

**Fiscal Year (FY) 2019 President's Budget
Operation and Maintenance, Defense-Wide
Defense Contract Management Agency**



February 2018

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**Defense Contract Management Agency
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 President's Budget**

**Operation and Maintenance, Defense-Wide Summary (\$ in thousands)
Budget Activity (BA) 4: Administration and Services**

	FY 2017 <u>Actuals</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2018 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2019 <u>Estimate</u>
DCMA	1,353,381	25,684	59,945	1,439,010	10,616	15,728	1,465,354

* The FY 2017 Actual column includes \$13,510.0 thousand of FY 2017 Overseas Contingency Operations (OCO) Appropriations Funding (PL 115-31).

* The FY 2018 Estimate column excludes \$21,317.0 thousand of FY 2018 OCO Appropriations Funding.

* The FY 2019 Estimate column excludes \$21,723.0 thousand of FY 2019 OCO Appropriations funding.

I. Description of Operations Financed: The Defense Contract Management Agency (DCMA) is the DoD's independent acquisition eyes and ears and is a key partner to the Component Services' buying commands, DoD partners, and Allied customers. The DCMA is positioned as a unique, independent enterprise that provides factory to floor acquisition services that can be done by all Component Services and most DoD Agencies, but are done by DCMA at a lower cost, more effectively, and more efficiently than if they were done by the various Services or Agencies. DCMA's robust acquisition insight enables maximum military readiness and lethality, reduces acquisition enterprise risk, and informs DoD affordability decisions. DCMA provides customers timely and relevant oversight analyses on current contracts and information that arms the decision makers. The Agency is keenly focused on providing invaluable support and services that surpass the resources invested by the taxpayer.

DCMA is focusing its efforts to adjust to the changing environment by achieving and sustaining audit readiness, both on the Service Provider and Reporting Entity sides; creating an agile and flexible learning organization/culture; responding to future customer programs; initiating and strengthening acquisition processes; and optimizing mission execution to support the acquisition enterprise through agile business practices.

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I. Description of Operations Financed (cont.)

The resources requested in this budget support these initiatives while delivering a 4 to 1 return on investment to the taxpayer.

DCMA Overview

DCMA is a Joint Chiefs of Staff designated Combat Support Agency. The Agency is comprised of approximately 12,000 civilian and military personnel, located in over 1,000 locations, managing over 19,432 contractors and approximately 337,900 active contracts. These contracts have a total face value of \$5 trillion (T) of which \$2T has been obligated. Of the obligated amount, \$232.3B remains un-liquidated. The Agency's responsibilities include managing Acquisition Category I and II programs, \$163.4B of Government property in-plant, \$20.8B in in-progress payments, and \$11.3B in performance-based payments, ensuring each complies with Federal acquisition and auditability standards. As established by DoD 5105.64, DCMA's mission is to perform Contract Administration Services (CAS) and Contingency Contract Administration Services (CCAS) for the Department of Defense, other authorized Federal Agencies, foreign governments, international organizations, and others as authorized. DCMA is the independent eyes and ears of DoD and its partners, delivering actionable acquisition insight from the factory floor to the front line ... around the world. Essentially all DoD Weapon Systems and Combat Platform production and depot maintenance work performed by Industry are directly managed by DCMA. Only shipbuilding, services, facilities, consumables (fuel, etc.), expeditionary contracting, and low risk parts production and delivery are not serviced at DCMA. As a defense agency and member of the 4th Estate, DCMA reports to the Under Secretary of Defense for Acquisition Technology and Logistics (USD(AT&L)), through the Assistant Secretary of Defense for Acquisition.

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In executing our mission, the Agency directly supports Pillar III: Preserve Peace Through Strength of the 2017 National Security Strategy by providing the acquisition insight that will deliver better contracts without overruns or delays and will provide the Warfighter with modern, lethal equipment. In straightforward terms, DCMA is in the business of delivering critical defense material to our Warfighters that meets or exceeds technical requirements, at or below the desired cost and on or before the required schedule, ensuring operational availability and sustainment parameters are met. Additionally, DCMA's Industrial Analysis Center performs critical analysis and reporting of the Defense Industrial Base's strengths and weaknesses and potential high-risk areas.

The Agency's responsibilities support two Mission Essential Functions (MEFs): 1) Enable Acquisition of Warfighter Equipment, Supplies and Services, Including Urgent Critical and Unique Needs, and 2) Facilitate Mission Assurance (MA) for the Defense Industrial Base (DIB) and DCMA in Support of DoD Requirements. Additionally, DCMA is at the forefront of executing the Department's Security Cooperation (SC) mission to collaboratively build and sustain our Allies security interests and industrial capabilities. Within the SC community the Agency provides support to both Foreign Military Sales (FMS) delegated by Service buying commands, Foreign Direct Commercial Sales (DCS) contracts and international agreements, placing our personnel in direct support of our Allies in critical locations in the United States and overseas.

In order to support the Warfighters' readiness and meet national security objectives, DCMA must ensure its acquisition workforce is well trained and capable of performing the mission, which includes maintaining a pipeline of new acquisition professionals. DCMA's workforce composition has shifted fundamentally from seasoned, highly-skilled personnel to highly-educated, yet relatively inexperienced newcomers. Production, quality assurance, manufacturing, contracting and engineering personnel comprise the largest

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portion of the Agency's acquisition workforce. Using both Operation & Maintenance and Defense Acquisition Workforce Development Fund (DAWDF) appropriations, the Agency made significant strides in recruiting and training its acquisition workforce and will continue to require this important program funding as it moves from the growth phase into sustainment. FY 2019 reflects a functional transfer of \$6.7M acquisition training from DAWDF to DCMA to protect critical training from unstable funding in the DAWDF appropriation.

Efficiencies and Process Improvements

DCMA is constantly engaging in ways to improve performance and deliver more return for each dollar invested; in FY 2017, DCMA produced a 4 to 1 return on investment to the taxpayer. As part of that effort, DCMA continues to execute all mandatory efficiencies, to include the Management Headquarters Authorization (MHA) reductions and delayering efforts.

Organizational

In compliance with the congressional and DoD direction to control management overhead, DCMA re-baselined its MHA civilian workforce to 584 Full-Time Equivalents (FTE) in FY 2016, and established a reduction target of 146 FTEs by FY 2020. Concurrently, DCMA's delayering plan collapsed the operational top layer and aligned the five regions directly under DCMA headquarters, effective October 1, 2016.

Facilities

Execution of DCMA's facility initiative to reduce its overall physical footprint by 30 percent by FY 2022 continues. The reduction will be achieved by a combination of

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I. Description of Operations Financed (cont.)

optimizing the Agency's current locations, partnering with the military Services where on-base locations make sense, leveraging IT and communications technology to extend telework options, establishing appropriate and consistent facility standards. DCMA's initial moves are already taking place. For example, the Eastern Region's office relocation from Boston to Hanscom Air Force Base (AFB) was initiated late FY 2017 and will be completed in 2nd quarter FY 2019. The move, which includes a DCMA data center, will require DCMA to invest in the planned Data Center rehost at the DISA Enterprise Computing Center (DECC) Columbus location, thus meeting DoD CIO's mandated Federal Data Center Consolidation Initiative. Additionally, there are plans in FY 2018 to initiate moving other Contract Management Offices to Eglin AFB, Naval base Point Loma, Luke AFB, Joint Base Lewis-McCord, Naval station Everett and Selfridge Air National Guard base. These infrastructure efficiencies will be realized starting in FY 2020 and will allow us to redistribute resources to our high return on investment opportunities such as our cost and pricing operations.

Information Technology

DCMA is currently engaged in three major initiatives to improve our information technology environment, which is the primary tool our acquisition workforce relies on to communicate with contractors, the DoD acquisition community, and our customers. These three initiatives are: conversion to Joint Information Environment, transition of network operations to DISA, and automation of processes. In order for information technology investments to be most effective and in response to DoD directives, DCMA is actively pursuing conversion to the Joint Information Environment (JIE). The JIE is a framework comprising a set of comprehensive DoD-wide continual IT modernization efforts designed to advance DoD information superiority in a common, coordinated way. It implements a new joint security capability, optimizes networking capability for the fixed and mobile user,

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I. Description of Operations Financed (cont.)

institutes DoD-wide enterprise IT services, modernizes technology through consolidated refresh efforts, and improves access to data.

The JIE also provides a networking design that is defensible against cyber-attack and network intrusions and is managed through a tiered structure of network operations and security centers. JIE will improve mission effectiveness, increase security, and realize IT efficiencies. JIE is not a Program of Record, nor an Acquisition Program per the Defense Acquisition System, but rather an agile, unifying approach to improving the Department's IT and cybersecurity capabilities.

In addition to achieving JIE compliance, DCMA is pursuing the conversion of network operations to DISA. A recent RAND study identified vulnerabilities in the DCMA IT infrastructure that are being addressed with this budget submission. The industry standard for Operational Availability is 99.999 percent (less than 6 min downtime annually). DCMA has struggled to achieve 90 percent (~36 days downtime annually) and cannot improve without significant investment. DCMA's goal is to achieve 99 percent (3.5 days downtime annually). Starting in FY18, DCMA will leverage DISA's technical expertise and shared services competitive advantage to improve network reliability for less than doing it alone, which directly supports one of the priority actions of Pillar I of the 2017 National Security Strategy to leverage shared services and best practices to modernize information technology. Improving this capability will provide decision-makers improved more secure access to actionable acquisition insight that matters.

To further balance resources and better inform leadership regarding investment protection and military readiness, DCMA is leveraging technology while applying agile enterprise architecture techniques. The Agency is continuing to automate the contract management

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I. Description of Operations Financed (cont.)

process through the Integrated Workload Management System (IWMS) to improve its capability to capture programmed and required operational workflow, completed workload, and workload not accomplished. Combined with the use of the Defense Agencies Initiative (DAI) time and labor module, the Agency will be able to more completely and comprehensively determine workload and/or workforce parity, workforce shortfalls, and acceptable risk; develop appropriate tools to address necessary programmatic changes; and identify opportunities for reutilization of DCMA-allocated resources. With these enhanced IT solutions, DCMA will provide decision-makers better data to compare options, provide ready analytic solutions, allocate resources, improve processes, and reduce manual reporting and management efforts at our field organizations. Additionally, DCMA is developing and implementing all of these technology investments while ensuring good information assurance standards are maintained.

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Resources for the Agency's current core and new core mission requirements must be preserved to avoid great risk to the products delivered to the Warfighter, the Department's buying power, and the return of taxpayer dollars. Agency readiness, comprised of personnel, information technology, and training, is extremely important in delivering combat-ready products to the Warfighter and ensuring Defense Industrial Base (DIB) industrial capabilities are available to provide the most critical goods and services needed by the Warfighter.

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I. Description of Operations Financed (cont.)

DCMA's priorities for this budget focus on addressing risks to the Agency's mission capability and associated issues DCMA believes are important to reduce the DoD's exposure to unacceptable risk. The FY 2019 request funds compensation and training of a skilled workforce of 11,384 FTEs performing the Agency's mission in a global environment. The program growth of 133 FTEs support additional contract administrators (50), a 3-year surge to eliminate contract closeout backlog (30), the growing mission of commercial cost & pricing insight (22), the Long Range Stand-Off Cruise Missile (16), the Joint Strike Fighter sustainment (12), and reporting entity FIAR (3). Approximately 83 percent of the FY 2019 budget is personnel compensation and benefits for the direct funded employees. The remaining budget includes the cost of supporting the workforce, such as IT sustainment, facility sustainment and leases, travel, supplies and equipment.

The FY 2019 IT non-labor budget is approximately 48 percent of DCMA's non-labor budget and totals \$123M. The largest program of the IT budget is for mandatory infrastructure sustainment, ensuring DCMA and its customers can access information anywhere and anytime, worldwide. With a workforce of approximately 12,000 personnel, Information Technology is DCMA's primary weapon system. An unreliable IT network essentially handicaps the workforce. To maintain maximum flexibility and improve operational availability, DCMA is moving to a shared services construct with DISA. As such, this budget submission reflects a shift of funding from IT Contract Support to Intra-Governmental Purchases.

The second largest program is network security, which ensures DCMA's networks and proprietary government information remain operational and secure. Cyber security is a major priority as DCMA maintains critical acquisition and industrial base information that needs to be protected and a reliable, efficient network infrastructure is a key component to cyber security. The transition to the JIE improves DCMA's cyber position;

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JIE information security initiatives and additional policy mandates require regular increasing investments, and constant adjustments to respond to threats.

The next largest IT programs are life-cycle management of software systems like Mechanization of Contract administration Services (MOCAS) and Integrated Workload Management System (IWMS). Concurrent with and critically supportive to Acquisition Work Force (AWF) staffing issues is the necessity to continue to automate acquisition processes with IT systems. IT acquisition platform and programmatic investments support the broader DoD community with systems such as MOCAS and internal business process reengineering efforts.

Last, some equipment purchases and maintenance that has been deferred over the last two budget cycles due to budget reductions are still a critical priority for FY 2019. Conversion to DISA requires modern, warrantied hardware and equipment, and delays in acquiring this equipment will extend our reliance upon contract network support.

As DCMA transitions from commercial leased space to Federal buildings and DoD facilities, a temporary increase in facility sustainment, restoration, and modernization (FSRM) is necessary to prepare the buildings for our employees, requiring FSRM and purchases to support the move of a Datacenter. There is a multiyear strategic plan in place to complete these moves and reductions will be reinvested in future critical priorities.

DCMA is uniquely positioned and committed to providing independent actionable acquisition insight to provide Warfighter lethality, inform DoD affordability decisions, and support the 2017 National Security Strategy while also clearly recognizing it must operate within challenging fiscal constraints. The Agency will continue to explore strategic efficiency

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initiatives to position it to provide quality contract administration services, facilitate the delivery of critical DoD emerging needs, and support/implement current and future leadership strategic areas of focus.

II. Force Structure Summary:

N/A

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III. Financial Summary (\$ in thousands)

A. BA Subactivities	FY 2018						
	FY 2017 Actuals	Budget Request	Congressional Action			Current Estimate	FY 2019 Estimate
			Amount	Percent	Appropriated		
1. Operational Support	1,353,381	1,439,010	0	0.0	0	1,439,010	1,465,354
Contract Management	1,353,381	1,439,010	0	0.0	0	1,439,010	1,465,354
Total	1,353,381	1,439,010	0	0.0	0	1,439,010	1,465,354

* The FY 2017 Actual column includes \$13,510.0 thousand of FY 2017 Overseas Contingency Operations (OCO) Appropriations Funding (PL 115-31).

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* The FY 2019 Estimate column excludes \$21,723.0 thousand of FY 2019 OCO Appropriations funding.

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III. Financial Summary (\$ in thousands)

B. <u>Reconciliation Summary</u>	Change	Change
	<u>FY 2018/FY 2018</u>	<u>FY 2018/FY 2019</u>
Baseline Funding	1,439,010	1,439,010
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
Subtotal Appropriated Amount	1,439,010	
Fact-of-Life Changes (2018 to 2018 Only)		
Subtotal Baseline Funding	1,439,010	
Supplemental		
Reprogrammings		
Price Changes		10,616
Functional Transfers		6,897
Program Changes		8,831
Current Estimate	1,439,010	1,465,354
Less: Wartime Supplemental		
Normalized Current Estimate	1,439,010	

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2018 President's Budget Request (Amended, if applicable)		1,439,010
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
FY 2018 Appropriated Amount		1,439,010
2. War-Related and Disaster Supplemental Appropriations		
3. Fact-of-Life Changes		
FY 2018 Baseline Funding		1,439,010
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2018 Estimate		1,439,010
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings		
FY 2018 Normalized Current Estimate		1,439,010
6. Price Change		10,616
7. Functional Transfers		6,897
a. Transfers In		
1) DAWDF Functional Transfer	6,546	
An increase of \$6,546 thousand is attributable to the functional transfer of training requirements from DAWDF to DCMA for professional development in mentorship, diversity & inclusion and lean six sigma. Also, technical training for personnel in quality assurance, earned value management, engineering; and leadership development for acquisition personnel.		
2) FIAR Functional Transfer	351	
An increase of \$351 thousand is attributable to the functional transfer of FIAR requirements from the		

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
Office of Secretary of Defense (OSD) to DCMA for dedicated full-time equivalent personnel (3) to support the Department of Defense Consolidated Audit. (FY 2018 Baseline: \$0 thousand; +3 FTEs)		
8. Program Increases		52,084
a. Annualization of New FY 2018 Program		
b. One-Time FY 2019 Increases		
c. Program Growth in FY 2019		
1) Other Intra-Govt Purchases	23,869	
The increase in intra-govt purchases is due to a change in IT's network support sourcing strategy. In order to become more Joint Information Environment (JIE) compliant and to modernize and combine network design, DCMA is converting some network services to DISA. The offset for this increase is reflected in line 990 and 914. Additionally, estimates for the services provided by the Civilian Human Resource Agency increased. (FY 2018 Baseline: \$15,453 thousand)		
2) Personnel Compensation	15,482	
Increase in personnel compensation accounts for 130 FTEs to support the following missions: support additional contract administrators (50), a 3-year surge to eliminate contract closeout backlog (30), the growing mission of commercial cost & pricing insight (22), the Long Range Stand-Off Cruise Missile (16), and the Joint Strike Fighter sustainment (12). (FY 2018 Baseline: \$1,180,587 thousand; +130 FTEs)		
3) One time pay adjustment	4,586	

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
Adjustment to account for one additional compensable day in FY19 (FY 2018 Baseline: \$1,180,587 thousand)		
4) Permanent Change of Station An additional \$4M for PCS costs to recruit the additional FTEs and to reinstate PCS funding in the Operations & Maintenance appropriation that was funded with the DAWDF appropriation prior to recent DAWDF reductions. (FY 2018 Baseline: \$2,477 thousand)	4,053	
5) Commercial Transportation Additional funding required to fund Permanent Change of Station cost that were previously funded with DAWDF. (FY 2018 Baseline: \$3,178 thousand)	2,497	
6) Rents (Non-GSA) The increase in funding is required as a result of certain planned moves from lease spaces not occurring. While there are some moves happening in FY18, planned moves from non GSA facilities are less than anticipated. (FY 2018 Baseline: \$2,322 thousand)	1,024	
7) Other Services Increase in other services is due to additional contract support for FIAR and interpreter services for hearing impaired employees. (FY 2018 Baseline: \$10,984 thousand)	368	
8) DISA DISN Subscription Services (DSS) DCMA pays proportional costs to DISA for DISN Subscription Services. The increase is required to support service provider estimates. (FY 2018 Baseline: \$0 thousand)	198	
9) DISA Telecommunication Services- Other	7	

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
DCMA pays proportional costs Telecommunication services. The increase is required to support service provider estimates. (FY 2018 Baseline: \$6,800 thousand)		
9. Program Decreases		-43,253
a. Annualization of FY 2018 Program Decreases		
b. One-Time FY 2018 Increases		
c. Program Decreases in FY 2019		
1) IT Contract Support Services	-20,074	
The decrease in IT contract services is due to a change in IT network operations. All network services will be converted to DISA, therefore funding from IT contract support has been realigned to the appropriate budget line. (FY 2018 Baseline: \$46,193 thousand)		
2) Equipment Purchases	-12,120	
The decrease in Equipment purchases is due to a change in IT network operations. Most network services will be converted to DISA, therefore some planned equipment purchases are not necessary and will be purchased by DISA. Additionally, DCMA is reducing facility equipment costs in conjunction with reducing the agency's overall footprint. (FY 2018 Baseline: \$46,663 thousand)		
3) Rental Payments to GSA (SLUC)	-5,016	
The decrease in funding is the result of optimizing the agency footprint and partnering with the military services where on-base locations are more economical and make sense. (FY 2018 Baseline: \$26,349 thousand)		

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
4) Purchased Communications The decrease in purchased communications is due to a change in IT network support strategy. Most network services will be converted to DISA, therefore funding from purchased communications support has been realigned to the appropriate budget line. (FY 2018 Baseline: \$9,210 thousand)	-3,392	
5) Travel of Persons Efficiencies gained in Travel are projected to be achieved by leveraging technology as well as limiting training when possible to only mission essential requirements. (FY 2018 Baseline: \$29,647 thousand; +0 FTEs)	-2,651	
FY 2019 Budget Request		1,465,354

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IV. Performance Criteria and Evaluation Summary:

To deliver on our mission and vision, the Agency is focused on four primary goals: 1) inform and contribute to cost control and affordability decisions; 2) develop agile business practices which optimize mission execution and support to the acquisition enterprise; 3) create and maintain an agile learning organization and culture that strives to exceed customer expectations; and 4) expect of ourselves what we expect of our contractors: good fiscal stewardship. All four of the strategic goals go directly to the heart of the DCMA mission. The Agency helps our partners spend their finite dollars wisely, ultimately ensuring the front-line Warfighters get the equipment and services for maximum lethality when they need them. In FY 2017 DCMA delivered 741 million items worth \$173.3B to the Warfighter. Agency focus will not solely rest on qualitative contract administration functions, but will also focus on quantitative factors as well - those factors that will clearly emphasize the Agency's return on investment (ROI) to the Department and to our other customers and the taxpayers at large.

The Agency recognizes the obligation to be effective stewards of the funds we receive. In 2017, DCMA's return on investment to the Department and our other customers was \$4 for each \$1 invested by DoD. Additional ROI for the Department is the result of the expanded and expanding DCMA commercial pricing expertise that will continue to improve DoD buying power, the Services' lethality, operational readiness, and sustainment posture. DCMA's detection to prevention (D2P) initiative further equips the agency with the ability to obtain the best value for the government's dollar, emphasizing contractor accountability while more efficiently mitigating risk to the acquisition enterprise. The D2P activities will remove barriers which hinder effective contracting actions and move process efficiencies up the value stream. Further, D2P maturity will provide benefits for improved indirect cost control, cost savings/cost avoidance, and improved quality management.

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IV. Performance Criteria and Evaluation Summary:

To reduce overall DoD cost of doing business, DCMA is engaging with Service Acquisition Executives to encourage and invite earlier collaboration in the acquisition process to ensure requirements are defined with well written entry and exit criteria, testing requirements defined, technical data addressed and risk addressed. DCMA participation earlier in the acquisition life cycle process provides clearer requirements for execution and sustainment, reduces life cycle costs and supports better buying power. The DCMA expertise in various aspects of contract administration has contributed and will continue to contribute to significant returns to the Department. Software development continues to be one of the main cost drivers for cost overruns. The independent in-plant insight into contractor processes DCMA offers provides a unique acquisition insight service to the DoD customers to ensure contractor compliance in program development. Specifically, the in plant presence allows us to perform oversight and analysis of existing software development to include emerging critical focus areas of agile software and technology processes, cybersecurity and information assurance concerns. This oversight and analysis is important to DCMA's mission assurance responsibilities and is integral to better buying power. Adherence to executing and ultimately attaining these goals will posture DCMA to positively support current and future Better Buying Power initiatives and initiatives in Services acquisition, innovative science and technology, and efforts to ensure greater acquisition affordability, and better cost control throughout the acquisition life cycle.

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<u>V. Personnel Summary</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Change FY 2017/ FY 2018</u>	<u>Change FY 2018/ FY 2019</u>
<u>Active Military End Strength (E/S) (Total)</u>	510	491	475	-19	-16
Officer	436	417	401	-19	-16
Enlisted	74	74	74	0	0
<u>Reserve Drill Strength (E/S) (Total)</u>	130	225	225	95	0
Officer	102	121	121	19	0
Enlisted	28	104	104	76	0
<u>Civilian End Strength (Total)</u>	11,183	11,401	11,534	218	133
U.S. Direct Hire	10,232	10,391	10,524	159	133
Foreign National Direct Hire	42	49	49	7	0
Total Direct Hire	10,274	10,440	10,573	166	133
Foreign National Indirect Hire	11	11	11	0	0
Reimbursable Civilians	898	950	950	52	0
<u>Active Military Average Strength (A/S) (Total)</u>	510	491	475	-19	-16
Officer	436	417	401	-19	-16
Enlisted	74	74	74	0	0
<u>Reserve Drill Strength (A/S) (Total)</u>	130	225	225	95	0
Officer	102	121	121	19	0
Enlisted	28	104	104	76	0
<u>Civilian FTEs (Total)</u>	11,358	11,251	11,384	-107	133
U.S. Direct Hire	10,407	10,241	10,374	-166	133
Foreign National Direct Hire	42	49	49	7	0
Total Direct Hire	10,449	10,290	10,423	-159	133
Foreign National Indirect Hire	11	11	11	0	0
Reimbursable Civilians	898	950	950	52	0

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Average Annual Civilian Salary (\$ in thousands)	112.0	114.7	116.1	2.7	1.4
<u>Contractor FTEs (Total)</u>	<u>438</u>	<u>449</u>	<u>385</u>	<u>11</u>	<u>-64</u>
 DAWDF and OCO Personnel Summary					
	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Change FY 2017/ FY 2018</u>	<u>Change FY 2018/ FY 2019</u>
DAWDF End Strength (Total)	361	300	130	-61	-170
OCO End Strength (Total)	60	91	91	31	0
DAWDF and OCO End Strength Total	421	391	221	-30	-170
 DAWDF FTEs (Total)	 373	 347	 174	 -26	 -173
OCO FTEs (Total)	54	85	85	31	0

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VI. OP 32 Line Items as Applicable (Dollars in thousands):

<u>OP 32 Line</u>	<u>FY 2017</u> <u>Actuals</u>	<u>Change</u> <u>FY 2017/FY 2018</u>		<u>FY 2018</u> <u>Estimate</u>	<u>Change</u> <u>FY 2018/FY 2019</u>		<u>FY 2019</u> <u>Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
101 Exec, Gen'l & Spec Scheds	1,161,163	22,689	-12,889	1,170,963	5,972	21,053	1,197,988
103 Wage Board	78	2	0	80	0	0	80
104 FN Direct Hire (FNDH)	4,049	79	-626	3,502	18	11	3,531
107 Voluntary Sep Incentives	830	0	-830	0	0	0	0
111 Disability Compensation	3,237	0	358	3,595	0	-645	2,950
121 PCS Benefits	2,169	0	278	2,447	0	4,053	6,500
199 Total Civ Compensation	1,171,526	22,770	-13,709	1,180,587	5,990	24,472	1,211,049
308 Travel of Persons	22,623	385	6,639	29,647	534	-2,651	27,530
399 Total Travel	22,623	385	6,639	29,647	534	-2,651	27,530
647 DISA Enterprise Computing Centers	3,428	65	-63	3,430	-206	0	3,224
671 DISA DISN Subscription Services (DSS)	261	5	104	370	7	198	575
677 DISA Telecomm Svcs - Reimbursable	6,400	122	278	6,800	129	7	6,936
696 DFAS Financial Operation (Other Defense Agencies)	6,801	-83	582	7,300	377	0	7,677
699 Total DWCF Purchases	16,890	109	901	17,900	307	205	18,412
771 Commercial Transport	2,144	36	998	3,178	57	2,497	5,732
799 Total Transportation	2,144	36	998	3,178	57	2,497	5,732
901 Foreign National Indirect Hire (FNIH)	438	9	201	648	3	0	651
912 Rental Payments to GSA (SLUC)	22,198	377	3,774	26,349	474	-5,016	21,807
913 Purchased Utilities (Non-Fund)	1,300	22	969	2,291	41	0	2,332
914 Purchased Communications (Non-Fund)	13,637	232	-4,659	9,210	166	-3,392	5,984
915 Rents (Non-GSA)	3,531	60	-1,269	2,322	42	1,024	3,388
917 Postal Services (U.S.P.S)	257	4	-25	236	4	0	240
920 Supplies & Materials (Non-Fund)	2,227	38	932	3,197	58	0	3,255
921 Printing & Reproduction	2,668	45	-1,714	999	18	0	1,017
922 Equipment Maintenance By	8,169	139	-3,862	4,446	80	0	4,526

**Defense Contract Management Agency
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 President's Budget**

<u>OP 32 Line</u>	FY 2017 <u>Actuals</u>	Change FY 2017/FY 2018		FY 2018 <u>Estimate</u>	Change FY 2018/FY 2019		FY 2019 <u>Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
Contract							
923 Facilities Sust, Rest, & Mod by Contract	4,878	83	2,933	7,894	142	0	8,036
925 Equipment Purchases (Non-Fund)	11,904	202	34,527	46,633	839	-12,120	35,352
932 Mgt Prof Support Svcs	13,561	231	-792	13,000	234	0	13,234
960 Other Costs (Interest and Dividends)	65	1	0	66	1	0	67
987 Other Intra-Govt Purch	16,956	288	9,554	26,798	482	23,869	51,149
989 Other Services	17,199	292	-75	17,416	313	6,914	24,643
990 IT Contract Support Services	21,210	361	24,622	46,193	831	-20,074	26,950
999 Total Other Purchases	140,198	2,384	65,116	207,698	3,728	-8,795	202,631
Total	1,353,381	25,684	59,945	1,439,010	10,616	15,728	1,465,354

* The FY 2017 Actual column includes \$13,510.0 thousand of FY 2017 Overseas Contingency Operations (OCO) Appropriations Funding (PL 115-31).

* The FY 2018 Estimate column excludes \$21,317.0 thousand of FY 2018 OCO Appropriations Funding.

* The FY 2019 Estimate column excludes \$21,723.0 thousand of FY 2019 OCO Appropriations funding.