Fiscal Year (FY) 2011 Budget Estimates
Activity Group Capital Investment Summary
Defense Finance and Accounting Service
Financial Operations
February 2010
($ in Millions)

Line Number	Item Description	FY 2009 Quantity	FY 2009 Total Cost	FY 2010 Quantity	FY 2010 Total Cost	FY 2011 Quantity	FY 2011 Total Cost
	ADPE & Telecommunications Equipment Baseline		**24.5**		**12.2**		**18.9**
	Computer Hardware (Production)		24.5		12.8		18.9
	Computer Software (Operating System), Telecoms, Other Computer & Tele Supt Equip.						
	Emergent Requirement				**12.8**		
	Software Development Baseline		**7.9**		**11.3**		**13.8**
	Internally Developed		3.6		9.5		8.9
	Externally Developed		4.3		6.0		4.9
	Emergent Requirement				**15.5**		
	Minor Construction Baseline		**4.6**		**2.6**		**6.6**
	Replacement						
	Productivity						
	New Mission		4.6		*2.6*		6.6
	Environmental						
	Emergent Requirement				**2.6**		
	TOTAL Capital Investment Baseline		**37.1**		**26.1**		**39.3**
	TOTAL Capital Investment Required				**30.9**		
	Total Capital Outlays (Emergent Requirement)		**36.8**		**34.8**		**34.4**
	Total Depreciation Expense (Emergent Requirement)		**74.6**		**71.9**		**65.2**

**FY2010 total Capital Investment increased from PB2010 due to new requirements for Teleservices, CRA, EDM, Office Automation, CAPS, DDMS, IAPS and ADS. Detail included for these additions in the Fund 9b*

Exhibit Fund 9a Activity Group Capital Investment Summary

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)							A. Fiscal Year (FY) 2011 Budget Estimates: DFAS Financial Operations					
B. Component / Business Area / Date Defense Finance and Accounting Service February 2010				C. Line No. & Description ADP Equipment			D. Activity Identification DFAS Sites					
	FY 2009			FY 2010			FY 2011					
Element of Cost	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**			
Customer Service												
A. Call Recording			0			1,400			250			
B. Teleservices			9,222			750			4,100			
C. myPay			600									
TOTAL Customer Service			9,822			2,150			4,350			

Narrative Justification:

A. Call Recording - Provides full-time recording for designated telephone circuits and quality evaluation functionality for the recorded calls. Funding will enhance customer service by minimizing errors and associated costs.

B. Teleservices – Unified communications for all DFAS sites requiring a technology update to the telecommunications private branch exchange (PBX) and video conferencing component in order to meet future DFAS needs as the agency consolidates workload from closing sites.

C. myPay – Equipment in support of an application that provides government personnel with a convenient, high-quality, paperless business environment that safeguards personal information. myPay supports the capability to submit financial transactions and receive financial statements via the Government's electronic commerce. Funding will support the addition of new E-Payroll customers and implementation of legislative changes.

Exhibit Fund-9b – Activity Group Capital Purchase Justification

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)							A. Fiscal Year (FY) 2011 Budget Estimates: DFAS Financial Operations					
B. Component / Business Area / Date Defense Finance and Accounting Service February 2010			C. Line No. & Description ADP Equipment				D. Activity Identification DFAS Sites					
	FY 2009			FY 2010			FY 2011					
Element of Cost	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**			
Data Management												
A. Electronic Document Management			1,398			1,600			500			
B. E-Portal									1,300			
C. Office Automation			2,829									
TOTAL Data Management			4,227			1,600			1,800			

Narrative Justification:

A. Electronic Document Management - EDM is a comprehensive business process improvement initiative designed to enhance automation of paper processes in accordance with Federal regulations. Funding will support software and hardware refresh of the server while undergoing BRAC and Business Transformation initiatives.

B. E-Portal – Equipment in support of a web-based infrastructure to share knowledge, access corporate information, and deliver integrated service-oriented solutions.

C. Office Automation – Equipment for the purchase of a Disbursing Printing and Inserting Equipment.

Exhibit Fund-9b – Activity Group Capital Purchase Justification

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)							A. Fiscal Year (FY) 2011 Budget Estimates: DFAS Financial Operations					
B. Component / Business Area / Date Defense Finance and Accounting Service February 2010				C. Line No. & Description ADP Equipment			D. Activity Identification DFAS Sites					
	FY 2009			FY 2010			FY 2011					
Element of Cost	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**			
Infrastructure/Other												
A. Enterprise Local Area Network			9,549			7,140			9,875			
B. Security			924			1,890			2,834			
TOTAL Infrastructure/Other			10,473			9,030			12,709			

Narrative Justification:

A. Enterprise Local Area Network - ELAN is the digital communications infrastructure that connects all DFAS sites around the world. Funds will be used for encryption devices that protect DFAS internal communications, and increased storage capacity to keep up with growth.

B. Security – Continued protection of the DFAS communications and computing infrastructure from internal and external threats with automated monitoring and response, firewalls, switches, and encryption devices maintained by government and contracted expertise.

Exhibit Fund-9b – Activity Group Capital Purchase Justification

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)							A. Fiscal Year (FY) 2011 Budget Estimates: DFAS Financial Operations					
B. Component / Business Area / Date Defense Finance and Accounting Service February 2010				C. Line No. & Description Software Dev / Mod			D. Activity Identification DFAS Sites					
	FY 2009			FY 2010			FY 2011					
Element of Cost	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**			
Customer Service												
A. myPay			800			1,702			2,411			
TOTAL Customer Service			800			1,702			2,411			

Narrative Justification:

A. myPay - Web-based software application that provides government personnel with a convenient, high-quality, paperless business environment that safeguards personal information. myPay supports the capability to submit financial transactions and receive financial statements via the Government's electronic commerce. Funding will support the addition of new E-Payroll customers and implementation of legislative changes.

Exhibit Fund-9b – Activity Group Capital Purchase Justification

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)							A. Fiscal Year (FY) 2011 Budget Estimates: DFAS Financial Operations					
B. Component / Business Area / Date Defense Finance and Accounting Service February 2010				C. Line No. & Description Software Dev / Mod			D. Activity Identification DFAS Sites					
	FY 2009			FY 2010			FY 2011					
Element of Cost	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**			
Data Management												
A. E-Commerce/E-Data Interchange System			1,190			550			550			
B. Office Automation			2,259			1,000			400			
C. Electronic Document Management			950			1,806			800			
TOTAL Data Management			4,399			3,356			1,750			

Narrative Justification:

A. E-Commerce/E-Data Interchange System - Enable the entitlement and accounting systems to post all financial transactions electronically and within federal DoD requirements, i.e., commitments, obligations, accounts payable, invoices, and disbursements using industry Electronic Data Interchange (EDI) standards, American National Standards Institute (ANSI) X12 and Extensible Markup Language (XML). Funding supports Global Exchange mapping to all existing DFAS financial and accounting systems.

B. Office Automation – Funding will support software development for Contingency Operations Reporting and Analysis Service (CORAS), and MyMetrics, a DFAS metrics system providing DFAS with real time performance indicators on all mission areas.

C. Electronic Document Management – Funding will support software development for a program that reduces dependence on paper through conversion of thousands of paper documents used in payment processing and associated data to an electronic format that can be accessed from a desktop workstation.

Exhibit Fund-9b – Activity Group Capital Purchase Justification

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)							A. Fiscal Year (FY) 2011 Budget Estimates: DFAS Financial Operations					
B. Component / Business Area / Date Defense Finance and Accounting Service February 2010				C. Line No. & Description Software Dev / Mod			D. Activity Identification DFAS Sites					
	FY 2009			FY 2010			FY 2011					
Element of Cost	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**			
Financial Management												
A. Defense Retiree Annuitant Pay System						6,605			5,000			
B. Computerized Accounts Payable System						304						
C. One Pay						500						
D. Deployed Disbursing System			798			500			500			
E. Defense Debt Management System			551			685						
F. Integrated Accounts Payable System						400						
G. Automated Disbursing System						1,494			1,126			
H. Standard Disbursing Initiative			1,400									
I. Defense Millpay Office (DMO)									3,000			
TOTAL Financial Management			2,749			10,488			9,626			

Narrative Justification:

A. Defense Retired and Annuitant Pay System - DRAS is a pay entitlement system that establishes and maintains payment to approximately 2.5 million military retirees, former spouses, survivor beneficiaries and annuitant customers. Funds will be used for legislative and management initiatives. The balance of out-year funding will be used to support the DRAS Modernization initiative as it moves forward.

B. Computerized Accounts Payable System – Software for CAPS, a PC-based application providing a standard installation and business line-level vendor pay entitlement system.

C. One Pay – Software for the commercial vendor pay system used by the Armed Forces and other defense agencies that provides complete, accurate and timely payment of vendor invoices on behalf of DFAS customers.

D. Deployed Disbursing System – DDS funds will support an interface with the Treasury's Stored Value Cart System (SVC) as well as Marine Corps initiatives of Higher headquarters reporting and oversight, monthly SF-5515 reporting, and push/pull of interfacing files for the Marine Corps to removed human intervention.

Exhibit Fund-9b – Activity Group Capital Purchase Justification

Exhibit Fund-9b – DFAS Financial Management Software Dev / Mod (Capital): 2 of 2

Continued:

E. Defense Debt Management System – Funding for two initiatives: The first will accommodate a two way interface between DDMS and the General Fund Enterprise Business System (GFEBS). The second will incorporate a disbursing module into the DDMS environment.

F. Integrated Accounts Payable System – Funding to support software development in support of a Vendor Pay entitlement system supporting the US Air Force, Air National Guard, NGA, and DSS.

G. Automated Disbursing System –Funding will be used for the development of interface software in the retirement of CDS, CFASS and SRD1.

H. Standard Disbursing Initiative - SDI is the IT portion of the DFAS Disbursing High Performing Organization (DDHPO) initiative. Requested Capital funds will be used for modernization and enhancements to DFAS Corporate Database (DCD)/ DFAS Corporate Warehase (DCW) (BEIS) and Automated Disbursing System (ADS) required to implement the Disbursing HPO.

I. Defense Millpay Office (DMO) – Funding for the Defense Integrated Military Human Resource System (DIMHRS) requirment to build a data warehouse to include capabilities for Army and Air Force data and interfaces, as well as interfaces for the Thrift Savings Program, the International Balance of Payments and the Savings Deposit Program.

Exhibit Fund-9b – Activity Group Capital Purchase Justification

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)							A. Fiscal Year (FY) 2011 Budget Estimates: DFAS Financial Operations					
B. Component / Business Area / Date Defense Finance and Accounting Service February 2010				C. Line No. & Description Minor Construction			D. Activity Identification DFAS Sites					
	FY 2009			FY 2010			FY 2011					
Element of Cost	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**			
A. Minor Construction Cleveland									2,385			
B. Minor Construction Columbus			150									
C. Minor Construction Indianapolis			1,313			1,490			3,835			
D. Minor Construction Limestone			1,140									
E. Minor Construction Rome			1,775			1,085						
F. Minor Construction Texarkana			254						400			
			4,632			2,575			6,620			

Narrative Justification:

A. Minor Construction Cleveland – Notification System for $165K; hardening of exterior walls for $1,400K; and renovation of mailroom for $820K. All are safety and security issues to meet the Unified Facilities Criteria (UFC).

B. Minor Construction Columbus – $150K for a mass notification system in FY09.

C. Minor Construction Indianapolis – Funding for emergency communications system in FY09 for $1,313K; installation of CAC readers at all exterior entrances in FY10 for $1,490K; and renovation of mailroom $741K, truck receiving dock $1,100K, sallyport and security fence $960K, and barrier installation $1,034K in FY11. All are safety and security issues to meet the Unified Facilities Criteria (UFC).

D. Minor Construction Limestone – Funding for building overhangs for $400K; solar parking lot lighting for $250K; and upgrades to restroom facility $490K in FY09. All are safety and security issues to meet the Unified Facilities Criteria (UFC).

E. Minor Construction Rome – Funding to secure a storage facility for $600K; installation of air handler for $750K; renovation of restroom facilities for $250K, and barrier protection for $175k in FY09. Harden exterior walls and windows for $1,085K in FY10. All are safety and security issues to meet the Unified Facilities Criteria (UFC).

F. Minor Construction Texarkana – $254K in FY09 and $400K in FY11 for site improvements and force protection.

Exhibit Fund-9b – Activity Group Capital Purchase Justification

Fiscal Year (FY) 2011 Budget Estimates
Capital Budget Execution
Defense Finance and Accounting Service
February 2010

FY2009

CHANGES ON THE FY11 PRESIDENT'S BUDGET

(Dollars in Thousands)

FY	Initiative	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset / Deficiency	Explanation
Equipment – ADPE and TELECOM							
2009	Customer Service	874	8,948	9,822	9,822		Increase requirements for Teleservices FY2009 Carryover. Reprogram for MyPay from SW to ADPE. Decrease in CRA requirements.
2009	Data Management	2,687	1,540	4,227	4,227		Increase in EDM and FY2009 Carryover for Office Automation.
2009	Infrastructure / Other	10,524	(51)	10,473	10,473		
Software Development							
2009	Customer Service	2,035	(1,235)	800	800		Reprogram for MyPay from SW to ADPE.
2009	Data Management	2,266	2,133	4,399	4,399		Increase in requirements for Office Automation, EC/EDI, and EDM.
2009	Financial Management	16,617	(13,868)	2,749	2,749		Decrease in requirements for DRAS, CAPS, DDS, DDMS, STARs, and BEIS.
Minor Construction							
2009	Infrastructure / Other	2,609	2,018	4,627	4,627		Increase in requirements for Minor Construction to include FY2009 Carryover.
	Total FY 2009	**37,612**	**(515)**	**37,097**	**37,097**		

Fiscal Year (FY) 2011 Budget Estimates
Capital Budget Execution
Defense Finance and Accounting Service
February 2010

FY2010

CHANGES ON THE FY11 PRESIDENT'S BUDGET

(Dollars in Thousands)

FY	Initiative	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset / Deficiency	Explanation
Equipment – ADPE and TELECOM							
2010	Customer Service	903		903	2,150	1,247	Increase in requirements for Teleservices and CRA
2010	Data Management	565		565	1,600	1,035	Increase in requirements for EDM
2010	Infrastructure / Other	10,769		10,769	9,030	(1,739)	Decrease in requirements for ELAN
Software Development							
2010	Customer Service	1,701		1,701	1,701		
2010	Data Management	950		950	3,356	2,406	Increase in requirements for MyMetrics and EDM
2010	Financial Management	8,605		8,605	10,488	1,883	Increase in requirements for CAPS, DDMS, IAPS, ADS, decrease in requirements for STARs and BEIS
Minor Construction							
2010	Infrastructure / Other	2,575		2,575	2,575		
	Total FY 2010	**26,068**		**26,068**	**30,900**	**4,832**	

Fiscal Year (FY) 2011 Budget Estimates
Capital Budget Execution
Defense Finance and Accounting Service
February 2010

FY2011

CHANGES ON THE FY11 PRESIDENT'S BUDGET

(Dollars in Thousands)

FY	Initiative	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset / Deficiency	Explanation
Equipment – ADPE and TELECOM							
2011	Customer Service	753		753	4,350	3,597	Increased requirements for Teleservices, decrease requirements for CRA
2011	Data Management	565		565	1,800	1,235	Increased requirements for ePortal, decrease requirements for EDM
2011	Infrastructure / Other	11,421		11,421	12,709	1,288	Increased requirements for ELAN
Software Development							
2011	Customer Service	2,411		2,411	2,411		
2011	Data Management	950		950	1,750	800	Increased requirements for EDM
2011	Financial Management	6,500		6,500	9,626	3126	Increased requirements for ADS and DMO, decrease requirements for STARs and BEIS.
Minor Construction							
2011	Infrastructure / Other	3,171		3,171	6,620	3,449	Increase in requirements for Minor Construction
	Total FY 2011	**25,771**		**25,771**	**39,266**	**13,495**	

Activity Group Capital Investment Summary
Defense Information Systems Agency
PE54 COMPUTING SERVICES
February 2010
(Dollars in Millions)

	FY 2009 Quantity	FY 2009 Total Cost	FY 2010 Quantity	FY 2010 Total Cost	FY 2011 Quantity	FY 2011 Total Cost
Equipment Capabilities	**10.000**	**$39.973**	**9.000**	**$19.040**	**7.000**	**$25.509**
Replacement	**10.000**	**$39.973**	**9.000**	**$19.040**	**7.000**	**$25.509**
CE0300 Facilities Equipment	10.000	$39.973	9.000	$19.040	7.000	$25.509
ADPE & Telecom Equipment Capabilities	**8.000**	**$5.264**	**5.000**	**$6.200**	**4.000**	**$2.786**
Telecoms, Other Computer & Telecom Support Equip	**8.000**	**$5.264**	**5.000**	**$6.200**	**4.000**	**$2.786**
CE0100 Systems Management ADP	1.000	$0.304	0.000	$0.000	0.000	$0.000
CE0400 Communications	6.000	$4.696	3.000	$5.200	2.000	$1.786
CX0100 Storage - Tech Refresh	1.000	$0.264	2.000	$1.000	2.000	$1.000
Software Development	**1.000**	**$1.013**	**7.000**	**$3.000**	**1.000**	**$1.500**
Externally Developed	**1.000**	**$1.013**	**7.000**	**$3.000**	**1.000**	**$1.500**
CV0200 Software Development	1.000	$1.013	7.000	$3.000	1.000	$1.500
Minor Construction Capabilities	**2.000**	**$0.750**	**3.000**	**$1.000**	**3.000**	**$1.074**
New Mission	**2.000**	**$0.750**	**3.000**	**$1.000**	**3.000**	**$1.074**
CE0200 Minor Construction - Facilities	2.000	$0.750	3.000	$1.000	3.000	$1.074
Total Obligations	**21.000**	**$47.000**	**24.000**	**$29.240**	**15.000**	**$30.869**
Capital Outlays (below threshold)		$0.667		$2.000		$2.000
Capital Outlays (above threshold)		$27.378		$27.244		$28.864
Total Capital Outlays		**$28.045**		**$29.244**		**$30.864**
Total Depreciation Expense		**$40.040**		**$32.310**		**$26.154**

COMPUTING SERVICES: Capital Investment Justification ($ in Thousands)		A. FY 2011 Budget Estimates
B. Computing Services / February 2010	C. CE0300 Non-ADP Equipment	D. Defense Information Systems Agency

	FY 2009			FY 2010			FY 2011		
Element of Cost	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**
Non-ADP Equipment	10	3,997.3	39,973.0	9	2,115.6	19,040.0	7	3,644.1	25,509.0
Total	10	3,997.3	39,973.0	9	2,115.6	19,040.0	7	3,644.1	25,509.0

Narrative Justification
Description and Purpose:

Upgrade/replace Uninterrupted Power Supply (UPS)/electrical system equipment at Systems Management Center (SMC) Oklahoma City, OK, (installed 1997) in FY 2010; Processing Element (PE) Dayton, OH (installed in 1996) and Defense Enterprise Computing Center (DECC) Pacific (installed in 2004) in FY 2011. The existing systems are either at or past the end of their projected useful life and will need an upgrade in order to provide sustained and clean conditioned power.

Design upgrade of UPS/electrical system at SMC Montgomery, AL in FY 2011. Upgrade required to support future workload growth.

Computer room expansion design at Defense Enterprise Computing Center (DECC) Pacific in FY 2010. Design the build-out of 13,000 square feet of vacant space. Expansion required to support future workload growth.

Upgrade and expand facility security surveillance systems equipment at SMC Montgomery, AL and SMC Oklahoma City, OK in FY 2010. This new equipment will provide high level security for expanding open storage requirements.

Upgrade/replace chillers, pumps and cooling towers at SMC Ogden, UT in FY 2010; DECC Pacific, and PE Dayton, OH in FY 2011. Existing systems are either at their full capacity for cooling their raised floor environment or beyond their projected useful life. The existing systems require upgrades to maintain cooling capability for current and future ADP equipment.

Raised floor equipment technical refresh to include Non-ADPE & Telecomm Equipment such as Power Distribution Units (PDUs)

and Computer Room Air Conditioners (CRACs) are needed at SMC Mechanicsburg, PA, Infrastructure Service Center (ISC) Columbus, OH, and DECC Pacific in FY 2010 and FY 2011. PDU and CRAC equipment are vital in providing critical power and cooling to the ADP systems at these sites. Existing systems are either at their full capacity for cooling their raised floor environment or beyond their projected useful life.

Generator upgrade design in FY 2011 at ISC St. Louis, MO. Two existing generators need to be connected and configured to match the planned UPS load at this site.

Current Deficiency and/or Problem:

The Computing Centers require cyclical upgrades to their infrastructure and plant equipment. These upgrades are necessary to ensure reliability, security and redundancy to support customer workload. The acquisition timetable for equipment design, manufacture and replacement is 18-30 months. To maintain operational capability, we must plan and invest now to ensure future viability.

Impact:

If these system and infrastructure investments/requirements are not funded, safety hazards and mission failure may result. Age-related infrastructure and equipment deficiencies can result in unplanned datacenter downtime. DISA's ability to provide redundancy to enable 24x7 operations for customers will be jeopardized. This will have a negative impact on DISA's operational capability, efficiency, and ability to support the customers.

COMPUTING SERVICES: Capital Investment Justification ($ in Thousands)		A. FY 2011 Budget Estimates
B. Computing Services / February 2010	C. CE0400 Communications Equipment	D. Defense Information Systems Agency

	FY 2009			FY 2010			FY 2011		
Element of Cost	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**
Communications Equipment	6	782.7	4,696.0	3	1,733.3	5,200.0	2	893.0	1,786.0
Total	6	782.7	4,696.0	3	1,733.3	5,200.0	2	893.0	1,786.0

Narrative Justification
Description and Purpose:

DISA Computing Services provides premiere data processing capability across all of DOD. As such, DISA must maintain secure, highly available, and high-speed network capabilities during a time when security hackers are becoming more aggressive. DISA manages, maintains and upgrades the datacenter communication infrastructure across the enterprise.

Upgrade cabling and network topology at Infrastructure Service Center (ISC) St. Louis, MO, Systems Management Center (SMC) Ogden, UT, in FY 2010 and Processing Element (PE) Dayton, OH in FY 2011. This includes adding switches, routers and other network devices to the existing infrastructure to increase bandwidth and speed. This is necessary to support increased workload, higher speed virtual servers and improve network security.

Install National Security Agency (NSA) Certified encryption devices on circuits to provide expanded secure bandwidth capacity at Defense Enterprise Computing Center (DECC) Pacific and PE Chambersburg, PA in FY 2010 and at PE Huntsville, AL, SMC Mechanicsburg, PA and SMC Ogden, UT in FY 2011. There is a need for encryption devices from DISA's DECCs to the SIPRNET in order to comply with the DOD's policy on secure networks.

Current Deficiency and/or Problem:

The next generation of Computing Service Network Architecture needs to be installed. It leverages the use of distributed enclaves so

that all information flows are consolidated to maximize performance, security and availability. The current enclaves will not support the high demand of bandwidth throughout the DECCs as existing workload expands and new customer workloads migrate to Computing Services, on the Out of Band and production networks. Additionally, in order to secure customer systems, tools such as local firewalls and Network Access Control tools are necessary to maintain the security of the network.

Impact:

If DISA is unable to procure and install tools and devices, we will be unable to support new customer requirements. DISA will be unable to support new classified workload if we are unable to upgrade SIPRNET circuits or implement new data replication circuits. There will not be sufficient infrastructure to safeguard the network and ultimately protect the customers' data. DISA will not have an acceptable level of situational awareness in order to enable active computer network defense.

COMPUTING SERVICES: Capital Investment Justification ($ in Thousands)		A. FY 2011 Budget Estimates
B. Computing Services / February 2010	C. CX0100 Storage - Tech Refresh	D. Defense Information Systems Agency

	FY 2009			FY 2010			FY 2011		
Element of Cost	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**
Storage - Tech Refresh	1	264.0	264.0	2	500.0	1,000.0	2	500.0	1,000.0
Total	1	264.0	264.0	2	500.0	1,000.0	2	500.0	1,000.0

Narrative Justification
Description and Purpose:

Storage for unclassified processing systems using server based operating systems is the fastest growing segment of DISA's infrastructure. The increasing deployment of online web based systems, the redeployment of mainframe systems to open systems, expanding requirements of existing systems and increasing new regulatory requirements such as the DoD 5015 Design Criteria Standards for Electronic Record Management Software Application are all factors contributing to the rapidly increasing demand for storage resources. Supporting this growth will require continued acquisition of new storage assets and upgrade of existing assets in FY 2010 and FY 2011.

Current Deficiency and/or Problem:

Major customers such as Global Combat Support (GCS), Military Healthcare System (MHS) and Defense Finance & Accounting Service (DFAS) have additional workload requirements that exceed what current storage resources can accommodate. This growth must be met by either upgrading existing storage systems or acquiring new systems. DISA must support customer unique operating environments. These environments are proprietary in nature and require storage assets from a limited or single source. These storage solutions, due to their proprietary nature, fall outside the scope of the capacity services contract approach. DISA has the responsibility of providing life cycle sustainment of these systems and their related storage resources. Sustainment means replacing or upgrading a portion of these resources on an annual basis to meet customers' service level agreements.

Impact:

Not all storage equipment can be technology refreshed through the capacity on demand contract, therefore failure to fund these projects would result in DISA not being able to provide the storage capacity required to meet its expected customer requirements. The requirements include new media servers, replacement of old/unusable storage infrastructure hardware, and increased growth in data volumes and other regulatory or mission requirements, which translate into more storage capacity.

COMPUTING SERVICES: Capital Investment Justification ($ in Thousands)		A. FY 2011 Budget Estimates
B. Computing Services / February 2010	C. CV0200 Software Development	D. Defense Information Systems Agency

	FY 2009			FY 2010			FY 2011		
Element of Cost	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**
Software Development	1	1,013.0	1,013.0	7	428.6	3,000.0	1	1,500.0	1,500.0
Total	1	1,013.0	1,013.0	7	428.6	3,000.0	1	1,500.0	1,500.0

Narrative Justification
Description and Purpose:

The DISA Computing Service mission, as an enterprise computing service provider, is to deliver world-class service at the lowest possible cost that satisfies mission objectives. To accomplish this, we require funding to ensure that the services provided to support customers' missions are met through processes and systems which provide availability, capacity, continuity and security of the existing systems. Additionally, systems are required to track customer information and ensure service level agreements (SLAs) are met. DISA employs a variety of geographically dispersed mainframes and computing systems which require funding to support the enterprise environment. Standard Operating Environment (SOE) projects require software investments which will eliminate functionally equivalent products, streamline the inventory and create the most efficient processing environment for the customer at the least possible cost.

Current Deficiency and/or Problem:

DISA must invest in new software to more efficiently host systems that provide a highly available, secure and robust computing environment. Based on the technical evaluation and the implementation cost, new products will be selected to meet organizational needs. Technical evaluations on mainframe and distributed software products will be conducted throughout the enterprise allowing elimination of functionally equivalent software and the associated duplicative costs. Investment in standardizing software tools to standardize to a select number of products is required. These investments will ensure software is supported by vendors to reduce risk of security vulnerabilities, provide needed operational tools to ensure availability and capacity of systems to meet customer mission

objectives. In order to maintain network and system availability, investment is required in tools that manage, monitor and report on events from computing center systems.

IT capabilities are required to address collaboration and situational awareness requirements in the call center environment. Two new Automated Call Distribution (ACD) systems are required. The new systems will create a standardized Enterprise-wide solution flexible enough to operate within any of the currently installed contact center telephone infrastructures.

Enterprise Systems Management (ESM) tools currently in use must be evaluated for suitability for upgrade or replacement. DISA is moving to an Information Technology Infrastructure Library (ITIL) compliant process model for IT Service Management (ITSM). ITIL is a set of concepts and policies for managing information technology infrastructure, development and operations. An ITIL compliant ITSM tool suite is required to fully realize the benefits of this process model.

Impact:

Without these investments DISA will not be able to effectively operate and manage the diverse and increasing number of systems. There is an increased risk that SLAs will not be met due to downtime of systems, performance degradation, and lack of proactive means of measuring and correcting system capacity and availability problems. The volume of operating environments coming into the computing centers cannot be managed without enterprise system tools and could result in an inability to accurately monitor, report, and review service performance

COMPUTING SERVICES: Capital Investment Justification ($ in Thousands)		A. FY 2011 Budget Estimates
B. Computing Services / February 2010	C. CE0200 Minor Construction Facilities	D. Defense Information Systems Agency

	FY 2009			FY 2010			FY 2011		
Element of Cost	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**
Minor Construction – Facilities	2	375.0	750.0	3	333.3	1,000.0	3	358.0	1,074.0
Total	2	375.0	750.0	3	333.3	1,000.0	3	358.0	1,074.0

Narrative Justification
Description and Purpose:

Several facility enhancements are planned in FY 2010 and FY 2011: 1.) Install a second main electrical feed at Systems Management Center (SMC) Oklahoma City, OK in FY 2010 for required redundancy of power. Electrical power feeders are required to provide needed reliable redundancy to support critical Automated Data Processing (ADP) power loads. This project is anticipated to include some minor construction. 2.) Mechanical room renovation in FY 2011 at SMC Montgomery, AL. Two fully vacated and two partially vacated mechanical rooms will be renovated and used as administrative and/or storage. This project is anticipated to include some minor construction. 3.) Computer Room expansion at DECC Pacific in FY 2011; This project will include executing the build-out of 13,000 square feet of vacant space. The vacant space will be constructed as usable computer room space and will increase the capacity of the existing electrical and mechanical equipment. This project is anticipated to include some minor construction. 4.) SMC Mechanicsburg, PA, SMC Ogden, UT, and Infrastructure Service Center (ISC) St Louis, IL, will require a 100% design for the Anti-Terrorism Force Protection (ATFP) infrastructure in FY 2011. These projects are necessary to fully comply with DoD code UFC-4-010-01 DoD Minimum Anti-Terrorism Standards for buildings. This project is anticipated to include some minor construction.

Current Deficiency and/or Problem:

Various facilities are in need of upgrades and renovations in order to meet current standards and support new workload.

Impact:

If these projects are not funded age-related infrastructure and equipment deficiencies could result in unexpected system failures, placing site personnel at risk and potentially resulting in unnecessary datacenter downtime. DISA's ability to provide a reliable and safe 24/7/365 operational capability could be jeopardized.

Capital Budget Execution
Defense Information Systems Agency
PE54 COMPUTING SERVICES
February 2010
(Dollars in Millions)

Projects on the FY 2010 President's Budget

FY	Approved Project	2010 PB	Reprogrammings	Approved Proj. Cost	Current Proj. Cost	Asset/Deficiency	Explanation
FY 2010	Non- ADPE/Facilities Equipment	14.940	4.100	19.040	19.040	(4.100)	Additional requirements
	IBM - Tech Refresh	0.500	(0.500)	0.000	0.000	0.500	Reprogram funding to Minor Construction
	Systems Management / ADP	0.000	0.000	0.000	0.000	0.000	
	Communications Equipment	7.000	(1.800)	5.200	5.200	1.800	Reprogram funding to Non-ADPE
	Server - Customer	0.000	0.000	0.000	0.000	0.000	
	Storage - Tech Refresh	1.000	0.000	1.000	1.000	0.000	
	Software Development (Externally)	5.300	(2.300)	3.000	3.000	2.300	Reprogram funding to Non-ADPE
	Minor Construction - Facilities	0.500	0.500	1.000	1.000	(0.500)	Additional facility enhancement projects
	Total FY 2010	**29.240**			**29.240**		

Activity Group Capital Investment Summary
Defense Information Systems Agency
TELECOMMUNICATION SERVICES AND ENTERPRISE ACQUISITION SERVICES
February 2010
(Dollars in Millions)

	FY 2009 Quantity	FY 2009 Total Cost	FY 2010 Quantity	FY 2010 Total Cost	FY 2011 Quantity	FY 2011 Total Cost
Equipment Capabilities	**0.000**	**$0.000**	**0.000**	**$0.000**	**2.000**	**$0.950**
Replacement	**0.000**	**$0.000**	**0.000**	**$0.000**	**2.000**	**$0.950**
TO0029 Generator	0.000	$0.000	0.000	$0.000	0.000	$0.000
TO0030 Fire Suppression System	0.000	$0.000	0.000	$0.000	1.000	$0.450
TO0031 UPS Redundant System	0.000	$0.000	0.000	$0.000	1.000	$0.500
TO0032 Panel Board and Circuit	0.000	$0.000	0.000	$0.000	0.000	$0.000
TO0033 Aged Split System Air Conditioning	0.000	$0.000	0.000	$0.000	0.000	$0.000
TR0016 EMSS Primary Gen/Tank/Swt Gear Rep	0.000	$0.000	0.000	$0.000	0.000	$0.000
TR0018 EMSS Earth Terminal Comm Subsystem	0.000	$0.000	0.000	$0.000	0.000	$0.000
TR0019 EMSS Ops Center HVAC Replacement	0.000	$0.000	0.000	$0.000	0.000	$0.000
TR0030 EMSS Gateway Environ. System (HVAC)	0.000	$0.000	0.000	$0.000	0.000	$0.000
ADPE & Telecom Equipment Capabilities	**3.000**	**$14.059**	**3.000**	**$20.060**	**3.000**	**$8.830**
Telecoms, Other Computer & Telecom Support Equip	**3.000**	**$14.059**	**3.000**	**$20.060**	**3.000**	**$8.830**
TR0022 EMSS RWIF Red Interworking Function	0.000	$0.000	0.000	$0.000	0.000	$0.000
TO0028 LAN Infrastructure at Leased Facility	1.000	$0.449	0.000	$0.000	0.000	$0.000
TR0009 JHITS ASM DRM Switch Tech Refresh	0.000	$0.000	0.000	$0.000	0.000	$0.000
TR0010 JHITS Switch Expansion & Ancil Equip	1.000	$2.000	1.000	$1.700	1.000	$1.700
TR0026 DISN SME-Portable Elec Dev	0.000	$0.000	1.000	$0.560	1.000	$0.630
TR0026 EMSS MOC Upgrade	0.000	$0.000	0.000	$0.000	0.000	$0.000
TR0027 EMSS Access Control Sys. Replacement	0.000	$0.000	0.000	$0.000	0.000	$0.000
TR0031 EMSS Gateway Transformation	0.000	$0.000	1.000	$17.800	1.000	$6.500
TV0005 DISN DVS-II	1.000	$11.610	0.000	$0.000	0.000	$0.000
Computer Hardware Production	0.000	$0.000	0.000	$0.000	0.000	$0.000
EE0002 EBM (Hardware Production)	0.000	$0.000	0.000	$0.000	0.000	$0.000
Software Development	**1.000**	**$0.650**	**1.000**	**$0.719**	**1.000**	**$1.495**
Externally Developed	**1.000**	**$0.650**	**1.000**	**$0.719**	**1.000**	**$1.495**
EE0001 TIBI	0.000	$0.000	1.000	$0.719	1.000	$1.495

Activity Group Capital Investment Summary
Defense Information Systems Agency
TELECOMMUNICATION SERVICES AND ENTERPRISE ACQUISITION SERVICES
February 2010
(Dollars in Millions)

	FY 2009 Quantity	FY 2009 Total Cost	FY 2010 Quantity	FY 2010 Total Cost	FY 2011 Quantity	FY 2011 Total Cost
EE0002 EBM	0.000	$0.000	0.000	$0.000	0.000	$0.000
EE0003 DAI	0.000	$0.000	0.000	$0.000	0.000	$0.000
EE0004 DDOE Enhancements	1.000	$0.650	0.000	$0.000	0.000	$0.000
TT0020 DAI	0.000	$0.000	0.000	$0.000	0.000	$0.000
00EDMI EDMI	0.000	$0.000	0.000	$0.000	0.000	$0.000
VALIDAC Valid Line of Accounting	0.000	$0.000	0.000	$0.000	0.000	$0.000
Minor Construction Capabilities	**0.000**	**$0.000**	**0.000**	**$0.000**	**0.000**	**$0.000**
Replacement	**0.000**	**$0.000**	**0.000**	**$0.000**	**0.000**	**$0.000**
TR0015 EMSS Building Electrical Distribution	0.000	$0.000	0.000	$0.000	0.000	$0.000
TO0019 Unspecified Minor Construction	0.000	$0.000	0.000	$0.000	0.000	$0.000
Total Obligations	**4.000**	**$14.709**	**4.000**	**$20.779**	**6.000**	**$11.275**
Capital Outlays (below threshold)		$0.000		$0.000		$0.000
Capital Outlays (above threshold)		$33.215		$15.082		$9.911
Total Capital Outlays		**$33.215**		**$15.082**		**$9.911**
Total Depreciation Expense		**$6.043**		**$10.001**		**$12.162**

Telecommunications Services/Enterprise Acquisition Services: Capital Investment Justification ($ in Thousands)		A. FY 2011 Budget Estimates
B. TSEAS / February 2010	C. TO0030 Fire Suppression System	D. Defense Information Systems Agency

Element of Cost	FY 2009 Quantity	FY 2009 Unit Cost	FY 2009 Total Cost	FY 2010 Quantity	FY 2010 Unit Cost	FY 2010 Total Cost	FY 2011 Quantity	FY 2011 Unit Cost	FY 2011 Total Cost
Fire Suppression System	0	0.0	0.0	0	0.0	0.0	1	450.0	450.0
Total	0	0.0	0.0	0	0.0	0.0	1	450.0	450.0

Narrative Justification:
Description and Purpose:

This project includes updating and expanding the existing fire detection and suppression system at the Global Network Operations Support Center at Scott Air Force Base in accordance with National Fire Protection Association (NFPA) standards.

Current Deficiency and/or Problem:

The fire detection system needs to be upgraded and expanded in order to provide proper coverage throughout the building and to properly detect and warn occupants of fire. Fire suppression pipes build up rust and corrosion over time, which clogs water lines and plugs the sprinkler heads, severely limiting fire suppression capability.

Impact:

If this project is not completed, the operational mission of the Global Network Operations Support Center in St. Louis will remain vulnerable to a fire threat. The current aging fire detection and suppression system has limited sensors and potentially clogged sprinkler heads, which places the mission-essential network operations center and building occupants at higher risk in the event of a fire emergency. Completing this project will provide a reliable fire detection and suppression system, as required by federal law and national building codes.

Telecommunications Services/Enterprise Acquisition Services: Capital Investment Justification ($ in Thousands)		A. FY 2011 Budget Estimates
B. TSEAS / February 2010	C. TO0031 UPS Redundant System	D. Defense Information Systems Agency

Element of Cost	FY 2009 Quantity	FY 2009 Unit Cost	FY 2009 Total Cost	FY 2010 Quantity	FY 2010 Unit Cost	FY 2010 Total Cost	FY 2011 Quantity	FY 2011 Unit Cost	FY 2011 Total Cost
Generator	0	0.0	0.0	0	0.0	0.0	1	500.0	500.0
Total	0	0.0	0.0	0	0.0	0.0	1	500.0	500.0

Narrative Justification:
Description and Purpose:

This project will provide a redundant Uninterruptable Power Source (UPS) in support of the Global Network Operations Support Center (GNSC) and the Global Video Operations Center (GVOC), located at Scott Air Force Base.

Current Deficiency and/or Problem:

Currently, the GNSC and GVOC draw power from two electrical services – 1200 AMP and 1600 AMP. At this time, only the 1200 AMP service has an Uninterruptible Power Source (UPS) to provide emergency backup power. Given the mission critical operations that both the support center and video operations center perform, a backup capability is needed for both electrical services. Additionally, each UPS will act as a redundant capability for the other. During a commercial power outage in September of 2008, the existing UPS failed to carry the critical power load, resulting in downtime for both operations centers. Installing a second UPS will prevent such downtime in the future.

Impact:

Under current conditions, a commercial power outage could halt all processing and jeopardize the DISA CONUS mission due to inadequate emergency electrical support. The continued lack of sufficient emergency back-up power for equipment capacity will not allow DISA to meet its operational requirements.

Telecommunications Services/Enterprise Acquisition Services: Capital Investment Justification ($ in Thousands)		A. FY 2011 Budget Estimates
B. TSEAS / February 2010	C. TR0010 JHITS Switch Expansion & Ancil. Equip	D. Defense Information Systems Agency

Element of Cost	FY 2009 Quantity	FY 2009 Unit Cost	FY 2009 Total Cost	FY 2010 Quantity	FY 2010 Unit Cost	FY 2010 Total Cost	FY 2011 Quantity	FY 2011 Unit Cost	FY 2011 Total Cost
JHITS Switch Expansion & Ancil Equip	1	2,000.0	2,000.0	1	1,700.0	1,700.0	1	1,700.0	1,700.0
Total	1	2,000.0	2,000.0	1	1,700.0	1,700.0	1	1,700.0	1,700.0

Narrative Justification:
Description and Purpose:

This budget line is required to ensure the availability of capital resources for Joint Hawaii Information Transfer System (JHITS) switch expansions and upgrades as needed on the Hawaiian Islands. JHITS switch expansions will be required to meet increasing customer demand in Hawaii as the military (most notably Army) moves personnel to the Pacific area. Funding is also needed for ancillary equipment to maintain operating systems and to provide a rapid replacement capability for mission critical equipment. Additionally, switch expansions are needed to provide telephone lines for Fort Shafter during FY 2010 in support of the US Army Pacific Signal Command. A Wahiawa JHITS switch expansion is also required in FY 2010/2011 to support the Hawaii Regional Security Operations Center (HRSOC) relocation from Kunia Field Station to the Naval Computer and Telecommunications Area Master Station (NCTAMS) at Wahiawa. Capital funding is also required during FY 2010/2011 to provide JHITS network expansions, switch trunk expansions, and new transport nodes. A switch trunk expansion is required for Pearl Harbor and a new transport node is required to support the Kahuku Training Area.

Current Deficiency and/or Problem:

Limited line capacity exists for some JHITS switches. Hardware expansion is required to provide service to additional customers. Without switch hardware expansion, customers in Hawaii cannot obtain telephone service. The Pearl Harbor JHITS switch has limited trunk/port capacity available to connect new communications systems being deployed to Hawaii that require Defense Switched

Network (DSN) connectivity.

Impact:

Without authorized capital funding to expand the network and/or replace ancillary equipment for JHITS, serious military DSN, Federal Telecommunications Service (FTS), and local commercial telephone service degradation will occur for Hawaii DoD military and civilian agencies. In addition, serious service degradation throughout the Pacific theater will occur if the JHITS DSN gateway switches fail. Without capital funding for switch expansions, the ability to accommodate an increasing customer base will be limited.

Telecommunications Services/Enterprise Acquisition Services: Capital Investment Justification ($ in Thousands)		A. FY 2011 Budget Estimates
B. TSEAS / February 2010	C. TR0026 DISN SME-Portable Elec. Dev.	D. Defense Information Systems Agency

Element of Cost	FY 2009 Quantity	FY 2009 Unit Cost	FY 2009 Total Cost	FY 2010 Quantity	FY 2010 Unit Cost	FY 2010 Total Cost	FY 2011 Quantity	FY 2011 Unit Cost	FY 2011 Total Cost
DISN SME-Portable Elec Dev	0	0.0	0.0	1	560.0	560.0	1	630.0	630.0
Total	0	0.0	0.0	1	560.0	560.0	1	630.0	630.0

Narrative Justification:
Description and Purpose:

The FY 2010 request is for the purchase and installation of the required hardware and software to complete the implementation of the Secure Mobile Environment – Portable Electronic Device (SME-PED). The FY 2011 request is for the design of a Voice over Internet Protocol (VoIP) engineering solution for use as an alternative to the Circuit Switched Data (CSD) data path that is currently in use by the commercial wireless SME-PED carriers in order to make and receive secure (encrypted) calls.

Current Deficiency and/or Problem:

The SME-PED capability has recently achieved full operating capability. The FY 2010 capital funds will be used for capital hardware or software items during the first full year of execution, should any be needed.

Additionally, the current Defense Computing Center data path technology, which SME-PED relies on to receive and transmit secure (encrypted) calls, is being phased out by the commercial wireless carriers in late 2010 to early 2011 and will be replaced by VoIP technology. In order for each SME-PED to remain functional, they will need to employ compatible secure VoIP data path technology. FY 2011 capital is required to fund engineering solutions for equipment and infrastructure.

Impact:
Failure to develop a VoIP capable replacement to the Defense Computing Center data path technology will result in the loss of SME-PED functionality.

Telecommunications Services/Enterprise Acquisition Services: Capital Investment Justification ($ in Thousands)		A. FY 2011 Budget Estimates
B. TSEAS / February 2010	C. TR0031 EMSS Gateway Transformation	D. Defense Information Systems Agency

Element of Cost	FY 2009 Quantity	FY 2009 Unit Cost	FY 2009 Total Cost	FY 2010 Quantity	FY 2010 Unit Cost	FY 2010 Total Cost	FY 2011 Quantity	FY 2011 Unit Cost	FY 2011 Total Cost
EMSS Gateway Transformation	0	0.0	0.0	1	17,800.0	17,800.0	1	6,500.0	6,500.0
Total	0	0.0	0.0	1	17,800.0	17,800.0	1	6,500.0	6,500.0

Narrative Justification:
Description and Purpose:

The Enhanced Mobile Satellite Services (EMSS) provides unique mobile satellite services in that all global EMSS traffic is down linked and processed at a single location. The user equipment and EMSS Gateway architecture, infrastructure, and equipment capabilities have been in service since the commencement of the program over a decade ago. In order to be operationally compatible with the emerging technology of the next generation satellite constellation "Iridium NEXT" the gateway needs to undergo modifications. Funding is requested in support of these modifications to the Gateway. The Department of Defense Gateway infrastructure, end user equipment, encryption devices, and disaster recovery / COOP operations will require immediate and continued upgrades, enhancements, and replacements. Upgrades and modifications to the EMSS Gateway will allow the Services/Agencies to continue to have reliable communications and avoid vulnerabilities of terrestrial infrastructures.

Current Deficiency and/or Problem:

As Iridium Satellite, Limited Liability Company (LLC), transitions its commercial services to utilize the next generation satellite constellation "Iridium NEXT", the commercial gateway architecture will also change. In order for EMSS to take advantage of the new capabilities that "Iridium NEXT" will provide, and to ensure the government's continued ability to receive EMSS/Iridium traffic, the user equipment and military-owned EMSS Gateway require modifications to maintain a technical parallel to the commercial Iridium Gateway. Also requested in this budget line is funding for Remote Earth Terminals (ET's), compatible with "Iridium NEXT". Due to the current single point of failure at the primary Gateway location, the architecture of the Remote ETs place our customers at a high risk in the event of a global outage, when a satellite becomes inoperative, or when the EMSS Gateway Earth Terminals are

unavailable. In the event of a global outage or unavailability of the ETs, with additional Remote ETs, the EMSS Gateway will be able to receive EMSS/Iridium traffic at an alternative location, reducing the chance of service interruption to our customers. EMSS must implement interim technology solutions to maintain current operations, as well as implement a migration of technologies to the Iridium NEXT components as they are made available.

Impact:

If the EMSS Gateway is not transformed to remain compatible with the Iridium commercial gateway, EMSS will not be able to receive critical operational traffic or provide access to new services offered by "Iridium NEXT". Without upgrades to the DoD Gateway infrastructure, end user equipment, encryption devices, and implementation of a COOP (Continuity of Operations) capability, this vital US Government resource will not be able to meet future communications needs or provide critical operational communication support.

Telecommunications Services/Enterprise Acquisition Services: Capital Investment Justification ($ in Thousands)		A. FY 2011 Budget Estimates
B. TSEAS / February 2010	C. EE0001 TIBI	D. Defense Information Systems Agency

Element of Cost	FY 2009 Quantity	FY 2009 Unit Cost	FY 2009 Total Cost	FY 2010 Quantity	FY 2010 Unit Cost	FY 2010 Total Cost	FY 2011 Quantity	FY 2011 Unit Cost	FY 2011 Total Cost
TIBI	0	0.0	0.0	1	719.0	719.0	1	1,495.0	1,495.0
Total	0	0.0	0.0	1	719.0	719.0	1	1,495.0	1,495.0

Narrative Justification:

DISA's Defense Wide Working Capital Fund (DWCF) Enterprise Acquisition Services (EAS) business line strives to develop and deploy an automated, fully integrated customer inventory and billing system, to include both telecommunications and non-telecommunications requirements. The goal of the Telecommunications Inventory and Billing Information (TIBI) project is to provide our customer, the warfighter, with the most current information related to their requirements.

Description and Purpose:

DISA currently provides contractual, billing, and provisioning information for customer telecommunication requirements, via the TIBI application. The purpose of this project is to expand the net-centric, data-sharing capabilities within TIBI by adding a fully integrated module. This will enable our customers to see detailed information related to both telecom and non-telecommunications requirements. Also, this enhancement will provide the capability for our customers to project their costs through the end of the fiscal year and provide the visibility to manage funds more efficiently. This enhancement will be developed in phases, as was the initial TIBI application. The first phase, to be accomplished in FY 2010, will be to develop a pilot application for the non-telecom requirements based on minimal requirements for a limited customer base. The second phase, beginning in FY 2011, will provide additional capabilities based on requirements defined during the pilot phase to bring the application to full operational capability for all customers.

Current Deficiency and/or Problem:

Several of our customers (i.e. DISA, Air Force, and Army) have expressed concerns that DISA does not provide detailed financial

information for their non-telecommunication requirements, in order that they may reconcile their customer billings from DISA. Currently, the customer must contact their servicing DFAS Office, where typically the information provided is not at the level of detail needed by the customer, or the customer must go to various other sources, internal or external, to pull information related to their requirements.

Impact:

This project will provide a simplified solution for customers to obtain financial information in order to make more well-informed business decisions.

Capital Budget Execution
Defense Information Systems Agency
Activity Group: TSEAS
Date: February 2010
($ in Millions)

Projects on the FY 2010 President's Budget

Fiscal Year	Approved Project	2010 PB	Reprogrammings	Approved Proj. Cost	Current Proj. Cost	Asset/Deficiency	Explanation
FY 2010	TR0030 EMSS Gateway Environ. System (HVAC)	0.400	(0.400)	0.000	0.000	0.400	Reprogram funding to TIBI
	TR0010 JHITS Switch Expansion & Ancil Equip	2.000	(0.300)	1.700	1.700	0.300	Reprogram funding to TIBI
	TR0026 DISN SME-Portable Elec Dev	0.600	(0.040)	0.560	0.560	0.040	Partially reprogram funding to TIBI
	TR0031 EMSS Gateway Transformation	17.800	0.000	17.800	17.800	0.000	
	TIBI	0.000	0.719	0.719	0.719	(0.719)	Software upgrade to TIBI
	TOTAL FY 2010	**20.800**			**20.779**		

DEFENSE LOGISTICS AGENCY
DEFENSE-WIDE WORKING CAPITAL FUND
SUPPLY CHAIN MANAGEMENT ACTIVITY GROUP
FISCAL YEAR (FY) 2011 BUDGET ESTIMATES
ACTIVITY GROUP CAPITAL INVESTMENT SUMMARY
($ IN MILLIONS)

Line Number	Item Description/Capability			FY 2009		FY 2010		FY 2011	
				Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
REP 200-01	Material Handling/Storage Space Utilization - Supply Non-Energy				0.184	1	0.600		
REP 200-02	Material Handling/Storage Space Utilization - Distribution			20	19.492	6	7.861	8	16.034
NEW 200-03	Material Handling/Storage Space Utilization - Distribution					2	11.500	1	3.700
REP 200-04	Installation Security - Supply Non-Energy			3	0.500	6	4.810	2	1.175
REP 200-05	Installation Security - Distribution			2	0.909	2	1.476	4	1.610
REP 200-06	Quality Control - Supply Non-Energy				0.000			1	0.500
REP 200-07	Material Disposal - DRMS				0.000	2	1.200	2	1.320
	TOTAL EQUIPMENT (Non ADP/T)			25	21.085	19	27.447	18	24.339
TEL 100	Telecommunications - Supply Non-Energy			2	0.725	7	11.076	7	8.684
TEL 200	Telecommunications - Distribution			4	5.550	5	3.464	3	2.264
PRD 100	Production Hardware - Supply Non-Energy			4	8.997	1	2.511	3	4.724
PRD 200	Production Hardware - DRMS			1	4.298				
NET 100	Network Hardware - Distribution					2	6.100	2	6.650
	TOTAL EQUIPMENT (ADP/T)			11	19.570	15	23.151	15	22.322
SWD 200-01	Supply Chain Management - eProcurement				38.937		39.502		23.875
SWD 200-02	Supply Chain Management - Common Food Management System				16.128		15.921		20.120
SWD 200-03	Supply Chain Management - Enterprise Business System				26.516		19.370		17.440
SWD 200-04	Supply Chain Management - Defense Medical Logistics Standard System				2.511		2.414		2.401
SWD 200-05	Supply Chain Management - DoD EMALL				0.000		5.405		5.512
SWD 200-06	Supply Chain Management - Integrated Consumable Item Support				0.000		5.315		4.900
SWD 200-07	Supply Chain Management - Reautilization Business Integration				10.293		14.870		9.052
SWD 300-01	Net-Centric Hubs - Fusion Center				2.000		3.769		2.652
SWD 300-02	Net-Centric Hubs - Integrated Data Environment				4.342		3.879		1.500
SWD 300-03	Net-Centric Hubs - Enterprise Operations Accounting System				4.023				
SWD 300-04	Net-Centric Hubs - Enterprise Business Software				0.919		3.425		
SWD 300-05	Net-Centric Hubs - Asset Visibility				3.700		0.500		0.500
SWD 400-01	Master Data - Federal Logistics Information System						2.075		4.075
SWD 400-02	Master Data - CPARS and PPIRS						1.020		1.040
SWD 500-01	Distribution - Radio Frequency Identification						0.312		0.312
SWD 500-02	Distribution - Distribution Standard System						1.022		1.022
	TOTAL SOFTWARE DEVELOPMENT				109.369		118.799		94.401
REP 200-01	Minor Construction $100,000 - $750,000 (Supply Non-Energy)				2.330		4.549		3.871
REP 200-02	Minor Construction $100,000 - $750,000 (Distribution)				9.815		10.854		10.883
REP 200-03	Minor Construction $100,000 - $750,000 (DRMS)				2.046		2.130		2.029
	TOTAL MINOR CONSTRUCTION				14.191		17.533		16.783
	TOTAL AGENCY CAPITAL INVESTMENTS			36	164.215	34	186.930	33	157.845
	Capital Outlays (below threshold)				16.861		27.580		24.650
	Capital Outlays (above threshold)				197.926		80.900		81.700
	Total Capital Outlays				214.787		108.480		106.350
	Total Depreciation Expense				86.006		160.385		176.029

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2010

C. Line Number & Item Description
Non-ADP Equipment - Replacement

D. Activity Identification
DLA/Supply Non-Energy

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 200-01 Material Handling/Storage Space Utilization - Replacement Supply Non-Energy				1	184	184	1	600	600			

Narrative Justification:

These investments are for material handling equipment, mobile material handling equipment, and miscellaneous warehouse equipment or systems. Replacement of equipment is for 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 polices, the Defense Logistics Agency (DLA) has established replacement and life expectancy/productivity enhancements 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. The FY 2010 requirement is for a mini loader at Defense Supply Center Richmond (DSCR).

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
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Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2010

C. Line Number & Item Description
Non-ADP Equipment - Replacement

D. Activity Identification
DLA/Distribution

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 200-02 Material Handling/Storage Space Utilization - Replacement Distribution				20	974.6	19,493	6	1,310.2	7,861	8	2,004.3	16,034

Narrative Justification:

These investments are for material handling equipment, mobile material handling equipment, and miscellaneous warehouse equipment or systems. Replacement of equipment is for 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 polices, the Defense Logistics Agency (DLA) has established replacement and life expectancy/productivity enhancements 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. Projects in FY 2010 include a Rough Terrain Container Handler, Cantilever Racks, Towline Systems, and Unitary Power Systems. Projects in FY 2011 include a Container Handler Forklift, Towline Systems, Sortation Systems, Mezzanine and Bin Systems, and a 75 Ton Bridge Crane.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2010

C. Line Number & Item Description
Non-ADP Equipment - Replacement

D. Activity Identification
DLA/Distribution

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
NEW 200-03 Material Handling/Storage Space Utilization – New Mission Distribution							2	5,750	11,500	1	3,700	3,700

Narrative Justification:

These investments are for material handling equipment, mobile material handling equipment, and miscellaneous warehouse equipment or systems. Equipment supports new mission or productivity related projects for which DLA has established policies and procedures to ensure that the ultimate goals of providing cost savings in terms of reduced man-hours to complete mission oriented tasks, new systems or equipment to meet the requirements for attaining DLA strategic goals, and modification to enhance safety of the operators or environment are met. All productivity related projects normally provide a payback of not more than five years and savings to investment ratio of greater than one.

Projects in FY 2010 and FY 2011 include equipment for a new General Purpose Warehouse (GPW) at Distribution Depot San Joaquin (DDJC) and for the new Distribution Center at Distribution Depot Europe (DDDE). The proposed equipment for the GPW at DDJC will provide a high-rise narrow aisle pallet rack storage system, turret trucks, including batteries and chargers, a rail guidance system for material handling equipment and intra-depot transporter conveyors. The Distribution Center at DDDE will include various systems to support storage, material movement, packing, sorting, receiving and shipping. Installation of the new material handling equipment will lower overall material handling costs, reduce facility space requirements and decrease warehouse processing times.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011 Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2010

C. Line Number & Item Description
Non-ADP Equipment - Replacement

D. Activity Identification
DLA/Supply Non-Energy

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 200-04 Installation Security Supply Non-Energy				1	500	500	6	801.7	4,810	2	587.5	1,175

Narrative Justification:

This program involves providing installation security related items. Security items include portals, turnstiles, entrance card readers, intrusion detection devices, and fire emergency trucks. Equipment of this type will provide security of the items stored in the depots as well as safety and security for the DLA employees. This equipment is in accordance with security guidance provided by the Department of Defense and in order to rectify identified security deficiencies.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
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Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2010

C. Line Number & Item Description
Non-ADP Equipment - Replacement

D. Activity Identification
DLA/Distribution

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 200-05 Installation Security Distribution				2	454.5	909	2	738	1,476	4	402.5	1,610

Narrative Justification:

This program involves providing installation security related items. Security items include Card Access Control Systems (CACS) for various buildings, a card access system, a closed circuit television system, and fire emergency trucks. Equipment of this type will provide security of the items stored in the depots as well as safety and security for the DLA employees. This equipment is in accordance with security guidance provided by the Department of Defense and in order to rectify identified security deficiencies. This equipment will provide depot security as well as safety and security for DDC employees.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011 Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2010

C. Line Number & Item Description
Non-ADP Equipment - Replacement

D. Activity Identification
DLA/Supply Non-Energy

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 200-06 Quality Control Supply Non-Energy										1	500	500

Narrative Justification:

The Defense Supply Center Columbus (DSCC) Electronics Product Testing Center (TE) mission is to support Department of Defense (DOD) and Inventory Control Point (ICP) initiatives which examine the quality of electrical and electronic commodities procured by DLA in support of military weapons systems. TE tests components to confirm compliance to contractual requirements. Various testing programs consist of PVT (preacceptance testing), New Vendor (new contractor cage codes), CM/UPS (suspected contractor fraud), PQDR (product quality deficiencies), and other directed testing requests from the military services. In order for TE to perform its mission, TE must maintain test equipment to test components at the request of the ICP.

This investment is to replace the existing TESEC model 881-TT/A Semiconductor Test System. The intent is to replace this system with upgraded electronics and software. All test programs from the replaced system will be useable on the new system saving ten years of programming and debugging costs. The system would be turn key and ready to test with no down time. The current system is ten years old and has reached its useful life. It is also out of warranty and could lead to maintenance and support failure in the future.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
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Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2010

C. Line Number & Item Description
Non-ADP Equipment - Replacement

D. Activity Identification
DLA/DRMS

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 200-07 Material Disposal –Replacement DRMS							2	600	1,200	2	660	1,320

Narrative Justification:

This investment is for scrap handlers that has reached or exceeded the useful life established for this category. Based on guidance contained in various Department of Defense (DoD) governing polices, 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 various categories of equipment.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2010

C. Line Number & Item Description
TEL 100 Telecommunications Equipment

D. Activity Identification
DLA/Supply Non-Energy

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
TEL 100 Telecommunications Supply Non-Energy				2	362.5	725	7	1,582.3	11,076	7	1,240.6	8,684

Narrative Justification:

This investment for telecommunications equipment is in support of the Defense Supply Center Columbus (DSCC) and the Defense Supply Center Richmond (DSCR). This equipment will ensure that data transmissions from voice to video are successful. Requirements include telephone switches, Local Area Network (LAN) upgrades, storage solutions, video teleconferencing hardware, and a trunked radio system.

In FY 2010 and FY 2011 DLA will also upgrade the Enterprise Telecommunications Network (ETN). This investment includes re-engineering and upgrading the Marconi ATM switch hardware and the Cisco switch hardware, re-engineering and upgrading the Nokia firewall hardware, and replacing the Infoblox DNS equipment currently existing on the ETN. The refresh equipment will replace end of life system hardware located at the CONUS hub sites and test environments. Upgrading the hardware to current industry standards ensures continued delivery of uninterrupted, high quality, and best value servicing to the DLA customer. DLA's ETN equipment acquisition and replacement strategy ensures that high quality equipment is purchased, configured, and deployed in a timely fashion to support the war fighter. Refreshing this hardware provides the continued performance and reliability demanded by the ETN. Deploying state-of-the-art network equipment ensures continued ETN support of DLA customers at all DLA worldwide locations.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2010

C. Line Number & Item Description
TEL 200 Telecommunications Equipment

D. Activity Identification
DLA/Distribution

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
TEL 200 Telecommunications Distribution				4	1387.5	5,550	5	1,366.3	3,464	3	1,782.8	2,264

Narrative Justification:

As Radio Systems and Telephony Switching technologies/applications advance, a robust infrastructure and telecommunications system is required to provide reliable communications capabilities. The Radio Systems (Trunked & Conventional) and Telephone Switches owned by the DDC will be properly aligned with current operating baselines to allow users the mission critical voice applications required. Aging hardware and software will be regularly replaced within the telecommunications confinements of the cable plant, radio systems and telephony technologies. Subsequently each DLA distribution depot telecommunications configuration will be able to support all mandated DoD, DLA, and Defense Distribution Center (DDC) projects and initiatives.

The Radio Frequency (RF) mission, as specified in DoD 4140.1-R and Defense Reform Initiative Directive (DRID) 48, call for the ability to read 2D bar codes during the pick operation. The mission relies upon the perpetuation of serial number information throughout the supply chain; suppliers will mark this information on material in the form of 2D bar codes. This work is primarily supported by Radio Frequency equipment. During the past several years DDC has been required to fund capital projects for new depots in Sigonella, Guam, and Korea. RF funding is programmed in FY 2010 and FY 2011 to support contingencies.

Radio Frequency Identification (RFID) supports the overall goal of supply chain integration and logistics interoperability and allows for information exchange within and between internal and external business partners. The first phase of the RFID initiative included reading passive RFID tags at receiving locations CONUS and OCONUS, initially for new procurement and eventually for field returns In FY 2009, all pRFID portals were registered with Defense Automatic Addressing System Center (DAASC) as an integral component for improving the metrics. A central reporting server was created; its role as a repository for composite data is being developed. The new Center of Excellence at Distribution Depot San Joaquin (DDJC) will be the centerpiece for implementing new pRFID technologies driven by business processes. Phase I projects include fast-track receiving, intra-depot tracking of material, and a real-time-location system in the CCP facility. Upon the successful completion of this project, its proven concepts and associated technologies will be propagated to the remaining Distribution Centers.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
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Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Management – Non Energy Activity Group February 2010

C. Line Number & Item Description
PRD 100 Production Hardware

D. Activity Identification
DLA/Supply Non-Energy

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
PRD 100 Production Hardware Supply Non-Energy				4		8,998	1	2,511	2,511	3	1,575	4,724

Narrative Justification:
The Defense Automated Addressing System Center (DAASC) mission is to receive, validate, edit, route, transmit, and archive nearly all unclassified DoD logistic traffic. This mission is accomplished by a collection of systems that are support by four financial profiles; DBASE, DDATA, DGATE, and EBUS. The requirements identified not only provides the DAASC Enterprise Infrastructure, but also provides the necessary components needed for data exchange, storage, facility and security between the DAASC profile environments and DAASC's diverse external customer base. This infrastructure provides for numerous DAASC MAC-I applications such as the DAASC Routing Control System (DRCS), Service Oriented Messaging Architecture (SOMA), DAASC Micro Automated Routing System (DMARS), and Global Exchange (GEX) E-Business Hub. The Integrated Data Environment (IDE) Asset Visibility (AV) development /production environments are leveraging DAASC assets as well. The identified requirements also include the necessary hardware to provide support for 12 DoD level repositories used in the editing, validating, verifying, and routing of logistics data for DoD, other Federal Agencies, the North Atlantic Treaty Organization (NATO), and foreign military sales (FMS) countries. These repositories also support DoD requisition tracking. The above mentioned DRCS and SOMA applications are identified for technical refreshment of existing servers that have outgrown their life cycle. These applications are responsible for performing a core mission critical function and directly services the vast MQ Series, File Transfer Protocol (FTP) and Simple Mail Transfer Protocol (SMTP) customer base. These applications process over 3.7 Billion logistics transactions per year. The DoD Electronic Business gateway at DAASC is a highly reliable "global community services" logistics processing application serving the entire DoD community to include DLA, US Air Force, US Army, US Marine Corps, US Navy, US Coast Guard, the Federal Sector, the Defense Contractor community, International Logistics Communications Systems (ILCS), Foreign Military Sales (FMS) countries, and all DoD logistics customers using DoD and commercial networks. The key component of the EBUS profile is the GEX E-Business Hub. The requirements above include the technical refreshment of the hardware components for GEX. GEX provides EDI data exchange from secure facilities located at DAASC. The GEXs are connected via the Non-classified Internet Protocol Router Network (NIPRNET). However, in lieu of refreshing GEX, DAASC has developed a business solution that would refresh all hardware that currently supports the capability and also purchase hardware to migrate several DAASC COTS functions to a single COTS solution, WebMethods. By migrating to this single COTS solution, DAASC will save money associated with supporting multiple COTS solutions, including costs required to employee multi-skilled personnel. A migration to WebMethods allows DAASC to use the DLA standard method of routing information. Impact of not replacing these hardware platforms will lead to degradation of services, leading to mission failure.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
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B. Component/Activity Group/Date Defense Logistics Agency
Supply Management – Non Energy Activity Group February 2010

C. Line Number & Item Description
PRD 200 Production Hardware

D. Activity Identification
DLA/DRMS

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
PRD 200 Production Hardware DRMS				1	4,298	4,298						

Narrative Justification:

Radio frequency equipment is required to support the reutilization mission. There are plans for forty-nine CONUS and OCONUS sites to receive equipment and infrastructure (printers, readers, etc.) configured to handle the Automated Information Technology needs of the DRMS inventory. The hardware will be configured to work with the Reutilization Business Integration (RBI) solution set which includes the Distribution Standard System (DSS), Enterprise Business System (EBS), and Integrated Data Environment (IDE).

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
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B. Component/Activity Group/Date Defense Logistics Agency
Supply Management – Non Energy Activity Group February 2010

C. Line Number & Item Description
PRD 200 Production Hardware

D. Activity Identification
DLA/Distribution

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
NET 100 Network Hardware Distribution							2	3,050	6,100	2	3,325	6,650

Narrative Justification:

In FY 2010 and FY 2011 the Defense Distribution Center (DDC) will upgrade LAN networks to include hardware and infrastructure cabling. There are also LAN installation requirements to establish DLA network enclave connectivity supporting the BRAC program and the DDC Navy Warehouse Transfer initiative at 62 locations worldwide. Upgrades are planned for Defense Distribution Depots at Kuwait (DDKS), San Joaquin (DDJC), Richmond (DDRV), Susquehanna (DDSP), Hill Air Force Base (DDHU), Red River (DDRT), and Defense Distribution Center HQ expansion projects. The LAN installation supporting BRAC and Navy Warehouse Transfer locations will be planned as locations are identified through the planning process. Incomplete knowledge of the existing infrastructure and until these transfers are completed and actual requirements identified, no savings/cost avoidance should result from the purchase.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
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B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2010

C. Line Number & Item Description
SWD 200 Software Development $1.0 and Over

D. Activity Identification
DLA/Supply Non-Energy

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-01 Supply Chain Management eProcurement						38,937			39,502			23,875

Narrative Justification:

EProcurement is a pre-planned post-FOC product improvement to the procurement capabilities delivered with Enterprise Business System (EBS). EProcurement will replace the legacy DLA procurement capability with SAP Commercial Off The Shelf (COTS) products.

SAP Procurement for the Public Sector (PPS) COTS solution will be integrated into existing DLA EBS ERP COTS architecture as a replacement to DLA's legacy procurement systems. In FY 2010, DLA will complete the Build and Test Phase and begin the Deployment Phase. DLA will receive the following deliverables at the end of the Build Phase: Application Configuration Rationales, Technical Designs for Reports, Interfaces, Conversions, and Extensions (RICE), coding of all RICE, unit tests for all RICE, Test Planning materials, Deployment Planning materials, job summaries, Supervisory workshop materials, Change discussion materials, Instructor guides, training exercises, and a workforce readiness plan. During the Test Phase, teams will execute a variety of tests to include Functional testing, Integration testing, Regression testing, Operational testing, Performance testing, User Acceptance testing, FFMIA testing, and JITC testing. During the Deployment Phase, the team will perform Cutover and Conversion activities, execute training, and resolve system issues that may arise as they execute their rollouts across DLA. In FY 2011, DLA will complete the Deployment Phase. Again, the team will perform Cutover and Conversion activities, execute training, and resolve system issues that may arise as they execute their rollouts across DLA.

The expected outcomes of the activity include: increase in service level, decrease in cycle time, increase in horizontal integration, increase in financial accountability, and an increase in business alignment to the Warfighter. The impact of not funding would result in: (a) the need to continue support and maintenance of DPACS at approximately $10 million a year, (b) the need to maintain interfaces between DPACS and EBS, and (c) an inability to attain an additional $8 million/year in benefits related to EBS interface retirement, SPS/BOSS interface retirement, and functional savings resulting from increased contract visibility, automated invoice processing, post contract award efficiencies, and data storage efficiencies.

The Return-On-Investment (ROI) is 1.29 and the payback period is FY 2019.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
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B. Component/Activity Group/Date Defense Logistics Agency
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C. Line Number & Item Description
SWD 200 Software Development $1.0 and Over

D. Activity Identification
DLA/Supply Non-Energy

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-02 Supply Chain Management Common Food Management System (CFMS)						16,128			15,921			20,120

Narrative Justification:

The Common Food Management System (CFMS), a DLA-financed and DLA-managed system, will replace military food management systems with a single retail system for the DoD. It will incorporate all food management functions performed by the Service legacy systems, in addition to the catalog, order, receipt, and management information currently provided by DLA wholesale systems. CFMS will utilize commercial off the shelf software, with some customization to address the special requirements of a system that must operate in peace and in war. CFMS will be the automation tool for total supply chain integration for Class I and will support DLA's role as Executive Agent. CFMS will extend the Enterprise Business System (EBS) functionality from DLA to the customer.

Moving to a DLA-financed single retail system for Class I will reduce system maintenance costs across the DoD and will assure that the Military Services continue ordering their garrison feeding from DLA. An economic analysis was conducted in 2004 to identify the full scope of the anticipated savings. The Economic Analysis was refreshed in early FY 2009 resulting in an ROI of 3.98 and total savings of $529, 641.00 for FY 2011-2015. The program also accrues benefit from more efficient inventory management and financial compliance across the Military Services. This initiative satisfies the BMMP requirements and emerging information assurance and financial regulations such as the Standard Financial Information Structure (SFIS) and Federal Financial Management Improvement Act (FFMIA).

The FY 2010 funding supports continued development and testing of the CFMS solution, including user training and conduct of a second user acceptance test in late FY10. The FY 2011 funding supports deployment of the system to military pilot sites and initiation of full deployment to over 1100 dining facilities (ashore and afloat), including training of all resources at each dining facility. The funding in FY 2010 and FY 2011 also includes purchase and delivery of equipment to support the front and back office requirements of each dining facility and stand up a robust level 1 and 2 helpdesk capability to support the deployed users.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
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B. Component/Activity Group/Date Defense Logistics Agency
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C. Line Number & Item Description
SWD 200 Software Development $1.0 and Over

D. Activity Identification
DLA/Supply Non-Energy

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-03 Supply Chain Management Enterprise Business System (EBS)						26,516			19,370			17,440

Narrative Justification:

The Enterprise Business System (EBS), DLA's Enterprise Resource Planning (ERP) platform, was developed and introduced into DLA operations with investment dollars managed through the Business Systems Modernization (BSM), Customer Relationship Management (CRM), Product Data Management Initiative (PDMI), Enterprise Operations Accounting System (EOAS), and eProcurement programs which are now part of the EBS process/systems integration framework. BSM established the core architecture for DLA's Enterprise Business System as the ERP platform for supply chain management of DLA's 5.2 million hardware and troop support items. EBS is the IT foundation that enables DLA to fully implement electronic business, web-based technologies, and an interoperable data environment. Quantitative benefits to be achieved as a result of the BSM program include improved demand forecasting and improved operational effectiveness and efficiencies.

The continuing sustainment of this effort includes modernization technology upgrades and capability improvements that are required to support future critical EBS initiatives and to extend the DLA enterprise into a post-BRAC environment. Included are upgrades for SAP Customer Support Management (formerly CRM) and Manugistics, and new SAP capabilities to replace DLA's Real Property Inventory (RPI) applications. In addition, capital investment funding will be used for functional System Change Requests (SCRs) that are at or above the capital threshold.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
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B. Component/Activity Group/Date Defense Logistics Agency
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C. Line Number & Item Description
SWD 200 Software Development $1.0 and Over

D. Activity Identification
DLA/Supply Non-Energy

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-04 Supply Chain Management Defense Medical Logistics Standard System (DMLSS) Wholesale						2,511			2,414			2,401

Narrative Justification:
Defense Medical Logistics Standard System-Wholesale (DMLSS-W) is an integrated system supporting the medical logistics needs of the Services and the Warfighter. While the program directly funds the business process improvements and Management Information System (MIS) enhancements at the Defense Supply Center Philadelphia (DSCP) Medical Directorate, the benefits and savings cascade throughout the entire DoD medical logistics supply chain. In FY 2010 - 2011 the DMLSS-W program will focus on comprehensive software re-engineering improvements to the DMLSS-W applications in support of the implementation of the Generation IV (Gen IV) Prime Vendor (PV) Contract and associated business processes. The development of new Gen IV transaction items within the Catalog and the programming of automated Catalog Discrepancy Management Processes will provide customers with tools to better manage, review, and revise catalog data to support the best value decision. The further development of real-time electronic price verification capability will ensure that EBS and the PV catalog have the correct price at the point of order confirmation, insuring that DoD customers have access to the lowest available pricing. Enhancements to software to support Gen IV business pricing include re-engineering of Contract and Customer Maintenance (CCM) to incorporate new business rules, development of Pricing Management to support Prime Vendor Exclusive (PVE) DAPA as a replacement for ACPOP and the re-engineering of the Service Level Election Function (SLEF) to include functionality for US embassies and to support Master Ordering Facilities (MOFs) and share trading partner data with PVs and external ordering systems, improving the business intelligence available to DoD customers and managers. The overall effectiveness of DMLSS-W Readiness support to contingency operations will be enhanced by the development of a workflow within the Defense Medical Logistics Item Identification System (DMLIIS) that will support collaboration to fulfill the Gen IV implementation. The re-engineering of the Readiness Portal will enable customers to retrieve medical product information from a single source and will enable the system to support emerging Medical Material Executive Agent (MMEA) contingency requirements determination processes. DMLSS-W will re-engineer the Contingency Automation Application (CAA) to program and model “what-if” scenarios based on commercial part numbers and other commercial identifiers as opposed to NSNs, to enhance sourcing ability for available contracting vehicles to better equip the Warfighter during contingency operations. Additionally the electronic catalog will be re-engineered to streamline catalog updates, more securely process government purchase cards, and enable Prime Vendor War Readiness Management (PVWRM) customers to substitute authorized items for readiness materials support. The Return on Investment for the DMLSS Program is almost 6 to 1. The benefits estimate is over $3.6 billion across the Department of Defense from FY 2002 through FY 2012. These savings were identified as part of the Milestone IIIC decision.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
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B. Component/Activity Group/Date Defense Logistics Agency
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C. Line Number & Item Description
SWD 200 Software Development $1.0 and Over

D. Activity Identification
DLA/Supply Non-Energy

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-05 Supply Chain Management DOD EMALL									5,405			5,512

Narrative Justification:

The DOD EMALL is an advanced, web-based government procurement application designed much like commercial applications. The site provides a personalized experience where each user can initiate transactions right from their desktop. DOD EMALL allows users to search or browse for commercial and government off-the-shelf products and services through a single interface and then to purchase those products or services in an easy to use online format.

In FY 2010, EMALL will perform development and enhancements for all aspects of DOD EMALL including Search & Shopping, Ordering & User Profile, and Business Rule Engine & Integrated Customer Acquisition. This includes a link to generate MOES cancellation for EMALL charged orders (Credit/Chargeback amounts). Finalize Commercial Master Data File (ComMDF) Integration – enhancing the identification of similar items and improving searching capabilities. Inventory Management and Stock Positioning (IMSP) supports BRAC to permit retail operations by DLA personnel at military service depots. Common Financial Interface Cross Services/ERPs. Tool to monitor connectivity with externals (external system to system connections). Government Purchase Card (GPC) validity checks to improve interoperability with pay.gov. Multiple Ship-to in an order to allow multiple ship to addresses (one order to be dispersed to multiple locations).

In FY 2011, EMALL will develop and enhance Log Feed to US Bank Access On Line (GPC), which will in turn enhance system to system communications to reduce reconciliation problems. Integrate functionality with Navy ERP. Create FPDS-NG Feed from orders placed and provide an interface to report all contracting actions. Retain Shopper Identify in Send Cart – Currently shopper identity is stripped when forwarded to orderer. DSCP Special Ops Project (C&E) Financial Updates from/to EBS (Spiral). Financial Advice Module (FAM) interface (Spiral 1-4). Financial Module Enterprise Operational Accounting System (EOAS) and Wide Area Work Flow (WAWF) Integration. Incorporate Business Decision Logos. Create interface with US Bank Access Online to send level III data from EMALL GPC Orders - Commissary. Enable GSA Ordering using GPC. Vendor Order Download Site to provide a tool for DOD EMALL vendors to enable external downloading of DOD EMALL orders. Site Redesign – Facelift for DOD EMALL to follow industry best practices.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011 Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2010

C. Line Number & Item Description
SWD 200 Software Development $1.0 and Over

D. Activity Identification
DLA/Supply Non-Energy

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-06 Supply Chain Management Integrated Consumable Item Support (ICIS)									5,315			4,899

Narrative Justification:

The Integrated Consumable Item Support (ICIS) is the proposed IT system for the Medical Materiel Executive Agent (MMEA) to execute the DLA mission to manage the Medical Logistics Supply Chain. There will be a classified and unclassified version that consists of three major components -- Contingency Requirements Determination (RDT), Standardization Tool Set (STS) and Decision Support System. The FY 2010 and FY 2011 capital investment will develop the initial software to support the Executive Agent. In FY 2010, systems analysis, requirements definition, system design, and information assurance design and implementation will be initiated. These processes and programming will continue with the FY 2011 investment. The requirements determination capability developed will be to determine scenario dependent contingency requirements and enable consolidated forecasting and financing of the Services' surge and sustainment requirements for medical materiel. Product standardization will be enhanced for medical products that comprise a dynamic commercial commodity characterized by rapid technological innovation across the medical range of military operations from institutional to operational and contingency operations. Logistics managers will have the capability to make sound business and operational plans based on visibility of commercial product utilization patterns and performance measurement of the medical logistics supply chain settings. All of these capabilities will significantly enhance support of the Warfighter. The ICIS Business Case Analysis completed in March 2008 identified potential cost avoidances for the Services in the Medical Logistics Supply Chain of $124M over the effective life, FY 2012 – FY 2022.

Activity Group Capital Investment Justification

(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011 Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2010

C. Line Number & Item Description
SWD 200 Software Development $1.0 and Over

D. Activity Identification
DLA/DRMS

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-07 Supply Chain Management Reutilization Business Integration (RBI) (formerly RMP)						10,293			14,870			9,052

Narrative Justification:

Reutilization Business Integration (RBI) will integrate the Defense Reutilization and Marketing Service (DRMS) Automated Information System (DAISY) suite of applications with DLA Enterprise Business Systems. RBI will leverage existing GOTS/COTS within the current DLA Enterprise to include Enterprise Business System (EBS), Distribution Standard System (DSS), and Integrated Data Environment (IDE). The selected Information Technology (IT) portfolio solution will provide DRMS with the most efficient and flexible solution to manage the DRMS business area.

The DLA Distribution Standard System (DSS) will accommodate DRMS Receipt, Store, Issue and other disposition processes. System Change Requests (SCRs) are being developed from Joint Application Design (JAD) teams comprised of DRMS, Defense Distribution Center (DDC), Defense Logistics Information Service (DLIS), and associated DLA J-6 support organizations. DRMS Financial, Budget, Sales, Procurement and some disposition requirements will be satisfied by EBS. RBI will utilize the IDE to provide data to Service Agency systems. IDE provides access to master data sources improving data quality and timeliness.

FY 2009 funds included initial development of DSS SCRs (functional) and DRMS processes, and phase two of the EBS Statement of Objectives (SOO) Integration analysis to include analysis of the GAO findings. FY 2010 funds will include continued technical SCR documentation and development into the coding of DSS and EBS requirements. SCRs for IDE will be written and design will commence. FY 2011 funds will continue SCR development/build/test/deploy activities for EBS, DSS and IDE. FY 2011 will also allow for one Capital funded SCR for any portion of RBI which has already been fielded.

An Economic Analysis Addendum (Revision 3) was completed in FY 2009. Benefits are expected to begin accruing in FY 2010, with payback expected in FY 2011. Overall RBI program benefits, through FY 2020, are expected to be over $350M (in discounted dollars).

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2010

C. Line Number & Item Description
SWD 300 Software Development $1.0 and Over

D. Activity Identification
DLA/Supply Non-Energy

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 300-01 Net-Centric Hubs Fusion Center						2,000			3,769			2,652

Narrative Justification:

The end-state Fusion Center will provide continuous integrated situational awareness to the DLA Enterprise and mission partners in order to anticipate requirements, support decision making, monitor/influence the end-to-end supply chain, and provide agile support to the Warfighter. The objective of the Fusion Center is to combine people, process, and technology in a net-centric distributed environment where DLA and mission partner's operational and performance data will be integrated, analyzed, and presented as information for decision-making. The expected benefits of the Fusion Center are increased visibility of the supply chain pipeline, accurate and timely information, improved coordination/collaboration with partners and customers, and the automation of performance metrics that are currently manually intensive. The primary data source for the Fusion Center is the Enterprise Business System (EBS) and Integrated Data Environment (IDE). The Fusion Center will rely on EBS for supply chain management information. IDE will serve as the data sharing infrastructure to access additional DLA Enterprise and mission partner data that may be required by Fusion Center. IDE will also provide discovery services to make these combined data sources visible and understandable to developers of Fusion Center dashboards, Common Operating Pictures (COP) and end-to-end supply and distribution visibility applications.

The Rough Order of Magnitude (ROM) Business Case Analysis is in revision with an estimated completion date of August 2009. Productivity benefits through analyst operations and logistics operations are anticipated.

Activity Group Capital Investment Justification

(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2010

C. Line Number & Item Description
SWD 300 Software Development $1.0 and Over

D. Activity Identification
DLA/Supply Non-Energy

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 300-02 Net-Centric Hubs Integrated Data Environment (IDE)						4,342			3,879			1,500

Narrative Justification:

The end-state Integrated Data Environment (IDE) will provide an environment that enables the extended DLA (Defense Logistics Agency) enterprise to execute practices, processes, applications, and decision support tools to achieve logistics interoperability and allow for information sharing within DLA and between internal and external DLA business partners. In order to support the development of IDE services and support data sharing requirements for DLA and USTRANSCOM, the IDE program requires commercial off-the-shelf (COTS) software and the services of an enterprise services provider (ESP).

In FY 2010 and FY 2011, funding is required to complete IDE Increment 3, which began in FY 2009. Increment 3 implements the IDE SIPRNET environments within the Defense Enterprise Computing Center (DECC) that support IDE/Global Transportation Network (GTN) Convergence (IGC) classified interfaces and processing. Increment 3 also provides a web services management (WSM) capability in the unclassified environment that is required to implement a DLA data services governance process. The DLA WSM capability will provide an operationally robust capability for managing web services across the various DLA sites and facilitate integration with Net Centric Enterprise Service (NCES) capabilities to provide discovery and access of DLA data.

IDE has no cost savings, only cost avoidances. The combined IGC Life Cycle Cost Summary (Aug 2007) includes the results of the IDE Economic Analysis refresh completed in January 2007. Return on Investment (ROI) from the Summary is 3.04 and the payback year is 2011.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2010

C. Line Number & Item Description
SWD 300 Software Development $1.0 and Over

D. Activity Identification
DLA/Supply Non-Energy

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 300-03 Net-Centric Hubs Enterprise Operations Accounting System (EOAS)						4,023						

Narrative Justification:

The Enterprise Operations Accounting System (EOAS) will leverage the DLA Enterprise Business System (EBS) (software configuration, licenses and infrastructure) to deploy a common integrated system solution across all DLA activities and business areas. EOAS is an extension of EBS Enterprise Operational Accounting to Non-Supply business areas to capture and report timely and accurate financial management information and replace non-compliant legacy systems. The EOAS will facilitate the transformation of DLA financial management by providing a true enterprise-wide Enterprise Resource Planning (ERP) solution, with financial management functionality and data supported by a single Commercial-Off-The-Shelf (COTS) solution. The EOAS will provide an integrated system which is compliant with the Federal Financial Management Improvement Act (FFMIA) and the DoD Business Enterprise Architecture.

EOAS/EBS will completely replace DLA's use of the Defense Business Management System (DBMS), Defense Property Accountability System (DPAS), and Defense Working-Capital Accounting System (DWAS) while partially replacing the Base Operations Support System (BOSS) with a single COTS solution which incorporates best business practices. A single COTS solution ensures the use of standard business practices, including cost elements and standard general ledger, and strong internal controls ensuring the consistency and integrity of financial data. A single agency-wide COTS solution will ensure financial management information will be readily available to decision makers and for consolidation for financial reporting and analysis.
In FY 2007 DLA began a gap analysis between BSM functionality and any unique requirements of the DLA non-Inventory Control Point activities and business areas. Blueprinting and design began in FY 2007 and continued into FY 2008. The FY 2008 investment included blueprint/design, configuring, testing, and training for deployment. EOAS deployment was synchronized with the enterprise SAP upgrade. That decision slipped EOAS deployment one year. Deployment rollouts were done in February, April, and June of FY 2009.

The Return-On-Investment (ROI) is 1.87 and Payback period is 7 years after initial development assuming a gradual phase-out of current systems.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011 Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2010

C. Line Number & Item Description
SWD 300 Software Development $1.0 and Over

D. Activity Identification
DLA/Supply Non-Energy

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 300-04 Net Centric Hubs DAASC Enterprise Software						919			3,425			

Narrative Justification:

The Defense Automated Addressing System Center (DAASC) mission is to receive, validate, edit, route, transmit, and archive nearly all unclassified DoD logistic traffic. This mission is accomplished by a collection of systems that are support by four financial profiles; DBASE, DDATA, DGATE, and EBUS. The requirements identified not only provides the DAASC Enterprise Infrastructure with the necessary software required for the platforms, but also provides the necessary software for components needed for data exchange, storage, facility and security between the DAASC profile environments and DAASC's diverse external customer base. This infrastructure provides for numerous DAASC MAC-I applications such as the DAASC Routing Control System (DRCS), Service Oriented Messaging Architecture (SOMA), DAASC Micro Automated Routing System (DMARS), Global Exchange (GEX) E-Business Hub, and the identified COTS solution, WebMethods, that is being developed/installed as the replacement solution for GEX, and other mission critical MAC-II systems.
The above mentioned DRCS and SOMA applications are identified for technical refreshment of existing software for servers which have outgrown their life cycle. These applications are responsible for performing a core, mission critical function, and directly service the vast MQ Series, File Transfer Protocol (FTP) and Simple Mail Transfer Protocol (SMTP) customer base. These applications process over 3.7 Billion logistics transactions per year. The DoD Electronic Business gateway at DAASC is a highly reliable "global community services" logistics processing application serving the entire DoD community to include DLA, US Air Force, US Army, US Marine Corps, US Navy, US Coast Guard, the Federal Sector, the Defense Contractor community, International Logistics Communications Systems (ILCS), Foreign Military Sales (FMS) countries, and all DoD logistics customers using DoD and commercial networks. The key component of the E-Business profile is the GEX E-Business Hub. The requirements above include the technical refreshment of the software for hardware components for GEX. DAASC has developed a business solution that would refresh all software for the hardware that currently supports the capability and also purchase the necessary software to migrate several DAASC COTS functions to a single COTS solution, WebMethods. By migrating to this single COTS solution, DAASC will save money associated with supporting multiple COTS solutions, including costs required to employee multi-skilled personnel. A migration to WebMethods allows DAASC to use the DLA standard method of routing information. The requirements identified also include the necessary software development professional support required to achieve success with the proposed business solutions. The impact of not purchasing the identified software development support and replacing the identified software will lead to inability to use hardware equipment, which will lead to degradation of services leading to mission failure.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2010

C. Line Number & Item Description
SWD 300 Software Development $1.0 and Over

D. Activity Identification
DLA/Supply Non-Energy

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 300-05 Net Centric Hubs Asset Visibility						3,700			500			500

Narrative Justification:

Asset Visibility (AV) is a joint logistics capability that collects and fuses information from multiple DLA, TRANSCOM, and Military Service systems, providing Combatant Commands (COCOMs), Military Services, DLA, and Joint Task Forces with timely and accurate information including location, movement, status, and identity of units, personnel, equipment, and supplies. AV also provides vital logistics information to consuming systems managed by the Army, Navy, and DISA. AV is the Department's System of Record for asset visibility; however, whether users are interested in viewing inventory, requisition, or in-transit/in-theatre information at the detailed or summary level, the powerful data query and reporting capability built into the web-based AV application is designed to satisfy both needs, built using COTS tools. The Joint Staff J4 and DLA J3 are the AV functional sponsors.

Funding programmed is to support functional enhancements. In FY 2010, a new cross reference capability between country and Geographic Combatant Command to DODAAC, RIC, POD, POE, and RFID Interrogator Station will be developed. Dashboard and additional mapping capabilities will also be developed. AV will provide Web Services and a portlet to the GCSS-J Family of Systems Portal. In FY 2011, AV will migrate its interfaces and staging database to the Integrated Data Environment (IDE), and provide Web Services and a portlet to the Global Combat Support System – Joint (GCSS-J) Family of Systems Portal.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011 Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2010

C. Line Number & Item Description
SWD 400 Software Development $1.0 and Over

D. Activity Identification
DLA/Supply Non-Energy

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 400-01 Master Data Federal Logistics Information System Portfolio									2,075			4,075

Narrative Justification:
The Federal Logistics Information System (FLIS) is identified as the authoritative source system to broadcast the logistics data for numerous processes that support DoD ERP implementations and many legacy systems. The Catalog Re-engineering System (CRS) was designed as a universal, catalog input and work-flow tool as a result of cataloging consolidation. CRS also performs Supply Support Request (SSR) processing for DLA managed items. In 2007, DLIS subject matter experts conducted an Economic Analysis (EA) for FLIS as it had reached the end of its lifecycle. Due to the like/complimentary functionality between FLIS and CRS, the EA team analyzed merging the functionality of both systems into a single system.

In order to reduce the footprint, enhance customer support and provide additional supply chain information FLIS will undergo incremental improvements to position for true transformation in approximately 2014. There have been 12 projects identified for incremental improvements to FLIS/CRS, in addition to the development and evolution of the Commercial Master Data File (ComMDF). The projects include, but are not limited to, a cataloger input tool, an enterprise work-flow tool, an enterprise collaboration tool and a reporting tool. The FLIS Portfolio Family of Systems Economic Analysis (dated March 14, 2008) supports the enhancements to FLIS/CRS and the development of ComMDF. The overall advantages of these projects are increased systems agility, flexibility in responding to customer requirements, decreased system footprint, elimination of duplicative processes/systems, and the enhanced ability to provide relevant data for sourcing, standardization, taxonomy development, and item descriptions.

The FLIS Portfolio also now includes the Reference Master Data Environment (RMDE). This realignment prepares DLIS to support the transformation of FLIS and integrates more of the DLA IDE toolset into the DLIS mission/portfolio for data sharing and transactional management. The FY 2011 requirement includes the cost of integrating WebMethods, the DLA IDE data sharing/transactional solution, into the DLIS/FLIS Portfolio. The WebMethods will support cataloging transactions for FLIS Transformation as well as data sharing. Integrating the WebMethods into the FLIS portfolio reduces the existing suite of tools required in DLA to support mission requirements, aligns DLIS with the DLA IDE and replaces GOTS and/or COTS solutions such as Oracle Application Server that are costly to sustain and not frequently used in DLA. This allows DLA a better opportunity to obtain Corporate licensing at a reduced price vice several individual solutions to negotiate prices and fund licenses.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2010

C. Line Number & Item Description
SWD 200 Software Development $1.0 and Over

D. Activity Identification
DLA/Supply Non-Energy

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 400-02 Master Data CPARS and PPIRS									1,020			1,040

Narrative Justification:

The Contractor Performance Assessment and Reporting System (CPARS) and the Past Performance Information Retrieval System (PPIRS) are applications that receive and record reports and observations on contractor performance. They were developed and are supported by Naval Sea Logistics Center Detachment Portsmouth New Hampshire. Both are part of a functional portfolio that includes systems and applications that provide for management of the vendor and supplier community. In FY 2010 development activities for these systems is transitioning from the Business Transformation Agency (BTA) to DLA. Funding will be used for system functional enhancements.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2010

C. Line Number & Item Description
SWD 500 Software Development Less Than $1.0

D. Activity Identification
DLA/Distribution

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 500-01 Distribution Radio Frequency Identification									312			312

Narrative Justification:

Radio Frequency Identification (RFID) supports the overall goal of supply chain integration and logistics interoperability and allows for information exchange within and between internal and external business partners. The first phase of the RFID initiative is to read passive RFID tags at receipt locations, initially for new procurement and eventually for field returns. As the RFID function develops, it is anticipated to expand into picking, packing, storage, and shipping sections as well. Therefore additional funding for software has been requested for middleware that can provide data monitoring and management, device monitoring and management, and application development tools as well as for System Change Requests to develop modifications to DSS to support RFID functionality.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011 Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2010

C. Line Number & Item Description
SWD 500 Software Development $1.0 and Over

D. Activity Identification
DLA/Distribution

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 500-02 Distribution Distribution Standard System (DSS)									1,022			1,022

Narrative Justification:

The Distribution Standard System (DSS) was fully deployed at all 21 sites in FY 1998. DSS will continue to be enhanced through Business Process Improvements beyond Full Operational Capability (FOC). Many of these productivity System Change Requests (SCR's) are generated by the Defense Distribution Centers to improve and standardize the Distribution Business Processes. They will provide more cost effective customer support by enhancing the following functional areas: Storage, Workload Planning, Transportation, Inventory, Receiving, Total Package Fielding/Small Arms Serialization Program (TPF/SASP), Packing, Packaging, Preservation and Marking (PPP&M), Care Of Supplies In Storage (COSIS), Hazardous Material (HAZMAT), Equipment Control System (ECS), and Management Information System (MIS). In the latest releases DSS has expanded its capabilities to meet the war fighters' needs in their theater of operations with Theater Consolidation Shipping Point (TCSP) both in Central Asia and Europe and Reverse Logistics in Central Asia. Radio Frequency Identification (RFID) and Wide Area Work Flow (WAWF) have been incorporated into specific functions within DSS to meet DOD's requirement to improve inventory accountability and the receipt acceptance process. Additionally, DSS is fully interoperable with all DOD systems that are compliant with DOD's standard DLSS and DLMS interfaces. DSS System Change Requests (SCR's) are created by DLA/DDC HQ to support ERP (Enterprise Resource Planning) of DSS interface requirements. This funding will support expanding DSS not only to new sites as required (for example, SW Asia and Pacific sites) but also for ongoing Distribution Depot Europe, Sigonella, and Yokosuka initiatives. SCRs are required to keep DSS current with changing commercial and government freight policies, unique DoD and Service related initiatives, and regulatory changes to on-line and batch programs. These SCRs address priority 1 or priority 2 core mission issues. All development will be performed internally.
Analysis of individual DSS SCRs shows a range of Return On Investment (ROI) from 0.33 to 11.1; the payback periods range from less than one month to three years.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2010

C. Line Number & Item Description
Rep 200 Minor Construction

D. Activity Identification
DLA/Supply Non-Energy

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 200-01 Minor Construction Supply Non-Energy						2,330			4,549			3,871

Narrative Justification:

The minor construction investment for projects (costing between $100,000 and $750,000 each) will construct new, replace existing, or modify current facilities to enhance mission performance, increase the level of protection of the workforce, and the mission stock. These projects include:

1. Renovation and alteration of administrative facilities. An example is the conversion of a portion of a Pearl Harbor warehouse to administrative space to replace that in the buildings at Camp Smith, Hawaii which are scheduled for demolition.
2. Upgrades to utility systems to comply with environmental and fire protection standards. An example is the installation of a fire sprinkler system at the Defense Supply Center Richmond and perimeter lighting at Defense Supply Center Columbus.
3. Additional paving for road networks and personnel parking to comply with the new AT/FP standoff distances. An example is the expansion of the hardstand open storage area and relocation of truck route at t Defense Supply Center Columbus.
4. Incidental improvements associated with facilities repair projects.

All of these projects are required to allow existing missions to continue in safe, compliant and efficient facilities.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2010

C. Line Number & Item Description
Rep 200 Minor Construction

D. Activity Identification
DLA/Distribution

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 200-02 Minor Construction Distribution						9,815			10,854			10,883

Narrative Justification:

The minor construction investment for projects (costing between $100,000 and $750,000 each) will construct new, replace existing, or modify current facilities to enhance mission performance. These projects include:

1. Installing and improving fire protection and alarm systems.
2. Upgrading security facilities (gates, fences, lighting) to meet current Anti-Terrorism/Force Protection standards.
3. Adding paving for open storage, road networks and operational areas.
4. Altering facilities to accommodate mission changes, consolidation and stock repositioning
5. Improvements to utilities to enhance reliability.
6. Incidental improvements associated with facilities repair projects.
7. Replacement of existing facilities that cannot be economically repaired.

These investments will result in the recapitalization of the facilities necessary for the cost effective performance of the distribution mission.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2010

C. Line Number & Item Description
Rep 200 Minor Construction

D. Activity Identification
DLA/DRMS

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 200-03 Minor Construction DRMS						2,046			2,130			2,029

Narrative Justification:

The minor construction investment for projects (costing between $100,000 and $750,000 each) will construct new, replace existing, or modify current facilities to enhance mission performance. These projects include:

1. Adding paving for open storage, road networks and operational areas.
2. Altering facilities to accommodate mission changes, consolidation, and relocation
3. Improvements to warehouse, administrative, and demilitarization facilities to increase employee safety and comfort
4. Replacement of facilities that cannot be economically repaired.
5. Incidental improvements associated with facilities repair projects

These investments will result in the recapitalization of the facilities necessary for the cost effective performance of the DRMS mission.

DEFENSE LOGISTICS AGENCY
DEFENSE-WIDE WORKING CAPITAL FUND
SUPPLY CHAIN MANAGEMENT ACTIVITY GROUP
FISCAL YEAR (FY) 2011 BUDGET ESTIMATES
CAPITAL BUDGET EXECUTION
February 2010
(DOLLARS IN MILLIONS)

PROJECTS ON THE FY 2010 PRESIDENT'S BUDGET

FY	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ (Deficiency)	Explanation
2009	Equipment except ADPE & TELCOM:	0.208	21.293	21.085	0.208	
	Material Handling/Storage Space Utilization - Supply Non-Energy	-0.184	0.000	0.184	-0.184	Change order to prior year project.
	Material Handling/Storage Space Utilization - Distribution	-2.336	17.156	19.492	-2.336	Two projects added.
	Installation Security - Supply Non-Energy	1.240	1.740	0.500	1.240	Two projects cancelled.
	Installation Security - Distribution	1.488	2.397	0.909	1.488	Several projects deferred.
2009	Equipment - ADPE & TELCOM:	-3.934	15.636	19.570	-3.934	
	Telecommunications - Supply Non-Energy	0.639	1.364	0.725	0.639	One project cancelled.
	Telecommunications - Distribution	1.200	6.750	5.550	1.200	Telephone system update deferred.
	Production Hardware - Supply Non-Energy	-5.851	3.146	8.997	-5.851	New requirement for DAASC EDI COOP.
	Production Hardware - DRMS	0.078	4.376	4.298	0.078	
2009	Software Development:	-5.654	103.715	109.369	-5.654	
	Supply Chain Management - eProcurement	-21.045	17.892	38.937	-21.045	Increase to baseline for additional functionality.
	Supply Chain Management - Common Food Management Sys	5.131	21.259	16.128	5.131	Reduced requirements for this fiscal year.
	Supply Chain Management - Enterprise Business System	-8.316	18.200	26.516	-8.316	Increase for Manugistics upgrade.
	Supply Chain Management - Defense Medical Log Standard Sys	0.000	2.511	2.511	0.000	
	Supply Chain Management - DoD EMALL	6.600	6.600	0.000	6.600	No capital System Change Requests (SCR's)
	Supply Chain Management - Reautilization Business Integration	4.127	14.420	10.293	4.127	Reduced requirements for this fiscal year.
	Net Centric Hubs - Integrated Data Environment	0.000	4.342	4.342	0.000	
	Net Centric Hubs - Enterprise Operations Accounting System	2.477	6.500	4.023	2.477	Deployment costs under plan.
	Net Centric Hubs - DAASC Routing Control System	0.280	1.199	0.919	0.280	Actual price under estimate.
	Net Centric Hubs - Asset Visibility	-0.300	3.400	3.700	-0.300	Emergent requirement added.
	Net Centric Hubs - Fusion Center	2.511	4.511	2.000	2.511	Reduced requirements.
	Master Data - Federal Logistics Information System	0.575	0.575	0.000	0.575	No capital System Change Requests (SCR's)
	Distribution - Radio Frequency Identification	0.306	0.306	0.000	0.306	No requirement.
	Distriubtion - Distribution Standard System	2.000	2.000	0.000	2.000	No capital System Change Requests (SCR's)
2009	Minor Construction:	0.029	14.220	14.191	0.010	
	Supply Non-Energy	0.145	2.475	2.330	0.145	
	Distribution	-0.135	9.680	9.815	-0.135	
	DRMS	0.019	2.065	2.046	0.019	
	Total FY 2009	**-9.351**	**154.864**	**164.215**	**-9.370**	

DEFENSE LOGISTICS AGENCY
DEFENSE-WIDE WORKING CAPITAL FUND
SUPPLY CHAIN MANAGEMENT ACTIVITY GROUP
FISCAL YEAR (FY) 2011 BUDGET ESTIMATES
CAPITAL BUDGET EXECUTION
February 2010
(DOLLARS IN MILLIONS)

PROJECTS ON THE FY 2010 PRESIDENT'S BUDGET

FY	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ (Deficiency)	Explanation
2010	Equipment except ADPE & TELCOM:	-0.700	26.747	27.447	-0.700	
	Material Handling/Storage Space Utilization - Supply Non-Energy	0.000	0.600	0.600	0.000	
	Material Handling/Storage Space Utilization - Distribution	0.000	19.361	19.361	0.000	
	Installation Security - Supply Non-Energy	-0.700	4.110	4.810	-0.700	Additional requirement at Supply Center Richmond
	Installation Security - Distribution	0.000	1.476	1.476	0.000	
	Material Disposal - DRMS	0.000	1.200	1.200	0.000	
	Equipment - ADPE & TELCOM:	-2.643	20.508	23.151	-2.643	
	Telecommunications - Supply Non-Energy	0.971	12.047	11.076	0.971	Requirement for DLIS cancelled.
	Telecommunications - Distribution	-0.514	2.950	3.464	-0.514	Increase for deployable depot equipment.
	Production Hardware - Supply Non-Energy	0.000	2.511	2.511	0.000	
	Network Hardware - Distribution	-3.100	3.000	6.100	-3.100	Increase for Navy warehouse transfer.
2010	Software Development:	-18.878	99.921	118.799	-18.878	
	Supply Chain Management - eProcurement	-12.649	26.853	39.502	-12.649	Increase to baseline for additional functionality.
	Supply Chain Management - Common Food Management Sys	-1.000	14.921	15.921	-1.000	Increase for full deployment at dining facilities.
	Supply Chain Management - Enterprise Business System	-1.930	17.440	19.370	-1.930	Additional requirement for real property.
	Supply Chain Management - Defense Medical Log Standard Sys	0.000	2.414	2.414	0.000	
	Supply Chain Management - DoD EMALL	0.000	5.405	5.405	0.000	
	Supply Chain Management - ICIS	0.000	5.315	5.315	0.000	
	Supply Chain Management - Reautilization Business Integration	-4.324	10.546	14.870	-4.324	Redefined program strategy.
	Supply Chain Management - CAMS-ME	1.000	1.000	0.000	1.000	Program returned to BTA.
	Net Centric Hubs - Fusion Center	0.000	3.769	3.769	0.000	
	Net Centric Hubs - Integrated Data Environment	0.000	3.879	3.879	0.000	
	Net Centric Hubs - EBUS WebMethods	0.000	3.425	3.425	0.000	
	Net Centric Hubs - Asset Visibility	0.000	0.500	0.500	0.000	
	Master Data - Federal Logistics Information System	0.025	2.100	2.075	0.025	
	Master Data - CPARS and PPIRS	0.000	1.020	1.020	0.000	
	Distribution - Radio Frequency Identification	0.000	0.312	0.312	0.000	
	Distriubtion - Distribution Standard System	0.000	1.022	1.022	0.000	
2010	Minor Construction:	-0.356	17.177	17.533	-0.356	
	Supply Non-Energy	0.000	4.549	4.549	0.000	
	Distribution	-0.356	10.498	10.854	-0.356	One additional project.
	DRMS	0.000	2.130	2.130	0.000	
	Total FY 2010	**-22.577**	**164.353**	**186.930**	**-22.577**	

DEFENSE LOGISTICS AGENCY
DEFENSE-WIDE WORKING CAPITAL FUND
SUPPLY MANAGEMENT - ENERGY ACTIVITY GROUP
FISCAL YEAR (FY) 2011 BUDGET ESTIMATES
ACTIVITY GROUP CAPITAL INVESTMENT SUMMARY
($ IN MILLIONS)

Line Number	Item Description/Capability			FY 2009		FY 2010		FY 2011	
				Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
NEW 200-01	Fuel Terminal Automation			14	16.465	6	15.485	8	14.326
NEW 200-02	Inventory Accuracy			0	0.000	1	2.000	1	2.000
REP 200-02	Inventory Accuracy			1	8.008	1	10.000	1	10.000
	TOTAL EQUIPMENT (Non ADP/T)			15	24.473	8	27.485	10	26.326
SWD 200	Supply Chain Management - BSM/BSM Energy Convergence				10.799		32.487		33.047
	TOTAL SOFTWARE DEVELOPMENT				10.799		32.487		33.047
REP/ENV 200	Minor Construction $100,000 - $750,000				29.563		44.000		50.000
	TOTAL MINOR CONSTRUCTION				29.563		44.000		50.000
	TOTAL AGENCY CAPITAL INVESTMENTS			15	64.835	8	103.972	10	109.373
	Total Capital Outlays				55.324		96.800		102.300
	Total Depreciation Expense				24.778		51.200		59.900

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Management - Energy Activity Group February 2010

C. Line Number & Item Description
NEW 200 Non-ADP Equipment – New Mission

D. Activity Identification
DLA/DESC

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
NEW 200-01 Fuel Terminal Automation – New Mission				14	1,176.1	16,465	6	2,580.8	15,485	8	1,730.8	14,326

Narrative Justification:

The Automated Fuel Handling Equipment allows large bulk fuel locations to monitor and control fuel operations from a central location on site via remote through an installed computer program. The fuel terminal automation projects will include automation of valves, fuel transfer pumps, tank gauging, fuel metering systems, and pipeline instrumentation. As the integral component of the Automated Fuel Handling Equipment (AFHE) system, the Supervisory Control and Data Acquisition (SCADA) systems will be installed in the computers at the Operations Control Center (OCC) optimally located in the base. The SCADA system will provide remote control of fuel transfer operations and alarms in response to abnormal conditions; enhanced capabilities for inventory control and accounting; enhanced leak detection capabilities; remote monitoring and data exchange. The AFHE system architecture will ensure connectivity to the existing Fuel Accounting System. The entire operations of the terminal, such as, receiving and issuing fuel will be controlled from the central OCC. The communication infrastructure and other devices required for the transfer of signals from the equipment to the OCC will also be provided. The primary cost benefit of these automation projects is the prevention of oil spills and avoiding costly cleanup expenses.

The following sites are planned for AFHE installation in FY 2010 – FY 2011:

FY 2010 - DFSP Naval Air Station, Whidbey, WA; DFSP San Pedro & Long Beach, CA; DFSP, Pearl Harbor, HI; Thule Air Force Base, Greenland

FY 2011 - DFSP Craney Island, VA; DFSP Yorktown, VA; DFSP Charleston, SC; Fleet Industrial Supply Center, Jacksonville, FL.

Due to changing operating scenarios and construction requirements, the order of installations may change and other sites may be substituted.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Management - Energy Activity Group February 2010

C. Line Number & Item Description
NEW 200 Non-ADP Equipment-New Mission/Replacement

D. Activity Identification
DLA/DESC

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
NEW & REP 200-02 Inventory Accuracy New Mission and Replacement				1	8,008	8,008	2	6,000	12,000	2	6,000	12,000

Narrative Justification:

There are more than 400 fuel terminals worldwide for which DLA is the DoD Executive agent. In all of these terminals there are various types of fuel tanks, each with Automated Tank Gauges (ATG). ATG systems are permanently installed in storage tanks to measure and monitor fuel levels. The devices efficiently provide information regarding the amount of product, temperature of the product, and amount of water in various types of fuel tanks. In addition, these gauges have connectivity to the Business Systems Modernization (BSM) Energy system, which will capture all the data with regard to fuel in the tank and maintain accurate inventory records. The various Service Stations in DoD facilities have equipment to capture the quantity of fuel dispensed and also have connectivity to the same BSM Energy system. A study was completed in 2005 that provided final recommendations with regards to the type and corresponding sites where ATG systems will be installed. The budgeted amount also includes design and review costs in conjunction with implementation. The primary cost benefit of this investment is accurate inventory records and fuel loss control procedures.

In addition, Temperature Compensating Meters (TCM) are required at fuel terminals to measure the exact amount of fuel received and issued after the required compensation for differences in temperature. The meters will be installed at various points in the fuel terminal to ensure that accurate charges for the fuel received and issued are recorded and that sufficient amounts of fuel are maintained and protected. The budgeted amount also includes design and review costs in connection with the installation of this equipment.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Management - Energy Activity Group February 2010

C. Line Number & Item Description
SWD 200 Software Development $1.0 and Over

D. Activity Identification
DLA/DESC

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200 Supply Chain Management Enterprise Business System (EBS) Energy Convergence						10,799			32,487			33,047

Narrative Justification:

To completely address the Energy supply chain, create a single DLA ERP for all of DLA's business lines, and meet the direction of the December 20033 OSD PDM to merge the fuel commodity with EBS, additional functions must be automated, converged, and standardized in the existing EBS. The Analysis of Alternatives was completed in May 2006 and concluded that converging BSM Energy with EBS through the implementation of SAP Oil and Gas is the preferred alternative and provides a positive Return on Investment (ROI). SAP will provide improved efficiencies which will enable the Defense Energy Support Center (DESC) to process the increased workload associated with the overall DoD energy mission. This converged solution will also provide an automated procurement solution for DESC which is currently fully manual.
Milestone A was declared in March 2007 resulting in the start of the first of three phases to bring the converged solution to reality. Phase I, which began in FY 2007, resulted in two applicable SAP industry solutions, Oil and Gas and the EBS Public Sector, functioning together on a common ERP backbone. This phase was completed in December 2008. Phase II, which began in FY 2008, will technically merge SAP Oil and Gas and Public Sector, the Phase I deliverable, with the SAP Procurement application. This phase is scheduled for completion in March FY 2010. Phase III, System Integration, will begin in FY 2010. This phase will result in a fully integrated, coherent, single ERP for DLA in FY 2013 to include the automated procurement solution. The Systems Integration effort will assure all of DESC's supply chains to include all the non-petroleum supply chains are fully incorporated and properly configured in the ERP and that the three primary SAP applications all function as a single entity for all of DLA's supply chains.
The Milestone B Economic Analysis (EA) was completed in June 2009. The ROI is 1.78. The EA shows that it is significantly more economical and effective than the existing legacy system. Benefits will include reduced inventory; reduced demurrage, transportation, facilities, and interest penalty costs; as well as savings from use of the same software suite for all of DLA and automate DESC functions that are stove-piped and fully manual.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Management - Energy Activity Group February 2010

C. Line Number & Item Description
Minor Construction Capability - Replacement/Environmental

D. Activity Identification
DLA/DESC

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP & ENV 200 Minor Construction Replacement/Environmental						29,563			44,000			50,000

Narrative Justification:

The minor construction investment for projects (costing between $100,000 and $750,000 each) will construct new, replace existing, or modify current facilities to enhance mission performance and increase the level of protection of the workforce and the mission stock. These projects include:

1. Upgrading fuel receipt, storage, pipeline, pumping, and filtration facilities.
2. Upgrades to utility systems for environmental compliance, energy efficiency, and fire protection standards.
3. Incidental improvements associated with facilities repair projects

The increase for minor construction capital is for execution of backlogged prior year projects, emerging requirements for aging petroleum infrastructures, and to match funding increases in operations and maintenance as many projects require both funding sources. Other contributing factors include inflation in construction material, labor, and transportation costs, dollar devaluation against foreign currencies mainly for OCONUS projects, and older facilities exceeding the 70% plant replacement value to repair.

Benefits include continued safe, compliant and efficient facility operations.

DEFENSE LOGISTICS AGENCY
DEFENSE-WIDE WORKING CAPITAL FUND
SUPPLY MANAGEMENT - ENERGY
FISCAL YEAR (FY) 2011 BUDGET ESTIMATES
CAPITAL BUDGET EXECUTION
Feburary 2010
(DOLLARS IN MILLIONS)

PROJECTS ON THE FY 2010 PRESIDENT'S BUDGET

FY	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ (Deficiency)	Explanation
2009	Equipment except ADPE & TELCOM:	0.700	25.173	24.473	0.700	
	Inventory Accuracy	7.992	16.000	8.008	7.992	
	Fuel Terminal Automation	-7.292	9.173	16.465	-7.292	Emerging AFHE requirements.
2009	Equipment - ADPE & TELCOM:	0.000	0.000	0.000	0.000	
2009	Software Development:	14.100	24.899	10.799	14.100	
	BSM/BSM Energy Convergence	14.100	24.899	10.799	14.100	Systems Integrator contract delayed.
2009	Minor Construction:	5.437	35.000	29.563	5.437	Some projects carried over to FY 2010.
	Total FY 2009	**20.237**	**85.072**	**64.835**	**20.237**	

DEFENSE LOGISTICS AGENCY
DEFENSE-WIDE WORKING CAPITAL FUND
SUPPLY MANAGEMENT - ENERGY
FISCAL YEAR (FY) 2011 BUDGET ESTIMATES
CAPITAL BUDGET EXECUTION
Feburary 2010
(DOLLARS IN MILLIONS)

PROJECTS ON THE FY 2010 PRESIDENT'S BUDGET

FY	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ (Deficiency)	Explanation
2010	Equipment except ADPE & TELCOM:	9.245	36.730	27.485	9.245	
	Inventory Accuracy	6.000	18.000	12.000	6.000	ATG replacements downsized.
	Fuel Terminal Automation	3.245	18.730	15.485	3.245	DFSP Nas Whidbey moved to FY 2009.
2010	Software Development:	-7.050	25.437	32.487	-7.050	
	BSM/BSM Energy Convergence	-7.050	25.437	32.487	-7.050	Increase for System Integrator contract.
2010	Minor Construction:	0.000	44.000	44.000	0.000	Emergent requirements.
	Total FY 2010	**2.195**	**106.167**	**103.972**	**2.195**	

DEFENSE LOGISTICS AGENCY
DEFENSE-WIDE WORKING CAPITAL FUND
DOCUMENT AUTOMATION AND PRODUCTION SERVICE ACTIVITY GROUP
FISCAL YEAR (FY) 2011 BUDGET ESTIMATES
ACTIVITY GROUP CAPITAL INVESTMENT SUMMARY
($ IN MILLIONS)

Line Number	Item Description/Capability			FY 2009		FY 2010		FY 2011	
		Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
	EQUIPMENT (Non ADP/T)								
REP 100	Digitization			0	0.000	2	1.200	2	1.200
	TOTAL EQUIPMENT (Non ADP/T)			0	0.000	2	1.200	2	1.200
	EQUIPMENT (ADP/T)								
PRD 100	Production Hardware			1	0.882	1	1.329	1	1.329
	TOTAL EQUIPMENT (ADP/T)			1	0.882	1	1.329	1	1.329
	SOFTWARE DEVELOPMENT								
SWD 100	Net-Centric Hubs								
SWD 200	Net-Centric Hubs $1.0M and Over-Electronic Document Management				4.197		5.144		5.144
	TOTAL SOFTWARE DEVELOPMENT				4.197		5.144		5.144
	MINOR CONSTRUCTION								
REP 200	Minor Construction $100,000 - $750,000				0.436		0.300		0.300
	TOTAL MINOR CONSTRUCTION				0.436		0.300		0.300
	TOTAL AGENCY CAPITAL INVESTMENTS			1	5.515	3	7.973	3	7.973
	Capital Outlays (below threshold)				0.000		9.025		1.752
	Capital Outlays (above threshold)				1.393		8.130		7.890
	Total Capital Outlays				1.393		17.155		9.642
	Total Depreciation Expense				0.773		3.152		3.849

Exhibit Fund -9a Activity Group Capital Investment Summary

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Defense Automation and Production Service February 2010

C. Line Number & Item Description
REP 100 Replacement Non-ADP Equipment

D. Activity Identification
DLA/DAPS

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 100 Digitization							2	600	1,200	2	600	1,200

Narrative Justification:

This investment for high speed duplicating equipment replaces existing equipment that has reached or exceeded the useful life established for these categories. Based on guidance contained in various Department of Defense (DoD) governing polices, 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 various categories of equipment.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Defense Automation and Production Service February 2010

C. Line Number & Item Description
PRD 100 Production ADP Equipment

D. Activity Identification
DLA/DAPS

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
PRD 100 Production Hardware				1	882	882	1	1,329	1,329	1	1,329	1,329

Narrative Justification:

Electronic Document Management (EDM) is a transformational, capabilities-based capital planning initiative. It allows for the rapid acquisition of hardware, software and technical labor services for the deployment and implementation of various data management solutions for emergent customer requirements. EDM provides the customer with the ability to manage their content via electronic storage, workflow, web-based retrieval and certified records management. DAPS must be able to react quickly to emergent customer fact-of-life needs, usually within one year, or less. The FY 2009 – FY 2011 projection was developed based on the number, size and scope of projects DAPS has already installed, as well as, those anticipated. The equipment replacement strategy not only ensures the highest quality equipment is purchased to refresh the original equipment but also minimizes equipment related costs by taking advantage of discounts available for high quantity buys. Examples of the equipment generally required are database, archive and web servers, document scanners, workstations, uninterruptible power supplies, miscellaneous switches, cables, and connectors.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Defense Automation and Production Service February 2010

C. Line Number & Item Description
SWD 200 Software Development $1.0 and Over

D. Activity Identification
DLA/DAPS

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200 Net-Centric Hubs Electronic Document Management						4,197			5,144			5,144

Narrative Justification:

Electronic Document Management (EDM) is a transformational, capabilities-based capital planning initiative. It allows for the rapid acquisition of hardware, software and technical labor services for the deployment and implementation of various data management solutions for emergent customer requirements. EDM provides the customer with the ability to manage their content via electronic storage, workflow, web-based retrieval and certified records management. DAPS must be able to react quickly to emergent customer fact-of-life needs, usually within one year, or less. The FY 2009 – FY 2011 projection was developed based on the number, size and scope of projects DAPS has already installed, as well as, those anticipated. Software requirements are for COTS application software licenses and contract labor to perform integration, testing, and training.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2011
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Defense Automation and Production Service February 2010

C. Line Number & Item Description
Rep 200 Minor Construction

D. Activity Identification
DLA/DAPS

Element of Cost				FY 2009			FY 2010			FY 2011		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 200 Minor Construction						436			300			300

Narrative Justification:

The minor construction investment for projects (between $100,000 and $750,000) will construct new, replace existing, or modify current facilities to implement mission consolidations and allow for operational improvements. These projects consist of:

(1) Renovations and alterations of administrative facilities.

(2) Renovations and alterations to mission operational facilities such as printing, blueprint and microfilm facilities.

These investments will result in cost effective facilities to support the mission and will allow for the implementation of the High Performance Organization (HPO).

DEFENSE LOGISTICS AGENCY
DEFENSE-WIDE WORKING CAPITAL FUND
DEFENSE AUTOMATED PRINTING SERVICE ACTIVITY GROUP
FISCAL YEAR (FY) 2011 BUDGET ESTIMATES
CAPITAL BUDGET EXECUTION
February 2010
(DOLLARS IN MILLIONS)

PROJECTS ON THE FY 2010 PRESIDENT'S BUDGET

FY	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ (Deficiency)	Explanation
2009	Equipment except ADPE & TELCOM:	1.200	1.200	0.000	1.200	
	High Speed Duplicating Equipment	1.200	1.200	0.000	1.200	Requirement cancelled.
2009	Equipment - ADPE & TELCOM	0.447	1.329	0.882	0.447	
	Electronic Document Management	0.447	1.329	0.882	0.447	Fewer projects than anticipated.
2009	Software Development:	0.947	5.144	4.197	0.947	
	Electronic Document Management	0.947	5.144	4.197	0.947	Fewer projects than anticipated.
2009	Minor Construction:	(0.136)	0.300	0.436	(0.136)	Emergent requirement.
	Total FY 2009	**2.458**	**7.973**	**5.515**	**2.458**	

DEFENSE LOGISTICS AGENCY
DEFENSE-WIDE WORKING CAPITAL FUND
DEFENSE AUTOMATED PRINTING SERVICE ACTIVITY GROUP
FISCAL YEAR (FY) 2011 BUDGET ESTIMATES
CAPITAL BUDGET EXECUTION
February 2010
(DOLLARS IN MILLIONS)

PROJECTS ON THE FY 2010 PRESIDENT'S BUDGET

FY	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ (Deficiency)	Explanation
2010	Equipment except ADPE & TELCOM:	0.000	1.200	1.200	0.000	
	High Speed Duplicating Equipment	0.000	1.200	1.200	0.000	
	Equipment - ADPE & TELCOM	0.000	1.330	1.330	0.000	
	Electronic Document Management	0.000	1.330	1.330	0.000	
2010	Software Development:	0.000	5.143	5.143	0.000	
	Electronic Document Management	0.000	5.143	5.143	0.000	
2010	Minor Construction:	0.000	0.300	0.300	0.000	
	Total FY 2010	**0.000**	**7.973**	**7.973**	**0.000**	