

**DEFENSE CONTRACT AUDIT AGENCY**  
**Operations And Maintenance, Defense-Wide**  
**FY 2000/2001 Biennial Budget Estimates**

**I. Description of Operations Financed:** The Defense Contract Audit Agency (DCAA) is a worldwide single mission Agency responsible for assisting Department of Defense (DoD) acquisition authorities in achieving sound contract pricing by evaluating contractor forward pricing proposals, providing contracting officers with accounting and financial advisory services useful to "could cost" and "should cost" assessments and negotiations, verifying the propriety and acceptability of costs charged by contractors to flexibly priced Government contracts, and deterring contractors' inefficient practices which, if not detected and corrected, could lead to excessive costs and contract prices.

DCAA's workload originates primarily from the effort required to audit and monitor DoD acquisitions of equipment, materials, and/or services from civilian contractors and universities by the expenditure of Procurement, and Research, Development, Test and Evaluation (RDT&E) funds appropriated by Congress each year. Other factors affecting contract audit workload are (i) DoD procurement policies, (ii) the implementation of existing Cost Accounting Standards (PL 100-679), (iii) audits performed for the military departments in connection with the Foreign Military Sales (FMS) Program, (iv) the interest by DoD officials and the Congress in the nature of costs charged to defense contracts, (v) audits for economy and efficiency, (vi) Compensation System Reviews (CSRs), and (vii) requests for contract audit support from the Defense Procurement Fraud Unit and U.S. attorneys during the conduct of investigations and prosecution of perpetrators of contract fraud.

Projected staffing requirements are commensurate with planned changes in DoD procurement levels, departmental acquisition streamlining initiatives, and required effort to complete audits of prior year contract expenditures. These staffing levels also reflect incorporation of the Quadrennial Defense Review recommendations and related DoD initiatives.

It should be noted that savings to the Government, as a result of contract audit services, far exceed the cost of DCAA operations. For example, in FY 1998 the Agency audited \$100.0 billion of incurred cost and reviewed 10,473 forward pricing proposals amounting to \$78.7 billion. Approximately \$2.2 billion in net savings were reported during the year. When compared to the \$364 million expended for the Agency's operations, the return on taxpayers' investment in DCAA was approximately \$6 for each dollar invested.

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**II. Force Structure Summary:** The workload of DCAA is divided into the major functional categories described below:

1. Forward Pricing Effort. The Federal Acquisition Regulations (FAR) and Public Law 100-679, Cost Accounting Standards (CAS), require Department of Defense (DoD) procurement officials to comply with various administrative procedures before entering into contracts. These procedures include obtaining pertinent accounting and financial advice before making decisions related to prospective contract prices. The ultimate goal of forward pricing audit effort is to assist contracting officers in determining and negotiating fair and reasonable prices for negotiated Government contracts. Preaward services furnished to contracting officers by DCAA include:

a. Price Proposal Audits. These audits are performed to determine the reasonableness of contractors' price proposals submitted in anticipation of negotiating Government contracts. They are specifically requested by contracting officers and must be accomplished within a short period of time to avoid delaying the procurement process. DCAA has no control over the number or timing of price proposal audits and must respond to each audit request.

b. Could Cost or Should Cost Studies and Participation on Integrated Product Teams (IPTs). Should cost studies are initiated by procuring activities who organize a team of specialists and review a contractor's price proposal to determine what a particular procurement could or should cost, depending on which study is being performed. DCAA auditors participate as members of the team of specialists. Such studies usually involve large major weapon system procurements. DCAA auditors also participate on IPTs that include representatives from all appropriate organizations and functional disciplines (normally DCAA, the buying activities, DCMC, and the contractor). Working together with the team leader, the objective is to avoid rework at the end of process by identifying problems and finding potential solutions at the earliest possible point in the procurement process.

c. Forward Pricing Rate Reviews. These reviews are performed to determine the reasonableness of projected labor, overhead, and other indirect expense rates submitted by a contractor prior to submission of price proposals. These rates are normally separately

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**II. Force Structure Summary (Continued):**

negotiated by a contracting officer and then used by the contractor in subsequent price proposals.

d. Specific Cost Element Reviews and Agreed Upon Procedures. Specific cost element reviews are audits of only specific cost elements within a proposal (e.g., only proposed material or labor costs). Applications of agreed-upon procedures include cost realism reviews and all reviews of information other than cost or pricing data submitted in support of a price proposal.

e. System Surveys. These reviews are performed to determine the reliability, propriety, and accuracy of contractors' estimating, accounting, internal control, and other systems relating to or providing the basis for Government contract costs or pricing. Systems surveys may be either a joint team review in which the experience and capabilities of the auditor and technical specialist are combined, or they may be comprehensive reviews performed solely by auditors. Additionally, these reviews include effort to recommend corrective actions on conditions causing deficiencies disclosed in price proposal evaluations or other audit areas which require immediate reporting and resolution. This also includes the effort required to determine the status of corrective actions taken by contractors on previously disclosed deficiencies.

f. Other. This effort includes providing verbal information to procurement officials on labor rates, overhead rates, and similar factors for smaller procurements.

2. Incurred Cost Effort. The FAR requires DCAA to perform audits of claimed costs incurred and submitted by contractors for reimbursement under cost reimbursable, fixed price incentive, and other types of flexibly priced contracts to determine if the costs are acceptable in accordance with contract terms, FAR, and Cost Accounting Standards (CAS) rules and regulations, if applicable. Although the performance of these incurred cost audits and CAS compliance audits are normally self-initiated, they must be accomplished in order for the Government to make final payment to the contractor. They include reviews of direct labor and material, indirect expenses, and performance and financial controls. Although the primary purpose of incurred cost audits is to express an opinion on the acceptability of costs claimed

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**II. Force Structure Summary (Continued):**

under Government contracts, knowledge of contractors' accounting, estimating, and internal control systems gained during these audits is invaluable to the evaluation of contractors' price proposals.

3. Operations Audits. DCAA also performs a variety of economy and efficiency audits of contractor operations. DCAA operations audits are systematic reviews of contractor organizational units and functions to evaluate the reasonableness of methods and practices employed on Government contracts.

4. Special Audits. These audits are normally requested by the contracting officer and include reviews of termination claims, progress payment requests, equitable adjustment claims, hardship claims, escalation claims, and contractor financial capability. They must be accomplished within a short period of time to avoid adverse effects such as additional claims for interest on amounts due or contractor financial failure. DCAA has little control on the number or timing of these reviews and must respond to all such requests.

5. Defective Pricing Reviews. The Truth in Negotiations Act, as codified in 10 USC §2306a, requires contracting officers to obtain cost or pricing data from contractors before awarding a contract unless an exception applies. Under TINA the Government has the right to examine these records to evaluate the accuracy, completeness, and currentness of the cost or pricing data required to be submitted. DCAA is responsible for performing these reviews which assist in determining whether a contract or subcontract price was unduly increased because the contractor failed to furnish accurate, complete, or current cost or pricing information in negotiating the contract.

6. Cost Accounting Standards. Contracts and subcontracts not qualifying for an exemption are subject to CAS-coverage as a condition of Government contracting. The FAR assigns DCAA responsibility for reviewing contractors' implementation and compliance with the CAS rules, and regulations.

7. Other Direct Audit Effort. DCAA's audit mission includes other audit-related activities such as providing on-site assistance to procurement and contract administration

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**II. Force Structure Summary (Continued):**

offices, contract audit coordination (CAC) programs, and negotiation support. Testing performed during development of Agency policies and procedures, and follow-up effort related to Congressional, General Accounting Office (GAO), DoD Inspector General (DoD IG), and other external requests, surveys, and reports are also a part of this activity. The major items within this activity are further described below:

a. Procurement Liaison. DoD Directive 5105.36, dated 9 June 1965, authorized the Director, DCAA to establish and maintain liaison auditors, as appropriate, at major procuring and contract administration offices. The primary functions of procurement liaison auditors are to (i) facilitate effective communication and coordination between procurement officers and auditors, (ii) provide on-the-spot personal consultation and advice in connection with contractors' cost representations and related matters, (iii) provide DCAA management with information regarding specific awards, trends in type and volume of awards, and other data impacting on immediate or long range DCAA responsibilities, and (iv) provide DCAA management with information on the adequacy, responsiveness and timeliness of audit services rendered to procurement and contract administration offices.

b. Contract Audit Coordinator (CAC) Program. A CAC program has been established at the largest DoD contractors whose accounting functions, operations, and contract performance occur at multiple locations under the audit cognizance of multiple DCAA field offices. The program is designed to maintain effective communications and audit coordination at these contractor locations. The CAC program includes effort to (i) disseminate information, (ii) monitor and track problem areas to assure uniform resolution, (iii) arrange and attend CAC conferences, and (iv) coordinate with other DCAA personnel, contractor representatives, and cognizant procurement officials on CAC problems.

c. Negotiation Conferences. A fundamental requirement of DCAA's mission is to provide contract audit services and to be the principal accounting and financial advisor to contracting officials. Many times audit results involve complex accounting issues and/or quantitative analyses that dispute contractor's cost estimates or representations. On these occasions, the best interests of the Government are served by having auditors present at negotiations to offer further explanation of the audit position, perform analyses of

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additional contractor data presented at the negotiation table, and provide any other accounting and/or financial assistance the contracting officer may require during the negotiation process.

d. External Audit Interface. This activity includes effort expended to develop information and comments on reports from the GAO, DoD IG, or other government inspector general offices. This activity also includes effort related to discussions and conferences, and any interface involving any other government audit organization.

e. Suspected Irregular Conduct (SIC). This activity represents effort expended related to SIC referrals, and responses to requests from investigative agencies or the Department of Justice regarding fraud or other irregular practices. This activity includes the development of evidence for presentation to an U.S. attorney or a grand jury, and/or for use at a trial.

f. Audit Support and Planning. This activity represents effort expended by the field to prepare annual audit requirements and program plan information as well as effort expended on projects and studies requested by the regions or Headquarters. The projects normally relate to new and/or innovative ways of performing DCAA's audit mission, and often add to the body of knowledge needed to enhance Agency mission accomplishment through the development and application of improved audit and/or audit management technology and techniques.

8. Field Support. This category includes support personnel in the five regional offices, the Defense Contract Audit Institute, the Information Technology Division, and the Technical Audit Services Division.

a. Regional Offices. These offices provide technical audit management and supervision, and logistical support in the form of personnel services, payroll, budgeting and accounting, and travel services to field office personnel.

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b. Defense Contract Audit Institute (DCAI). DCAI provides both centralized and decentralized training for DCAA's audit staff. The Institute offers contract audit oriented courses. In addition, DCAI's trained instructors provide contract audit training segments in courses and seminars offered by other DoD and non-DoD agencies.

c. Information Technology Division (OIT). OIT is responsible for the development, maintenance, and enhancement of DCAA's management information system hardware and software to meet management, administrative, and audit requirements. It is also responsible for operating the Agency-wide telecommunications network, and defining and controlling data management standards.

d. Technical Audit Services Division (OTS). OTS conducts research and distributes information to the field on operations audits, quantitative audit techniques, computer assisted audit techniques, and other auditing topics that have Agency-wide application. OTS also provides technical assistance to auditors in planning reviews of contractor's electronic data processing systems and engineering operations.

e. Field Administrative Support. Field administrative support personnel provide administrative and resource management services to the Field Detachment, the Defense Contract Audit Institute, and the Defense Legal Services staff assigned to DCAA.

f. Other. This category includes personnel from the Defense Legal Service (DLS).

9. Headquarters. DCAA Headquarters performs the work normally associated with the central office of a professional organization. It develops policy and promulgates instructions and operating directives needed to perform the Agency mission. It performs oversight reviews of regional and field office operations, and advises regional offices on resource management matters, including the recruitment and training of personnel. In addition, Headquarters personnel interface with other DoD components as well as other Government agencies and Congressional committees on contract audit matters.

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III. Financial Summary (O&M: \$ in Thousands):

A. <u>Budget Activity Group</u>	FY 1998	FY 1999			FY 2000
	<u>Actual</u>	<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>	<u>Estimate</u>
DCAA Operations	308,292	312,892	311,003	309,143	323,466
DCAA Communications	5,055	7,051	4,307	4,307	6,661
DCAA Management HQ	10,263	10,144	10,402	10,402	10,497
<b>TOTAL</b>	<b>323,610</b>	<b>330,087</b>	<b>325,712</b>	<b>323,852</b>	<b>340,624</b>

B. <u>Reconciliation Summary</u>	Change	Change
	<u>FY 1999 / FY 1999</u>	<u>FY 1999 / FY 2000</u>
<b>Baseline Funding</b>	<b>330,087</b>	<b>323,852</b>
Distributed Congressional Adjust.	-4,375	
Undistributed Congressional Adjust.	-1,860	
Supplemental Request		
Price Change		11,996
Functional Transfer		
Program Change		4,776
<b>Current Estimate</b>	<b>323,852</b>	<b>340,624</b>



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**Reconciliation of Increases and Decreases:**

<b>1. FY 1999 President's Budget Request</b>		330,087
2. Congressional Adjustments		
a. Within-grade Increases	0	
a. Distributed		-4,375
(1) Within-grade Increases	-2,375	
(2) Price Growth Error	-2,000	
b. Undistributed		-1,860
(1) Civilian Personnel Under Execution	-1,200	
(2) DRI Savings	-282	
(3) Revised Economic Assumptions	-136	
(4) Congressional Earmarks (Total)	-242	
<b>3. FY 1999 Appropriation Enacted</b>		323,852
4. Proposed Supplementals		
a. QDR Savings		
b. Revised Economic Assumptions	0	
c. Defense Automated Printing Service	0	
d. Congressional Earmarks (Total)	0	
5. Transfers In	0	
6. Transfers Out		
7. Price Growth		
8. Program Increases		
9. Program Decreases		
<b>10. Revised FY 1999 Estimate</b>		
11. Price Growth		323,852
12. Transfers In		11,996
13. Transfers Out - DoD Computer Forensic Laboratory		-100
14. Program Increases		
a. Annualization of New FY 1999 Program		
b. One-Time FY 2000 Costs		
c. Program Growth in FY 2000		
(1) Voluntary Separation Incentive Payments	775	

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c. Program Growth in FY 2000 (continued)		
(2) Communications		2,052
Program growth necessary to support the agency Intranet and other ADP communications requirements including the paperless contracting initiative.		
(3) ADP Services and Software Maintenance		3,042
Program growth necessary to support the agency ADP systems, and upgrade in areas including electronic record keeping and optical technology.		
(4) Travel and Transportation		690
Program growth necessary due to closing/consolidation of Field Audit Offices (FAOs). The geographic area of coverage of the remaining FAOs is expected to increase.		
(5) PCS		752
(6) Overtime		892
(7) Defense Security Services - Transition to "Fee for Service" Agency		253
(8) Counter-drug Demand Reduction		23
(9) National Archives and Records Administration - Transition to "Fee for Service" Agency		300
(10) Audit Services		184
(11) Training		180
(12) Equipment Purchases		254
(13) Other Program Increases		184
15. Total Increases		
16. Program Decreases:		9,481
a. One-Time FY 1999 Costs		
b. Annualization of New FY 1999 Program		
c. Program Decreases in FY 2000		
(1) Reduction of 65 Direct work-years		-4,705
17. Total Decreases		
<b>18. FY 2000 Budget Request</b>		<b>-4,705</b> <b>340,624</b>

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**IV. Performance Criteria and Evaluation Summary:**

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Notes</u>
Forward Pricing	701	729	717	1
Incurring Cost Effort:				
Regular Incurred Costs Audits	1,688	1,503	1,395	
CAS Compliance Audits	93	93	91	
Total Incurred Cost	<u>1,781</u>	<u>1,596</u>	<u>1,486</u>	2
Operations Audits	45	58	58	3
Special Audits	385	393	389	4
Defective Pricing	167	166	164	5
Cost Accounting Standards: Disclosure Statements, Cost Impact Audits, Etc.	112	112	111	6
Other Direct Audit Effort:				
Procurement Support	260	291	335	7
Audit Support & Planning	412	424	418	8
Total Other Direct	<u>672</u>	<u>715</u>	<u>753</u>	
Field Support:				
Regional Offices	312	315	309	
Field Support	102	102	102	
Total Field Support	<u>414</u>	<u>417</u>	<u>411</u>	9
Headquarters	<u>85</u>	<u>85</u>	<u>83</u>	10
Total Work-years	<u>4,362</u>	<u>4,271</u>	<u>4,172</u>	

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	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
A. Incurred Costs (\$ Billions)			
On Hand Beginning Of Year	\$70.4	\$60.7	\$54.7
Received During Year (Adv)	<u>90.3</u>	<u>80.8</u>	<u>82.4</u>
Dollars Subject To Audit	\$160.7	\$141.5	\$137.1
Examined During Year	<u>100.0</u>	<u>86.8</u>	<u>82.2</u>
Ending Inventory	<u>\$60.7</u>	<u>\$54.7</u>	<u>\$54.9</u>
Work-years	1,781	1,596	1,486
Examined Per Workyear (\$ M)	\$56.1	\$54.4	\$55.3
B. Forward Pricing (\$ Billions)			
Amount Examined During Year	\$78.7	\$76.3	\$77.8
Work-years	701	729	717
Examined Per Workyear (\$ M)	\$112.3	\$104.7	\$108.6

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Note 1 - The estimated forward pricing audit effort is based on an assessment of contracting officials' demand requirements for forward pricing assistance. This assessment includes an analysis of the actual workload accomplishments during the past several years, adjusted for anticipated productivity improvements and the estimated impact of applicable acquisition reform initiatives.

Note 2 - The Federal Acquisition Regulations (FAR) require an audit of contractor costs incurred under flexibly priced contracts to determine if the costs are acceptable in accordance with contract terms, the FAR, and Cost Accounting Standards (CAS) rules and regulations, if applicable. While the timing for performance of these incurred cost audits is normally self-initiated, they must be accomplished to facilitate the Government's final contract payment to contractors on flexibly priced contracts. However, since the incurred cost area is essentially the only major audit area that DCAA has any control over the initiation of audit performance, budget constraints impact this area more severely than other areas. The estimated work years for incurred cost and CAS compliance testing represent the maximum staff available for this effort after considering higher priority and other demand workload. Workload statistics for incurred cost audits are based on historical data, current field audit requirements, annual field risk assessments, productivity factors, and anticipated changes in the DoD Procurement and RDT&E outlays.

Note 3 - DCAA's operations audits are designed, in part, to evaluate the economy and efficiency of contractor functions or operations which are reimbursed through the contractors' overhead expense rates. Because of the continuing interest in reducing the risk that excessive contractor overhead costs are priced into or reimbursed on DoD contracts, projected workyears provide staffing levels that will allow DCAA to perform required reviews.

Note 4 - Special audit activity is performed in response to requests from contracting officials. Special requests range from simple verification of costs to analyzing complex accounting issues. Contractor claims for contract price adjustments involve accounting issues requiring a high level of audit expertise and oftentimes substantial audit effort. Oversight of DoD contract costs during contract performance by DoD management and Congressional inquiry, contract terminations, progress payment requests, financial

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capability audits, earned value management system reviews and other contract claims represent a substantial portion of this workload. Our estimates reflect consideration of historical experience as well as expectations for productivity improvements.

Note 5 - The projected workyears will allow DCAA to perform defective pricing reviews at the required levels of effort. Contracts/subcontracts are selected for defective pricing review based on established selection criteria that consider contract types, dollar amounts, contractor estimating and accounting systems, historical experience, and audit leads. Our estimates reflect consideration of current required audits as adjusted for anticipated productivity improvements.

Note 6 - Public Law 100-679 requires contractors to comply with the Cost Accounting Standards (CAS). Contractors subject to full CAS-coverage are required to submit disclosure statements describing their significant accounting practices. In addition, any voluntary or required changes in accounting practices require DCAA to review their propriety and cost impact on negotiated Government contracts. Projected workyears reflect an anticipated level of activity required to perform reviews of disclosure statements for adequacy and audits of cost impact statements during times of a transforming defense industrial base with increased corporate mergers and acquisitions.

Note 7 - Major activities within Procurement Support include negotiation assistance, investigative support, the contract audit coordinator program, financial advisory service support centers, and procurement liaison auditor effort. Auditors are frequently asked by Government contracting representatives to attend contract negotiation conferences to provide accounting and financial advice. DCAA is also frequently requested to provide contract audit assistance to investigative organizations from all branches of the Government in its battle to combat fraud, waste, and mismanagement. In addition, acquisition reform has changed the need of the procurement community from audits of certified cost data to other forms of financial analysis. Required staffing levels are based on historical performance levels adjusted for additional financial advisory services.

Note 8 - The audit support and planning effort includes the development of DCAA's audit requirements and program plans necessary to accomplish the assigned audit mission at

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contractor locations. This planning effort enhances audit coverage and the quality of information available to DCAA management and higher DoD officials responsible for making resource/staffing decisions. Effort associated with performing process improvement projects and studies, and the processing and approval of contract payments is also included in this category. Workyears required for special projects and studies, and requirements and program planning represent the Agency's continuing efforts to improve audit quality and audit management oversight through data analyses, surveys, and the testing of new policies and operating procedures. The estimated staffing levels are based on historical performance levels adjusted for anticipated productivity improvements.

Note 9 - Estimated staffing levels for DCAA Field Support include those required for the Agency's regional offices, the Defense Contract Audit Institute (DCAI), the Information Technology and Technical Audit Services divisions, and other field support units. The estimates are based on current staffing levels adjusted for projected reductions due to the implementation of DCAA's organizational assessment initiatives.

Note 10 - Estimated staff levels for DCAA Headquarters reflect the 10% reduction in management headquarters personnel from FY 1999 through FY 2003 mandated by the Deputy Secretary of Defense.

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V. <u>Personnel Summary:</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change</u> <u>FY 1998 / FY 1999</u>	<u>Change</u> <u>FY 1999 / FY 2000</u>
<u>Civilian End Strength (Total)</u>	4,155	4,387	3,957	232	-430
U.S. Direct Hire	4,149	4,381	3,951	232	-430
Foreign National Direct Hire	1	1	1	0	0
Total Direct Hire	4,150	4,382	3,952	232	-430
Foreign National Indirect Hire	5	5	5	0	0
(Reimbursable Civilians					
Included in Above-Memo)	(547)	(552)	(488)	5	(64)
<u>Civilian FTEs (Total)</u>	4,336	4,271	4,172	-65	-99
U.S. Direct Hire	4,331	4,265	4,166	-66	-99
Foreign National Direct Hire	0	1	1	1	0
Total Direct Hire	4,331	4,266	4,167	-65	-99
Foreign National Indirect Hire	5	5	5	0	0
(Reimbursable Civilians					
Included in Above-Memo)	(547)	(552)	(488)	5	(64)



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

	FY 1998 Actual	FOREIGN CURRENCY RATE DIFF	Change FY 1998 - FY 1999		FY 1999 Estimate
			Price Growth	Program Growth	
<b>CIVILIAN PERSONNEL COMPENSATION</b>					
Executive, General	265,895		8,940	(2,671)	272,164
Wage Board	58		(1)	0	57
Foreign National	0		0	32	32
Separation Liability	0		0	0	0
Benefits to Former	916		32	(16)	931
Voluntary Separation	2,956		102	(1,283)	1,775
Disability Compensation	1,209		0	(163)	1,046
<b>Total Civilian Personnel</b>	<b>271,034</b>		<b>9,072</b>	<b>(4,101)</b>	<b>276,005</b>
<b>TRAVEL</b>					
Travel of Personnel	10,928		87	665	11,680
<b>Total Travel</b>	<b>10,928</b>		<b>87</b>	<b>665</b>	<b>11,680</b>
<b>OTHER FUND PURCHASES</b>					
Defense Financing	1,655		61	8	1,724
<b>Total Purchases</b>	<b>1,655</b>		<b>61</b>	<b>8</b>	<b>1,724</b>
<b>TRANSPORTATION</b>					
Commercial Transportation	706		6	3	715
<b>Total Transportation</b>	<b>706</b>		<b>6</b>	<b>3</b>	<b>715</b>
<b>OTHER PURCHASES</b>					
Foreign National	0		0	0	0
Separation Liability	0		0	0	0
Rental Payments	9,915		0	(105)	9,810
Purchased Utilities	55		1	0	56
Purchased Communications	2,052		16	1,326	3,394
Rents (Non-GSA)	1,107		9	5	1,121
Postal Services	380		3	(4)	379
Supplies & Materials	4,176		33	(12)	4,197
Printing & Reproduction	57		1	(1)	57
Equipment Maintenance	511		4	3	518
Equipment Purchases	660		5	(2)	663
Other Contracts	11,855		124	1,540	13,519
Other Costs	14		0	0	14
<b>Total Other Purchases</b>	<b>30,782</b>		<b>196</b>	<b>2,750</b>	<b>33,728</b>
<b>TOTAL</b>	<b>315,105</b>		<b>9,422</b>	<b>(675)</b>	<b>323,852</b>

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

	FY 1999 <u>Estimate</u>	FOREIGN	Change		FY 2000 <u>Estimate</u>
		CURRENCY <u>RATE DIFF</u>	Price <u>Growth</u>	Program <u>Growth</u>	
CIVILIAN PERSONNEL COMPENSATION					
Executive, General & Special Schedules	272,164		11,276	(2,553)	280,887
Wage Board	57		2	0	59
Foreign National Direct Hire (FNDH)	32		1	0	33
Separation Liability (FNDH)	0		0	0	0
Benefits to Former Employees	931		40	(317)	654
Voluntary Separation Incentive Payments	1,775		75	775	2,625
Disability Compensation	1,046		0	(17)	1,029
Total Civilian Personnel Compensation	<u>276,005</u>		<u>11,394</u>	<u>(2,112)</u>	<u>285,287</u>
TRAVEL					
Travel of Persons	<u>11,680</u>		<u>175</u>	<u>690</u>	<u>12,545</u>
Total Travel	11,680		175	690	12,545
OTHER FUND PURCHASES					
Defense Financing & Accounting Services	<u>1,724</u>		<u>26</u>	<u>10</u>	<u>1,760</u>
Total Purchases	1,724		26	10	1,760
TRANSPORTATION					
Commercial Transportation	<u>715</u>		<u>11</u>	<u>4</u>	<u>730</u>
Total Transportation	715		11	4	730
OTHER PURCHASES					
Foreign National Indirect Hire (FNIH)	0		0	0	0
Separation Liability (FNIH)	0		0	0	0
Rental Payments to GSA (SLUC)	9,810		0	51	9,861
Purchased Utilities (Non-Fund)	56		1	0	57
Purchased Communications (Non-Fund)	3,394		51	2,052	5,497
Rents (Non-GSA)	1,121		17	7	1,145
Postal Services (U.S.P.S.)	379		5	(6)	378
Supplies & Materials (Non-Fund)	4,197		63	14	4,274
Printing & Reproduction	57		1	1	59
Equipment Maintenance by Contract	518		7	4	529
Equipment Purchases (Non-Fund)	663		10	254	927
Other Contracts	13,519		235	3,807	17,561
Other Costs	14		0	0	14
Total Other Purchases	<u>33,728</u>		<u>390</u>	<u>6,184</u>	<u>40,302</u>
TOTAL	<u>323,852</u>		<u>11,996</u>	<u>4,776</u>	<u>340,624</u>