Fiscal Year (FY) 2014 Budget Estimate
Activity Group Capital Investment Summary
Defense Finance and Accounting Service
April 2013
(Dollars in Millions)

Line Number	Item Description	FY 2012 Quantity	FY 2012 Total Cost	FY 2013 Quantity	FY 2013 Total Cost	FY 2014 Quantity	FY 2014 Total Cost
	ADPE & Telecommunications Equipment Baseline		23.8		17.0		15.6
	Computer Hardware (Production)		21.7		17.0		15.6
	Computer Software (Operating System), Telecoms, Other Computer & Tele Supt Equip						
	Revised Requirement		**21.7**		**17.0**		**15.6**
	Software Development Baseline		15.2		12.3		16.5
	Internally Developed		7.3		7.0		12.2
	Externally Developed		3.2		4.7		4.3
	Revised Requirement		**10.5**		**11.7**		**16.5**
	Minor Construction Baseline		1.8		1.1		1.5
	Replacement						
	Productivity						
	New Mission		1.2		2.2		1.5
	Environmental						
	Revised Requirement		**1.2**		**2.2**		**1.5**
	TOTAL Prior Year Adjustments						
	TOTAL Capital Investment Baseline		**40.8**		**30.4**		**33.6**
	TOTAL Capital Investment Required		**33.4**		**30.9**		**33.6**
	Total Capital Outlays (Based on Revised Rqmt)		**26.7**		**29.7**		**31.0**
	Total Depreciation Ex (Based on Revised Rqmt)		**52.9**		**35.7**		**39.1**

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ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (Dollars in Thousands)	**A. Fiscal Year (FY) 2014 Budget Estimate** DFAS Financial Operations								
B. Component / Business Area / Date Defense Finance and Accounting Service February 2013	**C. Line No. & Description** ADP Equipment					**D. Activity Identification** DFAS Sites			
	FY 2012			**FY 2013**			**FY 2014**		
Element of Cost	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**
Customer Service									
A. Unified Communications (Teleservices)			9,869			3,350			1,250
TOTAL Customer Service			9,869			3,350			1,250

Narrative Justification:

A. Teleservices – Teleservices represents the unified communications strategy for DFAS. The program encompasses Telephony, Video Teleconferencing, Interactive Voice Response, Call Recording, and Call Center Infrastructure.

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ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (Dollars in Thousands)	**A. Fiscal Year (FY) 2014 Budget Estimate** DFAS Financial Operations								
B. Component / Business Area / Date Defense Finance and Accounting Service February 2013	**C. Line No. & Description** ADP Equipment					**D. Activity Identification** DFAS Sites			
	FY 2012			**FY 2013**			**FY 2014**		
Element of Cost	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**
Data Management									
A. Electronic Document Management			0			826			525
B. Enterprise Portal			0			0			455
TOTAL Data Management			0			826			980

Narrative Justification:

A. Electronic Document Management (EDM) - EDM is a comprehensive business process improvement initiative designed to enhance automation of paper processes of contract and vendor pay in accordance with Federal regulations. Funding will support web enabling of EDM.

B. Enterprise Portal (ePortal) - The ePortal is DFAS's web-based infrastructure to share knowledge, access Corporate information, and deliver integrated service-oriented solutions. FY14 funding will support replacement of desupported hardware in FY14.

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ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (Dollars in Thousands)	**A. Fiscal Year (FY) 2014 Budget Estimate** DFAS Financial Operations								
B. Component / Business Area / Date Defense Finance and Accounting Service February 2013	**C. Line No. & Description** ADP Equipment					**D. Activity Identification** DFAS Sites			
	FY 2012			**FY 2013**			**FY 2014**		
Element of Cost	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**
Financial Management									
A. DIS Printer			0			0			0
TOTAL Financial Management			0			0			0

Narrative Justification:

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ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (Dollars in Thousands)	**A. Fiscal Year (FY) 2014 Budget Estimate** DFAS Financial Operations								
B. Component / Business Area / Date Defense Finance and Accounting Service February 2013	**C. Line No. & Description** ADP Equipment						**D. Activity Identification** DFAS Sites		
	FY 2012			**FY 2013**			**FY 2014**		
Element of Cost	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**
Infrastructure/Other									
A. Enterprise Local Area Network			9,099			10,868			11,411
B. Security			2,056			1,907			1,987
C. MyPay			659			0			0
TOTAL Infrastructure/Other			11,814			12,775			13,398

Narrative Justification:

A. Enterprise Local Area Network – ELAN provides a highly available, adaptable, secure infrastructure to enable DFAS to accomplish its mission. Major services include network connectivity, messaging and fax services, collaboration capabilities, remote connectivity, network storage, and application hosting environments. FY14 program continues to refresh ELAN services.

B. Security – The security program is part of the I&T infrastructure and production support at DFAS Indianapolis. It consists of the Vulnerability Assessment Team (VAT) and Computer Network Defense Service Provider (CNDSP) Team. The VAT assesses all DFAS networks, identifying any security weaknesses and recommending actions to minimize or eliminate them. The CNDSP performs services such as vulnerability scanning, incident analysis and reporting, external intrusion attempt monitoring and response, secure configuration compliance and implementation of DoD US Cyber Command Initiatives. This program continues to evolve as new technologies are identified.

C. MyPay – MyPay provides electronic payroll/personnel support to all DoD customers located anywhere in the world. FY12 requirement supports purchase of four (4) servers.

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ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (Dollars in Thousands)	**A. Fiscal Year (FY) 2014 Budget Estimate** DFAS Financial Operations								
B. Component / Business Area / Date Defense Finance and Accounting Service February 2013	**C. Line No. & Description** Software Dev / Mod					**D. Activity Identification** DFAS Sites			
	FY 2012			**FY 2013**			**FY 2014**		
Element of Cost	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**
Customer Service									
A. Office Automation			0			845			830
TOTAL Customer Service			0			845			830

Narrative Justification:

A. Office Automation (OA) – Funding will support software development and the automation of various agency initiatives to increase efficiency and provide data consolidation.

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ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (Dollars in Thousands)	**A. Fiscal Year (FY) 2014 Budget Estimate** DFAS Financial Operations								
B. Component / Business Area / Date Defense Finance and Accounting Service February 2013	**C. Line No. & Description** Software Dev / Mod					**D. Activity Identification** DFAS Sites			
	FY 2012			**FY 2013**			**FY 2014**		
Element of Cost	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**
Data Management									
A. E-Commerce/E-Data Interchange System			615			559			642
B. Electronic Data Management			584			878			367
C. MyMetrics			0			300			0
D. MyPay			0			1,192			1,212
E. Army Funds Balance with Treasury			300			0			0
F. Department 97 Reconciliation and Reporting Tool			400			0			0
TOTAL Data Management			1,899			2,929			2,221

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Narrative Justification:

A. E-Commerce/E-Data Interchange System (EC/EDI) – The EC/EDI enables the entitlement and accounting systems to post all financial transactions electronically and within federal DoD requirements, i.e., commitments, obligations, accounts payable, invoices, and disbursements using industry Electronic Data Interchange (EDI) standards.

B. Electronic Document Management (EDM) – Funding will support software development for a program that reduces dependence on paper through conversion of thousands of paper documents used in payment processing and associated data to an electronic format that can be accessed from a desktop workstation.

C. MyMetrics –MyMetrics was budgeted in FY13 for the DFAS metrics system providing DFAS with real time performance indicators on all mission areas. As MyMetrics is no longer being used, funds have been realigned to support other FY13 requirements.

D. MyPay - MyPay provides electronic payroll/personnel support to all DoD customers located anywhere in the world. It is a web-based software application that provides government personnel with a convenient, high-quality, paperless business environment that safeguards personal information. Funding will support the addition of new e-Payroll customers and implementation of legislative changes.

E. Army Funds Balance with Treasury (FBwT) – This program supports development of an automated Army General Fund FBwT reconciliation tool. This tool will incorporate Army specific interface partners and data elements and utilize system logic from existing systems to perform required reconciliations.

F. Department 97 Reconciliation and Reporting Tool (DRRT) - This program is for development of an automated tool. Funds balance with treasury reconciliation is a key control that must be demonstrated as part of the Department 97's SBR assertion.

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ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (Dollars in Thousands)	**A. Fiscal Year (FY) 2014 Budget Estimate** DFAS Financial Operations		
B. Component / Business Area / Date Defense Finance and Accounting Service February 2013	**C. Line No. & Description** Software Dev / Mod		**D. Activity Identification** DFAS Sites

	FY 2012			FY 2013			FY 2014		
Element of Cost	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**
Financial Management									
A. Defense Retiree Annuitant Pay System			0			2,124			2,215
B. Defense Civilian Pay System			1,630			1,431			1,389
C. Deployed Disbursing System			250			740			731
D. Defense Debt Management System			0			267			328
E. Automated Disbursing System			2,000			2,032			2,101
F. Defense Joint Military Pay System - Active Component			2,709			850			1,800
G. Defense Joint Military Pay System - Reserve Component			1,407			1,100			1,100
H. Defense MilPay Office			0			0			1,750
I. Mechanization of Contract Administration Services			0			0			2,000
J. Operational Data Sotre (Software)			633			0			0
TOTAL Financial Management			8,629			8,544			13,414

Narrative Justification:

A. Defense Retired and Annuitant Pay System (DRAS) - DRAS is a pay entitlement system that establishes and maintains payment to approximately 2.5 million military retirees, former spouses, survivor beneficiaries and annuitant customers. Funds will be used for legislative and management initiatives in addition to future modernization efforts.

B. Defense Civilian Pay System (DCPS) – DCPS is one of four automated payroll providers for the Executive Branch. It provides the best value to the customer by maintaining high productivity and accuracy for services provided. Current program funding supports the development and delivery of tri-annual and interim releases allowing the regular maintenance as well as implementation of legislation and regulatory changes.

C. Deployed Disbursing System (DDS) – DDS is the tactical disbursing system that provides automated disbursing support to the nation's warfighter. DDS supports operations in a fluid and remote operations environment where connectivity is not always possible. It's also used in peacetime disbursing operations in overseas environments enhancing the readiness posture of the military services to respond to directives from the National Command Center. DDS is an evolving program driven by changes in the tactical environment of the military services.

Continued:

D. Defense Debt Management System (DDMS) – DDMS is an on-line debt management system designed and developed to maintain, control and report on DoD individual out-of-service and delinquent debts, mainly former military members and civilian employees. FY14 funding is necessary to support the development of interface functionality between DDMS and DCPS; development of additional database environment to accommodate in-service debt workload; and development of software to support workflow automation.

E. Automated Disbursing System (ADS) – ADS provides automated disbursing, collections and accounting functions within DFAS Cleveland and its geographically separate disbursing offices. ADS is used to disburse commercial, travel, civilian, and military payments; process collections; and report accountability to the Department of the Treasury for DFAS Cleveland and its customers. Funding will support additional workload due to changes generated by additional interfaces required of the system.

F. Defense Joint Military Pay System Active Component (DJMS-AC) – DJMS-AC provides top quality payroll, pay computation, leave and financial accounting for the active military members in the US Army, Navy, and Air Force. In addition, DJMS-AC supports mobilized Navy Reserve and National Guard members. Funding will expand capabilities to include additional workloads and provide for any regulatory and legislative changes.

G. Defense Joint Military Pay System Reserve Component (DJMS-RC) – DJMS-RC provides top quality payroll, pay computation, leave and financial accounting for the active military members in the US Army, Navy, and Air Force. It is a legacy payroll system in full operational mode. Funding will expand capabilities to include additional workloads and provide for any regulatory and legislative changes.

H. Defense MilPay Office (DMO) – DMO delivers the best possible military pay input capabilities to our field and central site customers throughout the world in support of the DJMS. Continual upgrades to interface tools are required to provide modernization techniques to support our customer's operational and business practices, reduce errors, eliminate redundancy, provide expeditious submission of payments and to replace cost-prohibitive input systems.

I. Mechanization of Contract Administrative Services (MOCAS) – MOCAS is used by the Defense Contract Management Agency (DCMA) and DFAS in the administration and payment of DCMA administered costs. FY14 funding is required due to MOCAS becoming classified as a Target Business Feeder System and therefore, must become SFIS compliant.

J. Operational Data Store (ODS) – This requirement is for changes needed to accommodate entitlement, disbursing and reconciliation processes to implement the Automated Disbursing System (ADS) and retire the Stanfins Redesign Subsystem 1 (SRD-1). This will allow ODS to receive Post Pay disbursement and accounting data from ADS in order to create accounting bridge files.

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ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (Dollars in Thousands)	**A. Fiscal Year (FY) 2014 Budget Estimate** DFAS Financial Operations								
B. Component / Business Area / Date Defense Finance and Accounting Service February 2013	**C. Line No. & Description** Minor Construction					**D. Activity Identification** DFAS Sites			
	FY 2012			**FY 2013**			**FY 2014**		
Element of Cost	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**
Minor Construction									
A. Minor Construction Limestone			0			250			0
B. Minor Construction Columbus			500			0			335
C. Minor Construction Indianapolis			0			450			0
D. Minor Construction Europe			300			0			0
E. Minor Construction Rome			355			400			0
F. Minor Construction Cleveland			0			0			1,198
TOTAL Minor Construction			1,155			1,100			1,533

Narrative Justification:

A. Minor Construction Limestone – Mass Notification System (FY13)

B. Minor Construction Columbus – PBX room for Telephony (FY12); Overhang extension at building entrances (FY14)

C. Minor Construction Indianapolis – Ballistic Protection at entry points (FY13)

D. Minor Construction Europe – Electronic entry/access control project (FY12)

E. Minor Construction Rome – Install roof canopy overhangs to provide safety in inclement weather (FY12); Mass Notification System (FY13)

F. Minor Construction Cleveland – Mail room consolidation and hardened wall in sub-basement (FY14)

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Defense Finance and Accounting Service
April 2013
(Dollars in Thousands)

FY 2012

CHANGES ON THE FY 14 PROGRAM BUDGET REVIEW

FY	Initiative	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset / Deficiency	Explanation
Equipment - ADPE and TELECOM							
2012	Customer Service	11,050	1,184	12,234	9,869	2,365	Carryover for VTC contract not able to be awarded by Sep 30, 2012
2012	Data Management	400	(400)	0	0	0	Cancelled requirement for Electronic Data Management
2012	Financial Management	0	0	0	0	0	
2012	Infrastructure / Other	12,316	(298)	12,018	11,814	204	Excess in ELAN increased requirements for Security and MyPay
Software Development							
2012	Customer Service	0	0	0	0	0	
2012	Data Management	4,196	(2,554)	2,042	1,899	143	Excess in MyPay, EDM, CORAS, MyMetrics; Increased requirements for EC/EDI and Army FBwT
2012	Financial Management	11,050	96	10,920	8,629	2,291	Excess in DJMS-AC, DJMS-RC; Increased requirements for DCPS, ODS, DDS, and DDMS; Carryover for Imaging Solutions
Minor Construction							
2012	Infrastructure / Other	1,834	(401)	1,433	1,155	278	Excess in Indianapolis project and cancelled Texarkana project; Increased requirements for Rome and Europe
	Total FY 12	**40,846**	**(2,372)**	**38,647**	**33,366**	**5,281**	

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Capital Budget Execution
Defense Finance and Accounting Service
April 2013
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FY 2013

CHANGES ON THE FY 14 PROGRAM BUDGET REVIEW

FY	Initiative	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset / Deficiency	Explanation
Equipment - ADPE and TELECOM							
2013	Customer Service	3,350	0	3,350	3,350		
2013	Data Management	826	0	826	826		
2013	Infrastructure / Other	12,775	0	12,775	12,775		
Software Development							
2013	Customer Service	845	(211)	634	634		Increase for Living Disaster Recovery Planning System new start offset by Office Automation excess.
2013	Data Management	2,929	(300)	2,629	2,629		MyMetrics funds no longer needed so reprogramming to other requirements.
2013	Financial Management	8,544	(102)	8,442	8,442		Increase for Defense Military Pay Office new start offset by Defense Retiree and Annuitant Pay System excess.
Minor Construction							
2013	Infrastructure / Other	1,100	1,106	2,206	2,206		Increased cost for Limestone Mass Notification System; new start for installation at Rome of portal devices at all active ACPs offset by excess in Indy ballistic protection project.
	Total FY 13	**30,369**	**493**	**30,862**	**30,862**		

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FY 2014

CHANGES ON THE FY 14 PROGRAM BUDGET REVIEW

FY	Initiative	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset / Deficiency	Explanation
Equipment - ADPE and TELECOM							
2014	Customer Service	1,250		1,250	1,250		
2014	Data Management	980		980	980		
2014	Infrastructure / Other	13,398		13,398	13,398		
Software Development							
2014	Customer Service	830		830	830		
2014	Data Management	2,221		2,221	2,221		
2014	Financial Management	13,414		13,414	13,414		
Minor Construction							
2014	Infrastructure / Other	1,533		1,533	1,533		
	Total FY 14	**33,625**		**33,625**	**33,625**		

Activity Group Capital Investment Summary
Defense Information Systems Agency
PE54 COMPUTING SERVICES
April 2013
(Dollars in Millions)

	FY 2012 Quantity	FY 2012 Total Cost	FY 2013 Quantity	FY 2013 Total Cost	FY 2014 Quantity	FY 2014 Total Cost
Non-ADPE Equipment	**11.000**	**$34.362**	**13.000**	**$37.000**	**16.000**	**$36.000**
Replacement	**11.000**	**$34.362**	**13.000**	**$37.000**	**16.000**	**$36.000**
CE0300 Facilities Equipment	11.000	$34.362	13.000	$37.000	16.000	$36.000
ADPE & Telecom Equipment Capabilities	**1.000**	**$0.000**	**1.000**	**$1.100**	**1.000**	**$0.500**
Telecoms, Other Computer & Telecom Support Equip	**1.000**	**$0.000**	**1.000**	**$1.100**	**1.000**	**$0.500**
CE0400 Communications	1.000	$0.000	1.000	$1.100	1.000	$0.500
Software Development	**6.000**	**$13.359**	**8.000**	**$9.455**	**6.000**	**$10.000**
Externally Developed	**6.000**	**$13.359**	**8.000**	**$9.455**	**6.000**	**$10.000**
CV0200 Software Development	6.000	$13.359	8.000	$9.455	6.000	$10.000
Minor Construction Capabilities	**4.000**	**$1.450**	**4.000**	**$2.675**	**4.000**	**$2.675**
New Construction	**4.000**	**$1.450**	**4.000**	**$2.675**	**4.000**	**$2.675**
CE0200 Minor Construction - Facilities	4.000	$1.450	4.000	$2.675	4.000	$2.675
Total Obligations	**22.000**	**$49.171**	**26.000**	**$50.230**	**27.000**	**$49.175**
Total Capital Outlays		**$40.374**		**$50.438**		**$54.557**
Total Depreciation Expense		**$15.501**		**$17.377**		**$24.286**

Computing Services: Capital Investment Justification ($ in Thousands)		A. FY 2014
B. Computing Services / April 2013	C. CE0300 Non-ADP Equipment	D. Facilities Equipment

Element of Cost	FY 2012 Quantity	FY 2012 Unit Cost	FY 2012 Total Cost	FY 2013 Quantity	FY 2013 Unit Cost	FY 2013 Total Cost	FY 2014 Quantity	FY 2014 Unit Cost	FY 2014 Total Cost
Facility Equipment	11.00	3,272.73	36,000.00	13.00	2.846.15	37,000.00	16.00	2,250.00	36.000.00
Total	11.00	3,272.73	36,000.00	13.00	2.846.15	37,000.00	16.00	2,250.00	36.000.00

Narrative Justification

Description and Purpose:

The following table shows the planned Computing Services facility equipment projects:

Site	FY 2013	FY 2014
DECC Mechanicsburg	Upgrade building automation system Upgrade the existing Computer Room Air Handler (CRAH) units Design the upgrade for additional generators and gear on the C&D busses. This will add redundancy and increase capacity.	Mechanical Capacity Upgrade Design
DECC Montgomery	Upgrade existing cooling towers	Upgrade Computer Room Air Handler (CRAH) unit Chiller Piping Redundancy Design Building Automation System (BAS) Upgrade

DECC Ogden	Upgrade external Anti-Terrorism Force Protection and physical security	
DECC Oklahoma City	Upgrade Building Automation System	Generator Upgrade Upgrade Air Handling unit Gaseous fire suppression system
DECC Columbus	Upgrade the existing Air Handling units Design expansion and upgrade of mechanical cooling system (i.e. chillers, cooling towers, pumps)	Mechanical Capacity Upgrade
DECC St Louis	Upgrade Building Automation System	Mechanical Design for cooling system
DECC San Antonio	Upgrade and expand the current facility security system	Gaseous fire suppression system Mechanical Piping & Water Tank
DECC Warner Robbins	Upgrade mechanical cooling system (i.e. chillers, cooling towers, pumps) Upgrade current Uninterrupted Power Supply (UPS) and critical distribution systems to include switchgear and the generator	Facility Security System Upgrade Upgrade Building Automation System
DECC Europe		UPS Generator Power Upgrade Mechanical System Upgrade

Building automation system upgrades are necessary in order to adequately monitor and control the building environment.

The upgrades of UPS/generators/electrical systems (including buss projects) are required to support additional redundancy and future workload growth.

The upgrade and expansion of the existing facility security system at Warner Robbins in FY 2014 will allow DISA to monitor additional square footage. The additional square footage is necessary to support projected workload growth.

The mechanical design at St. Louis is to provide cooling system redundancy.

Mechanical upgrades at San Antonio, Mechanicsburg, Columbus, and Europe, as well as the Chiller Piping Redundancy Design at Montgomery, and all CRAH/CRAC Unit upgrades are for the purpose of increasing cooling system capabilities associated with increased workload.

Current Deficiency and/or Problem:

The computing centers require cyclical upgrades to their infrastructure and plant equipment. These upgrades are necessary to ensure reliability, security and redundancy to support customer workload.

Impact:

If these system and infrastructure investments/requirements are not funded, safety hazards and mission failure may result. Age-related infrastructure and equipment deficiencies can result in unplanned datacenter downtime. Additionally, DISA's ability to provide redundancy to enable 24x7 operations for customers will be jeopardized, resulting in a negative impact on DISA's operational capability, efficiency, and ability to support customers.

Energy Savings:

The upgrade/replacement of Uninterrupted Power Supply (UPS) units has resulted in a 3 percent reduction in data center energy consumption. In addition, generator upgrades/replacements have resulted in a 5 to 10 percent reduction in fuel consumption, as the new/upgraded units are more efficient. Lastly, the upgrade/replacement of mechanical systems and chillers yield 20 percent more cooling for the same amount of power consumption, which equates to potential building energy consumption savings of 4 to 7 percent.

Computing Services: Capital Investment Justification ($ in Thousands)		A. FY 2014
B. Computing Services / April 2013	C. CE0400 ADPE and Telecommunications	D. Communications

Element of Cost	FY 2012 Quantity	FY 2012 Unit Cost	FY 2012 Total Cost	FY 2013 Quantity	FY 2013 Unit Cost	FY 2013 Total Cost	FY 2014 Quantity	FY 2014 Unit Cost	FY 2014 Total Cost
Communications	1.00	1,100.00	1,100.00	1.00	1,100.00	1,100.00	1.00	500.00	500.00
Total	1.00	1,100.00	1,100.00	1.00	1,100.00	1,100.00	1.00	500.00	500.00

Narrative Justification

Description and Purpose:

DISA Computing Services provides premiere data processing capability for the DOD, requiring secure, highly available, and high speed network capabilities. DISA currently maintains and upgrades its datacenter communication infrastructure through the use of a services contract that allows for a rapid and flexible response to infrastructure growth and technology changes. However, this capital investment authority will be used to acquire communications hardware not covered by the current communications services contract.

Current Deficiency and/or Problem:

In order to secure customer systems, hardware is needed to support local firewalls and routing functions which were recently upgraded at the data centers. The upgrades address the Computing Services communications infrastructure that provides access to the production, test/development, and out of band networks.

Impact:

If DISA is unable to procure and install these devices, we will not be able to support new customer requirements. DISA will be unable to support new classified workload if we are unable to support the recent upgrades. There will not be sufficient infrastructure to safeguard the network and ultimately protect the customers' data. DISA will not have an acceptable level of first-line computer network defense.

Computing Services: Capital Investment Justification ($ in Thousands)		A. FY 2014
B. Computing Services / April 2013	C. CV0200 Software Development	D. Software Development

Element of Cost	FY 2012 Quantity	FY 2012 Unit Cost	FY 2012 Total Cost	FY 2013 Quantity	FY 2013 Unit Cost	FY 2013 Total Cost	FY 2014 Quantity	FY 2014 Unit Cost	FY 2014 Total Cost
Software Development	6.00	563.67	3,382.00	8.00	1,181.88	9,455.00	6.00	1,666.67	10,000.00
Total	6.00	563.67	3,382.00	8.00	1,181.88	9,455.00	6.00	1,666.67	10,000.00

Narrative Justification

Description and Purpose:

The DISA Computing Services' mission, as an enterprise computing service provider, is to deliver world-class service at the lowest possible cost that satisfies mission objectives. To accomplish this, we require funding to ensure that the services provided to support customers' missions are met through processes and systems which provide availability, capacity, continuity and security of the existing systems. Additionally, systems are required to track customer information and ensure service level agreements (SLAs) are met. DISA operates a variety of geographically dispersed mainframes and computing systems which require funding to support the enterprise environment. As technology changes, Standard Operating Environment (SOE) projects require software investments to sustain the most efficient processing environment for the customer at the lowest possible cost.

Included in FY 2013 and FY 2014 is software which allows network and system administrators to monitor and address performance issues. The standard tools selected for this purpose will be expanded and augmented to provide a wider scope of monitored devices and presentation layer software to more effectively utilize the standard tool. This allows the data centers to leverage existing software investments to better manage the infrastructure. Also included is software for the purpose of improving/maintaining: server management security, accurate tracking of data center assets, the proper identification of the level of risk associated with automated changes to configurations, the financial management demands of DISA, process automation/auto provisioning for customer flexibility, event correlation management, mainframe resource sharing, throughput and productivity of system administrators when using standard web applications, server management security, the functionality of monitoring tools, and network management services.

Current Deficiency and/or Problem:

Existing software systems risk security vulnerability and may be inadequate to provide the proper assurance of availability and capacity to support the customers' mission requirements. Therefore, DISA must invest in new software to more efficiently host

systems that provide a highly available, secure and robust computing environment and allow for timely and accurate customer billing. Based on the technical evaluation and the implementation cost, new products will be selected to meet organizational needs. Technical evaluations on mainframe and distributed software products will be conducted throughout the enterprise to avoid functionally equivalent software and the associated duplicative costs.

Impact:

Without these investments DISA will not be able to effectively operate and manage the diverse and increasing number of systems. There is an increased risk that Service Level Agreements will not be met due to downtime of systems, performance degradation, and lack of proactive means of measuring and correcting system capacity and availability problems. The volume of operating environments coming into the computing centers cannot be managed without enterprise system tools and could result in an inability to accurately monitor, report, and review service performance.

Computing Services: Capital Investment Justification ($ in Thousands)		A. FY 2014
B. Computing Services / April 2013	C. CE0200 Minor Construction - Facilities	D. Minor Construction - Facilities

Element of Cost	FY 2012 Quantity	FY 2012 Unit Cost	FY 2012 Total Cost	FY 2013 Quantity	FY 2013 Unit Cost	FY 2013 Total Cost	FY 2014 Quantity	FY 2014 Unit Cost	FY 2014 Total Cost
Minor Construction	4.00	750.00	3,000.00	4.00	668.75	2,675.00	4.00	668.75	2,675.00
Total	4.00	750.00	3,000.00	4.00	668.75	2,675.00	4.00	668.75	2,675.00

Narrative Justification

Description and Purpose:

The following facility enhancements are planned in FY 2013 and FY 2014:

Site	FY 2013	FY 2014
DECC Warner Robbins	Electrical System Upgrade	
DECC Ogden	Physical security upgrades	
DECC Oklahoma City	Upgrade the external plant area to support additional generators	
DECC San Antonio		Physical security upgrades
DECC PAC		Upgrade HVAC
DECC Montgomery		Physical security upgrades

The upgrade of physical security is necessary in order to comply with DoD regulations

Upgraded Heating/Ventilation/Air Conditioning (HVAC) capabilities are required to both address additional cooling requirements associated with increased workload, as well as comply with indoor air quality standards mandated by OSHA.

Current Deficiency and/or Problem:

Various facilities are in need of upgrades and renovations in order to meet current standards and support new workload.

Impact:
If these projects are not funded, age-related infrastructure and equipment deficiencies could result in unexpected system failures, placing site personnel at risk and potentially resulting in unnecessary datacenter downtime. DISA's ability to provide a reliable and safe 24/7/365 operational capability may also be jeopardized.

Defense Information Systems Agency
Activity Group: PE54 COMPUTING SERVICES
FY 2012
FY 2014 Budget Estimate
($ in Millions)

Fiscal Year	Major Category	Initial Request	Current Proj. Cost	Approved Change	Explanation
FY 2012					
	Equipment except ADPE and Telecommunications	36.000	34.362	(1.638)	Re-programming action to support new accounting system
	Equipments - ADPE and Telecommunications	1.100	0.000	(1.100)	Re-programming action to support new accounting system
	Software Development	3.382	13.359	9.977	Re-programming action to support new accounting system
	Minor Construction	3.000	1.450	(1.550)	Re-programming action to support new accounting system
	TOTAL FY 2012	**43.482**	**49.171**	**5.689**	

Defense Information Systems Agency
Activity Group: PE54 COMPUTING SERVICES
FY 2013
FY 2014 Budget Estimate
($ in Millions)

Fiscal Year	Major Category	Initial Request	Current Proj. Cost	Approved Change	Explanation
FY 2013					
	Equipment except ADPE and Telecommunications	35.300	37.000	1.700	Increased requirement to allow contingency for unforeseen site conditions and price increases for prior year and current year projects
	Equipments - ADPE and Telecommunications	1.100	1.100	0.000	No change
	Software Development	4.000	9.455	5.455	Increased requirement due to the unavailability of Capacity Services contracts that allow for the procurement of Software
	Minor Construction	2.175	2.675	0.500	Increased requirement to allow contingency for unforeseen site conditions and price increases for prior year and current year projects
	TOTAL FY 2013	**42.575**	**50.230**	**7.655**	

Defense Information Systems Agency
Activity Group: PE54 COMPUTING SERVICES
FY 2014
FY 2014 Budget Estimate
($ in Millions)

Fiscal Year	Major Category	Initial Request	Current Proj. Cost	Approved Change	Explanation
FY 2014					
	Equipment except ADPE and Telecommunications	36.000	36.000	0.000	
	Equipments - ADPE and Telecommunications	0.500	0.500	0.000	
	Software Development	10.000	10.000	0.000	
	Minor Construction	2.675	2.675	0.000	
	TOTAL FY 2014	**49.175**	**49.175**	**0.000**	

Activity Group Capital Investment Summary
Defense Information Systems Agency
TELECOMMUNICATION SERVICES AND ENTERPRISE ACQUISITION SERVICES
April 2013
(Dollars in Millions)

	FY 2012 Quantity	FY 2012 Total Cost	FY 2013 Quantity	FY 2013 Total Cost	FY 2014 Quantity	FY 2014 Total Cost
Non-ADPE Equipment	**0.000**	**$0.000**	**0.000**	**$0.000**	**0.000**	**$0.000**
ADPE & Telecom Equipment Capabilities	**2.000**	**$2.935**	**4.000**	**$29.408**	**2.000**	**$12.623**
Other Support Equipment	**2.000**	**$2.935**	**4.000**	**$29.408**	**2.000**	**$12.623**
Secure Handset System Upgrade	0.000	$0.000	1.000	$4.971	0.000	$0.000
TR0010 JHITS Switch Expansion & Ancil Equip	1.000	$0.000	0.000	$0.000	0.000	$0.000
TR0031 EMSS Gateway Transformation	1.000	$2.935	1.000	$13.847	1.000	$10.625
TR0032 Broadband Global Area Network	0.000	$0.000	1.000	$1.090	0.000	$0.000
TR0033 DTCS Architecture Improvement	0.000	$0.000	1.000	$9.500	1.000	$1.998
Computer Hardware (Production)	**0.000**	**$0.000**	**0.000**	**$0.000**	**0.000**	**$0.000**
Software Development	**2.000**	**$2.256**	**1.000**	**$1.650**	**2.000**	**$7.400**
Externally Developed	**2.000**	**$2.256**	**1.000**	**$1.650**	**2.000**	**$7.400**
EE0001 TIBI	1.000	$1.606	0.000	$0.000	0.000	$0.000
EE0004 DDOE Enhancements	1.000	$0.650	1.000	$1.650	1.000	$2.400
EE0006 Traditional Contract Writing System	0.000	$0.000	0.000	$0.000	1.000	$5.000
Minor Construction Capabilities	**0.000**	**$0.000**	**0.000**	**$0.000**	**0.000**	**$0.000**
Total Obligations	**4.000**	**$5.191**	**5.000**	**$31.058**	**4.000**	**$20.023**
Total Capital Outlays		**$0.000**		**$19.068**		**$21.062**
Total Depreciation Expense		**$14.538**		**$10.665**		**$10.440**

Telecommunication Services / Enterprise Acquisition Services: Capital Investment Justification ($ in thousands)							A. FY 2014		
B. TS/EAS / April 2013			C. ADPE and Telecommunications				D. Secure Handset System Upgrade		
Element of Cost	**FY 2012 Quantity**	**FY 2012 Unit Cost**	**FY 2012 Total Cost**	**FY 2013 Quantity**	**FY 2013 Unit Cost**	**FY 2013 Total Cost**	**FY 2014 Quantity**	**FY 2014 Unit Cost**	**FY 2014 Total Cost**
Secure Handset System Upgrade	0.00	0.00	0.00	1.00	4,971.00	4,971.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	**1.00**	**4,971.00**	**4,971.00**	0.00	0.00	0.00

Narrative Justification:

Iridium Follow on Secure Handset:

Funding supports the new secure satellite phone which replaces the obsolete 9505A secure phone that has been off the commercial market for eight years. These phones provide Type I encryption for Secret and Top Secret voice capability. The current vendor has agreed to support the 9505A, but because the parts are obsolete, the phone is extremely expensive to maintain.

The Enhanced Mobile Satellite Service (EMSS) program currently has over 28,000 obsolete 9500A phones, with approximately another 10,000 phones inactive. These phones are critical communications devices for the executive branch, DoD users, and the intelligence community. Added capabilities to the new phone include GPS as well as a personnel location and identification "panic button," which once pressed, will send an emergency message to the DoD mission management center alerting them that someone is in danger or needs help.

Description and Purpose:

Funds will be used to certify the NSA approved 9575 phone and the Iridium Secure Module (ISM) that encrypts the voice calls, create a new tamper seal, and it will upgrade the secure call interface located at the DoD Iridium Gateway in Hawaii. These upgrades are needed to support the DoD's Secret and Top Secret Phone program.

Current Deficiency and/or Problem:

The current force phone is over 8 years old and is no longer supported on the commercial market. DoD is paying a vendor to support this phone, which is cost prohibitive due to the need for parts that have to be specially made since they are no longer in production.

Impact:

If the project is not supported, the EMSS program will continue to incur extremely expensive maintenance costs. Additionally, supplies of the ISM used to encrypt the obsolete phones are projected to be exhausted by 2016, without this project the EMSS program will be unable to support new users who have a secure voice requirement.

Telecommunication Services / Enterprise Acquisition Services: Capital Investment Justification ($ in thousands)		A. FY 2014
B. TS/EAS/ April 2013	C. ADPE and Telecommunications	D. TR0031 EMSS Gateway Transformation

Element of Cost	FY 2012 Quantity	FY 2012 Unit Cost	FY 2012 Total Cost	FY 2013 Quantity	FY 2013 Unit Cost	FY 2013 Total Cost	FY 2014 Quantity	FY 2014 Unit Cost	FY 2014 Total Cost
EMSS Gateway	1.00	2,935.00	2,935.00	1.00	13,847.00	13,847.00	1.00	10,625.00	10,625.00
Total	**1.00**	**2,935.00**	**2,935.00**	**1.00**	**13,847.00**	**13,847.00**	**1.00**	**10,625.00**	**10,625.00**

Narrative Justification:

Description and Purpose:

The Enhanced Mobile Satellite Service (EMSS) provides deployed Warfighters and Partnering Agencies global communications through enhancements to commercial Mobile Satellite Service (MSS) infrastructures. Services provided include voice, data (2.4kbps), paging, and Short Burst Data. Major functions include airtime usage via the Iridium Low Earth Orbit (LEO) constellation, Operations and Maintenance (O&M) of the DoD EMSS Gateway, Customer provisioning, and engineering assistance. In order to ensure continued reliable service the EMSS Gateway is undergoing modernization and upgrades.

Current Deficiency and/or Problem:

Due to the aging EMSS terrestrial architecture, infrastructure and equipment in service since the commencement of the program is becoming unsupportable. The current EMSS DoD Gateway was procured to receive traffic from the current Iridium constellation. Iridium Satellite LLC has initiated an effort (Iridium NEXT) to replace its aging constellation. To ensure the government's continued ability to receive EMSS/Iridium traffic, the EMSS Gateway will need to be migrated to maintain technical parity via a series of upgrades designed to maintain full backward compatibility and be fully NEXT compliant. This transformation began in FY 2010 and is expected to continue through FY 2016.

Impact:

If the EMSS Gateway is not transformed to remain compatible with the Iridium commercial gateway, DoD will not be able to receive critical operational traffic nor provide access to new services offered by Iridium NEXT. Without upgrades to the DoD Gateway infrastructure, end user equipment, encryption devices, and COOP capability will not meet communications needs.

Telecommunication Services / Enterprise Acquisition Services: Capital Investment Justification ($ in thousands)		A. FY 2014
B. TS/EAS / April 2013	C. ADPE and Telecommunications	D. TR0032 Broadband Global Area Network

Element of Cost	FY 2012 Quantity	FY 2012 Unit Cost	FY 2012 Total Cost	FY 2013 Quantity	FY 2013 Unit Cost	FY 2013 Total Cost	FY 2014 Quantity	FY 2014 Unit Cost	FY 2014 Total Cost
BGAN Equipment	0.00	0.00	0.00	1.00	1,090.00	1,090	0.00	0.00	0.00
Total	**0.00**	**0.00**	**0.00**	**1.00**	**1,090.00**	**1,090**	**0.00**	**0.00**	**0.00**

Narrative Justification:
Broadband Global Area Network data gateway solution at the DISA Enterprise Computer Centers (Europe and Pacific) aligns with DISA's Net-Centric goals. This solution provides a secure, managed, DoD enterprise capability enabling BGAN users reach back connectivity to the DISN, without tunneling through non-secure VPN's.

Description and Purpose:
Funds procure BGAN Remote Access Service equipment, install equipment at the DECCs in Europe and in the Pacific, and complete system and operational testing. Equipment includes routers, switches, firewalls, performance enhancing proxy devices, encryption devices, intrusion detection equipment and system spares.

Current Deficiency and/or Problem:
Significant concerns about mission assurance and operational security (OPSEC) exist with the way commercial entities currently provision and deliver BGAN services to DoD users through homegrown solutions.

Impact:
If not funded the DoD communications will continue to be at risk due to use of non-mission assured solutions to provide reach back connectivity to the DISN. Additionally, Military Services will continue to have to operate and sustain their own non-enterprise gateways and efficiencies in equipment, personnel support, and leased lines, will not be realized.

Telecommunication Services / Enterprise Acquisition Services: Capital Investment Justification ($ in thousands)		A. FY 2014
B. TS/EAS / April 2013	C. ADPE and Telecommunications	D. TR0033 DTCS Architecture Improvement

Element of Cost	FY 2012 Quantity	FY 2012 Unit Cost	FY 2012 Total Cost	FY 2013 Quantity	FY 2013 Unit Cost	FY 2013 Total Cost	FY 2014 Quantity	FY 2014 Unit Cost	FY 2014 Total Cost
DTCS	0.00	0.00	0.00	1.00	9,500.00	9,500.00	1.00	1,998.00	1,998.00
Total	**0.00**	**0.00**	**0.00**	**1.00**	**9,500.00**	**9,500.00**	**1.00**	**1,998.00**	**1,998.00**

Narrative Justification:
The Distributed Tactical Communications System (DTCS) enables warfighters at the edge to exchange secure one-to-many communications that do not require line-of-sight to operate. It uses the Enhanced Mobile Satellite Service (EMSS) backbone, a secure, commercially-managed (Iridium) satellite-based infrastructure, to transmit voice and data from a mobile, lightweight terminal through a DoD-dedicated gateway and prohibits outsiders from accessing the communication. Funds will implement a global services prototype that allows deployed forces to have a global reach capability for voice and location identification tracking. This prototype merges the Operational Controller (OC) software with the current network manager system, increases the capability of the current Global Broadcast Controller (GBC) Location Server (LS), and supports current radio firmware upgrades. Additionally, this will aid in developing additional management and planning tools such as a cryptographic key manager and satellite resource management. The current availability of the Iridium constellation for the DTCS radio is approximately 90%. Based on the health of the constellation, the implementation of this global services architecture, and addition of a remote earth terminal will increase DTCS net availability and access to the gateway to over 96%.

Description and Purpose:
Capital funds will enable DTCS to expand its current 250 mile range to a global reach in support of the global power projection. The global services architecture along with the remote earth terminal significantly enhances the system availability to the Warfighter.

Current Deficiency and/or Problem:
There is a capability gap that exists in areas where either terrestrial communications infrastructure does not exist or the terrain of the operating environment limits line of sight communications. The DTCS currently fills that void, but has a much greater potential with a global capability. This additional capability will allow for commanders to talk to and track their units anywhere in the world with a push of the button to talk, and/or a web portal or Global Command and Control System (GCCS) to track individual or unit locations. It also allows an alternative means of communication for intelligence reporting anywhere in the world regardless of geographical location.

Impact:
Without these DTCS enhancements, the Warfighter will not have global push to talk, communications on the move and asset tracking capability all in one device. Additionally, the Warfighter will not benefit from narrow-band voice, and polar voice, and data coverage.

Telecommunication Services / Enterprise Acquisition Services: Capital Investment ($ in thousands)		A. FY 2014
B. TS/EAS / April 2013	C. Software Development	D. EE0004 DDOE Enhancements

Element of Cost	FY 2012			FY 2013			FY 2014		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
DDOE Enhancements	1.00	650.00	650.00	1.00	1,650.00	1,650.00	1.00	2,400.00	2,400.00
Total	1.00	650.00	650.00	1.00	1,650.00	1,650.00	1.00	2,400.00	2,400.00

Narrative Justification:

Description and Purpose: Enhance DISA Direct Order Entry (DDOE) system to provide ordering capabilities for the NETWORX Contract. NETWORX is the replacement for the DoD mandated FTS2001 Telecommunications System. DDOE is DISA's mandatory system for ordering Telecommunications Services. Without these enhancements, FTS2001 Services cannot be transitioned to NETWORX and new NETWORX services cannot be ordered. NETWORX currently has 53 different Telecommunications Services. In prior phases, DDOE has been updated with 13 of these services, that are currently being utilized by the DoD customers. Known enhancements for Phase 5, FY 2013: Perform technical analysis, design, programming, integration/system testing on new Networx service offerings including Video Teleconferencing, Wireless, Managed Trusted Internet Protocol Service (MTIPS), Networx Management Services.

Known enhancements for Phase 6, FY 2014: Perform technical analysis, design, programming, integration/ system testing on new Networx service offerings including Call Center, Managed Tiered Security Services (MTSS), Customer Specific Design and Engineering Services (CSDES)

The DoD CIO has designated DISA as the Cloud Broker for the DoD. As the Cloud Broker, DISA will manage the use, performance, and delivery of cloud services, and negotiate the relationships between cloud providers and cloud consumers. The cloud brokering function will optimize the delivery of multi-provider cloud services and enable DoD cloud service consumers to tailor available services and optimize cloud performance based on their technical requirements and mission. The concept calls for the ability to quickly provision cloud services to authorized DoD consumers based upon their technical and policy requirements and funding relationships. As such, the current DDOE order system must be updated to account for this new function.

Current Deficiency and/or Problem: The DISA Direct Order Entry (DDOE) system does not provide the capability to order all NETWORX services that customers require, nor allow for Cloud computing services to be ordered online

Impact:

Without additional software development, the ordering of new services will cause an overload of manual work for customers and Defense Information Technology Contracting Organization (DITCO). Services will not be provided accurately or timely. Also, the ability to order Cloud computing services online will have to be done manually. This would be an inefficient process, requiring additional time and manpower to process

Telecommunication Services / Enterprise Acquisition Services: Capital Investment ($ in thousands)		A. FY 2014
B. TS/EAS / April 2013	C. Software Development	D. EE0006 Traditional Contract Writing System

Element of Cost	FY 2012			FY 2013			FY 2014		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Traditional Contract Writing System	0.00	0.00	0.00	0.00	0.00	0.00	1.00	5,000.00	5,000.00
Total	0.00	0.00	0.00	0.00	0.00	0.00	1.00	5,000.00	5,000.00

Narrative Justification: On 24 March 2005, DISA-PLD/DITCO received authorization from the DoD Business Management Modernization Program (BMMP) to replace incongruous and unsupported legacy contracting applications with a modern end-to-end system now called the Integrated Defense Enterprise Acquisition System (IDEAS). This project was subdivided into telecommunications and traditional contracting, and uses an agile methodology to incrementally configure Appian's Inc Business Process Management (BPM) tool to support all procurement functions. IDEAS as an agile project that adheres to the DoD Procurement Data Standard (PDS) and Standard Financial Information Structure (SFIS), has been certified Business Enterprise Architecture (BEA) compliant and is documented using the Department of Defense Architecture Framework (DoDAF). Receiving its Authority to Operate (ATO) in 3QFY09, IDEAS provided telecommunications contracting capability first. Funding is required to deploy the traditional contracting capability which is the next step in the incremental progression towards a fully integrated contract writing system. The traditional contracting solution will be configured utilizing Appian's BPM tool to provide the flexibility, access controls, and interfaces necessary to provide a secure and streamlined system inclusive of all procurement functions. DISA is currently licensed to configure IDEAS for Telecommunications and Traditional Contracting for 5000 users.

Description and Purpose: IDEAS, a contract writing system, is a cloud-based solution hosted by DECC-Ogden, and includes native mobile and social technologies. Telecommunications contracting was implemented first and has processed over 6000 contract actions by 150 contracting specialists and officers, with a life cycle value just over $1.0B. Traditional contracting is the next step towards replacing costly and unsupported legacy systems, providing the full spectrum of contracting capabilities within a single integrated system, and replacing the Standard Procurement System (SPS) which is scheduled to be sunset in FY 2015.

Current Deficiency and/or Problem: OSD AT&L Department of Defense (DoD) Functional Contract Writing and Administration Capabilities Memo dated 21 October 2011 declared FY 2015 as the end-of-life for the SPS/PD2. Therefore, the IDEAS Traditional Contract Writing System project must start immediately to be in place before the legacy system sunsets in FY 2015.

Impact: Failure to replace DISA contract writing systems before the sunset of SPS/PD2 will result in an interruption of DISA's ability to contract for essential Information Technology products and services required by DISA's mission partners.

Defense Information Systems Agency
Activity Group: PE55/56 TELECOMMUNICATIONS AND ENTERPRISE ACQUISITION SERVICES
FY 2012
FY 2014 Budget Estimate
($ in Millions)

Fiscal Year	Major Category	Initial Request	Current Proj. Cost	Approved Change	Explanation
FY 2012					
	Equipment except ADPE and Telecommunications	0.000	0.000	0.000	
	Equipments - ADPE and Telecommunications	8.230	2.935	(5.295)	Re-programming action to support new accounting system
	Software Development	2.256	2.256	0.000	
	Minor Construction	0.000	0.000	0.000	
	TOTAL FY 2012	**10.486**	**5.191**	**(5.295)**	

Defense Information Systems Agency
Activity Group: PE55/56 TELECOMMUNICATIONS AND ENTERPRISE ACQUISITION SERVICES
FY 2013
FY 2014 Budget Estimate
($ in Millions)

Fiscal Year	Major Category	Initial Request	Current Proj. Cost	Approved Change	Explanation
FY 2013					
	Equipment except ADPE and Telecommunications	0.000	0.000	0.000	
	Equipments - ADPE and Telecommunications	18.830	29.408	10.578	(1) Out-of-cycle increse of $5.420M for DTCS to implement a global services reach capability and addition of a remote earth terminal; (2) Out-of-cycle increase of $4.971M to update to the Iridium Secure Module and the secure call interface located at the DoD Iridium Gateway; (3) Price increase of $0.187M for Mobile Satellite Services.
	Software Development	0.650	1.650	1.000	Adjustment for Cloud Broker Services
	Minor Construction	0.000	0.000	0.000	
	TOTAL FY 2013	**19.480**	**31.058**	**11.578**	

Defense Information Systems Agency
Activity Group: PE55/56 TELECOMMUNICATIONS AND ENTERPRISE ACQUISITION SERVICES
FY 2014
FY 2014 Budget Estimate
($ in Millions)

Fiscal Year	Major Category	Initial Request	Current Proj. Cost	Approved Change	Explanation
FY 2014					
	Equipment except ADPE and Telecommunications	0.000	0.000	0.000	
	Equipments - ADPE and Telecommunications	12.623	12.623	0.000	
	Software Development	7.400	7.400	0.000	
	Minor Construction	0.000	0.000	0.000	
	TOTAL FY 2014	**20.023**	**20.023**	**0.000**	

DEFENSE LOGISTICS AGENCY
DEFENSE-WIDE WORKING CAPITAL FUND
SUPPLY CHAIN MANAGEMENT ACTIVITY GROUP
FISCAL YEAR (FY) 2014 BUDGET ESTIMATES
ACTIVITY GROUP CAPITAL INVESTMENT SUMMARY
($ IN MILLIONS)

Line Number	Item Description	FY 2012		FY 2013		FY 2014	
		Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
MAT 200-01	Material Handling/Storage Space Utilization - Distribution	11	9.955	8	14.722	7	20.011
IS 200-02	Installation Security - Distribution	7	4.525	3	1.884	2	1.125
IS 200-03	Installation Security - Materiel Supply Chain	1	1.000	1	0.500	1	1.625
MAD 200-04	Material Disposal - Disposition	1	0.914	4	2.860	3	1.700
	TOTAL EQUIPMENT (Non ADP/T)	20	16.394	16	19.966	13	24.461
TEL 100	Telecommunications - Materiel Supply Chain	3	2.399	7	5.922	5	8.491
TEL 200	Telecommunications - Distribution	0	0.000	3	5.141	3	5.280
PRD 100	Production Hardware - Materiel Supply Chain	2	3.255	4	10.030	2	7.071
PRD 200	Production Hardware - Disposition	1	2.754	1	2.804	0	0.000
NET 100	Network Hardware - Distribution	1	5.100	2	5.000	2	12.665
	TOTAL EQUIPMENT (ADP/T)	7	13.508	17	28.897	12	33.507
SWD 200-01	Supply Chain Management - eProcurement		30.048		19.600		0.000
SWD 200-02	Supply Chain Management - Common Food Management System		0.000		0.000		0.000
SWD 200-03	Supply Chain Management - Enterprise Business System		29.041		43.908		55.819
SWD 200-04	Supply Chain Management - Defense Medical Logistics Standard System		2.397		2.397		2.997
SWD 200-05	Supply Chain Management - DoD EMALL		2.037		5.733		5.848
SWD 200-06	Supply Chain Management - Functional Executive Agent Medical Support		1.977		2.458		2.645
SWD 200-07	Supply Chain Management - Reutilization Business Integration		11.694		0.500		0.500
SWD 300-01	Net-Centric Hubs - Fusion Center		0.000		2.760		2.814
SWD 300-02	Net-Centric Hubs - Enterprise Business Software		0.709		0.791		0.000
SWD 300-03	Net-Centric Hubs - Asset Visibility		0.000		0.500		0.500
SWD 400-01	Master Data - Federal Logistics Information System		2.074		2.075		2.075
SWD 500-01	Distribution - Radio Frequency Identification		0.000		1.817		1.920
SWD 500-02	Distribution - Distribution Standard System		0.000		1.086		1.107
	TOTAL SOFTWARE DEVELOPMENT		79.977		83.625		76.225
REP 200-01	Minor Construction $250,000 - $750,000 (Materiel Supply Chain)		0.571		3.226		3.076
REP 200-02	Minor Construction $250,000 - $750,000 (Distribution)		10.937		9.002		9.002
REP 200-03	Minor Construction $250,000 - $750,000 (Disposition)		2.341		2.095		2.470
	TOTAL MINOR CONSTRUCTION		13.849		14.323		14.548
	TOTAL AGENCY CAPITAL INVESTMENTS	27	123.728	33	146.811	25	148.741
	Total Capital Outlays		180.992		216.795		197.372
	Total Depreciation Expense		116.746		190.358		199.866

Activity Group Capital Investment Justification (Dollars in Thousands)										A. Budget Submission **Fiscal Year (FY) 2014 Budget Estimates**		
B. Component/Activity Group/Date Defense Logistics Agency Supply Chain Management Activity Group April 2013				C. Line Number & Item Description MAT 200-01 Non-ADP Equipment						D. Activity Identification DLA Distribution		
	FY 2012			FY 2013			FY 2014					
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
MAT 200-01 Material Handling/Storage Space Utilization	11	905	9,955	8	1,840	14,722	7	2,858	20,011			

Narrative Justification:

These investments are for material handling equipment, mobile material handling equipment, and miscellaneous warehouse equipment or systems. Equipment is to replacement existing items that have reached or exceeded the useful life established for these categories. Based on guidance contained in various Department of Defense (DoD) governing polices, the Defense Logistics Agency (DLA) has established replacement and life expectancy/productivity enhancements standards for all categories of investment equipment. The standards are based on life expectancy with consideration given to condition, usage hours, and/or repair costs. DLA establishes age, utilization and repair standards based on industry information and experience in the absence of DoD acquisition and replacement criteria relative to unusual categories of equipment.

Equipment supports new mission or productivity related projects for which DLA has established policies and procedures to ensure that the ultimate goals of providing cost savings in terms of reduced man-hours to complete mission oriented tasks, new systems or equipment to meet the requirements for attaining DLA strategic goals, and modification to enhance safety of the operators or environment are met. All productivity related projects normally provide a payback of not more than five years and savings to investment ratio of greater than one.

Projects in FY 2013 include Container Handler Forklifts, Sortation Systems, and Hybrid Crane MILCON for DLA Distribution at Susquehanna. Projects in FY 2014 include conveyor system, building storage and racks systems.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Supply Chain Management Activity Group
April 2013

C. Line Number & Item Description
IS 200-02 Non-ADP Equipment

D. Activity Identification
DLA Distribution

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
IS 200-02 Installation Security	7	646	4,525	3	628	1,884	2	563	1,125			

Narrative Justification:

This program involves providing installation security related items. Security items include Card Access Control Systems (CACS) for various buildings, a card access system, a closed circuit television system, and fire emergency trucks. Equipment of this type will provide security of the items stored in the depots as well as safety and security for the DLA employees. This equipment is in accordance with security guidance provided by the Department of Defense and in order to rectify identified security deficiencies. This equipment will provide depot security as well as safety and security for DLA Distribution employees.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Supply Chain Management Activity Group
April 2013

C. Line Number & Item Description
IS 200-03 Non-ADP Equipment

D. Activity Identification
Materiel Supply Chain

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
IS 200-03 Installation Security	1	1,000	1,000	1	500	500	1	1,625	1,625			

Narrative Justification:

This program involves providing installation security related items. Security items include portals, turnstiles, entrance card reader, intrusion, detection devices, and fire emergency trucks. Equipment of this type will provide security of the items stored in the depots as well as safety and security for the DLA employees. This equipment is in accordance with security guidance provided by the Department of Defense and in order to rectify identified security deficiencies.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Supply Chain Management Activity Group
April 2013

C. Line Number & Item Description
MAD 200-04 Non-ADP Equipment

D. Activity Identification
DLA Disposition Services

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
MAD 200-04 Material Disposal	1	914	914	4	715	2,860	3	567	1,700			

Narrative Justification:

This investment is for scrap handlers that have reached or exceeded the useful life established for this category. Based on guidance contained in various Department of Defense (DoD) governing polices, the Defense Logistics Agency (DLA) has established replacement and life expectancy standards for all categories of investment equipment. The standards are based on life expectancy with consideration given to condition, usage hours, and/or repair costs. DLA establishes age, utilization and repair standards based on industry information and experience in the absence of DoD acquisition and replacement criteria relative to various categories of equipment.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Supply Chain Management Activity Group
April 2013

C. Line Number & Item Description
TEL 100 Telecommunications Equipment

D. Activity Identification
Materiel Supply Chain

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
TEL 100 Telecommunications	3	799	2,399	7	846	5,922	5	1,698	8,491			

Narrative Justification:
This investment for telecommunications equipment is in support of DLA Land and Maritime, DLA Aviation and DLA Troop Support. This equipment will ensure that data transmissions from voice to video are successful. Requirements include telephone switches, Local Area Network (LAN) upgrades, Wide Area Network (WAN) upgrades, storage solutions, video teleconferencing hardware, and a trunked radio system.
The LAN Upgrade at DLA Land and Maritime is a directed action and is required to maintain and improve the current level of support to customers. A robust LAN is required to support the DLA Land and Maritime mission as well as meet DLA technology goals and initiatives. The goals of the upgrade are to reduce procurement lead times, design and implement a best value enterprise IT environment, continue to maintain the current IT environment while supporting operational issues, mandated changes and system enhancements and improve customer response time for services and materiel. An Economic Analysis (EA) has been submitted for this expenditure. There is approximately $17.5M in productivity savings (discounted to $11.2M) accruing to the LAN not going down on an abnormal basis. This figure is reasonable since the benefits stream is capturing the fact that the LAN is critical IT infrastructure that must be in place to allow the mission of the agency to be fulfilled. In addition to the quantitative benefits, the LAN Upgrade is qualitatively consistent with current IT policy. The improved reliability and additional technological robustness of the LAN will support both DLA Land and Maritime and DLA agency wide business plans and goals. The purpose of the enhancements is to install planned improvements and upgrades of Core/Mission Critical LAN and telecommunications hardware, cable and middleware. The continued enhancement of the DLA LAN and telecommunications infrastructure is essential to the continued improvement of the availability of information and data required for DLA to effectively perform its mission. A Business Case Analysis (BCA) has been performed and submitted for each fiscal year. No specific Cost/savings quantitative analysis was performed for these projects. However, the projects are consistent with the DLA long-term plan for upgrading the DLA LAN and telecommunications capabilities.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Supply Chain Management Activity Group
April 2013

C. Line Number & Item Description
TEL 200 Telecommunications Equipment

D. Activity Identification
DLA Distribution

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
TEL 200 Telecommunications	0	0	0	3	1,713	5,141	3	1,760	5,280			

Narrative Justification:
The Radio Frequency mission, as specified in DoD 4140.1-R and Defense Reform Initiative Directive (DRID) 48, calls for the ability to read 2D bar codes during the pick operation. The mission relies upon the perpetuation of serial number information throughout the supply chain; suppliers will mark this information on material in the form of 2D bar codes. This work is primarily supported by Radio Frequency equipment. Beyond completion of the UIT projects (both replacements and new RF systems) in FY2009, no RF infrastructure requirements are known at this time. The intent of this action is to procure end user devices and their attendant ancillary equipment that can interface with the current 802.11b/g infrastructure the same as (802.11b/g) the current end user equipment. The intent is also to replace and/or supplement the current 802.11b/g infrastructure when necessary and when necessary to survey, design and install and implement an entire new site when required. No BCA or EA was done. Money was allocated for future requirements that are not yet completely defined. There will be no visual cost savings involved as these projects will be mandated in order to support mission requirements.

Radio Frequency Identification (RFID) supports the overall goal of supply chain integration and logistics interoperability and allows for information exchange within and between internal and external business partners. The first phase of the RFID initiative included reading passive RFID tags at receiving locations, initially for new procurement and eventually for field returns. Passive RFID printer had been deployed in preparation for MRO-level tagging at receiving. RFID printers were shipped to all the CONUS sites and two OCONUS sites. pRFID portals were registered with DLA Transaction Services as an integral component for improving the metrics. A central reporting server was created; its role as a repository for composite data is being developed. The Center of Excellence (CoE) at DDJC will be the centerpiece for implementing new pRFID technologies driven by business processes. Phase I projects include fast-track receiving, intra-depot tracking of material, and a real-time-location system in the CCP facility. Negative ROI anticipated until MRO level tagging, Local Delivery initiatives, and auto-receipt processing are more ubiquitous. DLA Distribution J3 estimates annual savings in excess of $1M with auto-receipt of RDOs alone. The benefit of RFID in Receiving (PRR) is being realized at the DLA Distribution San Joaquin and New Cumberland sites.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Supply Chain Management Activity Group
April 2013

C. Line Number & Item Description
PRD 100 Production Hardware

D. Activity Identification
Material Supply Chain

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
PRD 100 Production Hardware	2	1,627	3,255	4	2,507	10,030	2	3,535	7,071			

Narrative Justification:
The DLA Transaction Services mission is to receive, validate, edit, route, transmit, and archive nearly all unclassified DoD logistic traffic. This mission is accomplished by a collection of systems that are supported by four financial profiles; DBASE, DDATA, DGATE, and EBUS. The requirements identified not only provides the DLA Transaction Services' Enterprise Infrastructure, but also provides the necessary components needed for data exchange, storage, facility and security between the DLA Transaction Services profile environments and DLA Transaction Services' diverse external customer base. This infrastructure provides for numerous DLA Transaction Services MAC-I applications such as the DLA Transaction Services Routing Control System (DRCS), Service Oriented Messaging Architecture (SOMA), DLA Transaction Services Micro Automated Routing System (DMARS), Global Exchange (GEX) E-Business Hub, and the identified COTS solution, WebMethods, that is being developed/installed as the replacement solution for GEX, and other mission critical MAC-II systems. The Integrated Data Environment (IDE) Asset Visibility (AV) application development, test, COOP and production environments installed at DLA Transaction Services are leveraging DLA Transaction Services assets as well. The identified requirements also include the necessary hardware to provide support for 12 DoD level repositories used in the editing, validating, verifying, and routing of logistics data for DoD, other Federal Agencies, the North Atlantic Treaty Organization (NATO), and foreign military sales (FMS) countries. These repositories also support DoD requisition tracking. The above mentioned DRCS and SOMA applications are identified for technical refreshment of existing servers that have outgrown their life cycle. These applications are responsible for performing a core, mission critical function, and directly service the vast MQ Series, File Transfer Protocol (FTP) and Simple Mail Transfer Protocol (SMTP) customer base. These applications process over 3.7 Billion logistics transactions per year. The DoD Electronic Business gateway at DLA Transaction Services is a highly reliable "global community services" logistics processing application serving the entire DoD community to include DLA, US Air Force, US Army, US Marine Corps, US Navy, US Coast Guard, the Federal Sector, the Defense Contractor community, International Logistics Communications Systems (ILCS), Foreign Military Sales (FMS) countries, and all DoD logistics customers using DoD and commercial networks. The key component of the E-Business profile is the GEX E-Business Hub. The requirements above include the technical refreshment of the hardware components for GEX. GEX provides EDI data exchange from secure facilities located at DLA Transaction Services. The GEXs are connected via the Non-classified Internet Protocol Router Network (NIPRNET). The NIPRNET provides the communications backbone for Electronic Commerce Infrastructure (ECI). The NIPRNET is part of the Defense Information System Network (DISN) and is managed by DISA. However, in lieu of refreshing GEX, DLA Transaction Services has developed a business solution that would refresh all hardware that currently supports the capability and also purchase hardware to migrate several DLA Transaction Services COTS functions to a single COTS solution, WebMethods. By migrating to this single COTS solution, DLA Transaction Services will save money associated with supporting multiple COTS solutions, including costs required to employee multi-skilled personnel. A migration to WebMethods allows DLA Transaction Services to use the DLA standard method of routing information. The impact of not replacing these hardware platforms will lead to degradation of services, leading to mission failure.

Activity Group Capital Investment Justification

(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Supply Chain Management Activity Group
April 2013

C. Line Number & Item Description
PRD 200 Production Hardware

D. Activity Identification
DLA Disposition Services

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
PRD 200 Production Hardware	1	2,754	2,754	1	2,804	2,804	0	0	0			

Narrative Justification:

Radio frequency equipment is required to support the reutilization mission. There are plans for forty-nine CONUS and OCONUS sites to receive equipment and infrastructure (printers, readers, etc.) configured to handle the Automated Information Technology needs of the DLA Disposition Services inventory. The hardware will be configured to work with the Reutilization Business Integration (RBI) solution set which includes the Distribution Standard System (DSS), Enterprise Business System (EBS), and Integrated Data Environment (IDE).

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Supply Chain Management Activity Group
April 2013

C. Line Number & Item Description
NET 100 Network Hardware

D. Activity Identification
DLA Distribution

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
NET 100 Network Hardware	1	5,100	5,100	2	2,500	5,000	2	6,333	12,665			

Narrative Justification:

In FY 2013 and FY 2014, DLA Information Operations New Cumberland will upgrade LAN networks supporting DLA Distribution to include hardware and infrastructure cabling. There are also LAN installation requirements to establish DLA network enclave connectivity supporting the IMSP program and the DLA Distribution Navy Warehouse Transfer initiative. Upgrades are planned for DLA Distribution Tobyhanna, DLA Distribution San Joaquin, DLA Distribution Yokosuka, Japan, DLA Distribution Sigonella, Italy, DLA Distribution Hill AFB, DLA Distribution Jacksonville, Fl DLA Distribution Anniston, Al, DLA Distribution Norfolk, Va, DLA Distribution Barstow, Ca, DLA Distribution Cherry Point, NC, DLA Distribution/Aviation San Diego, CA, DLA Distribution Albany, GA, DLA Distribution Germershiem, Germany, DLA Distribution Susquehanna, DLA Distribution Warner Robins, NWT Groton Connecticut, DLA Land and Maritime Norfolk Naval Shipyard, Va, and the DLA Distribution HQ. The LAN installation supporting IMSP and Navy Warehouse Transfer locations will be planned as locations are identified through the planning process.

Due to changing and or insufficient requirements for the various locations, no Business Case Analysis (BCA) or Economic Analysis (EA) was performed.

Incomplete knowledge of the existing infrastructure and until these transfers are completed and actual requirements identified, no savings/cost avoidance should result from the purchase.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Supply Chain Management Activity Group
April 2013

C. Line Number & Item Description
SWD 200-01 Software Development $1.0 and Over

D. Activity Identification
Materiel Supply Chain

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-01												
EProcurement			30,048			19,600			0			

Narrative Justification:
EProcurement started as a pre-planned product improvement to the procurement capabilities delivered with Enterprise Business System (EBS). The program is currently designated as an ACAT IAC program by the USD(AT&L). EProcurement will replace the legacy DLA procurement capability with SAP Commercial Off The Shelf (COTS) products.
SAP Procurement for the Public Sector (PPS) COTS solution will be integrated into existing DLA EBS Enterprise Resource Planning (ERP) architecture. In FY 2012, DLA completed the Build and Test Phase and began the Deployment Phase. DLA received the following deliverables at the end of the Build Phase: Application Configuration Rationales, Technical Designs for Reports, Interfaces, Conversions, and Extensions (RICE), coding of all RICE, unit tests for all RICE, Test Planning materials, Deployment Planning materials, job summaries, Supervisory workshop materials, Change discussion materials, Instructor guides, training exercises, and a workforce readiness plan. During the Test Phase, teams executed a variety of tests to include Functional testing, Integration testing, Regression testing, Operational testing, Performance testing, User Acceptance testing, FFMIA testing, and JITC testing. During the Deployment Phase, the team performed Cutover and Conversion activities, executed training, and resolved system issues that arose as they executed their rollouts across DLA. In FY 2013, DLA will complete the Deployment Phase. Again, the team will perform Cutover and Conversion activities, execute training, and resolve system issues that may arise as they execute their rollouts across DLA.
The expected outcomes of the activity include: increase in service level, decrease in cycle time, increase in horizontal integration, increase in financial accountability, and an increase in business alignment to the Warfighter. The impact of not funding would result in: (a) the need to continue support and maintenance of DPACS at approximately $10 million a year, (b) the need to maintain interfaces between DPACS and EBS, and (c) an inability to attain an additional $8 million/year in benefits related to EBS interface retirement, SPS/BOSS interface retirement, and functional savings resulting from increased contract visibility, automated invoice processing, post contract award efficiencies, and data storage efficiencies.

Activity Group Capital Investment Justification

(Dollars in Thousands)

A. Budget Submission **Fiscal Year (FY) 2014 Budget Estimates**

B. Component/Activity Group/Date
Defense Logistics Agency
Supply Chain Management Activity Group
April 2013

C. Line Number & Item Description
SWD 200-02 Software Development $1.0 and Over

D. Activity Identification
Materiel Supply Chain

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-02 Common Food Management System (CFMS)			0			0			0			

Narrative Justification:

In July 2011, the CFMS Executive Board (EB) voted and agreed to end CFMS development efforts. EB members were Air Force, Army, Marine Corps, Navy, Military Sealift Command and Joint Staff J4 with DLA serving as the Chair. In September 2011, the Defense Business Systems Management Committee concurred with the DLA request to decertify FY 2011 funds.

DLA planned to execute an Analysis of Alternatives (AOA) in early FY 2012 to determine how best to support the requirement of DOD 5101.10, Subsistence Executive Agency (EA) to "plan, develop, fund, implement, and maintain a Joint Food Management System." With the concurrence of the Military Services, DLA did not pursue the AOA; instead, each of the Services opted to continue use of their respective food service systems and revisit the need for a joint system at a later date. Therefore, the CFMS program does not require the planned FY 2013 nor FY2014 DWCF Capital funds.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Supply Chain Management Activity Group
April 2013

C. Line Number & Item Description
SWD 200-03 Software Development $1.0 and Over

D. Activity Identification
Materiel Supply Chain

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-03 Enterprise Business System (EBS)			29,041			43,908			55,819			

Narrative Justification:
The DLA EBS will essentially help link the entire supply chain from the time a warfighter places an order to the time that order is delivered. Currently at full operational capacity, EBS enables DLA employees to take information on stock that is stored at military supply storage and distribution sites and turn that information into an actionable document called a supply plan that is used by buyers to procure products. EBS allows DLA's over 8,000 EBS users and DLA's customers to make supply queries online, place orders, improve delivery time, have automated product data information and give commanders immediate access to stock information. EBS enables DLA on a wholesale and retail level. Investments such as EProcurement, Energy Convergence and the retail integration efforts will continue to expand the capabilities of EBS. EBS enables DLA to improve customer fulfillment and maintain material availability while providing the opportunity to implement policies that reduce inventory, warehouse operations costs, and add new capabilities.
In FY12, the Inventory Management and Stock Positioning (IMSP) completed assembly test for the new Fleet Readiness Center (FRC) DISA platform and FRC mock conversion in Jacksonville. The Real Property plant maintenance capability was rolled out to several DLA activities. The Real Property team also rolled out the External Business Portal functionality to DLA partners.
In FY13, DLA anticipates providing additional EBS capabilities which includes: Performance Based Logistics (PBL) initiative designed to provide product support as an integrated, affordable performance package designed to optimize system readiness and meet performance goals for weapon systems through long-term product support with clear lines of authority and responsibility between end users; First Destination Transportation Packaging Initiative (FDTPI) initiative which adopts commercial practices in first destination transportation and changes policies and procedures for vendor and DLA Distribution depot packaging; and Separation of Duties (SOD) – Governance Risk Compliance (GRC) which provides a controlled process to validate and grant user roles and access.

Activity Group Capital Investment Justification

(Dollars in Thousands)

A. Budget Submission **Fiscal Year (FY) 2014 Budget Estimates**

B. Component/Activity Group/Date
Defense Logistics Agency
Supply Chain Management Activity Group
April 2013

C. Line Number & Item Description
SWD 200-04 Software Development $1.0 and Over

D. Activity Identification
Materiel Supply Chain

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-04 Defense Medical Logistics Standard Support (DMLSS) Wholesale			2,397			2,397			2,997			

Narrative Justification:
The Defense Medical Logistics Standard System-Wholesale (DMLSS-W) is an integrated system supporting the medical logistics needs of the Services and the Warfighter. The program directly funds the business process improvements and Management Information System (MIS) enhancements at DLA Troop Support Philadelphia with benefits and savings cascading throughout the entire DoD medical logistics supply chain. In FY 2013 - 2014 the program will continue software re-engineering improvements to the DMLSS-W applications in support of the Defense Medical Logistics (DML) Authoritative Source Initiative and associated business processes. To support the Medical Master Catalog (MMC), DMLSS-W will complete phased deployment of interactive catalog and sourcing functionality in the MMC enabling an integrated view of product, source and pricing options and providing enhanced customer access to data and improving optimal sourcing. MMC Schema changes will also be incorporated to support standardization efforts and to address excise tax identification and pricing agreement issues. DAPA Management System (DMS) will develop standardization process to present synchronized product details from various sources including vendor and manufacturer name and provide a mechanism to allow soft copy document attachments to promote paperless processing and the development of an interface for customers to retrieve synchronized data from a Global Data Synchronization Network (GDSN) data pool. Business Intelligence tools will be re-engineered to enable Real Time Price Verification reporting. To support Gen IV customer information, the development of automated flu-vaccine tracking capabilities will enable better requirements gathering for the services and real time visibility of transactional data. The continued development of workflow processes will support Product Sourcing Request (PSR) integration into the DMLSS-Retail system. The re-engineering of the Readiness Portal will enable customers to retrieve medical product information from a single source and better support emerging Medical Contingency Requirements. The emergence of MMC as the de facto Medical Catalog incorporating data for Prime Vendor, ECAT and all other procurement Programs requires the re-engineering of the DMLSS-W sourcing engine to point to MMC data for several of the program readiness applications. New capabilities will be developed linking customers to the best current price under all contractual vehicles and providing NSN intelligence needed to support Assembly build and management by Services. DMLSS-W will complete re-engineering the receipt confirmation process to support Wide Area Workflow (WAWF). The electronic catalogue will be programmed to accept XML transactions. Also new functionalities will enable increased user access to data and increase reporting tool capability. PDB data will be further integrated into the DMLSS-W suite to improve data quality and reduce functional redundancies while providing a consistent interface to enterprise capabilities. The ROI for the DMLSS Program is almost 6 to 1. The benefits estimate is over $3.6 billion across the DoD from FY 2002 through FY 2013.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Supply Chain Management Activity Group
April 2013

C. Line Number & Item Description
SWD 200-05 Software Development $1.0 and Over

D. Activity Identification
Materiel Supply Chain

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-05 DOD EMALL			2,037			5,733			5,848			

Narrative Justification:
The DOD EMALL is an advanced, web-based government procurement application designed much like commercial applications. The site provides a personalized experience where each user can initiate transactions right from their desktop. DOD EMALL allows users to search or browse for commercial and government off-the-shelf products and services through a single interface and then to purchase those products or services in an easy to use online format.
In FY 2012, EMALL continues the Financial compliance and standardization initiatives, including a link to generate MOES/FCM redirect via web service for determination and delivery of applicable DOD EMALL orders. Implementation of the new Tires corridor which will replace the existing Land and Maritime program, FPDS-NG Spiral III rollout pre population: Create DOD EMALL feed to the Federal Procurement Data system
In FY 2013, DOD EMALL Site Redesign – Modernization facelift for DOD EMALL to follow industry best practices (BCA is being completed to support modernization). In addition, Capital investment funding will be used for functional System Change Requests (SCRs) that are at or above the capital threshold. The benefits of implementation in all the above areas will allow DOD EMALL to meet all areas of Compliance and continue to provide improved operational effectiveness and efficiencies using state of the art world class processes to the war fighter. Redesign initiatives include Business Rule Engine and Integrated Customer Acquisition, Multiple Ship to destinations in a single order, Upgrades to Shopping cart identity functions, enabling GSA global ordering using GPC, reverse auctioning supplier collaboration, Search, Shopping, Ordering and User Profile enhancements and creation of a Vendor Order Download Site to provide a tool for DOD EMALL vendors to enable external downloading of orders.
In FY 2014 DOD EMALL Site Redesign – Continue the modernization facelift by implementing functional System Change Requests (SCRs) that will allow DOD EMALL to meet all areas of Compliance and provide improved operational effectiveness & efficiencies using state of the art world class processes to the war fighter. The ongoing redesign initiatives include; Business Rule Engine and Integrated Customer Acquisition, Multiple Ship to destinations in a single order, Upgrades to Shopping cart identity functions, enabling GSA global ordering using GPC, reverse auctioning supplier collaboration, Search, Shopping, Ordering & User Profile enhancements and creation of a Vendor Order Download Site to provide a tool for DOD EMALL vendors to enable external downloading of orders.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Supply Chain Management Activity Group
April 2013

C. Line Number & Item Description
SWD 200-06 Software Development $1.0 and Over

D. Activity Identification
Materiel Supply Chain

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-06 Functional Executive Agent Medical Support (FEAMS)			1,977			2,458			2,645			

Narrative Justification:
The Functional Executive Agent Medical Support (FEAMS) program identifies and implements business process improvements to improve medical supply chain operations. FEAMS facilitates the DLA Class VIII executive agent mission in three initial emphasis areas with both unclassified and classified (future) processing requirements: Medical Contingency Requirements Workflow (MCRW), Decision Support Capability (DSC), and Materiel and Process Standardization (MPS). FEAMS FY12 and FY13 capital investment will deliver MCRW increment one functionality in two releases and will form the foundation for future MCRW capability and Defense Medical Logistics DSC and MPS efforts.
In the 1st MCRW release, FEAMS will leverage the information and partnerships gathered from the MCRW Proof of Concept (PoC) study conducted in the FEAMS prototyping phase to produce a scenario-dependent contingency requirements estimate and corresponding materiel item list that begins the evolution to a consolidated forecasting methodology for Services' contingency sustainment requirements. In this release FEAMS will validate an end-to-end workflow process for a Deliberate Planning use case using PACOM OPLAN data and will begin to work with NORTHCOM to validate extending MCRW capability for Humanitarian Assistance / Disaster Relief (HA/DR) use case. FEAMS will identify requirements and support producing Humanitarian Assistance / Disaster Relief (HA/DR) data necessary to enable generation of Patient Condition Occurrence Frequency (PCOF) data for COCOM customers and will analyze and identify DSC performance metrics and measures to become the enterprise visibility and management leverage point for the contingency requirements management process. Through this effort, FEAMS will identify the best value technical approach and define data management requirements for leveraging existing capability both internal and external to the Defense Medical Logistics (DML) enterprise. Additionally, FEAMS will engage data sharing partners, develop required service level agreements, and orchestrate their participation in data workgroups. Release 1 activity will establish the foundation to enable additional MCRW workflows for new functionality and customer groups in subsequent releases.
FEAMS MCRW Release 2 will enable new MCRW workflows for Sustainment and Crisis Action planning use cases respectively using OPLAN data from the COCOM customer and will also build upon the release 1 Deliberate Planning capability. FEAMS will begin developing DSC for the identified supply chain measures and indicators currently contained in the Fusion Center. FEAMS will also work with the Defense Medical Materiel Program Office to identify and, if possible, incorporate data acquisition, management, and reporting tools within MCRW. This will establish the foundation for future MPS work and will assist medical products standardization at both the policy and execution levels in both institutional facilities and operational/ contingency operations, minimizing the impact and leveraging the benefit of rapid technological innovation in the commercial market for medical materiel
The FEAMS Business Case identified potential cost avoidances for DLA and the Services' Medical Logistics Supply Chain of $124M over the effective life FY 2012 – FY 2022. FEAMS capabilities have strong customer advocacy and will significantly enhance DLA support to the Warfighter.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission **Fiscal Year (FY) 2014 Budget Estimates**

B. Component/Activity Group/Date
Defense Logistics Agency
Supply Chain Management Activity Group
April 2013

C. Line Number & Item Description
SWD 200-07 Software Development $1.0 and Over

D. Activity Identification
DLA Disposition Services

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-07 Reutilization Business Integration (RBI)			11,694			500			500			

Narrative Justification:

Reutilization Business Integration (RBI) will integrate the DLA Disposition Services Automated Information System (DAISY) suite of applications with DLA Enterprise Business Systems. RBI will leverage existing GOTS/COTS within the current DLA Enterprise to include Enterprise Business System (EBS), Distribution Standard System (DSS), and DLA Transaction Services systems. The selected Information Technology (IT) portfolio solution will provide DLA Disposition Services with the most efficient and flexible solution to manage the DLA Disposition Services business area.

DSS will accommodate DLA Disposition Services' Receipt, Store, Issue and other disposition processes. DLA Disposition Services' Financial, Budget, Procurement and some disposition requirements will be satisfied by EBS. DLA Disposition Services' Sales requirements will be satisfied by a COTS solution within EBS. RBI will utilize DLA Transaction Services to provide data to Service/Agency systems. DLA Transaction Services provides access to master data sources thereby improving data quality and timeliness.

FY 2012 funds include SCR deployment activities to support EBS, DSS, Sales and DLA Transaction Services with continued functional and technical SCR coding of DSS and EBS requirements. FY 2013 and FY 2014 funds will allow funding of SCRs for any portion of RBI which has already been fielded.

An Economic Analysis Addendum (Revision 5) is currently being developed. Benefits are expected to begin accruing in FY 2013, with payback expected in FY 2015. Overall RBI program benefits, through FY 2023.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Supply Chain Management Activity Group
April 2013

C. Line Number & Item Description
SWD 300-01 Software Development $1.0 and Over

D. Activity Identification
Materiel Supply Chain

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 300-01 Net-Centric Hubs Fusion Center			0			2,760			2,814			

Narrative Justification:
The end-state Fusion Center will provide continuous integrated situational awareness to the DLA Enterprise and mission partners in order to anticipate requirements, support decision making, monitor/influence the end-to-end supply chain, and provide agile support to the Warfighter. The objective of the Fusion Center is to combine people, process, and technology in a net-centric distributed environment where DLA and mission partner's operational and performance data will be integrated, analyzed, and presented as information for decision-making. The expected benefits of the Fusion Center are increased visibility of the supply chain pipeline, accurate and timely information, improved coordination/collaboration with partners and customers, and the automation of performance metrics that are currently manually intensive. The primary data source for the Fusion Center is the Enterprise Business System (EBS) and Integrated Data Environment (IDE). The Fusion Center will rely on EBS for supply chain management information. IDE will serve as the data sharing infrastructure to access additional DLA Enterprise and mission partner data that may be required by Fusion Center. IDE will also provide discovery services to make these combined data sources visible and understandable to developers of Fusion Center dashboards, Common Operating Pictures (COP) and end-to-end supply and distribution visibility applications.
Business Case Analysis Type III Completed December 2009-FOC Fiscal Year 2018
Approximately 220 analysts are employed to conduct analytical work. Only 25 percent of their time is actually spent doing analytical work and the remainder of their time is spent gathering, verifying and presenting data. The Fusion Center will provide at least 25% increase in productivity by automating enterprise level briefings and providing analytical tools for root cause analysis. An increase in analyst efficiency results in a productivity increase of $5.5M per year.
An estimation of operational error is valued at 1 percent of DLA annual revenue of $42.0B (FY2008 actual) which equates to $420M. The Fusion Center can anticipate and prevent about 5 percent of the errors through the timely and accurate reporting of information. Five percent of $420M equals $21.0M. Ninety percent of the $21.0M equals $18.9M per year not being invested in errors. This amount can be invested better resulting in reduced inventory, more sales and increased support to the warfighter.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Supply Chain Management Activity Group
April 2013

C. Line Number & Item Description
SWD 300-03 Software Development

D. Activity Identification
Materiel Supply Chain

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 300-02 Net Centric Hubs DLA Transaction Services Enterprise Software			0			791			0			

Narrative Justification:

The DLA Transaction Services mission is to receive, validate, edit, route, transmit, and archive nearly all unclassified DoD logistics traffic. This mission is accomplished by a collection of systems that are supported by four financial profiles; DBASE, DDATA, DGATE, and EBUS. The requirements identified not only provides the DLA Transaction Services Enterprise Infrastructure with the necessary software required for the platforms, but also provides the necessary software for components needed for data exchange, storage, facility and security between the DLA Transaction Services profile environments and DLA Transaction Services' diverse external customer base. This infrastructure provides for numerous DLA Transaction Services MAC-I applications such as the DLA Transaction Services Routing Control System (DRCS), Service Oriented Messaging Architecture (SOMA), DLA Transaction Services Micro Automated Routing System (DMARS), Global Exchange (GEX) E-Business Hub, and the identified COTS solution, WebMethods, that is being developed/installed as the replacement solution for GEX, and other mission critical MAC-II systems. The Integrated Data Environment (IDE) Asset Visibility (AV) application development, test, COOP and production environments installed at DLA Transaction Services are leveraging DLA Transaction Services assets as well. The above mentioned DRCS and SOMA applications are identified for technical refreshment of existing software for servers which have outgrown their life cycle. These applications are responsible for performing a core mission critical function, and directly service the vast MQ Series, File Transfer Protocol (FTP) and Simple Mail Transfer Protocol (SMTP) customer base. These applications process over 3.7 Billion logistics transactions per year. The DoD Electronic Business gateway at DLA Transaction Services is a highly reliable "global community services" logistics processing application serving the entire DoD community to include DLA, US Air Force, US Army, US Marine Corps, US Navy, US Coast Guard, the Federal Sector, the Defense Contractor community, International Logistics Communications Systems (ILCS), Foreign Military Sales (FMS) countries, and all DoD logistics customers using DoD and commercial networks. The key component of the E-Business profile is the GEX E-Business Hub. The requirements above include the technical refreshment of the software for hardware components for GEX. GEX provides EDI data exchange from secure facilities located at DLA Transaction Services. The GEXs are connected via the Non-classified Internet Protocol Router Network (NIPRNET). The NIPRNET provides the communications backbone for Electronic Commerce Infrastructure (ECI). The NIPRNET is part of the Defense Information System Network (DISN) and is managed by DISA. However, in lieu of refreshing GEX, DLA Transaction Services has developed a business solution that would refresh all software for the hardware that currently supports the capability and also purchase the necessary software to migrate several DLA Transaction Services COTS functions to a single COTS solution, WebMethods. By migrating to this single COTS solution, DLA Transaction Services will save money associated with supporting multiple COTS solutions, including costs required to employ multi-skilled personnel. A migration to WebMethods allows DLA Transaction Services to use the DLA standard method of routing information. The requirements identified also include the necessary software development professional support required to achieve success with the proposed business solutions. The impact of not purchasing the identified software development support and replacing the identified software will lead to inability to use hardware equipment, which will lead to degradation of services leading to mission failure.

Activity Group Capital Investment Justification

(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Supply Chain Management Activity Group
April 2013

C. Line Number & Item Description
SWD 300-04 Software Development

D. Activity Identification
Materiel Supply Chain

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 300-04 Net Centric Hubs Asset Visibility			0			500			500			

Narrative Justification:

Asset Visibility (AV) is a joint logistics capability that collects and fuses information from multiple DLA, TRANSCOM, GSA, and Military Service systems, providing Combatant Commands (COCOMs), Military Services, DLA, and Joint Task Forces with timely and accurate information including location, movement, status, and identity of units, personnel, equipment, and supplies. AV also provides vital logistics information to consuming systems managed by the Army, Navy, and DISA. AV is the Department's System of Record for asset visibility; however, whether users are interested in viewing inventory, requisition, or in-transit/in-theatre information at the detailed or summary level, the powerful data query and reporting capability built into the web-based AV application is designed to satisfy both needs, built using COTS tools. The Joint Staff J4 and DLA Logistics Operations are the AV functional sponsors.

In FY12 a directive came out of the Distribution Process Owner Executive Board (DEB) to consolidate distribution-related In-Transit Visibility (ITV) and Asset Visibility IT systems eliminating duplication and overlap in Information Technology (IT) system capability to ensure the greatest possible support to the warfighter. As a result AV began efforts to "sunset" and be subsumed by the Integrated Data Environment (IDE)/ Global Transportation Network (GTN) Convergence (IGC).

FY 2013 & FY 2014 funds will be utilized for the AV/IGC Migration efforts by AV, IDE and IGC.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Supply Chain Management Activity Group
April 2013

C. Line Number & Item Description
SWD 400-05 Software Development $1.0 and Over

D. Activity Identification
Materiel Supply Chain

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 400-01 Master Data Federal Logistics Information System Portfolio			2,074			2,075			2,075			

Narrative Justification:
The Federal Logistics Information System (FLIS) Portfolio is comprised of the FLIS, the FLIS Portfolio Workbench (FPW, replaced Catalog Re-engineering System), the FLIS Portfolio Data Warehouse (FPDW, replaced RMDE), and WebFLIS. The FLIS is identified as the authoritative source system to broadcast the logistics data for numerous processes that support DoD ERP implementations and many legacy systems. The FPW was designed as a universal, catalog input and work-flow tool as a result of cataloging consolidation. The FPW also performs Supply Support Request (SSR) processing for DLA managed items. In 2007, DLA Logistics Information Service subject matter experts conducted an Economic Analysis (EA) for the FLIS as it had reached the end of its lifecycle. In order to reduce the footprint, enhance customer support and provide additional supply chain information, the FLIS is developing requirements and designing incremental improvements to conduct transformation through approximately 2017. There have been many user requirements identified that will be implemented within the FLIS transformation initiative, in addition to the development and evolution of the Commercial Master Data File (ComMDF, currently referred to as the Parametric Search and Data Mining Capability). As discussed in previous submissions, the FLIS Portfolio began moving toward the WebMethods suite of tools in FY2011 in an effort to reduce the existing suite of tools required in DLA to support mission requirements, aligns DLA Logistics Information Service with the DLA IDE and replaces GOTS and/or COTS solutions such as Oracle Application Server that are costly to sustain and not frequently used in DLA. DLA Logistics Information Service deployed the FPW on the WebMethods platform in FY2011. The FPW was designed as a universal, catalog input and work-flow tool as a result of cataloging consolidation. The FPW also performs Supply Support Request (SSR) processing for DLA managed items. Additionally, DLA Logistics Information Service is in the process of integrating the FPDW into the WebMethods environment. These efforts allow DLA a better opportunity to obtain Corporate licensing at a reduced price vice several individual solutions to negotiate prices and fund licenses.
The overall advantages of these projects are increased systems agility, flexibility in responding to customer requirements, decreased system footprint, elimination of duplicative processes/systems, and the enhanced ability to provide relevant data for sourcing, standardization, taxonomy development, and item descriptions. This realignment prepares DLA Logistics Information Service to support the transformation of FLIS and integrates more of the DLA IDE-like toolset into the DLA Logistics Information Service mission/portfolio for data sharing and transactional management.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Supply Chain Management Activity Group
April 2013

C. Line Number & Item Description
SWD 500-01 Software Development Less Than $1.0

D. Activity Identification
DLA Distribution

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 500-01 Radio Frequency Identification			0			1,817			1,920			

Narrative Justification:
Radio Frequency Identification (RFID) supports the overall goal of supply chain integration and logistics interoperability and allows for information exchange within and between internal and external business partners. The first phase of the RFID initiative is to read passive RFID tags at receipt locations, initially for new procurement and eventually for field returns. As the RFID function develops, it is anticipated to expand into picking, packing, storage, and shipping sections as well. Therefore additional funding for software has been requested for middleware that can provide data monitoring and management, device monitoring and management, and application development tools as well as for System Change Requests to develop modifications to DSS to support RFID functionality.

As passive RFID technology is further ingrained in our supply chain, the criticality of its software performance and increased capabilities becomes greatly important. Investment in the continued implementation and development of this essential component of the RFID package facilitates the benefit of this technology to DLA Distribution's customers and used as a main metrics indicator to the Receiving process of DLA Distribution.

Economic analysis is under consideration by DLA Logistics Operations; the completion/release date is not known at this time. Negative ROI anticipated until MRO level tagging, Local Delivery initiatives, and auto-receipt processing are more ubiquitous. PRR is part of our tag to stow initiative. A positive ROI will take a few years, but additional savings may be found from other site to site problems. Lost materials will be an eventual finding where large dollars will be saved in man hours and money.
DLA Distribution J-3 estimates annual savings in excess of $1M with auto-receipt of RDOs alone. The benefit of RFID in Receiving (PRR) is being realized at the 18 of the DLA Distribution sites including San Joaquin and DLA Distribution New Cumberland.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Supply Chain Management Activity Group
April 2013

C. Line Number & Item Description
SWD 500-02 Software Development $1.0 and Over

D. Activity Identification
DLA Distribution

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 500-02 Distribution Standard System (DSS)			0			1,086			1,107			

Narrative Justification:

The Distribution Standard System (DSS) was fully deployed FY1998. DSS will continue to be enhanced through Business Process Improvements beyond Full Operational Capability (FOC). Many of these productivity System Change Requests (SCR's) are generated by the DLA Distribution Centers, sites and other stakeholders to improve and standardize the Distribution Business Processes. They will provide more cost effective customer support by enhancing functional areas such as Storage, Workload Planning, Transportation, Inventory, Receiving, Small Arms Serialization Program (SASP), Local Delivery, Packing, Packaging, Preservation and Marketing (PPP&M), Care Of Supplies In Storage (COSIS), Hazardous Material (HAZMAT), Equipment Control System (ECS), and Management Information System (MIS). In the latest releases as well the plans for future releases, DSS has and will continue to expand use of RFID/pRFID technologies to reduce processing steps, increase accuracy and improve asset visibility. RFID and WAWF have been incorporated into specific functions within DSS to meet DODs requirement to improve accountability and the receipt acceptance process. Additionally, DSS is fully interoperable with all DOD systems that are compliant with DOD's standard DLSS and DLMS interfaces. DSS SCRs are created by DLA HQ, DLA Distribution and DLA Information Operations to support Service Enterprise Resource Planning (ERP) and BRAC retail operations. This funding will support expanding DSS not only to new sites as required (for example DLA Distribution Kuwait and DLA Distribution Kandahar, Afghanistan) but also for ongoing Enterprise initiatives such as Reutilization Business Initiative (RBI) and Defense Transportation Coordination Initiative (DTCI).
SCRs are required to keep DSS current with changing commercial and government freight policies, unique DoD and Service related initiatives, and regulatory changes to on-line and batch programs. These SCRs address mandated and priority core mission issues. All development will be performed internally.
Analysis of individual DSS SCRs shows a range of Return On Investment (ROI) from 0.33 to 11.1; the payback period range from less than one (1) month to three (3) years.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Supply Chain Management Activity Group
April 2013

C. Line Number & Item Description
REP 200-01 Minor Construction

D. Activity Identification
Materiel Supply Chain

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 200-01 Minor Construction			571			3,226			3,076			

Narrative Justification:
The minor construction investment for projects (costing between $250,000 and $750,000 each) will construct new, replace existing, or modify current facilities to enhance mission performance, increase the level of protection of the workforce, and the mission stock. These projects include:

1. Renovation and alteration of administrative facilities. An example is the conversion of a portion of a Pearl Harbor warehouse to administrative space to replace that in the buildings at Camp Smith, Hawaii which are scheduled for demolition.
2. Upgrades to utility systems to comply with environmental and fire protection standards. An example is the installation of a fire sprinkler system at the DLA Aviation and perimeter lighting at DLA Land and Maritime.
3. Additional paving for road networks and personnel parking to comply with the new AT/FP standoff distances. An example is the expansion of the hardstand open storage area and relocation of truck route at DLA Land and Maritime.
4. Incidental improvements associated with facilities repair projects.

All of these projects are required to allow existing missions to continue in safe, compliant and efficient facilities.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Supply Chain Management Activity Group
April 2013

C. Line Number & Item Description
REP 200-02 Minor Construction

D. Activity Identification
DLA Distribution

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 200-02 Minor Construction			10,937			9,002			9,002			

Narrative Justification:

The minor construction investment for projects (costing between $250,000 and $750,000 each) will construct new, replace existing, or modify current facilities to enhance mission performance. These projects include:

1. Installing and improving fire protection and alarm systems.
2. Upgrading security facilities (gates, fences, and lighting) to meet current Anti-Terrorism/Force Protection standards.
3. Adding paving for open storage, road networks and operational areas.
4. Altering facilities to accommodate mission changes, consolidation and stock repositioning.
5. Improvements to utilities to enhance reliability.
6. Incidental improvements associated with facilities repair projects.
7. Replacement of existing facilities that cannot be economically repaired.

These investments will result in the recapitalization of the facilities necessary for the cost effective performance of the distribution mission.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Supply Chain Management Activity Group
April 2013

C. Line Number & Item Description
REP 200-03 Minor Construction

D. Activity Identification
DLA Disposition Services

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 200-03 Minor Construction			2,341			2,095			2,470			

Narrative Justification:

The minor construction investment for projects (costing between $250,000 and $750,000 each) will construct new, replace existing, or modify current facilities to enhance mission performance. These projects include:

1. Adding paving for open storage, road networks and operational areas.
2. Altering facilities to accommodate mission changes, consolidation, and relocation.
3. Improvements to warehouse, administrative, and demilitarization facilities to increase employee safety and comfort.
4. Replacement of facilities that cannot be economically repaired.
5. Incidental improvements associated with facilities repair projects.

These investments will result in the recapitalization of the facilities necessary for the cost effective performance of the DLA Disposition Services mission.

DEFENSE LOGISTICS AGENCY
DEFENSE-WIDE WORKING CAPITAL FUND
SUPPLY CHAIN MANAGEMENT ACTIVITY GROUP
FISCAL YEAR (FY) 2014 BUDGET ESTIMATES
CAPITAL BUDGET EXECUTION
April 2013
(DOLLARS IN MILLIONS)

Major Category	Initial Request	Current Proj Cost	Approved Change	Explanation
Non-ADPE Equipment:	21.701	16.394	(5.307)	Reduced requirements
ADPE & TELCOM Equipment:	27.858	13.508	(14.350)	Movement of Infrastructure project to FY14 due to delay in associated MILCON project
Software Development:	79.648	79.977	0.329	Increase to baseline for additional functionality.
Minor Construction:	14.363	13.849	(0.514)	Reduced requirements
Total FY 2012	**143.570**	**123.728**	**(19.842)**	

Major Category	Initial Request	Current Proj Cost	Approved Change	Explanation
Non-ADPE Equipment:	19.966	19.966	0.000	
ADPE & TELCOM Equipment:	28.897	28.897	0.000	
Software Development:	83.625	83.625	0.000	
Minor Construction:	14.323	14.323	0.000	
Total FY 2013	**146.811**	**146.811**	**0.000**	

Major Category	Initial Request	Current Proj Cost	Approved Change	Explanation
Non-ADPE Equipment:	24.461	24.461	0.000	
ADPE & TELCOM Equipment:	33.507	33.507	0.000	
Software Development:	76.225	76.225	0.000	
Minor Construction:	14.548	14.548	0.000	
Total FY 2014	**148.741**	**148.741**	**0.000**	

DEFENSE LOGISTICS AGENCY
DEFENSE-WIDE WORKING CAPITAL FUND
ENERGY MANAGEMENT ACTIVITY GROUP
FISCAL YEAR (FY) 2014 BUDGET ESTIMATES
ACTIVITY GROUP CAPITAL INVESTMENT SUMMARY
($ IN MILLIONS)

Line Number	Item Description	FY 2012		FY 2013		FY 2014	
		Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
NEW 200-01	Fuel Terminal Automation	7	17.437	7	14.479	4	12.335
NEW 200-02	Inventory Accuracy	0	0.000	1	3.000	1	3.000
REP 200-02	Inventory Accuracy	1	7.033	1	11.912	1	7.000
	TOTAL EQUIPMENT (Non ADP/T)	8	24.470	9	29.391	6	22.335
SWD 200	EBS Energy Convergence		36.487		18.076		12.120
	TOTAL SOFTWARE DEVELOPMENT		36.487		18.076		12.120
REP/ENV 200	Minor Construction $250,000 - $750,000		39.788		61.020		68.507
	TOTAL MINOR CONSTRUCTION		39.788		61.020		68.507
	TOTAL AGENCY CAPITAL INVESTMENTS	8	100.745	9	108.487	6	102.962
	Total Capital Outlays		99.180		111.956		111.198
	Total Depreciation Expense		21.635		49.335		59.025

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Energy Management Activity Group April 2013

C. Line Number & Item Description
NEW 200 Non-ADP Equipment - New Mission

D. Activity Identification
DLA Energy

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
NEW 200-01 Fuel Terminal Automation - New Mission	7	2,491	17,437	7	2,068	14,479	4	3,083.8	12,335			

Narrative Justification:

The Automated Fuel Handling Equipment (AFHE) allows large bulk fuel locations to monitor and control fuel operations from a central location on site, via dedicated network communications, through an installed computer application. The fuel terminal automation projects will include automation of valves, fuel transfer pumps, tank gauging, fuel metering systems, and pipeline instrumentation. As the integral component of the AFHE system, the Supervisory Control and Data Acquisition (SCADA) systems will be installed in the Operations Control Center (OCC) optimally located on the base. The SCADA system will provide remote control of fuel transfer operations and alarms in response to abnormal conditions; enhanced capabilities for inventory control and accounting; enhanced leak detection capabilities; remote monitoring and data exchange. The entire operations of the terminal, such as, receiving and issuing fuel will be controlled from the OCC. The communication infrastructure and other devices required for the transfer of alarm and inventory data and control signals from the field equipment to the OCC will also be provided. The primary cost benefit of these automation projects is the prevention of oil spills, avoiding costly cleanup expenses and minimizing environmental risks.

The following sites are planned for AFHE installations and lifecycle upgrades in FY 2013 - FY 2014:

FY 2013 - FISC San Diego, CA, FISC Yokosuka (Hakozaki/Tsurumi) Japan, 505th QM BN Okinawa, Japan, DFSP Craney Island, VA, FISC Pearl Harbor, HI and Fort Benning, GA

FY 2014 -FISC Yokosuka (Akasaki/Iorizaki/Yokose) Japan, DFSP Craney Island, VA, FISC Pearl Harbor, HI and Fort Benning, GA

Due to changing operating scenarios and construction requirements, the order of installations may change and other sites may be substituted.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Energy Management Activity Group April 2013

C. Line Number & Item Description
NEW 200 Non-ADP Equipment-New Mission/Replacement

D. Activity Identification
DLA Energy

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
NEW & REP 200-02 Inventory Accuracy New Mission and Replacement	1		7,033	2	7,456	14,912	2	5,000	10,000			

Narrative Justification:

There are more than 400 fuel terminals worldwide for which DLA is the DoD Executive Agent. In all of these terminals there are various types of fuel tanks, each with Automated Tank Gauges (ATG). ATG systems are permanently installed in storage tanks to measure and monitor fuel levels and inventories. The devices efficiently provide information regarding the amount of product, temperature of the product, and amount of water in various types of fuel tanks. In addition, these gauges have connectivity to the Business Systems Modernization (BSM) Energy system, FuelsManager Defense (FMD), which will capture all the data with regard to fuel stored and maintain accurate inventory records. The various Service Stations in DoD facilities have equipment to capture the quantity of fuel stored and also have connectivity to the same BSM Energy system, FMD. A study was completed in 2005 that provided final recommendations with regards to the type and corresponding sites where ATG systems will be installed. DES-IM provided the Automatic Tank Gauge (ATG) Installation Policy in December 2009 to execute this program. The budgeted amount also includes design and review costs in conjunction with implementation. The primary cost benefit of this investment is accurate inventory records and fuel loss control procedures.

In addition, Temperature Compensating Meters (TCM) are required at fuel terminals to measure the exact amount of fuel received and issued after the required compensation for differences in temperature. The meters will be installed at various custody transfer points in the fuel terminal to ensure that accurate charges for the fuel received and issued are recorded and that sufficient amounts of fuel are maintained and protected. The budgeted amount also includes design and review costs in connection with the installation of this equipment.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Energy Management Activity Group April 2013

C. Line Number & Item Description
SWD 200 Software Development $1.0 and Over

D. Activity Identification
DLA Energy

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200 Enterprise Business System (EBS) Energy Convergence			36,487			18,076			12,120			

Narrative Justification:

The purpose of the Energy Convergence program is to integrate DLA's final remaining supply chain, energy, into DLA single Enterprise Resource Planning (ERP) system, known as the Enterprise Business System (EBS). This program is based upon direction in the December 1, 2003 OSD Program Decision Memorandum (PDM) to "integrate fuels commodity management with the DLA Business Enterprise Architecture." An Analysis of Alternatives was completed in May 2006 and concluded that integrating the energy commodities within EBS is the preferred alternative and provides a positive Return on Investment (ROI). Starting in 2007, a technology development program was initiated to integrate the two applicable SAP industry solutions, Oil and Gas with Procurement for Public Sector. The Economic Analysis (EA) was updated in September 2010 and projects a return on investment of 2.66. The EA shows that it is significantly more economical and effective than the existing legacy system. Benefits will include reduced inventory; reduced demurrage, transportation, facilities, and interest penalty costs; as well as savings from use of the same software suite for all of DLA and automate DLA Energy functions. The Energy Convergence program officially began with a Milestone B decision on October 30, 2009. A System Integration contract was awarded that will provide the software code configuration and customization required along with the updated training materials required for new users. The first release occurred in October 2011 and added the oil, natural gas, coal, electricity, and aerospace energy commodities to approximately 300 new EBS users. The second release which addressed the petroleum commodity occurred in November 2012 and will be deployed to the approximately 4,000 internal DLA and external world-wide users in a series of geographically based rollouts that span FY13-14. The final release is schedule to begin design in January 2013 and will provide additional functionality including supplemental reports, new interfaces, and quality assurance capabilities.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission **Fiscal Year (FY) 2014 Budget Estimates**

B. Component/Activity Group/Date
Defense Logistics Agency
Energy Management Activity Group April 2013

C. Line Number & Item Description
Minor Construction Capability - Replacement/Environmental

D. Activity Identification
DLA Energy

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP & ENV 200 Minor Construction Replacement/Environmental			39,788			61,020			68,507			

Narrative Justification:

The minor construction investment for projects (costing between $250,000 and $750,000 each) will construct new, replace existing, or modify current facilities to enhance mission performance and increase the level of protection of the workforce and the mission stock. These projects include:

1. Upgrading fuel receipt, storage, pipeline, pumping, and filtration facilities.
2. Upgrades to utility systems for environmental compliance, energy efficiency, and fire protection standards.
3. Incidental improvements associated with facilities repair projects

The increase for minor construction capital is for execution of backlogged prior year projects, emerging requirements for aging petroleum infrastructures, and to match funding increases in operations and maintenance as many projects require both funding sources. Other contributing factors include inflation in construction material, labor, and transportation costs, dollar devaluation against foreign currencies mainly for OCONUS projects, and older facilities exceeding the 70% plant replacement value to repair.

Benefits include continued safe, compliant and efficient facility operations.

DEFENSE LOGISTICS AGENCY
DEFENSE-WIDE WORKING CAPITAL FUND
ENERGY MANAGEMENT ACTIVITY GROUP
FISCAL YEAR (FY) 2014 BUDGET ESTIMATES
CAPITAL BUDGET EXECUTION
April 2013
(DOLLARS IN MILLIONS)

Major Category	Initial Request	Current Proj Cost	Approved Change	Explanation
Non-ADPE Equipment:	26.585	24.470	(2.115)	Requirements reduced
ADPE & TELCOM Equipment:	0.000	0.000	0.000	
Software Development:	36.491	36.487	(0.004)	
Minor Construction:	60.000	39.788	(20.212)	Requirements reduced
Total FY 2012	**123.076**	**100.745**	**(22.331)**	

Major Category	Initial Request	Current Proj Cost	Approved Change	Explanation
Non-ADPE Equipment:	29.391	29.391	0.000	
ADPE & TELCOM Equipment:	0.000	0.000	0.000	
Software Development:	18.076	18.076	0.000	
Minor Construction:	61.020	61.020	0.000	
Total FY 2013	**108.487**	**108.487**	**0.000**	

Major Category	Initial Request	Current Proj Cost	Approved Change	Explanation
Non-ADPE Equipment:	22.335	22.335	0.000	
ADPE & TELCOM Equipment:	0.000	0.000	0.000	
Software Development:	12.120	12.120	0.000	
Minor Construction:	68.507	68.507	0.000	
Total FY 2014	**102.962**	**102.962**	**0.000**	

DEFENSE LOGISTICS AGENCY
DEFENSE-WIDE WORKING CAPITAL FUND
DLA DOCUMENT SERVICES ACTIVITY GROUP
FISCAL YEAR (FY) 2014 BUDGET ESTIMATES
ACTIVITY GROUP CAPITAL INVESTMENT SUMMARY
($ IN MILLIONS)

Line Number	Item Description	FY 2012		FY 2013		FY 2014	
		Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
	NON-ADPE EQUIPMENT						
REP 100	Digitization Duplication Equipment	1	0.598	2	1.200	2	1.200
	TOTAL EQUIPMENT (Non ADP)	1	0.598	2	1.200	2	1.200
	ADPE & TELECOM EQUIPMENT						
PRD 100	Computer Hardware (Production)	1	0.627	1	1.330	1	1.330
	TOTAL EQUIPMENT (ADP/T)	1	0.627	1	1.330	1	1.330
	SOFTWARE DEVELOPMENT						
SWD 100	Net-Centric Hubs $1.0M and Over-Electronic Document Ma		0.000		4.663		5.143
SWD 200	Records Management Application				0.480		
	TOTAL SOFTWARE DEVELOPMENT		0.000		5.143		5.143
	MINOR CONSTRUCTION						
REP 200	Minor Construction $250,000 - $750,000		0.000		0.300		0.306
	TOTAL MINOR CONSTRUCTION		0.000		0.300		0.306
	TOTAL AGENCY CAPITAL INVESTMENTS	2	1.225	3	7.973	3	7.979
	Total Capital Outlays		0.935		6.044		7.551
	Total Depreciation Expense		2.669		3.216		4.662

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Document Services April 2013

C. Line Number & Item Description
REP 100 Replacement Non-ADP Equipment

D. Activity Identification:
DLA Document

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 100 Digitization Duplication Equipment	1	598	598	2	600	1,200	2	600	1,200			

Narrative Justification:

This investment for high speed duplicating equipment replaces existing equipment that has reached or exceeded the useful life established for these categories. Based on guidance contained in various Department of Defense (DoD) governing polices, the Defense Logistics Agency (DLA) has established replacement and life expectancy standards for all categories of investment equipment. The standards are based on life expectancy with consideration given to condition, usage hours, and/or repair costs. DLA establishes age, utilization and repair standards based on industry information and experience in the absence of DoD acquisition and replacement criteria relative to various categories of equipment.

Activity Group Capital Investment Justification

(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Document Services April 2013

C. Line Number & Item Description
PRD 100 Production ADP Equipment

D. Activity Identification
DLA Document Services

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
PRD 100 Production Hardware Electronic Document Management	1	627	627	1	1,330	1,330	1	1,330	1,330			

Narrative Justification:

Electronic Document Management (EDM) is a transformational, capabilities-based capital planning initiative. It allows for the rapid acquisition of hardware, software and technical labor services for the deployment and implementation of various data management solutions for emergent customer requirements. EDM provides the customer with the ability to manage their content via electronic storage, workflow, web-based retrieval and certified records management. DLA Document Services must be able to react quickly to emergent customer fact-of-life needs, usually within one year, or less. The FY 2013 – FY 2014 projection was developed based on the number, size and scope of projects DLA Document Services has already installed, as well as those anticipated. The equipment replacement strategy not only ensures the highest quality equipment is purchased to refresh the original equipment but also minimizes equipment related costs by taking advantage of discounts available for high quantity buys. Examples of the equipment generally required are database, archive and web servers, document scanners, workstations, uninterruptible power supplies, miscellaneous switches, cables, and connectors.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Document Services April 2013

C. Line Number & Item Description
SWD 200 Software Development $1.0 and Over

D. Activity Identification
DLA Document Services

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 100 Net-Centric Hubs Electronic Document Management			0			4,663			5,143			

Narrative Justification:

Electronic Document Management (EDM) is a transformational, capabilities-based capital planning initiative. It allows for the rapid acquisition of hardware, software and technical labor services for the deployment and implementation of various data management solutions for emergent customer requirements. EDM provides the customer with the ability to manage their content via electronic storage, workflow, web-based retrieval and certified records management. DLA Document Services must be able to react quickly to emergent customer fact-of-life needs, usually within one year, or less. The FY 2013 – FY 2014 projection was developed based on the number, size and scope of projects DLA Document Services has already installed, as well as those anticipated. Software requirements are for COTS application software licenses and contract labor to perform integration, testing, and training.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2014 Budget Estimates

B. Component/Activity Group/Date
Defense Logistics Agency
Document Services April 2013

C. Line Number & Item Description
SWD 200 Software Development

D. Activity Identification
DLA Document Services

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200 Record Management Application						480						

Narrative Justification:

Records Management Application (RMA) will be used to store and manage all DLA records. Employees will be able to carry out disposition (destruction or transfer) of records at the appropriate time in accordance with approved retention schedules. Central management of all Agency records will enable enterprise search. A user could search for information on a topic and find data from multiple sources, including databases, e-mails, spreadsheets, and both electronic and paper documents. Enterprise search would produce more information to support better decision making. The RMA will also support the DLA financial audit effort, supporting the need for recovery of supporting documentation.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission **Fiscal Year (FY) 2014 Budget Estimates**		
B. Component/Activity Group/Date Defense Logistics Agency Document Services April 2013	C. Line Number & Item Description Rep 200 Minor Construction	D. Activity Identification DLA Document Services

Element of Cost	FY 2012			FY 2013			FY 2014					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 200 Minor Construction			0			300			306			

Narrative Justification:

The minor construction investment for projects (between $250,000 and $750,000) will construct new, replace existing, or modify current facilities to implement mission consolidations and allow for operational improvements. These projects consist of:

(1) Renovations and alterations of administrative facilities.

(2) Renovations and alterations to mission operational facilities such as printing, blueprint and microfilm facilities.

These investments will result in cost effective facilities to support the mission.

DEFENSE LOGISTICS AGENCY
DEFENSE-WIDE WORKING CAPITAL FUND
DLA DOCUMENT SERVICES ACTIVITY GROUP
FISCAL YEAR (FY) 2014 BUDGET ESTIMATES
CAPITAL BUDGET EXECUTION
April 2013
(DOLLARS IN MILLIONS)

Major Category	Initial Request	Current Proj Cost	Approved Change	Explanation
Non-ADPE Equipment:	1.200	0.598	(0.602)	Funds reprogrammed in support of other DLA software development program.
ADPE & TELCOM Equipment:	1.730	0.627	(1.103)	Funds reprogrammed in support of other DLA software development program.
Software Development:	2.543	0.000	(2.543)	Funds reprogrammed in support of other DLA software development
Minor Construction:	0.000	0.000	0.000	
Total FY 2012	**5.473**	**1.225**	**(4.248)**	

Major Category	Initial Request	Current Proj Cost	Approved Change	Explanation
Non-ADPE Equipment:	1.200	1.200	0.000	
ADPE & TELCOM Equipment:	1.330	1.330	0.000	
Software Development:	5.143	5.143	0.000	
Minor Construction:	0.300	0.300	0.000	
Total FY 2013	**7.973**	**7.973**	**0.000**	

Major Category	Initial Request	Current Proj Cost	Approved Change	Explanation
Non-ADPE Equipment:	1.200	1.200	0.000	
ADPE & TELCOM Equipment:	1.330	1.330	0.000	
Software Development:	5.143	5.143	0.000	
Minor Construction:	0.306	0.306	0.000	
Total FY 2014	**7.979**	**7.979**	**0.000**	