

# **Defense Logistics Agency**

## **Fiscal Year (FY) 2010 Budget Estimates**

**May 2009**



**Procurement, Defense-Wide**

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DEFENSE LOGISTICS AGENCY  
Procurement, Defense-Wide  
P-1 Line Item Number 28  
Fiscal Year (FY) 2010 Budget Estimates

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DEFENSE LOGISTICS AGENCY  
 Procurement, Defense-Wide  
 Fiscal Year (FY) 2010 Budget Estimates  
 Exhibit P1 - Procurement Program  
 (Dollars in Millions)

Procurement, Defense-Wide  
 Budget Activity: 01

May 2009

P-1 Line Item #	Item Nomenclature	Ident Code	FY 2008		FY 2009		FY 2010		FY 2011		FY 2012		FY 2013		FY 2014		FY 2015	
			QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
28	Passenger Carrying Vehicles	A	20	0.595	15	0.449	15	0.445										
28	Microelectronics Equipment	A	4	8.047	4	8.314	0	0.000										
28	DDMA Disintegrator	A	1	0.269	0	0.000	0	0.000										
28	COOP Program		0	0.000	0	0.000	1	7.283										
	Total Major Equipment, DLA			8.911		8.763		7.728										

**DEFENSE LOGISTICS AGENCY**  
**Procurement, Defense-Wide**  
**Fiscal Year (FY) 2010 Budget Estimates**  
**(Dollars in Millions)**

<b>Budget Item Justification</b>							<b>A. Date</b> May 2009				
<b>B. Procurement Defense-Wide</b> <b>Budget Activity: 01</b>							<b>C. P-1 Item Nomenclature</b> 28 Major Equipment, DLA				
	Prior Years	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	To Complete	Total
<b>Quantity</b>		20	15	15	15	15	15	15	15		
<b>Cost</b>		8.911	8.763	7.728							
<p>DLA's Procurement Defense-Wide program consists of Passenger Carrying Motor Vehicles, Microelectronics Equipment (managed by the Defense Microelectronics Activity), a Defense Distribution Mapping Agency Disintegrator, and the COOP Program. For FY 2010 DMEA's PDW funding is transferring to DDR&amp;E and DLA is receiving funding for the COOP Program. No OCO funding has been received or requested.</p>											

Procurement, Defense-Wide  
 Fiscal Year (FY) 2010 Budget Estimates  
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<b>Budget Item Justification</b>							<b>A. Date</b> May 2009				
<b>B. Procurement Defense-Wide</b> Budget Activity: 01							<b>C. P-1 Item Nomenclature</b> 28 Major Equipment, DLA Passenger Carrying Motor Vehicle				
	Prior Years	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	To Complete	Total
<b>Quantity</b>		20	15	15							
<b>Cost</b>		0.595	0.449	0.445							
<p>Passenger Carrying Motor Vehicles (PCMV) replacement is required to support DLA's overseas logistics operations. Currently, DLA maintains field offices in Europe, the Middle East, and the Far East. While our policy is to lease General Services Administration (GSA) vehicles where they are available, GSA lease support is still limited or nonexistent at most overseas locations. So, replacement of Agency-owned and commercially leased PCMV with owned PCMV is required in cases when it is less expensive to own rather than commercially lease, and PCMV ownership is usually significantly less expensive than commercial leasing at overseas locations. PCMV replacement requirements continue to be driven by age compared to life expectancy, utilization factors, and condition.</p>											

DEFENSE LOGISTICS AGENCY  
Procurement, Defense-Wide  
Fiscal Year (FY) 2010 Budget Estimates  
(Dollars In Millions)

Project Cost Analysis		A. Appropriation/Budget Activity Title/Number			B. Program Model/Series/Popular Name			C. Manufacturer Name/Plant/City/State Location Various					
		Procurement, Defense-Wide Budget Activity 01			28 Major Equipment, DLA Passenger Carrying Motor Vehicle			D. Date May 2009					
		FY 2008			FY 2009			FY 2010			FY 2011		
Program Cost Element	Ident Code	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Passenger Carrying Motor Vehicles		20	0.02975	0.595	15	0.02993	0.449	15	0.02967	0.445			
Gross P-1 End Cost		20		0.595	15		0.449	15		0.445			
Less: Prior Year Advance Procurement													
Net P-1 Full Funding Cost		20		0.595	15		0.449	15		0.445			
Total 01		20		0.595	15		0.449	15		0.445			

DEFENSE LOGISTICS AGENCY  
 Procurement, Defense-Wide  
 Fiscal Year (FY) 2010 Budget Estimates  
 (Dollars in Millions)

Exhibit P-5a Procurement History and Planning							A. Date			
B. Appropriation/Budget Activity							C. P-1 Item Nomenclature			
Procurement, Defense-Wide							28 Major Equipment, DLA			
Budget Activity: 01							Passenger Carrying Motor Vehicle			
Cost Element/Fiscal	Contract or and Location	Contract Method and Type	Contracted By	Award Date	Date of First Delivery	Quantity	Unit Cost	Spec Available Now	Spec Revision Required	If Yes When Available?
FY 2008	Various	Various	DLA	Sep-09	Jan-10	20	0.02975	No	Yes	Jun-09
Passenger Carrying Motor Vehicles										
FY 2009										
Passenger Carrying Motor Vehicles	Various	Various	DLA	Sep-10	Jan-11	15	0.02993	No	Yes	Jun-10
FY 2010										
Passenger Carrying Motor Vehicles	Various	Various	DLA	Sep-11	Jan-12	15	0.02967	No	Yes	Jun-11
FY 2010										
Passenger Carrying Motor Vehicles										

DEFENSE LOGISTICS AGENCY  
Procurement, Defense-Wide  
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(\$ In Thousands)

Requirements Study, Exhibit P-20						Date			
						May 2009			
P-1 Line Item Nomenclature:		Administrative Lead Time:			Production Lead Time:				
28 Major Equipment, DLA Passenger Carrying Motor Vehicle		6 months			4 months				
		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Buy Summary		20	15	15					
Unit Cost		29.8	29.9	29.7					
Total Cost		595	449	445					
<b>Asset Dynamics</b>									
Beginning Asset Position		109	125	125					
Deliveries from all prior year funding									
Deliveries from current year funding									
Deliveries from BY1 funding									
Deliveries from BY2 funding									
Deliveries from all subsequent funding		28	15	15					
Other Gains		11	0	0					
Disposals		23	15	15					
<b>End of Year Asset Position</b>		125	125	125					
Current Authorized Allowance		125	125	125					
Vehicles Eligible for Replacement		15	15	15					
Vehicle Augmentation		0	0	0					
<b>Remarks:</b>									
Increased fleet size is due mainly to replacement of leased PCMV's at new overseas sites.									

**DEFENSE LOGISTICS AGENCY**  
**Procurement, Defense-Wide**  
**Fiscal Year (FY) 2010 Budget Estimates**  
**(Dollars in Millions)**

<b>Budget Item Justification</b>							<b>A. Date</b> May 2009				
<b>B. Procurement Defense-Wide Budget Activity 01</b>							<b>C. P-1 Item Nomenclature</b> 28 Major Equipment, DLA Microelectronics Equipment				
	Prior Years	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	To Complete	Total
<b>Quantity</b>		4	4	0							
<b>Cost</b>		8.047	8.314	0.000							
<p>Microelectronics technologies are extremely dynamic and, on the average, become obsolete every 18 months. However, Department of Defense (DoD) weapon systems using such technologies have increased life cycles that commonly last for 40 or 50 years. The disparity between the long life cycles for weapon systems and the short life of microelectronics technology sources is the main factor driving DoD system obsolescence and mission degradation. Therefore, DoD is becoming increasingly dependent on a technology that obsoletes itself every 18 months. All too quickly, DoD's orders become too low to be profitable to the industry. This leads manufacturers to abruptly close "old" production lines that are no longer profitable in favor of the processes producing the latest technology. When a device becomes obsolete, every system using that device in DoD has a problem.</p> <p>The Defense Microelectronics Activity (DMEA) mission is to provide solutions to microelectronics obsolescence by leveraging the capabilities and payoffs of the most advanced microelectronics technology to solve obsolescence problems in fielded weapon systems. This mission covers all sustainment and modification issues relating to microelectronics technology regardless of where those devices are used. DMEA uses a unique and innovative methodology to reverse engineer microelectronic devices, analyze solution sets, and then build and test the prototype solution. DMEA's microelectronics engineering specialists, supported by analysis, design, test, and prototyping equipment, produce solutions which are technically correct, logistically supportable, schedule responsive, and fiscally affordable for the entire spectrum of microelectronics.</p> <p>DMEA's laboratory is uniquely positioned as a government entity to understand and accommodate the entire range of solution sets from all vendors. This not only provides a technologically correct solution, regardless of the type of microelectronics problem, but also allows the government specialists the ability to select the best business decision for DoD, if more than one solution set is available. DMEA's solutions provide a functional replacement by using the most current technology.</p> <p>To accomplish the mission, DMEA provides technical and application engineering support for the implementation of microelectronics technologies and manages an organic capability to support these technologies within the DoD. The DMEA equipment requirement is to procure new, replacement, and upgraded tools used for Engineering Analysis, Prototype Design, Verification and Integration, and Wafer Post Processing.</p>											

DEFENSE LOGISTICS AGENCY  
Procurement, Defense-Wide  
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(Dollars In Millions)

Project Cost Analysis		A. Appropriation/Budget Activity Title/Number			B. Program Model/Series/Popular Name			C. Manufacturer Name/Plant/City/State Location					
		Procurement, Defense-Wide			28 Major Equipment, DLA			Various					
		Budget Activity: 01			Microelectronics Equipment			D. Date May 2009					
		FY 2008			FY 2009			FY 2010			FY 2011		
Program Cost Element	Ident Code	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Engineering Analysis Equipment		1	0.760	0.760	1	1.081	1.081	0	0.000	0.000			
Prototype Design Equipment		1	1.626	1.626	1	0.494	0.494	0	0.000	0.000			
Verification and Integration Equipment		1	0.502	0.502	1	1.236	1.236	0	0.000	0.000			
Wafer Post Processing Equipment		1	5.159	5.159	1	5.528	5.528	0	0.000	0.000			
Gross P-1 End Cost				8.047			8.314			0.000			
Less: Prior Year Advance Procurement													
Net P-1 Full Funding Cost				8.047			8.314			0.000			
Total 02		4		8.047	4		8.314	0		0.000			

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Exhibit P-5a Procurement History and Planning								A. Date		
B. Appropriation/Budget Activity								C. P-1 Item Nomenclature		
Procurement, Defense-Wide								28 Major Equipment, DLA		
Budget Activity: 01								Microelectronics Equipment		
Cost Element/Fiscal Year	Contractor and Location	Contract Method and Type	Contracted By	Award Date	Date of First Delivery	Quantity	Unit Cost	Spec Available Now	Spec Revision Required	If Yes When Available?
FY 2008										
Microelectronics Equipment										
Engineering Analysis	Various	CPFF	DMEA	Jul-08	FY 2008	1	0.760	No		
Prototype Design	Various	CPFF	DMEA	Feb-08	FY 2008	1	1.626	No		
Integration	Various	CPFF	DMEA	Jul-08	FY 2008	1	0.502	No		
Wafer Post Processing	Various	CPFF	DMEA	Feb-08	FY 2008	1	5.159	No		
FY 2009										
Microelectronics Equipment										
Engineering Analysis	Various	CPFF	DMEA	TBD	FY 2009	1	1.081	No		
Prototype Design	Various	CPFF	DMEA	TBD	FY 2009	1	0.494	No		
Integration	Various	CPFF	DMEA	Jan-09	FY 2009	1	1.236	No		
Wafer Post Processing	Various	CPFF	DMEA	Jan-09	FY 2009	1	5.528	No		

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<b>Budget Item Justification</b>							<b>A. Date</b> May 2009				
<b>B. Appropriation/Budget Activity</b> Procurement, Defense-Wide Budget Activity: 01							<b>C. P-1 Item Nomenclature</b> 28 Major Equipment, DLA DDMA Disintegrator				
	Prior Years	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	To Complete	Total
<b>Quantity</b>		0	0	0							
<b>Cost</b>		0.269	0.000	0.000							
<p>Defense Distribution Mapping Agency (DDMA) has substantially expanded their mission to include storage of maps on Digital Video Disc (DVD) in addition to hard copied maps. In FY 08 the workload is projected to be 2 million DVDs per year as a result of this expanded mission. National Imagery and Mapping Agency is converting their classified maps to DVD and these units are being transferred to DDMA. DDMA's existing disintegrator unit is approximately five years old and has been maintenance intensive because it is undersized and does not meet this ongoing mission requirement of disposing of DVDs and hard copy non-classified maps. In addition, due to lack of an adequate disintegrator, all classified material both DVDs and hard copies are shipped to a burn facility for disposal. In FY 08, the purchase of a disintegrator capable of meeting the increased demands will allow DDMA to perform the entire mission of disposing of both classified and non classified DVDs, as well as the hard copied maps on site and in a cost effective manner.</p>											

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Project Cost Analysis		A. Appropriation/Budget Activity Title/Number			B. Program Model/Series/Popular Name			C. Manufacturer Name/Plant/City/State Location					
		Procurement, Defense-Wide Budget Activity: 01			28 Major Equipment, DLA DDMA Disintegrator			D. Date May 2009					
		FY 2008			FY 2009			FY 2010			FY 2011		
Program Cost Element	Ident Code	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
DDMA Disintegrator		1	0.269	0.2690	0	0.000	0.000	0	0.000	0.000			
Gross P-1 End Cost		0	0.0000	0.0000	0		0.000	1		0.000			
Less: Prior Year Advance Procurement													
Net P-1 Full Funding Cost		0	0.0000	0.0000	0		0.000	1		0.269			
Total 03		0	0.0000	0.0000	0		0.000	1		0.000			

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Exhibit P-5a Procurement History and Planning								A. Date		
B. Appropriation/Budget Activity								Procurement, Defense-Wide		
Defense Logistics Agency								C. P-1 Item Nomenclature		
								28 Major Equipment, DLA		
								DDMA Disintegrator		
Cost Element/Fiscal Year	Contractor and Location	Contract Method and Type	Contracted By	Award Date	Date of First Delivery	Quantity	Unit Cost	Spec Available Now	Spec Revision Required	If Yes When Available?
FY 2008 Disintegrator	TBD	RFP	TBD	TBD	TBD	1	0.269	NO	NO	
FY 2009 N/A										
FY 2010 N/A										

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<b>Budget Item Justification</b>							<b>A. Date</b> May 2009				
<b>B. Procurement Defense-Wide Budget Activity 01</b>							<b>C. P-1 Item Nomenclature</b> 28 Major Equipment, DLA COOP Program				
	Prior Years	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	To Complete	Total
<b>Quantity</b>		0	0	26							
<b>Cost</b>		0.000	0.000	7.283							
Procurement, deployment and installation of DCIN-TS Enterprise systems to support COOP requirements.											

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Project Cost Analysis		A. Appropriation/Budget Activity Title/Number			B. Program Model/Series/Popular Name			C. Manufacturer Name/Plant/City/State Location					
		Procurement, Defense-Wide			28 Major Equipment, DLA			Various					
		Budget Activity: 01			COOP Program			D. Date May 2009					
		FY 2008			FY 2009			FY 2010			FY 2011		
Program Cost Element	Ident Code	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
NCOCs		0		0.000	0		0.000	2	675,000	1,350,000			
COCOMS								23	244,600	5,625,800			
DoD Agencies								1	244,600	244,600			

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(Dollars in Millions)

Exhibit P-5a Procurement History and Planning								A. Date		
B. Appropriation/Budget Activity								C. P-1 Item Nomenclature		
Procurement, Defense-Wide								28 Major Equipment, DLA		
Budget Activity: 01								COOP Program		
Cost Element/Fiscal Year	Contractor and Location	Contract Method and Type	Contracted By	Award Date	Date of First Delivery	Quantity	Unit Cost	Spec Available Now	Spec Revision Required	If Yes When Available?
NCOCs	Sytex	FF Price	DESC	Sep-09	TBD	2	675,000	y		
COCOMS	Sytex	FF Price	DESC	Sep-09	TBD	23	244,600	y		
DoD Agencies	Sytex	FF Price	DESC	Sep-09	TBD	1	244,600	y		

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