

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
Defense Reutilization & Marketing Service Activity Group
Fiscal Year (FY) 2003 Budget Estimates
Activity Group Capital Investment Summary
(Dollars in Millions)

Line Number	Item Description	FY 2001		FY 2002		FY 2003	
		Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
REP 000	EQUIPMENT (Non ADP/T) \$0.1 to \$0.499	4	0.4	8	3.2	3	0.8
PRD 000	Replacement	4	0.4	8	3.2	3	0.8
NEW 000	Productivity						
	New Mission						
REP 100	EQUIPMENT (Non ADP/T) \$0.5 to \$0.999						
PRD 100	Replacement						
NEW 100	Productivity						
	New Mission						
REP 200	EQUIPMENT (Non ADP/T) \$1.0 and Over						
PRD 200	Replacement						
NEW 200	Productivity						
	New Mission						
	TOTAL EQUIPMENT (Non ADP/T)	4	0.4	8	3.2	3	0.8
ADP 000	ADP/T EQUIPMENT \$0.1 To \$0.499						
ADP 100	ADP/T EQUIPMENT \$0.5 To \$0.999						
ADP 200	ADP/T EQUIPMENT \$1.0 and Over						
	TOTAL EQUIPMENT (ADP/T)						
SWD 000	SOFTWARE DEVELOPMENT \$0.1 To \$0.499						
SWD 100	SOFTWARE DEVELOPMENT \$0.5 To \$0.999						
SWD 200	SOFTWARE DEVELOPMENT \$1.0 and Over				3.6		1.3
	TOTAL SOFTWARE DEVELOPMENT				3.6		1.3
RPM 000	MINOR CONSTRUCTION		5.9		6.0		6.0
	TOTAL AGENCY CAPITAL INVESTMENTS	4	6.4	8	12.8	3	8.1

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2003
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Reutilization & Marketing Service Activity Group February 2002

C. Line Number & Item Description
REP 000 Replacement Equipment \$0.1 to \$0.499

D. Activity Identification

Element of Cost				FY 2001			FY 2002			FY 2003		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total REP 000				4	107.5	430	8	396.2	3,170	3	271.7	815

Narrative Justification:

These investments, tool carriers and a scrap handler, replace existing items that have reached or exceeded the useful life established for these categories. Based on guidance contained in various Department of Defense (DoD) governing policies, the Defense Logistics Agency (DLA) has established replacement and life expectancy standards for all categories of investment equipment. The standards are based on life expectancy with consideration given to condition, usage hours, and/or repair costs. DLA establishes age, utilization and repair standards based on industry information and experience in the absence of DoD acquisition and replacement criteria relative to unusual categories of equipment.

FY 2003 projects include: one tool carrier (\$115,000) at Hood and two scrap handlers (\$350,000 each) at Lewis and Texarkana.

The Return on Investment (ROI) on these projects ranges from 3.38 to 8.57 and the discounted payback ranges from 0.90 to 2.65.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2003
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Reutilization & Marketing Service Activity Group February 2002

C. Line Number & Item Description
SWD 000 Software Development

D. Activity Identification

Element of Cost				FY 2001			FY 2002			FY 2003		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Software Development									3,612			1,330

Narrative Justification:

System changes are required in FY 2003 for the DRMS Automated Information System (DAISY). These changes support customer relationship management and Business Systems Modernization (BSM). The information repository for customer relationship management requires expansion to store, update, and maintain customer profile information. The customer profile allows the Defense Reutilization & Marketing Service (DRMS) to provide disposal services that meet or exceed customer expectations at low cost. An interface with BSM is required to automate the exchange of information between the two systems.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2003
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Reutilization & Marketing Service Activity Group February 2002

C. Line Number & Item Description
RPM 000 Minor Construction

D. Activity Identification

Element of Cost				FY 20001			FY 2002			FY 2003		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Minor Construction						5,924			6,000			6,000

Narrative Justification:

The minor construction investment for projects between \$100,000 and \$500,000 each, will construct new or modify existing facilities for mission and operational improvements. These projects consist of:

- (1) Renovation of administrative facilities.
- (2) Mission operational facilities such as scrap bins, truck scales, paving open storage and new warehouses.
- (3) Fencing, drainage and road improvements.

Additional minor construction requirements are for incidental improvements associated with facilities repair projects. These investments will result in cost effective facilities to support the mission.

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Capital Budget Execution
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PROJECTS ON THE FY 2002 PRESIDENT'S BUDGET

FY	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ (Deficiency)	Explanation
2001	Equipment except ADPE & TELCOM:	0.7	1.2	0.4	0.7	
	Replacement <\$500K	0.7	1.2	0.4	0.7	
	Productivity <\$500K	0.0	0.0	0.0	0.0	
2001	Equipment - ADPE & TELCOM:	0.0	0.0	0.0	0.0	
		0.0	0.0	0.0	0.0	
2001	Software Development:	0.0	0.0	0.0	0.0	
		0.0	0.0	0.0	0.0	
2001	Minor Construction:	0.1	6.0	5.9	0.1	
	Total FY 2001	0.8	7.2	6.4	0.8	

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PROJECTS ON THE FY 2002 PRESIDENT'S BUDGET

FY	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ (Deficiency)	Explanation
2002	Equipment except ADPE & TELCOM:	0.0	3.2	3.2	0.0	
	Replacement <\$500K	0.0	3.2	3.2	0.0	
	Productivity <\$500K	0.0	0.0	0.0	0.0	
2002	Equipment - ADPE & TELCOM:	0.0	0.0	0.0	0.0	
	Base Level Support	0.0	0.0	0.0	0.0	
2002	Software Development:	0.0	3.6	3.6	0.0	
		0.0	3.6	3.6	0.0	
2002	Minor Construction:	0.0	6.0	6.0	0.0	
	Total FY 2002	0.0	12.8	12.8	0.0	