

# **Fiscal Year (FY) 2003 Budget Estimates**

## **Defense Contract Management Agency (DCMA)**



**February 2002**

**DEFENSE CONTRACT MANAGEMENT AGENCY**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2003 Budget Estimates**  
**Appropriation Highlights**  
**(Dollars in Thousands)**

The Defense Contract Management Agency is a combat support agency. DCMA's combat support responsibilities include: contingency and wartime planning with the CINCs; maintaining effective training and force preparation for deployed operations such as Bosnia and Kosovo; deployment with military forces to support contingency operations; support of joint exercises; and mobilizing defense industry support of CINC operations.

The Defense Contract Management Agency's operation and maintenance appropriation consists of the following activities: Defense Contract Management Districts East, West and International, the Defense Contract Management Agency Headquarters, the Mission Support Unit, Special Programs, and the Standard Procurement System (SPS) totaling \$1.1 billion and 11,655 full time equivalents. DCMA provides contract management services throughout the acquisition life cycle to include contractor compliance with contract terms; accepting products; providing program and technical support; and ensuring that contractors are paid. The Standard Procurement System is the new DoD-wide standard system that will replace Service and Defense Logistics Agency legacy procurement systems.

	FY 2001	Foreign	Price	Program	FY 2002	Foreign	Price	Program	FY 2003
	Actuals	Currency	Growth	Growth	Estimates	Currency	Growth	Growth	Estimates
		Variance				Variance			
Budget									
Activity 4:	924,019		35,432	(32,397)	927,054		103,707	39,806	1,070,567
Admin. & Serv.									
Act.									
Total	924,019		35,432	(32,397)	927,054		103,707	39,806	1,070,567

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Budget Activity 4 reflects funding in support of the Contract Management Agency as well as funding in support of the Standard Procurement System. The O&M appropriation funds the contracts, supplies, equipment maintenance, communications, salaries, awards, personnel, benefits, travel, permanent change of station, and training in support of these programs. This budget activity's decreases are primarily attributable to decreases in the civilian personnel workforce. Due to the magnitude of the FY 2002 congressional reductions levied upon DCMA, significant reductions were made to the FY 2002 non-labor budget. These reductions severely impacted our ability to align our workforce to support our customers, train our workforce, implement facility moves to DoD space, and maintain facilities. Increases in this budget activity are associated with the restoration of the Agency's non-labor funding in FY 2003 to preclude mission failure.

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**Summary of Increases and Decreases**  
**(Dollars in Thousands)**

1. FY 2002 President's Amended Budget Request		948,932
2. Congressional Adjustments (Distributed)		(15,200)
a. Pay Calculation and Program Growth	(11,400)	
b. Contingency Operations Contract Oversight	(2,800)	
c. SPS Office Efficiencies	(1,000)	
Total Congressional Adjustments (Distributed)	(15,200)	
3. Congressional Adjustments (Undistributed)		1,042
a. Reduction in Strategic Sourcing Studies	(737)	
b. Balkan Operations	2,070	
c. Defense Joint Accounting System	(291)	
Total Congressional Adjustments (Undistributed)	1,042	
4. Congressional Adjustments (General Provisions)		(7,441)
a. Section 8098--Legislative Affairs Reduction	(349)	
b. Section 8135--Fact-of-Life Changes in Utility Costs	(31)	
c. Section 8146--Savings from Government Purchase Card	(319)	
d. Section 8123--Reduction for Business Process Reform	(6,742)	
Total Congressional Adjustments (General Provisions)	(7,441)	
5. Congressional Earmarks		(279)
a. Congressional Earmarks Billpayer	(279)	
Total Congressional Earmarks	(279)	
6. FY 2002 Appropriated Amount		927,054
7. Price Change		6,176

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8. Program Increases		7,899
a. Funding increase to execute a VERA/VSIP for DCMA personnel as a result of congressional reductions and the need to realign personnel within DCMA.	7,899	
9. Program Decreases		(14,075)
a. Reductions exercised for non-labor budget categories such as travel, training, PCS, supplies, and equipment to fund the VERA/VSIP and the additional pay raise.	(14,075)	
10. Revised FY 2002 Current Estimate		927,054
11. Price Growth		103,709
a. Price growth includes \$76.741 million for OMB initiative which finances the full Government share of the accruing retirement costs of current DCMA Civil Service Retirement System (CSRS) employees and the accruing health care costs of DCMA future retirees.		

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12. Program Increases		41,532
a. Restoration of FY 2003 Program	19,555	
(1) Travel (+6,525)		
(2) Permanent Change of Station (PCS) (+4,654)		
(3) Training (+4,231)		
(4) Supplies and Materials (+3,640)		
(5) Other Operating Costs (+505)		

Due to the magnitude of the FY 2002 Congressional reductions levied upon DCMA, significant adjustments were made to the FY 2002 budget. These reductions severely impact our ability to align our workforce to support our customers, train our workforce, implement facility moves to DoD space, and maintain facilities in FY 2002. Funding must be restored in FY 2003 in order to preclude mission failure. In accordance with both the DCMA mission to ensure that all DoD acquisition programs, supplies and services are delivered on time, within cost, and meet performance standards, and the DCMA combat support function, mission failure will result in a significant impairment in our ability to provide critical warfighter support at a time when required most for military service readiness. DCMA's mission includes contract administration for Military Service programs such as the Joint Strike Fighter (JSF), Interim Armored Vehicle (IAV), and the V-22 Osprey program. As a result of FY 2003 DoD budget requests for investment appropriations such as Procurement and RDT&E increasing, DCMA workload will grow proportionately as previously experienced since FY 1998 with unliquidated obligations for contracts up by 30%.

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b.	Increase in funding for Voluntary Separation Incentive Pay (VSIP) and workforce restructuring. FY 2003 funding level provides for requirements in support of the OMB initiative identified as workforce restructuring. Funding is provided for the improvement of workforce skills mix, recruitment, retention, and relocation bonuses.	1,859
c.	Increase in funding for Contingency Operations in Bosnia and Kosovo transferred from the Overseas Contingency Transfer Fund.	2,777
d.	Increase in funding for DISA Information Services cost due to Megacenter Processing and Testbed charges incurring from increased MOCAS services required for continuous usage of legacy systems.	693
e.	Increase in DISA Tier I and DISA Tier II costs to support the Defense Messaging Service (DMS) which has replaced the AUTODIN messaging service throughout DoD for transmittal and receipt of secure messaging traffic.	2,904
f.	Increase in costs required for Defense Security Service (DSS) in accordance with service provider estimates. DSS has requested additional funding to finance improvements to the Case Control Management System (CCMS).	245
g.	Funds one-third of Agency IT equipment requirements in accordance with planned replacement cycle. It is critical to replace on this cycle so that end user service interruptions can be avoided and additional costs avoided for maintenance and repair on antiquated equipment which would otherwise be covered by manufacturers' no-cost warranties. As a result of FY 2002 reductions, equipment purchases	11,375

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were prioritized and executed exclusively for Combating Terrorism requirements related to the events of September 11. In addition, FY 2003 funding provides for furniture replacements associated with moves to DoD space and other non-ADP equipment replacements (i.e. faxes, copiers).

h.	Increase in help desk services to support additional Standard Procurement System (SPS) users deployed in FY 2003 and to raise user satisfaction levels.	2,124	
	Total Program Increase	41,532	
13.	Program Decreases		(1,727)
a.	Reduction in civilian personnel funding associated with the Agency's downsizing initiatives.	(1,155)	
b.	Reduction in costs required for Defense Finance and Accounting Services (DFAS) in accordance with service provider estimates.	(567)	
c.	Decrease in other Intra-Governmental contracts due to a prior year one-time fee to Defense Finance and Accounting Service.	(5)	
	Total Program Decrease	(1,727)	
14.	FY 2003 Budget Request		1,070,567



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**Personnel Summary**

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>Change</u> <u>FY 01/FY 02</u>	<u>Change</u> <u>FY 02/FY 03</u>
<u>Civilian End Strength (Total)</u>	12,247	11,462	11,897	(785)	435
U.S. Direct Hire	12,140	11,355	11,790	(785)	435
Foreign National Direct Hire	88	88	88	-	-
Total Direct Hire	12,228	11,443	11,878	(785)	435
Foreign National Indirect Hire	19	19	19	-	-
(Reimbursable Civilians	1,284	1,191	1,114	(93)	(77)
Included Above - Memo)					
 <u>Civilian Full Time Equivalent (FTE) (Total)</u>					
	12,123	11,747	11,655	(376)	(92)
U.S. Direct Hire	12,016	11,640	11,548	(376)	(92)
Foreign National Direct Hire	88	88	88	-	-
Total Direct Hire	12,104	11,728	11,636	(376)	(92)
Foreign National Indirect Hire	19	19	19	-	-
(Reimbursable Civilians	1,284	1,191	1,114	(93)	(77)
Included Above - Memo)					

**DEFENSE CONTRACT MANAGEMENT AGENCY**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2003 Budget Estimates**  
**Summary of Price and Program Changes**  
**(Dollars in Thousands)**

	<u>FY 2001</u>	<u>Price Growth</u>		<u>Program</u>	<u>FY 2002</u>	
	<u>Program</u>	<u>Percent</u>	<u>Amount</u>	<u>Growth</u>	<u>Program</u>	
<u>CIVILIAN PERSONNEL COMPENSATION</u>						
101	Exec, Gen and Special Schedules	748,727	4.6%	33,561	(16,991)	765,297
103	Wage Board	309	4.6%	14	-	323
104	Foreign National Direct Hire (FNDH)	2,630	4.6%	121	23	2,774
105	Separation Liability (FNDH)	-	-	-	59	59
106	Benefits to Former Employees	145	-	-	-	145
107	Voluntary Separation Incentive Pay	420	-	-	7,479	7,899
111	Disability Compensation	3,894	-	-	96	3,990
199	Total Civilian Personnel Comp	756,125		33,696	(9,334)	780,487
<u>TRAVEL</u>						
308	Travel of Persons	29,428	1.6%	471	(7,241)	22,658
399	Total Travel	29,428		471	(7,241)	22,658
<u>OTHER FUND PURCHASES (EXCL TRANSP)</u>						
647	DISA Information Systems	7,302	-15.9%	(1,303)	881	6,880
671	Communication Services (DISA) Tier 2	5,928	13.8%	818	187	6,933
673	Def Finance and Accounting Services	4,843	-4.7%	(228)	51	4,666
677	Communication Services (DISA) Tier 1	1,182	-	-	(272)	910
678	Defense Security Service	861	1.6%	14	(507)	368
699	Total Purchases	20,116		(699)	340	19,757

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**Summary of Price and Program Changes**  
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	<u>FY 2001</u> <u>Program</u>	<u>Price Growth</u> <u>Percent</u>	<u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY 2002</u> <u>Program</u>	
<u>TRANSPORTATION</u>						
771	Commercial Transportation	3,364	1.6%	54	(348)	3,070
799	Total Civilian Personnel Comp	3,364		54	(348)	3,070
<u>OTHER FUND PURCHASES (EXCL TRANSP)</u>						
901	Foreign National Indirect Hire (FNIH)	507	4.6%	8	-	515
912	SLUC (GSA Leases)	15,300	2.0%	314	1,919	17,533
913	Purchased Utilities (non-Fund)	282	1.6%	5	-	287
914	Purchased Communications (non-Fund)	3,548	1.6%	57	198	3,803
915	Rents and Leases (non-GSA)	2,065	1.6%	33	455	2,553
917	Postal Services (U.S.P.S.)	561	-	9	(54)	516
920	Supplies & Materials (non-Fund)	16,492	1.6%	264	(6,684)	10,072
921	Printing & Reproduction	467	1.6%	7	-	474
922	Equipment Maintenance by Contract	363	1.6%	6	172	541
923	Facility Maintenance by Contract	222	1.6%	4	-	226
925	Equipment Purchases (non-Fund)	12,957	1.6%	207	(11,367)	1,797
931	Contract Consultants	10,572	1.6%	170	(238)	10,504
932	Management & Professional Support Services	1,678	1.6%	27	15	1,720
933	Studies, Analysis & Evaluation	319	1.6%	5	-	324
987	Other IG Contracts	14	-	-	-	14
989	Other Contracts	49,639	1.6%	794	(230)	50,203
999	Total Purchases	114,986		1,910	(15,814)	101,082
	Total	924,019		35,432	(32,397)	927,054

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	<u>FY 2002</u> <u>Program</u>	<u>Price Growth</u> <u>Percent</u>	<u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY 2003</u> <u>Program</u>
<u>CIVILIAN PERSONNEL COMPENSATION</u>					
101	Exec, Gen and Special Schedules	2.6%	101,878	4,747	871,922
103	Wage Board	2.6%	8	-	331
104	Foreign National Direct Hire (FNDH)	2.6%	72	58	2,904
105	Separation Liability (FNDH)	-	-	-	59
106	Benefits to Former Employees	-	-	-	145
107	Voluntary Separation Incentive Pay	-	-	1,859	9,758
111	Disability Compensation	-	-	81	4,071
199	Total Civilian Personnel Comp		101,958	6,745	889,190
<u>TRAVEL</u>					
308	Travel of Persons	1.5%	340	6,525	29,523
399	Total Travel		340	6,525	29,523
<u>OTHER FUND PURCHASES (EXCL TRANSP)</u>					
647	DISA Information Systems	-1.0%	(70)	693	7,503
671	Communication Services (DISA) Tier 2	-	-	2,158	9,091
673	Def Finance and Accounting Services	-4.5%	(210)	(567)	3,889
677	Communication Services (DISA) Tier 1	-	-	746	1,656
678	Defense Security Service	7.9%	29	245	642
699	Total Purchases		(251)	3,275	22,781

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	<u>FY 2002</u> <u>Program</u>	<u>Price Growth</u>		<u>Program</u> <u>Growth</u>	<u>FY 2003</u> <u>Program</u>
		<u>Percent</u>	<u>Amount</u>		
<u>TRANSPORTATION</u>					
771	Commercial Transportation	3,070	1.5%	46	543
799	Total Civilian Personnel Comp	3,070		46	543
<u>OTHER FUND PURCHASES (EXCL TRANSP)</u>					
901	Foreign National Indirect Hire (FNIH)	515	2.6%	8	-
912	SLUC (GSA Leases)	17,533	2.0%	362	261
913	Purchased Utilities (non-Fund)	287	1.5%	4	-
914	Purchased Communications (non-Fund)	3,803	1.5%	57	616
915	Rents and Leases (non-GSA)	2,553	1.5%	38	52
917	Postal Services (U.S.P.S.)	516	-	8	11
920	Supplies & Materials (non-Fund)	10,072	1.5%	151	3,640
921	Printing & Reproduction	474	1.5%	7	-
922	Equipment Maintenance by Contract	541	1.5%	8	-
923	Facility Maintenance by Contract	226	1.5%	3	-
925	Equipment Purchases (non-Fund)	1,797	1.5%	27	11,375
931	Contract Consultants	10,504	1.5%	157	173
932	Management & Professional Support Services	1,720	1.5%	26	30
933	Studies, Analysis & Evaluation	324	1.5%	5	-
987	Other IG Contracts	14	1.5%	-	(5)
989	Other Contracts	50,203	1.5%	753	6,565
999	Total Purchases	101,082		1,614	22,718
	Total	927,054		103,707	39,806
					1,070,567

**DEFENSE CONTRACT MANAGEMENT AGENCY**  
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**Budget Activity 4: Contract Management**

**I. Description of Operations Financed:**

Contract Management Services (CMS):

The Defense Contract Management Agency (DCMA), established as a separate Joint Combat Support Agency in March 2000, is aligned under the Under Secretary of Defense (Acquisition, Technology and Logistics). The Agency's role as a combat support organization is its' most important mission. DCMA's combat support responsibilities include: providing contract administration services in support of any contingency, war or crisis; contingency and wartime planning with the CINCs; maintaining effective training and force preparation for deployed operations such as Bosnia and Kosovo; deployment with military forces to support contingency operations; support of joint exercises; and mobilizing defense industry support of CINC operations.

DCMA provides customer-focused contract management services throughout the acquisition life cycle, around the clock, around the world. As DoD's independent contract management agent, DCMA represents the interests of the Government with industry, thereby protecting the rights of the Government, obtaining maximum value for taxpayers' dollars and providing responsive support to the Military Departments as well as to civilian agency customers. DCMA's major responsibilities are: ensuring contractor compliance with cost, delivery, technical, quality and other terms of contracts assigned for management; accepting products and services on behalf of the Government; providing program and technical support; and ensuring that contractors are paid. DCMA serves as DoD's single face to industry in contractors' plants worldwide, providing the Military Departments and civilian agency customers with invaluable insights throughout the acquisition process.

DCMA workload is continuing to grow as a result of Departmental transformation efforts, Military Service recapitalization, readiness and modernization efforts. At the same time, the DCMA workforce continues to downsize. Since 1998, DCMA unliquidated obligations (ULO), a measure of work in progress, has risen by 48 percent. During this same period, DCMA reduced personnel by over 1,500.

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**Budget Activity 4: Contract Management**

**I. Description of Operations Financed: (continued)**

This budget continues that trend and reflects a reduction of 469 full-time equivalents (FTEs) from FY 2001 to FY 2003. These reductions are possible through the DCMA Integrated Management System that employs activity-based management and risk management to ensure that contract management services are provided cost effectively while meeting customer expectations. As new customer requirements continue to emerge, DCMA will be forced to continue making tough resourcing choices based on customer requirements and risk.

DCMA initiatives reflected in this budget submission include:

The DCMA management headquarters is reduced by 59 end strength by the end of FY 2003. This reduction is in accordance with the FY 2000 National Defense Authorization Act requiring 15 percent end strength reductions from the FY 1999 baseline.

DCMA currently plans to start sourcing studies in FY 2003 with potential savings anticipated in the outyears.

In response to DCMA's potential retirement wave, this budget reflects workforce restructuring initiatives in accordance with OMB Bulletin 01-07, Workforce Planning and Restructuring, May 8, 2001. Current statistics identify that approximately 53 percent of the DCMA workforce will be eligible for retirement by 2007. The DCMA labor budget includes an investment of \$5.0 million in FY 2003 to improve workforce skills mix and provide recruitment, retention, and relocation bonuses.

DCMA Information Technology:

To better support the nation's warfighters, DCMA strives to continually improve efficiency and effectiveness of its business processes. The use of Information Technology (IT) is a major component of DCMA's success in this area; DCMA's workforce requires IT tools to perform their jobs and produce superior results.

**I. Description of Operations Financed: (continued)**

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**Budget Activity 4: Contract Management**

Specifically, these efforts include applications that impact such vital DoD acquisition business matters as Pre-award Surveys of prospective contractors, contract price negotiation, material acceptances, contractor payment, and industrial workload analyses and assessments. Visibility of key data and information at the team level supports performance based management, allowing teams to self direct the application of limited resources to the appropriate priorities.

Ultimately, DCMA's customers, the Military Departments and Defense Agencies, benefit from these efforts because of increased access to information such as contractor delivery status, manufacturing progress, quality assurance metrics, status of negotiations with contractors, and faster and more accurate payments to contractors. DCMA customers will be better able to anticipate contract performance difficulties and work with DCMA to resolve them before they impact the warfighter.

In this budget submittal, the DCMA IT budget is displayed using the Global Information Grid (GIG) and Information Technology/Defense Information Infrastructure (IT/DII) reporting structure. The reporting structure includes: Functional Area Applications, Communication and Computing Infrastructure, Related Technical Activities and Information Assurance.

This DCMA IT budget submission continues the focus initiated last year on Web-basing DCMA-unique software applications. There are two reasons why DCMA is pursuing such a course. First, Web-basing applications dramatically reduces the costs associated with fielding new software mission capabilities. (Only a limited handful of central servers need to be updated versus updating the thousands of desktop computers used by the agency's employees.) Second, the move to Web-basing will make DCMA's software applications much more adaptable to the ongoing and future changes in the Department's procurement and financial management systems that are being implemented in accordance with the Department's End-to-End Cross-functional Procurement and Financial Management Process Model, Financial Management Improvement Program, and Financial Management Enterprise Architecture.

**I. Description of Operations Financed: (continued)**



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**Budget Activity 4: Contract Management**

IT infrastructure is vital to DCMA's mission and successful implementation of its initiatives. DCMA's technical architecture defines the computing and communications environment required to meet these goals. As new mission needs and business requirements are identified, DCMA updates its technical architecture.

IT computing and communications infrastructure covers the technical architecture (e.g., desktop computers, Local Area Networks (LANs), LAN servers, operating systems, wide area telecommunications, and system management utilities) needed to deploy, run, and productively use DoD-wide and DCMA-unique mission software applications, the Defense Messaging System, office productivity applications (e.g., Microsoft Office), and Knowledge Management and workgroup collaboration tools. As new mission needs and business requirements are identified, DCMA updates its technical architecture. An illustrative example of a technical architecture update is the migration from client/server applications to Worldwide Web-based applications supported by a DCMA Integrated Database/Data Mart. This will allow us to improve our Information Assurance capabilities, implement DoD's mandated Public Key Infrastructure (i.e. digital identification and signature certificates, with secure data transmission protocols), support DoD's Acquisition Excellence and Electronic Business/Electronic Commerce initiatives, and successfully manage the transition from the legacy Mechanization of Contract Administration Services (MOCAS) contract management and payment system to the "To Be" Cross Functional Procurement and Financial Management Process. These continuing updates will also lower database administration requirements, reduce software deployment and maintenance costs, increase adaptability to rapidly changing business and mission requirements, and dramatically reduce the time needed to field new functionalities. Additionally, this update will allow us to better centrally manage our systems resources for improved reliability and reduced maintenance expenses.

To keep up with the increases in computing power required by successive new generations of operating systems and Commercial-Off-The-Shelf (COTS) software, as well as to facilitate our transition to Web-based applications and improved central system management, DCMA has embarked on a program to replace one-third of its desktop personal computers and LAN servers each year. We do this because:

**I. Description of Operations Financed: (continued)**

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**Budget Activity 4: Contract Management**

(1) This cycle matches manufacturers' standard three-year no-cost free on-site repair or replacement warranties.

(2) Industry-wide experience shows that computer components (particularly, hard drive storage devices) start failing at accelerated rates in the fourth year after a computer or server's delivery.

(3) The costs of maintenance and repair services for computers and servers whose warranties have expired quickly mount up to the purchase prices for new equipment that would have been covered by three-year no-cost warranties.

(4) Computers and servers more than three years old generally cannot cope with the demands imposed by newer software such as the latest versions of Microsoft's Windows operating system and Office line of products. In addition, software vendors typically stop all technical support for their products two years after the introduction of any replacement products. That means that operation of older software on older machines soon results in significant and protracted interruptions of service for end users, and within a relatively short period of time becomes technically non-viable in any sense.

(5) Annual replacement of one-third of the inventory of computers and servers is less disruptive to workforce productivity and more economical in terms of support costs than an across-the-board replacement once every three years.

This category of spending is showing program growth from FY 2002 to FY 2003 because unanticipated Congressional "marks" for FY 2002 forced DCMA to make dramatic reductions in all non-labor categories of spending, including IT Equipment. In fact, DCMA's FY 2002 IT Equipment spending was reduced to zero.

DCMA plans to return to the one-third replacement cycle in FY 2003 to avoid end user service interruptions that would be extremely costly in terms of lost workforce productivity, and will also let us avoid "wasted" maintenance and repair costs that would otherwise be covered by manufacturers' no-cost warranties.

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**Budget Activity 4: Contract Management**

**I. Description of Operations Financed: (continued)**

Contingency Operations:

Since 1993, DCMA has deployed over 400 people to efforts in Haiti, Rwanda, Bosnia, Kosovo, and many other locations. DCMA oversees the Brown and Root Sustainment contract, which provides base camp construction and maintenance in both Bosnia and Kosovo as well as surrounding countries. This contract covers water, latrines, food services, laundry, base camp maintenance, cargo and mail handling, power generation, waste management, and vehicle maintenance. FY 2001 contingency funding supported civilian overtime, TDY, and pre-deployment training. Additionally, DCMA is providing fuels quality assurance support to Operations Enduring Freedom and Freedom Eagle. FY 2003 funding was transferred from the Overseas Contingency Transfer Fund to the Defense-Wide appropriations.

Reimbursable Earnings:

The DCMA current estimate reflects a substantial reduction of over \$13.9 million in reimbursable earnings from FY 2001 to FY 2003. This reduction is attributable to projected decreases in Foreign Military Sales and National Aeronautical Space Administration (NASA) reimbursable earnings.

DCMA performs contract management services on a reimbursable basis for non-DoD customers. Most of this reimbursable work, including support of Foreign Military Sales (FMS), NASA and other civilian agency customers, is billed monthly at a standard annual rate. Outside CONUS (OCONUS) reimbursable work (limited in scope) is primarily reimbursed on an actual cost basis.

Contract management hours in support of FMS in the Continental United States (CONUS) are computed based on an annual ratio of FMS contract disbursements to total contract disbursements and account for 65 percent of the DCMA's estimated reimbursable budget for FY 2003. In FY 2000 the FMS annual ratio was 10.2 percent. The ratio decreased to 7.3 percent in FY 2001 and it is projected to decrease to 6.5 percent in FY 2002. It is projected to decrease to 6.3 percent in FY 2003, resulting in a decrease of approximately 127 personnel. We anticipate that the FMS annual ratio for FY 2004 will continue the declining trend, resulting in further decreases in FMS earnings. The majority of the decrease in our

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**I. Description of Operations Financed: (continued)**

FMS earnings tracks back to significant reductions in FMS disbursements on FMS sales to Saudi Arabia.

DCMA hours worked in support of NASA and associated DCMA reimbursable earnings decreased approximately 37 percent from FY 1996 through FY 2000. However, from FY 2000 to FY 2001, the NASA hours stabilized and increased slightly (2 percent). The increase in hours was attributable to delegated work to support Johnson Space Center for the Space Shuttle and the International Space Station. Due to reduced NASA budgets, we anticipate that the NASA hours will slightly decrease during FY 2002 (9 percent), resulting in a decrease of approximately 33 personnel.

**II. Force Structure Summary: N/A**

**DEFENSE CONTRACT MANAGEMENT AGENCY**  
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**Budget Activity 4: Contract Management**

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

A. Subactivity Group:	FY 2001 <u>Actuals</u>	FY 2002		<u>Current Estimate</u>	<u>FY 2003 Estimate</u>
		<u>Budget Request</u>	<u>Appropriated</u>		
<b>1. Contract Administration Services</b>					
Personnel Compensation and Benefits	845,707	857,861	861,056	861,056	958,777
	478	-	8,910	8,910	6,736
Voluntary Separation Incentive Pay	-	-	-	-	3,500
Restructuring	14,780	14,103	9,457	9,457	14,828
PCS	24,975	23,267	19,978	19,978	24,208
Travel	11,646	13,504	8,685	8,685	13,570
Training	5,509	5,263	4,864	4,864	4,300
Finance and Accounting Services	3,236	2,200	2,027	2,027	3,851
Furniture and Non-ADP Equipment	76,100	77,223	68,181	68,181	72,193
Other Operating Support Costs	982,431	993,421	983,158	983,158	1,101,963
<b>2. Subtotal</b>					
	3,083	2,253	1,567	1,567	4,177
<b>DCMC Information Technology</b>					
Functional Area Applications	24,796	26,200	16,271	16,271	28,314
Communication & Computing	2,763	5,897	5,499	5,499	3,393
Infrastructure	3,553	5,795	4,231	4,231	4,211
Related Technical Activities	34,195	40,145	27,568	27,568	40,095
<b>3. Information Assurance</b>	6,146	5,742	5,750	5,750	6,238
<b>4. Subtotal</b>	1,250	1,300	1,250	1,250	1,321
<b>5. Information Services - DISA Processing</b>	8,089	10,455	8,848	8,848	11,884
<b>6. Information Services - DISA Test Bed</b>	2,174	-	2,070	2,070	2,777
<b>7. Information Services - DISA Tier 1 &amp; 2</b>	3,400	3,458	4,016	4,016	4,076
<b>Contingency Operations</b>					
<b>Human Resources Operations Center</b>					
Total	1,037,685	1,054,521	1,032,660	1,032,660	1,168,354
Reimbursable Earnings	125,512	118,172	117,189	117,189	111,662
Operation and Maintenance Total	912,173	936,349	915,471	915,471	1,056,692

DEFENSE CONTRACT MANAGEMENT AGENCY  
 Operation and Maintenance, Defense-Wide  
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 Budget Activity 4: Contract Management

**B. Reconciliation Summary:**

	<u>Change</u> <u>FY 2002 / FY 2002</u>	<u>Change</u> <u>FY 2003/ FY 2003</u>
<b>1. Baseline Funding</b>	<b>936,349</b>	<b>915,471</b>
a. Congressional Adjustments (Distributed)	(14,200)	-
b. Congressional Adjustments (Undistributed)	1,042	-
c. Congressional Adjustments (General Provisions)	(7,441)	-
d. Congressional Earmarks	-	-
e. Congressional Earmarks Billpayer	(279)	-
<b>2. Subtotal Appropriated Amount</b>	<b>915,471</b>	<b>915,471</b>
a. Adjustments to Meet Congressional Intent	-	-
b. Across-the-board Reduction (Rescission)	-	-
c. Approved Reprogramming/Transfers	-	-
3. Price Change	6,176	103,536
4. Program Changes	(6,176)	37,686
<b>5. Current Estimate</b>	<b>915,471</b>	<b>1,056,692</b>

**DEFENSE CONTRACT MANAGEMENT AGENCY**  
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**Budget Activity 4: Contract Management**

**C. Reconciliation of Increases and Decreases:**

1. FY 2002 President's Amended Budget Request		936,349
2. Congressional Adjustments (Distributed)		(14,200)
a. Pay Calculation and Program Growth	(11,400)	
b. Contingency Operations Contract Oversight	(2,800)	
Total Congressional Adjustments (Distributed)	(14,200)	
3. Congressional Adjustments (Undistributed)		1,042
a. Reduction in Strategic Sourcing Studies	(737)	
b. Balkan Operations	2,070	
c. Defense Joint Accounting System	(291)	
Total Congressional Adjustments (Undistributed)	1,042	
4. Congressional Adjustments (General Provisions)		(7,441)
a. Section 8098--Legislative Affairs Reduction	(349)	
b. Section 8135--Fact-of-Life Changes in Utility Costs	(31)	
c. Section 8146--Savings from Government Purchase Card	(319)	
d. Section 8123--Reduction for Business Process Reform	(6,742)	
Total Congressional Adjustments (General Provisions)	(7,441)	
5. Congressional Earmarks		(279)
a. Congressional Earmarks Billpayer	(279)	
Total Congressional Earmarks	(279)	
6. FY 2002 Appropriated Amount		915,471
7. Price Change		6,176

**DEFENSE CONTRACT MANAGEMENT AGENCY  
 Operation and Maintenance, Defense-Wide  
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**C. Reconciliation of Increases and Decreases: (continued)**

8. Program Increases		7,899	7,899
a. Funding increase to execute a VERA/VSIP for DCMA personnel as a result of congressional reductions and the need to realign personnel within DCMA.	7,899		
9. Program Decreases			(14,075)
a. Reductions exercised for non-labor budget categories such as travel, training, PCS, supplies, and equipment to realign resources to fund the VERA/VSIP and the additional pay raise.	(14,075)		
10. Revised FY 2002 Current Estimate			915,471
11. Price Growth			103,536
a. Price growth includes \$76.741 million for OMB initiative which finances the full Government share of the accruing retirement costs of current DCMA Civil Service Retirement System (CSRS) employees and the accruing health care costs of DCMA future retirees.			
12. Program Increases			39,408
a. Restoration of FY 2003 Program	19,555		
(1) Travel (+6,525)			
(2) Permanent Change of Station (PCS) (+4,654)			
(3) Training (+4,231)			
(4) Supplies and Materials (+3,640)			
(5) Other Operating Costs (+505)			



**DEFENSE CONTRACT MANAGEMENT AGENCY**  
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**C. Reconciliation of Increases and Decreases: (continued)**

Due to the magnitude of the FY 2002 Congressional reductions levied upon DCMA, significant adjustments were made to the FY 2002 budget. These reductions severely impact our ability to align our workforce to support our customers, train our workforce, implement facility moves to DoD space, and maintain facilities in FY 2002. Funding must be restored in FY 2003 in order to preclude mission failure. In accordance with both the DCMA mission to ensure that all DoD acquisition programs, supplies and services are delivered on time, within cost, and meet performance standards, and the DCMA combat support function, mission failure will result in a significant impairment in our ability to provide critical warfighter support at a time when required most for military service readiness. DCMA's mission includes contract administration for Military Service programs such as the Joint Strike Fighter (JSF), Interim Armored Vehicle (IAV), and the V-22 Osprey program. As a result of FY 2003 DoD budget requests for investment appropriations such as Procurement and RDT&E increasing, DCMA workload will grow proportionately as previously experienced since FY 1998 with unliquidated obligations for contracts up by 30%.

- b. Increase in funding for Voluntary Separation Incentive Pay (VSIP) and workforce restructuring. FY 2003 funding level provides for requirements in support of the OMB initiative identified as workforce restructuring. Funding is provided for the improvement of workforce skills mix, recruitment, retention, and relocation bonuses. 1,859

**DEFENSE CONTRACT MANAGEMENT AGENCY**  
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**C. Reconciliation of Increases and Decreases (continued) :**

c.	Increase in funding for Contingency Operations in Bosnia and Kosovo transferred from the Overseas Contingency Transfer Fund.	2,777
d.	Increase in funding for DISA Information Services cost due to Megacenter Processing and Testbed charges incurring from increased MOCAS services required for continuous usage of legacy systems.	693
e.	Increase in DISA Tier I and DISA Tier II costs to support the Defense Messaging Service (DMS) which has replaced the AUTODIN messaging service throughout DoD for transmittal and receipt of secure messaging traffic.	2,904
f.	Increase in costs required for Defense Security Service (DSS) in accordance with service provider estimates. DSS has requested additional funding to finance improvements to the Case Control Management System (CCMS).	245
g.	Funds one-third of Agency IT equipment requirements in accordance with planned replacement cycle. It is critical to replace on this cycle so that end user service interruptions can be avoided and additional costs avoided for maintenance and repair on antiquated equipment which would otherwise be covered by manufacturers' no-cost warranties. As a result of FY 2002 reductions, equipment purchases were prioritized and executed exclusively for Combating Terrorism requirements related to the events of September 11. In addition, FY 2003 funding provides for furniture replacements associated with moves to	11,375

**DEFENSE CONTRACT MANAGEMENT AGENCY**  
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**C. Reconciliation of Increases and Decreases (continued):**

DoD space and other non-ADP equipment replacements (i.e. faxes, copiers).		
Total Program Increase	39,408	
13. Program Decreases		(1,722)
a. Reduction in civilian personnel funding associated with the Agency's downsizing initiatives.	(1,155)	
b. Reduction in costs required for Defense Finance and Accounting Services (DFAS) in accordance with service provider estimates.	(567)	
Total Program Decrease	(1,722)	
14. FY 2003 Budget Request	1,056,692	

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

DCMA aims to be the provider of choice for contract management for the Department of Defense, delivering great customer service and leading the way to efficient and effective business processes. DCMA's strategic objectives include: assuring the quality of today's products and services, and improving the capability of tomorrow's Defense industrial base, teaming with our customers in securing best value products and services, providing payment and financial management service that promote efficient and effective operations, using risk management to improve efficiency in supplier and internal business management processes, and building and maintaining a work environment that attracts, develops, and sustains a quality workforce.

The FY 2002-2007 DoD Performance Contract for DCMA contains seven goals that are associated with the Agency mission.

**DEFENSE CONTRACT MANAGEMENT AGENCY**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2003 Budget Estimates**  
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**IV. Performance Criteria and Evaluation Summary: (continued)**

The first goal is to reduce the cost per unit of output for contract management services by three percent annually from the FY 1998 baseline through improvements in productivity. DCMA has implemented a unit cost and activity-based management system. The forecast assumes stable contract workload and no major changes in delegation of contract authority from the military services.

The second goal is to achieve a rating of five or greater, on a six point scale, on 90 percent of the responses regarding overall customer satisfaction. DCMA will conduct customer surveys each month. Primary customers to be surveyed are Acquisition Category I, II and III program managers, their respective Procurement Contracting Officers (PCOs), service logistics and item managers, and their respective PCOs. Problems identified in the surveys will be assessed for corrective action.

The third goal is to improve the percentage of contracts closed out in accordance with Federal Acquisition Regulation/Defense Federal Acquisition Regulation Supplement goals. Much of the documentation required to close out contracts is provided by other organizations (i.e., Defense Contract Audit Agency, Defense Finance and Accounting Service, and program offices). To attain this goal, DCMA teams with these other organizations to work systemic issues that would otherwise delay closeout.

The fourth goal is to ensure that 85 percent of potential canceling funds do not cancel. DCMA works canceling funds to assist its customers in assuring that they do not have to pay for prior contractual obligations with current funds. DCMA accomplishes this objective by querying all MOCAS ACRNs for canceling appropriations, reviews accounting records with ULO balances against canceling appropriations, heightens production surveillance on undelivered goods, etc. DFAS and DCMA work together to develop the list of canceling appropriations and confirms the list with the Services.

**DEFENSE CONTRACT MANAGEMENT AGENCY**  
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**IV. Performance Criteria and Evaluation Summary: (continued)**

The fifth goal is to increase on-time deliveries by five percentage points per year. This entails DCMA's partnering with customers to improve the entire end-to-end delivery management process. This goal is supported by various initiatives which capitalize on decision support software that provides "drill down" capabilities to organizational and process sources of poor delivery; continued evaluation on end-to end procurement processes for systemic root cause drivers to poor delivery performance; engaging with buying activities when systemic issues are identified; and, using risk management principles to prioritize and focus contract management actions on high-risk suppliers; and, employing Early CAS, Management Councils, formal corrective action requests and other tools to influence supplier performance.

The sixth goal is to increase the percentage of personnel who are DAWIA certified to Level II (90 percent) and Level III (92 percent). The employees receive training provided by the Defense Acquisition University.

The seventh goal is to identify the number of actions created, and dollars obligated, with the Standard Procurement System (SPS). The objective of this metric is to measure the extent of use of the SPS software within the procurement community in DOD. The software is a contract writing and administration system. It is a way to determine if the projected yearly increase of usage of the software system is materializing.

**DEFENSE CONTRACT MANAGEMENT AGENCY**  
**Operation and Maintenance, Defense-Wide**  
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<b>V. <u>Personnel Summary:</u></b>	<b><u>FY 2001</u></b>	<b><u>FY 2002</u></b>	<b><u>FY 2003</u></b>	<b><u>Change FY 2001/ FY 2002</u></b>	<b><u>Change FY 2002/ FY 2003</u></b>
<u>Active Military End Strength (E/S) (Total)</u>	477	626	626	149	-
Officer	384	529	529	145	-
Enlisted	93	97	97	4	-
 <u>Civilian End Strength (Total)</u>	 12,238	 11,452	 11,887	 (786)	 435
U.S. Direct Hire	12,131	11,345	11,780	(786)	435
Foreign National Direct Hire	88	88	88	-	-
Total Direct Hire	12,219	11,433	11,868	(786)	435
Foreign National Indirect Hire	19	19	19	-	-
 (Reimbursable Civilians -Memo)	 1,284	 1,191	 1,114	 (93)	 (77)
 <u>Active Mil FTEs (Total)</u>	 477	 626	 626	 149	 -
Officer	384	529	529	145	-
Enlisted	93	97	97	4	-
 <u>Civilian FTEs (Total)</u>	 12,114	 11,737	 11,645	 (377)	 (92)
U.S. Direct Hire	12,007	11,630	11,538	(377)	(92)
Foreign National Direct Hire	88	88	88	-	-
Total Direct Hire	12,095	11,718	11,626	(377)	(92)
Foreign National Indirect Hire	19	19	19	-	0
(Reimbursable Civilians -Memo)	1,284	1,191	1,114	(93)	(77)

**DEFENSE CONTRACT MANAGEMENT AGENCY**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2003 Budget Estimates**  
**Budget Activity 4: Contract Management**

**VI. Financial Summary (O&M: \$ in Thousands)**  
**Summary of Price and Program Changes**

	<u>FY 2001</u> <u>Actuals</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2002</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2003</u> <u>Estimate</u>
Executive, General & Special Schedule	747,824	33,522	(17,100)	764,245	101,845	4,747	870,838
Wage Board	309	14	-	323	8	-	332
Foreign National Direct Hire	2,630	121	23	2,774	72	58	2,904
Separation Liability (FNDH)	-	-	59	59	-	-	59
Benefits to Former Employees	145	-	-	145	-	-	145
Voluntary Separation Incentive Pay	420	-	7,479	7,899	-	1,859	9,758
Disability Compensation	3,894	-	96	3,990	-	81	4,071
TOTAL CIVILIAN PERSONNEL COMPENSATION	755,223	33,657	(9,443)	779,436	101,926	6,745	888,107
Travel Of Persons	29,261	468	(7,246)	22,484	337	6,525	29,346
TOTAL TRAVEL	29,261	468	(7,246)	22,484	337	6,525	29,346
DISA Information Services (includes Testbed)	6,501	(1,176)	880	6,206	(62)	693	6,837
Communication Services (DISA) Tier 2	5,928	818	187	6,933	-	2,158	9,091
Defense Finance and Accounting Services	4,843	(228)	51	4,666	(210)	(567)	3,889
Communication Services (DISA) Tier 1	1,182	-	(272)	910	-	746	1,657
Defense Security Service	861	14	(507)	367	29	245	641
TOTAL PURCHASES	19,315	(572)	339	19,082	(243)	3,276	22,115
Commercial Transportation	3,345	54	(339)	3,059	46	543	3,648
TOTAL TRANSPORTATION	3,345	54	(339)	3,059	46	543	3,648

**DEFENSE CONTRACT MANAGEMENT AGENCY**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2003 Budget Estimates**  
**Budget Activity 4: Contract Management**

**VI. Financial Summary: (continued)**

	<u>FY 2001</u> <u>Actuals</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2002</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2003</u> <u>Estimate</u>
Foreign National Indirect Hire (FNIH)	507	8	-	516	8	-	523
SLUC (GSA Leases)	15,300	314	1,919	17,533	362	261	18,156
Purchased Utilities (non-Fund)	282	5	-	287	4	-	291
Purchased Communications (non-fund)	3,548	57	198	3,803	57	616	4,476
Rents and Leases (non-GSA)	2,065	33	455	2,553	38	52	2,643
Postal Service (U.S.P.S)	561	9	(54)	516	8	11	534
Supplies and Materials (non-Fund)	16,448	263	(6,668)	10,043	151	3,640	13,834
Printing & Reproduction	467	7	-	474	7	-	481
Equipment Maintenance	203	3	-	206	3	-	209
Facility Maintenance	222	4	-	226	3	-	229
Equipment Purchases (non-Fund)	12,877	206	(11,286)	1,797	27	11,375	13,199
Contract Consultants	8,225	132	71	8,428	126	173	8,727
Management and Professional Support Services	1,418	23	12	1,453	22	30	1,504
Studies, Analysis and Evaluation	319	5	-	324	5	-	329
Other Contracts	42,586	681	(17)	43,250	648	4,440	48,339
TOTAL OTHER PURCHASES	105,029	1,750	(15,370)	91,409	1,470	20,597	113,475
Total	912,173	35,357	(32,059)	915,471	103,536	37,686	1,056,692



**DEFENSE CONTRACT MANAGEMENT AGENCY**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2003 Budget Estimates**  
**Budget Activity 4: Administration and Servicewide Activities**  
**Standard Procurement System**

**I. Description of Operations Financed:**

The Standard Procurement System (SPS) program objective is deploying SPS to users in the functional area of defense contracting. There are approximately 43,000 users at approximately 1,100 sites worldwide, and the full operational capability objective schedule date is the end of fourth quarter FY 2003. The purpose of SPS is to standardize the automated procurement functions across the Army, Navy, Air Force, Marine Corps, Defense Logistics Agency, Defense Contract Management Agency, and the other Defense Agencies. There are 779 sites and 22,224 personal computers installed with SPS as of first quarter fiscal year 2002. There are 20,131 users formally trained and approximately 17,739 are Component declared operational users. SPS provides Electronic Document Access and Electronic Data Interchange capabilities to meet paperless contracting goals.

The Program Office is responsible for: installation of the item (Procurement Defense Desktop (PD2)), licenses, training, enhancements to the Shared Data Warehouse (SDW), interfaces to the financial and other legacy systems, data conversion, and enhancements to the item to meet mission critical procurement functions.

The Operations and Maintenance program increase from FY 2002 to FY 2003 is due to increased help desk services. These services are to support additional users deployed in FY 2002 and FY 2003 and to raise SPS user satisfaction levels. SPS version 4.2 will begin deploying in fourth quarter 2002 and will be deployed throughout FY 2003. Help Desk support is a necessary avenue for providing users with effective and efficient solutions; Thus decreasing downtime at operational sites and increasing satisfaction in the user community.

**II. Force Structure Summary: N/A**

**DEFENSE CONTRACT MANAGEMENT AGENCY**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2003 Budget Estimates**  
**Budget Activity 4: Administration and Servicewide Activities**  
**Standard Procurement System**

**III. Financial Summary (O&M: Dollars in Thousands):**

<b>A. Subactivities:</b>	<b>FY 2001</b>	<b>FY 2002</b>		<b>Current Estimate</b>	<b>FY 2003 Estimate</b>
		<b>Actual</b>	<b>Budget Request</b>		
1. Personnel Comp & Benefits	903	1,159	1,159	1,051	1,084
	167	432	432	175	178
2. Travel	801	909	909	675	667
	44	26	26	29	29
3. DISA Info Services	156	370	370	330	335
4. Supplies & Materials	80	6,193	5,193		
5. Equipment Maintenance					
6. Equipment Purchases & COTS	7,044	1,293	1,293	6,949	9,178
	2,607	1,702	1,702	2,344	2,379
7. Software Dev. & Maintenance	44	499	499	30	25
8. Trng/Tstng/Studies & Implementation					
9. Other Operating Support Costs					
<b>Total</b>	<b>11,846</b>	<b>12,583</b>	<b>11,583</b>	<b>11,583</b>	<b>13,875</b>

**DEFENSE CONTRACT MANAGEMENT AGENCY**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2003 Budget Estimates**  
**Budget Activity 4: Administration and Servicewide Activities**  
**Standard Procurement System**

<b>B. <u>Reconciliation Summary:</u></b>	<b>Change</b>	<b>Change</b>
	<b><u>FY 2002/</u></b>	<b><u>FY 2002/</u></b>
	<b><u>FY 2002</u></b>	<b><u>FY 2003</u></b>
<b>1. Baseline Funding</b>	<b>12,583</b>	<b>11,583</b>
Congressional Adjustments (Distributed)	(1,000)	
Congressional Adjustments (Undistributed)		
Congressional Adjustments (General Provision)		
Adjustments to Meet Congressional Intent		
<b>2. Subtotal Appropriated Amount</b>	<b>11,583</b>	<b>11,583</b>
Program Changes		
<b>3. Subtotal Baseline Funding</b>	<b>11,583</b>	<b>11,583</b>
Approved Reprogrammings/Transfers		
4. Price Change	0	173
5. Program Changes	0	2,119
<b>6. Current Estimate</b>	<b>11,583</b>	<b>13,875</b>

**DEFENSE CONTRACT MANAGEMENT AGENCY**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2003 Budget Estimates**  
**Budget Activity 4: Administration and Servicewide Activities**  
**Standard Procurement System**

**C. Reconciliation of Increases and Decreases:**

**(\$ in Thousands)**

1. <b>FY 2002 Amended President's Budget</b>		12,583
2. Congressional Adjustments (Distributed)		
SPS Office Efficiencies	(1,000)	
Total Congressional Adjustments (Distributed)		(1,000)
3. <b>FY 2002 Appropriated Amount</b>		11,583
4. <b>FY 2002 Revised Current Estimate</b>		11,583
5. Price Change		173
6. Program Increases		
a. Increase in Help Desk Services to support additional users deployed in and FY 2003 and to raise user satisfaction levels.	2,124	
Total Program Increases		2,124
7. Program Decreases		
a. Decrease in Other Intra-Governmental Contracts due to a prior year one-time fee to Defense Financial and Accounting Service (DFAS)	(5)	
Total Program Decreases		(5)

**DEFENSE CONTRACT MANAGEMENT AGENCY**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2003 Budget Estimates**  
**Budget Activity 4: Administration and Servicewide Activities**  
**Standard Procurement System**

8. FY 2003 Budget Request

13,875

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

The SPS will prepare legacy procurement system users to operationally use SPS and enable retirement decisions to be made for the 14 designated major legacy systems. SPS has been installed completely to five legacy system communities: Automation of Procurement and Accounting Data Entry (APADE) in the U.S. Navy, Base Contracting Automation System (BCAS) in the U.S. Marine Corps, Standard Army Automated Contracting System (SAACONS) in the U.S. Army, Federal Standard Automated Contracting System (SACONS) in the Other Defense Activities, and Base Contracting Automation System (BCAS) in the U.S. Air Force.

The PMO collects deployment metrics to manage performance and work load data in these major categories: users and systems. The following table presents the performance parameters identified in the SPS Acquisition Program Baseline. The values represent the percent complete to Full Operational Capability (FOC).

Fiscal Year	1999	2000	2001	2002	2003
Users	35%	46%	51%	66%	100%
Systems	14%	21%	36%	50%	100%

With most sites reporting from October 2000 through fourth quarter fiscal year 2001, SPS users have completed approximately 492 thousand contract awards/modifications totaling over \$36 billion.

**DEFENSE CONTRACT MANAGEMENT AGENCY**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2003 Budget Estimates**  
**Budget Activity 4: Administration and Servicewide Activities**  
**Standard Procurement System**

<b>V. <u>Personnel Summary:</u></b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>Change FY 2001/ <u>FY 2002</u></b>	<b>Change FY 2002/ <u>FY 2003</u></b>
<u>Active Mil End Strength (Total)</u>	0	0	0	0	0
Officer					
Enlisted					
<u>Civilian End Strength (Total)</u>	9	10	10	1	0
U.S. Direct Hire	9	10	10	1	0
<u>Active Mil FTEs (Total)</u>	0	0	0	0	0
Officer					
Enlisted					
<u>Civilian FTEs (Total)</u>	9	10	10	1	0
U.S. Direct Hire	9	10	10	1	0

**DEFENSE CONTRACT MANAGEMENT AGENCY**  
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**VI. OP 32 Line Items (Dollars in Thousands):**

	<u>Change FY 2001/2002</u>				<u>Change FY 2002/2003</u>			
	<u>FY 2001</u>	<u>Price</u>	<u>Prog</u>	<u>FY 2002</u>	<u>Price</u>	<u>Prog</u>	<u>FY 2003</u>	
	<u>Est</u>	<u>Growth</u>	<u>Growth</u>	<u>Est</u>	<u>Growth</u>	<u>Growth</u>	<u>Est</u>	
101 Executive, General & Special Schedule	903	39	109	1,051	33	0	1,084	
103 Wage Board	0	0	0	0	0	0	0	
199 Total Civilian Personnel Compensation	903	39	109	1,051	33	0	1,084	
308 Travel Of Persons	167	3	5	175	3	0	178	
399 Total Travel	167	3	5	175	3	0	178	
647 DISA Information Services	801	-127	1	675	-8	0	667	
699 Total Purchases	801	-127	1	675	-8	0	667	
771 Commercial Transportation	19	0	-9	10	0	0	10	
779 Total Transportation	19	0	-9	10	0	0	10	
920 Supplies & Materials	44	1	-16	29	0	0	29	
922 Equipment Maintenance	160	3	172	335	5	0	340	
925 Equipment Purchase & COTS	80	1	-81	0	0	0	0	
931 Contract Consultants	2,347	38	-309	2,076	31	0	2,107	
932 Mngt & Professional Svcs	260	4	3	267	5	0	272	
987 Other IG Contracts	14	0	0	14	0	-5	9	
989 Other Contracts	7,051	113	-213	6,951	104	2,124	9,179	
999 Total Other Purchases	9,956	160	-444	9,672	145	2,119	11,936	
9999 Total	11,846	75	-338	11,583	173	2,119	13,875	