a proposed Multiyear Procurement beginning FY 2024 for the SM-6 BLK IA AUR procurement. The multiyear procurement contract will provide for the procurement of up to 825 Standard Missile-6 BLK IA guided missiles. The use of Advanced Procurement provides Economic Order Quantity (EOQ) to reduce the cost of subcontractor effort, material, and components enabling greater production efficiencies and substantial cost savings.

SM-6 BLK IB will not be included in this MYP based on the fact that it will be in the LRIP phase.

Full funding for every end item requesting advance procurement is included in the budget submission.

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**Exhibit P-10, Advance Procurement Requirements Analysis (page 1 - Budget Funding Justification):** PB 2024 Navy **Date:** March 2023

<b>Appropriation / Budget Activity / Budget Sub Activity:</b> 1507N / 02 / 2	<b>P-1 Line Item Number / Title:</b> 2234 / Standard Missile	<b>P-5 Number / Title:</b> 1 / STANDARD MISSILE
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<b>First System (2024) Award Date:</b> January 2013	<b>First System (2024) Completion Date:</b> January 2013	<b>Interval Between Systems:</b> 0 Months
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STANDARD MISSILE	Production Leadtime <i>(Months)</i>	Prior Years <i>(Each)</i>	FY 2022 <i>(Each)</i>	FY 2023 <i>(Each)</i>	FY 2024 <i>(Each)</i>
Quantity		1,181	125	125	125

Cost Elements	When Required <i>(Months)</i>	Prior Years <i>(\$ M)</i>	FY 2022 <i>(\$ M)</i>	FY 2023 <i>(\$ M)</i>	FY 2024 <i>(\$ M)</i>
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CFE					
FY 2020 EOQ	0	83.789	-	-	-
FY 2021 EOQ	0	83.623	-	-	-
FY 2022 EOQ	0	83.509	-	-	-
FY 2023 EOQ	0	37.563	45.357	-	-
FY 2025 EOQ	0	-	-	-	117.547
FY 2026 EOQ	0	-	-	-	37.948
FY 2027 EOQ	0	-	-	-	39.177
FY 2028 EOQ	0	-	-	-	32.648
<i>Total: CFE</i>		288.484	45.357	-	227.320
<b>Total Advance Procurement/Obligation Authority</b>		<b>288.484</b>	<b>45.357</b>	<b>-</b>	<b>227.320</b>

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**Exhibit P-10, Advance Procurement Requirements Analysis (page 2 - Budget Funding Justification):** PB 2024 Navy **Date:** March 2023

<b>Appropriation / Budget Activity / Budget Sub Activity:</b> 1507N / 02 / 2	<b>P-1 Line Item Number / Title:</b> 2234 / Standard Missile	<b>P-5 Number / Title:</b> 1 / STANDARD MISSILE
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Cost Elements	QPA <i>(Each)</i>	FY 2024					Total Cost Request <i>(\$ M)</i>
		Production Leadtime <i>(Months)</i>	Unit Cost <i>(\$ K)</i>	Contract Forecast Date	2024 Qty <i>(Each)</i>	For FY	
<b>CFE</b>							
FY 2020 EOQ	0						-
FY 2021 EOQ	0						-
FY 2022 EOQ	0						-
FY 2023 EOQ	0						-
FY 2025 EOQ	0						117.547
FY 2026 EOQ	0						37.948
FY 2027 EOQ	0						39.177
FY 2028 EOQ	0						32.648
<i>Total: CFE</i>							227.320
<b>Total Advance Procurement/Obligation Authority</b>							<b>227.320</b>

**Description:**  
 This multiyear contract uses Economic Order Quantity Advance Procurement funding to provide the U.S. Government maximum savings in price. Advance Procurement funding will enable material and component suppliers and subcontractors with sufficient lead time to support the planned delivery schedule within the context of the multiyear funding, prices, and cancellation ceilings.