

**Fiscal Year 2016 Budget Estimates**  
**Defense Logistics Agency (DLA)**



**February 2015**

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**Defense Logistics Agency  
Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2016 Budget Estimates**

Operation and Maintenance, Defense-Wide Summary (\$ in thousands)

**Budget Activity (BA) 2: Mobilization Warstoppers and  
4: Administration and Service-Wide Activities**

|     | FY 2014<br><u>Actual</u> | Price<br><u>Change</u> | Program<br><u>Change</u> | FY 2015<br><u>Enacted</u> | Price<br><u>Change</u> | Program<br><u>Change</u> | FY 2016<br><u>Estimate</u> |
|-----|--------------------------|------------------------|--------------------------|---------------------------|------------------------|--------------------------|----------------------------|
| DLA | 425,979                  | 7,316                  | -50,117                  | 383,178                   | 5,187                  | -21,936                  | 366,429                    |

**I. Description of Operations Financed:**

The following is a description of the Defense Logistics Agency's (DLA) Operation and Maintenance (O&M) activities:

**Warstoppers:** The DLA O&M appropriation finances the Warstoppers Program which includes industrial preparedness measures for certain supply items and the preservation of critical industrial capability to support the Department's readiness and sustainment requirements.

**Administration and Service-Wide Activities:** The DLA O&M appropriation finances contracts, supplies, equipment maintenance, communications, salaries, awards, personnel, benefits, travel, per diem, and training for two activities:

- Other Logistics Programs (OLP) which are program offices for which DLA is either the executive agent or the budget administrator; and
- Other Logistics Services (OLS) which are associated with the DLA logistics mission such as price comparability, maps, unemployment compensation, morale, welfare & recreation, and homeless blankets.

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**I. Description of Operations Financed (cont.)**

**Warstoppers Program** (FY 2016: \$48.129 million) Funding for the Warstoppers Program recognizes that the Department must take extra preparedness measures for certain supply items, and that critical industrial capabilities must be preserved to support the Department's readiness and sustainment requirements. This concept applies to items such as chemical protective suits, nerve agent antidote auto-injectors, meals-ready-to eat, and some specialty steels. Peacetime demand for these items is inadequate to sustain an industrial base sufficient for readiness and mobilization. The DLA uses a rigorous business case evaluation to obtain a return on investment that maximizes warfighter benefits. The Warstoppers program is the single Agency program for the preservation of essential production capability. It provides the means to invest in improving industry responsiveness, typically without purchasing finished goods inventory. It includes the funding of Industrial Preparedness Measures (IPMs) that support the "surge" of go-to-war material to increase supply availability of DLA procured items and provides for War Reserve Material (WRM) offsets items as directed in Defense planning documents. The Warstoppers Program has led to cumulative inventory costs avoidance of nearly \$6.8B through the investment of approximately \$856M over the program's lifetime.

**Other Logistics Programs** (OLP) (FY 2016: \$134.623 million and 167 direct-funded) are multiple program offices for which the DLA is either the executive agent or the budget administrator. Personnel work exclusively on the respective programs. The O&M appropriation funds the contracts, supplies, equipment maintenance, communications, salaries, awards, personnel benefits, travel, per diem, and training in support of these programs. The Activity Group, described below, includes:

1. The DLA Program Direction
  - 1.1. Law Enforcement Support Office (LESO)
2. The OSD Program Direction with Administrative Support from DLA

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**I. Description of Operations Financed (cont.)**

- 2.1. Defense Property Accountability System (DPAS)
- 2.2. Business Process Reengineering Center (BPRC)
- 2.3. Continuity of Operations Program (COOP)/Classified Program
- 2.4. Defense Standardization Program Office (DSPO)
- 2.5. DoD Enterprise Business Systems (DEBS)

1.1 Law Enforcement Support Office (LESO) (FY 2016: \$2.470 million and 21 FTEs). The LESO administers the transfer of excess DoD personal property suitable for use by other Federal and State agencies in law enforcement activities, including counter-drug and counter terrorism activities under Section 1033 of the FY 1997 National Defense Authorization Act (10 USC 2576a); The LESO provides information and training on the process and procedures of the excess property program to Federal and State agencies annually in accordance with Section 1401 of the FY 2003 NDAA (10 USC 380). The 1033 Program has transferred \$ 5.1B since inception and \$872M through August in FY 2014. More than 8,000 law enforcement agencies nationwide currently participate in this highly visible program that enhances law enforcement capabilities while saving the American taxpayer dollars. LESO has consultation and coordination of authority with the Office of the Secretary of Defense (OSD), Department of Justice (DOJ), and the Office of National Drug Control Policy (ONDCP) in an effort to aide in the National Military Strategy and the National Drug Control Strategy.

2.1 Defense Property Accountability System (DPAS) (FY 2016: \$9.868 million and 7 FTEs). The DPAS is used by Army, Navy, Marine Corps, Air Force and 26 Defense Agencies/Field Activities (DA/FA) for property accountability. DPAS provides support for over 6,500 users, accountable for approximately 3.8 million assets valued at over \$430 billion. DPAS is an enduring system that interfaces with Enterprise Resource Planning (ERP) and legacy accounting systems and is a critical financial feeder system for the Services and

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**I. Description of Operations Financed (cont.)**

DA/FA. DPAS provides capital asset values (acquisition value minus accumulated depreciation) that are reported on Component financial statements for personal, military, heritage, and real property accounts which are required to meet the mandated audit ready date of 2017 per the National Defense Authorization Act of 2010. DPAS maintains a clean SSAE-16 audit which validates controls within the system significantly reducing its customers audit requirements and is scheduled to add 8,000 new users over the next 18 months to satisfy emerging audit readiness needs. DPAS is the Fleet Management Information System for the Defense Agencies, Air Force and the Army. This provides the ability to track the maintenance actions, to include preventive and breakdown/emergency actions, usage of the assets (miles/hours/rounds fired) and the scheduling of the dispatch of the assets. An interface was created with the GSA Fleet Automotive Statistical Tool to eliminate the manual entry of data for annual reporting. To assist the Department in eliminating the material weakness identified in the Statement of Assurance, DPAS also provides the capability to manage assets that have been provided to contractors (Government furnished property). This includes an automated interface with the Wide Area Workflow to automate the identification of assets being transferred to and from the contractors. The system is web-enabled and is continually upgraded to comply with the latest business transformation initiatives. A Warehouse Management module has been added to provide support for the management of Organizational Clothing and Individual Equipment (OCIE) assets for the Marine Corps, Navy, Air Force and Army. This module is also being used to manage OM&S parts and spares in many organizations. The Under Secretary of Defense Acquisition, Technology and Logistics (OUSD(AT&L)) provides program management oversight.

2.2 Business Process Reengineering Center (BPRC) (FY 2016: \$2.323 million, 9 direct-funded FTEs and 8 reimbursable FTEs). The BPRC is a Center focused on a management analysis discipline that redesigns processes, organizations, and the culture of DoD

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**I. Description of Operations Financed (cont.)**

activities through functional leaders who apply improvement tools and techniques. The Business Process Reengineering (BPR) technique approach of redesign can be radical or incremental to achieve dramatic improvements. The BPR achieves results by analyzing processes through a cross-functional, integrated analysis of multiple activities or functions. The BPR, chartered to support the Under Secretary of Defense Acquisition, Technology and Logistics (USD (AT&L)), includes services to carry out activities such as:

- 1) Strategic planning, outlining vision and goals;
- 2) Activity modeling of current and future processes, including cross-functional and integration analyses;
- 3) Data modeling (including data standardization) associated with activity modeling;
- 4) Benchmarking to identify and evaluate best practices and their application to DoD;
- 5) Development of functional economic analyses;
- 6) Planning for BPR implementation and assessment;
- 7) Analysis leading to the selection of migration systems following BPR;
- 8) Development and identification of BPR tools.

2.3 Continuity of Operations (COOP)/Classified Program (FY 2016: \$27.592 million, 49 direct-funded FTEs). This program is reported in accordance with Title 10, United States Code, Section 119(a)(1) in the Special Access Program Annual Report to Congress. Additional details pertaining to the justification of Special Access Programs (SAP), Military Intelligence Program (MIP), National Intelligence Program (NIP), and All Other Classified Programs are in sections 4E (Procurement), 4F (Research & Development) and 4M of this publication. COOP oversight responsibilities were transferred to the DLA in FY 1994. In accordance with DoD Directive 5111.1, Defense Continuity & Crisis Management (DCCM) was established to consolidate continuity-related policy and oversight activities within DoD in order to ensure the Secretary of Defense can perform his mission essential

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**I. Description of Operations Financed (cont.)**

functions under all circumstances. DCCM provides for the Secretary of Defense policy, plans, crisis management, and oversight of Department of Defense continuity related program activities. The DCCM's primary mission is to support the continued execution of the Department's mission essential functions across the full spectrum of threats. The threats range from major natural disasters to weapons of mass destruction in major metropolitan areas, as well as large-scale terrorist attacks.

2.4 Defense Standardization Program Office (DSPO) (FY 2016: \$4.198 million and 12 FTEs). The DSPO was transferred from the OUSD(AT&L) to DLA in FY 1999. The Defense Standardization Program (DSP) is authorized by Sections 2451-2452 of Title 10, United States Code, and the DoDI 4120.24, which implements the DSP in the DoD. The DSPO is the Executive Agent responsible for developing DoD policy and procedures for the DSP, to include the development and use of military specifications and standards; DoD adoption of non-Government standards; Diminishing Manufacturing Sources and Material Shortages; Government-Industry Data Exchange Program; and a variety of related issues. The DSPO represents the Department to DoD communities, other Federal agencies, and the private sector by providing tools, training, and outreach with material standardization products and services that enhance and facilitate understanding, communication, and coordination to improve interoperability and logistics readiness and reduce total ownership costs. DSPO also represents the United States on NATO materiel standardization policy committees.

The Government Industry Data Exchange Program (GIDEP) (FY 2016: \$3.224 million) is a part of DSPO. The GIDEP's mission is to foster and facilitate the exchange of technical information between government agencies and industry to increase systems safety, reliability, and readiness while reducing systems development, production, and ownership costs. Member agencies include the DoD, Army, Navy and Marine Corps, Air Force, the



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**I. Description of Operations Financed (cont.)**

Department of Energy, and the National Air and Space Administration. Information exchanged has been focused on nonconforming parts (including counterfeits), obsolescence management, product change, engineering, reliability/maintainability, and metrology. GIDEP members provide information to the GIDEP database through a web interface and/or through custom reports. GIDEP has been designated by OMB Policy Letter 91-3 as the provider of the government's central database for receiving and disseminating information about nonconforming products and materials (including suspected counterfeits) and by DOD as the Diminishing Manufacturing Sources and Material Shortages (DMSMS) centralized database for sharing DMSMS information among DOD and Industry groups. Supporting a community of approximately 2,000 organizations, GIDEP users have reported approximately \$2 billion to date in savings and cost avoidance through the use of this information exchange.

2.5 DoD Enterprise Business Systems (DEBS) (FY 2016: \$84.948 million, 69 direct-funded FTEs). With the disestablishment of the Business Transformation Agency (BTA), DLA Operations & Maintenance assumed responsibility for fifteen systems under the name DoD Enterprise Business Systems (DEBS) starting in FY 2012. Since the transfer: one system (Synchronized Pre-Deployment Operational Tracker (SPOT)) was transferred; one system (Virtual Interactive Processing System (VIPS)) has been terminated; three systems were transferred to Defense Working Capital Fund (DWCF), Global Exchange (GEX) and Electronic Document Access (EDA) in FY 2013 and Wide Area Workflow (WAWF) in FY 2014; and one system (Business Enterprise Information System (BEIS)) will transfer to DFAS. The remaining nine are:

1. DoD Enterprise Business Systems (DEBS) Infrastructure Office: The DEBS Infrastructure Office directly oversees and provides core enterprise support to seven direct funded DoD enterprise level business systems and two reimbursable

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**I. Description of Operations Financed (cont.)**

- programs. This consolidated support provides key skill sets that can be shared among the programs reducing overall unique program costs and using standard and repeatable processes to manage programs throughout all phases of the acquisition life cycle.
2. Defense Travel System (DTS): DTS is a fully integrated, electronic, end-to-end travel management system that automates temporary duty travel (TDY) for the Department of Defense (DoD). It allows travelers to create authorizations (TDY travel orders), prepare reservations, receive approvals, and generate travel vouchers and direct deposit payment to travelers and the government charge card vendor, all via a single web portal available 24 hours a day, seven days a week. The Defense Logistics Agency (DLA) has program oversight and the Defense Travel Management Office, OUSD (P&R) has functional oversight.
  3. Standard Procurement System (SPS): Standard Procurement System (SPS): The SPS automates the contracting process from procurement request through award and administration to final closeout. SPS accomplishes three main functions: contract placement, procurement, and contract administration. SPS has made significant strides towards transforming the way the Department does business and impacts the following critical DoD value added outcomes: On Time Request, Cash-to-Cash, Urgent Requests, and Financial Transparency. SPS is used by nearly 27,000 procurement professionals from all the military Services and other Defense agencies world-wide. The contract placement function includes the purchasing, renting, leasing, or otherwise obtaining of supplies and services. The procurement function includes description (but not determination) of supplies or services required selection and solicitation of sources, preparation and award of contracts, and issuance of modifications. The contract administration function includes the performance of delegated contract functions, review recommendations, approval of progress payments, quality assurance, and production reporting. The SPS Joint Program Management Office

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**I. Description of Operations Financed (cont.)**

- (JPMO) is the acquiring office and manages the acquisition and deployment of SPS for all DoD worldwide, non-classified contract placement and administrative contracting offices. The SPS Milestone Decision Authority is the Program Executive Officer in the Defense Logistics Agency (DLA). The Director of Defense Procurement and Acquisition Policy (DPAP) is the Principal Functional Proponent.
4. Defense Retiree Annuitant System 2 (DRAS2): DRAS2 will be an enterprise system to pay military retirees, former spouses, and survivor beneficiaries. DRAS2 replaces the legacy DRAS system, which cannot support the growing number of retirees and annuitants that are entering the system at a rate of 2-5% per year. DRAS currently supports an annual payroll in excess of \$40B for 2.7M people.
  5. Defense Agency Initiative (DAI): The objective of the DAI is to achieve auditable, CFO compliant business environments for the Defense agencies with accurate, timely, authoritative financial data. DAI will also provide Time and Labor accounting for OUSD(C). The primary goal is to deploy a standardized system solution to improve overall financial management and comply with BEA, SFIS, and OFFM requirements. Common business functions within budget execution include: e.g. procure to pay; order to cash; acquire to retire; budget to report; cost accounting; time and labor; budget formulation; re-sales accounting; and grants financial management.
  6. Defense Information System for Security (DISS): DISS will improve information sharing capabilities, accelerate clearance-processing timelines, reduce security vulnerabilities, and increase DoD's security mission capability. The DISS mission is to consolidate the DoD security mission into an Enterprise System that will automate the implementation of improved national investigative and adjudicative standards to eliminate costly and inefficient work processes and increase information collaboration across the community. DISS is currently under development and will replace the Joint Personnel Adjudication System (JPAS) a legacy system. When fully deployed this will be a secure, authoritative source

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**I. Description of Operations Financed (cont.)**

for the management, storage and timely dissemination of and access to personnel with the flexibility to provide additional support structure for future DoD security process growth. When deployed, it will accelerate the clearance process, reduce security clearance vulnerabilities, decrease back-end processing timelines, and support simultaneous information sharing within various DoD entities as well as among a number of authorized federal agencies. DISS will provide improved support to the Insider Threat and Personal Identity programs and will be comprised of capabilities that are currently part of the Joint Personnel Adjudication System (JPAS) and will create a robust and real-time capability for all DoD participants in the Military Departments, and DoD Agencies. It will also include automated records check (ARC) functionality and the creation of an adjudicative case management capability with e-Adjudication functionality. DISS will also provide the following operational capabilities, single point of entry for; personnel security, adjudicative case management, and decision support functionality to all DoD adjudicators. DISS will provide near continuous intra-Central Adjudication Facility (CAF) communications on a web-based enabled platform utilizing a unified architecture with security management.

7. Enterprise Funds Distribution (EFD): Enterprise Funds Distribution (EFD): EFD provides a web-based application for the automated pre-planning, apportionment, reprogramming, rescission, continuing resolution, congressional tracking, and reporting of appropriated funding distributed throughout the DoD. The EFD system streamlines core funds distribution capabilities across Components and provides visibility both vertically and horizontally. EFD provides OUSD(C) with an automated funds distribution system that will track congressional action, create baselines (DD 1414), and produce funding authorization and control documents for all DoD appropriations. OUSD(C) will use EFD for funds distribution for all

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**I. Description of Operations Financed (cont.)**

components at distribution levels I and II, and the Defense Agencies will use EFD for funds distribution for all levels.

- 8. Next Generation Resource Management System (NGRMS):** Next Generation Resource Management System (NGRMS): NGRMS will modernize multiple antiquated legacy systems and processes used to formulate, justify, present and defend the entire Department of Defense Budget in the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) to meet Title 10 and Title 31 mission and reporting requirements. It will support the DoD Strategic Management Plan (SMP) Business Goal 5: Strengthen DoD Financial Management. Specifically, the desired capability is tied to Performance Measure 5.5.1-2U: Percent DOD Statement of Budgetary Resources Appropriations Received. Additionally, the desired capability provides direct support to DoD Strategic Objective 5.5-2U/2V: Improve Financial management and increase efficiencies in headquarters and administrative functions, support activities, and other overhead accounts. The business objectives of NGRMS are as follows: 1) Foster an efficient and effective environment for the formulation, justification of the Defense budget; 2) Improve budget management processes through increased exchange and reconciliation of budget information; 3) Improve efficiency with reduced cost utilizing a single, unified budgetary data model; 4) Improve customer satisfaction with timely budgetary data resources provided to management for reviews and decisions; and 5) Increase ability to accommodate emerging business practices.
- 9. Joint Contingency Contract System (JCCS):** JCCS is the primary source for Iraq and Afghanistan vendor information. JCCS is designed to provide a capability to register host nation vendors in English and Arabic, vendor past performance, allow the posting of Iraqi/Afghani reconstruction solicitations, provide a location for vendors to submit proposals, track historical reconstruction contract data, and allow oversight of in-theatre contracts to monitor cost,

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**I. Description of Operations Financed (cont.)**

schedule, performance, and vendor activities. JCCS provides the CENTCOM-Joint Theater Support Contracting Command (C-JTSCC) professionals a single source of data for HN Vendor Management to include: HN Vendor Registration, Past Performance, Vetting, Invoice and Payment for contracting and financial data to support mission spend analysis, strategic sourcing and staffing requirements. JCCS produces a myriad of contract and financial reports to support the warfighter's overall acquisition forecasting. JCCS is also a platform for web services delivery of expeditionary and contingency business applications to include SPS, SPOT, EDA, GEX, and FPDS-NG, TBC, and WAWF. JCCS supports contingency initiatives to include the 3in1 Handheld Device and ACSA-Global Acquisition Tracking Reporting Tool - AGATRS and Theater Business Clearance.

**Other Logistics Services (OLS)** (FY 2016: \$183.673 million) includes programs associated with the DLA logistics mission as well as Departmental programs. The DLA is either the executive agent responsible for program oversight and policy guidance or the budget administrator responsible for supporting these programs, described in the paragraphs that follow:

1. Agile Transportation USTRANSCOM
2. Audit Readiness
3. Automatic Identification Technology (AIT)
4. Continuing Health
5. Defense Critical Infrastructure Program (CIP)
6. Defense Finance and Accounting Service (DFAS)
7. Disability Compensation
8. Homeless Blankets

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**I. Description of Operations Financed (cont.)**

9. Joint Purchase Card Program Office
10. Logistics Transformation
11. Managerial Support
12. Mapping
13. Morale, Welfare and Recreation (MWR)
14. Price Comparability
15. Procurement Technical Assistance Program (PTAP)
16. Unemployment Compensation

1. Agile Transportation (AT) USTRANSCOM (FY 2016: \$.856 million). AT21 Increment III focuses on operational level optimization and scheduling, fused intelligence, and is identified as a Deployment Increment Capability in the AT21s Capabilities Development Document (CDD). The theater application of AT21's capability and operational concept is integral to theater segment planning and execution; both systems feed into the same modal decision-making process demanding optimization of movement resources. AT21 Increment III Theater Capability will provide continuous movement visibility of cargo and passengers, enterprise-wide collaboration, defined and documented processes, alerts and exception management capability supporting transportation planning and execution for theater force and sustainment movements. When fully implemented, it will provide opportunities to streamline cargo movement by optimizing mode capacity and provide complete visibility by synchronizing theater movements with USTRANSCOM movements. From the theater perspective, AT21 provides the means to satisfy capabilities identified in the Theater-Level Joint Deployment and Distribution Control Capability (TED2) framework to seamlessly deliver theater-unique capabilities while simultaneously meeting the demands of the theater-strategic interface. AT21 must provide a capability to coordinate and synchronize End-to-End distribution operations through shared enterprise awareness and understanding of transportation requirements. Unity of effort is the primary indicator reflecting the

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**I. Description of Operations Financed (cont.)**

degree of integration and alignment for Joint Deployment and Distribution Enterprise (JDDE) movements. The primary means to achieve unity of effort across the JDDE, spanning all three segments, is gained through two approaches, both supported through an integrated AT21 capability. Funding to support USTRANSCOM will be used for the GCCs automated capability to (1) manage transportation planning and execution processes for cargo and passenger movement within their respective theaters of operation or (2) match global movement requirements against available lift assets to produce an optimized transportation schedule that meets delivery requirements. USTRANSCOM Transportation Working Capital Funds (TWCF) is being utilized for strategic level process improvement, business process management and optimization. TWCF funds are not authorized for development activities supporting theater operations, so appropriated fund sources will support this effort. O&M funds will be used in support of the following activities: server operations and technical support in a Defense Information Systems Agency (DISA) Defense Enterprise Computing Center (DECC) environment; and (2) functional process analysis, process mapping and process standardization.

2. Audit Readiness (FY 2016: \$6.130 million). The funding will be used for DLA General Fund Audit Readiness in sustainment of the Defense Enterprise Business Systems (DEBS) and other systems or micro applications identified as pertinent to DLA's Audit Readiness and Fiscal Year 2015 assertion. This support includes: 1) Audit readiness support; 2) Business Process Controls (BPC) Support which will include Process Cycle Memorandum (PCM) Review, BPC identification and testing, Corrective Action Plans (CAP), Software Change Requests (SCR) and CAP validation and documentation remediation; 3) Service provider support which will include updated Memorandum of Agreements (MOA), Memorandum of Understanding (MOU), or Service Level Agreements (SLA) and Defense Information Systems Agency (DISA) support; 4) Other systems and micro applications, CAPs, SCRs, CAP validation and update System Assertion Work Products (SAWP).



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3. Automatic Identification Technology (AIT) (FY 2016: \$2.456 million). The AIT is a suite of technologies (e.g., bar codes, smart cards, satellite tracking systems, and RFID tags) used to capture, aggregate, and transfer data automatically to the Automated Information Systems (AIS). The use of AIT with AIS provides timely visibility of logistics assets, whether in-process, in-storage, or in-transit. Current DoD policy requires the use of active (high capacity) Radio Frequency Identification (RFID) tags to mark certain consolidated shipments and passive RFID tags for the case, pallet, and item packaging for unique identification items.

4. Continuing Health (FY 2016: \$0.099 million). The Continuing Health program provides coverage for the DLA employees affected by reductions-in-force and BRAC.

5. Defense Critical Infrastructure Program (DCIP) (FY 2016: \$1.112 million). The DCIP supports DoD-wide risk management decisions by enabling responsible authorities to execute a wide variety of mission essential functions in support of national security objectives. Defense Logistics Infrastructure Sector Lead Agent funding was realigned from ASD (Homeland Defense & Americas Security Affairs) in FY 2009 to the DLA. This allows Logistics DCIP program management to take place closer to the execution source. The DLA facilitates the identification, assessment, and risk management of DoD-wide logistics critical assets. This information is shared with the COCOMS, Services, and other Defense Agencies via a DCIP shared data environment for integrated, DoD-wide DCIP risk management. This enables the prioritization of scarce Component resources for remediation of infrastructure vulnerabilities, mitigation of impact of incidents upon infrastructure, and reconstitution of DoD infrastructure capabilities by allowing resources to be applied to Defense critical infrastructure assets essential to project, support, and sustain military forces and operations.

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6. Defense Finance and Accounting Service (DFAS) (FY 2016: \$2.325 million). The DFAS requires reimbursement for accounting services provided to the General Fund activities and programs reflected in Other Logistics Services, Other Logistics Programs, and the Warstoppers Program.

7. Disability Compensation (FY 2016: \$0.753 million). The Disability Compensation program funding provides required funding for disability compensation for the Clothing Factory (DSCP) closed by BRAC 1993.

8. Homeless Blankets (FY 2016: \$3.336 million). The Stewart B. McKinley Homeless Assistance Act of 1987 requires the DLA to provide blankets to qualified US 501(C)3 organizations working with the homeless. Homeless shelters request blankets, which are issued on a first-come, first-served basis up to the amount of funding.

9. Joint Purchase Card Program Office (JPCPO) (FY 2016: \$1.459 million). The PCPO function was realigned from the Army to DLA in FY 2010, to minimize purchase card related fraud, waste, and abuse and enable the transition to a procurement portfolio e-business environment. The Office of the Under Secretary of Defense, Acquisition, Technology & Logistics (OUSD (AT&L)) provides program management oversight.

10. Logistics Transformation (FY 2016: \$7.865 million). These resources are designed to support the logistics mission area activities at an acceptable level that will move the Department towards critical improvements in logistics systems and processes. The program facilitates efforts to make a reality, effective supply chain management and logistics processes in the Department—from sources of supply to operational customers and from early acquisition planning through sustainment and disposal.

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11. Managerial Support (FY 2016: \$.023 million). Funding supports and pays for various activities like the Emergency and Extraordinary Expense (EEE) Limitation and confidential investigations.

12. Mapping (FY 2016: \$29.221 million). The DLA serves as the DoD Integrated Materiel Manager and Distributor of approximately 70,000 map items that transferred from the National Geospatial-Intelligence Agency (NGA). The DLA provides a unified world-wide tailored distribution system for all geospatial products; which are no longer strictly hard copy map products and includes a wide variety of classified and unclassified hydrographic, topographic, aeronautical and digital maps, charts and various publications required to support the warfighter.

13. Morale, Welfare and Recreation (MWR) (FY 2016: \$24.329 million). The MWR programs exist to support the DLA military, civilians, military retirees and their families by providing support and leisure services. Included are family programs, child and youth programs, recreation and sports programs, and leisure activities. The MWR contributes to the workforce's strength and readiness by offering services that reduce stress and promote self-confidence and foster strong esprit de corps. Funding is based on cost estimates for operating the DLA MWR activities.

14. Price Comparability (FY 2016: \$69.847 million). The Price Comparability program supports military unique (DoD Mandated) tasks, such as readiness support, that a commercial distribution company would not experience. Price Comparability helps to keep the DLA's prices competitive with those of the private sector, which do not include overhead for DoD unique costs. For example, a commercial operation would either dispose

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of inventory demanded only in wartime (War Reserve Materiel) or charge the customer for the costs of retaining this inventory. By funding the cost of retaining this inventory outside customer prices, the DLA can reduce the materiel surcharge (Cost Recovery Rate) to achieve more comparable pricing. The Price Comparability baseline includes peacetime contingency planning and Command and Control Center costs, and the Department's hazardous and ozone depleting substances programs.

15. Procurement Technical Assistance Program (PTAP) (FY 2016: \$23.373 million). 10 USC Chapter 142 authorizes the Secretary of Defense, acting through the Director, DLA, to enter into cost sharing cooperative agreements with state and local governments, nonprofit organizations, Indian tribal organizations and Indian economic enterprises to establish and maintain procurement technical assistance centers. The purpose of the program is to enhance the industrial base, improve local economies and generate employment by assisting businesses in obtaining and performing under contracts with DoD as well as other federal agencies and state and local governments. Under the PTAP statute, DLA can pay up to \$.75 million for statewide programs and \$.45 million for regional (less than statewide) programs during the fiscal year.

16. Unemployment Compensation (FY 2016: \$10.493 million) The DLA pays the Unemployment Compensation for all Defense Agencies.

**II. Force Structure Summary:**

**N/A**

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**III. Financial Summary (\$ in thousands)**

|                                     | FY 2015 |         |                      |                |               |         |         |
|-------------------------------------|---------|---------|----------------------|----------------|---------------|---------|---------|
|                                     | FY 2014 | Budget  | Congressional Action |                |               | Current | FY 2016 |
|                                     |         |         | <u>Actual</u>        | <u>Request</u> | <u>Amount</u> |         |         |
| <b>A. <u>BA Subactivities</u></b>   |         |         |                      |                |               |         |         |
| <b>2. <u>Mobilization</u></b>       | 51,946  | 48,013  | 0                    | 0.0            | 48,013        | 48,013  | 48,129  |
| <b>(Warstoppers)</b>                |         |         |                      |                |               |         |         |
| Warstoppers                         | 51,946  | 48,013  | 0                    | 0.0            | 48,013        | 48,013  | 48,129  |
| <b>4. <u>Administration and</u></b> | 183,354 | 147,752 | -8,852               | -5.0           | 138,900       | 138,900 | 134,623 |
| <b>Service-Wide Activities -</b>    |         |         |                      |                |               |         |         |
| <b>Other Logistics Programs</b>     |         |         |                      |                |               |         |         |
| Business Process                    | 1,797   | 2,271   | 0                    | 0.0            | 2,271         | 2,271   | 2,323   |
| Reengineering Center                |         |         |                      |                |               |         |         |
| Continuity of                       | 55,523  | 32,466  | -1,800               | -5.5           | 30,666        | 30,666  | 27,592  |
| Operations                          |         |         |                      |                |               |         |         |
| Defense Property                    | 12,361  | 9,756   | 0                    | 0.0            | 9,756         | 9,756   | 9,868   |
| Accountability System               |         |         |                      |                |               |         |         |
| Defense                             | 10,028  | 7,328   | 0                    | 0.0            | 7,328         | 7,328   | 7,422   |
| Standardization                     |         |         |                      |                |               |         |         |
| Program Office                      |         |         |                      |                |               |         |         |
| DoD Enterprise                      | 96,010  | 93,928  | -7,052               | -7.5           | 86,876        | 86,876  | 84,948  |
| Business Systems                    |         |         |                      |                |               |         |         |
| Joint Contingency                   | 5,465   | 0       | 0                    | n/a            | 0             | 0       | 0       |
| Acquisition Support                 |         |         |                      |                |               |         |         |
| Office                              |         |         |                      |                |               |         |         |
| Law Enforcement                     | 2,170   | 2,003   | 0                    | 0.0            | 2,003         | 2,003   | 2,470   |
| Support Office                      |         |         |                      |                |               |         |         |
| <b>4. <u>Administration and</u></b> | 190,679 | 185,705 | 10,560               | 5.7            | 196,265       | 196,265 | 183,677 |
| <b>Service-Wide Activities -</b>    |         |         |                      |                |               |         |         |
| <b>Other Logistics Services</b>     |         |         |                      |                |               |         |         |
| Agile Transportation -              | 120     | 860     | 0                    | 0.0            | 860           | 860     | 856     |
| USTRANSCOM                          |         |         |                      |                |               |         |         |

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|   | <u>FY 2015</u> |               |                             |                |               |                |                |
|---|----------------|---------------|-----------------------------|----------------|---------------|----------------|----------------|
|   | <u>FY 2014</u> | <u>Budget</u> | <u>Congressional Action</u> |                |               | <u>Current</u> | <u>FY 2016</u> |
|   |                |               | <u>Actual</u>               | <u>Request</u> | <u>Amount</u> |                |                |
| <b>A. BA Subactivities</b>                |                |               |                             |                |               |                |                |
| Audit Readiness                           | 5,352          | 9,416         | -140                        | -1.5           | 9,276         | 9,276          | 6,130          |
| Automatic Identification Technology       | 2,722          | 2,425         | 0                           | 0.0            | 2,425         | 2,425          | 2,456          |
| Bosnia/Kosovo Support                     | 0              | 17            | 0                           | 0.0            | 17            | 17             | 0              |
| Continuing Health                         | 146            | 128           | 0                           | 0.0            | 128           | 128            | 99             |
| Counter Drug                              | 519            | 0             | 0                           | n/a            | 0             | 0              | 0              |
| Defense Critical Infrastructure Program   | 901            | 1,096         | 0                           | 0.0            | 1,096         | 1,096          | 1,112          |
| Defense Environmental Restoration Account | 9,363          | 0             | 0                           | n/a            | 0             | 0              | 0              |
| Defense Finance & Accounting Service      | 1,891          | 3,541         | -1,300                      | -36.7          | 2,241         | 2,241          | 2,325          |
| Disability Compensation                   | 510            | 741           | 0                           | 0.0            | 741           | 741            | 753            |
| Homeless Blankets                         | 3,696          | 3,290         | 0                           | 0.0            | 3,290         | 3,290          | 3,336          |
| Joint Purchase Card Program Office        | 1,647          | 1,441         | 0                           | 0.0            | 1,441         | 1,441          | 1,459          |
| Logistics Transformation                  | 8,225          | 7,765         | 0                           | 0.0            | 7,765         | 7,765          | 7,865          |
| Managerial Support                        | 18             | 39            | 0                           | 0.0            | 39            | 39             | 23             |
| Mapping                                   | 28,290         | 28,585        | 0                           | 0.0            | 28,585        | 28,585         | 29,221         |

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III. Financial Summary (\$ in thousands)

|  | FY 2015                  |                          |                             |                |                     |                           |                            |
|--|--------------------------|--------------------------|-----------------------------|----------------|---------------------|---------------------------|----------------------------|
|  | FY 2014<br><u>Actual</u> | Budget<br><u>Request</u> | <u>Congressional Action</u> |                |                     | Current<br><u>Enacted</u> | FY 2016<br><u>Estimate</u> |
|  |                          |                          | <u>Amount</u>               | <u>Percent</u> | <u>Appropriated</u> |                           |                            |
| <b>A. <u>BA Subactivities</u></b>        |                          |                          |                             |                |                     |                           |                            |
| Morale, Welfare & Recreation             | 24,297                   | 21,322                   | 0                           | 0.0            | 21,322              | 21,322                    | 24,329                     |
| Price Comparability                      | 55,488                   | 70,735                   | 0                           | 0.0            | 70,735              | 70,735                    | 69,847                     |
| Procurement Technical Assistance Program | 37,494                   | 23,045                   | 12,000                      | 52.1           | 35,045              | 35,045                    | 23,373                     |
| Unemployment Compensation                | 10,000                   | 11,259                   | 0                           | 0.0            | 11,259              | 11,259                    | 10,493                     |
| <b>Total</b>                             | <b>425,979</b>           | <b>381,470</b>           | <b>1,708</b>                | <b>.5</b>      | <b>383,178</b>      | <b>383,178</b>            | <b>366,429</b>             |

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| <b>B. <u>Reconciliation Summary</u></b>        | <b>Change</b>                 | <b>Change</b>                 |
|--|-------------------------------|-------------------------------|
|  | <b><u>FY 2015/FY 2015</u></b> | <b><u>FY 2015/FY 2016</u></b> |
| <b>Baseline Funding</b>                        | <b>381,470</b>                | <b>383,178</b>                |
| Congressional Adjustments (Distributed)        | 3,900                         |                               |
| Congressional Adjustments (Undistributed)      | -2,052                        |                               |
| Adjustments to Meet Congressional Intent       |                               |                               |
| Congressional Adjustments (General Provisions) | -140                          |                               |
| <b>Subtotal Appropriated Amount</b>            | <b>383,178</b>                |                               |
| Fact-of-Life Changes (2015 to 2015 Only)       |                               |                               |
| <b>Subtotal Baseline Funding</b>               | <b>383,178</b>                |                               |
| Supplemental                                   |                               |                               |
| Reprogrammings                                 |                               |                               |
| Price Changes                                  |                               | 5,187                         |
| Functional Transfers                           |                               | -6,958                        |
| Program Changes                                |                               | -14,978                       |
| <b>Current Estimate</b>                        | <b>383,178</b>                | <b>366,429</b>                |
| Less: Wartime Supplemental                     |                               |                               |
| <b>Normalized Current Estimate</b>             | <b>383,178</b>                |                               |



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|   | <b>Amount</b> | <b>Totals</b>  |
|---|---------------|----------------|
| <b>C. Reconciliation of Increases and Decreases</b>   |               |                |
| <b>FY 2015 President's Budget Request (Amended, if applicable)</b>                                    |               | <b>381,470</b> |
| 1. Congressional Adjustments  |               | 1,708          |
| a. Distributed Adjustments  |               |                |
| 1) PTAP Increase  | 12,000        |                |
| 2) Overestimation of Civilian FTE Targets   | -5,000        |                |
| 3) Functional Transfer to DISA not Properly Accounted For   | -1,800        |                |
| 4) Summary of Price & Program Changes for DFAS Bill   | -1,300        |                |
| b. Undistributed Adjustments  |               |                |
| 1) Reduction to Non-NIP Non-Cyber IT  | -2,052        |                |
| c. Adjustments to Meet Congressional Intent   |               |                |
| d. General Provisions   |               |                |
| 1) Section 8035 Indian Lands  | -125          |                |
| 2) Section 8024 FFRDC   | -15           |                |
| <b>FY 2015 Appropriated Amount</b>  |               | <b>383,178</b> |
| 2. War-Related and Disaster Supplemental Appropriations   |               |                |
| 3. Fact-of-Life Changes   |               |                |
| <b>FY 2015 Baseline Funding</b>   |               | <b>383,178</b> |
| 4. Reprogrammings (Requiring 1415 Actions)  |               |                |
| <b>Revised FY 2015 Estimate</b>   |               | <b>383,178</b> |
| 5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings      |               |                |
| <b>FY 2015 Normalized Current Estimate</b>  |               | <b>383,178</b> |
| 6. Price Change   |               | 5,187          |
| 7. Functional Transfers   |               | -6,958         |
| a. Transfers In   |               |                |
| b. Transfers Out  |               |                |
| 1) Transfer of BEIS to DFAS   | -6,958        |                |
| BEIS is a family of systems that is transferring to DFAS at the system component level. This transfer |               |                |

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| <b>C. Reconciliation of Increases and Decreases</b>  | <b>Amount</b> | <b>Totals</b> |
|--|---------------|---------------|
| enables the DFAS to sustain and maintain systems for the Department of Defense to achieve financial visibility in support of audit readiness. (FY 2015 Baseline: \$7,571 thousand; +16 FTEs) |               |               |
| 8. Program Increases   |               | 7,915         |
| a. Annualization of New FY 2015 Program  |               |               |
| b. One-Time FY 2016 Increases  |               |               |
| 1) Paid Days Adjustment  | 109           |               |
| Accounts for one additional compensable day in FY 2016.  |               |               |
| c. Program Growth in FY 2016   |               |               |
| 1) DoD Enterprise Business Systems (DEBS)  | 4,085         |               |
| Increase in IT operational requirements within the DEBS portfolio. (FY 2015 Baseline: \$86,876 thousand; +69 FTEs)   |               |               |
| 2) Morale, Welfare & Recreation (MWR)  | 2,645         |               |
| Increase for supplies and equipment for the fitness centers and child and youth program expansions throughout the DLA enterprise. (FY 2015 Baseline: \$21,322 thousand; +0 FTEs)             |               |               |
| 3) Law Enforcement Support Office (LESO)   | 434           |               |
| Increase in labor and system sustainment support. (FY 2015 Baseline: \$2,003 thousand; +21 FTEs)   |               |               |
| 4) Accounting Support Costs  | 374           |               |
| Increase for additional accounting support costs. (FY 2015 Baseline: \$2,241 thousand; +0 FTEs)  |               |               |
| 5) Warfighter Mapping  | 150           |               |
| Increase due to estimated mapping support to the warfighter. (FY 2015 Baseline: \$2,585 thousand; +0 FTEs)   |               |               |

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| <b>C. Reconciliation of Increases and Decreases</b>   | <b>Amount</b> | <b>Totals</b> |
|---|---------------|---------------|
| 6) Defense Property Accountability System (DPAS)<br>Increase for DPAS operational non-labor requirements.<br>(FY 2015 Baseline: \$9,756 thousand; +7 FTEs)  | 103           |               |
| 7) Business Process Reengineering Center (BPRC)<br>Increase for additional BPRC operational<br>requirements. (FY 2015 Baseline: \$2,721 thousand; +17<br>FTEs)  | 15            |               |
| 9. Program Decreases  |               | -22,893       |
| a. Annualization of FY 2015 Program Decreases   |               |               |
| b. One-Time FY 2015 Increases   |               |               |
| 1) Procurement Technical Assistance Program<br>Removal of one-time increase for PTAP provided in the<br>FY 2015 Appropriations Act. (FY 2015 Baseline:<br>\$12,000 thousand; +0 FTEs)   | -12,268       |               |
| c. Program Decreases in FY 2016   |               |               |
| 1) COOP/Classified<br>Reduction in the Distributed Continuity Integrates<br>Network-Top Secret (DCIN-TS) Enterprise Services<br>program requirement. (FY 2015 Baseline: \$35,045<br>thousand; +0 FTEs)  | -3,591        |               |
| 2) Audit Readiness<br>Decrease in support of the General Fund audit<br>readiness requirements. Decrease results from audit<br>readiness preparation in FY 2015 to the audit<br>sustainment in FY 2016. (FY 2015 Baseline: \$9,276<br>thousand; +0 FTEs) | -3,304        |               |
| 3) Material Costs<br>Decrease is due to lower depot and forward<br>positioning materiel costs. (FY 2015 Baseline:<br>\$70,735 thousand; +0 FTEs)  | -2,090        |               |

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**III. Financial Summary (\$ in thousands)**

| <b>C. Reconciliation of Increases and Decreases</b>   | <b>Amount</b> | <b>Totals</b> |
|---|---------------|---------------|
| 4) Unemployment Compensation<br>This decrease is due to estimated program requirements for employee unemployment benefits. (FY 2015 Baseline: \$11,259 thousand; +0 FTEs)   | -766          |               |
| 5) Warstoppers Program<br>Decrease is due to fewer requirements for investments in the industrial base production capability and medical readiness. (FY 2015 Baseline: \$48,013 thousand; +0 FTEs)                            | -700          |               |
| 6) Logistics Transformation<br>Decrease is due to estimated program requirements in support of Department transformation initiatives in support of the warfighter supply chain. (FY 2015 Baseline: \$7,765 thousand; +0 FTEs) | -32           |               |
| 7) Continuing Health<br>Decrease is due to lower estimated costs for health benefit coverage of DLA employees by reduction-in-force and BRAC. (FY 2015 Baseline: \$128 thousand; +0 FTEs)                                     | -31           |               |
| 8) DSPO/GIDEP<br>Decrease in DSPO/ GIDEP is due to a reduction of their contracting dollars. (FY 2015 Baseline: \$7,328 thousand; +12 FTEs)   | -29           |               |
| 9) Agile Transportation (AT) USTRANSCOM<br>Decrease in requirements for USTRANSCOM Geographic Combatant Commanders automated capability to streamline cargo movement. (FY 2015 Baseline: \$860 thousand; +0 FTEs)             | -19           |               |
| 10) Contingency Operations - Bosnia/Kosovo<br>This decrease is based on estimated requirements for  | -17           |               |

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**III. Financial Summary (\$ in thousands)**

| <b>C. Reconciliation of Increases and Decreases</b>  | <b>Amount</b> | <b>Totals</b>  |
|--|---------------|----------------|
| Bosnia/Kosovo contingency support. (FY 2015 Baseline: \$17 thousand; +0 FTEs)  |               |                |
| 11) Managerial Support   | -16           |                |
| Funding supports and pays for various managerial activities (e.g, Emergency and Extrordinary Expense (EEE) Limitation). (FY 2015 Baseline: \$39 thousand; +0 FTEs) |               |                |
| 12) Automated Identification Technology (AIT)  | -10           |                |
| Decrease is due to a reduction in purchases for AIT. (FY 2015 Baseline: \$2,425 thousand; +0 FTEs)   |               |                |
| 13) Homeless Blankets  | -10           |                |
| Decrease is due to a reduction in purchases for the Homeless Blankets program. (FY 2015 Baseline: \$3,290 thousand; +0 FTEs)                                       |               |                |
| 14) Joint Purchase Card Program Office (JPCPO)   | -6            |                |
| Decrease if due to lower support costs for the JPCPO. (FY 2015 Baseline: \$1,441 thousand; +0 FTEs)  |               |                |
| 15) Defense Critical Infrastructure Program (DCIP)   | -3            |                |
| Decrease is due to a reduction in purchases for the DCIP program. (FY 2015 Baseline: \$1,096 thousand; +0 FTEs)  |               |                |
| 16) Disability Compensation  | -1            |                |
| Decrease is in a reduction of services for the Disability Compensation program. (FY 2015 Baseline: \$741 thousand; +0 FTEs)  |               |                |
| <b>FY 2016 Budget Request</b>  |               | <b>366,429</b> |

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

**Other Logistics Programs (OLP)**

The Defense Property Accountability System currently supports 3.8 million assets worth \$430 billion. The DPAS is utilized by Military Services and Agencies as the solution for tracking Government Furnished Equipment and accountable property in accordance with DoD Instruction (DoDI) 5000.64. The DPAS is an enduring business management system for providing accounting and accountability of DoD property and equipment for the Army, Air Force, Navy, Marine Corps, and 26 Defense Agencies. The DPAS maintains a clean SSAE-16 audit which validates controls within the system significantly reducing its customers audit requirements. The DPAS supports the Services' and Defense Agencies' audit readiness status as a critical financial feeding system through interfaces with Enterprise Resource Planning systems and other legacy accounting systems. The DPAS is scheduled to add 8,000 new users over the next 18 months to satisfy emerging audit readiness needs. The DPAS is the only equipment management system that fully meets the definition of an accountable property system of record (APSR) per DoDI 5000.64, by providing equipment transparency and accountability throughout the asset's lifecycle—from acquisition through delivery, use, re-use, and final disposition processing. The DPAS interfaces with nine accounting systems, the Wide Area Work Flow (WAWF), the Item Unique Identification (IUID) Registry, and the Real Property UID (RPUID) Registry. This PKI compliant, web-based capability provides the best commercial practices functionality for equipment management. The DPAS is also a Fleet Management Information System, providing the Department the ability to manage the usage of non-tactical vehicles and other assets, track all maintenance performed, and manage the dispatch of the assets. An interface exists with the GSA Fleet Automotive Statistical Tool, eliminating the annual manual entry for the required reporting. A Warehouse Management module exists to manage the issue and stowage of Organizational Clothing and Individual Equipment. This module is also utilized to manage the storage of OM&S parts and spares. The DPAS metrics provide

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

statistics on several categories such as IUID registry usage and compliance, inventory frequency and compliance with industry standards, and capital asset reporting, as well as having audit capabilities on several life cycle stages.

The Defense Standardization Program Office (DSPO) develops policies, procedures, and guidance ensuring standardized policy across the Military Departments and Defense Agencies. The qualitative performance indicators for the DSPO are:

- Effectiveness of the DSP as a single source for information exchange and coordination of all defense standardization efforts, measured by increased number of organizations participating in information exchange, and increased customer satisfaction based on survey results; and
- Success in institutionalized development and use of performance and Non-Government Standards (NGSs) in the DoD, measured by increased usage of performance and NGSs, and decreased usage of military-unique specifications and standards.

The Business Process Reengineering Center (BPRC) proposes redesign of processes, organizations and culture to streamline functions and reduce inefficiencies across the Department. It contributes to improvements in the E-business areas of logistics systems modernization, acquisition reporting, information technology (IT), and internal processes and business practices. Performance measures track the development of network architecture, support to the Future Logistics Enterprise, end-to-end procurement process integration and modernization, integrated digital environment acquisition life-cycle, and the Acquisition Technology & Logistics (AT&L) IT modernization and knowledge management portal capability. Metrics include execution of the planned redesign and streamline functions to reduce inefficiencies in AT&L.

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

The Law Enforcement Support Office (LESO): This high visibility program will retain focus on inventory control and accountability through Program Compliance Reviews, identifying and implementing enhancements to the Federal Excess Property Management Information System (FEPMIS) and sustaining the inventory reconciliation process. On average, 26 Program Compliance Reviews are executed annually; each includes a minimum of 20% weapons inventory and 100% inventory on controlled property such as Aircraft and Tactical Vehicles.

Other Logistics Services (OLS) includes multiple programs which the DLA is either the executive agent responsible for program oversight and policy guidance or the budget administrator responsible for administrative support. Measures used for programs to track performance are customer satisfaction and funding execution. Performance criteria for each program follows:

Customer Satisfaction is measured through surveys, comment cards, informal and formal customer feedback. Additionally, customer satisfaction is measured through Congressional inquiries and appeals as they relate to the program execution. Problems identified in this measure are assessed for corrective action.

Funding execution's goal is accurate budget estimates for Unemployment, Continuing Health Benefits, and Disability Compensation. Success is measured through assessing the accuracy of funding levels by tracking trends and reviewing aged accounts. The target is to obligate 100 percent of funds and DLA requires that any program that executes at less than the planned rate to reassess their financial plans and take measures to improve execution such as financial management processes, increased training and more aggressive execution plans.



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

The Warstoppers Program enhances the Department's wartime readiness by funding activities that improve the DLA's capability to meet the Services' and Combatant Commanders' wartime requirements. The program funds industrial preparedness measures that preserve critical industrial capability and accelerate the production of critical spares and troop support items, such as Medical, Clothing & Textiles, and Subsistence Rations. Comprehensive industrial base assessments, plans to address capability shortfalls and industrial preparedness measures form the basis for the metrics. The Warstoppers Program metrics are requirements validation, industry capability validation, requirements offset capability, and resource availability/management and percent of items with surge coverage. The metrics account for coverage of war reserve requirements, surge testing, and return on investment which is calculated against the offset of unfunded War Reserve Requirements identified by the Services.

The Procurement Technical Assistance Program (PTAP) awards stipulate recipient responsibilities for monitoring performance and reporting results to DLA. Performance reports received under the program allow the DLA to compare actual accomplishments with established goals, capture other quantitative performance data and monitor developments that could have a significant impact on awards. The data reported to DLA is validated during performance reviews.

The Morale, Welfare & Recreation performance metrics track readiness support as it relates to quality child care, physical fitness and family support programs and relocation assistance; Non-Appropriated Fund accountability and reinvestment; and customer service provided in the areas of recreation activities such as lodging, pools, dining facilities and information, ticketing and reservations.

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

The Defense Critical Infrastructure Program (DCIP) supports DoD-wide risk management decisions by enabling responsible authorities to execute a wide variety of mission essential functions in support of national security objectives. The DLA facilitates the identification, assessment, and risk management of DoD-wide logistics critical assets. This information is shared with the COCOMS, Services, and other Defense Agencies via a DCIP shared data environment for integrated, DoD-wide DCIP risk management. This enables the prioritization of scarce Component resources for remediation of infrastructure, and reconstitution of DoD infrastructure capabilities by allowing resources to be applied to Defense Critical Infrastructure assets essential to project, support, and sustain military forces and operations.

Logistics Transformation is measured by the Department's wartime readiness to improve the Department's ability to prepare and oversee execution of a rigorous "To-Be" Capability Roadmap, in coordination with the Joint Staff, Military Departments, Combatant Commands, and Defense Agencies to include ongoing assessments stemming from the Quadrennial Review (QDR). The ability to monitor and enhance the Department's logistics performance and resource application, through continuous process improvement for the end-to-end value chain, will provide a cost-effective logistics and material readiness program. These metrics will provide the basis to issue, validate, and revise policy. The policies will provide guidance for the implementation of RFID (Radio Frequency Identification Tags) in the Supply Chain. This will support both the current active Intransient Visibility/Total Asset Visibility RFID capability in support of ongoing Combatant Command operations and future emerging passive RFID capabilities in support of improvements to the integrated end-to-end DoD Enterprise.

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

Supply Chain Management: The Department measures responsiveness metrics to evaluate the effectiveness of the DoD Supply Chain. Responsiveness is measured by the Customer Wait Time metric, the total elapsed time between submission of a customer order from organizational maintenance and receipt of that order by organizational maintenance. These measures are tracked and updated in Departmental performance measurement systems.

Inventory Management Initiative: The Department is in its fourth year of a five-year Comprehensive Inventory Management Improvement Plan (CIMIP). The CIMIP provides oversight and a framework to guide inventory management improvement across the DoD Components. The Department measures the effectiveness of inventory improvement efforts using metrics for unneeded on-order and excess on-hand inventory. The DoD objective is to reduce inventory on-order for potential reutilization to 4% and excess on-hand to 8% by FY2016. These measures are tracked and updated in Department performance measurement systems. The improved business performance achieved through CIMIP is having a direct and positive impact on the Department's progress toward audit readiness.

Transportation Policy Initiatives: Defense Transportation Coordination Initiative (DTCI): DTCI is a third party logistics contract for the movement of the Department's freight within the Continental United States. The Contractor is meeting or exceeding all of the Key Performance Indicators (KPIs), including On-Time Delivery at 98%.

Personal Property Regionalization: The Department plans to reduce the number of personal property shipping offices from 63 to 12 offices worldwide by 2018. To date, 104 offices are consolidated. An additional 4 sites will consolidate in 2014. This initiative helps leverage the Department's buying power and standardize business practices across the Department.

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| <b>V. <u>Personnel Summary</u></b>                        | <b><u>FY 2014</u></b> | <b><u>FY 2015</u></b> | <b><u>FY 2016</u></b> | <b>Change<br/>FY 2014/<br/>FY 2015</b> | <b>Change<br/>FY 2015/<br/>FY 2016</b> |
|---|-----------------------|-----------------------|-----------------------|--|--|
| <u>Active Military End Strength (E/S) (Total)</u>         | <u>60</u>             | <u>61</u>             | <u>60</u>             | <u>1</u>                               | <u>-1</u>                              |
| Officer   | 29                    | 19                    | 18                    | -10                                    | -1                                     |
| Enlisted  | 31                    | 42                    | 42                    | 11                                     | 0                                      |
| <u>Civilian End Strength (Total)</u>                      | <u>224</u>            | <u>224</u>            | <u>208</u>            | <u>0</u>                               | <u>-16</u>                             |
| U.S. Direct Hire  | 224                   | 224                   | 208                   | 0                                      | -16                                    |
| Total Direct Hire   | 224                   | 224                   | 208                   | 0                                      | -16                                    |
| Memo: Reimbursable Civilians Included                     | 41                    | 41                    | 41                    | 0                                      | 0                                      |
| <u>Active Military Average Strength (A/S)<br/>(Total)</u> | <u>60</u>             | <u>61</u>             | <u>60</u>             | <u>1</u>                               | <u>-1</u>                              |
| Officer   | 29                    | 19                    | 18                    | -10                                    | -1                                     |
| Enlisted  | 31                    | 42                    | 42                    | 11                                     | 0                                      |
| <u>Civilian FTEs (Total)</u>                              | <u>185</u>            | <u>224</u>            | <u>208</u>            | <u>39</u>                              | <u>-16</u>                             |
| U.S. Direct Hire  | 185                   | 224                   | 208                   | 39                                     | -16                                    |
| Total Direct Hire   | 185                   | 224                   | 208                   | 39                                     | -16                                    |
| Memo: Reimbursable Civilians Included                     | 33                    | 41                    | 41                    | 8                                      | 0                                      |
| Average Annual Civilian Salary (\$ in<br>thousands)       | 227.7                 | 206.2                 | 234.0                 | -21.5                                  | 27.8                                   |
| <u>Contractor FTEs (Total)</u>                            | <u>279</u>            | <u>232</u>            | <u>232</u>            | <u>-47</u>                             | <u>0</u>                               |

Footnote: The DLA average salary amount includes unemployment compensation for all of the Defense Agencies.

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

| <u>OP 32 Line</u>                         | <u>FY 2014</u><br><u>Actual</u> | <u>Change</u><br><u>FY 2014/FY 2015</u> |                | <u>FY 2015</u><br><u>Enacted</u> | <u>Change</u><br><u>FY 2015/FY 2016</u> |                | <u>FY 2016</u><br><u>Estimate</u> |
|---|---------------------------------|---|----------------|----------------------------------|---|----------------|-----------------------------------|
|   |                                 | <u>Price</u>                            | <u>Program</u> |                                  | <u>Price</u>                            | <u>Program</u> |                                   |
| 101 Exec, Gen'l & Spec Scheds             | 24,604                          | 246                                     | 1,626          | 26,476                           | 324                                     | 1,788          | 28,588                            |
| 106 Benefit to Fmr Employees              | 10,000                          | 0                                       | 1,259          | 11,259                           | 0                                       | -766           | 10,493                            |
| <b>199 Total Civ Compensation</b>         | <b>34,604</b>                   | <b>246</b>                              | <b>2,885</b>   | <b>37,735</b>                    | <b>324</b>                              | <b>1,022</b>   | <b>39,081</b>                     |
| 308 Travel of Persons                     | 516                             | 9                                       | 72             | 597                              | 10                                      | -16            | 591                               |
| <b>399 Total Travel</b>                   | <b>516</b>                      | <b>9</b>                                | <b>72</b>      | <b>597</b>                       | <b>10</b>                               | <b>-16</b>     | <b>591</b>                        |
| 416 GSA Supplies & Materials              | 7                               | 0                                       | 8              | 15                               | 0                                       | 0              | 15                                |
| <b>499 Total Supplies &amp; Materials</b> | <b>7</b>                        | <b>0</b>                                | <b>8</b>       | <b>15</b>                        | <b>0</b>                                | <b>0</b>       | <b>15</b>                         |
| 647 DISA Enterprise Computing Centers     | 7,721                           | -57                                     | -1,847         | 5,817                            | -582                                    | 652            | 5,887                             |
| 671 DISA DISN Subscription Services (DSS) | 0                               | 0                                       | 12             | 12                               | -1                                      | 1              | 12                                |
| 679 Cost Reimbursable Purchase            | 175,379                         | 3,157                                   | 9,186          | 187,722                          | 3,191                                   | -3,376         | 187,537                           |
| 695 DFAS Financial Operations (DLA)       | 1,891                           | 255                                     | 95             | 2,241                            | -290                                    | 374            | 2,325                             |
| <b>699 Total DWCF Purchases</b>           | <b>184,991</b>                  | <b>3,355</b>                            | <b>7,446</b>   | <b>195,792</b>                   | <b>2,318</b>                            | <b>-2,349</b>  | <b>195,761</b>                    |
| 771 Commercial Transport                  | 98                              | 2                                       | -33            | 67                               | 1                                       | 0              | 68                                |
| <b>799 Total Transportation</b>           | <b>98</b>                       | <b>2</b>                                | <b>-33</b>     | <b>67</b>                        | <b>1</b>                                | <b>0</b>       | <b>68</b>                         |
| 912 Rental Payments to GSA (SLUC)         | 0                               | 0                                       | 2,835          | 2,835                            | 48                                      | 95             | 2,978                             |
| 914 Purchased Communications (Non-Fund)   | 106                             | 2                                       | 2,044          | 2,152                            | 37                                      | 4              | 2,193                             |
| 915 Rents (Non-GSA)                       | 4,533                           | 82                                      | -4,572         | 43                               | 1                                       | 381            | 425                               |
| 920 Supplies & Materials (Non-Fund)       | 37                              | 1                                       | 64             | 102                              | 2                                       | 14             | 118                               |
| 921 Printing & Reproduction               | 0                               | 0                                       | 36             | 36                               | 1                                       | 9              | 46                                |
| 922 Equipment Maintenance By Contract     | 1,466                           | 26                                      | 681            | 2,173                            | 37                                      | 5,209          | 7,419                             |
| 925 Equipment Purchases (Non-Fund)        | 9,916                           | 178                                     | 2,821          | 12,915                           | 220                                     | -6,762         | 6,373                             |
| 932 Mgt Prof Support Svcs                 | 8,877                           | 160                                     | -2,174         | 6,863                            | 117                                     | -530           | 6,450                             |
| 933 Studies, Analysis & Eval              | 8,457                           | 152                                     | -844           | 7,765                            | 132                                     | -32            | 7,865                             |
| 934 Engineering & Tech Svcs               | 21,196                          | 382                                     | -487           | 21,091                           | 359                                     | -125           | 21,325                            |
| 960 Other Costs (Interest and Dividends)  | 2                               | 0                                       | 2              | 4                                | 0                                       | 0              | 4                                 |

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| <u>OP 32 Line</u>                | FY 2014<br><u>Actual</u> | Change<br><u>FY 2014/FY 2015</u> |                | FY 2015<br><u>Enacted</u> | Change<br><u>FY 2015/FY 2016</u> |                | FY 2016<br><u>Estimate</u> |
|----------------------------------|--------------------------|----------------------------------|----------------|---------------------------|----------------------------------|----------------|----------------------------|
|                                  |                          | <u>Price</u>                     | <u>Program</u> |                           | <u>Price</u>                     | <u>Program</u> |                            |
| 987 Other Intra-Govt Purch       | 81,059                   | 1,459                            | -41,675        | 40,843                    | 694                              | -2,754         | 38,783                     |
| 989 Other Services               | 39,754                   | 716                              | -5,286         | 35,184                    | 598                              | -12,270        | 23,512                     |
| 990 IT Contract Support Services | 30,360                   | 546                              | -13,940        | 16,966                    | 288                              | -3,832         | 13,422                     |
| <b>999 Total Other Purchases</b> | <b>205,763</b>           | <b>3,704</b>                     | <b>-60,495</b> | <b>148,972</b>            | <b>2,534</b>                     | <b>-20,593</b> | <b>130,913</b>             |
| <b>Total</b>                     | <b>425,979</b>           | <b>7,316</b>                     | <b>-50,117</b> | <b>383,178</b>            | <b>5,187</b>                     | <b>-21,936</b> | <b>366,429</b>             |