

# **Business Transformation Agency**

**Fiscal Year (FY) 2009 Budget Estimates**

**February 2008**



**Procurement, Defense-Wide**

Exhibit P-1, Procurement Programs

BUSINESS TRANSFORMATION AGENCY

Date: February 2008

Appropriation: Procurement

Budget Activity: 1, Major Equipment

P-1 <u>Line No</u>	Item <u>Nomenclature</u>	Ident <u>Code</u>	TOA, \$ in Millions							
			<u>FY 2007</u>		<u>FY 2008</u>		<u>FY 2009</u>		<u>FY 2010</u>	
			<u>Qty</u>	<u>Cost</u>	<u>Qty</u>	<u>Cost</u>	<u>Qty</u>	<u>Cost</u>	<u>Qty</u>	<u>Cost</u>
45	Business Transformation Agency (BTA)		NA	6.2	NA	7.3	NA	0.7	NA	7.5

Exhibit P-40, Budget Item Justification						Date: February 2008		
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number 0300/DW/BA 01/41/10						P-1 Line Item Nomenclature Line Item 45 Major Equipment, BTA		
Program Element for Code B Items:						Other related Program Elements: 0605020BTA		
(Dollars in Millions)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	To Complete
Proc Qty	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BTA	6.2	7.3	0.7	7.5	5.0	3.4	2.1	32.2
<p><b>Capital Asset Management System-Military Equipment (CAMS-ME)</b> - The Capital Asset Management System-Military Equipment (CAMS-ME) is the enterprise system used by the Department to calculate and report military equipment valuation data in the quarterly and annual financial statements. Major command/claimant level managers and program managers use the data as part of their cost analysis. The CAMS-ME is based on the Systems Application and Program (SAP) Enterprise Resource Program (ERP), which is a commercial off-the-shelf package. The CAMS-ME Increment 2 Spiral A (IOC of automated status changes and acquisitions using the IUID Registry) is operational. Increment 2 Spiral B will provide the obligation based cost per end item. Increment 3 will complete the development cycle through the implementation of expenditure based valuations. The DoD is implementing acquisition and contracting changes that will provide CAMS-ME with the detailed data needed to meet the accounting standard's military equipment valuation requirement. The CAMS-ME provides the capability for the DoD to comply with the following regulatory and statutory requirements:</p> <p>Statement of Federal Financial Accounting Standards (SFFAS) No. 6 and 23; Chief Financial Officers Act of 1990; Federal Financial Management Improvement Act of 1996; Office of Management and Budget (OMB) Circular A-127 &amp; A-123; Government Performance and Result Act of 1993; President's Management Agenda, Fiscal Year 2002; and, Secretary of Defense Memorandum, July 19, 2001.</p> <p>Increment 2 Spiral A: Automate the asset status update process for transfers, retirements and losses from IUID registry. Requires IUID Registry and accountability systems interfaces. Navy (9/07), USMC (9/08), SOCOM (9/08), Army (9/10)</p> <p>Increment 2 Spiral B: Automate the process of getting end item asset values and embedded GFM from IUID registry. Requires APUID Registry USMC (9/08)</p> <p>Increment 3: Automate the process of accumulating work-in-process from expenditures. Requires asset type. USMC (9/08)</p> <p><b>Standard Procurement System (SPS)</b> DoD initiated the SPS in 1994 to enhance readiness and support to warfighters through standardization and optimization of procurement systems and activities. The Standard Procurement System (SPS) is a software product that automates the entire contracting process from procurement request through award, administration and payment, to final closeout which is currently used by all Services and 17 other organizations and Agencies world-wide. SPS is currently supporting over 23,000 customers in the field, and processes more than 130 Billion in contract awards annually. SPS was transferred to the Business Transformation Agency effective October 1, 2006.</p> <p>The SPS enables business process modernization of procurement activities by providing automated capabilities such as concurrent or sequential electronic routing for approval, automatic workload assignment and even automatic placement of delivery orders which allow for streamlining and improving many paper-based business processes. The SPS also provides standard processes, standard sharable data, policies, procedures, and a standard automated procurement system and automates non-automated procurement activities.</p>								

P-1 Line Item No 45

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Exhibit P-40, Budget Item Justification

(Exhibit P-40, page 1 of 2)

Exhibit P-40, Budget Item Justification (CONT)		Date: February 2008
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number 0300/DW/BA 01/41/10		P-1 Line Item Nomenclature Line Item 45 Major Equipment, BTA
Program Element for Code B Items:	Other related Program Elements: 0605020BTA	
<p><b>SPS (Cont.)</b>  SPS Version 4.2.2 has been fully deployed to more than 23,000 DoD customers and is currently in sustainment, with some enhancements being implemented that were identified as immediate requirements by the Service Representatives and approved by the Defense Sourcing Portfolio (DSP) Steering Committee. Version 4.2.2 dramatically improves interfaces and data sharing capabilities, has added security enhancements, has added contract administration capabilities, and is fully compatible with Windows XP.</p> <p><b>Performance Criteria and Evaluation:</b>  Program performance criteria are established by the Sourcing Execution Portfolio Board, and approved by the Defense Sourcing Portfolio Steering Committee. Monthly, Quarterly, and Annual metrics are compiled and reported to BTA through a variety of processes. The BTA monitors and reports progress and status of the programs to OSD and other external stakeholders via updates to the Enterprise Transition Plan and other reporting vehicles.</p> <p><b>Procurement Specific Costs:</b>  SPS follows a spiral development approach, increasing the performance envelope of the existing system incrementally until the objective capability is achieved. Funds will be used to purchase Commercial Off The Shelf (COTS) software for initial implementation of an ERP-based contract writing capability. Funds may also be used for hardware and communication equipment, software licenses, installation/implementation support, database migration and integration supporting deployment of the ERP capability.</p>		

Exhibit P-5 Cost Analysis			Weapon System N/A				Date: February 2008			
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number: 0300/DW/BA 01/41/10						D Code	P-1 Line Item Nomenclature Line Item 45 Major Equipment, BTA			
WBS COST ELEMENTS	Prior Years Unit Cost	Prior Years Total Cost	FY 2007 Unit Cost	FY 2007 Total Cost	FY 2008 Unit Cost	FY 2008 Total Cost	FY 2009 Unit Cost	FY 2009 Total Cost	FY 2010 Unit Cost	FY 2010 Total Cost
Hardware (CAMS-ME)	N/A	N/A	N/A	1.8	N/A	3.4	N/A	0.7	N/A	3.5
Installation/Licenses/Database Conversion (SPS)	N/A	N/A	N/A	1.7	N/A	1.1	N/A	0.0	N/A	1.2
COTS Hardware/Software (SPS)	N/A	N/A	N/A	2.7	N/A	2.8	N/A	0.0	N/A	2.9
Gross-P-1 End Item Cost				6.2		7.3		0.7		7.5
Less PY Adv Proc (by PY FY)										
Net P-1 Full Funding Cost				6.2		7.3		0.7		7.5
Plus CY Adv Proc										
Other Non-P-1 Costs										
Initial Spares										
Total				6.2		7.3		0.7		7.5

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Exhibit P-5 Cost Analysis (Page 2)		Weapon System N/A		P-1 Line Item 45 Nomenclature: Major Equipment, BTA				
WBS COST ELEMENTS	FY 2011 Unit Cost	FY 2011 Total Cost	FY 2012 Unit Cost	FY 2012 Total Cost	FY 2013 Unit Cost	FY 2013 Total Cost	To Complete Costs	Total Costs
Hardware (CAMS-ME)	N/A	3.6	N/A	3.4	N/A	2.1	18.5	18.5
Conversion (SPS)	N/A	1.4	N/A	0.0	N/A	0.0	5.4	5.4
COTS Hardware/Software	N/A	0.0	N/A	0.0	N/A	0.0	8.3	8.3
Gross-P-1 End Item Cost		5.0		3.4		2.1	32.2	32.2
Less PY Adv Proc (by PY FY)								
Net P-1 Full Funding Cost		5.0		3.4		2.1	32.2	32.2
Plus CY Non-P-1 Costs								
Other Non-P-1 Costs								
Initial Spares								
Total		5.0		3.4		2.1	32.2	32.2