

DEFENSE WORKING CAPITAL FUND

DEFENSE-WIDE FISCAL YEAR (FY) FY 2022 BUDGET ESTIMATES

OPERATING AND CAPITAL BUDGETS



**MAY 2021
CONGRESSIONAL DATA**

**DEPARTMENT OF DEFENSE
FISCAL YEAR (FY) 2022 BUDGET ESTIMATES
DEFENSE-WIDE WORKING CAPITAL FUND**

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FISCAL YEAR (FY) 2021 BUDGET ESTIMATES
DEFENSE-WIDE WORKING CAPITAL FUND**

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The estimated cost of this report or study for the Department of Defense is approximately \$38,000 for the 2021 Fiscal Year. This includes \$400 in expenses and \$38,000 in DoD labor.

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**DEFENSE-WIDE WORKING CAPITAL FUND
FISCAL YEAR (FY) 2022 BUDGET ESTIMATES
May 2021**

DEFENSE-WIDE SUMMARY

The Defense-Wide Working Capital Fund (DWWCF) consists of five activity groups. The Defense Logistics Agency (DLA) operates three of these activity groups, the Defense Information Systems Agency (DISA) operates one activity group, and the Defense Finance and Accounting Service (DFAS) operates one activity group.

The DLA, formed in the early 1960s, operates the Supply Chain Management (SCM), Energy Management (EM), and Document Services activity groups. The DLA SCM manages the materiel from initial acquisition to storage and distribution, and then finally reutilization or disposal. The DLA Energy Management provides comprehensive worldwide energy solutions for the military services and other authorized customers. The DLA Document Services provides time sensitive, competitively priced, and high-quality printing and digital services. The mission of the DLA is to provide effective and efficient worldwide support to warfighters and our other customers.

The DISA was reorganized in 1991 from the former Defense Communications Agency. The mission of the DISA is to engineer and provide command and control capabilities and enterprise infrastructure to continuously operate and assure a global net-centric enterprise in direct support to joint warfighters, National level leaders, and other mission and coalition partners across the full spectrum of operations.

The DFAS was formed in January 1991 from the Military Services finance and accounting functions. The mission of the DFAS is to lead the Department of Defense (DoD) in finance and accounting by ensuring the delivery of efficient, exceptional quality pay and financial information.

DEFENSE-WIDE WORKING CAPITAL FUND CASH

The table below displays the actual DWWCF cash balance at the end of FY 2020 and estimated year end balances for FY 2021 and FY 2022. The plan projects an increase of \$86.4 million in cash from the beginning of FY 2020 through the end of FY 2022.

Dollars in Millions	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Cash, Beginning of Period	\$2,091.7	\$4,369.8	\$2,361.7
Disbursements	-\$50,474.4	-\$51,420.5	-\$51,390.4
Collections	\$52,418.9	\$49,365.2	\$51,081.7
<u>Net Outlays</u>	\$1,944.5	-\$2,055.3	-\$308.8
<u>Appropriations: Total</u>	\$579.3	\$49.8	\$127.8
Base Requirement (Title V)			
FY 2020 Received	\$49.1		
FY 2021 Received		\$49.8	
FY 2022 Requested			\$50.8
CARES Act (Title III)			
FY 2020 Received	\$530.2		
FY 2021 Received		\$0.0	
FY 2022 Requested			\$0.0
Enduring Requirements (Title IX)			
FY 2020 Received	\$0.0		
FY 2021 Received		\$0.0	
FY 2022 Requested			\$77.0
<u>Transfers</u>	-\$245.8	-\$2.6	-\$2.6
Cash, End of Period	\$4,369.8	\$2,361.7	\$2,178.1
Lower Operating Range		\$2,041.2	\$2,042.4
Upper Operating Range		\$4,253.7	\$3,734.5

FY 2020 Cash: The DWWCF Cash balance increased \$2,278.1 million primarily due to the DLA SCM activity advance billing (\$1,973.9 million) Health and Human Services (HHS) (\$1,645.8 million) and the Federal Emergency Management Agency (FEMA) (\$328.1 million) for Coronavirus Disease-19 (COVID-19) related support, increasing Collections. DLA SCM received \$579.3 million in appropriated funding (+\$530.2 million to improve the health of the DLA SCM activity's cash balance to be better positioned to prevent, prepare for, and respond to COVID-19; and +\$49.1 million for Reutilization, Transfer, and Disposal (RTD) costs).

The DLA EM activity cash transferred -\$245.8 million. Of this amount, -\$241.0 million was available to transfer out due to lower than estimated fuel purchase costs. The -\$241.0 million was transferred to the Air Force (-\$153.0 million) and to the Navy (-\$88.0 million). In addition, -\$4.8 million was transferred to the Washington Headquarters Services for the Indian Financing Act of 1974.

The FY 2020 ending cash balance was \$4,369.8 million. This cash balance includes \$1,798.7 million in unearned advance billing received from HHS (\$1,632.7 million) and from FEMA (\$166.0 million).

FY 2021 Cash: The DWWCF projects a cash decrease of \$2,008.1 million due to Net Outlays (-\$2,055.3 million). The DLA SCM activity plans to "earn" the remaining advance billing received in FY 2020 by purchasing and delivering COVID-19 related materiel to HHS and to FEMA, resulting in a cash loss. The following activities project a cash loss from operations: the DLA SCM (-\$1,996.1 million), the DISA Information Services (-\$110.2 million), and the DLA Document Services (-\$6.5 million). Cash gains are projected for the DLA EM activity (+\$71.2 million) and the DFAS Financial Operations activity (+\$33.5 million).

The DLA SCM activity received +\$49.8 million in appropriated funding for RTD costs. The DLA projects a cash transfer of -\$2.6 million for the Indian Financing Act of 1974.

The projected FY 2021 ending cash balance is \$2,361.7 million.

FY 2022 Cash: The DWWCF projects a cash loss of \$183.6 million due to Net Outlays (-\$308.8 million); partially offset by requested appropriated funding (+\$127.8 million). The following activities project a cash loss from operations: the DLA SCM (-\$285.9 million) and the DFAS Financial Operations (-\$3.6 million). Cash gains are projected for the DISA Information Services activity (+\$63.9 million), the DLA EM activity (+\$36.3 million), and the DLA Document Services activity (+\$5.7 million).

This submission requests \$127.8 million in appropriations (+\$50.8 million for the DLA SCM activity RTD costs and +\$77.0 million in enduring requirements for the DLA SCM and the DLA EM activities). The DLA projects a cash transfer of -\$2.6 million for the Indian Financing Act of 1974.

The projected FY 2022 ending cash balance is \$2,178.1 million.

DEFENSE-WIDE WORKING CAPITAL FUND - TOTAL

SOURCE OF NEW ORDERS AND REVENUE

FISCAL YEAR (FY) 2022 BUDGET ESTIMATES

MAY 2021

(Dollars in Millions)

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
1. New Orders:			
a. Orders from DoD Components			
Army	8,986.4	9,081.9	9,097.1
Operations & Maintenance	6,195.5	6,378.9	6,471.8
Research Development Testing & Evaluation	69.4	76.7	81.0
Procurement	878.4	847.4	818.5
Military Construction	4.7	5.1	5.7
Family Housing	4.4	4.9	5.3
Military Personnel	1,416.7	1,360.3	1,312.0
Other	417.3	408.6	402.8
Navy	7,408.4	6,772.7	6,895.7
Operations & Maintenance	5,831.9	5,262.1	5,426.7
Research Development Testing & Evaluation	13.3	19.3	19.8
Procurement	697.8	671.0	649.1
Military Construction	0.8	1.7	1.8
Family Housing	0.0	0.0	0.0
Military Personnel	471.5	452.2	435.9
Other	393.1	366.4	362.4
Air Force	7,092.7	6,978.3	7,337.7
Operations & Maintenance	5,957.4	5,884.0	6,259.6
Research Development Testing & Evaluation	75.2	76.5	82.1
Procurement	439.2	422.0	404.0
Military Construction	0.0	0.0	0.0
Family Housing	0.4	0.4	0.4
Military Personnel	77.7	74.6	71.9
Other	542.8	520.8	519.7
Marine Corps	1,626.2	1,646.5	1,625.0
Operations & Maintenance	960.9	1,005.6	1,006.7
Research Development Testing & Evaluation	0.0	0.0	0.0
Procurement	334.2	320.6	309.1
Military Construction	0.0	0.0	0.0
Family Housing	0.0	0.0	0.0
Military Personnel	218.6	209.7	202.1
Other	112.5	110.6	107.1
Defense-Wide	9,625.0	9,706.3	9,732.6
Operations & Maintenance	2,546.5	2,807.7	3,039.2
Research Development Testing & Evaluation	28.8	36.2	37.2
Procurement	735.3	753.6	755.4
Military Construction	12.9	12.4	11.9
Family Housing	0.0	0.0	0.0
Military Personnel	0.0	0.0	0.0
Other	6,301.5	6,096.4	5,888.9

Fund-11 Source of Revenue

Other	185.8	188.3	230.1
Operations & Maintenance	133.1	126.9	166.5
Research Development Testing & Evaluation	52.7	61.4	63.6
Procurement	0.0	0.0	0.0
Military Construction	0.0	0.0	0.0
Family Housing	0.0	0.0	0.0
Military Personnel	0.0	0.0	0.0
Other	0.0	0.0	0.0
Total New Orders	34,924.5	34,374.0	34,918.2
Operations & Maintenance	21,625.3	21,465.2	22,370.5
Research Development Testing & Evaluation	239.4	270.1	283.7
Procurement	3,084.9	3,014.6	2,936.1
Military Construction	18.4	19.2	19.4
Family Housing	4.8	5.3	5.7
Military Personnel	2,184.5	2,096.8	2,021.9
Other	7,767.2	7,502.8	7,280.9
b. Orders from Other Fund Activity Groups	11,356.1	10,977.2	10,818.2
Army	2,613.8	2,529.3	2,449.7
Navy	2,554.2	2,372.2	2,351.6
Air Force	5,334.1	5,121.7	5,054.3
Marine Corp	3.1	2.9	1.4
Defense-Wide	850.9	951.1	961.2
c. Total DoD	46,280.6	45,351.2	45,736.4
d. Other Orders:	6,044.2	6,041.6	6,010.7
Trust Fund	65.3	68.3	69.5
Federal Agencies	2,156.6	2,383.0	2,378.5
Non Federal Agencies	780.4	680.5	747.0
Exchange Activities	2,026.8	1,944.4	1,873.7
Foreign Military Sales	1,015.1	965.4	942.0
2. Carry-In Orders	2,342.1	3,576.7	3,489.3
3. Total Gross Orders	54,666.9	54,969.5	55,236.4
4. Carry-Out Orders	-4,346.2	-3,459.1	-3,428.3
5. Funded Carry-over	30.2	30.2	30.2
6. Gross Sales	50,290.5	51,480.2	51,777.9
Disposition Services - Sales Proceeds	75.1	95.9	95.9
7. Credits & Allowances	-421.9	-800.3	-859.1
8. Net Sales	49,943.7	50,775.8	51,014.7
9. Reimbursable Sales	16.5	357.8	369.1
11. Other Adjustments	-175.7	0.0	0.0
12. Total Revenue	49,784.5	51,133.6	51,383.8

Fund-11 Source of Revenue

**DEFENSE-WIDE WORKING CAPITAL FUND
SUMMARY
FISCAL YEAR (FY) 2022 BUDGET ESTIMATES
REVENUE AND EXPENSES
MAY 2021
(Dollars in Millions)**

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Revenue:			
Gross Sales	47,875.4	49,272.8	49,567.9
Operations	47,744.8	49,058.3	48,978.7
Cash Surcharge	0.0	0.0	353.5
Capital Investment Recovery	130.6	214.5	235.7
Major Construction Depreciation	0.0	0.0	0.0
ADPE & Telecommunications Equipment	0.0	0.0	0.0
Other Income	2,333.4	2,661.1	2,674.4
Refunds/Discounts (-)	(424.3)	(800.3)	(858.5)
Total Income	49,784.5	51,133.6	51,383.8
Expenses:			
Cost of Materiel Sold from Inventory	31,923.4	31,938.7	31,448.5
Materiel-Related	0.0	0.0	0.0
Salaries and Wages:			
Military Personnel Compensation & Benefits	60.3	61.1	62.8
Civilian Personnel Compensation & Benefits	4,350.1	4,405.6	4,587.5
Travel & Transportation of Personnel	18.5	63.1	81.4
Materials & Supplies (For Internal Oper)	160.9	404.2	104.9
Equipment	100.3	258.5	265.9
Other Purchases from Revolving Funds	637.2	750.6	678.9
Transportation of Things	892.6	995.1	1,052.8
Inventory Maintenance	348.2	70.4	80.2
Capital Investment Recovery	169.1	245.1	267.6
Printing & Reproduction	90.6	87.4	88.8
Advisory and Assistance Services	80.0	88.3	78.5
Rent, Communication, Utilities, & Misc.	2,287.6	2,448.5	2,500.0
Other Purchased Services	8,094.2	9,876.5	10,434.9
Total Expenses	49,213.0	51,693.1	51,732.7
Operating Result	571.5	(559.5)	(348.9)
Less Capital Surcharge Reservation	32.5	122.3	96.7
Plus Passthroughs or Other Approp Affecting NOR	0.0	0.0	0.0
Other Adjustments Affecting NOR	347.7	59.3	(217.9)
Net Operating Result (NOR)	886.7	(622.5)	(663.5)
Prior Year Adjustments	16.6	0.0	0.0
Other Changes Affecting AOR	(460.7)	14.5	187.0
Prior Year AOR	641.9	1,084.5	476.5
Accumulated Operating Result (AOR)	1,084.5	476.5	(0.0)
Non-Recoverable Adjustments Impacting AOR	0.0	0.0	0.0
Accumulated Operating Results for Budget Purposes	1,084.5	476.5	(0.0)

Fund-14 Revenue and Expenses

Defense Finance and Accounting Service



Fiscal Year (FY) 2022 Budget Estimates
Defense Working Capital Fund (DWCF)
President's Budget Submission
May 2021

Overview

As one of the world's largest finance and accounting operations, the Defense Finance and Accounting Service (DFAS) builds on its core values of Integrity, Service, and Innovation to lead the Department of Defense (DoD) in finance and accounting by ensuring the delivery of efficient, exceptional quality pay and financial information.

Established to leverage economies of scale and scope by centralizing various finance, accounting, human resources, and financial systems management services, the DFAS effectively employs data transparency and customer collaboration to steadily and continually drive efficiencies. Since its inception, the DFAS has consolidated more than 300 installation-level offices into ten sites and reduced the number of systems in use from 330 to 70.

As a Working Capital Fund, the DFAS obtains its funding by charging customers for services provided, rather than through direct appropriations. The DFAS establishes stabilized customer rates annually in advance of execution based upon anticipated workload, estimated costs, and prior year gains or losses, with the goal of breaking even over the long run and maintaining sufficient cash to meet daily operations.

The DFAS is committed to exceptional customer service, delivering accurate and timely finance and accounting services at the lowest cost, while utilizing electronic processes wherever possible. The DFAS works in partnership with the Office of the Secretary of Defense (OSD), Military Services, Defense Agencies, and Combatant Commands to provide timely business information to key decision-makers. By focusing on the finance and accounting needs of the Military Services, the DFAS allows warfighters to better concentrate on their missions.

The DFAS pays all DoD military and civilian personnel, military retirees and annuitants, as well as major DoD contractors and vendors. The DFAS also functions as a shared services provider, delivering services to federal customers outside the DoD. On behalf of all customers, the DFAS makes over \$623 billion in disbursements each year, while providing a diverse range of accounting services, customer support, and financial reporting to assist customers in tracking funds and managing their budgets. The range and breadth of accounting, financial management, and support services provided to customers are briefly outlined below.

Audit Support Services:

The DFAS is leading the way toward the Department's goal of achieving fully-auditable financial statements. The DFAS has now sustained 21 consecutive unmodified opinions on the DFAS Working Capital Fund (WCF), 25 consecutive unmodified opinions on the Military Retirement Fund, five consecutive unmodified opinions on Non-Appropriated Fund (NAF) Financial Services, 16 consecutive modified opinions for the Medicare-Eligible

Retiree Health Care Fund, as well as achieved unmodified audit opinions on Statement on Standards for Attestation Engagements (SSAEs) for the DFAS' internal functions of Military Payroll, Civilian Payroll, Disbursing, Contract Pay, and ELAN. In addition, the DFAS exceeded its Federal Information System Controls Audit Manual (FISCAM) goals, with a 96 percent system controls pass rate.

Military/Civilian Pay Services:

Annually, the DFAS processes over 137 million pay transactions for more than six million payroll customers, and manages over \$1 trillion in Military Retirement and Health Benefits Funds. The DFAS pays all active and reserve military members, military retirees and annuitants, as well as DoD civilian personnel and non-DoD customers including the Department of Veterans Affairs and the Executive Office of the President.

The DFAS is actively adjusting to the evolving needs of current customers through more flexible Civilian Payroll service offerings. The DFAS has championed an increased use of electronic versus paper payroll documents, resulting in a Department-wide increase in electronic distribution for Affordable Care Act, W-2, and Leave and Earnings Statement pay documents.

Commercial Pay Services:

The DFAS processes over 12 million commercial invoices while reducing unit costs through increased use of electronic commerce (e.g. electronic receipt of contracts, invoices, and receiving reports). This, along with other process improvements, has resulted in reduced cycle times, fewer errors, and less rework, freeing up additional personnel and customer resources to support the warfighter.

The DFAS continues to work with customers to transition workload from legacy systems to the Enterprise Resource Planning (ERP) system environment with Defense Enterprise Accounting and Management System (DEAMS) for the Air Force, General Fund Enterprise Business System (GFEBS) for the Army, Navy Enterprise Resource Planning (Navy ERP) for the Navy, and Defense Agencies Initiative (DAI) for the Defense Agencies.

Accounting Operations Services:

The DFAS accounts for 1,379 active DoD appropriations by maintaining 98 million general ledger accounts. Accounting Operations provides responsive and professional financial management, accounting, analysis, and consultation services with a focus on helping the DoD and other customers become more audit ready every day. Accounting services provided on a Direct Billable Hour (DBH) basis include General Ledger (GL) reconciliations, Journal Voucher (JV) postings, United States Treasury reporting, billing, payment demand letters and collections, error clearing, problem disbursement work, systems access request processing, and many other accounting services.

Information Technology (IT) Services:

Robust investment in building and maintaining secure and audit-steady accounting, disbursing, and payroll systems is core to success of the DFAS mission. The constantly-evolving technological environment necessitates continuous management focus on IT planning, development and maintenance of systems, evolving cybersecurity threats, and maintaining essential telecommunications and computing infrastructure.

The DFAS is focused on investing in target environment systems to consolidate capabilities into a modernized systems base, to permit retirement of legacy systems, and to realize reduced systems maintenance costs. The DFAS has successfully retired 20 legacy systems since FY 2017, with eight more on the horizon for FYs 2021 – 2022. Additionally, the DFAS is continuing work to test, validate, and update systems and processes in support of sustained auditability.

Budget Strategy

The DFAS builds and executes its budget mindful that every dollar counts and that resourcing the warfighter is the top priority. To ensure that accounting and financial management resources are directed to the most critical requirements, the DFAS has outlined the FY 2022 budget to align with four key strategic priorities:

- **Audit Support:** In support of the DoD's FY 2018 mandate to produce auditable financial statements, DFAS will adopt audit strategies, accounting principles, and internal control toolsets into daily business practices to achieve and sustain DoD audit goals. DFAS will focus on improved tools and management reporting as well as IT controls to proactively detect and address significant risk in a simplified systems environment.
- **Business Environment Modernization:** DFAS is focused on streamlining and standardizing systems and processes to modernize, drive cost savings, and continue to provide benchmark service levels to its customers. This focus will ensure valuable resources are dedicated to supporting a ready and capable force.
- **People:** Employees are DFAS' most important asset and the foundation for achieving the other strategic priorities. In support of its people, DFAS will establish a collaborative process where employees will, at the onset, develop, share and replicate best practices, reaching across organization boundaries to implement enterprise-wide solutions.
- **Agency Operational Health:** By enhancing oversight and monitoring key cost, schedule, and performance metrics, DFAS will continuously improve productivity and customer service to remain a competitive shared service provider. Through customer collaboration, DFAS will actively work to identify and resolve pain points to drive efficiencies and effectiveness, and support delivery of best value services for its customers.

Budget Assumptions

The DFAS bases budget assumptions and cost estimates on specific business needs required to meet customer workload forecasts. As a Working Capital Fund, the DFAS has flexibility to adapt its execution plan in response to evolving customer requirements. Since its inception in 1991, the DFAS has continually achieved measurable improvements in productivity, which help offset growing workload requirements and the rising cost of labor.

The FY 2022 budget incorporates the following assumptions:

- Full resourcing in support of customer audit assertion and audit remediation as part of the DoD mandate to produce auditable financial statements and improve data integrity.
- Defense Military Pay Office and Lead Defense Travel Administrator missions were removed from the DFAS budget beginning in FY 2021.
- In support of the Integrated Personnel and Pay Systems transition, the Defense Joint Military Pay System (Active & Reserve Components) and the Defense Military Pay Office web-based application are realigned to Direct Systems Reimbursement in FY 2022.
- The FY 2022 budget includes the transfer of the Military Pay mission to the Air Force, planned for April 2022. DFAS will bill the Air Force for residual workload on a cost reimbursable basis.
- Increases to customer workload in support of Defense Security Cooperative Agency Audit Support, new Army Sensitive Activities accounting workload, and travel pay for civilian relocation.
- To ensure full reimbursement of Human Resources Support Services that DFAS provides to customers, the FY 2022 budget establishes the workload as a direct billable hour.
- Reducing or eliminating legacy system expenses, while transitioning to a targeted systems environments.
- FY 2022 budget includes full support of the Enterprise Fund Distribution (EFD) system transition from Defense Logistics Agency (DLA) as well as required investments to modernize the Defense Retiree and Annuitant System (DRAS) due to the cancellation of DRAS2.
- The FY 2021 projection and the FY 2022 budget reflect a 1% and 2.7% labor inflation assumption, respectively, in line with published guidance.

- FY 2022 budget is built to break-even, with cash reserves fully restored and the Accumulated Operating Result (AOR) equal to zero.

Reform Initiatives

The DFAS is actively engaged in reform initiatives related to its mission and in support of the National Defense Strategy, in partnership with OSD, the Military Services, and Defense Agencies. Continuous partnership on Department sponsored efficiency initiatives (transfer of the Defense Military Pay Office mission to the Army, Enterprise Resource Planning investments, transfer of Miscellaneous Pay mission to the Air Force, etc.), has provided better alignment of resources to provide greater buying power.

The DFAS is the primary office responsible for one reform initiative: the reduction of legacy systems. The DFAS FY 2022 budget reflects savings from the Reduced Legacy Systems (RLS) initiative, which have been incorporated into customer rates. The below chart outlines the DFAS' progress to date on its RLS plan:

Reform Operation Title	Item/Service or Category	Current Year	Current Year	Budget Year	Budget Year
		Projected Sales	Savings	Projected Sales	Savings
Reduce Legacy Systems - CRISPS, SNIPS, PMIS, DFRRS	People Pay Mission Area		\$ 138,030		\$ 489,030
Reduce Legacy Systems - ICPS	Disbursing Mission Area		\$ 1,096,433		\$ 1,096,433
Reduce Legacy Systems - TSS, ORLV	Commercial Pay Mission Area		\$ 188,155		\$ 902,155
Reduce Legacy Systems - TBO, CORAS, DIT, CRS, IBOP, RECERT, SAMS, CHOOSE, SID, DWAS, DRRT, DBMS, NFT	Direct Systems Reimbursement		\$ 1,267,362		\$ 5,922,575
Total		\$ -	\$ 2,689,980	\$ -	\$ 8,410,193

Operating Budget Summary

The following tables provide the DFAS' estimates for revenue, cost, and personnel levels.

Revenue and Expenses (\$ in Millions)

	FY 2020	FY 2021	FY 2022
Revenue	\$1,375.1	\$1,491.0	\$1,476.3
Cost of Operations	<u>\$1,450.6</u>	<u>\$1,436.8</u>	<u>\$1,486.7</u>
Operating Results	(\$75.5)	\$54.3	(\$10.4)
Adjustment for Unfunded Depreciation on Non-DFAS Acquired PP&E	\$13.0	\$11.9	\$10.4
Other Adjustment to NOR	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>
Recoverable Net Operating Results (NOR)	(\$62.5)	\$66.2	\$0.0
Accumulated Operating Results (AOR) – Beginning	\$14.7	(\$47.7)	\$0.0
Adjustment for Recoverable/Deferred AOR	<u>\$0.0</u>	<u>(\$18.5)</u>	<u>\$0.0</u>
Recoverable AOR - Ending	(\$47.7)	\$0.0	\$0.0

The DFAS FY 2020 position reflects a Recoverable AOR of (\$47.8M), primarily driven by unfunded pay inflation in FY 2019 and FY 2020, and the agency contribution increase to FERS in FY 2020. The FY 2021 budget was built with additional revenue to cover pay inflation, performance award increases, and cash recovery, and the projected Recoverable NOR is \$66.2M. FY 2022 is built to break-even, with cash reserves fully restored and AOR set to zero.

Personnel

	FY 2020	FY 2021	FY 2022
Direct Hire Civilian FTEs	11,536	10,654	10,829
Indirect Hire Foreign National FTEs	194	198	198
Civilian End Strength	11,752	10,875	10,965
Military End Strength	21	21	21

The large FY 2021 Direct Hire Civilian FTE reduction from FY 2020 is associated with the transfer of the Defense Military Pay Office mission to the Army.

Capital Investment Program

(\$ in Millions)

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Total Obligations	\$21.2	\$18.3	\$60.7
Total Capital Outlays	\$14.6	\$16.1	\$25.0

Automatic Data Processing Equipment (ADPE) and Telecommunications Equipment

The FY 2022 budget includes projects supporting Enterprise Local Area Network (ELAN) and security to continue to provide enhanced functionality to assist the DFAS in meeting Federal and DoD mandates. The FY 2022 budget also includes infrastructure replacement to enhance video teleconferencing capabilities in support of Federal and DoD teleservice and communication mandates.

FY 2021 capital investments for ADPE decreased due to ELAN requirements originally planned for replacement being determined to not be replaced.

Software Development

The FY 2022 program includes the Defense Retired & Annuitant Pay System (DRAS) Modernization that will re-write the current 6 DRAS subsystems into a single, unifying code base that will maximize sustainability while maintaining existing functionality. DRAS will create a replacement normalized database structure that will incorporate existing data from mainframe and mid-tier databases. The DRAS project will upgrade the architecture of

DRAS. This effort will include implementation of standard line of accounting (SLOA) and Treasury Direct Disbursing (TDD), adding the Space Force as a new branch of service in DRAS, implementing remaining Blended Retirement System (BRS) functionality, improving workflow and self-service capabilities, and modernizing the DRAS user interface. FY 2022 also includes the Enterprise Funds Distribution (EFD) system; this project will transfer certain capabilities and functionalities from the Program Budget Accounting System (PBAS) to the EFD system. The transferred capabilities and functionalities will be new to the EFD system and will occur after the EFD system is transferred from the Defense Logistics Agency (DLA) to DFAS. Finally, FY 2022 includes the e-Biz Momentum G-Invoicing project that will upgrade from Momentum 7.7PI3 to 7.9, and will establish full G-Invoicing functionality. The functionality will include General Terms & Conditions (GT&C), Orders, Performance, Settlements and UEI for Acquisition, Financial Management and other federal solutions.

FY 2021 capital investments for software development show an increase from the 2021 President's Budget primarily due to the addition of the DFAS Portal Business Process Management (BPM) and Deployable Disbursing System (DDS) – Centralized Disbursing System (CDS) migration to DDS projects. The DFAS Portal BPM project will automate existing business processes across the DFAS enterprise such as telework requests, Safety Form 603, awards, purchase requests, and virtual private network account requests. The DDS – CDS migration to DDS project will transition the entire CDS to the DDS. This comprises identifying functionality, including interfaces, CDS currently has that DDS does not currently have. These increases were partially offset by a decrease for the Learning Management System (LMS) and the Standard Material Accounting System (SMAS) which is no longer a requirement.

Minor Construction

The Minor Construction projects scheduled for FY 2022 will cover the purchase and installation of a physical access control system (PACS) that will allow centralized secured access permissions and will bring the DFAS Cleveland facility up to the DoD physical access requirements. It will require facility modifications for the areas of the access control point installations. This includes the permanent installation of PACS, including affixing and wiring, on 139 doors throughout the building. The work will also include the replacement or modification of some doors at these control points to bring them up to Fire and Life Safety requirements. FY 2022 funds will also be used for the purchase and installation of an interlocking door system at all six entrances of DFAS Limestone. This interlocking door system will allow only one door of the two layers of entry doors to be opened at a time, thereby creating a delay in direct access to the facility and reducing the probability of "piggy backing." The funds will also be used to purchase and install new common access card (CAC) enabled security doors. Finally, FY 2022 funds will be used to bring the GFEBs area up to a secure environment that will make it compliant for the new secure workload to be done at DFAS Rome. The funds will be used to extend the existing walls of room E132 to the ceiling, add sound attenuation to the walls, and replace existing personnel doors with doors that meet Unified Facilities Criteria (UFC) requirements to bring the room into compliance to perform secure activities work in the space. Work also includes adding a secure Video Teleconferencing (VTC) room and secure room for

SIPR/NIPR servers. This work will include running all necessary SIPR/NIPR wiring for the secure area and any other lines needed for the secure area.

FY 2021 capital investments for minor construction show an increase due to the addition of the DFAS Rome steam boilers project. This project will run a natural gas line service to the DFAS Rome building, install two new steam boilers and tie them into the existing steam lines. This project will also require the construction of an outbuilding to provide adequate space to house the new boilers. There is also an increase for the addition of the DFAS Columbus secure area. This project will convert existing property and mailroom facilities located in the DFAS Columbus Building 21 basement to a 50-person capacity open storage area with Secret Internet Protocol Router Network (SIPRNet) functionality. Finally, there is an increase due to the DFAS Limestone security system expansion - tamper alarm switches project. This project is for the purchase and installation of new tamper alarm switches (including wiring) and a physical access control system into the current Seacoast Security Alarm and Monitoring System. Additionally, there were partially offsetting decreases for the removal of the DFAS Indianapolis secure work space build out, the Cleveland leasehold improvement project, and the Cleveland break-out room and break rooms conversion projects.

Fiscal Year (FY) 2022 Budget Estimates
Changes in the Costs of Operation
Defense Finance and Accounting Service
May 2021
(\$ in Millions)

	Costs
FY 2020 Actual	1,450.5
Pricing Adjustment:	
FY 2020 Civilian Pay Raise	8.4
Annualization Prior Year Pay Raise	2.8
Inflation Adjustment	5.3
Program Changes:	
Civilian Personnel Compensation	(55.7)
Travel & Transportation of Personnel	5.1
Material & Supplies	0.5
Other Purchases from Revolving Funds	16.9
Transportation of Things	(0.2)
Depreciation	0.8
Printing & Reproduction	0.0
Advisory & Assistance Services	(12.1)
Rent, Communication, Utilities and Misc. Charges	0.7
Other Purchased Service	13.6
FY 2021 Projection	1,436.8
Pricing Adjustment:	
FY 2021 Civilian Pay Raise	21.9
Annualization Prior Year Pay Raise	2.7
Inflation Adjustment	6.2
Program Changes:	
Civilian Personnel Compensation	19.9
Travel & Transportation of Personnel	(1.7)
Material & Supplies	(0.2)
Other Purchases from Revolving Funds	3.1
Transportation of Things	0.4
Depreciation	1.3
Printing & Reproduction	1.0
Advisory & Assistance Services	(11.9)
Rent, Communication, Utilities and Misc. Charges	3.4
Other Purchased Service	3.6
FY 2022 PB	1,486.7

Fund-2 Changes in the Costs of Operations

Fiscal Year (FY) 2022 Budget Estimates
Source of Revenue
Defense Finance and Accounting Service
May 2021
(\$ in Millions)

APPN	Client	Customer	FY 2020	FY 2021	FY 2022
1. New Orders					
a. Orders from DoD Components:					
Total Capital	DFAS	Defense Finance and Accounting Service	4.5	3.0	2.4
Housing	Army	Army Family Housing	0.1	0.2	0.2
Total Housing			0.1	0.2	0.2
O&M	Air Force	Air Force	272.4	296.9	294.6
O&M	Army	Army	481.0	476.7	464.2
O&M	Marine Corps	Marine Corps	42.1	44.7	49.9
O&M	Navy	Navy	223.6	235.6	227.7
O&M	Defense Agency	Defense Acquisition University	1.9	2.2	2.1
O&M	Defense Agency	Defense Contract Audit Agency	5.1	5.4	5.8
O&M	Defense Agency	Defense Contract Management Activity	6.6	7.6	7.0
O&M	Defense Agency	Defense Counterintelligence and Security Agency	1.6	2.0	1.8
O&M	Defense Agency	Defense Human Resources Activity	3.0	3.7	3.8
O&M	Defense Agency	Defense Information Systems Agency	10.5	14.8	18.7
O&M	Defense Agency	Defense Intelligence Agency	0.6	1.0	0.9
O&M	Defense Agency	Defense Logistics Agency	3.3	3.5	3.7
O&M	Defense Agency	Defense Media Activity	1.2	1.2	1.5
O&M	Defense Agency	Defense POW/MIA Accounting Agency	0.9	0.9	0.9
O&M	Defense Agency	Defense Security Cooperation Agency	4.2	4.9	5.8
O&M	Defense Agency	Defense Technology Security Administration	0.5	0.5	0.9
O&M	Defense Agency	Defense Test Resource Management Center	0.1	0.1	0.1
O&M	Defense Agency	Defense Threat Reduction Agency	3.7	3.8	4.9
O&M	Defense Agency	Department of Defense Education Activity	7.9	10.1	10.7
O&M	Defense Agency	Department of Defense Inspector General	3.1	3.8	4.0
O&M	Defense Agency	Director Operational Test & Evaluation	0.1	0.7	0.0
O&M	Defense Agency	Military Health System - Tricare, TMA, DHA, USUHS	35.0	48.3	55.7
O&M	Defense Agency	National Capital Region Medical	1.6	3.6	3.5
O&M	Defense Agency	National Defense University	0.8	1.3	1.8
O&M	Defense Agency	National Geospatial-Intelligence Agency	1.7	2.8	2.8
O&M	Defense Agency	National Reconnaissance Office	0.1	0.1	0.1
O&M	Defense Agency	National Security Agency	1.1	1.6	1.7
O&M	Defense Agency	Office of Local Defense Community Cooperation	0.7	0.7	0.7
O&M	Defense Agency	Office of the Joint Chiefs of Staff	1.0	1.0	1.6
O&M	Defense Agency	Pentagon Force Protection Agency	0.0	0.2	0.1
O&M	Defense Agency	Space Development Agency	0.0	0.0	0.0
O&M	Defense Agency	Washington Headquarters Service	5.5	7.3	8.1
Total O&M			1,120.9	1,187.1	1,185.3
RDT&E	Army	Army	0.0	0.0	0.0
RDT&E	Navy	Navy	1.8	2.9	2.3
RDT&E	Air Force	Air Force	0.0	0.0	0.0
RDT&E	Defense Agency	Chemical Biological Defense Program	1.1	2.3	1.4
RDT&E	Defense Agency	Defense Advanced Research Projects Agency	3.2	3.8	3.7
RDT&E	Defense Agency	Defense Logistics Agency	0.2	0.0	0.1
RDT&E	Defense Agency	Defense Technical Information Center	2.8	3.1	3.4
RDT&E	Defense Agency	Director Operational Test & Evaluation	0.8	0.2	1.4
RDT&E	Defense Agency	Missile Defense Agency	6.0	6.9	6.7
RDT&E	Defense Agency	Washington Headquarters Service	0.0	0.0	0.0
Total RDT&E			15.8	19.2	19.1
Foreign Military Sales	Army	Army	0.2	0.0	0.0
Foreign Military Sales	Air Force	Air Force	0.0	0.0	0.0
Foreign Military Sales	Defense Agency	Defense Security Cooperation Agency	35.5	44.9	44.4
Total FMS			35.7	44.9	44.4
a. Total Orders from DoD Components:			1,177.1	1,254.4	1,251.4

Fund-11 Source of Revenue

Fiscal Year (FY) 2022 Budget Estimates
Source of Revenue
Defense Finance and Accounting Service
May 2021
(\$ in Millions)

APPN	Client	Customer	FY 2020	FY 2021	FY 2022
b. Orders from Other Fund Activity Groups					
WCF	Air Force	Air Force	8.0	10.6	10.2
WCF	Army	Army	11.1	14.4	12.9
WCF	Marine Corps	Marine Corps	3.1	2.9	1.4
WCF	Navy	Navy	34.9	50.6	41.9
WCF	Defense Agency	Defense Commissary Agency	15.6	17.9	14.7
WCF	Defense Agency	Defense Counterintelligence and Security Agency	1.1	0.0	2.1
WCF	Defense Agency	Defense Information Systems Agency	14.2	10.6	11.4
WCF	Defense Agency	Defense Logistics Agency	46.2	55.3	54.1
WCF	Defense Agency	Defense Technology Security Administration	0.1	0.2	0.0
WCF	Defense Agency	US Transportation Command	11.2	12.9	12.8
b. Total Orders from Other Fund Activity Groups			145.4	175.5	161.6
c. Total DoD			1,322.5	1,429.9	1,412.9
d. Other Orders					
Other Orders	OTHR	Commercial (Citi, EDS, etc)	0.1	0.5	0.6
Other Orders	OTHR	Executive Office of the President	0.2	0.2	0.2
Other Orders	OTHR	US Agency for Global Media	0.1	0.2	0.2
Other Orders	OTHR	US Coast Guard	0.1	0.1	0.1
Other Orders	OTHR	US Corps of Engineers	3.4	4.1	4.3
Other Orders	OTHR	US Dept of Energy	0.9	1.1	1.1
Other Orders	OTHR	US Dept of Health and Human Services	8.2	9.8	10.0
Other Orders	OTHR	US Dept of State	0.5	0.1	0.1
Other Orders	OTHR	US Dept of Treasury	0.6	0.8	1.1
Other Orders	OTHR	US Dept of Veterans Affairs	38.5	44.3	45.7
d. Total Other Orders			52.7	61.2	63.3
1. Total New Orders			1,375.1	1,491.0	1,476.3
2. Carry-In Orders			0.0	0.0	0.0
3. Total Gross Orders			1,375.1	1,491.0	1,476.3
4. Carry-Out Orders			0.0	0.0	0.0
5. Gross Sales			1,375.1	1,491.0	1,476.3
6. Credit			0.0	0.0	0.0
7. Net Sales			1,375.1	1,491.0	1,476.3

Fund-11 Source of Revenue

Fiscal Year (FY) 2022 Budget Estimates
Revenue and Expenses
Defense Finance and Accounting Service
May 2021
(\$ in Millions)

	FY 2020 Actual	FY 2021 Projection	FY 2022 PB
Revenue			
Gross Sales			
Operations	1,358.2	1,472.3	1,454.8
Depreciation except Major Construction	16.9	18.7	21.5
Other Income	0.0	0.0	0.0
Customer Bill Adjustment	0.0	0.0	0.0
Refunds/Discounts (-)	0.0	0.0	0.0
Total Income:	1,375.1	1,491.0	1,476.3
Costs			
Civilian Personnel Compensation & Benefits	1,125.3	1,080.8	1,125.4
Travel & Transportation of Personnel	1.7	6.8	5.3
Materials & Supplies (Internal Operations)	1.2	1.7	1.5
Other Purchases from Revolving Funds	101.4	120.2	125.7
Transportation of Things	0.3	0.1	0.5
Depreciation - Capital	29.9	30.6	31.9
Printing and Reproduction	0.0	0.0	1.0
Advisory and Assistance Services	35.7	24.3	12.8
Rent, Communications, Utilities & Misc. Charges	24.9	26.0	29.9
Other Purchased Services	130.3	146.3	152.7
Total Expenses:	1,450.5	1,436.8	1,486.7
Operating Result	(75.4)	54.3	(10.4)
Depreciation, Non-DWCF Acquired PP&E	13.0	11.9	10.4
Adjustments to NOR	0.0	0.0	0.0
Net Operating Result	(62.4)	66.2	(0.0)
PY AOR	14.7	(47.7)	0.0
Non-recoverable/Deferred AOR Adjustment	0.0	(18.5)	0.0
Accumulated Operating Results	(47.7)	0.0	0.0

Fund-14 Revenue and Expenses

**DEFENSE INFORMATION SYSTEMS AGENCY
FISCAL YEAR (FY) 2022
BUDGET ESTIMATES**



**DEFENSE WORKING CAPITAL FUND
INFORMATION SERVICES**

May 2021



Information Services Activity Group

Overview

The Defense Information Systems Agency (DISA) is a combat support agency responsible for planning, engineering, acquiring, fielding, and supporting global net-centric solutions to serve the needs of the President, Vice President, the Secretary of Defense, and other Department of Defense (DoD) Components. Its goal is to enable information dominance and support the warfighters and those who support them.

The DoD information environment is designed to optimize use of the DoD IT assets, converging communications, computing, and enterprise services into a single joint platform that can be leveraged for all Department missions. These efforts improve mission effectiveness, reduce total cost of ownership, reduce the attack surface of our networks, and enable DISA's mission partners to more efficiently access the information resources of the enterprise to perform their missions from any authorized IT device anywhere in the world. The DISA continues its efforts towards realization of an integrated Department-wide implementation of the DoD information environment through development, integration, and synchronization of technical plans, programs and capabilities.

The DISA is uniquely positioned to provide the kind of streamlined, rationalized enterprise solutions the Department is looking for to effect IT transformation. The DISA owns/operates enterprise and cloud-capable DISA data centers, the worldwide Defense Information Systems Network (DISN), and the Defense Information Technology Contracting Organization (DITCO). The DISA data centers have been identified as Continental United States (CONUS) Core Data Centers (CDCs).

The DISA also anticipates continuation of partnerships with other federal agencies. The DoD/VA Integrated Electronic Health Record (iEHR) agreement to host all medical records in DISA data centers and the requirement for DoD to provide Public Key Infrastructure (PKI) services to other federal agencies on a reimbursable basis are examples. The Agency continues to make progress on several major initiatives, including: implementation of Multiprotocol Label Switching (MPLS) technology; deploying and sustaining Joint Regional Security Stacks (JRSS) to fundamentally change the way the DoD secures and protects its information networks; providing Joint Enterprise License Agreements (JELAs) at a low fee of 0.25 percent; the delivery of an on-premise cloud hosting capability and commercial cloud access infrastructure to enable

the Department’s migration to cloud computing, a reduced data center footprint, and streamlined cybersecurity infrastructure; the convergence of DoD networks, service desks, and operations centers into a consolidated, secure, and effective environment capable of addressing current and future mission objectives called Fourth Estate Network Optimization (4ENO); the establishment of an impact level 5, cloud-based collaboration and productivity environment for Fourth Estate Agencies and Combatant Commands; and the enterprise-wide roll-out of a Cloud Based Internet Isolation (CBII) capability that isolates malicious code and content from DoD networks.

The DISA operates the Information Services Activity Group within the Defense-Wide Working Capital Fund (DWWCF), which consists of three business areas: **Computing Services (CS)**, **Telecommunications Services (TS)**, and **Enterprise Acquisition Services (EAS)**. For rate setting purposes, the DISA assesses profit/loss factors at the agency level. DISA is expected to end FY 2022 with \$44.2 million accumulated operating results (AOR) ; we are requesting to retain this AOR to improve DISA’s cash corpus. In addition, billing rates include a capital asset surcharge to support initial investments in commodity IT infrastructure for the Fourth Estate as part of the Department’s IT optimization efforts, Enhanced Mobile Satellite Service (EMSS) enhancements, and technology refreshment for the Defense Information Systems Network (DISN).

Key Budget Data

(\$ in millions)	FY 2020	FY 2021	FY 2022
Revenue	\$7,686.5	\$8,462.1	\$8,976.0
Expense	\$7,899.0	\$8,490.3	\$8,847.4
Net Operating Result	(\$212.5)	(\$28.2)	\$128.6
Capital Surcharge Reservation	\$32.4	\$122.4	\$96.7
Adjusted Net Operating Result	(\$243.8)	(\$150.6)	\$31.8
Prior Year Accumulated Operating Result (AOR)	\$406.8	\$163.0	\$12.4
Reduction to Retained AOR	\$0.0	\$0.0	(\$44.2)
Ending AOR	\$163.0	\$12.4	\$0.0
Capital Budget	\$229.6	\$193.1	\$220.0
Civilian Workyears	2,916	3,170	3,318
Military End Strength	19	27	27

*Fiscal Year 2020 data are actual results

The table above provides a summary of the financial accounts and personnel levels reflected in this budget request for the Information Services activity group. FY 2020 data are estimated actual results. Data in all tables may not add due to rounding.

Rate Changes for Major Programs

In FY 2022, rates for Computing Services increase by 4.93% in the aggregate, and the baseline price of the DISN Infrastructure Services (DISN IS) also increases by 7.63%. Other major rate categories remain unchanged. These rate changes are discussed in more detail in subsequent sections of this narrative.

Business Area	Major Service Offering	FY 2022 Rate/Fee	Percent Change
Computing Services	Composite Rate	-	+4.93%
Telecommunications Services	DISN Infrastructure Services (DISN IS) Price	-	+7.63%
Enterprise Acquisition Services	Standard IT Contracting Fee	2.25%	0.00%
	Telecommunications Contracting Fee	2.75%	+0.49%
	Joint Enterprise License Agreement (JELA) Contracting Fee	0.25%	0.00%
	JELA Decentralized Ordering Fee	0.10%	0.00%



Computing Services

Key Budget Data

This budget reflects a 4.93% percent aggregate rate change in FY 2022. This increase is attributed to an inflationary increase, as well as improving DISA’s cash corpus. The subsequent chart provides a summary of the major financial accounts and personnel levels included in this budget submission. Additional details on operating cost and rates are discussed in later sections.

(\$ in millions)	FY 2020	FY 2021	FY 2022
Revenue	\$867.4	\$1,046.9	\$1,116.2
Expense	\$943.7	\$1,033.4	\$1,065.2
Net Operating Result	(\$76.4)	\$13.5	\$51.1
Capital Surcharge Reservation	\$0.0	\$0.0	\$0.0
Adjusted Net Operating Result	(\$76.4)	\$13.5	\$51.1
Capital Budget	\$44.8	\$44.7	\$44.4
Civilian Workyears	1,653	1,814	1,860
Military End Strength	5	6	6

*Fiscal Year 2020 data are actual results

Overview

The Computing Services business area operates the DISA data centers, which provide mainframe and server processing operations, data storage, production support, technical services, and end-user assistance for command and control, combat support, and enterprise services across the Department of Defense (DoD).

DISA’s Computing Services business area currently operates ten data centers: seven in the continental United States (CONUS) and three outside the continental United States (OCONUS). CONUS data centers are configured to support a broad range of Department of Defense computing requirements while OCONUS data centers are designed for more regional requirements. All DISA data centers have been designated as Core Data Centers (CDC). The computing facilities continue to be highly accessible and secure data processing centers with dual, high-capacity connectivity to the Defense Information Systems Network and organic defense in-depth, resulting in a secure and robust computing infrastructure. They feature

automated systems management to control computing resources and to gain economies of scale. Additionally, Computing Services provides “assured computing,” whereby all mission-critical data is continuously available to customers.

The DISA data centers employ highly skilled and experienced teams of government and contractor personnel to manage hardware and software applications encompassing a broad spectrum of computing, storage, and communications technologies. The facilities have been designed and are managed to provide secure, available, and interoperable environments for both classified and unclassified processing under military control. Collectively these facilities provide a robust enterprise computing environment to over four million users through:

- 20 mainframes
- Approximately 16,700 servers
- Approximately 75,000 terabytes of storage
- Approximately 222,000 square feet of raised floor
- Survivable connectivity to the Defense Information Systems Network core

The subsequent table displays the locations of data centers currently operated by DISA.

Data Center Locations
Mechanicsburg, PA Montgomery, AL Oklahoma City, OK Ogden, UT Columbus, OH San Antonio, TX St. Louis, MO (<i>Closes in FY 2021</i>)
Europe (Stuttgart and Wiesbaden) Bahrain (New MILCON Facility in FY 2024) Yokota, Japan (<i>New in FY 2022</i>) Ford Island, Hawaii

The Computing Services business area provides information processing for the entire gamut of combat support functions, such as transportation, logistics, maintenance, munitions, engineering, acquisition, finance, medical, and military personnel readiness. The applications hosted on the mainframes and servers enable the DoD components to:

- Provide for the command and control of operating forces
- Ensure weapon systems availability through management and control of maintenance and supply
- Ensure global force mobility through management and maintenance of the airlift and tanker fleets
- Provide sustainment through resupply and reorder capabilities
- Provide operating forces with information on the location, movement, status, and identity of units, personnel, equipment and supplies
- Manage the information for the medical environment and patient care
- Support DoD business, contracting, financial, payroll and eBusiness applications

The DoD Chief Information Officer (CIO) is leading efforts within the Department to consolidate data centers, continue the adoption of enterprise services, and foster adoption of

cloud computing—all of which directly affect DISA’s Computing Services. The Core Data Centers (CDCs) are highly capable, highly resilient data centers providing standardized hosting and storage services to the enterprise within the Single Security Architecture. CDCs also enable a significant reduction in the total number of DoD data centers by serving as consolidation points for computing and storage services currently hosted across hundreds of component facilities.

Service Descriptions

The Computing Services business area provides a variety of services tailored to the demands of the Department of Defense’s information systems. This includes server and mainframe processing and storage, basic and optional services, cloud services, and enterprise services. Enterprise infrastructure services continue to move the Department’s data processing toward more centralized and standardized solutions. The Enterprise infrastructure enables a collaborative environment and trusted information sharing end-to-end that can adapt to rapidly changing conditions with the goal of protected data on protected networks. DoD Enterprise Email, DoD Enterprise Portal Service, Global Content Delivery Service, ATAAPS, milCloud 2.0, milDrive, Secure Cloud Computing Architecture, and Global Service Desk are capabilities that align with this strategic vision and leverage the power of the DISA data centers on the Department of Defense Information Network. Major service offerings are discussed in further detail subsequently:

Traditional Server Hosting and Virtualization Services provide managed hosting solutions for mission partners that need DISA to provide the labor, hardware, and software required to manage and maintain their server Operating Environments (OEs). This includes mandatory services for traditionally hosted applications, such as systems administration, cybersecurity administration, hardware services, and optional services such as application support/web administration and database administration. Rates are tailored to the attributes of the mission partner’s workload (e.g. processing power allocated to the OEs, virtual vs. physical OEs, and type of hardware).

Server Storage Services include a wide array of storage offerings tailored to each mission partner’s level of service required to meet maximum acceptable data loss and minimum acceptable recovery time for each application. Rates charged are based on the usable gigabyte of storage allocated per month and the level of service requested by the mission partner for data recovery.

Mainframe Processing and Storage supports applications on the IBM System z platform. DISA provides mainframe hardware through capacity services contracts, executive software to run mission partner applications, and labor to manage execution.

DoD Enterprise Email (DEE) provides email services to end users at any location globally in a secure manner. DEE is constructed to support the deployment of email capability for 4.5 million users and a global address list (GAL) scaled to support 10 million objects (e.g., DoD common access card (CAC) personas and non-person entities (NPEs)). Using a modular design, DISA has the ability to grow capacity as required.

The DEE service provides a Basic/Business offering for those users requiring up to 4GBs of storage, a Premium offering for accounts requiring up to 10GBs of storage, an Executive offering for accounts requiring up to 30GBs of storage, and a Senior Executive offering for accounts requiring up to 50GBs of storage.

Additionally, optional capabilities such as journaling and mobile device support are available to customers at an additional charge. Journaling is a service that permanently saves each message that a specified user sends or receives and may be required for some flag officers, high ranking appointees and Senior Executive Service members. Customers are charged based on the number of gigabytes of storage used.

DoD Enterprise Portal Service (DEPS) is a Software as a Service (SaaS) offering that provides a flexible, web-based collaboration capability to the DoD enterprise. DEPS administrators create site collections and provide DoD Components the ability to independently create and manage their organization, community and mission-focused sites. DEPS supports user authentication utilizing DoD-Issued Common Access Cards (CAC) and Personal Identity Verification (PIV) certificates. On the SIPRNet, DEPS authentication users the DoD-Issued Hard Token.

Subscribing organizations brand their sites and manage their content in order to satisfy mission requirements. Mission partners with Client Access Licenses (CALs) will have the platform to include a suite of MS Office Web applications: the Web browser versions of Word, PowerPoint, Excel and OneNote. DEPS provides location and device-independent access to documents and preserves the user interface across end user devices.

Global Content Delivery Service (GCDS) is designated as the DoD enterprise solution for distributed content caching by the DoD CIO. GCDS provides the capability to bring DISA and DISA customer web content and applications closer to the end-user, minimizing download times and increasing connection speeds by forward-staging information across the Defense Information Systems Network (DISN), both NIPRNet and SIPRNet. The service currently covers 85 regions and is in 12 countries around the world. In certain cases, GCDS hardware is hosted at DISA data centers, but it is also hosted in bases, camps, and stations around the world.

DoD Automated Time and Attendance Production System (ATAAPS) is a Human Resource Management System (HRMS) that provides information to downstream payroll processing by the Defense Civilian Payroll System (DCPS), entitlement systems, and in some cases enterprise resource planning (ERP) business systems. ATAAPS provides the ability to accurately record time and attendance while capturing labor hours by job order. ATAAPS creates a common platform for the DoD Agencies, Military Services, and Other Government Agencies (OGA) who use DCPS as their civilian payroll system of record. ATAAPS helps to ensure agencies can easily and effectively enter, validate, certify, audit, and transmit records to DCPS.

The ***milCloud 1.0*** service is a cloud-services product portfolio featuring an integrated suite of capabilities designed to drive agility in the development, deployment, and maintenance of secure DoD applications. milCloud 1.0 is an Infrastructure as a Service (IaaS) solution that leverages a combination of mature Commercial off the Shelf (COTS) and government-developed technology to deliver cloud services tailored to the needs of DoD. This budget submission assumes all workload will transition off the milCloud 1.0 infrastructure by the end of FY 2022 and a majority of that workload will migrate to the milCloud 2.0 infrastructure described in the next section.

The ***milCloud 2.0*** service is a contractor-owned, contractor-operated, secure, cloud infrastructure-as-a-service (IaaS) environment in DISA data centers that is connected to DoD networks. The milCloud 2.0 service is approved to support up to Impact Level 5 data, and includes a central cloud portal, which provides real-time visibility, payment, and workload provisioning. The milCloud 2.0 service enables efficient use of resources by providing a metered billing model, which allows customers to pay only for what they use rather than incurring monthly or yearly fees.

Strategic Knowledge Integration Web (SKIWeb) provides a net-centric, asynchronous, collaborative event management capability that includes features and capabilities designed to reduce information overload and improve user effectiveness at the Enterprise level. SKIWeb has evolved into one of the DoD's most widely utilized web-based tools and is used to rapidly gather and disseminate critical information on real world events such as natural disasters and terrorist attacks, as well as day-to-day activities. The user base covers over 200 commands, agencies, and organizations to include coalition partners.

milDrive is an enterprise cloud storage capability that allows users to mobilize, protect, sync, and share data from anywhere on the DODIN. milDrive is sunsetting in FY21.

milDrive Anywhere is a personal and group cloud storage service that extends file services by providing users the ability to sync, share, and perform self-service backup and recovery from CAC-enabled computers, tablets, and smartphones.

milDrive Capacity is a web-based cloud storage service designed for online backup, online archiving, active data and application integration.

milDrive Edge provides gateway services for file data to the enterprise. The Edge client integrates and extends cloud capabilities to traditional Windows and UNIX file servers reducing the need for large storage systems.

Secure Cloud Computing Architecture (SCCA) is a suite of enterprise-level services, tailored to meet the unique functional and operational requirements of cloud computing in the DoD. SCCA provides core security capabilities, enabling mission partners to transition applications and data to commercial cloud offerings for impact level four and five data in a consistent and secure manner resulting in scalable, secure, and cost-effective architecture. A modular, decoupled model enables various implementations and scalability.

Virtual Datacenter Security Stack (VDSS) serves as the virtual security enclave protecting applications and data hosted in commercial environments. It includes two core services: Web Application Firewall (WAF) and Next Generation Firewall. Together, these capabilities detect and prevent threats facing web applications and workloads.

Virtual Datacenter Managed Services (VDMS) provides application host security and privileged user access in commercial environments. VDMS services include the Host-Based Security System and Assured Compliance Assessment Solution. They enable mission partners to configure and deliver security policies, push upgrades, and manage roles and security policies.

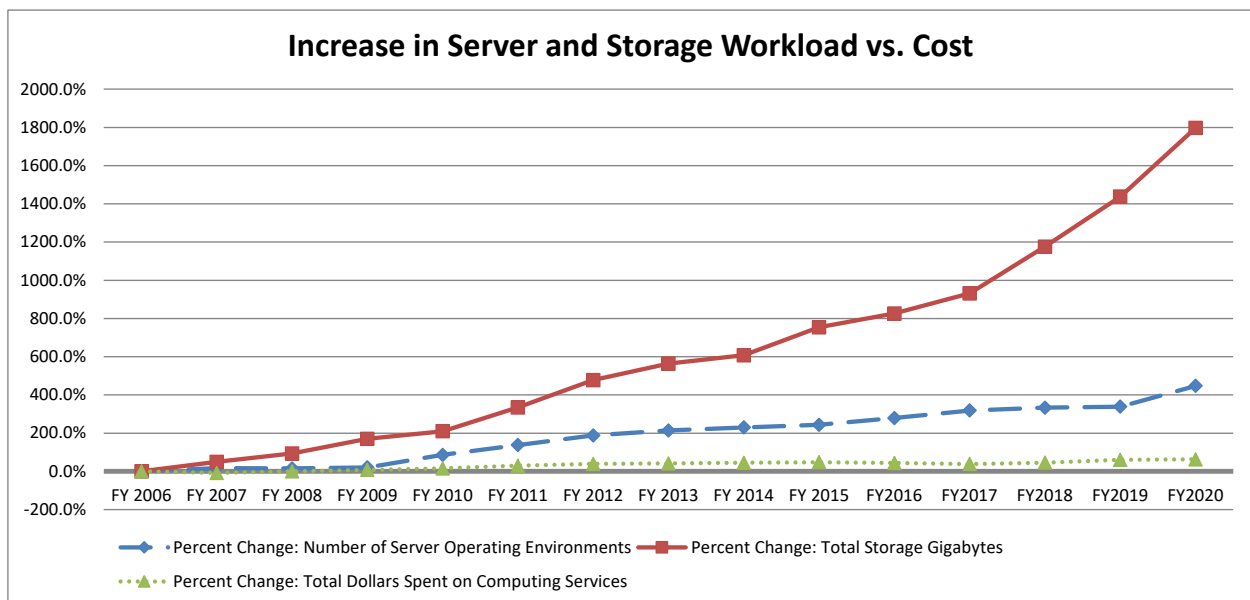
Cybersecurity Service Provider for Traditionally Hosted Datacenter Program (CSSP THDP) is a service offering that provides DISA data center-hosted mission partners with formal alignment to DISA as a Cybersecurity Service Provider (CSSP). This comprehensive service offering provides monitoring of network traffic directly associated with mission partner programs and associated applications. CSSP THDP also includes vulnerability assessment and analysis activities, incident response support, incident reporting, and other key cybersecurity services that enable DISA to protect and defend from cyberattacks and effectively and expeditiously respond to alerts.

Cloud Advanced (Cloud-A) Cybersecurity Service Provider (CSSP) is available to mission partners leveraging both commercial and government-owned cloud environments. This comprehensive service offering provides the monitoring and analysis of network traffic entering and exiting the mission partner’s Virtual Private Cloud (VPC).

The **Global Service Desk** provides a global enterprise service support environment delivering incident response, problem response, change management, and request fulfillment of customer needs in support of global IT service providers. The Global Service Desk provides a strategic central point of contact for all IT support issues and includes tier I and tier II support. Fourth Estate Agencies are in the process of transitioning to the Global Service Desk as part of the Fourth Estate Network Optimization initiative.

Performance Measures

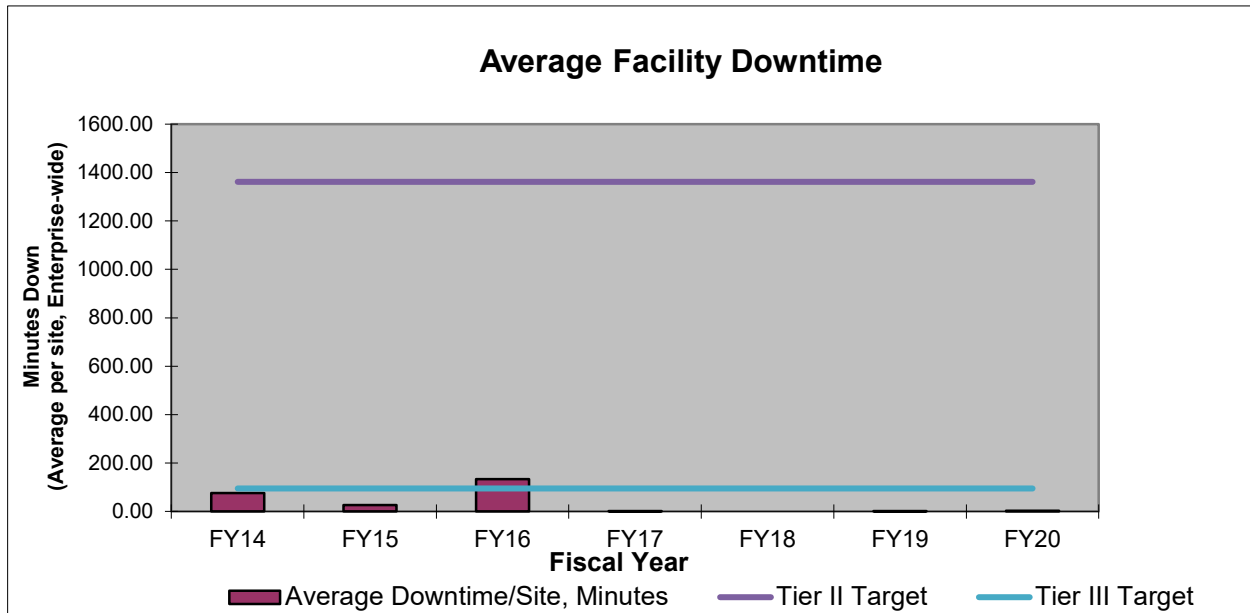
As shown in the subsequent table, demand for DISA’s server and storage computing services has grown significantly since FY 2006. Since that year, the number of customer driven server operating environments (OEs) has increased by 447 percent, and total storage gigabytes have increased by 1,797 percent. Over the same timeframe, the cost to deliver all computing services has increased by only 63 percent. In short, customers are demanding considerably more services and are at the same time benefiting from DISA’s unique ability to leverage robust computing capacity at the DISA Datacenters.



DISA’s information services play a key role in supporting the Department’s operating forces. As a result, DISA is held to high performance standards. In many cases, performance measures are detailed in Service Level Agreements (SLAs) with individual customers that exceed the general performance measures. The two metrics depicted in the subsequent tables reflect the availability of critical applications in DISA’s Core Data Centers.

The **“Core Data Center Availability”** metric, expressed in minutes per year, represents application availability from the end user’s perspective and includes all outages or downtime regardless of root cause or problem ownership. Tier II requires achieving 99.75% availability, which limits downtime to approximately 1,361 minutes per year. Tier III, the standard for all

DoD-designated Core Data Centers, requires achieving 99.98% availability, which limits downtime to approximately 95 minutes per year.



The **“Capacity Service Contract Equipment Availability”** metric represents DISA’s equipment availability by technology, i.e., how well DISA is executing its responsibilities exclusive of factors outside the agency's control such as last mile communications issues, base power outages or the like. The Threshold refers to system uptime and capacity availability for intended use; this is the level required by contract. The Objective is the value agreed on by the vendor and the government to be an ideal target, and Actual is reported by the vendor monthly.

	Threshold	Objective	Actual
IBM System z Mainframe	99.95%	99.99%	100%
Unisys Mainframe	99.95%	99.99%	100%
P Series Server	99.95%	99.99%	100%
SPARC Server	99.95%	99.99%	100%
X86 Server	99.95%	99.99%	99.999%
Itanium	99.95%	>99.95%	99.999%
Storage	99.95%	>99.95%	99.996%
Communications Devices	99.95%	>99.95%	99.999%

Rates

In an effort to improve DISA's cash position, this budget results in a composite 4.93 percent rate change in FY 2022. DISA Computing Services' budget has two basic methods of cost recovery: stabilized fixed rates and direct reimbursement of actual cost. The charts on the following pages display the rates by category.

Mainframe LOB	FY 2021	FY 2022
* IBM CPU Usage (Hour/Month)	\$379.0722	\$412.4127
* IBM ZIIP CPU (Hour/Month)	\$362.9204	\$381.7412
* IBM Storage (GB/Day)	\$0.3005	\$0.3269
* IBM Long Term Storage (GB/Day)	\$0.2003	\$0.2179
* zLINUX Infrastructure (vCPU/Month)	\$1,263.71	\$1,329.24
* zLINUX Hardware (vCPU/Month)	\$217.71	\$228.99
Infrastructure and Sustainment LOB	FY 2021	FY 2022
Application Support / Web Administration (OE/Month)	\$960.00	\$1,009.00
Database Administration (OE/Month)	\$1,414.00	\$1,487.00
Oracle Database Software Itanium Virtual (Core/Month)	\$413.00	\$468.00
Oracle Database Software Itanium Class 1 Physical (OE/Month)	\$4,983.00	\$5,652.00
Oracle Database Software Itanium Class 2 Physical (OE/Month)	\$9,957.00	\$11,295.00
Oracle Database Software Itanium Class 3 Physical (OE/Month)	\$14,933.00	\$16,939.00
Oracle Database Software x86 & SPARC Virtual (vCPU or Core/Month)	\$206.00	\$234.00
Oracle Database Software x86 & SPARC Class 1 Physical (OE/Month)	\$2,490.00	\$2,825.00
Oracle Database Software x86 & SPARC Class 2 Physical (OE/Month)	\$4,973.00	\$5,641.00
Oracle Database Software x86 & SPARC Class 3 Physical (OE/Month)	\$7,470.00	\$8,474.00
Server 24 x 7 Application Support (OE/Month)	\$2,119.00	\$2,229.00
Server 24 x 7 Database Administration (OE/Month)	\$1,866.00	\$1,962.00
Server Storage - Enterprise Disk RAID 5 (GB/Month)	\$0.4882	\$0.4682
Server Storage - Shared COOP (GB/Month)	\$0.4212	\$0.4126
Server Storage - Backup Service (GB/Month)	\$0.2434	\$0.2560
Server Storage - Dedicated COOP SAN Replication (GB/Month)	\$0.9198	\$0.9011
Server Storage - Enterprise Disk RAID 10 (GB/Month)	\$0.8264	\$0.9373
milCloud 2.0 Backup Storage (GB/Month)	\$0.1114	\$0.1171
Cyber LOB	FY 2021	FY 2022
Database Administration Security Only (OE/Month)	\$140.75	\$148.06
Cyber/Security Labor (OE/Month)	\$32.81	\$34.52
* Financial Audit Compliance - IBM Mainframe (Hour/Month)	\$1.53	\$1.90
* Financial Audit Compliance - Open Systems (OE/Month)	\$211.52	\$261.74
* Financial Audit Compliance - Unisys Mainframe (SUPS/Month)	\$0.15	\$0.18
* Vulnerability Management - Program (Program/Month)	\$835.40	\$878.73
* Vulnerability Management - Endpoints (Endpoints/Month)	\$28.63	\$30.13

Enterprise Services	FY 2021	FY 2022
ATAAPS (Account/Month)	\$1.20	\$1.26
* CSSP Traditionally Hosted Data Center Program (OE/Month)	\$138.03	\$145.19
* CSSP Cloud-Advanced Tier 1 Subscription (1 to 5 OEs) (Application/Month)	\$1,453.36	\$1,528.73
* CSSP Cloud-Advanced Tier 2 Subscription (6 to 10 OEs) (Application/Month)	\$2,600.74	\$2,735.61
* CSSP Cloud-Advanced Tier 3 Subscription (11 to 50 OEs) (Application/Month)	\$4,642.72	\$4,883.48
* CSSP Cloud-Advanced Tier 4 Subscription (51 to 100 OEs) (Application/Month)	\$7,523.45	\$7,913.61
* CSSP Mainframe (Application/Month)	\$88.39	\$92.98
* Enterprise Email - Mobile Devices (Device/Month)	\$2.36	
* Enterprise Email - Journaling (GB/Month)	\$0.35	\$0.44
* Enterprise Email - Business (Account/Month)	\$2.81	\$3.48
* Enterprise Email - Premium (Account/Month)	\$9.35	\$11.59
* Enterprise Email - Executive (Account/Month)	\$16.83	\$20.85
* Enterprise Email - Senior Executive (Account/Month)	\$24.93	\$30.89
* Enterprise Email - Negligent Discharge of Classified Information (Per Incident)	\$2,500.00	\$2,550.00
* Enterprise Email - Implementation (Per Account)	\$60.00	\$60.00
* DEPS - Shared SIPR (Per User/Month)	\$10.24	\$26.93
* DEPS - Shared NIPR (Per User/Month)	\$4.01	\$10.53
* DEPS Implementation - Shared SIPR (Per User)	\$49.91	\$49.91
* DEPS Implementation - Shared NIPR (Per User)	\$26.06	\$26.06
* GCDS Net Storage (TB/Month)	\$11,896.98	\$10,707.28
* GCDS URL Web Delivery (URL/Month)	\$905.36	\$774.08
* GCDS Web Application Firewall (Unit/Month)	\$120.90	\$108.81
* GCDS Implementation Net Storage (One Time)	\$5,874.54	\$5,874.54
* GCDS Implementation URL Web Delivery (One Time)	\$447.05	\$447.05
* GCDS Implementation Web Application Firewall (One Time)	\$59.70	\$59.70
* Global Service Desk Tier I Support (1/4 FTE/Month)	\$3,202.88	\$3,448.13
* Global Service Desk Tier II Support (1/4 FTE/Month)	\$3,202.88	\$3,448.13
* Global Service Desk Customer Interaction Center (CIC) (License/Month)	\$658.85	\$709.30
* milCloud - Base Unit (Per Unit/Day)	\$3.55	\$3.73
* milCloud - Storage (GB/Day)	\$0.0146	\$0.0154
* milCloud - Backup Storage (GB/Day)	\$0.0093	\$0.0098
* milCloud - Memory (2GB/Day)	\$0.72	\$0.75
* milCloud - Dedicated VPN (User Block/Day)	\$36.17	\$38.05
* milCloud - IaaS Log View (Edge Gateway/Day)	\$23.99	\$25.23
* milCloud Implementation (One Time)	\$195.00	\$195.00
* milCloud Implementation - Premium Engineering: Bronze (One Time)	\$1,680.57	\$1,680.57
* milCloud Implementation - Premium Engineering: Silver (One Time)	\$3,360.11	\$3,360.11
* milCloud Implementation - Premium Engineering: Gold (One Time)	\$8,401.81	\$8,401.81
* milCloud Implementation - Dedicated VPN (One Time)	\$277.22	\$277.22
* milCloud 2.0 (Applied Burdening Percentage)	19.99%	20.39%
* milCloud 2.0 Migration Services	2.25%	2.25%
* milCloud 2.0 AWS	2.25%	2.25%
* SCCA - Virtual Data Center Security Stack (OE/Month)	\$38.40	\$43.56
* SCCA - Virtual Data Center Managed Services (OE/Month)	\$89.00	\$100.96
* SKIWeb (Per User/Month)	\$77.60	\$81.62

Enterprise Services continued	FY 2021	FY 2022
* Cloud Storage - milDrive NIPR 20GB License (License/Month)	\$7.38	\$8.37
* Cloud Storage - milDrive NIPR 1TB License (License/Month)	\$9.98	\$11.32
* Cloud Storage - milDrive SIPR 20GB License (License/Month)	\$8.01	\$9.09
* Cloud Storage - milDrive SIPR 1TB License (License/Month)	\$10.96	\$12.43
* Cloud Storage - milDrive Capacity (GB/Month)	\$0.0272	\$0.0285
* Cloud Storage - milDrive Edge (GB/Month)	\$0.0387	\$0.0407
Server LOB	FY 2021	FY 2022
Server Systems Administration Conventional: Virtual (OE/Month)	\$353.00	\$371.00
Server Systems Administration Conventional: Physical (OE/Month)	\$353.00	\$371.00
Server Systems Administration - Converged OSC SPARC (OE/Month)	\$106.00	\$112.00
Server Systems Administration - Converged x86 (OE/Month)	\$212.00	\$223.00
Server Systems Administration - Cloud (OE/Month)	\$236.00	\$248.00
Server Systems Administration - 24x7 (OE/Month)	\$756.00	\$795.00
Server/Storage Infrastructure - Cloud (vCPU/Month)	\$96.00	\$110.00
Server /Storage Infrastructure - Converged (x86) (vCPU/Month)	\$105.00	\$120.00
Server /Storage Infrastructure - Converged SPARC (OE/Month)	\$364.00	\$412.00
Server /Storage Infrastructure - Virtual (vCPU or Core/Month)	\$126.00	\$144.00
Server /Storage Infrastructure - Virtual Non Standard (OE/Month)	\$907.00	\$1,029.00
Server/Storage Infrastructure - Class 1: Physical (OE/Month)	\$1,732.00	\$1,964.00
Server/Storage Infrastructure - Class 2: Physical (OE/Month)	\$2,363.00	\$2,680.00
Server/Storage Infrastructure - Class 3: Physical (OE/Month)	\$2,811.00	\$3,188.00
Server H/W Services SPARC LDOM Processor (Core/Month)	\$225.00	\$234.00
Server H/W Services SPARC Class 1 Physical (OE/Month)	\$1,482.00	\$1,516.00
Server H/W Services SPARC Class 2 Physical (OE/Month)	\$2,971.00	\$3,337.00
Server H/W Services SPARC Class 3 Physical (OE/Month)	\$7,636.00	\$8,311.00
Server H/W Services Itanium Class 1 Physical (OE/Month)	\$2,668.00	\$2,189.00
Server H/W Services Itanium Class 2 Physical (OE/Month)	\$3,645.00	\$4,527.00
Server H/W Services Itanium Class 3 Physical (OE/Month)	\$8,991.00	\$8,353.00
Server H/W Services x86 VOE Processor (vCPU/Month)	\$66.00	\$61.00
Server H/W Services x86 Class 1 Physical (OE/Month)	\$324.00	\$277.00
Server H/W Services x86 Class 2 Physical (OE/Month)	\$540.00	\$433.00
Server H/W Services x86 Class 3 Physical (OE/Month)	\$3,344.00	\$702.00
Server H/W Services SPARC Virtual Memory (GB/Month)	\$3.66	\$3.38
Server H/W Services x86 Virtual Memory (GB/Month)	\$2.36	\$2.17
Server H/W Services Itanium IVMs (OE/Month)	\$1,266.00	\$1,331.00
* Server Implementation - Standard (One Time)	\$11,877.00	\$11,877.00
* Server Implementation - Capacity Hardware Only (One Time)	\$6,976.00	\$6,976.00
* Server Implementation Converged - Physicals (One Time)	\$10,807.00	\$10,807.00
* Server Implementation Converged - OSC SPARC Virtual (One Time)	\$6,527.00	\$6,527.00
* Server Implementation Converged - x86 Virtual (One Time)	\$10,379.00	\$10,379.00

* These services are unstabilized in FY21 and FY22 and may be updated to recover actual costs.



Telecommunications Services

Key Budget Data

(\$ in millions)	FY 2020	FY 2021	FY 2022
Revenue	\$1,944.4	\$2,310.9	\$2,507.4
Expense	\$2,058.3	\$2,338.1	\$2,419.5
Net Operating Result	(\$113.9)	(\$27.3)	\$87.9
Capital Surcharge Reservation	\$32.5	\$122.4	\$96.7
Adjusted Net Operating Result	(\$146.3)	(\$149.6)	(\$8.8)
Capital Budget	\$182.3	\$144.0	\$172.2
Civilian Workyears	588	658	721
Military End Strength	13	20	20

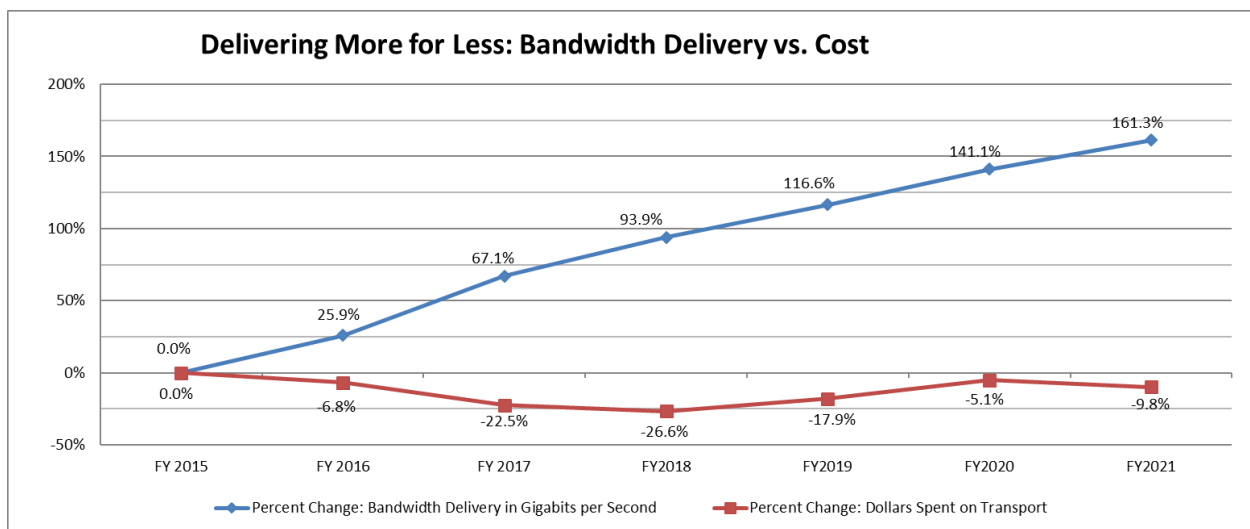
*Fiscal Year 2020 data are actual results

Costs recovered from DISN IS customers have been increased by \$10 million in DISN IS to fund PKI Increment 2, and \$2.6 million for inflation. The DISN IS rate has also been increased by \$49M to improve DISA's cash position ahead of Cloud Computing Program Office (CCPO) moving into the working capital fund in FY 2023. Budget data incorporates a phased migration approach to the Department's Fourth Estate Network Optimization initiative that consolidates commodity IT functions to the DISA as a single service provider. A capital asset surcharge will provide recovery of cash outlays associated with Fourth Estate investments. In addition, authority for making capital investments in the DISN network and cyber capabilities was realigned to the Defense Working Capital Fund from appropriated sources in FY 2020. This realignment was zero-sum at the Department level and a capital surcharge is included in FY 2021 and FY 2022 to address the cash impact of this change in financing strategy. Each of these initiatives are discussed in more detail in subsequent sections of this document.

Overview

The Telecommunications Services business area provides a set of high quality, reliable, survivable, and secure telecommunications services to meet the Department's command and control requirements. The major component of Telecommunications Services is the Defense Information Systems Network (DISN), a critical component of the Department of Defense

Information Network (DoDIN) that provides the Warfighter with essential access to timely, secure, and operationally relevant information to ensure the success of military operations. The DISN is a collection of robust, interrelated telecommunications networks that provide assured, secure, and interoperable connectivity for the Department of Defense, coalition partners, national senior leaders, combatant commands, and other federal agencies. Specifically, the DISN provides dynamic routing of voice, data, text, imagery (both still and full motion), and bandwidth services. The robustness of this telecommunications infrastructure has been demonstrated by DISA's repeated ability to meet terrestrial and satellite surge requirements in Southwest Asia while supporting disaster relief and recovery efforts throughout the world. Overall, the DISN provides a lower customer price through bulk quantity purchases, economies of scale and reengineering of current communication services. In spite of this continuing upward trend in demand, DISA has delivered transport services at an overall cost decrease to mission partners, as shown in the subsequent chart:



The previous chart compares the bandwidth delivery, including MPLS connections, to Transport costs. Since FY 2015, DISA has increased transport bandwidth delivery capacity 161.3 percent to meet customer demand. The increase is driven by internet traffic, DoD Enterprise Services, full motion video collaboration, and Intelligence, Surveillance and Reconnaissance (ISR) requirements. Over the same timeframe, transport costs associated with the physical connections between sites have decreased by -9.8 percent. Additionally, DISA has been able to keep these costs down without any degradation in service. The DISN continues to meet or exceed network performance goals for circuit availability and latency, two key performance metrics.

The table below illustrates DISA’s telecommunication service offerings and the major cost centers that support those offerings, including the layout of DISN services under the current cost center allocation:

DISN Program Element	Program Function	Program Sub-Function	Product Offering/Description
DISN INFRASTRUCTURE SERVICES	Transport	Bandwidth Management	Backbone
		Maintenance	
		Core Sustaining Activities	Warehousing
			Minor Equipment
			Installation
			Other Sustaining Activities
	IP Data Systems		
	Global Content Delivery Service (GCDS)		
	Cyber Protection	Cyber Protection Activities	Enterprise Cross Domain Services
			Network Operations of Enterprise Infrastructure
			Network Hardening
			PKI and Directories
			Secure Configuration Management
	Joint Regional Security Stacks (JRSS)		
Security and Assurance	Network Security Monitoring		
Centralized Services	Engineering and Logistics Management		
	Operational Support Services (OSS)		
	Network Support Services (NSS)		
OTHER TELECOM SERVICES	Video Services	Global Video Services (GVS)	
	Satellite Services	Commercial Satellite Services (COMSAT)	Fixed Satellite Services (FSS)
			Mobile Satellite Services (MSS)
		Enhanced Mobile Satellite Services (EMSS)	
	Voice Services	Pacific Enterprise Services - Hawaii (PES-HI)	
		Enterprise Voice Services (EVS)	
	Other Services	Organizational Messaging	
		DoD Mobility	
		DoD COOP Integrated Network (DCIN)	
		Cross Domain Services (CDS)	
		Circuit Integration Support	
		Low Speed Time Division Multiplexing (LSTDM)	
		Joint Base Customer Edge (JB-CE) Router Management	
		Customer-unique Projects	
	Fourth Estate Network Optimization (4ENO)		
	Department of Defense 365 (DoD365) Joint Tenant		
	Mission Assurance	SIPRNet DMZ	
Public Key Infrastructure (PKI) (service to other Federal Agencies)			
Security and Assurance	Cybersecurity Service Provider (CSSP) and IA Analysis		

Service Descriptions

The ***Defense Information Systems Network Infrastructure Services (DISN IS)*** represents a collection of core capabilities required to operate, maintain, and sustain the globally available DISN communications backbone infrastructure. The DISN IS cost recovery model is designed to allocate costs to mission partners based on consumption, using access circuit capacity as a proxy for measuring consumption. The circuits and associated capacity are pulled from the World-Wide Online System (WWOLS) database, which is transparent and accessible by all DoD components. Once the data is aggregated, each customer is assigned a share of the DISN IS bill based on their percent of the total capacity across all customers. The DISA analyzes consumption (as measured by access circuit capacity) quarterly and uses the average of the previous four quarters to set future DISN IS allocations. The current rate model does not count Multi-Protocol Label Switching (MPLS) connections and associated capacity as part of the allocation methodology. These connections are intentionally omitted to incentivize rapid adoption of the technology across the Department. Due to progress the Department has made in transitioning to IP infrastructure, the cost allocations have been frozen at FY 2020 levels until a new rate model, that incorporates MPLS connections, is developed and coordinated within the Department.

DISN Infrastructure Services cost elements are described below:

Transport Services provide a robust worldwide capability to transmit voice, video, data and message traffic for the Combatant Commanders, Military Departments and Defense Agencies. Transport Services provide the information transport for services described subsequently, as well as for other specialized services. Transport Services also includes the sustainment of transport and IP equipment (both Non-classified Internet Protocol Router Network (NIPR) and Secret Internet Protocol Router Network (SIPR)) at the DISN Service Delivery Nodes (SDN), management of communications backbone capacity of the DISN, and repair operations on all DISN equipment to ensure operability.

Cyber Protection activities support the DISN by designing and deploying proactive protections, deploying attack detection, and performing information assurance operations to ensure that adequate security is provided for information collected, processed, transmitted, stored, or disseminated on the Department of Defense Information Network (DODIN). These efforts include tasks associated with affording protection to telecommunications, information systems, and information technology that process sensitive and classified data as well as efforts to ensure the confidentiality, authenticity, integrity, and availability of the information and the systems. Operating costs also include providing mission partners secure access to the commercial cloud environment via the Boundary Cloud Access Point (BCAP), as well as sustainment of the Zero Day Network Defense (ZND) email capability, which detects and blocks polymorphic malware variants and other zero-day techniques at the DoD's enterprise email gateways.

Joint Regional Security Stacks (JRSS) are a suite of equipment that perform firewall functions, intrusion detection and prevention, enterprise management, virtual routing and forwarding (VRF), and provide a host of network security capabilities. By deploying JRSS, security of the network is centralized into regional architectures instead of locally distributed architectures at each military base, post, camp, or station. This allows information traversing DoD networks to be continuously monitored to ensure response

time as well as throughput and performance standards. This budget includes engineering, integration, and maintenance costs to support the full deployment of JRSS stacks.

Cloud Based Internet Isolation (CBII) transfers Internet browsing sessions from traditional desktop browsers to a secure, isolated cloud platform. The service provides enhanced network defense by isolating potential malicious code and content within the cloud platform, separating the threat from direct connections to DoD networks. This budget includes continued progress towards an enterprise-wide implementation of the CBII capability.

Security and Assurance Services enhance the security and availability of the DODIN by ensuring adherence to Information Assurance and Network Operations policies. Certain services are provided as stand-alone offerings, while others are bundled. Examples of services provided include the certification of systems, Cybersecurity Service Provider (CSSP) services, IA readiness reviews, and malware analysis.

Infrastructure Security provides Information Assurance (IA), Information Systems Security and Traditional Security support of the DISN to assure that the DISN systems and technology are secured according to the applicable security requirements, directives, and regulations.

Engineering and Logistics Management provide architecture, systems engineering and end-to-end analytical support for the DISN and its customers, resolving high priority technical issues affecting end-to-end interoperability and performance across the DISN. Additionally, these functions provide customer service request fulfillment, manage DISN and telecommunication systems release activities, and oversee worldwide deployment for all corresponding services. This also includes circuit transition efforts supporting DISN projects.

Operational Support Services includes network operations, network management, and centralized provisioning functions. Network Operations provides the trained personnel for tier I and II network support at the DISA NetOps centers located throughout the world. Network Management provides the tools necessary to automate the operations, administration, maintenance, and provisioning/engineering activities for the DISN. These same tools give network managers/monitors the capability to “see” the network in real-time, a critical capability necessary to resolve crises and other network events. Centralized provisioning provides order entry, order preparation, solution design, and service activation support.

Network Services Support includes centralized support services across the DISN programs, including contract acquisition support, mission management and operational metrics support, and workforce management support.

New DISN Infrastructure Services Cost Element

The ***DoD Secure Access File Exchange (SAFE)*** provides a secure method of transferring large files that would normally be too large to send via email (up to 8GB). This capability is now included as an enterprise service in the DISN IS.

In addition to the DISN services previously discussed, the DISA offers other reimbursable telecommunications services, as described in the following section.

Commercial Satellite Communications (COMSATCOM) services include global and regional access to commercial satellite communications for voice, data, imagery, broadcast, and teleconferencing networks in secure and non-secure modes. This includes both fixed satellite services (FSS) and mobile satellite services (MSS). COMSATCOM services are currently in the process of transitioning to the United States Air Force Space Command, per the FY 2018 National Defense Authorization Act.

Enhanced Mobile Satellite Service (EMSS) is a global mobile satellite communications system that provides secure voice, data, paging, and messaging communications capabilities to DoD, non-DoD, and foreign subscribers as needed. This program also offers the Distributed Tactical Communications System, comprised of push-to-talk voice and data services that leverage the current constellation to provide a handheld, over the horizon, beyond-line-of-sight, tactical communications solution for U.S. troops in remote locations, enabling a user to communicate with multiple users at the same time. A capital surcharge is included to recover cash outlays in preparation for EMSS transitioning to the United States Air Force Space Command, per the FY 2018 National Defense Authorization Act.

Customer-Unique Projects are initiated when DoD components request special network assistance as their missions change and/or expand. These actions are executed on a 100 percent customer reimbursable basis.

Global Video Services (GVS) provide a full suite of on-demand, high-quality assured video conference capabilities to interact visually within the NIRNet and SIPRNet. The GVS supports DoD subscribers, warfighters in the field and coalition partners worldwide. This budget includes a transition to GVS 2.0, which includes moving to a virtual infrastructure and cloud environment.

Pacific Enterprise Services – Hawaii (PES-HI) is an IP-based converged network providing voice, video, and data services to military bases in the state of Hawaii. The PES-HI reimbursable service includes the dedicated provisioning and transmission services within and between the military installations in Hawaii.

Pacific Enterprise Services – Korea (PES-K) is a partnership between the DISA and the Army to modernize the Korean DISN Transport Metropolitan Area Network. The DISA manages Army-owned encryptors and routers on a reimbursable basis.

Organizational Messaging provides a range of assured messaging and directory services between DoD and non-DoD organizations, Allies, and the intelligence community.

DoD Mobility services provide both unclassified and classified mobile communications using multiple types of devices. The DISA provides the commercial carrier gateway for both 3G and 4G network traffic to facilitate moving the commercial carrier traffic through the DISN to access user email, DoD web sites, a DoD application store, and other DoD-specific applications. Sustainment costs recovered through the DWCF are driven by customer-specific requirements, i.e. Mobile Device Management hardware, Mobile Application Store, software licenses, and 24x7 operational support.

Public Key Infrastructure (PKI) as a Service to other Federal Agencies allows Federal entities to utilize DoD's PKI infrastructure for user authentication. The service provides access credentials to support identity authentication, data integrity, and communications privacy on Secret level networks. The DISA is the National Security System (NSS)

Common Service Provider (CSP), and provides PKI service to requesting agencies on a reimbursable basis.

Security and Assurance Services enhance the security and availability of the DODIN by ensuring adherence to Information Assurance (IA) and Network Operations policies. Certain services are provided as stand-alone offerings, while others are bundled. Examples of services provided include the certification of systems, Cybersecurity Service Provider (CSSP) services, IA readiness reviews, and malware analysis.

Cross Domain Services (CDS) are responsible for enhancing security and availability of the Department of Defense Information Network (DODIN) by ensuring adherence to Information Assurance and Network Operations policies governing transfer of information between domains. Services offered on a cost reimbursable basis include Enterprise Hosted Structured File Transfer and Enterprise Hosted Web Service functions. Services related to Enterprise Cross Domain Email and Enterprise Cross Domain File Sharing are included as part of the DISN Infrastructure Services.

The ***SECRET Internet Protocol Router Network Federal Demilitarized Zone (SIPRNet FED DMZ)*** capability utilizes a federal DMZ to support capabilities for sharing information with coalition partners and United States government agencies. FED DMZ increases attack detection and decreases the probability of adversarial attack success by providing access control and filtering capabilities. Mission partners are charged based on number of connections into the FED DMZ.

The ***SWA Overseas Contingency Operations*** reflects additional circuits in Southwest Asia supporting Operation Inherent Resolve (OIR). Circuit costs supporting OIR are reimbursed separately with funding from the Military Departments.

The ***Joint Base Customer Edge Router Management Service*** provides operations and maintenance of the customer edge (CE) routers, leveraging DISA's existing contract vehicles, providing greater cost savings to the Department through economies of scale.

Fourth Estate Network Optimization (4ENO) includes the consolidation of NIPR and SIPR commodity IT services previously performed by Fourth Estate Agencies to the DISA as a single service provider beginning in FY 2020. Using a phased approach, operations, maintenance, sustainment, and investments in commodity IT requirements for Fourth Estate Agencies will be completed by DISA and provided as a managed service on a reimbursable basis. A capital surcharge will be used to recover capital 4ENO investments to support Fourth Estate Agencies' commodity IT infrastructure as they migrate to DISA as the single service provider. This effort will streamline DoD networks and support functions, standardize solution sets, remove non-core competencies from Defense Agencies and enable a mission focus, strengthen the Department's security posture, and allow for a reallocation of savings to increase lethality.

The ***Enterprise Voice Services*** portfolio provides IP-based, unclassified and classified voice capabilities supporting hard phone and soft client calling and supporting services for Combatant Commands, Services and Agencies.

Enterprise Voice over IP (EVoIP) and Enterprise Classified Voice over IP (ECVoIP) services provide global, scalable, and redundant communications solutions delivered over highly available and secure networks. Both managed and unmanaged voice over IP capabilities are available to DoD mission partners.

Enterprise Audio Conferencing (EAC) provides reservation-less teleconferencing for unclassified users. EAC bridges are distributed globally and can accommodate up to 250 participants per bridge line.

Cloud Voice over IP (CVoIP) is a new capability that provides voice connectivity for commercial and Defense Switch Network (DSN) inbound and outbound calls to the impact level 5 cloud.

New Reimbursable Telecommunications Services

The ***Department of Defense 365 (DoD365) Joint Tenant*** provides an enterprise commercial cloud service offering that will support the Department of Defense strategy to acquire and implement enterprise applications and services for joint use across the DoD, standardize cloud adoption, and enable cross-department collaboration. DoD365 Joint Tenant will provide a commercial cloud service solution for unified capabilities and is intended to aid the DoD in replacing disparate legacy enterprise information technology services for office productivity, messaging, content management, and collaboration. DISA is deploying a shared environment for Fourth Estate Agencies and Combatant Commands.

Performance Measures

The Defense Information System Network (DISN) has operating metrics tied to the Department’s strategic goals of information dominance. These operational metrics include the cycle time for delivery of data and satellite services as well as service performance objectives such as availability, quality of service, and security measures. Additionally, the Information Technology Enterprise Services Roadmap sets a DISN performance target of 99.997% operational availability at all Joint Staff-validated locations. The DISA is working to meet the intent of this guidance through the evolving Joint Information Environment architecture and by building out the network as necessary to provide a growing number of enterprise services. These categories of metrics have guided the development of the Telecommunication Services budget submission. Shown below are major performance and performance improvement measures:

SERVICE OBJECTIVE	FY 2020 Estimated Actual	FY 2021 Operational Goal	FY 2022 Operational Goal
Non-Secure Internet Protocol Router Network access circuit availability	99.78%	98.50%	98.50%
Secure Internet Protocol Router Network latency (measurement of network delay) in the continental United States	43.07 milliseconds (CONUS INTRA)	≤ 100 milliseconds	≤ 100 milliseconds
Optical Transport network availability	99.59%	99.50%	99.50%

Rates

This section provides billing rates for FY 2021 and FY 2022. The cost of contracting and acquisition support provided by the Defense Information Technology Contracting Organization (DITCO) is included as an element of price for all telecommunications services.

The *DISN Infrastructure Services* cost recovery model uses access circuit capacity as a proxy for measuring consumption; however, mission partner allocations have been held constant at FY 2020 levels in preparation for the development of a revised model that accommodates MPLS connections. The subsequent table shows the FY 2021 and FY 2022 allocation by customer. Total revenue increases from FY 2021 to FY 2022 due to inflation, to assist with DISA's cash position, and to accommodate PKI Increment 2, which supports the transition of the Token Management System, Non-Person Entity and the DISA Integration Lab.

Customer Type	Customer	Mbps	% Allocation	FY 2021	FY 2022
MILDEP	Air Force	551,441.3	34.4352%	\$371.877	\$400.235
MILDEP	Army	502,158.2	31.3577%	\$338.642	\$364.465
MILDEP	Marine Corps	47,429.8	2.9618%	\$31.985	\$34.424
MILDEP	Navy	330,776.8	20.6556%	\$223.067	\$240.077
Other DoD	Advanced Research Projects Agency	1,421.7	0.0888%	\$0.959	\$1.032
Other DoD	Defense Acquisition University	1,904.1	0.1189%	\$1.284	\$1.382
Other DoD	Defense Commissary Agency	137.6	0.0086%	\$0.093	\$0.100
Other DoD	Defense Contract Audit Agency	610.0	0.0381%	\$0.411	\$0.443
Other DoD	Defense Contract Management Agency	869.9	0.0543%	\$0.587	\$0.631
Other DoD	Defense Finance and Accounting Service	3,542.3	0.2212%	\$2.389	\$2.571
Other DoD	Defense Information Systems Agency	29,593.9	1.8480%	\$19.957	\$21.479
Other DoD	Defense Logistics Agency	25,167.0	1.5716%	\$16.972	\$18.266
Other DoD	Defense Manpower Data Center	5,316.1	0.3320%	\$3.585	\$3.858
Other DoD	Defense Media Activity	3,890.3	0.2429%	\$2.623	\$2.824
Other DoD	Defense Microelectronics Activity	46.4	0.0029%	\$0.031	\$0.034
Other DoD	Defense Security Cooperation Agency	1,065.2	0.0665%	\$0.718	\$0.773
Other DoD	Defense Security Service	285.8	0.0178%	\$0.193	\$0.207
Other DoD	Defense Technical Information Center	514.8	0.0322%	\$0.347	\$0.374
Other DoD	Defense Threat Reduction Agency	3,981.6	0.2486%	\$2.685	\$2.890
Other DoD	DoD Education Agency	51.5	0.0032%	\$0.035	\$0.037
Other DoD	DoD Inspector General	342.2	0.0214%	\$0.231	\$0.248
Other DoD	Joint Chiefs of Staff	4,901.8	0.3061%	\$3.306	\$3.558
Other DoD	Joint Service Provider	51,764.1	3.2325%	\$34.908	\$37.570
Other DoD	Defense Health Agency	15,384.3	0.9607%	\$10.375	\$11.166
Other DoD	Missile Defense Agency	10,518.2	0.6568%	\$7.093	\$7.634
Other DoD	Other	437.3	0.0273%	\$0.295	\$0.317
Other DoD	OUSD A&S	2.9	0.0002%	\$0.002	\$0.002
Other DoD	OUSD R&E	1.7	0.0001%	\$0.001	\$0.001
Other DoD	OUSD (I)	1,507.3	0.0941%	\$1.016	\$1.094
Non-DoD	Department of Commerce	91.0	0.0057%	\$0.061	\$0.066
Non-DoD	Department of Energy	318.1	0.0199%	\$0.210	\$0.226
Non-DoD	Department of Homeland Security	156.4	0.0098%	\$0.105	\$0.114
Non-DoD	Department of Justice	355.8	0.0222%	\$0.240	\$0.258
Non-DoD	Department of State	1,812.1	0.1132%	\$1.221	\$1.314
Non-DoD	Federal Aviation Administration	11.0	0.0007%	\$0.007	\$0.008
Non-DoD	Federal Bureau of Investigation	48.1	0.0030%	\$0.032	\$0.035
Non-DoD	Government Accountability Office	44.9	0.0028%	\$0.030	\$0.033
Non-DoD	National Aeronautics & Space Administration	504.2	0.0315%	\$0.340	\$0.366
Non-DoD	Nuclear Regulatory Commission	1.5	0.0001%	\$0.001	\$0.001
Non-DoD	US Coast Guard	2,980.3	0.1861%	\$2.010	\$2.163
	Total	1,601,387.6	100.0000%	\$1,079.927	\$1,162.277

Pricing for *Global Video Services (GVS)* is set annually and is based upon the proportion of multipoint control units (MCUs) and room systems aligned to each requesting agency. A room system/endpoint is an appliance on a network that can connect GVS Video Teleconferencing (VTC) via Integrated Services Digital Network (ISDN) or Internet Protocol (IP), and are typically used to provide VTC connection from small, medium, and large conference rooms. An MCU is an appliance that manages multiple GVS endpoints at once, coordinates their video data processing functions, and forwards their flow of media streams between them.

GVS Rates	FY 2020	FY 2021	FY 2022*
Air Force	\$9,232,995	\$9,774,434	TBD
Army	\$11,236,678	\$11,619,643	TBD
DISA	\$1,293,211	\$1,300,269	TBD
Marine Corps	\$380,490	\$403,532	TBD
Navy	\$844,758	\$982,962	TBD
TOTAL	\$22,934,132	\$24,080,839	TBD

*FY 2022 are not stabilized due to workload uncertainty.

Security and Assurance Services are priced using three different methodologies based on the services a customer receives:

1. DISN Infrastructure Services (DISN IS) – costs for services that benefit the entire DISN network and user community are recovered via the DISN Infrastructure Services rate.
2. Rate-based – customers are charged a specific rate for the individual service received.
3. Direct Reimbursement – costs for services performed for a specific customer, such as information assurance analysis, are recovered on a direct-reimbursable basis.

Additional detail is provided in the subsequent table:

Service	Cost Recovery Mechanism
Boundary Cyberspace Defense	DISN Infrastructure Services: Costs associated with performing Perimeter defense mission (boundary) for the DISN, Cloud, and Boundaries that benefit the entire DISN community. These costs are recovered through the DISN IS rate.
Computer Network Service Assessments	Rate-based: Customers are charged these assessments on the technical and non-technical services of a cybersecurity service provider.
System & Enclave Certification	Rate-based: Customers are charged based on the size (small, medium, large) of the enclave/system being certified.
Information Assurance (IA) Analysis	Direct Reimbursement: Customers can choose from a number of IA Analysis services offered, and are charged the actual cost of providing the analysis.
Cybersecurity Service Provider (CSSP) Services	Rate-based: Customers subscribe to a subscription package based on their environment and can, in some cases, opt for available add-on services.

The subsequent table shows the monthly rate per device for *DoD Mobility* as an enterprise service. The rate recovers costs for enterprise-level mobile communications services which ensure interoperability, increased security, and access to information. The Mobility service is currently offered at the unclassified, secret, and top secret levels. The Windows Data at Rest for Secret (WINDAR-S) is a new rate-based offering in FY 2021 and provides a mobile SIPR Windows desktop experience that offers users access to a suite of productivity tools and capabilities at the Secret level.

DoD Mobility Rates	FY 2020	FY 2021	FY 2022*
Unclassified Device	\$4.31	\$4.40	TBD
SIPR Device	\$59.05	\$60.23	TBD
Top Secret Device	\$59.05	\$60.23	TBD
WINDAR – SIPR	--	\$230.83	TBD

*FY 2022 are not stabilized due to workload uncertainty.

The table below shows the fee for new filter development, new customer pre/post deployment, and the rate per active filter for *Cross Domain Services*. New filter implementation recovers the cost to develop, certify and deploy new filters for Structured File Transfer and Web Service functions and is a one-time fee per new filter. The monthly service fee covers cross domain technology assessment, security policy enforcement, certification, accreditation and revalidation support, configuration management, help desk support, and life cycle replacement.

Cross Domain Rates	FY 2020	FY 2021	FY 2022*
New Filter Implementation	\$187,667	\$187,667	TBD
Monthly Sustainment	\$6,155	\$6,155	TBD

*FY 2022 are not stabilized due to workload uncertainty.

DISA charges a standard rate for all *Commercial Satellite Services* procured on behalf of mission partners. The rate recovers program management and contracting and acquisition costs associated with delivering both Fixed Satellite Services and Mobile Satellite Services.

Commercial Satellite Services Rates	FY 2020	FY 2021	FY 2022*
Standard Rate	5.31%	5.31%	TBD

*FY 2022 are not stabilized due to workload uncertainty.

The *Enterprise Voice Services* are delivered to DoD mission partners based on a monthly rate per service offering. Prior to FY 2021, Enterprise Voice Services were included in the overall price of the DISN Infrastructure Services. These capabilities have been removed from the DISN IS in order to more accurately allocate the cost of delivering each voice service to the DoD mission partners utilizing the services.

Enterprise Voice Services Monthly Rates	FY 2020	FY 2021	FY 2022*
EVoIP/ECVoIP Managed (per account)	--	\$24.00	\$24.00
EVoIP Basic (per subscribed concurrent calls)	--	--	\$23.37
VoSIP (per subscribed phone number)	--	--	\$2.34
Enterprise Audio Conferencing (per bridge line)			
40 User Bridge	--	--	\$11.09
41-100 User Bridge	--	--	\$27.73
101+ User Bridge	--	--	\$69.33
Cloud Voice over IP	--	\$10.70	\$10.70

*FY 2022 prices are unstabilized, pending validation of workload by mission partners.



Enterprise Acquisition Services

Key Budget Data

(\$ in millions)	FY 2020	FY 2021	FY 2022
Revenue	\$4,874.8	\$5,104.3	\$5,352.4
Expense	\$4,897.0	\$5,118.7	\$5,362.8
Net Operating Result	(\$22.2)	(\$14.5)	(\$10.4)
Capital Surcharge Reservation	\$0.0	\$0.0	\$0.0
Adjusted Net Operating Result	(\$22.2)	(\$14.5)	(\$10.4)
Capital Budget	\$2.5	\$4.5	\$3.4
Civilian Workyears	675	698	737
Military End Strength	1	1	1

*Fiscal Year 2020 data are actual results

Overview

The Enterprise Acquisition Services business area is the Department's ideal source for procurement of best-value and commercially competitive information technology. Enterprise Acquisition Services provides contracting services for information technology and telecommunications acquisitions from the commercial sector and provides contracting support to the DISN programs, as well as to other DISA, DoD, and authorized non-Defense customers. These contracting services are provided through the DISA's Defense Information Technology Contracting Organization (DITCO) and include acquisition planning, procurement, tariff surveillance, cost and price analyses, and contract administration. These services provide end-to-end support for the mission partner.

Service Descriptions

Standard Contracting Services are provided by DISA's Defense Information Technology Contracting Organization (DITCO), which provides contracting services for the Defense Information System Network (DISN), Computing Services, and a wide range of other DoD programs that require information technology contracting and contract management services. The DITCO also establishes large contract vehicles available to the DoD for essential IT services

such as cyber security, information assurance, engineering, hardware, equipment, software integration and support, DISN access, and Non-DISN telecommunications circuits. All standard contracting services ordered by mission partners are provided on a 100 percent reimbursable basis, plus a fee-for-service to recover operating costs. The fee for standard IT contracting services remains unchanged in FY 2022 at 2.25% and the fee for telecommunications contracting services increases to 2.75% in FY 2022 to recover ordering and provisioning costs associated with telecommunications contracts.

Joint Enterprise License Agreements provide economies of scale to the DoD when purchasing software licenses. The DISA has assumed a large business volume with relatively small contracting costs, which allows DISA to offer this service at a rate lower than the standard DITCO fee-for-service. Customers are charged a 0.25 percent rate for utilizing these agreements.

Performance Measures

The following performance measures apply for Enterprise Acquisition Services (EAS):

SERVICE OBJECTIVE	FY 2020 Estimated Actual	FY 2021 Operational Goal*	FY 2022 Operational Goal*
Percent of total eligible contract dollars competed	82.5%	73.00%	73.00%
Percent of total eligible contract dollars awarded to small businesses	23.38%	28.00%	28.00%

*FY 2021 and FY 2022 goals for percent of total eligible contract dollars competed are estimates based on the released FY 2020 goal. Defense Pricing and Contract (DPC) or Industrial Policy (IP) has not yet released the goals.

Rates

Contracts awarded by the DITCO are provided on a 100 percent reimbursable basis. The cost of operations for the DITCO is recovered by charging mission partners a fee-for-service in addition to their direct vendor-provided contract cost. The fee-for-service for each contract type is provided in the subsequent table.

Contracting Rates	FY 2020	FY 2021	FY 2022
Standard IT Contracting Fee-for-Service	2.25%	2.25%	2.25%
Telecommunications Contracting Fee-for-Service	2.25%	2.25%	2.75%
Joint Enterprise License Agreements (JELAs)	0.25%	0.25%	0.25%
JELA Decentralized Ordering Fee	0.10%	0.10%	0.10%

Major Changes between Fiscal Years

Cost of Operations

(\$ in millions)	FY 2020	FY 2021	FY 2022
FY 2021 President's Budget	\$7,685.3	\$7,810.6	-
FY 2022 Current Estimates	\$7,898.9	\$8,490.3	\$8,847.4
Change FY 2021 President's Budget to Current Estimate	-	\$679.7	-
Change FY 2021 Current Estimate to FY 2022 Current Estimate	-	-	\$357.1

FY 2021 President's Budget Submission to FY 2021 Current Estimates

The total cost of operations for the *Information Services Activity Group* increases by \$679.7 million from the FY 2021 President's Budget. This is primarily driven by a \$699.9 million increase in the projected value of pass-through contracts awarded by the Defense Information Technology Contracting Organization (DITCO) due to increased customer demand. This submission also includes a re-phasing of civilian and contractor labor required to support DISA Computing Services (+\$40.2 million), onboarding of Fourth Estate Agencies to the Global Service Desk in accordance with DoD IT reform initiatives (+\$35.6 million), and dual operations for the Global Content Delivery Service (GCDS) contract re-compete (+\$14.9 million). Costs within the DISN Infrastructure Services increase to support customer demand for DISN bandwidth and services (+\$26.8 million), implementation of Microsoft Express Routes to enable the Department's utilization of MS cloud capabilities (+\$5.3 million), and implementation of Raise-the-Bar compliance for Cross Domain Services (+\$7.1 million). This budget also transitions the Defense Enterprise Office Solution (DEOS) service to the Defense Working Capital Fund (+\$15.0 million). Other increases in support costs total \$2.4 million.

These increases are partially offset by a reduction in the projected cost of delivering DoDNet services to align with the Fourth Estate migration schedule (-\$74.3 million) and a re-estimation of customer workload for reimbursable Computing Services, Telecommunications Services and Cloud Computing service offerings (-\$76.8 million). In addition, this budget includes projected savings of \$16.5 million from a transition to a new contract providing operation, defense, and sustainment of the DISN.

FY 2021 Current Estimate to FY 2022 Current Estimate

The total cost of operations for the *Information Services Activity Group* increases by +\$357.1 million from the FY 2020 Current Estimate to the FY 2021 Current Estimate, which includes an inflationary increase of +\$161.1 million. Programmatic changes are primarily driven by a +\$152.9 million increase in the projected value of pass-through contracts awarded by the Defense Information Technology Contracting Organization (DITCO) and associated support services. This budget also includes the expansion of new services implemented in FY 2021 (i.e.

Cloud Based Internet Isolation (+\$8.1 million) and Defense Enterprise Office Solution (+\$4.7 million) and the addition of new services/capabilities in FY 2022; (i.e. Defense Collaboration Service (+\$23.1 million), Defense Enterprise Identity Credential and Access Management (+\$22.5 million) and the transition of PKI Increment II from NSA to DISA (+\$10 million)). Depreciation expense associated with DISN technology refreshment increases by +\$28.6 million. Other increases include phasing of civilian labor supporting delivery of Computing Services (+\$7.2 million), expansion of Boundary Cloud Access Points to Outside the Continental United States (+\$4.9 million), increased cost of contracting services to support growing customer workload (\$2.8 million), changes in customer workload for Computing Services (+\$2.6 million), and other adjustments to support costs (+\$4.6 million).

These increases are partially offset by the following efficiencies: reduction in Computing Services capacity contracts (-\$19.4 million); completion of dual operations for the Global Content Delivery Service (-\$19.3 million); transition to a new contract providing operation, defense, and sustainment of the DISN (-\$15.7 million); completed transition to new infrastructure for Global Video Services (-\$5.0 million); consolidation to a single Mobile Device Management infrastructure (-\$3.0 million); further divestment of the legacy Low Speed TDM (LSTDM) technology (-\$2.4 million), and other DISN infrastructure services efficiencies (-\$11.1 million).

Capital Investment Program

(\$ in millions)	FY 2020	FY 2021	FY 2022
Equipment	\$0.0	\$0.0	\$0.0
ADPE and Telecom	\$203.1	\$172.9	\$209.5
Software	\$25.6	\$16.7	\$7.4
Minor Construction	\$0.9	\$3.5	\$3.1
Total Program Authority	\$229.6	\$193.1	\$220.0
FY 2021 President's Budget	\$290.9	\$204.8	-
Change FY 2021 President's Budget to Current Estimates	-	(\$11.7)	-
Change FY 2021 Current Estimate to FY 2022 Current Estimate	-	-	\$26.9

*Fiscal Year 2020 data are actual results

FY 2021 President's Budget Submission to FY 2021 Current Estimates

Total capital investment obligation authority decreases by \$11.7 million from the FY 2021 President's Budget. The decrease is primarily due to reductions in investment requirements for Perimeter Defense, Enhanced Mobile Satellite Services, and Datacenter facilities equipment. Software offsets part of this increase due to the need to shift the Mainframe Multi-Host Internet Access Protocol (MIAP) and IBM Software Modernization projects from FY20 into FY21.

FY 2021 Current Estimate to FY 2022 Current Estimate

The FY 2022 capital investment program increases by \$26.9 million from FY 2021 primarily due to the increase of requirements for the DISN Tech Refresh project, which is partially offset by a decrease in software requirements for Computing Services.

Civilian Personnel

(\$ in millions)	FY 2020*	FY 2021	FY 2022
Civilian End Strength	3,162	3,335	3,475
Civilian Full Time Equivalents	2,916	3,170	3,318
Civilian Labor Cost	\$429.6	\$457.3	\$489.6

*Fiscal Year 2020 data are actual results

Civilian labor requirements increase by +254 full-time equivalents (FTEs) from FY 2020 to FY 2021. This increase is primarily driven by filling of vacancies required to support delivery of Computing Services and hiring to support onboarding of Fourth Estate Agencies to the Global Service Desk and DoDNet services as part of the Fourth Estate Network Optimization reform initiative.

Civilian labor requirements increase by +148 FTEs from FY 2021 to FY 2022. This is primarily driven by additional FTEs required to support migration of Fourth Estate Agencies to DoDNet services, filling of additional vacancies required to support delivery of Computing Services, and hiring to support increased workload for the Defense Information Technology Contracting Organization (DITCO).

Military Personnel

(\$ in millions)	FY 2020	FY 2021	FY 2022
Military End Strength	19	27	27
Military Labor Cost	\$3.9	\$2.7	\$2.7

Changes in military end strength are driven by the three-year average fill rate, which determines reimbursement to the military personnel accounts.

Changes in the Costs of Operations
Defense Information Systems Agency
INFORMATION SERVICES ACTIVITY GROUP
May 2021
(Dollars in Millions)

FY 2020	Actual	7,898.965
FY 2021	Estimate in FY 2021 President's Budget	7,810.646
	<i>Program Changes:</i>	
	Increase in the projected value of pass-through contracts awarded by the Defense Information Technology Contracting Organization (DITCO)	699.881
	Re-phasing of civilian and contract labor required to support DISA Computing Services due to filling of vacancies at a higher pace than initially planned	40.217
	Onboarding of Fourth Estate Agencies to the Global Service Desk in accordance with DoD IT reform initiatives	35.605
	Increased cost of operating and maintaining DISN transport infrastructure due to continued increase in customer demand for DISN bandwidth and services	26.802
	Addition of the Department of Defense 365 (DoD365) service to the Defense Working Capital Fund, providing an enterprise commercial cloud solution for common communication, collaboration and productivity	15.000
	Projected dual operations for Global Content Delivery Service (GCDS) contract recompet	14.947
	Increased cost of Cross Domain Services for Raise the Bar (RTB) compliance and point-to-point migrations	7.064
	New requirement for Microsoft Express Routes to enable the Department's utilization of MS cloud capabilities	5.349
	Updated cost of delivering DoDNet Services to align with Fourth Estate migration schedule	(74.293)
	Re-estimation of customer workload for reimbursable Computing Services and Telecommunications Services	(64.762)
	Projected savings from transition to a new a contract providing the operation, defense, and sustainment of the Defense Information Systems Network (DISN)	(16.485)
	Reduced workload projections for DISA cloud service offerings (milCloud 2.0, Secure Cloud Computing Architecture (SCCA), and Cloud Storage)	(12.029)
	Adjustments to other support costs	2.353
FY 2021	Current Estimate	8,490.295

Exhibit Fund 2, Changes in the Costs of Operations

Changes in the Costs of Operations
Defense Information Systems Agency
INFORMATION SERVICES ACTIVITY GROUP
May 2021
(Dollars in Millions)

FY 2021	Current Estimate	8,490.295
	<i>Pricing Adjustments:</i>	
	Non-Labor Inflation	150.727
	Civilian/Military Pay Raise	9.237
	Annualization of Civilian/Military Pay Raise	1.159
	<i>Program Changes:</i>	
	Increase in the projected value of pass-through contracts awarded by the Defense Information Technology Contracting Organization (DITCO)	152.878
	Increased depreciation cost for the DISN Technology Refresh functional transfer from DISA PROC, D-W, to DWCF Capital Investment Program (CIP)	28.589
	Addition of the Defense Collaboration Service (DCS) to the Defense Working Capital Fund	23.073
	Addition of a new DWCF service offering, Defense Enterprise Identify Credential and Access Management (ICAM)	22.500
	Transition of PKI Increment II capabilities from NSA to DISA for sustainment	10.000
	Additional software licenses required to deploy the Cloud Based Internet Isolation (CBII) capability to the global DoD end-users	8.133
	Phasing of civilian labor supporting delivery of Computing Services	7.232
	Expansion of the Boundary Cloud Access Point (BCAP) capability to Outside the Continental United States (OCONUS)	4.862
	Projected increase in the cost to deliver the DoD365 Joint Tenant due to customer adoption	4.700
	Increased cost of contracting services to support growing customer workload	2.806
	Re-estimation of customer workload for reimbursable Computing Services and Telecommunications Services	2.554
	Reduction in Computing capacity services contracts primarily due to the completion of one-time technology refreshment	(19.378)
	Projected savings for Global Content Delivery Service (GCDS) contract re-compete and completion of dual operations	(19.301)
	Additional savings from transition to a new a contract providing the operation, defense, and sustainment of the Defense Information Systems Network (DISN)	(15.651)
	Efficiencies in the cost of operating, maintaining, and securing the DISN infrastructure services	(11.146)
	Savings from completing the transition to new infrastructure for Global Video Services	(5.043)
	Savings from consolidation to a single Mobile Device Management (MDM) infrastructure	(3.000)
	Projected decrease in the cost of Low Speed TDM (LSTD) as the DoD divests from the legacy technology	(2.442)
	Adjustments to other support costs	4.652
FY 2022	Current Estimate	8,847.436

Source of New Orders and Revenue
Defense Information Systems Agency
INFORMATION SERVICES ACTIVITY GROUP
May 2021
(Dollars in Millions)

	2020	2021	2022
1. New Orders			
a. ORDERS FROM DoD COMPONENTS	\$7,049.339	\$7,709.441	\$8,192.165
ARMY APPROPRIATED	\$2,230.143	\$2,457.927	\$2,575.530
Army O&M	\$2,199.955	\$2,422.068	\$2,540.082
Army RDT&E	\$26.379	\$29.480	\$29.001
Army Procurement	\$3.809	\$6.379	\$6.447
Army MILCON	\$0.000	\$0.000	\$0.000
Army BRAC	\$0.000	\$0.000	\$0.000
NAVY APPROPRIATED	\$610.961	\$642.235	\$676.807
Navy O&M	\$569.611	\$593.954	\$627.182
Navy RDT&E	\$4.959	\$10.971	\$11.490
Navy Procurement	\$35.588	\$35.574	\$36.351
Navy MILCON	\$0.803	\$1.736	\$1.784
Navy BRAC	\$0.000	\$0.000	\$0.000
MARINE CORPS APPROPRIATED	\$165.737	\$207.117	\$219.668
Marine Corps O&M	\$165.737	\$207.117	\$219.668
Marine Corps RDT&E	\$0.000	\$0.000	\$0.000
Marine Corps Procurement	\$0.000	\$0.000	\$0.000
Marine Corps MILCON	\$0.000	\$0.000	\$0.000
Marine Corps BRAC	\$0.000	\$0.000	\$0.000
AIR FORCE APPROPRIATED	\$1,164.751	\$1,270.966	\$1,319.709
AF O&M	\$1,150.337	\$1,251.935	\$1,303.438
AF RDT&E	\$11.875	\$16.012	\$16.251
AF Procurement	\$2.539	\$3.019	\$0.020
AF MILCON	\$0.000	\$0.000	\$0.000
AF BRAC	\$0.000	\$0.000	\$0.000
DISA APPROPRIATED	\$2,295.268	\$2,411.522	\$2,616.863
DISA O&M	\$1,702.362	\$1,797.513	\$1,990.480
DISA RDT&E	\$1.904	\$1.162	\$1.201
DISA Procurement	\$590.987	\$612.847	\$625.182
DISA MILCON	\$0.015	\$0.000	\$0.000
DISA BRAC	\$0.000	\$0.000	\$0.000
DEFENSE WIDE APPROPRIATED	\$449.367	\$592.592	\$616.751
Defense Wide Appropriated O&M	\$431.189	\$563.914	\$593.770
Defense Wide Appropriated RDT&E	\$7.627	\$17.284	\$17.849
Defense Wide Appropriated Procurement	\$10.551	\$11.394	\$5.132
Defense Wide Appropriated MILCON	\$0.000	\$0.000	\$0.000
Defense Wide Appropriated BRAC	\$0.000	\$0.000	\$0.000

Exhibit Fund 11 - Source of New Orders and Revenue

**Source of New Orders and Revenue
Defense Information Systems Agency
INFORMATION SERVICES ACTIVITY GROUP
May 2021
(Dollars in Millions)**

	2020	2021	2022
OTHER DoD APPROPRIATED	\$133.112	\$127.082	\$166.837
Other DoD Appropriated O&M	\$133.112	\$126.897	\$166.541
Other DoD Appropriated RDT&E	\$0.000	\$0.185	\$0.296
Other DoD Appropriated Procurement	\$0.000	\$0.000	\$0.000
Other DoD Appropriated MILCON	\$0.000	\$0.000	\$0.000
Other DoD Appropriated BRAC	\$0.000	\$0.000	\$0.000
b. ORDERS FROM DWCF/REVOLVING FUNDS	\$507.020	\$551.347	\$578.266
ARMY - WCF	\$34.917	\$42.933	\$44.922
Army Industrial Operations	\$34.917	\$42.933	\$44.922
NAVY - WCF	\$80.898	\$77.565	\$79.965
Navy Depot Maintenance	\$3.659	\$3.533	\$3.717
Navy Base Support	\$0.985	\$0.844	\$0.884
Navy Supply Management	\$3.909	\$12.535	\$13.174
Marine Corps Supply	\$0.026	\$0.000	\$0.000
Marine Corps Depot Maintenance WCF	\$0.025	\$0.056	\$0.059
Other Navy Activity Groups	\$72.294	\$60.597	\$62.131
AIR FORCE - WCF	\$42.287	\$49.205	\$51.610
Consolidated Sustainment Activity Group (CSAG)	\$11.957	\$12.311	\$13.332
US Transportation Command (TRANSCOM)	\$30.330	\$36.894	\$38.278
DEFENSE WIDE WCF	\$261.347	\$289.885	\$307.909
DISA Telecomm Svcs/Ent Acquisition Svcs (TS/EAS)	\$0.000	\$0.000	\$0.000
DISA Computing Services (CSD)	\$0.000	\$0.000	\$0.000
Defense Finance and Accounting Service (DFAS)	\$109.740	\$133.294	\$143.975
DLA Energy Management	\$0.000	\$0.000	\$0.000
DLA Defense Automated Printing Services (DAPS)	\$0.000	\$0.000	\$0.000
DLA Supply Chain Management	\$151.607	\$156.591	\$163.934
DEFENSE COMMISSARY AGENCY (DECA)	\$50.246	\$52.889	\$54.022
DECA Commissary Operations	\$50.246	\$52.889	\$54.022
DECA Commissary Resale	\$0.000	\$0.000	\$0.000
Other - Working Capital	\$0.054	\$0.304	\$0.362
OTHER REVOLVING FUNDS	\$37.271	\$38.566	\$39.476
Corps of Engineers	\$37.271	\$38.566	\$39.476
National Defense Stockpile Transaction Fund	\$0.000	\$0.000	\$0.000
Pentagon Reservation Maintenance Revolving Fund	\$0.000	\$0.000	\$0.000
c. TOTAL DoD ORDERS	\$7,556.359	\$8,260.788	\$8,770.431

Exhibit Fund 11 - Source of New Orders and Revenue

Source of New Orders and Revenue
Defense Information Systems Agency
INFORMATION SERVICES ACTIVITY GROUP
May 2021
(Dollars in Millions)

	2020	2021	2022
d. OTHER ORDERS	\$130.147	\$201.269	\$205.573
OTHER FEDERAL AGENCIES	\$46.111	\$124.301	\$126.885
TRUST FUNDS	\$65.339	\$68.297	\$69.483
NON-FEDERAL ORDERS	\$0.002	\$0.000	\$0.000
FOREIGN MILITARY SALES	\$18.695	\$8.671	\$9.205
TOTAL NEW ORDERS	\$7,686.506	\$8,462.057	\$8,976.004
2. Carry In Orders	\$0.000	\$0.000	\$0.000
3. TOTAL GROSS ORDERS	\$7,686.506	\$8,462.057	\$8,976.004

Exhibit Fund 11 - Source of New Orders and Revenue

Revenue and Expenses
Defense Information Systems Agency
INFORMATION SERVICES ACTIVITY GROUP
May 2021
(Dollars in Millions)

	2020	2021	2022
Revenue			
Gross Sales	\$7,686.506	\$8,462.057	\$8,976.004
Operations	\$7,643.661	\$8,376.652	\$8,863.339
Capital Surcharge	\$0.000	\$0.000	\$0.000
Capital Investment Recovery (CIR)	42.845	85.405	112.665
Other Income	\$0.000	\$0.000	\$0.000
Refunds/Discounts (-)	\$0.000	\$0.000	\$0.000
Total Income:	\$7,686.506	\$8,462.057	\$8,976.004
Costs			
Cost of Material Sold from Inventory	\$0.000	\$0.000	\$0.000
Salaries and Wages:	\$433.551	\$459.925	\$492.320
Military Personnel Compensation & Benefits	\$3.992	\$2.674	\$2.674
Civilian Personnel Compensation & Benefits	\$429.559	\$457.251	\$489.646
Travel & Transportation of Personnel	\$3.047	\$7.345	\$8.638
Materials & Supplies (For internal Operations)	\$94.010	\$31.319	\$31.915
Equipment	\$0.000	\$1.099	\$1.100
Other Purchases from Revolving Funds	\$14.106	\$15.049	\$15.250
Transportation of Things	\$0.436	\$0.676	\$0.660
Capital Investment Recovery	42.845	85.405	112.665
Printing and Reproduction	\$0.875	\$0.809	\$0.809
Advisory and Assistance Services	\$11.920	\$14.434	\$14.535
Rent, Comm, Utilities, & Misc. Charges	2,075.143	2,157.774	2,195.946
Other Purchased Services	\$5,223.032	\$5,716.460	\$5,973.598
Total Costs	\$7,898.965	\$8,490.295	\$8,847.436
Operating Results	(212.459)	(28.238)	128.568
Less Capital Surcharge Reservation	\$32.463	\$122.358	\$96.736
Less Recover Other	\$0.000	\$0.000	\$0.000
+ Passthrough or Other App. Affecting NOR			
- Passthrough or Other App. not Affecting NOR			
Other Adjustments Affecting NOR	\$1.112	\$0.000	\$0.000
Net Operating Results	(\$243.810)	(\$150.596)	\$31.832
Prior Year AOR	\$406.765	\$162.955	\$12.359
Other Changes Affecting AOR	\$0.000	\$0.000	\$0.000
Total AOR	\$162.955	\$12.359	\$44.191
Retained AOR	\$0.000	\$0.000	\$44.191
Cumulative Retained AOR	\$0.000	\$0.000	\$44.191
AOR for Budget Purposes	\$162.955	\$12.359	\$0.000

Exhibit Fund 14 - Revenue and Expenses

DEFENSE LOGISTICS AGENCY

FISCAL YEAR (FY) 2022
BUDGET ESTIMATES



MAY 2021

DEFENSE-WIDE WORKING
CAPITAL FUND

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund (DWWCF)
Supply Chain Management Activity Group
Fiscal Year (FY) 2022 Budget Estimates
May 2021

FUNCTIONAL DESCRIPTION

The Defense Logistics Agency (DLA) Supply Chain Management (SCM) Activity Group provides \$30.1 billion in goods and services from initial purchase of DLA materiel to distribution and storage and then reutilization or disposal. The Defense Logistics Agency SCM Activity Group is broken into three business segments: DLA Materiel Supply Chains (MSCs), DLA Distribution, and DLA Disposition Services. Costs associated with these business segments include operations (salaries and expenses), materiel (items sold), and capital investments (purchase of equipment, software development and minor construction).

- DLA MSCs manage approximately 5.6 million consumable items and respond to customer orders from the Military Services, Federal Agencies, non-federal Agencies and Partner Nations and Allies, as well as supporting Humanitarian Assistance and Disaster Relief efforts. The DLA MSCs consist of supply chains within DLA Troop Support, DLA Aviation, and DLA Land and Maritime.



operational
ration items, most notably the "Meals Ready-to-Eat."

DLA Troop Support Subsistence Supply Chain

Class I) is the primary source for over 62,000 subsistence items including fresh fruits and vegetables (frozen, chilled, and dry), field feeding equipment such as modular kitchens and kitchen trailers, food service equipment, and



DLA Troop Support Clothing and Textiles Supply Chain (Class II) is the primary source for 54,000 items, providing world-class integrated logistics solutions for clothing, individual equipment and textile items to Warfighters and Emergency Responders.



DLA Troop Support Construction and Equipment (C&E) Supply Chain (Class IV and VII) gives our Armed Forces and other Federal Agencies a source for 286,000 essential products and associated services. DLA C&E supplies items for force protection, safety and rescue, fire and emergencies, storage, heating, ventilating and air conditioning, plumbing, heavy equipment, metals and lumber, imaging and telecommunication devices, targets for training, and automated data processing (ADP) equipment and supplies.



DLA Troop Support Medical Supply Chain (Class VIII) is the primary source for 2.1 million medical items for Military Service Members, active and retired, and their dependents. Items include pharmaceuticals, medical/surgical supplies, instruments and services, equipment, and other health care items. The Medical Supply Chain's fastest growing segment is the Electronic Catalog for military medical materiel. The Medical Supply Chain is continuously adding product lines in the orthopedic, cardiovascular and spinal areas, in coordination with DLA customers. In the Pharmaceutical area, beneficiaries are moving away from traditional venues of obtaining medication (commercial outlets) in favor of the Defense Health Agency "Home Delivery" (mail order) Program supported by the Medical Supply Chain. In addition, DLA Medical continues to receive substantially large orders in support of US allies in the United States Central Command (CENTCOM) and European Command Theaters of Operation.



DLA Troop Support Industrial Hardware (IH) Supply Chain (Class IX) is the source for 470,000 various consumable hardware items such as nuts, bolts, screws, nails, studs, locks, gaskets, washers, pins, O-rings, and provides retail replenishment services at major overhaul activities.



DLA Aviation Supply Chain is the primary source for 1.6 million Aviation consumable parts and operating supply items supporting 1,879 weapons systems. DLA Aviation provides Class IX repair parts and components including engine and airframe components, flight safety equipment, electrical components, lighting, bearings, commodities, and cables. Additional services include providing the military services with maps, environmental products, packaged petroleum, industrial gases and industrial plant equipment services. Furthermore, DLA Aviation provides logistical services at six industrial supply activities and procures depot-level reparable at five locations across the United States.



DLA Land and Maritime Supply Chains are the primary sources for over 2.0 million repair parts and operating supply items supporting more than 1,879 weapons systems. Additionally, DLA Land and Maritime provides product testing and engineering and technical support to the Military Services. DLA Land and Maritime also supports Navy Surface and Subsurface, Army, and Marine Corps customers through dedicated customer relations with numerous suppliers to fulfill requirements for assigned stock classes across the Department of Defense (DoD). Furthermore, DLA Land and Maritime provides logistical services directly to Navy, Army and Marine Corps industrial sites, and depot level-reparable.

- **DLA Distribution Supply Chain** is responsible for the global distribution and warehousing of Military Service and DLA materiel. Major customers are the Supply Management Activity Groups of the Military Services, other federal agencies, and DLA. The Distribution network consists of 24 distribution centers strategically located throughout the world and provides logistics planning and contingency operation capabilities to the DoD.

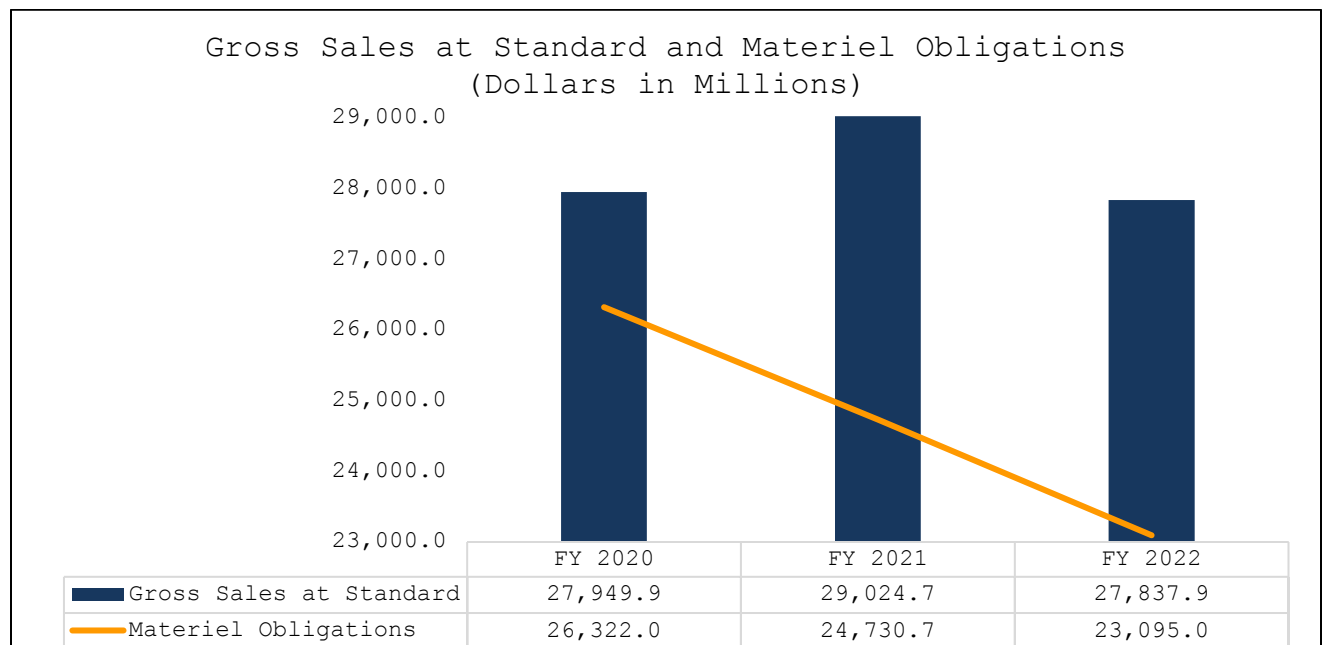
- **DLA Disposition Services** is responsible for the reuse, or reutilization, of excess and surplus property within the DoD. If property is not reutilized, it is made available for transfer to other Federal Agencies. Remaining property becomes surplus and is made available for donations to authorized State Agencies and charitable organizations. Property that cannot be reutilized may be offered for competitive sale to the public, recycled, or disposed. DLA Disposition Services also performs other vital DoD missions, such as scrap metal recovery, demilitarization (DEMIL), and hazardous waste disposal.

BUDGET HIGHLIGHTS

WORKLOAD

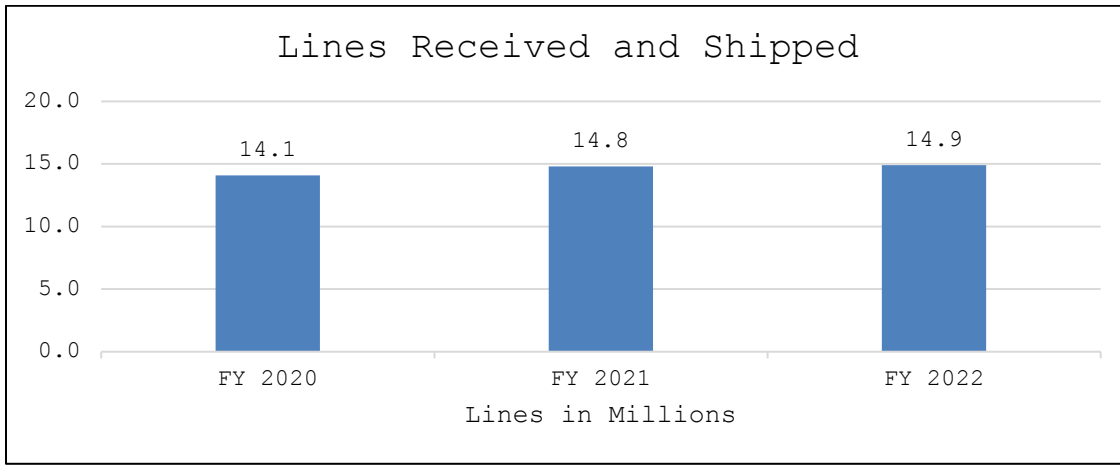
DLA Materiel Supply Chains (MSCs): Projecting workload is the basis for budget development. DLA MSCs consider a number of factors including enterprise and supply chain specific assumptions and planning sessions with the Logistics Professionals from the Military Services.

The purchasing decisions that DLA will make in FY 2022 affect materiel availability and revenues in FY 2022 as reflected in the table below. DLA continuously assesses its demand assumptions as part of its demand planning summits. DLA also strives to maximize materiel availability in support of Military Services readiness while balancing cash solvency.



DLA Distribution: Materiel receipts, issues and storage space occupied are the major workload measures for DLA Distribution.

Receipts and Issues: Processing workload projections are based on the regression analysis of prior and current year actual DLA direct sales and processing workload applied to future sales estimates. Workload is depicted in number of lines processed. Workload is projected to increase from FY 2020 through FY 2021 and increases slightly in FY 2022 as displayed in the following chart:



Storage: Storage workload projections are based on the prior and current year actual data. There are projected reductions in storage workload for both covered and open categories. These reductions are primarily due to decreased tactical storage requirements for the Army.

PB 2022 Storage Workload (Cubic Feet in Millions)	FY 2020	FY 2021	FY 2022
Covered Storage Space	41.4	39.9	39.5
Open Storage Space	36.8	32.8	32.0
Specialized Storage Space	2.7	2.7	2.7
Totals	80.9	75.4	74.2

DLA Disposition Services: The number of line items and acquisition value represent the two workload measures. Workload line items (which include DLA Disposition Services work performed by DLA Distribution) and corresponding acquisition value are expected to hold relatively steady from FY 2020 through FY 2022 as provided in the following table:

	FY 2020	FY 2021	FY 2022
Line Items in Millions	2.9	3.0	3.0
Acquisition Value (Dollars in Billions)	\$28.3	\$29.3	\$29.3

PRICING

DLA Materiel Supply Chains: The OP-32 Price Change to Customer represents the change in price at the item level affected by both price and program changes in the customer budget. Changes in customer price are driven by factors such as: inflation, basic costs incurred to procure, store, and ship items to the customer, and prior year operating results.

The Cost Recovery Rate (CRR) represents the amount added to the cost of an item to recover costs associated with purchasing and selling supplies to the customer. These costs include operating costs such as payroll, shipping, storage, and cataloging as well as recovery or return of prior year operating results and any necessary capital or cash surcharges.

The table below displays the DoD approved OP-32 Price Change to Customers and CRR's for FY 2020, FY 2021, and FY 2022.

Pricing	PB 20 FY 2020	PB 21 FY 2021	PB 22 FY 2022
OP-32 Price Changes to Customers	0.0%	(0.3)%	1.2%
Cost Recovery Rate	11.4%	11.3%	11.2%

The DLA continues to fully establish retail integration, and provide logistical support to Depot Level Repairable (DLR) and Supply, Storage, and Distribution (SS&D) sites. DLA assumed responsibility for procurement of DLR items in FY 2011 from the Military Services as well as managing many of the SS&D functions at the Services' industrial sites.

DLR: The DLR initiative is a rate-based reimbursement method developed by a joint service Integrated Product Team (IPT) to ensure an agreed upon process that addresses changes in workload and provides transparency to the bill payer. DLA develops a billable hourly rate-based reimbursement to recover DLA labor and non-labor costs of DLR procurement actions as shown in the following table:

	FY 2020 Hourly Rates	FY 2021 Hourly Rates	FY 2022 Hourly Rates
Army	\$71.02	\$71.55	\$73.90
Navy	\$64.18	\$68.11	\$69.60
Air Force	\$71.47	\$72.26	\$73.31
Marine Corps	\$65.89	\$54.24	\$55.38

SS&D: DLA implemented the Local Recovery Rate (LRR) at the Air Force (AF) SS&D sites in FY 2011. The LRR is the amount added to the cost of an item to recover costs associated with purchasing and selling supplies to SS&D customers. These costs include operating costs such as payroll. The projected Operating Costs, Gross Sales at Standard, and LRR for the AF SS&D Sites are in the below table:

(Dollars in Millions)	FY 2020	FY 2021	FY 2022
Operating Costs	\$90.3	\$96.8	\$103.2
Gross Sales at Standard	\$1,391.3	\$1,493.3	\$1,495.2
Composite Local Recovery Rate	6.5%	6.5%	6.9%

DLA Distribution: DLA Distribution recovers costs associated with receipt, issue, storage, and a variety of other provided services using multiple pricing methodologies and rates. Information on DLA Distribution rates is shown in the tables in the Appendix.

DLA Disposition Services: DLA Disposition Services recovers costs not covered by sales and reimbursable charges through the Service Level Bill (SLB). Bills are formulated with an Activity Based Costing model that uses disposal workload to allocate costs to customers based on services provided. In FY 2020, the rates decrease overall due to a return of positive accumulated operating results to the customers via reduced SLB rates. In FY 2021, the slight increase in rates is due to inflation. FY 2022 SLB includes the impact of positive AOR. The customer SLBs using this model are projected in the following table:

(Dollars in Millions)	FY 2020	FY 2021	FY 2022
Army	\$99.71	\$98.57	\$117.82
Navy	\$54.24	\$54.57	\$56.20
Air Force	\$44.07	\$39.43	\$37.64
Coast Guard	\$1.13	\$1.14	\$1.29
DLA	\$83.35	\$92.00	\$38.41
Other (Unit Cost Reim)	\$0	\$0	\$6.44
Total	\$282.50	\$285.71	\$257.81

Unit Cost Methodology Update: As of the FY 2022 President's Budget - DLA Disposition Services is updating the SLB Unit Cost Methodology calculation. The change adjusts the workload measures in the activity-based costing methodology from eight Process categories to three to focus on Receipt only - utilizing information known at time of turn-in, controllable by the customers, and with a single common measure (Disposal Turn-in Document (DTID) line items). All post-Receipt/Issue costs are now indirect/overhead to the Receipt processes, resulting in one and only one charge per line item. The results of this change can be seen in the table above.

DLA Information Operations: The DLA Information Operations provides an electronic document management application for the department. The application used to perform this mission, referred to as Wide Area Work Flow (WAWF), is funded by the Services and other Agencies through the shared costs in a Service Level Bill (SLB). Starting in FY 2022 the shared costs will be based on the utilization of the system through the tracking of user counts. The following table provides the amount to be paid by each Military Service, DCMA, DFAS and DLA.

Wide Area Workflow (WAWF)

(Dollars in Millions)	FY 2020	FY 2021	FY 2022
Army	7.758	7.913	10.447
Navy	5.962	6.081	6.618
Marine Corps	1.322	1.348	1.474
Air Force	5.628	5.741	7.316
DLA	8.941	9.120	4.397
DCMA	4.258	4.343	3.448
DFAS	0.000	0.000	1.477
Total	33.869	34.545	35.177

ANALYSIS OF BUDGET STATEMENTS

NET OPERATING RESULTS (NOR)/ACCUMULATED OPERATING RESULTS (AOR) :

Revenue is expected to decrease due to continued impacts of the COVID-19 pandemic on the Military Services. These projections are based on workload demand provided by Military Service customers, and are subject to mission requirements. Expenses are decreasing primarily due to a commensurate reduction in Cost of Goods Sold associated with reduced revenue.

The following table shows the NOR/AOR expenses, which exclude non-recoverable items such as property disposal transfers, net acquisition cost changes, returns without credit, and other changes.

(Dollars in Millions)	FY 2020	FY 2021	FY 2022
Revenue	\$30,082.0	\$31,423.1	\$30,247.7
Expenses	\$29,792.1	\$32,064.0	\$30,725.9
Operating Results	\$289.9	(\$640.9)	(\$478.2)
Other Changes Affecting NOR	\$0	\$0	\$0
Cash Surcharge	\$0	\$0	(\$353.5)
Capital Surcharge	\$0	\$0	\$0
Transfers	\$525.4	(\$1.6)	(\$1.6)
Inventory	\$0	\$0	\$0
Appropriations	\$49.1	\$49.8	\$87.8
Net Operating Results	\$864.4	(\$592.7)	(\$745.5)
Prior Year AOR	\$1,102.3	\$1,448.6	\$888.9
Other Changes Affecting AOR	(\$485.1)	\$33.0	\$0
Retained AOR	\$33.0	\$0	(\$143.5)
Accumulated Operating Results	\$1,448.6	\$888.9	\$0

CASH PROJECTIONS (see table below)

FY 2020: The cash gain of \$2,198.8 million is due to collections exceeding disbursements (+860.5 million), a cash transfer (+759.0 million), and receiving a CARES Act Appropriation (+\$530.2 million). DLA SCM advanced billed (\$1,973.9 million) Health and Human Services (HHS) (\$1,645.8 million) and the Federal Emergency Management Agency (FEMA) (\$328.1 million) for Coronavirus Disease-19 (COVID-19) related support, increasing Collections. The majority of the collections received from the advance billing will be "earned" in FY 2021 (\$1,798.7 million). The disbursements are primarily for vendor payments from inventory investments made in prior fiscal years. DLA SCM received \$49.1 million in Direct appropriations (see Appropriations section below). The CARES Act

Appropriation was received to ensure this Activity Group has enough cash to support COVID-19 requirements. DLA SCM received a +\$759.0 million cash transfer from DLA Energy.

FY 2021: The projected cash loss of \$1,996.1 million is due to disbursements exceeding collections (-\$2,044.3 million). DLA SCM projects to “earn” the cash received from the FY 2020 advance billings by purchasing and delivering COVID-19 related materiel to Health and Human Services and to the Federal Management Emergency Agency. A Direct appropriation in the amount of \$49.8 million was received (see Appropriations section below). DLA SCM projects a cash transfer of -\$1.6 million for the Indian Financing Act of 1974.

FY 2022: The projected cash loss of \$285.9 million is due to disbursements exceeding collections (-\$392.1 million), partially offset by requested appropriations. The disbursements are primarily for vendor payments from inventory investments made in prior fiscal years. This submission requests \$87.8 million in Direct (+\$50.8 million) and Enduring Requirements (+\$37.0 million) appropriations (see Appropriations section below). DLA SCM projects a cash transfer of -\$1.6 million for the Indian Financing Act of 1974.

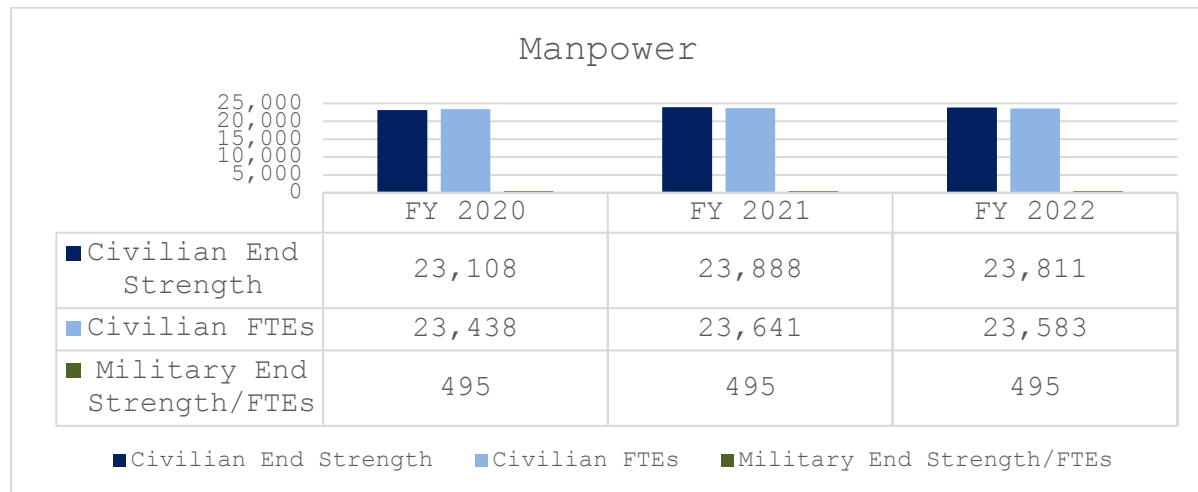
During FY 2022, the Department will continue to monitor cash and will implement mitigation actions to ensure cash balances remain within the operating requirement range to ensure cash solvency.

(Dollars in Millions)	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Disbursements	-\$30,983.6	-\$31,614.0	-\$30,268.4
Collections	\$31,844.1	\$29,569.6	\$29,896.3
Net Outlays	\$860.5	-\$2,044.3	-\$372.1
Appropriations: Total	\$579.3	\$49.8	\$87.8
Base Requirement (Title V)	\$49.1	\$49.8	\$50.8
CARES Act (Title III)	\$530.2	\$0.0	\$0.0
Enduring Requirements (Title IX)	\$0.0	\$0.0	\$37.0
Transfers	\$759.0	-\$1.6	-\$1.6
Total Change in Cash	\$2,198.8	-\$1,996.1	-\$285.9

PERSONNEL PROFILE

As the Nation’s Combat Logistics Support Agency, DLA manages the global supply chain - from raw materials to disposition - for the Army, Navy, Air Force, Marine Corps, Coast Guard, all Combatant Commands, other federal agencies, and partner and allied nations. DLA sources and provides nearly all the consumable items America’s military forces need to operate, from food, fuel and energy to uniforms, medical supplies, and construction material. DLA accomplishes this with approximately 24,000 dedicated men and women.

The following table shows DLA SCM projected workforce levels.



*Military End Strength/FTEs include DLA Materiel Supply Chain, DLA Distribution, and DLA Disposition Services.

Capital Investment Program

The capital budget includes investments that exceed a cost estimate of \$250,000 for Automated Data Processing Equipment (ADPE), non-ADP Equipment (Non-ADPE), software development (SWD), and minor construction. DLA recently submitted request to increase the FY 2021 baseline from \$117.5 million to \$170.5 million in order to accelerate investment in the IT modernization of ADP Equipment and Software Development programs.

The non-ADPE category includes purchases of material warehouse and disposal handling equipment, warehouse-racking systems, and security related equipment such as intrusion detection systems at DLA sites. The FY 2022 requirement for automated warehouse management equipment and robotic systems in support of the Distribution Modernization Program at various DLA Distribution locations is smaller, in comparison to FY 2021.

The ADPE category includes Telecommunications and network/production hardware systems to include hardware purchases of ADP systems such as Local Area Networks and Wide Area Networks. In FY 2021, additional investments will be made to modernize the ADPE systems that have reached obsolescence and no longer comply with DoD Standards. In FY 2022 network equipment requirements slightly decrease within DLA sites.

Software development investments include enhancements to a number of existing programs in DLA such as the Enterprise Business System, medical software system (Functional Executive Agent Medical Support) and FedMall (catalog system). In FY 2021, we are planning for additional enhancements to the Enterprise Business System (EBS) to include adding the Distribution Standard System (DSS) program. DSS did not receive an unmodified opinion for inventory-related records, which led to the decision to accelerate modernization of this capital investment for FY 2021. In FY 2022, some software programs requirements will move to sustainment which reduces capital requirements.

The minor construction category includes the construction of new, replacement of existing, or modification to current facilities to enhance mission performance. Minor construction projects include altering facilities to accommodate mission consolidation and relocation, upgrading security facilities (gates, fences, and lighting) to meet current Anti-Terrorism/Force Protection standards, and renovating demilitarization facilities. Minor construction is limited to projects valued less than \$2 million but in excess of \$250,000.

(Dollars in Millions)	FY 2020	FY 2021	FY 2022
Equipment (non-ADP)	70.2	70.2	55.3
Equipment (ADP)	11.1	34.1	25.6
Software	20.7	50.7	35.4
Minor Construction	15.5	15.5	15.8
Total	117.5	170.5	132.1

APPROPRIATIONS

Defense-Wide Working Capital Fund (DWWCF) Appropriations for FY 2020 through FY 2022 are detailed in the following table and narrative.

DLA SCM Appropriations: (Dollars in Millions)	FY 2020 Enacted	FY 2021 Enacted	FY 2022 Request
Reutilization, Transfer and Disposal Costs	\$49.1	\$49.8	\$50.8

Reutilization, Transfer and Disposals: Part of DLA Disposition Services' mission is to reutilize, transfer, or donate excess DoD personal property to authorized DoD and non-DoD recipients. These actions result in lower sales proceeds. In order to make Materiel Supply Chain costs more comparable to commercial business practices, these costs are funded by a direct appropriation as a Military-unique cost.

Enduring Requirement Appropriations - The FY 2022 Direct War and Enduring Costs funding accounted for in the Base budget is displayed in the following table and narrative. DLA will use prior year appropriation for FY 2021 requirements to the extent that it is available. For FY 2022, DLA activities have requested \$37M for Enduring Requirement costs.

Direct War and Enduring Costs Appropriations: (Dollars Millions)	FY 2020 Enacted	FY 2021 Request OCO Direct War Costs	FY 2021 Request OCO Enduring Rqmts	FY 2022 Request Direct War Costs	FY 2022 Request Enduring Rqmts
DLA Disposition Services	\$0		\$0		\$18.0
DLA Human Resources	\$0	\$0		\$9.0	
Information Technology (IT) Communications	\$0		\$0		\$3.5
IT Contractor Support	\$0		\$0		\$0.5
IT Defense Enterprise Business Systems (DEBS) Support	\$0		\$0		\$6.0
Total DLA SCM	\$0	\$0	\$0	\$9.0	\$28.0

DLA Disposition Services: DLA Disposition Services disposes of excess property by reutilization, transfer and demilitarization; and conducts environmental disposal and reuse. Of critical importance is providing support to the Warfighter at forward deployed locations where timely and accurate logistical support can affect the outcome of military operations. DLA Disposition Services is providing support from six fully operational DLA Disposition Services Offices in Kuwait, Qatar, Bahrain, United Arab Emirates (UAE), and Afghanistan (2 locations). In addition, support to Hub Based DEMIL Operations sites has been established to support the Warfighter at forward operating locations.

This request includes resources for continuing operations at the six established Disposition Services sites: two in Afghanistan, one in Kuwait and one in Qatar, one in Bahrain, and one in the UAE. The Disposition Services sites in Southwest Asia's (SWA) directly support OFS or other overseas contingency operations. Funding is necessary to support Disposition Services enduring sites in Afghanistan as the scheduled drawdown of the OFS mission continues.

DLA Human Resources: The Expeditionary Civilian (EC) program allows civilians to apply their experience and knowledge as a crucial part of helping the DoD accomplish its mission abroad. Individuals who deploy volunteer for positions for which they are qualified in locations such as Afghanistan, Iraq, Djibouti, Qatar, and other places across the globe. Civilian volunteers are selected for a tour of duty (usually for twelve months) and normally work alongside deployed US military members.

DLA's EC requirements are a result of a DoD decision to assign sourcing of CENTCOM civilian requirements to DoD Components no later than FY 2019. DLA was tasked with filling 42 civilian positions to support CENTCOM, beginning in FY 2020. The cost of filling these positions is approximately \$9.1 million per year starting in FY 2020, with a total cost of \$46.5 million for FY 2022 through FY 2026. This request for Enduring Requirements funding will reimburse DLA for incremental costs and other support costs related to EC deployments in order to fully support the Department's requirement.

The EC Program is critical to the successful execution of DLA capabilities in support of the DoD global expeditionary requirements. Without the requested Enduring Requirements funding, DLA will have to include these costs in rates charged to customers.

IT Communications: DLA continues to support operations in Southwest Asia (SWA) through the establishment and extension of telecom and infrastructure capabilities to support operations in OFS of the following areas:

Satellite Communication (SATCOM) Systems: DLA has organizations operating at forward locations in Europe, Africa and South West and Central Asia that require local network services, telephone, Wide Area Network accelerators, and wide-area connectivity using the Defense Information Systems Agency (DISA) contracted Commercial SATCOM systems. Due to the austere locations where DLA entities are located, there are no DISA land-line network circuits available to establish a land-based network, necessitating the need for satellite-based systems. DLA will continue to transition to DoD SATCOM from commercial SATCOM and will require support for peripheral hardware, maintenance, and recurring costs of systems, which includes continued and expanded operations in Afghanistan, Central Asia and potentially Africa.

Enterprise Telecommunications Network (ETN): The Enterprise Telecommunications Network (ETN) and SIPRNet over ETN (SoETN) will directly support ten sites that currently exist in Afghanistan. The costs include sustainment, and lifecycle upgrades. Lifecycle replacements and sustainment support will be required for the sites and the Bahrain hub site that directly supports these Afghanistan sites. Without lifecycle replacements and maintenance support, existing equipment will no longer be eligible for manufacturer advance replacement in the event of failure. On the SoETN, all SWA remote sites will be connected to the Kleber Kaserne and Bahrain hub sites. These sites require equipment refresh to add redundancy and prevent loss of network connectivity in the event of hardware failure. Maintenance lines for McAfee network sensors, Oracle Sun servers, Dell, Infoblox, and Solarwinds also support SoETN.

Hardware and software maintenance will ensure continuity of SoETN Defense Switch Network (DSN) and Network Monitoring to support SWA sites. Successful execution of DLA capabilities in support of the Enduring Requirement mission is critical to the Warfighter. Without the additional funding described above, DLA will be forced to curtail support to non-Enduring Requirement missions and satellite links will continue to be saturated, directly impacting European, the Continental United States, and/or Pacific operations. If not funded, critical communications support systems will not be available to support the mission.

IT Contractor Support: DLA Information Operations Europe and Africa/Central provides local IT and telecommunication support to DLA organizations operating in Afghanistan in the following areas:

Afghanistan IT Contractor Support: This support includes local network services, telephone, individual desktop, wide area ETN, SATCOM, repairs and troubleshooting of wide-area connectivity problems to stabilize the infrastructure, as well as support SATCOM requirements and expanded customer base in SWA supporting surge recovery activities.

Afghanistan Computer Support: This support is required for additional communications equipment and peripherals for personnel assigned to sites supporting DLA Disposition Services and DLA Troop Support missions.

Information Technology services are critical to the successful execution of DLA capabilities in support of the Enduring Requirements mission. Without the additional funding described above, personnel assigned would not have the equipment necessary to access critical logistics systems required to execute the mission.

Note: FY 2021 funding will be provided from prior years OCO appropriation.

IT DEBS: The Joint Contingency Contracting System (JCCS) is the primary source for Iraq and Afghanistan vendor information. 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, Vendor Vetting, Invoice and Payment for contracting and financial data to support mission spend analysis, strategic sourcing and staffing requirements. The JCCS produces a myriad of contract and financial reports to support the Warfighter's overall acquisition forecasting. The JCCS is also a platform for web services delivery of expeditionary and contingency business applications to include: Theatre Business Clearance (TBC), Government Furnished Life Support Validation (GFLSV) and the Civilian Army Authorization Management System (CAAMS). Other applications in the JCXS platforms used in contingency environments and in worldwide operations include the 3in1 Next Generation (3in1 NG), Contingency Acquisition Support Module (cASM) and the ACSA-Global Acquisition Tracking Reporting Tool (AGATRS).

Deployment Support Operations: Deploy DLA members to fulfill Global Force Management/Dynamic Force Employment requirements and all associated training and medical requirements supporting named

Operations. Positions filled are performing DLA specific roles and are validated by Joint Staff, sourced to DLA and approved through the SECDEF Orders Book. Individuals who deploy volunteer for positions for which they are qualified in locations such as Afghanistan, Iraq, Djibouti, Qatar, and other places across the globe. Funding is for travel and reimbursable expenses only, does not include labor costs.

Impact if not funded: This program is critical to the successful execution of DLA capabilities in support of the DOD global expeditionary requirements. Without the funding, DLA will have to include these costs in rates charged to customers. Additionally, we will be unable to support the warfighter and fail to meet validated SECDEF EXORD requirements.

Appendix

DLA Distribution Rates

Other DLA Distribution Rates (PB 2022)								
			2020	2020	2021	2021	2022	2022
			CONUS	OCONUS	CONUS	OCONUS	CONUS	OCONUS
Material Processing Center (per Line)			\$19.22		\$19.44		\$17.48	
Major End Items (per Line)			\$72.97		\$72.97		\$51.65	
Estimated Transportation (\$M)			\$213.30	\$8.89	\$226.27	\$9.43	\$196.33	\$8.18
Total Processing Cost (\$M)			\$464.05	\$125.93	\$438.70	\$129.77	\$443.62	\$130.66
Composite Rate (line item)								
Composite Rate (First eaches, MB only)			\$35.53	\$74.12	\$33.75	\$73.21	\$33.75	\$72.90
Workload (Millions of eaches MB only)			13,694	1,608	12,998	1,772	13,143	1,792
Market Basket Issue Priority Group (IPG) 1 & 2 fee per line item			2.64	2.64	2.64	2.64	\$2.64	\$2.64
Market Basket no Prepositioned Materiel Receipt (PMR) fee per line item			7.55	7.55	7.55	7.55	\$7.55	\$7.55
Market Basket Supply Discrepancy Report (SDR) fee per line item			22.91	22.91	22.91	22.91	\$22.91	\$22.91
Market Basket no PMR & SDR (Combo) fee per line item			24.92	24.92	24.92	24.92	\$24.92	\$24.92
Reimbursable Rates:								
DLA Facility			\$139.00		\$139.00		\$139.18	
Non-DLA Facility			\$111.20		\$104.41		\$102.15	
Storage Rates								
Covered Storage			\$8.78		\$8.78		\$8.78	
Open			\$1.22		\$1.22		\$1.22	
Specialized			\$12.50		\$12.50		\$12.50	

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
Supply Management Activity Group
Fiscal Year (FY) 2022 Budget Estimates
May 2021
FY 2020
(Dollars in Millions)

DIVISION	Net Customer Orders	Net Sales at Standard					Total Operating Obligations	Total Capital Obligations	Variability Target	Target Total
			Operating	Mobilization	Direct APPN	Supp APPN				
CLOTHING & TEXTILES	2,978.8	2,016.2	2,287.2	0.0	0.0	0.0	2,287.2	0.2	570.8	2,858.2
MEDICAL	8,070.5	7,400.8	7,849.6	0.0	0.0	0.0	7,849.6	5.1	1,958.1	9,812.8
SUBSISTENCE	2,664.4	2,885.5	2,795.5	0.0	0.0	0.0	2,795.5	0.2	698.7	3,494.5
CONSTRUCTION & EQUIPMENT	6,284.6	6,247.2	7,082.7	0.0	0.0	0.0	7,082.7	0.3	1,770.6	8,853.6
INDUSTRIAL HARDWARE	298.1	483.0	403.7	0.0	0.0	0.0	403.7	0.2	100.9	504.8
AVIATION	3,482.2	4,799.7	4,622.6	0.0	0.0	0.0	4,622.6	5.6	1,039.9	5,668.1
LAND	1,531.9	2,036.7	1,651.6	0.0	0.0	0.0	1,651.6	0.0	406.9	2,058.5
MARITIME	1,464.8	1,912.8	1,461.6	0.0	0.0	0.0	1,461.6	0.4	352.9	1,814.9
SM-1 without Variability (SM-3A)	26,775.3	27,782.0	28,154.4	0.0	0.0	0.0	28,154.4	12.0	0.0	28,166.4
MANAGEMENT HEADQUARTERS	0.0	0.0	207.2	0.0	0.0	0.0	207.2	0.0	0.0	207.2
ENTERPRISE OPERATIONS	0.0	0.0	1,082.8	0.0	0.0	0.0	1,082.8	0.8	0.0	1,083.6
ENTERPRISE INFORMATION TECH.	0.0	0.0	1,227.6	0.0	0.0	0.0	1,227.6	31.9	0.0	1,259.4
CENTRAL FUND	0.0	0.0	72.1	0.0	0.0	0.0	72.1	0.0	18.0	90.1
TOTAL MATERIEL SUPPLY CHAIN	26,775.3	27,782.0	30,744.1	0.0	0.0	0.0	30,744.1	44.6	6,916.9	37,705.7
DISTRIBUTION	0.0	0.0	1,200.4	0.0	0.0	0.0	1,200.4	72.6	218.4	1,491.4
DISPOSITION SERVICES	0.0	0.0	200.7	0.0	49.1	0.0	249.8	6.4	43.7	299.9
TOTAL SUPPLY CHAIN MANAGEMENT	26,775.3	27,782.0	32,145.2	0.0	49.1	0.0	32,194.3	123.6	7,179.1	39,497.0

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
Supply Management Activity Group
Fiscal Year (FY) 2022 Budget Estimates
May 2021
FY 2021
(Dollars in Millions)

DIVISION	Net Customer Orders	Net Sales at Standard					Total Operating Obligations	Total Capital Obligations	Variability Target	Target Total
			Operating	Mobilization	Direct APPN	Supp APPN				
CLOTHING & TEXTILES	540.9	2,005.4	1,778.6	0.0	0.0	0.0	1,778.6	0.1	441.1	2,219.7
MEDICAL	6,780.8	7,997.1	7,898.9	0.0	0.0	0.0	7,898.9	4.8	1,968.9	9,872.6
SUBSISTENCE	2,719.0	2,940.2	2,792.6	0.0	0.0	0.0	2,792.6	0.1	697.6	3,490.3
CONSTRUCTION & EQUIPMENT	4,976.5	5,955.2	5,607.5	0.0	0.0	0.0	5,607.5	0.1	1,401.7	7,009.3
INDUSTRIAL HARDWARE	203.6	366.9	256.9	0.0	0.0	0.0	256.9	0.0	64.2	321.1
AVIATION	3,817.3	5,196.2	4,858.9	0.0	0.0	0.0	4,858.9	2.7	1,057.5	5,919.1
LAND	1,918.6	2,315.3	1,919.6	0.0	0.0	0.0	1,919.6	0.0	472.8	2,392.4
MARITIME	1,599.1	2,045.5	1,693.7	0.0	0.0	0.0	1,693.7	1.1	404.7	2,099.5
SM-1 without Variability (SM-3A)	22,555.7	28,821.7	26,806.7	0.0	0.0	0.0	26,806.7	8.8	0.0	26,815.5
MANAGEMENT HEADQUARTERS	0.0	0.0	220.8	0.0	0.0	0.0	220.8	0.0	0.0	220.8
ENTERPRISE OPERATIONS	0.0	0.0	1,051.7	0.0	0.0	0.0	1,051.7	0.5	0.0	1,052.2
ENTERPRISE INFORMATION TECH.	0.0	0.0	1,423.3	0.0	0.0	0.0	1,423.3	53.4	0.0	1,476.7
CENTRAL FUND	0.0	0.0	376.4	0.0	0.0	0.0	376.4	0.0	94.1	470.6
TOTAL MATERIEL SUPPLY CHAIN	22,555.7	28,821.7	29,879.0	0.0	0.0	0.0	29,879.0	62.7	6,602.6	36,544.4
DISTRIBUTION	0.0	0.0	1,274.2	0.0	0.0	0.0	1,274.2	102.9	217.2	1,594.2
DISPOSITION SERVICES	0.0	0.0	243.2	0.0	49.8	0.0	293.0	4.9	54.6	352.5
TOTAL SUPPLY CHAIN MANAGEMENT	22,555.7	28,821.7	31,396.4	0.0	49.8	0.0	31,446.2	170.5	6,874.4	38,491.0

SM-1 Supply Management Summary by Division

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
Supply Management Activity Group
Fiscal Year (FY) 2022 Budget Estimates
May 2021
FY 2022
(Dollars in Millions)

DIVISION	Net Customer Orders	Net Sales at Standard					Total Operating Obligations	Total Capital Obligations	Variability Target	Target Total
			Operating	Mobilization	Direct APPN	Supp APPN				
CLOTHING & TEXTILES	1,740.7	1,999.0	1,930.7	0.0	0.0	0.0	1,930.7	0.1	480.0	2,410.7
MEDICAL	7,463.0	7,773.3	7,563.7	0.0	0.0	0.0	7,563.7	4.8	1,882.9	9,451.4
SUBSISTENCE	2,335.2	2,533.2	2,396.8	0.0	0.0	0.0	2,396.8	0.1	598.7	2,995.6
CONSTRUCTION & EQUIPMENT	5,510.9	5,957.0	5,579.1	0.0	0.0	0.0	5,579.1	0.1	1,394.6	6,973.8
INDUSTRIAL HARDWARE	15.2	59.7	41.8	0.0	0.0	0.0	41.8	0.0	10.4	52.3
AVIATION	3,754.7	5,379.3	4,798.8	0.0	0.0	0.0	4,798.8	2.0	1,043.3	5,844.1
LAND	1,590.1	2,041.9	1,631.2	0.0	0.0	0.0	1,631.2	0.0	399.1	2,030.3
MARITIME	1,488.5	1,893.7	1,605.5	0.0	0.0	0.0	1,605.5	1.1	382.4	1,988.9
SM-1 without Variability (SM-3A)	23,898.4	27,637.1	25,547.7	0.0	0.0	0.0	25,547.7	8.1	0.0	25,555.8
MANAGEMENT HEADQUARTERS	0.0	0.0	217.4	0.0	0.0	0.0	217.4	0.0	0.0	217.4
ENTERPRISE OPERATIONS	0.0	0.0	1,085.3	0.0	0.0	8.9	1,094.3	0.5	0.0	1,094.8
ENTERPRISE INFORMATION TECH.	0.0	0.0	1,405.3	0.0	0.0	10.0	1,415.4	31.2	0.0	1,446.6
CENTRAL FUND	0.0	0.0	78.4	0.0	0.0	0.0	78.4	0.0	19.6	98.0
TOTAL MATERIEL SUPPLY CHAIN	23,898.4	27,637.1	28,334.2	0.0	0.0	19.0	28,353.1	39.8	6,210.9	34,603.9
DISTRIBUTION	0.0	0.0	1,267.7	0.0	0.0	0.0	1,267.7	86.9	222.8	1,577.5
DISPOSITION SERVICES	0.0	0.0	269.3	0.0	50.8	18.0	338.1	5.3	65.4	408.8
TOTAL SUPPLY CHAIN MANAGEMENT	23,898.4	27,637.1	29,871.2	0.0	50.8	37.0	29,958.922	132.0	6,499.2	36,590.1

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
DLA Materiel Supply Chain Activity Group
Fiscal Year (FY) 2022 Budget Estimates
May 2021
FY 2020 Inventory Status
(\$ in millions)

Inventory Status	Total	Demand Based	Mobilization	Non-Demand Based
1. INVENTORY - Beginning of Period (BOP)	16,480.8	11,220.0	538.5	4,722.3
2. BOP INVENTORY ADJUSTMENTS				
a. Reclassification Change (Memo)	0.0	-1,594.6	-7.0	1,601.6
b. Price Change Amount (Memo)	0.0	0.0	0.0	0.0
c. Inventory Reclassified and Repriced	16,480.8	9,625.4	531.5	6,323.9
3. PURCHASES	25,459.0	24,488.2	370.7	600.0
4. GROSS SALES AT COSTS	-24,456.2	-24,017.7	-438.5	0.0
5. INVENTORY ADJUSTMENTS				
a. Capitalizations + or (-)	334.1	173.4	0.9	159.7
Transfer to other DLA ICPs	-179.9	-179.9	0.0	0.0
Transfer from other DLA ICPs	500.0	339.3	0.9	159.7
Transfers from Military Services	13.9	13.9	0.0	0.0
b. Returns from Customers for Credit (+)	153.6	153.6	0.0	0.0
c. Returns for Customers without Credit	98.6	0.0	0.0	98.6
d. Returns to Suppliers (-)	5.0	0.0	0.0	5.0
e. Transfers to Property Disposal (-)	-143.3	-27.4	-3.4	-112.4
f. Issues/Receipts without Reimbursement (+/-)	0.0	0.0	0.0	0.0
g. Other (List and Explain)	275.4	-487.2	17.3	745.3
h. Total Adjustments	723.3	-187.7	14.9	896.1
6. INVENTORY - End of Period (EOP)	18,206.9	9,908.3	478.6	7,820.0
7. INVENTORY ON ORDER EOP	14,249.5	14,099.6	149.9	0.0

8. Narrative (Explanation of unusual changes): BOP to EOP increase of \$1,726.084M is attributed primarily to DLA Aviation. Readiness investments made in FY 18 and 19 increased current year materiel receipts. Also contributing to the increase are lower than planned sales associated with COVID conditions.

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
DLA Materiel Supply Chain Activity Group
Fiscal Year (FY) 2022 Budget Estimates
May 2021
FY 2021 Inventory Status
(\$ in millions)

Inventory Status	Total	Demand Based	Mobilization	Non-Demand Based
1. INVENTORY - Beginning of Period (BOP)	18,206.9	9,908.3	478.6	7,820.0
2. BOP INVENTORY ADJUSTMENTS				
a. Reclassification Change (Memo)	0.0	-13.3	-3.2	16.5
b. Price Change Amount (Memo)	0.0	0.0	0.0	0.0
c. Inventory Reclassified and Repriced	18,206.9	9,895.0	475.3	7,836.5
3. PURCHASES	25,261.1	24,871.9	389.2	0.0
4. GROSS SALES AT COSTS	-25,461.4	-25,072.5	-388.8	0.0
5. INVENTORY ADJUSTMENTS				
a. Capitalizations + or (-)	169.7	-14.6	0.0	184.3
Transfer to other DLA ICPs	-273.9	-273.9	0.0	0.0
Transfer from other DLA ICPs	417.4	233.1	0.0	184.3
Transfers from Military Services	26.2	26.2	0.0	0.0
b. Returns from Customers for Credit (+)	171.3	171.3	0.0	0.0
c. Returns for Customers without Credit	54.6	22.4	0.0	32.1
d. Returns to Suppliers (-)	18.7	0.0	0.0	18.7
e. Transfers to Property Disposal (-)	-340.8	-17.2	0.0	-323.6
f. Issues/Receipts without Reimbursement (+/-)	0.0	0.0	0.0	0.0
g. Other (List and Explain)	138.4	-67.7	-0.1	206.1
h. Total Adjustments	211.8	94.3	-0.1	117.6
6. INVENTORY - End of Period (EOP)	18,218.4	9,788.7	475.6	7,954.1
7. INVENTORY ON ORDER EOP	12,949.7	12,800.6	149.1	0.0

8. Narrative (Explanation of unusual changes): BOP to EOP increase of \$11.561M is due primarily to the transfer of Industrial Hardware's inventory to Weapons Supply Chain driven by the DLA Strategic Evolution (SEI) Initiative to support revenue generation.

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
DLA Materiel Supply Chain Activity Group
Fiscal Year (FY) 2022 Budget Estimates
May 2021
FY 2022 Inventory Status
(\$ in millions)

Inventory Status	Total	Demand Based	Mobilization	Non-Demand Based
1. INVENTORY - Beginning of Period (BOP)	18,218.4	9,788.7	475.6	7,954.1
2. BOP INVENTORY ADJUSTMENTS				
a. Reclassification Change (Memo)	0.0	0.0	0.0	0.0
b. Price Change Amount (Memo)	0.0	0.0	0.0	0.0
c. Inventory Reclassified and Repriced	18,218.4	9,788.7	475.6	7,954.1
3. PURCHASES	24,635.0	24,239.2	395.8	0.0
4. GROSS SALES AT COSTS	-24,076.5	-23,742.5	-334.0	0.0
5. INVENTORY ADJUSTMENTS				
a. Capitalizations + or (-)	290.4	371.4	2.5	-83.5
Transfer to other DLA ICPs	-322.0	-53.0	2.5	-271.4
Transfer from other DLA ICPs	586.3	398.3	0.0	188.0
Transfers from Military Services	26.2	26.2	0.0	0.0
b. Returns from Customers for Credit (+)	168.1	168.1	0.0	0.0
c. Returns for Customers without Credit	49.2	10.0	0.0	39.2
d. Returns to Suppliers (-)	30.0	0.0	0.0	30.0
e. Transfers to Property Disposal (-)	-378.1	0.0	0.0	-378.1
f. Issues/Receipts without Reimbursement (+/-)	0.0	0.0	0.0	0.0
g. Other (List and Explain)	-517.1	-490.2	-2.9	-23.9
h. Total Adjustments	-357.5	59.3	-0.5	-416.3
6. INVENTORY - End of Period (EOP)	18,419.5	10,344.7	537.1	7,537.8
7. INVENTORY ON ORDER EOP	12,729.6	12,587.0	142.5	0.0

8. Narrative (Explanation of unusual changes): BOP to EOP increase of \$201.084M is due to various reasons. (1) EBS demand planning reductions which have lagged FY 2021 sales declines to date. (2) Demand planning reductions in place now which will eventually lower inventory levels as the procurement pipeline drains and military service demand recovers to buy out the inventory in FY 2022 and beyond. (3) DLA directed realignment in inventory, materiel obligations and disbursement adjustments efforts to include the transfer of Industrial Hardware's inventory to Weapons Supply Chain as directed by the DLA Strategic Evolution (SEI) initiative to support revenue generation and DLA Aviation's adjustments to Performance Based Logistics (PBL) disbursements.

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
Supply Chain Management Activity Group
War Reserve Material Stockpile
Fiscal Year (FY) 2022 Budget Estimates
May 2021
Materiel Supply Chain
FY 2020
(\$ in millions)

	Total	WRM Protected	WRM Other
1. Inventory BOP @ Cost	538.5	505.6	32.9
2. Price Change	-1.3	0.0	-1.3
3. Reclassification	-3.3	0.0	-3.3
4. Inventory Changes			
a. Receipts @ cost	370.7	370.7	0.0
(1). Purchases	370.7	370.7	0.0
(2). Returns from customers	0.0	0.0	0.0
b. Issues @ cost	-438.5	-438.5	0.0
(1). Sales	-438.5	-438.5	0.0
(2). Returns to suppliers	0.0	0.0	0.0
(3.) Disposals	0.0	0.0	0.0
c. Adjustments @ cost	12.4	4.5	7.9
(1). Capitalizations	0.9	0.9	0.0
(2). Gains and Losses	0.0	0.0	0.0
(3.) Other	11.5	3.5	7.9
5. Inventory EOP	478.6	442.3	36.3
WRM STOCKPILE COSTS			
1. Storage	9.0	9.0	0.0
2. Management	0.0	0.0	0.0
3. Maintenance/Other	0.0	0.0	0.0
Total Cost	9.0	9.0	0.0
WRM BUDGET REQUEST			
1. Obligations @ Cost	370.7	370.7	0.0
a. Additional WRM	0.0	0.0	0.0
b. Replen. WRM	370.7	370.7	0.0
c. Repair WRM	0.0	0.0	0.0
d. Assemble/Disassemble	0.0	0.0	0.0
e. Other	0.0	0.0	0.0
Total Request	370.7	370.7	0.0

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
Supply Chain Management Activity Group
War Reserve Material Stockpile
Fiscal Year (FY) 2022 Budget Estimates
May 2021
Materiel Supply Chain
FY 2021
(\$ in millions)

	Total	WRM Protected	WRM Other
1. Inventory BOP @ Cost	478.6	442.3	36.3
2. Price Change	0.0	0.0	0.0
3. Reclassification	-3.3	0.0	-3.3
4. Inventory Changes			
a. Receipts @ cost	389.2	389.2	0.0
(1). Purchases	389.2	389.2	0.0
(2). Returns from customers	0.0	0.0	0.0
b. Issues @ cost	-388.8	-388.8	0.0
(1). Sales	-388.8	-388.8	0.0
(2). Returns to suppliers	0.0	0.0	0.0
(3.) Disposals	0.0	0.0	0.0
c. Adjustments @ cost	0.0	0.0	0.0
(1). Capitalizations	0.0	0.0	0.0
(2). Gains and Losses	0.0	0.0	0.0
(3.) Other	0.0	0.0	0.0
5. Inventory EOP	475.6	442.7	32.9
WRM STOCKPILE COSTS			
1. Storage	9.0	9.0	0.0
2. Management	0.0	0.0	0.0
3. Maintenance/Other	0.0	0.0	0.0
Total Cost	9.0	9.0	0.0
WRM BUDGET REQUEST			
1. Obligations @ Cost	389.2	389.2	0.0
a. Additional WRM	0.0	0.0	0.0
b. Replen. WRM	389.2	389.2	0.0
c. Repair WRM	0.0	0.0	0.0
d. Assemble/Disassemble	0.0	0.0	0.0
e. Other	0.0	0.0	0.0
Total Request	389.2	389.2	0.0

Exhibit SM-6 War Reserve Material

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
Supply Chain Management Activity Group
War Reserve Material Stockpile
Fiscal Year (FY) 2022 Budget Estimates
May 2021
Materiel Supply Chain
FY 2022
(\$ in millions)

	Total	WRM Protected	WRM Other
1. Inventory BOP @ Cost	475.6	442.7	32.9
2. Price Change	0.0	0.0	0.0
3. Reclassification	-0.5	0.0	-0.5
4. Inventory Changes			
a. Receipts @ cost	395.8	395.8	0.0
(1). Purchases	395.8	395.8	0.0
(2). Returns from customers	0.0	0.0	0.0
b. Issues @ cost	-334.0	-334.0	0.0
(1). Sales	-334.0	-334.0	0.0
(2). Returns to suppliers	0.0	0.0	0.0
(3.) Disposals	0.0	0.0	0.0
c. Adjustments @ cost	0.0	0.0	0.0
(1). Capitalizations	0.0	0.0	0.0
(2). Gains and Losses	0.0	0.0	0.0
(3.) Other	0.0	0.0	0.0
5. Inventory EOP	537.1	504.6	32.5
WRM STOCKPILE COSTS			
1. Storage	9.0	9.0	0.0
2. Management	0.0	0.0	0.0
3. Maintenance/Other	0.0	0.0	0.0
Total Cost	9.0	9.0	0.0
WRM BUDGET REQUEST			
1. Obligations @ Cost	395.8	395.8	0.0
a. Additional WRM	0.0	0.0	0.0
b. Replen. WRM	395.8	395.8	0.0
c. Repair WRM	0.0	0.0	0.0
d. Assemble/Disassemble	0.0	0.0	0.0
e. Other	0.0	0.0	0.0
Total Request	395.8	395.8	0.0

Source of New Orders and Revenue
Fiscal Year (FY) 2022 Budget Estimates
May 2021
DLA Supply Chain Management
(Dollars in Millions)

	FY 2020	FY 2021	FY 2022
1. New Orders			
a. Orders from DoD Components	18,575.7	17,820.2	17,172.9
Army	5,388.5	5,169.4	4,981.6
O&M, Army	2,758.3	2,646.1	2,550.0
Procurement, Army	862.6	827.6	797.5
Military Construction, Army	(0.0)	(0.0)	(0.0)
Military Personnel, Army	1,408.9	1,351.6	1,302.5
Army Other	127.3	122.2	117.7
Army Other (non-interfund approp data not available)	231.4	222.0	213.9
Navy	3,772.3	3,618.9	3,487.5
O&M, Navy	2,332.0	2,237.2	2,155.9
Procurement, Navy	657.2	630.4	607.5
Military Construction, Navy	0.0	0.0	0.0
Military Personnel, Navy	470.3	451.2	434.8
Navy Other	188.6	180.9	174.4
Navy Other (non-interfund approp data not available)	124.3	119.2	114.9
Air Force	1,380.7	1,324.6	1,276.5
O&M, Air Force	474.5	455.2	438.7
Air Force Procurement Accounts	434.2	416.5	401.4
Military Construction, Air Force	-	-	-
Military Personnel, Air Force	77.7	74.6	71.9
Air Force Other	18.2	17.5	16.8
Air Force Other (non-interfund approp data not available)	376.1	360.8	347.7
Marine Corps	1,363.2	1,307.8	1,260.3
O&M, MC	699.0	670.5	646.2
Procurement, MC	334.2	320.6	309.0
Military Personnel, MC	218.6	209.7	202.1
MC Other (non-interfund approp data not available)	111.5	106.9	103.0
DoD Appropriated Accounts	6,670.9	6,399.5	6,167.1
O&M, Defense Wide, Defense	291.5	279.7	269.5
Procurement, Defense-Wide	132.8	127.4	122.8
Military Construction, Defense-Wide	12.9	12.4	11.9
Defense Health Program, Defense	2,801.6	2,687.7	2,590.0
OSD Appropriated Other	297.4	285.3	274.9
DoD Other (non-interfund approp data not available)	3,134.6	3,007.1	2,897.9
b. Orders from Other Activity Groups	9,085.1	8,715.6	8,399.0
Army Working Capital Funds	2,503.5	2,401.7	2,314.5
Navy Working Capital Funds	1,828.5	1,754.1	1,690.4
Air Force Working Capital Funds	4,340.8	4,164.3	4,013.0
Other Working Capital Funds	412.2	395.5	381.1
c. Total DoD	27,660.8	26,535.8	25,571.9
d. Other Orders:	4,785.1	4,590.4	4,423.7
Other Federal Agencies	1,880.8	1,804.3	1,738.8
Non-Federal Agencies	-	-	-
Foreign Military Sales	877.5	841.8	811.2
Credit Card Purchases	-	-	-
Other (non-interfund approp data not available)	2,026.7	1,944.3	1,873.7
e. Total New Orders	32,445.8	31,126.2	29,995.6
2. Carry-In Orders	2,314.4	3,546.5	3,459.1
3. Total Gross Orders	34,760.3	34,672.7	33,454.7
4. Carry-Out Orders (-)	(4,346.2)	(3,459.1)	(3,428.3)
5. Sales Proceeds (Disposition Only)	75.1	95.9	95.9
6. Gross Sales (-)	30,489.1	31,309.6	30,122.3
7. Credits & Allowances (-)	(165.4)	(203.1)	(201.4)
8. Net Sales	30,323.7	31,106.5	29,920.8
9. Reimbursable Sales	-	316.6	326.9
10. Manual invoices, accounting adjustments, balancing (FY20 only)	(241.6)		
11. Total Revenue	30,082.0	31,423.1	30,247.7

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
Supply Chain Management Activity Group
Revenue and Costs
Fiscal Year (FY) 2022 Budget Estimates
May 2021
Total Supply Chain Management
(Dollars in Millions)

	FY 2020	FY 2021	FY 2022
Revenue			
Gross Sales	27,949.9	29,024.7	27,837.9
Operations	27,905.1	28,947.7	27,409.9
Cash Surcharge	0.0	0.0	353.5
Capital Investment Recovery excluding Major Construction	44.8	77.0	74.5
Other Income	2,300.0	2,601.4	2,610.6
Reimbursable Income	1,336.9	1,734.0	1,682.8
Other Income	963.1	867.4	927.9
Refunds/Discounts (-)	-167.8	-203.1	-200.8
Total Revenue	30,082.0	31,423.1	30,247.7
Costs			
Cost of Materiel Sold from Inventory	24,302.6	25,290.1	23,908.3
Salaries and Wages:			
Military Personnel Compensation & Benefits	44.0	44.6	46.6
Civilian Personnel Compensation & Benefits	2,561.1	2,627.3	2,721.1
Travel & Transportation	11.1	38.4	56.7
Materials & Supplies (For internal operations)	52.7	353.8	54.7
Equipment	88.3	243.3	254.6
Other Purchases from Revolving Funds	189.9	230.0	170.4
Transportation of Things	401.4	482.7	488.5
Capital Investment Recovery - Capital	53.4	77.0	74.5
Printing and Reproduction	19.0	22.1	22.4
Advisory and Assistance Service	23.9	25.9	27.5
Rent, Communications, Utilities & Misc. Charges	111.6	158.7	160.3
Other Purchased Services	1,933.2	2,472.9	2,740.2
Total Costs	29,792.2	32,066.7	30,725.8
Intra-DLA Expenses	0.0	-2.7	0.1
Total Costs	29,792.15	32,064.0	30,725.9
Operating Results	289.874	-640.9	-478.2
Less Capital Surcharge Reservation	0.0	0.0	0.0
Less Recover Other	0.0	0.0	0.0
Plus Passthrough or Other Appropriations Affecting NOR	49.1	49.821	87.8
Other Adjustments Affecting NOR	525.4	-1.600	-355.1
Net Operating Results	864.4	-592.646	-745.5
Prior Year Accumulated Operating Results	1,102.3	1,448.6	889.0
Prior Year Adjustments	0.0	0.0	0.0
Other Changes Affecting AOR	-485.1	33.0	0.0
Retained Accumulated Operating Result	33.0	0.0	143.5
Accumulated Operating Result	1,448.6	889.0	0.0

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund (DWWCF)
Energy Management Activity Group
Fiscal Year (FY) 2022 Budget Estimates
May 2021

FUNCTIONAL DESCRIPTION

The Defense Logistics Agency (DLA) Energy provides comprehensive worldwide energy solutions to the Department of Defense (DoD) and other authorized customers. The DLA Energy serves as the Department's Executive Agent for the bulk petroleum supply chain. The Energy business area includes sales of petroleum and aerospace products, arranging for petroleum support services, providing maintenance on fuel infrastructure, performing energy-related environmental assessments and cleanup, coordinating bulk petroleum transportation, and performing petroleum quality surveillance functions worldwide. The DLA Energy also performs procurement functions for electricity, natural gas, and renewable energy for the Military Services as well as for the privatization of their utility systems. The Energy business also issues Energy Savings Performance Contracts for the DoD, helping the department meet specified energy reduction goals.

BUDGET HIGHLIGHTS

Fiscal Year 2021 and 2022 reflect adjustments in fuel cost assumptions and are in line with future market projections included in the Office of Management and Budget's (OMB's) economic assumptions.

Operations

DLA Energy Operations include labor, corporate overhead, Information Technology (IT), military personnel and other non-labor costs.

(Dollars in Millions)	FY 2020	FY 2021	FY 2022
Total Operations	\$569.9	\$685.0	\$679.1

Sustainment, Restoration, and Modernization (SRM)

DLA Energy has established SRM funding levels based on the results of recent planning studies and projects identified by the Military Services. The SRM program includes Maintenance and Repair, Demolition, Minor Construction (operating), Facility Operations, and Non-Automated Data Processing Equipment (ADPE) (operating). Fiscal Year 2021 and 2022 budget includes increased funding for the Red Hill Bulk Fuel Storage Facility.

(Dollars in Millions)	FY 2020	FY 2021	FY 2022
SRM Program	\$755.3	\$746.0	\$672.9

Transportation

The DLA Energy budgets for worldwide transportation of fuel via various modes of transportation to include tanker, truck, pipeline, and rail car. The transportation budget is primarily comprised of commercial transportation (pipeline and rail) and increases driven by payments to the Military Sealift Command. The Fiscal Year 2020 figure reflects market activity resulting from the Coronavirus pandemic. The Fiscal Year 2022 Budget request includes funding increases to support Transportation distribution requirements for two additional ocean tankers in Fiscal Year 2022.

(Dollars in Millions)	FY 2020	FY 2021	FY 2022
Transportation	\$718.3	\$504.2	\$555.2

Terminal Operations (TOPS)

DLA Energy funds contractor and government operated storage and distribution operations worldwide. Storage requirements are funded via multi-year recurring service contracts; annual funding requirements change depending on contract award patterns. Fiscal Year 2021 includes funding to establish additional Defense Fuel Supply Points (DFSP) at Loch Striven and Campbeltown, Scotland, and in the Oceania region of the South Pacific. Fiscal Year 2022 includes funding for renewal of twenty-year-old contracts at the current market rate for DFSPs in Houston and Sitra.

(Dollars in Millions)	FY 2020	FY 2021	FY 2022
TOPS	\$393.3	\$505.2	\$670.0

Environmental

The DLA Energy provides funding for environmental compliance and restoration at military service locations that store and manage DLA owned fuel. The DFSPs that store capitalized fuel rely on DLA Energy funding for their environmental program costs to comply with federal, state, and local laws and regulations. Environmental costs include permit fees, oil spill response and other related expenses, organization fees, waste disposal fees, costs associated with updating spill response plans, sampling, and analyzing fees, and remediation costs. The Fiscal Year 2021 and 2022 requests include additional funding at the Red Hill Bulk Fuel Storage Facility.

(Dollars in Millions)	FY 2020	FY 2021	FY 2022
Environmental	\$75.7	\$100.6	\$97.8

Aerospace Energy (AE)

In addition to petroleum-based products, DLA Energy provides product in the form of missile propellants and cryogenics to customers worldwide. Costs for AE include product, transportation, operations, and storage costs. Fiscal Year 2020 obligations reflect increased requirements for the Vandenburg AFB Gaseous Nitrogen program.

(Dollars in Millions)	FY 2020	FY 2021	FY 2022
AE Sales	\$47.0	\$45.4	\$45.4
AE Obligations	\$83.7	\$48.0	\$48.1

PERFORMANCE INDICATORS

Net Sales

DLA Energy measures its workload in terms of net petroleum barrels sold. Net sales estimates are provided to DLA Energy by the Military Services, and DLA uses historical sales volumes to estimate requirements for other authorized customers. Fiscal Year 2020 Net Sales reflect a decrease in activity largely attributed to the Coronavirus pandemic.

(Barrels in Millions)	FY 2020	FY 2021	FY 2022
Net Sales	87.1	94.0	93.6

Net Operating Results (NOR)

The NOR is the difference between revenue (including reimbursements) and expenses. NOR includes, as applicable, other income, such as federal and state excise taxes collected on sales. Other changes affecting NOR include transfers.

(Dollars in Millions)	FY 2020	FY 2021	FY 2022
Revenue	\$10,391.5	\$9,444.3	\$10,345.8
Expenses	\$9,795.2	\$9,395.8	\$10,361.8
Operating Results	\$596.3	\$48.5	(\$16.0)
Other Changes Affecting NOR	(\$241.0)	(\$1.0)	\$39.0
Transfers	(\$241.0)	(\$1.0)	(\$1.0)
Capital Surcharge	\$0.0	\$0.0	\$0.0
Appropriations	\$0.0	\$0.0	\$40.0
Net Operating Results	\$355.3	\$47.5	\$23.0
Prior Year Accumulated Operating Results (AOR)	(\$857.9)	(\$445.2)	(\$397.8)
Other Changes Affecting AOR	\$57.4	\$0.0	\$374.8
AOR	(\$445.2)	(\$397.8)	\$0.0

Cash

Pricing decisions, projected market conditions, and workload estimates provide the inputs for estimated cash collections, disbursements, and net outlays.

(Dollars in Millions)	FY 2020	FY 2021	FY 2022
Disbursements	(\$8,964.5)	(\$9,372.1)	(\$10,348.5)
Collections	\$10,472.6	\$9,444.3	\$10,345.8
Net Outlays	\$1,508.1	\$72.2	(2.7)
Enduring Costs	\$0.0	\$0.0	\$40.0
Transfers	(\$1,004.8)	(\$1.0)	(\$1.0)
Total Change in Cash	\$503.3	\$71.2	\$36.3

ENERGY PRICING (PETROLEUM)

The DoD petroleum pricing is based on refined product forecasts provided by the Office of Management and Budget (OMB). The OMB establishes petroleum projections based on market futures data from the New York Mercantile Exchange.

The following table provides the petroleum cost assumptions, non-product costs, and the standard price for Fiscal Year 2020 through Fiscal Year 2022.

The final composite standard price per barrel in Fiscal Year 2020 was \$115.92 per barrel, which is the composite of \$124.32 (Oct-May) and \$99.12 (Jun-Sep). This is less than the budgeted price of \$124.32 from the President's Fiscal Year 2020 budget. The standard price for Fiscal Year 2021 is currently set at \$99.54. The projected standard price is \$109.62 per barrel in Fiscal Year 2022.

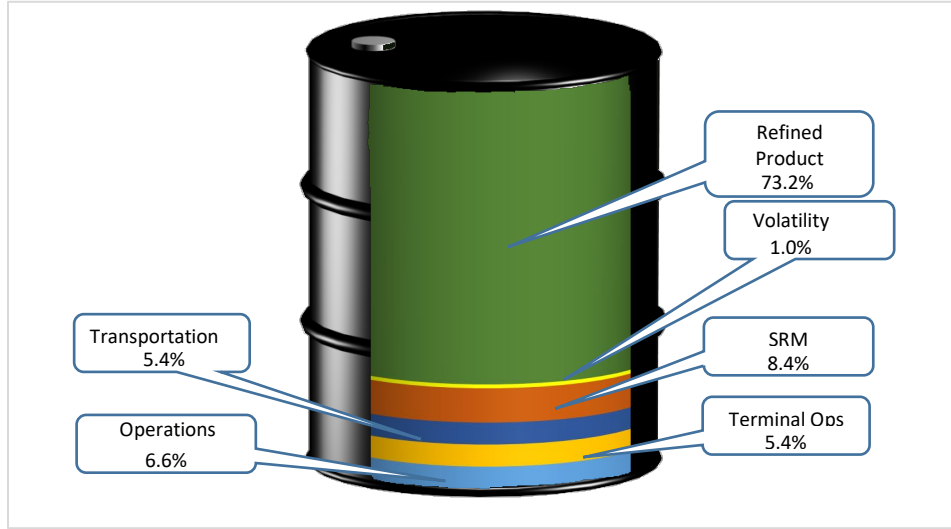
The non-product cost increase in Fiscal Year 2021 is primarily due to increased Environmental, Terminal Operations, and Sustainment, Restoration, and Modernization (SRM) requirements.

The non-product cost increase in Fiscal Year 2022 is primarily due to increased Terminal Operations and Transportation requirements.

The market volatility factor captures the delta between product-related costs and the product portion of the standard price such as market volatility and losses.

(Dollar per Barrel)	FY 2020	FY 2021	FY 2022
Petroleum Refined Cost	\$88.76	\$70.37	\$80.22
Petroleum Non-Product Cost	\$25.75	\$27.95	\$28.36
Market Volatility Factor	\$1.41	\$1.22	\$1.04
Standard Price	\$115.92	\$99.54	\$109.62

Standard Price Expense Allocation



Reflects percentages based on PB 22 Fiscal Year 2022 Standard Fuel Price

INVENTORY

The DLA Energy's Fiscal Year 2022 inventory objective is 54.1 million barrels, of which 34.5 million barrels represent War Reserve Materiel (WRM).

In the following table, normal losses refer to spills, evaporation, shrinkage, and contamination. Combat losses include losses from insurgent attacks, theft, and spillage.

(Barrels in Millions)	FY 2020	FY 2021	FY 2022
<u>Beginning Inventory</u>	<u>52.0</u>	<u>53.5</u>	<u>54.1</u>
Peacetime Operating	17.5	19.0	19.6
WRM	34.5	34.5	34.5
Receipts	90.5	95.6	94.6
Net Sales	(87.1)	(94.0)	(93.6)
Returns without Credit	0.0	0.0	0.0
Net Gains/Losses (normal)	(2.0)	(1.0)	(1.0)
Combat Losses	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<u>Ending Inventory</u>	<u>53.5</u>	<u>54.1</u>	<u>54.1</u>
Peacetime Operating	19.0	19.6	19.6
WRM	34.5	34.5	34.5

MANPOWER

The following table reflects the personnel numbers included in this submission for Fiscal Years 2021 and 2022.

(Manpower)	FY 2020	FY 2021	FY 2022
End Strength			
Military	66	72	72
Civilian	1,330	1,385	1,385
Total	1,396	1,457	1,457
FTEs			
Military	66	72	72
Civilian	1,314	1,330	1,330
Total	1,380	1,402	1,402

CAPITAL

The capital budget comprises projects exceeding the \$250,000 expense investment threshold for Automated Data Processing Equipment (ADPE), non-ADPE, software development, and minor construction categories. Minor construction is limited to projects valued less than \$2 million but in excess of \$250,000.

The Non-ADP Equipment consists of Automated Fuel Handling Equipment (AFHE) and Automated Tank Gauges (ATG) at various installations that have reached the end of their lifecycle. The AFHE equipment allows bulk fuel to be monitored and controlled for fuel operations from a central location on site. The ATG measures, monitors, and inventories fuel levels that are placed in storage tanks.

The minor construction capital is for the requirements of aging petroleum infrastructure. These requirements include upgrades to fuel storage facilities and systems to ensure compliance with environmental and efficiency standards.

(Dollars in Millions)	FY 2020	FY 2021	FY 2022
Equipment (non-ADP)	\$6.2	\$12.6	\$13.5
Software Development	\$0.0	\$0.0	\$0.0
Minor Construction	\$42.8	\$46.3	\$47.3
Total	\$49.0	\$58.9	\$60.8

ENDURING REQUIREMENT

The DLA Energy will use prior year authority to fund Fiscal Year 2021 requirements and is expected to exhaust this funding before Fiscal Year 2022. The FY 2022 requirements are enduring in theater costs that will likely remain after combat operations cease and have previously been funded with OCO. The FY 2022 enduring cost is primarily for NATO Support and Procurement Agency (NSPA), which provides fuel-related services in theater. The USCENTCOM/NATO Acquisition Cross Servicing Agreement provides the authority for this critical fuel support in country via NATO fuel procurement. The Fiscal Year 2022 estimate reflects DLA Energy's share of support from NSPA.

(Dollars in Millions)	FY 2020	FY 2021	FY 2022
Combat Fuel Losses	\$0.0	\$0.0	\$0.0
Fuel Transportation, TOPS & AE (Operations)	\$29.8	\$40.0	\$40.0
Total Enduring Requirements	\$29.8	\$40.0	\$40.0

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
Energy Management Activity Group
Supply Management Summary by Division
Fiscal Year (FY) 2022 Budget Estimates
May 2021
FY 2020
(Dollars in Millions)

DIVISION	Net Customer Orders	Net Sales at Standard	Obligation Targets				Total Capital Obligations	Variability Target	Total Target
			Operating	Mobilization	Direct APPN	Total Operating Obligations			
ENERGY MISSION	10,518.590	10,328.009	11,819.255	0.000	0.000	11,819.255	48.997	0.000	11,868.252
AEROSPACE	46.994	46.994	85.202	0.000	0.000	85.202	0.000	0.000	85.202
REIMBURSABLE	0.000	0.000	25.803	0.000	0.000	25.803	0.000	0.000	25.803
TOTAL	10,565.584	10,375.003	11,930.260	0.000	0.000	11,930.260	48.997	0.000	11,979.258

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
Energy Management Activity Group
Supply Management Summary by Division
Fiscal Year (FY) 2022 Budget Estimates
May 2021
FY 2021
(Dollars in Millions)

DIVISION	Net Customer Orders	Net Sales at Standard	Obligation Targets					Variability Target	Total Target
			Operating	Mobilization	Direct APPN	Total Operating Obligations	Total Capital Obligations		
ENERGY MISSION	9,955.027	9,357.787	9,911.546	0.000	0.000	9,911.546	58.911	3,638.518	13,608.975
AEROSPACE	45.374	45.374	48.034	0.000	0.000	48.034	0.000	0.000	48.034
REIMBURSABLE	0.000	0.000	31.368	0.000	0.000	31.368	0.000	0.000	31.368
TOTAL	10,000.401	9,403.161	9,990.948	0.000	0.000	9,990.948	58.911	3,638.518	13,688.377

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
Energy Management Activity Group
Supply Management Summary by Division
Fiscal Year (FY) 2022 Budget Estimates
May 2021
FY 2022
(Dollars in Millions)

DIVISION	Net Customer Orders	Net Sales at Standard	Obligation Targets				Total Capital Obligations	Variability Target	Total Target
			Operating	Mobilization	Direct APPN	Total Operating Obligations			
ENERGY MISSION	10,915.835	10,258.115	10,732.957	0.000	40.000	10,772.957	60.767	4,001.760	14,835.484
AEROSPACE	45.374	45.374	48.122	0.000	0.000	48.122	0.000	0.000	48.122
REIMBURSABLE	0.000	0.000	32.365	0.000	0.000	32.365	0.000	0.000	32.365
TOTAL	10,961.209	10,303.489	10,813.444	0.000	40.000	10,853.444	60.767	4,001.760	14,915.971

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
Energy Management Activity Group
Inventory Status - Energy
Fiscal Year (FY) 2022 Budget Estimates
May 2021
FY 2020
(Dollars in Millions)

DLA Energy	Total	Demand Based	Mobilization	Non-Demand Based
1. INVENTORY - Beginning of Period (BOP)	4,241.6	1,378.5	2,863.1	0.0
2. BOP INVENTORY ADJUSTMENTS				
a. Reclassification Change (Memo)	0.0	0.0	0.0	0.0
b. Price Change Amount (Memo)	-982.9	-12.0	-970.9	0.0
c. Inventory Reclassified and Repriced	3,258.7	1,366.5	1,892.3	0.0
3. PURCHASES	6,556.5	6,556.5	0.0	0.0
4. GROSS SALES AT COST	-6,494.1	-6,494.1	0.0	0.0
5. INVENTORY ADJUSTMENTS				
a. Capitalizations + or (-)	0.0	0.0	0.0	0.0
Transfer to other DLA ICPs	0.0	0.0	0.0	0.0
Transfer from other DLA ICPs	0.0	0.0	0.0	0.0
Transfer from Military Services	0.0	0.0	0.0	0.0
b. Returns from Customers for Credit (+)	186.5	186.5	0.0	0.0
c. Returns for Customers without Credit	0.0	0.0	0.0	0.0
d. Returns to Suppliers (-)	0.0	0.0	0.0	0.0
e. Transfers to Property Disposal (-)	0.0	0.0	0.0	0.0
f. Issues/Receipts without Reimbursement (+/-)	0.0	0.0	0.0	0.0
g. Other (List and Explain)	(141.3)	(141.3)	0.0	0.0
Retail/Wholesale Losses	-141.3	-141.3	0.0	0.0
Combat Losses (-)	0.0	0.0	0.0	0.0
h. Total Adjustments	45.3	45.3	0.0	0.0
6. INVENTORY - End of Period (EOP)	3,366.4	1,474.2	1,892.3	0.0
7. INVENTORY ON ORDER EOP	3,366.4	1,474.2	1,892.3	0.0
8. Narrative (Explanation of unusual changes)				

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
Energy Management Activity Group
Inventory Status - Energy
Fiscal Year (FY) 2022 Budget Estimates
May 2021
FY 2021
(Dollars in Millions)

DLA Energy	Total	Demand Based	Mobilization	Non-Demand Based
1. INVENTORY - Beginning of Period (BOP)	3,366.4	1,474.2	1,892.3	0.0
2. BOP INVENTORY ADJUSTMENTS				
a. Reclassification Change (Memo)	0.0	0.0	0.0	0.0
b. Price Change Amount (Memo)	440.3	-95.2	535.5	0.0
c. Inventory Reclassified and Repriced	3,806.7	1,379.0	2,427.8	0.0
3. RECEIPTS AT STANDARD	6,763.8	6,763.8	0.0	0.0
4. GROSS SALES AT COST	-7,070.9	-7,070.9	0.0	0.0
5. INVENTORY ADJUSTMENTS				
a. Capitalizations + or (-)	0.0	0.0	0.0	0.0
Transfer to other DLA ICPs	0.0	0.0	0.0	0.0
Transfer from other DLA ICPs	0.0	0.0	0.0	0.0
Transfer from Military Services	0.0	0.0	0.0	0.0
b. Returns from Customers for Credit (+)	422.2	422.2	0.0	0.0
c. Returns for Customers without Credit	0.0	0.0	0.0	0.0
d. Returns to Suppliers (-)	0.0	0.0	0.0	0.0
e. Transfers to Property Disposal (-)	0.0	0.0	0.0	0.0
f. Issues/Receipts without Reimbursement (+/-)	0.0	0.0	0.0	0.0
g. Other (List and Explain)	(70.4)	(70.4)	0.0	0.0
Retail/Wholesale Losses	-70.4	-70.4	0.0	0.0
Combat Losses (-)	0.0	0.0	0.0	0.0
h. Total Adjustments	351.9	351.9	0.0	0.0
6. INVENTORY - End of Period (EOP)	3,851.5	1,423.7	2,427.8	0.0
7. INVENTORY ON ORDER EOP	3,851.5	1,423.7	2,427.8	0.0
8. Narrative (Explanation of unusual changes)				

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
Energy Management Activity Group
Inventory Status - Energy
Fiscal Year (FY) 2022 Budget Estimates
May 2021
FY 2022
(Dollars in Millions)

DLA Energy	Total	Demand Based	Mobilization	Non-Demand Based
1. INVENTORY - Beginning of Period (BOP)	3,851.5	1,423.7	2,427.8	0.0
2. BOP INVENTORY ADJUSTMENTS				
a. Reclassification Change (Memo)	0.0	0.0	0.0	0.0
b. Price Change Amount (Memo)	488.1	148.3	339.8	0.0
c. Inventory Reclassified and Repriced	4,339.6	1,572.0	2,767.6	0.0
3. RECEIPTS AT STANDARD	7,620.4	7,620.4	0.0	0.0
4. GROSS SALES AT COST	-8,021.5	-8,021.5	0.0	0.0
5. INVENTORY ADJUSTMENTS				
a. Capitalizations + or (-)	0.0	0.0	0.0	0.0
Transfer to other DLA ICPs	0.0	0.0	0.0	0.0
Transfer from other DLA ICPs	0.0	0.0	0.0	0.0
Transfer from Military Services	0.0	0.0	0.0	0.0
b. Returns from Customers for Credit (+)	481.3	481.3	0.0	0.0
c. Returns for Customers without Credit	0.0	0.0	0.0	0.0
d. Returns to Suppliers (-)	0.0	0.0	0.0	0.0
e. Transfers to Property Disposal (-)	0.0	0.0	0.0	0.0
f. Issues/Receipts without Reimbursement (+/-)	0.0	0.0	0.0	0.0
g. Other (List and Explain)	(80.2)	(80.2)	0.0	0.0
Retail/Wholesale Losses	-80.2	-80.2	0.0	0.0
Combat Losses (-)	0.0	0.0	0.0	0.0
h. Total Adjustments	401.1	401.1	0.0	0.0
6. INVENTORY - End of Period (EOP)	4,339.6	1,572.0	2,767.6	0.0
7. INVENTORY ON ORDER EOP	4,339.6	1,572.0	2,767.6	0.0
8. Narrative (Explanation of unusual changes)				

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
Energy Management Activity Group
War Reserve Material (WRM) Stockpile
Fiscal Year (FY) 2022 Budget Estimates
May 2021
FY 2020
(Dollars in Millions)

	Total	WRM Protected	WRM Other
1. Inventory BOP @ Cost	2,863.1	2,863.1	0.0
2. Price Change (Memo)	(970.9)	(970.9)	0.0
3. Reclassification	1,892.3	1,892.3	0.0
4. Inventory Changes			
a. Receipts @ cost	0.0	0.0	0.0
(1). Purchases	0.0	0.0	0.0
(2). Returns from customers	0.0	0.0	0.0
b. Issues @ cost	0.0	0.0	0.0
(1). Sales	0.0	0.0	0.0
(2). Returns to suppliers	0.0	0.0	0.0
(3). Disposals	0.0	0.0	0.0
c. Adjustments @ cost	0.0	0.0	0.0
(1). Capitalizations	0.0	0.0	0.0
(2). Gains and Losses	0.0	0.0	0.0
(3). Other	0.0	0.0	0.0
5. Inventory EOP	1,892.3	1,892.3	0.0
WRM STOCKPILE COSTS			
1. Storage	0.0	0.0	0.0
2. Management	0.0	0.0	0.0
3. Maintenance/Other	0.0	0.0	0.0
Total Cost	0.0	0.0	0.0
WRM BUDGET REQUEST			
1. Obligations @ Cost	0.0	0.0	0.0
a. Additional WRM	0.0	0.0	0.0
b. Replen. WRM	0.0	0.0	0.0
c. Stock Rotation/Obsolescence	0.0	0.0	0.0
d. Assemble/Disassemble	0.0	0.0	0.0
e. Other	0.0	0.0	0.0
Total Request	0.0	0.0	0.0

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
Energy Management Activity Group
War Reserve Material (WRM) Stockpile
Fiscal Year (FY) 2022 Budget Estimates
May 2021
FY 2021
(Dollars in Millions)

	Total	WRM Protected	WRM Other
1. Inventory BOP @ Cost	1,892.3	1,892.3	0.0
2. Price Change (Memo)	535.5	535.5	0.0
3. Reclassification	2,427.8	2,427.8	0.0
4. Inventory Changes			
a. Receipts @ cost	0.0	0.0	0.0
(1). Purchases	0.0	0.0	0.0
(2). Returns from customers	0.0	0.0	0.0
b. Issues @ cost	0.0	0.0	0.0
(1). Sales	0.0	0.0	0.0
(2). Returns to suppliers	0.0	0.0	0.0
(3). Disposals	0.0	0.0	0.0
c. Adjustments @ cost	0.0	0.0	0.0
(1). Capitalizations	0.0	0.0	0.0
(2). Gains and Losses	0.0	0.0	0.0
(3). Other	0.0	0.0	0.0
5. Inventory EOP	2,427.8	2,427.8	0.0
WRM STOCKPILE COSTS			
1. Storage	0.0	0.0	0.0
2. Management	0.0	0.0	0.0
3. Maintenance/Other	0.0	0.0	0.0
Total Cost	0.0	0.0	0.0
WRM BUDGET REQUEST			
1. Obligations @ Cost	0.0	0.0	0.0
a. Additional WRM	0.0	0.0	0.0
b. Replen. WRM	0.0	0.0	0.0
c. Stock Rotation/Obsolescence	0.0	0.0	0.0
d. Assemble/Disassemble	0.0	0.0	0.0
e. Other	0.0	0.0	0.0
Total Request	0.0	0.0	0.0

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
Energy Management Activity Group
War Reserve Material (WRM) Stockpile
Fiscal Year (FY) 2022 Budget Estimates
May 2021
FY 2022
(Dollars in Millions)

	Total	WRM Protected	WRM Other
1. Inventory BOP @ Cost	2,427.8	2,427.8	0.0
2. Price Change (Memo)	339.8	339.8	0.0
3. Reclassification	2,767.6	2,767.6	0.0
4. Inventory Changes			
a. Receipts @ cost	0.0	0.0	0.0
(1). Purchases	0.0	0.0	0.0
(2). Returns from customers	0.0	0.0	0.0
b. Issues @ cost	0.0	0.0	0.0
(1). Sales	0.0	0.0	0.0
(2). Returns to suppliers	0.0	0.0	0.0
(3). Disposals	0.0	0.0	0.0
c. Adjustments @ cost	0.0	0.0	0.0
(1). Capitalizations	0.0	0.0	0.0
(2). Gains and Losses	0.0	0.0	0.0
(3). Other	0.0	0.0	0.0
5. Inventory EOP	2,767.6	2,767.6	0.0
WRM STOCKPILE COSTS			
1. Storage	0.0	0.0	0.0
2. Management	0.0	0.0	0.0
3. Maintenance/Other	0.0	0.0	0.0
Total Cost	0.0	0.0	0.0
WRM BUDGET REQUEST			
1. Obligations @ Cost	0.0	0.0	0.0
a. Additional WRM	0.0	0.0	0.0
b. Replen. WRM	0.0	0.0	0.0
c. Stock Rotation/Obsolescence	0.0	0.0	0.0
d. Assemble/Disassemble	0.0	0.0	0.0
e. Other	0.0	0.0	0.0
Total Request	0.0	0.0	0.0

DEFENSE LOGISTICS AGENCY
 Defense-Wide Working Capital Fund
 Energy Management Activity Group
 Source of New Orders and Revenue
 Fiscal Year (FY) 2022 Budget Estimates
 May 2021
 (Dollars in Millions)

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
1. New Orders			
a. Orders from DoD Components	7922.7	7351.7	8042.9
Army	853.7	936.8	1031.4
O&M, Army	599.1	657.4	723.8
O&M - Recovery Act, Army	0.0	0.0	0.0
O&M, Army Reserve	16.1	17.7	19.5
O&M - Recovery Act, Army Reserve	0.0	0.0	0.0
O&M, Army National Guard	112.7	123.6	136.1
Army National Guard	0.0	0.0	0.0
RDT&E, Army	42.7	46.9	51.6
Aircraft Procurement, Army	5.8	6.4	7.0
Missile Procurement, Army	0.3	0.4	0.4
Procurement of Weapons & Tracked Vehicles, Army	2.6	2.9	3.2
Procurement of Ammunition, Army	0.1	0.1	0.1
Other Procurement, Army	2.9	3.2	3.5
Military Construction, Army	2.3	2.5	2.8
Military Construction, Army Reserve	0.1	0.1	0.1
Military Construction, Army National Guard	2.3	2.5	2.8
Family Housing Construction, Army	1.1	1.2	1.3
Family Housing, O&M, Army	3.2	3.5	3.8
Military Personnel, Army	6.8	7.5	8.2
National Guard Personnel, Army	0.8	0.9	1.0
Reserve Personnel, Army	0.2	0.3	0.3
Chemical Agent and Minitions Destruction, Army	0.0	0.0	0.0
Army Other	1.4	1.5	1.7
National Guard and Reserve Equipment, Defense	0.0	0.0	0.0
Department of Defense Base Closure Account 1990	1.8	2.0	2.2
Support for International Sporting Competitions, Defense	2.2	2.4	2.6
Defense Emergency Response Fund, Defense (Army)	1.6	1.8	2.0
Army Other (non-interfund approp data not available)	47.6	52.3	57.5
Navy	2730.6	2187.2	2408.6
O&M, Navy	2527.8	2024.8	2229.7
O&M, Navy Reserve	117.5	94.2	103.7
Aircraft Procurement, Navy	0.7	0.6	0.6
Weapons Procurement, Navy	0.5	0.4	0.4
Procurement of Ammunition, Navy & MC	0.0	0.0	0.0
Other Procurement, Navy	1.5	1.2	1.3
Shipbuilding & Conversion, Navy	0.1	0.1	0.1
RDT&E, Navy	6.2	5.0	5.5
Military Construction, Navy & MC	0.0	0.0	0.0
Family Housing, O&M, Navy & MC	0.0	0.0	0.0
Other Navy Appropriations	0.0	0.0	0.0
National Defense Sealift Fund, Navy	0.0	0.0	0.0
Military Personnel, Navy	0.0	0.0	0.0
Reserve Personnel, Navy	1.2	1.0	1.1
Defense Emergency Response Fund, Defense (Navy)	0.0	0.0	0.0
Department of Defense Base Closure Account 2005 (Navy)	0.0	0.0	0.0
Navy Other (non-interfund approp data not available)	74.9	60.0	66.1

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
Energy Management Activity Group
Source of New Orders and Revenue
Fiscal Year (FY) 2022 Budget Estimates
May 2021
(Dollars in Millions)

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Air Force	4252.3	4057.8	4416.6
O&M, Air Force	2791.4	2663.7	2899.2
O&M, Air Force Reserve	339.1	323.6	352.2
O&M, Air National Guard	910.4	868.8	945.6
RDT&E, Air Force	63.0	60.1	65.4
Air Force Procurement Accounts	0.0	0.0	0.0
Aircraft Procurement, Air Force	2.0	1.9	2.0
Missile Procurement, Air Force	0.0	0.0	0.0
Other Procurement, Air Force	0.0	0.0	0.0
Military Construction, Air Force	0.0	0.0	0.0
Family Housing, O&M, Air Force	0.4	0.4	0.4
Military Personnel, Air Force	0.0	0.0	0.0
Reserve Personnel, Air Force	0.0	0.0	0.0
National Guard Personnel, Air Force	0.0	0.0	0.0
Air Force Other	0.0	0.0	0.0
Wildlife Conservation, etc., Military Reservations, Air Force	0.0	0.0	0.0
DoD, Base Closure Account 2005 (Air Force)	0.0	0.0	0.0
Air Force Other (non-interfund approp data not available)	146.0	139.3	151.6
Marine Corps	33.3	59.7	65.8
O&M, MC	31.5	54.6	60.0
O&M, MC Reserve	0.8	1.4	1.5
Procurement, MC	-1.0	0.0	0.2
Military Personnel, MC	0.0	0.0	0.0
Marine Corps Other	0.0	0.0	0.0
Marine Corps Other (non-interfund approp data not available)	2.1	3.7	4.1
DoD Appropriated Accounts	52.8	110.2	120.6
O&M, Defense Wide, Defense Agencies	10.8	22.5	24.7
RDT&E, Defense-Wide	0.0	0.0	0.0
Other Procurement, Defense-Wide	1.0	2.0	2.2
National Guard & Reserve Equipment, Defense	0.0	0.0	0.0
Military Construction, Defense-Wide	0.0	0.0	0.0
Family Housing, Defense-Wide	0.0	0.0	0.0
Defense Health Program, Defense	41.0	85.5	93.6
DoD, Base Closure Account	0.0	0.0	0.0
DoD, Base Closure Account 2005	0.0	0.0	0.0
Defense Emergency Response Fund, Defense	0.0	0.0	0.0
Support for International Sporting Competitions, Defense	0.0	0.0	0.0
Employee & Employer Contributions, Foreign Govt Social Security & Rel	0.0	0.0	0.0
OSD Appropriated	0.0	0.0	0.0
DoD, Acquisition Workforce Development Fund	0.1	0.2	0.2

Fund 11 - Source of New Order Revenue

DEFENSE LOGISTICS AGENCY
 Defense-Wide Working Capital Fund
 Energy Management Activity Group
 Source of New Orders and Revenue
 Fiscal Year (FY) 2022 Budget Estimates
 May 2021
 (Dollars in Millions)

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
b. Orders from Other Activity Groups	1559.2	1455.7	1594.3
Civil Corps of Engineers, Revolving Fund	0.0	0.0	0.0
OSD, Defense Working Capital Fund	0.0	0.0	0.0
Defense Agencies, Defense Working Capital Fund	0.0	0.0	0.0
Army Working Capital Funds	64.3	70.3	77.4
Navy Working Capital Funds	606.2	485.3	534.4
Air Force Working Capital Funds	942.8	897.4	979.3
DLA, Defense Working Capital Fund	0.0	0.0	0.0
DFAS, Defense Working Capital Fund	0.0	0.0	0.0
DECA, Defense Working Capital Fund	0.0	0.0	0.0
Other Working Capital Funds	0.0	0.0	0.0
Chemical Agent & Munitions Destruction, Defense (APPN DESC)	0.0	0.0	0.0
National Defense Stockpile Transaction Fund	0.0	0.0	0.0
Global Health Programs, State	1.5	1.4	1.6
DoD-VA Health Care Sharing Incentive Fund	0.0	0.0	0.0
Humanitarian Assistance, Defense	0.0	0.0	0.0
Overseas Humanitarian, Disaster, and Civic Aid, Defense	0.1	0.1	0.1
Dept of Treasury	0.1	0.1	0.1
Pentagon Reservation Maintenance Revolving Fund	0.0	0.0	0.0
Other DoD (non interfund approp data not available)	-55.7	1.2	1.4
DLA and other Non-DoD (data not able to partition)	0.0	0.0	0.0
c. Total DoD	9481.9	8807.5	9637.2
d. Other Orders:	1083.7	1193.0	1324.0
Other Federal Agencies	220.0	442.4	499.8
Non-Federal Agencies	780.4	680.5	747.0
Foreign Military Sales	83.3	70.1	77.2
Other credit card	0.0	0.0	0.0
e. Total New Orders	10565.6	10000.4	10961.2
2. Carry-In Orders	0.0	0.0	0.0
3. Total Gross Orders	10565.6	10000.4	10961.2
4. Carry-Out Orders (-)	0.0	0.0	0.0
5. Manual Adjustment	65.9	0.0	0.0
6. Gross Sales (-)	10631.5	10000.4	10961.2
7. Credits & Allowances (-)	-256.5	-597.2	-657.7
8. Net Sales	10375.0	9403.2	10303.5
9. Reimbursable Sales/Other Income	16.5	41.2	42.3
10. Total Revenue	10391.5	9444.3	10345.8

Fund 11 - Source of New Order Revenue

Defense-Wide Working Capital Fund
Energy Management Activity Group
Revenue and Expenses
Fiscal Year (FY) 2022 Budget Estimates
May 2021
(Dollars in Millions)

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Revenue:			
Gross Sales @ Standard	10,631.5	10,000.4	10,961.2
Operations	10,588.5	9,948.3	10,912.7
Capital Surcharge	0.0	0.0	0.0
Capital Investment Recovery	43.0	52.1	48.5
Other Income	16.5	41.2	42.3
Refunds/Discounts (-)	-256.5	-597.2	-657.7
Total Income	10,391.5	9,444.3	10,345.8
Adjusted Income			
Total Income (allocated)	10,391.5	9,444.3	10,345.8
Expenses:			
Cost of Materiel Sold from Inventory	7,620.8	6,648.6	7,540.2
Inventory Gains/Losses	348.2	70.4	80.2
Salaries and Wages:	205.9	213.2	222.8
Military Personnel Costs	12.3	13.8	13.5
Civilian Personnel Compensation	193.6	199.4	209.3
Travel & Transportation of Personnel	2.5	10.1	10.3
Materials & Supplies (For internal use)	1.1	0.7	0.8
Equipment	0.4	2.0	2.2
Other Purchases from Revolving Funds	329.5	382.0	364.2
Transportation of Things	489.6	510.5	562.0
Capital Investment Recovery	43.0	52.1	48.5
Printing and Reproduction	0.0	0.5	0.5
Advisory and Assistance Services	7.0	23.3	23.3
Rent, Communication, and Utility	0.8	14.2	14.4
Other Purchased Services	746.4	1,468.4	1,492.5
Total Expenses (System)	9,795.1	9,395.9	10,361.8
Allocated Expenses			
Total Expenses (Allocated)	9,795.1	9,395.9	10,361.8
Operating Results	596.3	48.454	-16.0
Plus Passthroughs or Other	0.0	0.0	40.0
Other Changes Affecting NOR	-241.0	-1.0	-1.0
Cash Surcharge	0.0	0.0	0.0
Capital Surcharge	0.0	0.0	0.0
Transfers	-241.0	-1.0	-1.0
Net Operating Results	355.3	47.5	23.0
Prior Year AOR	-857.9	-445.2	-397.8
Other Changes Affecting AOR (Retained AOR)	57.4	0.0	374.8
Accumulated Operating Results (AOR)	-445.2	-397.8	0.0

Exhibit: Fund 14-Revenue and Expenses

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
Energy Management Activity Group
Fuel Data
Fiscal Year (FY) 2022 Budget Estimates
May 2021
(Dollars in Millions)
FY 2020

Budget Petroleum Data	PROCURED FROM DLA ENERGY		
Petroleum Products	Barrels (Millions)	Price Per Barrel (\$)	Extended Price (\$Mil)
AVGAS (CONUS) - 130	0.0	\$139.75	\$0.6
AVGAS (OCONUS) - 100(LL)	0.0	\$447.87	\$0.4
Diesel Fuel:			
Distillates - F76	12.9	\$117.39	\$1,517.3
High Sulfur - DF1	-	#DIV/0!	\$0.0
Generic (High Sulfur) - DF2	1.1	\$104.88	\$114.2
Ultra Low Sulfur - DS1	0.3	\$118.65	\$34.2
Ultra Low Sulfur - DS2	1.0	\$98.25	\$94.0
Burner Grade - FS1	0.1	\$122.94	\$6.5
Burner Grade - FS2	0.2	\$96.41	\$17.3
Biodiesel - BDI	0.0	\$109.65	\$2.5
Jet Fuel:			
JP8 & JA1	19.2	\$117.80	\$2,257.9
JAA	28.9	\$113.68	\$3,289.5
JP5	9.3	\$117.14	\$1,087.7
JTS	0.1	\$179.65	\$12.8
Kerosene - KS1	0.0	\$116.90	\$1.3
Motor Gasoline:			
Regular, Unleaded - MUR	0.4	\$91.82	\$35.1
Midgrade, Unleaded - MUM	0.2	\$109.38	\$17.4
Premium, Unleaded - MUP	0.1	\$81.34	\$6.0
Gasohol - GUM	0.0	\$105.02	\$1.1
Ethanol - E85	0.1	\$92.82	\$9.1
Residual:			
Burner Grade - FS4	(0.0)	\$57.12	(\$0.1)
Residual (Burner Grade) - FS6	0.0	\$62.58	\$0.5
FOR	0.1	\$26.01	\$2.0
Bunkers - Marine - MGO	1.2	\$116.13	\$140.0
Bunkers - Intermediate Grade - 180, 380	0.0	\$79.49	\$1.1
Intoplane - Jet Fuel - IA1, IAA, IAB, IP8	3.8	\$129.38	\$486.1
Non-Contract - Jet Fuel - NA1, NAA	0.8	\$150.27	\$119.2
Non-Contract - Ground Fuel - NLS, NMU	0.3	\$117.33	\$33.5
Afganistan - NNJ	1.4	\$227.45	\$327.2
Afganistan - NNF	0.2	\$229.53	\$47.6
Rounding Factor & Other Products	5.6	N/A	\$673.9
TOTAL	87.1	\$117.80	\$10,335.9

Exhibit Fund 15 - Fuel Data (Petroleum)

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
Energy Management Activity Group
Fuel Data
Fiscal Year (FY) 2022 Budget Estimates
May 2021
(Dollars in Millions)
FY 2021

Budget Petroleum Data	PROCURED FROM DLA ENERGY		
Petroleum Products	Barrels (Millions)	Price Per Barrel (\$)	Extended Price (\$Mil)
AVGAS (CONUS) - 130	0.0	\$118.09	\$0.5
AVGAS (OCONUS) - 100(LL)	0.0	\$378.44	\$0.4
Diesel Fuel:			
Distillates - F76	14.0	\$99.19	\$1,384.0
High Sulfur - DF1	0.0	\$87.63	\$0.0
Generic (High Sulfur) - DF2	1.2	\$88.63	\$104.2
Ultra Low Sulfur - DS1	0.3	\$100.25	\$31.2
Ultra Low Sulfur - DS2	1.0	\$83.02	\$85.7
Burner Grade - FS1	0.1	\$103.88	\$5.9
Burner Grade - FS2	0.2	\$81.47	\$15.8
Biodiesel - BDI	0.0	\$92.65	\$2.3
Jet Fuel:	0.0		
JP8 & JA1	20.7	\$99.54	\$2,059.4
JAA	31.2	\$96.06	\$3,000.5
JP5	10.0	\$98.98	\$992.1
JTS	0.1	\$151.80	\$11.7
Kerosene - KS1	0.0	\$98.78	\$1.2
Motor Gasoline:			
Regular, Unleaded - MUR	0.4	\$77.59	\$32.0
Midgrade, Unleaded - MUM	0.2	\$92.42	\$15.9
Premium, Unleaded - MUP	0.1	\$68.73	\$5.5
Gasohol - GUM	0.0	\$88.74	\$1.0
Ethanol - E85	0.1	\$78.43	\$8.3
Residual:			
Burner Grade - FS4	(0.0)	\$48.27	(\$0.1)
Residual (Burner Grade) - FS6	0.0	\$52.88	\$0.5
FOR	0.1	\$21.98	\$1.8
Bunkers - Marine - MGO	1.3	\$98.13	\$127.7
Bunkers - Intermediate Grade - 180, 380	0.0	\$67.17	\$1.0
Intoplane - Jet Fuel - IA1, IAA, IAB, IP8	4.1	\$109.32	\$443.4
Non-Contract - Jet Fuel - NA1, NAA	0.9	\$126.97	\$108.7
Non-Contract - Ground Fuel - NLS, NMU	0.3	\$99.14	\$30.5
Afganistan - NNJ	1.6	\$192.19	\$298.4
Afganistan - NNF	0.2	\$193.95	\$43.4
Rounding Factor & Other Products	6.0	N/A	\$545.0
TOTAL	94.0	\$99.54	\$9,357.6

Exhibit Fund 15 - Fuel Data (Petroleum)

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
Energy Management Activity Group
Fuel Data
Fiscal Year (FY) 2022 Budget Estimates
May 2021
(Dollars in Millions)
FY 2022

Budget Petroleum Data	PROCURED FROM DLA ENERGY		
Petroleum Products	Barrels (Millions)	Price Per Barrel (\$)	Extended Price (\$Mil)
AVGAS (CONUS) - 130	0.0	\$124.32	\$0.5
AVGAS (OCONUS) - 100(LL)	0.0	\$490.14	\$0.5
Diesel Fuel:			
Distillates - F76	13.9	\$110.46	\$1,534.2
High Sulfur - DF1	0.0	\$109.62	\$0.0
Generic (High Sulfur) - DF2	1.2	\$98.70	\$115.5
Ultra Low Sulfur - DS1	0.3	\$112.56	\$34.9
Ultra Low Sulfur - DS2	1.0	\$105.84	\$108.8
Burner Grade - FS1	0.1	\$107.10	\$6.1
Burner Grade - FS2	0.2	\$94.92	\$18.3
Biodiesel - BDI	0.0	\$105.84	\$2.6
Jet Fuel:			
JP8 & JA1	20.6	\$109.62	\$2,257.6
JAA	31.1	\$108.78	\$3,382.2
JP5	10.0	\$110.88	\$1,106.3
JTS	0.1	\$170.52	\$13.0
Kerosene - KS1	0.0	\$107.94	\$1.3
Motor Gasoline:			
Regular, Unleaded - MUR	0.4	\$107.10	\$44.0
Midgrade, Unleaded - MUM	0.2	\$113.40	\$19.4
Premium, Unleaded - MUP	0.1	\$126.42	\$10.1
Gasohol - GUM	0.0	\$113.40	\$1.3
Ethanol - E85	0.1	\$107.10	\$11.3
Residual:			
Burner Grade - FS4	(0.0)	\$69.72	(\$0.2)
Residual (Burner Grade) - FS6	0.0	\$55.44	\$0.5
FOR	0.1	\$39.90	\$3.3
Bunkers - Marine - MGO	1.3	\$113.82	\$147.4
Bunkers - Intermediate Grade - 180, 380	0.0	\$82.74	\$1.2
Intoplane - Jet Fuel - IA1, IAA, IAB, IP8	4.0	\$124.32	\$501.9
Non-Contract - Jet Fuel - NA1, NAA	0.9	\$133.98	\$114.2
Non-Contract - Ground Fuel - NLS, NMU	0.3	\$114.66	\$35.2
Afganistan - NNJ	1.5	\$197.06	\$304.6
Afganistan - NNF	0.2	\$198.86	\$44.3
Rounding Factor & Other Products	6.0	N/A	\$438.1
TOTAL	93.6	\$109.62	\$10,258.1

Exhibit Fund 15 - Fuel Data (Petroleum)

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
Energy Management Activity Group
Fuel Data
Fiscal Year (FY) 2022 Budget Estimates
(Dollars in Millions)
FY 2020

DOD Sales				
Aerospace Energy	Units	Price Per Unit		Extended Price
Hydrazine Products				
Non-HPH	11,809	\$90.14		\$1.1
HPH Only	5,230	\$110.15		\$0.6
N2O (Tetroxide) Products				
	3,820	\$100.63		\$0.4
Bulk Helium Products				
	1,752	\$315.59		\$0.6
Nitrogen Products				
Non-Vandenberg	21	\$8.63		\$0.0
Vandenberg	249	\$10.93		\$0.0
Helium Products				
	96,314	\$25.50		\$2.5
Other Products				
Aviator's Breathing Oxygen	3,278,668	\$1.68		\$5.5
Liquid Nitrogen (4769)	1,302,238	\$1.43		\$1.9
Other	See Complete Price List			\$6.9
Total DoD				\$19.3
Non-DOD Sales				
Aerospace Energy	Units	Cost Recovery Per Unit	Unit Product Costs	Extended Price
Hydrazine Products				
Non-HPH	14,810	\$83.16	8.85	\$1.4
HPH Only	22,305	\$87.08	24.00	\$2.5
N2O (Tetroxide) Products				
	38,305	\$108.69	1.63	\$4.2
				\$0.0
Bulk Helium Products				
	5,702	\$130.16	176.05	\$1.7
Nitrogen Products				
Non-Vandenberg	173,095	\$2.90	6.18	\$1.6
Vandenberg	141,972	\$12.60	8.07	\$2.9
Other Products				
	See Complete Price List			\$13.4
Total Non-DoD				\$27.7
Total				\$47.0

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
Energy Management Activity Group
Fuel Data
Fiscal Year (FY) 2022 Budget Estimates
(Dollars in Millions)
FY 2021

DOD Sales				
Aerospace Energy	Units	Price Per Unit		Extended Price
Hydrazine Products				
Non-HPH	1,824	\$89.00		\$0.2
HPH Only	605	\$110.15		\$0.1
N2O (Tetroxide) Products				
	3,733	\$100.63		\$0.4
Bulk Helium Products				
	9,127	\$318.30		\$2.9
Nitrogen Products				
Non-Vandenberg	5,674	\$8.63		\$0.0
Vandenberg	2,920	\$18.65		\$0.1
Helium Products				
	107,123	\$25.43		\$2.7
Other Products				
Aviator's Breathing Oxygen	3,071,933	\$1.68		\$5.2
Liquid Nitrogen (4769)	1,209,825	\$1.45		\$1.8
Other	See Complete Price List			\$6.3
Total DoD				\$19.5
Non-DOD Sales				
Aerospace Energy	Units	Cost Recovery Per Unit	Unit Product Costs	Extended Price
Hydrazine Products				
Non-HPH	8,932	\$80.15	8.85	\$0.8
HPH Only	12,148	\$80.15	24.00	\$1.3
N2O (Tetroxide) Products				
	9,766	\$99.00	1.63	\$1.0
Bulk Helium Products				
	5,360	\$142.25	176.05	\$1.7
Nitrogen Products				
Non-Vandenberg	317,703	\$2.44	6.18	\$2.7
Vandenberg	289,246	\$10.57	8.07	\$5.4
Other Products				
	See Complete Price List			\$13.0
Total Non-DoD				\$25.9
Total				\$45.4

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
Energy Management Activity Group
Fuel Data
Fiscal Year (FY) 2022 Budget Estimates
(Dollars in Millions)
FY 2022

DOD Sales				
Aerospace Energy	Units	Price Per Unit		Extended Price
Hydrazine Products				
Non-HPH	1,824	\$89.00		\$0.2
HPH Only	605	\$110.15		\$0.1
N2O (Tetroxide) Products				
	3,733	\$100.63		\$0.4
Bulk Helium Products				
	9,127	\$318.30		\$2.9
Nitrogen Products				
Non-Vandenberg	5,674	\$8.63		\$0.0
Vandenberg	2,920	\$18.65		\$0.1
Helium Products				
	107,123	\$25.43		\$2.7
Other Products				
Aviator's Breathing Oxygen	3,071,933	\$1.68		\$5.2
Liquid Nitrogen (4769)	1,209,825	\$1.45		\$1.8
Other	See Complete Price List			\$6.3
Total DoD				\$19.5
Non-DOD Sales				
Aerospace Energy	Units	Cost Recovery Per Unit	Unit Product Costs	Extended Price
Hydrazine Products				
Non-HPH	8,932	\$80.15	8.85	\$0.8
HPH Only	12,148	\$80.15	24.00	\$1.3
N2O (Tetroxide) Products				
	9,766	\$99.00	1.63	\$1.0
Bulk Helium Products				
	5,360	\$142.25	176.05	\$1.7
Nitrogen Products				
Non-Vandenberg	317,703	\$2.44	6.18	\$2.7
Vandenberg	289,246	\$10.57	8.07	\$5.4
Other Products				
	See Complete Price List			\$13.0
Total Non-DoD				\$25.9
Total				\$45.4

**Defense Logistics Agency
 Defense Wide Working Capital Fund (DWWCF)
 DLA Document Services
 Fiscal Year (FY) 2022 Budget Estimates
 May 2021**

FUNCTIONAL DESCRIPTION: DLA Document Services is responsible for Department of Defense (DoD) printing, duplicating, and document automation programs. This responsibility encompasses the full range of automated services to include conversion, electronic storage and output, and distribution of hard copy and digital documents. DLA Document Services provides time sensitive, competitively priced, high quality products and services that are produced either in-house or procured through the Government Publishing Office (GPO).

DLA Document Services value to DoD is characterized by two elements. First, DLA Document Services provides a full portfolio of best value document services ranging from traditional offset printing, through on-demand output, to online document management services. Second, DLA Document Services actively functions as a transformation agent moving DoD toward the use of online documents and services. These services include building libraries of digital documents to permit online access, providing multifunctional devices (that print from networks, copy, fax, and scan) in customer workspaces, and converting paper documents to digital formats.

CUSTOMERS:

DLA Document Services' primary customers by revenue are Army, Navy, Air Force, Defense Agencies, and non-DoD customers. Both appropriated and DWCF-funded activities are included in each Service's new orders.

	FY 2020 Actual (\$ in Millions)	FY 2021 Estimate (\$ in Millions)	FY 2022 Estimate (\$ in Millions)
Army	33.4	41.5	44.8
Navy	72.8	90.6	97.8
USMC	21.9	27.2	29.4
USAF	22.8	28.3	30.6
DoD	91.3	113.5	122.5
Other Federal	9.7	12.1	13.0
Non-Federal	0.0	0.0	0.0
Total New Orders	251.9	313.2	338.0

BUDGET HIGHLIGHTS

The submission reflects growth in the Equipment Management Solutions (EMS) program through a strategic focus on providing comprehensive Managed Print Services for the DOD and Federal Agencies. Managed Print Services involves the management of office print devices through a device assessments process and a leveraged acquisition approach.

DLA is continuously modernizing the Document Services mission structure, transitioning from traditional on-site print production to an agile on-line ordering capability supported by fewer but more capable CONUS production facilities. This new service delivery model provides improved services while decreasing costs and increases DLA's emphasis on consultative services to DoD in the move from print to an ever-greater demand for electronic data and content management services. DLA embeds Customer Relations Specialist (CRS) with customers at key strategic locations. Customer Relations Specialists serve as the face to customers and provide DOD the full range of document services capabilities to include office print devices, scanning and conversion, traditional and unique printed products, and other data automation services. Transitioning from onsite production facilities to consultative/online services, reduces operational costs to include reduced staffing, facilities, equipment, and maintenance while increasing the use of Government Publishing Office (GPO) for common non-urgent printing services.

UNIT COST AND PRICING

Unit Cost per In-house Production Unit

<u>FY 2020 Goal</u>	<u>FY 2020 Actual</u>
\$0.1525	\$0.1554

DLA measures the effectiveness of program budgeting and execution with a unit cost performance measure. DLA Document Services actual FY 2020 unit cost was greater than the goal, due to less than anticipated workload in In-House Production. Actual in-house costs were 10% lower than planned (\$52.6 million actual versus \$58.4 million planned).

Composite Customer Rate Change

FY 2020 Goal

-1.66%

FY 2020 Actual

-2.60%

The composite customer rate change is the weighted average of the in-house production unit revenue change and the commercial program revenue change. The in-house production unit revenue change is calculated by dividing in-house revenue by the in-house production units. The Commercial program, which includes services that do not have a standard rate per item such as Equipment Management Solutions (EMS), Government Publishing Office (GPO) orders, and Electronic Data Content Management (EDCM), DLA Document Services charges customers at cost and applies an overhead rate in percentage form. The non-labor inflation rate is used as the price change for the cost-plus fixed fee commercial program. The primary driver for the lower than planned composite customer rate change in FY 2020 was lower prices, and lower than projected workload in in-house operations and commercial programs due to COVID-19.

Unit Cost	FY 2020 Actual	FY 2021 Goal	FY 2022 Goal
In-House Production Units	338.4 (M)	395.7 (M)	401.0 (M)
In-House Production Rate	\$0.1554	\$0.1530	\$0.1470
Customer Rate	\$0.1182	\$0.1240	\$0.1229
Composite Customer Rate Change	-2.60%	2.30%	1.58%

ANALYSIS OF BUDGET STATEMENTS

Net Operating Result (NOR)/Accumulated Operating Result (AOR):

The NOR measures a single fiscal year impact of revenue and expenses incurred by the business. A positive NOR demonstrates that revenues exceeded expenses for the business activity.

AOR reflects multi-year results of annual NORs. It measures the accumulated effects of NORs from the inception of the business unit and demonstrates fiscal strength over a longer time.

DLA Document Services ended FY 2020 with a negative -\$26.8 million net operating result. In FY 2020 Document Services In-

House Operations and Commercial Printing workload was impacted by COVID-19, which resulted in higher than projected negative NOR.

(In millions)	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate
Revenue	249.4	313.3	338.0
Cost of Goods Sold	276.2	306.3	310.9
Cash Surcharge	0.0	0.0	0.0
Capital Surcharge	0.0	0.0	0.0
Inventory Surcharge	0.0	0.0	0.0
Other Changes Affecting NOR	0.0	0.0	0.0
Net Operating Results	(26.8)	7.0	27.2
Prior Year Adjustments	16.6	0.0	0.0
Prior Year Accumulated Operating Results	(23.9)	(34.2)	(27.2)
Non-Recoverable Adjustment Impacting AOR	0.1	0.0	0.0
Ending Accumulated Operating Result	(34.2)	(27.2)	0.0

OUTLAYS: Net outlays measure the difference between collections and disbursements. Positive net outlays reflect collections in excess of disbursements. Negative net outlays reflect disbursements in excess of collections. Disbursements are driven by expense and the change in accounts payable. Collections are driven by revenue and the change in accounts receivable.

(In millions)	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate
Expense (less CIR)	276.2	306.3	310.9
Capital Disbursements	0.0	0.0	0.0
Accounts Payable Change	-1.0	-12.5	-12.7
Disbursements	292.0	320.8	322.9
Revenue	249.4	313.3	338.0
Accounts Receivable Change	3.9	-1.0	-8.8
Collections	266.7	314.3	328.6
Net Outlays	-25.3	-6.5	5.7

FY 2020: The overall net outlays reflect negative NOR/AOR at the end of Fiscal Year 2020, due to disbursements exceeding collections (-25.3 million). Due to COVID-19 DLA Document Services had an overall decrease of workload in (In-House Operations and GPO Commercial Printing) which resulted in less than anticipated revenue from customer orders, and thus less collections.

FY 2021: The projected cash loss is due disbursements exceeding collections (-6.5 million). This submission projects higher disbursements due to clearing of aged negative payables in (In-House Operations, and GPO) programs.

FY 2022: The projected cash gain is due collections exceeding disbursements (5.7 million). This submission projects increased workload requirements and price adjustments in In-House Operations, Government Publishing Office (GPO), and Equipment Management Solutions (EMS) programs and meeting the goal of zero AOR by end of FY 2022.

PERSONNEL: This submission reflects full-time equivalents required to produce the projected workload. DLA Document Services anticipates ending FY 2022 with 414 FTEs.

	FY 2020	FY 2021	FY 2022
Civilian End Strength	409	414	414
Civilian Full-Time Equivalents	413	412	414

CAPITAL BUDGET: DLA Document Services asset requirements in FY 2020 - FY 2021 are anticipated to cost less than the capitalization threshold of \$250,000, which will require no additional capital investment funding. Beginning in FY 2022 Document Services will be purchasing Non-ADPE (Print and Duplication) equipment to replace existing equipment that has reached or exceeded the useful life.

(In millions)	FY 2020	FY 2021	FY 2022
Capital Budget Program			
Equipment (Non-ADPE)	0.0	0.0	5.7
Equipment (ADPE)	0.0	0.0	0.0
Software Development (SWD)	0.0	0.0	0.0
Minor Construction	0.0	0.0	0.0
Total	0.0	0.0	5.7

DEFENSE LOGISTICS AGENCY
 Defense-Wide Working Capital Fund
 DLA Document Services
 Changes in the Cost of Operation
 Fiscal Year (FY) 2022 Budget Estimates
 May 2021

	<u>Cost</u>
FY 20 Actual:	276.3
FY 21 Estimate in President's Budget	307.1
Estimated Impact in FY 20 of Actual	
FY 20 Experience	
Civilian Personnel	(0.9)
Travel of Persons	(0.3)
Material & Supplies	(3.6)
Commercial Equipment Purchases	4.9
Other Purchased Services from Revolving Fund	(1.0)
Transportation of things	0.1
Printing and Reproduction	6.6
Advisory and Assistance Services	0.9
Rent, Communications, Utilities, and Misc	(24.2)
Other Purchased Services	(7.8)
Capital Investment Recovery	(0.0)
Pricing Adjustments:	
Annualization of FY 20 Pay Raise	(0.0)
FY 21 Pay Raise	(0.0)
General Purpose Inflation	(1.7)
Program Changes:	
Civilian Personnel	(0.8)
Travel of Persons	0.0
Material & Supplies	0.0
Commercial Equipment Purchases	0.0
Other Purchased Services from Revolving Fund	0.0
Transportation of things	0.0
Printing and Reproduction	0.0
Advisory and Assistance Services	0.0
Rent, Communications, Utilities, and Misc	0.0
Other Purchased Services	(0.0)
Capital Investment Recovery	0.0
FY 21 Current Estimate	306.3
Pricing Adjustments	
Annualization of Prior Year Pay Raises	(0.0)
FY 22 Pay Raise	0.2
General Purpose Inflation	(0.5)
Program Changes:	
Civilian Personnel	(0.6)
Travel of Persons	0.0
Material & Supplies	0.0
Commercial Equipment Purchases	0.0
Other Purchased Services from Revolving Fund	0.0
Transportation of things	0.0
Printing and Reproduction	0.0
Advisory and Assistance Services	0.0
Rent, Communications, Utilities, and Misc	3.5
Other Purchased Services	(3.1)
Capital Investment Recovery	0.0
FY 22 Current Estimate	310.9

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
DLA Document Services
Source of New Orders and Revenue
Fiscal Year (FY) 2022 Budget Estimates
May 2021
(\$ in Millions)

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
1. New Orders			
a. Orders from DoD Components	179.2	222.8	240.4
Department of the Navy	91.1	113.3	122.2
Operations and Maintenance, Navy	58.9	73.2	79.0
Operations and Maintenance, Marine Corps	20.7	25.8	27.8
O&M, Navy Reserve	2.6	3.2	3.5
O&M, Marine Corps Reserve	1.2	1.5	1.6
Aircraft Procurement, Navy	0.9	1.1	1.2
Shipbuilding & Conversion, Navy	1.3	1.6	1.7
Research, Development, Test & Eval, Navy	0.4	0.4	0.5
Military Construction, Navy	0.0	0.0	0.0
Other Navy Appropriations	1.0	1.2	1.3
Credit Card Purchases, Navy	4.2	5.2	5.6
Department of the Army	33.4	41.5	44.8
Army Operation and Maintenance	27.7	34.4	37.2
O&M, Army Reserve	0.7	0.9	1.0
Army National Guard	0.4	0.5	0.6
Army Res, Dev, Test & Eval Accounts	0.3	0.4	0.4
Army Procurement Accounts	0.3	0.4	0.4
Army Other	0.0	0.0	0.0
Credit Card Purchases, Army	4.0	4.9	5.3
Department of the Air Force	22.6	28.1	30.4
Air Force Operation & Maintenance	19.1	23.8	25.6
O&M, Air Force Reserve	0.1	0.2	0.2
Air Force National Guard	0.5	0.7	0.7
Air Force Res, Dev, Test & Eval Accounts	0.3	0.4	0.4
Air Force Procurement Accounts	0.5	0.6	0.6
Air Force Other	0.0	0.0	0.0
Credit Card Purchases, Air Force	2.0	2.5	2.7
DoD Appropriated Accounts	32.1	39.9	43.1
Operation & Maintenance Accounts	8.8	10.9	11.8
Res, Dev, Test & Eval Accounts	1.0	1.3	1.4
Procurement Accounts	0.0	0.0	0.0
Military Construction, Defense	0.0	0.0	0.0
Defense Health Program	19.7	24.4	26.4
DoD Other	0.0	0.0	0.0
Credit Card Purchases, Defense	2.6	3.2	3.5
b. Orders from other Fund Activity Groups	63.0	78.4	84.6
Navy	3.7	4.6	4.9
Army	0.0	0.0	0.0
Air Force	0.2	0.2	0.2
Other DoD	59.2	73.6	79.4
c. Total DoD	242.2	301.2	325.0
d. Other Orders	9.7	12.1	13.0
Other Federal Agencies	9.6	12.0	12.9
Credit Card Purchases	0.1	0.1	0.1
Non-Federal Agencies and Other	0.0	0.0	0.0
Total New Orders	251.9	313.3	338.0
2. Carry-In Orders	27.7	30.2	30.2
3. Total Gross Orders	279.6	343.4	368.2
4. Funded Carry-Over	30.2	30.2	30.2
5. Total Gross Sales	249.4	313.3	338.0

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
DLA Document Services
Revenue and Cost
Fiscal Year (FY) 2022 Budget Estimates
May 2021

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Revenue			
Gross Sales	249.4	313.3	338.0
Operations	0.0	0.0	0.0
Capital Surcharge	0.0	0.0	0.0
Depreciation excluding Major Construction	0.0	0.0	0.0
Major Construction Depreciation	0.0	0.0	0.0
Other Income	0.0	0.0	0.0
Refunds/Discounts (-)	0.0	0.0	0.0
Total Income:	249.4	313.3	338.0
Cost			
Cost of Material Sold from Inventory	0.0	0.0	0.0
Salaries and Wages:			
Military Personnel Compensation & Benefits	0.0	0.0	0.0
Civilian Personnel Compensation & Benefits	40.5	40.9	42.0
Travel & Transportation of Personnel	0.2	0.5	0.5
Materials & Supplies (For Internal Operations)	11.9	16.7	15.9
Equipment Purchases	11.6	12.1	8.0
Other Purchases from Revolving Funds	2.3	3.4	3.4
Transportation of Things	1.2	1.1	1.1
Capital Investment Recovery	0.0	0.0	0.0
Printing and Reproduction	70.7	64.0	64.1
Advisory and Assistance Services	1.5	0.4	0.4
Rent, Communications, Utilities, & Misc. Charges	75.3	91.8	99.5
Other Purchased Services	61.1	75.5	76.0
Total Expenses:	276.3	306.3	310.9
Operating Result	(26.8)	7.0	27.2
Net Operating Result	(26.8)	7.0	27.2
Prior Year Adjustments	16.6		
Prior Year AOR	(23.9)	(34.2)	(27.2)
Accumulated Operating Result	(34.2)	(27.2)	0.0
Non-Recoverable Adjustment Impacting AOR:			
Deferred Operating Results and Depreciation	0.1		
Accumulated Operating Results for Budget Purposes	(34.2)	(27.2)	0.0

Fund 14 Revenue and Cost

**Fiscal Year (FY) 2022 Budget Estimates
Defense Finance and Accounting Service
Activity Capital Purchase Justification
May 2021
(Dollars in Millions)**

Line Number	Item Description	FY 2020		FY 2021		FY 2022	
		Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
1	Non-ADPE Equipment		\$ -		\$ -		\$ -
2	ADPE & Telecom Equip						
2a	- Computer Hardware (Production)		\$ -		\$ -		\$ -
2b	- Computer Hardware (Network)		\$ 9.0		\$ 7.7		\$ 7.0
2c	- Computer Software (Operating System)		\$ -		\$ -		\$ -
2d	- Telecommunications		\$ 0.8		\$ 1.8		\$ 1.0
2e	- Other Support Equipment		\$ -		\$ -		\$ -
3	Software Development						
3a	- Internally Developed		\$ 1.7		\$ 0.9		\$ 45.5
3b	- Externally Developed		\$ 5.9		\$ 4.6		\$ 3.5
4	Minor Construction Capabilities						
4a	- Replacement		\$ -		\$ -		\$ -
4b	- New Construction		\$ 3.9		\$ 3.4		\$ 3.7
4c	- Environmental		\$ -		\$ -		\$ -
	TOTAL OBLIGATIONS		\$ 21.2		\$ 18.3		\$ 60.7
	Total Capital Outlays		\$ 14.6		\$ 16.1		\$ 25.0
	Total Depreciation Expense		\$ 29.9		\$ 30.6		\$ 31.9

**Fiscal Year (FY) 2022 Budget Estimates
Defense Finance and Accounting Service
Activity Capital Investment Justification
May 2021
(Dollars in Millions)**

ACTIVITY GROUP : CAPITAL INVESTMENT JUSTIFICATION (\$ in Thousands)				A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates			D. Activity Identification A. ELAN					
B. Component/Business Area/Date Defense Finance and Accounting Service (DFAS) January 2021				C. Line No and Item Description 2 - ADPE and Telecom Equipment 2b - Computer Hardware (Network)								
Element of Cost				FY 2020			FY 2021			FY 2022		
				Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
A. Enterprise Local Area Network (ELAN)						\$ 5,315			\$ 3,900			\$ 5,450
Narrative Justification: A. ELAN is the primary backbone computing infrastructure for the Agency. Major services include network connectivity, messaging and fax services, collaboration capabilities, remote connectivity, network storage, and application hosting environments to enable DFAS Lines of Business to accomplish their respective missions. FY22 funds will allow for sustainment efforts to ensure that the various services offered by the infrastructure are kept in compliance. This includes equipment replacement scheduled for vendor end-of-service life, upgrades for compatibility, addressing security requirements and satisfying DoD mandates. FY21 funds will allow for sustainment efforts to ensure that the various services offered by the infrastructure are kept in compliance. This includes equipment replacement scheduled for vendor end-of-service life, upgrades for compatibility, addressing security requirements and satisfying DoD mandates. Key subprojects included Network Hardware Sustainment, Storage Sustainment, Virtualization Sustainment, and Network Load Balancer. FY20 funds focused on Network Hardware Sustainment, Storage Sustainment, and Virtualization Sustainment.												

ACTIVITY GROUP : CAPITAL INVESTMENT JUSTIFICATION (\$ in Thousands)				A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates			D. Activity Identification B. Security					
B. Component/Business Area/Date Defense Finance and Accounting Service (DFAS) January 2021				C. Line No and Item Description 2 - ADPE and Telecom Equipment 2b - Computer Hardware (Network)								
Element of Cost				FY 2020			FY 2021			FY 2022		
				Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
B. Security						\$ 3,679			\$ 3,750			\$ 1,535
Narrative Justification: B. The Security program is a part of I&T Infrastructure and Production Support at DFAS Indianapolis. The program consists of the Cybersecurity Service Provider (CSSP) team. It ensures meeting all security requirements to minimize vulnerabilities to the ELAN infrastructure. The security program replaces equipment on a 5 year life cycle. FY22 sustainment efforts will ensure the various services offered by the security infrastructure remain in compliance. This means replacing equipment scheduled for vendor end of service life, upgrades for compatibility, addressing security requirements, and satisfying DoD mandates. The FY22 funds will be used for ELAN security infrastructure sustainment. FY21 sustainment efforts will ensure the various services offered by the security infrastructure remain in compliance. This means replacing equipment scheduled for vendor end of service life, upgrades for compatibility, addressing security requirements, and satisfying DoD mandates. The FY21 funds will be used for Web Content Filtering and Continuous Monitoring. FY20 efforts included Web Content Filtering, Continuous Monitoring, and Firewall.												

ACTIVITY GROUP : CAPITAL INVESTMENT JUSTIFICATION (\$ in Thousands)				A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates			D. Activity Identification A. Unified Communications (UNCOMM)					
B. Component/Business Area/Date Defense Finance and Accounting Service (DFAS) January 2021				C. Line No and Item Description 2 - ADPE and Telecom Equipment 2d - Telecommunications								
Element of Cost				FY 2020			FY 2021			FY 2022		
				Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
A. Unified Communications (UNCOMM)						\$ 774			\$ 1,800			\$ 1,000
Narrative Justification: A. Teleservices provides the underlying infrastructure for communication services for the agency. It consists of many individual parts which must work in harmony and be kept current to ensure all DFAS Lines of Business continue to meet their respective missions. Teleservices cost is mainly driven by Government and DoD mandates required to fulfill law and technical sustainment due to vendor end of life. FY22 and FY21 funding will be used to replace infrastructure components that are approaching end of life and support to enhance Video Teleconferencing (VTC) capability by adding additional end points. FY20 funding was used for replacing VTC capabilities, TNT elimination, and voicemail replacement.												

Fund 9b Capital Investment Justification

**Fiscal Year (FY) 2022 Budget Estimates
 Defense Finance and Accounting Service
 Activity Capital Investment Justification
 May 2021
 (Dollars in Millions)**

ACTIVITY GROUP : CAPITAL INVESTMENT JUSTIFICATION (\$ in Thousands)			A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates			D. Activity Identification A. RLS Cash Accountability - DCAS					
B. Component/Business Area/Date Defense Finance and Accounting Service (DFAS) January 2021			C. Line No and Item Description 3- Software Development 3a - Internally Developed								
Element of Cost			FY 2020			FY 2021			FY 2022		
			Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
A. RLS Cash Accountability - DCAS (DCMS IBOP)					\$ 464			\$ -			\$ -

Narrative Justification:
 A. RLS is an agency initiative to continue providing world class service to our customers, while reducing the number of DFAS-owned systems. DCAS is an automated tool that yields increased processing efficiency and improved reporting/analysis of Department of Defense (DoD) cash transactions. It is designed to support both daily reporting in support of Government Wide Accounting (GWA) for those disbursements made by Department of Defense (DoD) as well as direct to treasury disbursing activities on behalf of the Enterprise Resource Planning (ERPs). FY20 funds were used to support the agency's RLS initiative by subsuming a portion of the functionality for Departmental Cash Management System-International Balance of Payments (DCMS-IBOP) into DCAS.

ACTIVITY GROUP : CAPITAL INVESTMENT JUSTIFICATION (\$ in Thousands)			A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates			D. Activity Identification B. MOCAS					
B. Component/Business Area/Date Defense Finance and Accounting Service (DFAS) January 2021			C. Line No and Item Description 3- Software Development 3a - Internally Developed								
Element of Cost			FY 2020			FY 2021			FY 2022		
			Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
B. Mechanization of Contract Administration Services (MOCAS) (Prompt Pay for MOCAS Mid-Tier)					\$ 870			\$ -			\$ -

Narrative Justification:
 B. MOCAS currently relies on a micro-application called Prompt Pay, which is an application under the MOCAS MidTier system, to make interest payments due on MOCAS paid contracts. MOCAS MidTier was selected for retirement through the Reduce Legacy Systems (RLS) agency initiative. FY20 funding will be used to complete an end to end change process within MOCAS to add functionality to process interest payments, which will allow the retirement of the Prompt Payment application.

ACTIVITY GROUP : CAPITAL INVESTMENT JUSTIFICATION (\$ in Thousands)			A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates			D. Activity Identification C. SCRT					
B. Component/Business Area/Date Defense Finance and Accounting Service (DFAS) January 2021			C. Line No and Item Description 3- Software Development 3a - Internally Developed								
Element of Cost			FY 2020			FY 2021			FY 2022		
			Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
C. Standard Contract Reconciliation Tool (SCRT)					\$ 375			\$ -			\$ -

Narrative Justification:
 C. The Standard Contract Reconciliation Tool (SCRT) automates and streamlines the contract reconciliation process. SCRT interfaces with six accounting systems and Mechanization of Contract Administrative Services (MOCAS). Document Tracking Log (DTL) is an application under the MOCAS MidTier system that tracks audit requests for MOCAS. MOCAS MidTier was selected for retirement through the Reduce Legacy Systems (RLS) agency initiative. FY20 funding will be used to add the DTL data and functionality into SCRT.

ACTIVITY GROUP : CAPITAL INVESTMENT JUSTIFICATION (\$ in Thousands)			A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates			D. Activity Identification D. DDS					
B. Component/Business Area/Date Defense Finance and Accounting Service (DFAS) January 2021			C. Line No and Item Description 3- Software Development 3a - Internally Developed								
Element of Cost			FY 2020			FY 2021			FY 2022		
			Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
D. Deployable Disbursing System (DDS)					\$ -			\$ 868			\$ -

Narrative Justification:
 D. The FY21 project is to transition the entire Centralized Disbursing System (CDS) to the Deployable Disbursing System (DDS). This will include identifying functionality, including interfaces, CDS currently has that DDS does not currently have.

**Fiscal Year (FY) 2022 Budget Estimates
Defense Finance and Accounting Service
Activity Capital Investment Justification
May 2021
(Dollars in Millions)**

ACTIVITY GROUP : CAPITAL INVESTMENT JUSTIFICATION (\$ in Thousands)				A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates								
B. Component/Business Area/Date Defense Finance and Accounting Service (DFAS) January 2021				C. Line No and Item Description 3- Software Development 3a - Internally Developed			D. Activity Identification E. DRAS					
Element of Cost				FY 2020		FY 2021			FY 2022			
				Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
E. Defense Retired & Annuitant Pay System (DRAS)						\$ -			\$ -			\$ 41,749
Narrative Justification: E. With the Department's decision to defund DRAS2, DRAS requires modernization to ensure continued sustainability in the future. DRAS is currently made up of 6 subsystems, consisting of mainframe and mid-tier application software solutions. The 6 subsystems will be re-written into a single, unifying code base that will maximize sustainability while maintaining existing functionality. DRAS will create a replacement normalized database structure that will incorporate existing data from mainframe and mid-tier databases. This project will upgrade the architecture of DRAS. This effort will include implementation of standard line of accounting (SLOA) and Treasury Direct Disbursing (TDD), adding the Space Force as a new branch of service in DRAS, implementing remaining Blended Retirement System (BRS) functionality, improving workflow and self-service capabilities, and modernizing the DRAS user interface.												

ACTIVITY GROUP : CAPITAL INVESTMENT JUSTIFICATION (\$ in Thousands)				A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates								
B. Component/Business Area/Date Defense Finance and Accounting Service (DFAS) January 2021				C. Line No and Item Description 3- Software Development 3a - Internally Developed			D. Activity Identification F. EFD					
Element of Cost				FY 2020		FY 2021			FY 2022			
				Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
F. Enterprise Funds Distribution (EFD)						\$ -			\$ -			\$ 3,800
Narrative Justification: F. The FY22 project is to transfer certain capabilities and functionalities from the Program Budget Accounting System (PBAS) to the Enterprise Funds Distribution (EFD) system. The transferred capabilities and functionalities will be new to the EFD system and will occur after the EFD system is transferred from DLA to DFAS.												

ACTIVITY GROUP : CAPITAL INVESTMENT JUSTIFICATION (\$ in Thousands)				A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates								
B. Component/Business Area/Date Defense Finance and Accounting Service (DFAS) January 2021				C. Line No and Item Description 3- Software Development 3b - Externally Developed			D. Activity Identification A. CMIS					
Element of Cost				FY 2020		FY 2021			FY 2022			
				Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
A. Configuration Management Information System (CMIS)						\$ 1,474			\$ -			\$ -
Narrative Justification: A. Configuration Management Information System (CMIS) acts as the DFAS repository for Configuration Management. It is a Powerbuilder GUI and Oracle Database that warehouses, and maintains DFAS Systems Configuration Management functions. Currently there are shortcomings inherent to the system significant enough that a replacement of CMIS is requested. FY20 efforts allow for the CMIS application to be CAC-enabled and available to users via the web via a Commercial Off-the-Shelf (COTS) replacement of the current application.												

ACTIVITY GROUP : CAPITAL INVESTMENT JUSTIFICATION (\$ in Thousands)				A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates								
B. Component/Business Area/Date Defense Finance and Accounting Service (DFAS) January 2021				C. Line No and Item Description 3- Software Development 3b - Externally Developed			D. Activity Identification B. REMEDY					
Element of Cost				FY 2020		FY 2021			FY 2022			
				Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
B. Remedy Action Request System (REMEDY)						\$ 968			\$ -			\$ -
Narrative Justification: B. FY20 efforts allowed for current individual help desks to be consolidated and additional help desks to utilize Remedy via the ITSM environment.												

Fund 9b Capital Investment Justification

**Fiscal Year (FY) 2022 Budget Estimates
 Defense Finance and Accounting Service
 Activity Capital Investment Justification
 May 2021
 (Dollars in Millions)**

ACTIVITY GROUP : CAPITAL INVESTMENT JUSTIFICATION (\$ in Thousands)				A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates								
B. Component/Business Area/Date Defense Finance and Accounting Service (DFAS) January 2021				C. Line No and Item Description 3- Software Development 3b - Externally Developed			D. Activity Identification C. CEDMS					
Element of Cost				FY 2020			FY 2021			FY 2022		
				Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
C. Corporate Electronic Document Management System (CEDMS)						\$ 3,100			\$ -			\$ -
Narrative Justification: C. Corporate Electronic Document Management System (CEDMS) system is the focal point for document storage at DFAS. CEDMS is an automated, standardize and centralize repository for all document storage. The system supports document management, record keeping, record retrieval, record staging, and document security for management of various types of electronic source documents. FY20 funding were used to provide a more robust enterprise solution, CEDMS required additional customization to include full PII redaction; development of ad hoc reporting capabilities; development of user generated reports; and integration with MS SharePoint.												

ACTIVITY GROUP : CAPITAL INVESTMENT JUSTIFICATION (\$ in Thousands)				A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates								
B. Component/Business Area/Date Defense Finance and Accounting Service (DFAS) January 2021				C. Line No and Item Description 3- Software Development 3b - Externally Developed			D. Activity Identification D. ERM					
Element of Cost				FY 2020			FY 2021			FY 2022		
				Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
D. Enterprise Risk Management Toolset (ERM)						\$ 345			\$ 500			\$ -
Narrative Justification: D. FY21 funding will be used for an Enterprise Risk Management Toolset. Current environment consists of eight applications that are independent of each other: AART, AMT, FISCAM, FFMA, ICONTR0L, IDASHBOARD, METRICS, and REMEDY (Audit module). These tools do not provide a long-term, centralized platform to support the maturity of the Agency's risk management activities. This new system will allow for standardization in the risk control space for more efficient Audit Steadiness operations. FY20 funding was used for the planning of the implementation and configuration of an Enterprise Risk Management Toolset (ERM).												

ACTIVITY GROUP : CAPITAL INVESTMENT JUSTIFICATION (\$ in Thousands)				A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates								
B. Component/Business Area/Date Defense Finance and Accounting Service (DFAS) January 2021				C. Line No and Item Description 3- Software Development 3b - Externally Developed			D. Activity Identification E. IWMS					
Element of Cost				FY 2020			FY 2021			FY 2022		
				Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
E. Interactive Workplace Management Suite (IWMS)						\$ -			\$ 1,137			\$ -
Narrative Justification: E. FY21 funds will be used to implement a Space Management module of an IWMS system to provide Hoteling & Room Reservations functionality to meet DFAS' demands for managing mobile employees who split work between the office and telework. Office hoteling enables individual employees to reserve space temporarily, such as a cubicle or office, that they can access for a few hours, the day, or the week. Room Scheduling is used for locating and reserving suitable spaces for employee and team functions.												

ACTIVITY GROUP : CAPITAL INVESTMENT JUSTIFICATION (\$ in Thousands)				A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates								
B. Component/Business Area/Date Defense Finance and Accounting Service (DFAS) January 2021				C. Line No and Item Description 3- Software Development 3b - Externally Developed			D. Activity Identification F. DFAS Portal					
Element of Cost				FY 2020			FY 2021			FY 2022		
				Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
F. DFAS Portal - Business Process Management (BPM)						\$ -			\$ 3,000			\$ -
Narrative Justification: F. FY21 funding will be used to develop a Business Process Management (BPM) workflow application that automates existing business processes across the DFAS enterprise such as telework requests, Safety Form 603, Awards, purchase requests, and virtual private network account requests. The costs determined capital for the solution include: Design, Coding, Installation to Hardware, Project personnel costs, Technical Acceptance, Testing, and Quality assurance testing of integration/implementation of the software BPM Workflow solution into the DFAS Portal.												

Fund 9b Capital Investment Justification

**Fiscal Year (FY) 2022 Budget Estimates
 Defense Finance and Accounting Service
 Activity Capital Investment Justification
 May 2021
 (Dollars in Millions)**

ACTIVITY GROUP : CAPITAL INVESTMENT JUSTIFICATION (\$ in Thousands)				A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates								
B. Component/Business Area/Date Defense Finance and Accounting Service (DFAS) January 2021				C. Line No and Item Description 3- Software Development 3b - Externally Developed			D. Activity Identification G. eBiz					
Element of Cost				FY 2020			FY 2021			FY 2022		
				Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
G. e-Biz Momentum (G-Invoicing)						\$ -			\$ -			\$ 3,500
Narrative Justification: G. This project will upgrade from Momentum 7.7PI3 to 7.9 and will establish the full G-Invoicing functionality which will include General Terms & Conditions (GT&C), Orders, Performance, Settlements and UEI for Acquisition, Financial Management and other federal solutions. The FY22 funds will be used to pay for an upgrade of the Momentum software that is a Treasury mandate for all Department of Defense (DoD) that will add significant functionality. The functionality will be in the form of new modules that will allow for one warehouse of agreements, the processing orders, invoices, GEX files, and finally give the ability to close out the contract on the back end.												

Fund 9b Capital Investment Justification

**Fiscal Year (FY) 2022 Budget Estimates
 Defense Finance and Accounting Service
 Activity Capital Investment Justification
 May 2021
 (Dollars in Millions)**

ACTIVITY GROUP : CAPITAL INVESTMENT JUSTIFICATION (\$ in Thousands)	A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates								
B. Component/Business Area/Date	C. Line No and Item Description						D. Activity Identification		
Defense Finance and Accounting Service (DFAS) January 2021	4 - Minor Construction Capabilities								
Element of Cost	FY 2020			FY 2021			FY 2022		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
4b - New Construction									
A. Cleveland			\$ 1,715			\$ -			\$ 1,916
B. Columbus			\$ 550			\$ 988			\$ -
C. Indianapolis			\$ 547			\$ -			\$ -
D. Limestone			\$ 1,025			\$ 900			\$ 1,320
E. Rome			\$ 42			\$ 1,500			\$ 431
Total New Construction			\$ 3,879			\$ 3,388			\$ 3,667

Narrative Justification:

A. FY22 Funds (\$1,916K) will be used to purchase and install a physical access control system (PACS) that will allow centralized secured access permissions and will bring the DFAS Cleveland facility up to the DoD physical access requirements. It will require facility modifications for the areas of the access control point installations. This will include the permanent installation of PACS, including affixing and wiring, on 139 doors throughout the building. The work will additionally include the replacement or modification of some doors at these control points to bring them up to Fire and Life Safety requirements. FY20 funds were used for the following work on the Anthony J. Celebrezze Federal building at DFAS Cleveland: converting a vault on the 23rd floor to a secure operations center, a renovation of the 17th floor of the AJC building, and the buildout renovation of the mailroom that moved it from the 9th to 26th floor.

B. FY21 funds (\$988K) will be used to convert existing Property and Mailroom facilities located in the DFAS Columbus building 21 basement to a 50-person capacity open storage area with Secret Internet Protocol Router Network (SIPRNet) functionality. FY20 funds were used for the installation of overhangs on all of the entrances to DFAS CO Building 21.

C. FY20 funds were used to expand collateral work space within the DFAS Site Operations Center (DSOC).

D. FY22 funds (\$1,320K) will be used for the purchase and installation of an interlocking door system at all six entrances of DFAS Limestone. This interlocking door system will allow only one door of the two layers of entry doors, to be opened at a time, thereby creating a delay in direct access to the facility and reducing the probability of "piggy backing". The funds will also be used to purchase and install new common access card (CAC) enabled security doors. FY21 funds (\$900K) will cover the purchase and installation of new tamper alarm switches (including wiring) and a physical access control system into the current Seacoast Security Alarm and Monitoring System. FY20 funds were used for procurement and installation of a single Automatic Transfer Switch and the design fees for the FY21 tamper alarm switches project.

E. FY22 funds (\$431K) will be used to bring the GFEBs area up to a secure environment that will make it compliant for the new secure workload to be done at DFAS Rome. The funds will be used to extend the existing walls of room E132 to the ceiling, add sound attenuation to the walls, and replace existing personnel doors with doors that meet Unified Facilities Criteria (UFC) requirements to bring the room into compliance to perform SA work in the space. Work also includes adding a secure VTC conference room and secure room for SIPR/NIPR servers. This work will include running all necessary SIPR/NIPR wiring for the secure area and any other lines needed for the secure area. FY21 funds (\$1,500K) will be used for the running of a natural gas line service to the DFAS Rome building, installing two (2) new steam boilers and tying into the DFAS Rome existing steam lines. This project will also require the construction of an outbuilding to provide adequate space to house the new boilers. FY20 funds were used for the design fees for the FY21 steam boilers project.

**Fiscal Year (FY) 2022 Budget Estimates
 Defense Finance and Accounting Service
 Capital Budget Execution
 May 2021
 (Dollars in Millions)**

Major Category	Initial Request	Current Proj Cost	Approved Change	Explanation
FY 2020				
ADPE and Telecom	\$ 11.598	\$ 9.768	\$ (1.830)	Decrease due to FY20 security requirements decreasing primarily due to Web Content Filtering and Firewall Refresh coming in lower than planned. Also, FY20 Teleservices requirements came in less than planned due to VTC Tech Refresh requirement reducing due to EOL being pushed and estimates coming in lower than planned. Also, TNT over-quoted by the vendor for budget estimate, voicemail platform was rolled into TNT elimination and installed on DFAS virtual servers instead of purchasing new servers, this significantly decreased the cost. This was partially offset by an increase for an FY20 security requirement.
Software Development	\$ 15.357	\$ 7.596	\$ (7.761)	Decrease due to Centralized Disbursing System (CDS) - SFIS/SLOA, Defense Cash Accountability System (DCAS) - RLS HQARS & DDARS, Defense Departmental Reporting System (DDRS) - RLS HQARS, Defense Industrial Financial Management System (DIFMS), and Automated Disbursing System (ADS) - GWA no longer being requirements for FY20. Another driver of the decrease was the Remedy Action Request System (REMEDY) obligated for less than estimated due to the lowest bid on the project being accepted.
Minor Construction	\$ 3.410	\$ 3.879	\$ 0.469	Change due to an increases for Leasehold Improvement - Cleveland projects of the following: increase in estimate for Convert Vault to Secure Operations Center, increase for the 17th Floor Renovation project, and the Mail Room 2679 Buildout Renovation project. There was also an increase for the Leasehold Improvement - Indianapolis Secure Workspace. There was an increase for the design fees for the MINCON - Rome Steam Boilers and MINCON - Limestone Tamper Alarm Switches. This was partially offset by a decrease in the amount of the Limestone Automatic Transfer Switch (ATS) project.
Total FY 2020	\$ 30.365	\$ 21.243	\$ (9.122)	
FY 2021				
ADPE and Telecom	\$ 13.950	\$ 9.450	\$ (4.500)	Decrease due to some ELAN requirements originally planned for end of life replacement lasting longer than originally anticipated and not needing replaced.
Software Development	\$ 4.082	\$ 5.505	\$ 1.423	Increase due to the addition of the Deployable Disbursing System (DDS) - Centralized Disbursing System (CDS) migration to DDS, and DFAS Portal (BPM) project. These additions were offset by the reduction of the Learning Management System (LMS) and Standard Material Accounting System (SMAS) no longer being a requirement.
Minor Construction	\$ 2.407	\$ 3.388	\$ 0.981	Increase due to the DFAS Rome Steam Boilers project being added. The DFAS Indianapolis Secure Work Space Build Out was also removed and the DFAS Columbus Secure area was added, this was an overall net decrease. There was also an increase due to the MINCON - Limestone - Security System Expansion - Tamper Alarm Switches being added in place of the Security Turnstiles project. Also, the Leasehold Improvement - Cleveland - Convert rooms to break-out rooms and break rooms project was removed.
Total FY 2021	\$ 20.439	\$ 18.343	\$ (2.096)	
FY 2022				
ADPE and Telecom	\$ 7.985	\$ 7.985	-	
Software Development	\$ 5.900	\$ 49.049	\$ 43.149	Increase due to Defense Retired & Annuitant Pay System (DRAS) - Modernization estimate increasing and moving to FY22 instead of FY21. Increase also due to Enterprise Funds Distribution (EFD) - Transfer from PBAS to EFD increasing required funding.
Minor Construction	\$ 3.667	\$ 3.667	-	
Total FY 2022	\$ 17.552	\$ 60.701	\$ 43.149	

Activity Group Capital Investment Summary
Defense Information Systems Agency
INFORMATION SERVICES ACTIVITY GROUP
May 2021
(Dollars in Millions)

	FY 2020 Quantity	FY 2020 Total Cost	FY 2021 Quantity	FY 2021 Total Cost	FY 2022 Quantity	FY 2022 Total Cost
Non-ADPE Equipment	900.210	\$0.840	0.000	\$0.000	0.000	\$0.000
Replacement Equipment	900.210	\$0.840	0.000	\$0.000	0.000	\$0.000
EMSS Gateway HVAC Replacement	899.210	\$0.899	0.000	\$0.000	0.000	\$0.000
Facilities Equipment	1.000	(\$0.059)	0.000	\$0.000	0.000	\$0.000
ADPE & Telecom Equipment Capabilities	8,702.350	\$202.221	22.000	\$172.968	21.000	\$209.473
Telecom-	1.000	\$14.285	1.000	\$9.200	2.000	\$15.667
Virtual Desktop Infrastructure - Hardware and Devices	0.000	\$0.000	0.000	\$0.000	1.000	\$4.517
Fourth Estate Network Optimization - Hardware	1.000	\$14.285	1.000	\$9.200	1.000	\$11.150
Other Support Equipment	8,700.350	\$184.901	20.000	\$158.238	19.000	\$193.806
EMSS Gateway Evolution	0.000	\$0.000	1.000	\$1.340	0.000	\$0.000
EMSS Mobile Switching Center	0.000	\$0.000	0.000	\$0.000	1.000	\$9.000
EMSS Certus Baseband Upgrade	0.000	\$0.000	1.000	\$1.741	0.000	\$0.000
EVoIP/ECVoIP - Hardware	0.000	\$0.000	1.000	\$3.900	0.000	\$0.000
VCAP - Hardware	1.000	\$0.462	0.000	\$0.000	4.000	\$3.156
FED DMZ Equipment	1.000	\$1.215	0.000	\$0.000	0.000	\$0.000
EMSS Secure Voice Upgrade	8,660.350	\$8.660	0.000	\$0.000	0.000	\$0.000
Perimeter Defense	0.000	\$0.000	1.000	\$4.192	1.000	\$4.195
Public Key Infrastructure	0.000	\$0.000	1.000	\$1.972	1.000	\$2.031
DISN Critical Infrastructure	1.000	\$15.581	1.000	\$4.000	1.000	\$4.400
DISN Survivable Networking	1.000	\$50.551	1.000	\$53.710	1.000	\$77.543
DISN Internet Protocol (IP) Optimization	1.000	\$49.286	1.000	\$55.383	1.000	\$57.481
Indefeasible Right of Use (IRU) Fiber	1.000	\$34.288	0.000	\$0.000	0.000	\$0.000
Facilities Support Equipment	34.000	\$24.857	12.000	\$32.000	9.000	\$36.000
Computer Hardware (Network)	1.000	\$3.035	1.000	\$5.530	0.000	\$0.000
Cross Domain - RTB Equipment	1.000	\$3.035	1.000	\$5.530	0.000	\$0.000
Software Development	10.000	\$25.640	5.000	\$16.675	7.000	\$7.414
Externally Developed	10.000	\$25.640	5.000	\$16.675	7.000	\$7.414

Activity Group Capital Investment Summary
Defense Information Systems Agency
INFORMATION SERVICES ACTIVITY GROUP
May 2021
(Dollars in Millions)

	FY 2020 Quantity	FY 2020 Total Cost	FY 2021 Quantity	FY 2021 Total Cost	FY 2022 Quantity	FY 2022 Total Cost
EVoIP/ECVoIP - Software	0.000	\$0.000	1.000	\$3.000	0.000	\$0.000
VCAP - Software	0.000	\$0.000	0.000	\$0.000	4.000	\$3.214
Mainframe Modernization/Automation initiative	0.000	\$0.000	0.000	\$0.000	1.000	\$0.800
New Financial System	1.000	\$0.761	1.000	\$2.900	1.000	\$1.800
IDEAS	1.000	\$1.250	1.000	\$1.600	1.000	\$1.600
EDMS Upgrade	1.000	\$0.459	0.000	\$0.000	0.000	\$0.000
Fourth Estate Network Optimization (SW)	1.000	\$3.790	0.000	\$0.000	0.000	\$0.000
Mainframe MIAP Replacement	0.000	\$0.000	1.000	\$7.175	0.000	\$0.000
FED DMZ Software	1.000	\$0.293	0.000	\$0.000	0.000	\$0.000
IBM Software Modernization	4.000	\$18.632	1.000	\$2.000	0.000	\$0.000
GSD CIC Support for DLA Enterprise Service Desk	1.000	\$0.456	0.000	\$0.000	0.000	\$0.000
Minor Construction Capabilities	4.000	\$0.907	4.000	\$3.500	2.000	\$3.100
New Construction	4.000	\$0.907	4.000	\$3.500	2.000	\$3.100
Minor Construction - Facilities	4.000	\$0.907	4.000	\$3.500	2.000	\$3.100
Total	9,616.560	\$229.609	31.000	\$193.143	30.000	\$219.987
Total Capital Investment Recovery		\$42.845		\$85.405		\$112.665
Total Capital Outlays		\$104.085		\$168.230		\$221.343

Exhibit Fund 9a - Activity Group Capital Investment Summary

Capital Investment Justification
Defense Information Systems Agency
INFORMATION SERVICES ACTIVITY GROUP
May 2021
(Dollars in Thousands)

Information Services Activity Group: Capital Investment Justification (\$ in thousands)				A. Fiscal Year 2022						
B. Computing Services / October 2020		C. ADPE and Telecom Equipment			D. Defense Information Systems Agency					
Element of Cost	FY 2020			FY 2021			FY 2022			
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
Non-ADPE Facilities - Various	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
ADPE Facilities - Various	13.00	4,570.92	59,422.00	12.00	2,666.67	32,000.00	10.00	3,600.01	36,000.07	
Total	13.00	4,570.92	59,422.00	12.00	2,666.67	32,000.00	10.00	3,600.01	36,000.07	

Narrative Justification:
The DISA Computing Services business area operates the DoD's Core Data Centers, which provides mainframe, server, storage, and enterprise services like email and portal services processing operations.

Description and Purpose:
The capital investment authority requested in FY 2021 consists of various projects required to maintain DoD Core Data Center facilities. Examples of projects that will be executed include the following: San Antonio will require a Raised Floor Upgrade (including a Signal Reference Grid (SRG) grounding system, a new upgraded condenser water filtration system, as well as furniture replacement and electrical power and communication/data cabling connections to the new furniture. Columbus will require Cold Aisle/Hot Aisle Containment in multiple rooms, as well as removable or retractable ceiling system to allow for fire suppression. Columbus will also require a new condenser water filtration system and the installation of electrical power redundancy to the Computer Room Air Handler (CRAH) units. Mechanicsburg requires a new condenser water filtration system and piping, furniture replacement, electrical power and communication/data cabling connections to the new furniture, as well as a raised floor upgrade. Montgomery requires an upgrade to their cooling towers and a new condenser water filtration system. Oklahoma City requires an upgrade to the Critical Utility Switchgear.

The capital investment authority requested in FY 2022 consists of various projects required to maintain DoD Core Data Center facilities. Examples of projects that will be executed include the following: Yokota requires a Building Automation System and a Fire System Design/Build. Ogden requires a Solar Photovoltaic (PV) Farm. Columbus will require furniture replacement as well as electrical power and communication/data cabling connections to the new furniture. Ford Island requires an upgrade of their mechanical system to provide cooling to the Core Data Center as well as a new security system. Mechanicsburg requires a solar array. Montgomery requires a raised floor upgrade. Oklahoma City requires a chiller upgrade. Both Columbus and Oklahoma City will require Virtual Desktop Infrastructure (VDI) Hardware.

All FY 2021 and FY 2022 capital projects comply with the agreed upon schedule with the DoD CIO for DISA facilities to be in compliance with the Core Data Center (CDC) Reference Architecture.

Current Deficiency and/or Problem:
Many of DISA's facilities are in need of cyclical upgrades to their infrastructures and equipment. These upgrades are necessary to ensure adequate reliability, security and redundancy to support customer workload. With these upgrades, additional capacity for growth and increased reliability is built in.

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 data center downtime. DISA's ability to provide redundancy to enable 24x7 operations for customers will be jeopardized.

Energy Savings:
Existing uninterruptible power supply (UPS) units are older, less efficient units and have power factor (PF) ratings of .8. The newer UPS units are designed to be more efficient and have a PF of .9 or better. This allows for a 10% savings on power capacity, and more efficient UPS units and electrical distribution saves of up to 3% of the data center energy consumption. Older generator systems burn larger amounts of fuel than newer, more efficient units. Fuel savings from the system upgrades are estimated between 5%-10% with an additional 10% saving possible from new paralleling gear that only runs the number of generators required to operate safely as opposed to 100% at all times they are running. Building automation systems that are installed allow for the proper tracking of energy use and control of major equipment to optimize their running configurations. Increasing CRAC unit capacity provides instant energy savings and improved performance and allows for higher reliability and redundancy. The creation of a solar farm will generate green electricity and assist DISA in meeting Presidential Executive Orders on green energy consumption. Electric consumption may be reduced between 10% and 30%.

Capital Investment Justification
Defense Information Systems Agency
INFORMATION SERVICES ACTIVITY GROUP
May 2021
(Dollars in Thousands)

Information Services Activity Group: Capital Investment Justification (\$ in thousands)				A. Fiscal Year 2022						
B. Computing Services / October 2020		C. ADPE and Telecom Equipment			D. Defense Information Systems Agency					
Element of Cost	FY 2020			FY 2021			FY 2022			
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
Virtual Desktop Infrastructure	0.00	0.00	0.00	0.00	0.00	0.00	1.00	4,517.00	4,517.00	
Total	0.00	0.00	0.00	0.00	0.00	0.00	1.00	4,517.00	4,517.00	
<p>Narrative Justification: Virtual Desktop Infrastructure (VDI) is a desktop-centric service that hosts user desktop environments (operating system, client applications, and data) on server hardware co-located in the Core Data Centers.</p> <p>Description and Purpose: Current VDI equipment is reaching end of life. This project will purchase and install the hardware and end piont devices that allow users of the Out-of-Band (OOB) network to view and use a fully compliant desktop every time.</p> <p>Current Deficiency and/or Problem: Current VDI equipment is reaching end of life and must be replaced.</p> <p>Impact: Insertion of newer technology will improve the reliability, performance, cybersecurity resiliency, operations, sustainment, and end-user experience.</p>										

Capital Investment Justification
Defense Information Systems Agency
INFORMATION SERVICES ACTIVITY GROUP
May 2021
(Dollars in Thousands)

Information Services Activity Group: Capital Investment Justification (\$ in thousands)				A. Fiscal Year 2022						
B. Computing Services / October 2020		C. Software Development			D. Defense Information Systems Agency					
Element of Cost	FY 2020			FY 2021			FY 2022			
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
Mainframe MIAP Replacement	0.00	0.00	0.00	1.00	7,175.00	7,175.00	0.00	0.00	0.00	
IBM Software Modernization	0.00	0.00	0.00	1.00	2,000.00	2,000.00	0.00	0.00	0.00	
Mainframe Modernization/Automation Initiative	0.00	0.00	0.00	0.00	0.00	0.00	1.00	800.00	800.00	
Total	0.00	0.00	0.00	2.00	4,587.50	9,175.00	1.00	800.00	800.00	
Narrative Justification:										
To accomplish DISA's mission as an enterprise computing service provider, DISA must deliver systems that assure availability, capacity, continuity, and security. Additionally, systems are required to monitor, track, report, and ensure that service level agreements (SLAs) with customers are met. DISA employs a variety of geographically dispersed mainframes and distributed computing systems. These systems require software investments to eliminate functionally equivalent products, streamline the inventory, and create the most secure and efficient processing environment for the customer.										
Description and Purpose:										
Mainframe MIAP Replacement - This project will replace the current Multi-Host Internet Access Protocol (MIAP) architecture. The new solution of MIAP architecture will provide a secure, web-based access point to enhance and modernize the mainframe user's experience. This will assist in enabling a Graphic User Interface (GUI) to replace the need to know command line verbiage.										
IBM Software Modernization: This project will invest in software to more efficiently host systems that provide a highly available, secure, and robust computing environment.										
Mainframe Modernization/Automation Initiative: Existing product software systems risk security vulnerability, and may be inadequate to provide the proper assurance of availability and capacity to support the customers' mission requirements. DISA must therefore invest in new software to more efficiently host systems that provide a highly available, secure, and robust computing environment."										
Current Deficiency and/or Problem:										
Existing software systems risk security vulnerability, and may be inadequate to provide the proper assurance of availability and capacity to support the customers' mission requirements.										
Impact:										
Without these investments, DISA will not be able to effectively operate and manage the diverse and increasing number of systems in our enterprise. There is an increased risk that service level agreements 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 ever increasing volume of operating environments in DISA's computing centers cannot be managed without enterprise-level system tools and lack of these tools could result in an inability to accurately monitor, report, and review service performance.										

Capital Investment Justification
Defense Information Systems Agency
INFORMATION SERVICES ACTIVITY GROUP
May 2021
(Dollars in Thousands)

Information Services Activity Group: Capital Investment Justification (\$ in thousands)							A. Fiscal Year 2021		
B. Computing Services / October 2020			C. Minor Construction - Facilities			D. Defense Information Systems Agency			
Element of Cost	FY 2020			FY 2021			FY 2022		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Minor Construction - Facilities	4.00	525.00	2,100.00	4.00	875.00	3,500.00	3.00	1,033.33	3,100.00
Total	4.00	525.00	2,100.00	4.00	875.00	3,500.00	3.00	1,033.33	3,100.00
Narrative Justification:									
The DISA Computing Services business area operates the DoD's Core Data Centers, which provides mainframe, server, storage, and enterprise services like email and portal services processing operations.									
Description and Purpose:									
The FY 2021 capital investment program authority request is comprised of three minor construction projects at the DoD Core Data Centers. Oklahoma City will require adequately sized unconditioned warehouse space with new roll-up doors, flooring and built-in shelving. Mechanicsburg will add a Duct Bank. Montgomery will add a personnel elevator.									
The FY 2022 capital investment program authority request is comprised of two minor construction projects at the DoD Core Data Centers. San Antonio requires adequately sized conditioned warehouse secure storage space with new roll-up doors, flooring and built-in shelving. Ogden will add an additional parking lot that is adequately sized for the increased number of personnel in the facility.									
Current Deficiency and/or Problem:									
Datacenter facilities are in need of upgrades and renovations in order to meet current standards. Several sites are in need of having design work and minor repairs completed. Multiple code violations have been found and the only remediation is through minor construction efforts.									
Impact:									
If these infrastructure investments are not funded, life-safety hazards or continued code negligence will result. Age-related infrastructure and equipment deficiencies could result in unexpected system failures, placing site personnel at risk and potentially resulting in unnecessary data center downtime. DISA's ability to provide a reliable and safe 24/7/365 operational capability could be jeopardized.									

Capital Investment Justification
Defense Information Systems Agency
INFORMATION SERVICES ACTIVITY GROUP
May 2021
(Dollars in Thousands)

Information Services Activity Group: Capital Investment Justification (\$ in thousands)				A. Fiscal Year 2022						
B. Telecommunications Services / October 2020		C. ADPE and Telecom Equipment			D. Defense Information Systems Network (DISN) Infrastructure and Cybersecurity					
Element of Cost	FY 2020			FY 2021			FY 2022			
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
Perimeter Defense	1.00	1,451.00	1,451.00	1.00	4,192.00	4,192.00	1.00	4,195.00	4,195.00	
Cross Domain Enterprise Services - RTB Equipment	1.00	2,618.00	2,618.00	1.00	5,530.00	5,530.00	0.00	0.00	0.00	
Cross Domain Enterprise Services - P2P Equipment	1.00	515.00	515.00	1.00	0.00	0.00	0.00	0.00	0.00	
Public Key Infrastructure	1.00	1,934.00	1,934.00	1.00	1,972.00	1,972.00	1.00	2,031.00	2,031.00	
DISN Critical Infrastructure	1.00	13,000.00	13,000.00	1.00	4,000.00	4,000.00	1.00	4,400.00	4,400.00	
DISN Survivable Networking	1.00	61,175.00	61,175.00	1.00	53,710.00	53,710.00	1.00	77,543.00	77,543.00	
DISN Internet Protocol (IP) Optimization	1.00	56,553.00	56,553.00	1.00	55,383.00	55,383.00	1.00	57,481.00	57,481.00	
TOTAL	7.00	19,606.57	137,246.00	7.00	17,826.71	124,787.00	5.00	29,130.00	145,650.00	

Narrative Justification:

The DISA operates the Defense Information Systems Network (DISN) within the Telecommunications Services business area. This includes the network infrastructure required to transmit voice, video, data, and message traffic globally to mission partners and the cybersecurity capabilities required to protect the network.

Description and Purpose:

Capital investment program authority is required to purchase and install end-of-life replacement and upgrades throughout the DISN infrastructure. Convergence activities will be completed at multiple layers, eliminating the need for a one-to-one technology refreshment of all components but rather technology refreshment at service and capability layers. These projects will enable Internet Protocol (IP) optimization, legacy technology elimination, and enhancements to ensure a survivable infrastructure. Key efforts include: Timing & Synchronization of the packet-based IP networks and optical transport network, internet access point, next generation optical, operational support system refreshment, multi-protocol label switching, voice internet service provider, warehouse support, SIPRNet access migration, transmission security (TRANSEC), next generation access transport, SIPRNET technology refreshment, software-defined networking, Combatant Command (COCOM) infrastructure resiliency, and DISN service delivery node resiliency.

Capital investment program authority is also required to replace end-of-life equipment providing cybersecurity capabilities and to invest in new/expanded capabilities to increase the security posture of the DoD Information Network (DoDIN). The cybersecurity investments provide solutions to harden the network by: (1) reducing the exposed attack surface and gaps that potential adversaries can exploit to disrupt communications; (2) providing vital situational awareness to senior decision-makers and network defenders to enable attack detection and diagnosis; (3) supporting safe sharing of information with allies and mission partners; (4) publishing security guidelines and assessing compliance; (5) providing training to the DoD community; and (6) Implementing Software Defined Networking to enable network agility for faster response times to mission need and improved deterrence against cyber attacks. Key efforts include technology refreshment of equipment providing the NIPRNet Federated Gateway (NFG), RTB technology refreshment of equipment to enhance cybersecurity and capacity for Cross Domain Enterprise Service (CDES) capabilities, and test lab equipment for Public Key Infrastructure (PKI).

Current Deficiency and/or Problem:

The DISN must remain technologically up-to-date and capable by achieving the best possible balance between network performance and network cost through a process known as network optimization. In addition, DISA must continue to procure the necessary hardware for reducing the attack surface of the DoD Network, preventing the exploitation by hackers and adversaries to disrupt missions, and improve the warfighter's ability to safely share information across DoD's classified and unclassified networks by reducing potential vulnerabilities and costly point-to-point networks.

Impact:

If these capabilities are not funded, DISA will be unable to meet the technology refreshment and equipment upgrades required to ensure a secure and robust global network is available to the DoD and its mission partners.

Capital Investment Justification
Defense Information Systems Agency
INFORMATION SERVICES ACTIVITY GROUP
May 2021
(Dollars in Thousands)

Information Services Activity Group: Capital Investment Justification (\$ in thousands)		A. Fiscal Year 2022
B. Telecommunications Services / October 2020	C. ADPE and Telecom - Equipment	D. EMSS Gateway Evolution

Element of Cost	FY 2020			FY 2021			FY 2022		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Gateway Evolution	4.00	3,119.50	12,478.00	2.00	670.00	1,340.00	0.00	0.00	0.00
Total	4.00	3,119.50	12,478.00	2.00	670.00	1,340.00	0.00	0.00	0.00

Narrative Justification:

The Gateway Evolution project is a series of activities that refreshes various components of the Enhanced Mobile Satellite Services (EMSS) Gateway to ensure security compliance and alignment with the Iridium Commercial Baseline (ICB). Maintaining alignment of the ICB is critical to continued operation of the network over the Iridium Satellite Constellation.

Description and Purpose:

The purpose and objective of the Gateway Evolution Project and related activities is to facilitate the core mission of the Enhanced Mobile Satellite Services (EMSS) program (e.g., deliver Iridium-based satellite communications capabilities) and otherwise optimize capabilities at the EMSS Gateway that will improve quality of service. FY 2020 and FY 2021 project include the following components: 1) phase II of the Gateway Infrastructure Equipment (GIE)/Operations Maintenance Center (OMC) which provides various routers/switches, patch panels and servers that provide operations and maintenance support and monitoring of the Iridium-provided gateway equipment; 2) Feeder-link Terminal (FLT) & Teleport Controller (TPC) enclave which provides the FLT resources that connect the Iridium constellation with the EMSS Gateway; 3) Access Network Controller (ANC)/Gateway Location Server (GWLS) which provides the call processing (cellular base station) functionality for the Gateway; 4) Lucent 5ESS Replacement is a replacement for a class 5 telephone electronic switching system that provides switching and signaling functions; 5) UPS Replacement is a replacement for the current uninterruptible power backup, which increases the capacity of the current UPS system, allowing for longer periods of up-time in the event of a power outage; 6) OPS Console provides real-time information into the operational health status of the Iridium satellite constellation, as well as the status of the antennas and associated subsystems; and 7) a Resiliency project establishes a backup EMSS Gateway in the event that the primary is no longer available.

Current Deficiency and/or Problem:

Various EMSS Gateway components or capabilities are reaching end of life or otherwise need to be replaced. The components that are being addressed by this effort will cumulatively ensure availability of all current and planned capabilities of EMSS services and ensure that the security posture of all facilities are modernized.

Impact:

Failure to execute these projects will result in increased operational risk to users of the EMSS gateway.

Capital Investment Justification
Defense Information Systems Agency
INFORMATION SERVICES ACTIVITY GROUP
May 2021
(Dollars in Thousands)

Information Services Activity Group: Capital Investment Justification (\$ in thousands)				A. Fiscal Year 2022					
B. Telecommunications Services / October 2020		C. ADPE and Telecom - Equipment			D. EMSS Gateway Evolution				
Element of Cost	FY 2020			FY 2021			FY 2022		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
EMSS MSC	0.00	0.00	0.00	0.00	0.00	0.00	1.00	9,000.00	9,000.00
Total	0.00	0.00	0.00	0.00	0.00	0.00	1.00	9,000.00	9,000.00
Narrative Justification:									
<p>The existing Mobile Switching Center (MSC) provides the critical interface to the satellite constellation and is essential for establishing and maintaining the unclassified and secure voice services utilized by the warfighter at the tactical edge. The current system has reached end-of-life and needs to be replaced in order to maintain operational capabilities and meet Information Assurance (IA) compliance. Failure to implement the replacement will lead to a MSC failure resulting in global, EMSS service outages that directly impact warfighter operations worldwide. EMSS services are critical in providing communication advantages to U.S. Government agencies and warfighter operations in disadvantaged regions across the globe.</p>									
Description and Purpose:									
<p>The purpose of this project is to lifecycle replace the MSC responsible for all EMSS Mobile to Mobile, and Mobile to Terrestrial call processing and switching functions. Replacing the MSC is vital to mitigating the risk of an extended loss of EMSS unclassified and secure voice services. It is also necessary in order to correct IA findings and maintain IA compliance.</p>									
Current Deficiency and/or Problem:									
<p>The current MSC has reached end-of-life which has reduced the reliability and increased the risk of catastrophic failures. Parts/service availability is decreasing and cost for maintenance continues to increase. In addition, the current system can not meet IA compliance without this replacement.</p>									
Impact:									
<p>If the current end-of-life MSC is not replaced, the risk of a catastrophic failure will continue to increase. This failure would result in an extended, global outage of EMSS mobile, unclassified and secure communications capabilities that would have a direct impact on critical warfighter missions, worldwide. In addition, without the replacement, the risk of an IA compromise will also continue to increase.</p>									

Capital Investment Justification
Defense Information Systems Agency
INFORMATION SERVICES ACTIVITY GROUP
May 2021
(Dollars in Thousands)

Information Services Activity Group:				A. Fiscal Year 2022					
Capital Investment Justification (\$ in thousands)									
B. Telecommunications Services / October 2020		C. ADPE and Telecom - Equipment			D. EMSS Gateway Evolution				
Element of Cost	FY 2020			FY 2021			FY 2022		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
EMSS Certus	0.00	0.00	0.00	1.00	1,741.00	1,741.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	1.00	1,741.00	1,741.00	0.00	0.00	0.00
Narrative Justification:									
Certus is the medium-speed commercial broadband data service for Iridium. The Certus baseband equipment is required to process the higher data speeds provided by the Iridium NEXT constellation and required by data intensive applications of Government users.									
Description and Purpose:									
This project will complete the Certus baseband upgrade and will keep the EMSS Gateway current with the Iridium Commercial Gateway Baseline.									
Current Deficiency and/or Problem:									
Certus will provide 100% global high data-rate mid-band service from Iridium's Low-Earth Orbiting constellation. This capability is not available today from any other source (either commercial or military solutions). The current configuration of equipment and hardware at the EMSS Gateway (GW) does not enable Certus services. Without the Certus baseband equipment, no Certus services can be provided to the DoD. This project allows for the integration of the Certus baseband equipment at the EMSS Gateway.									
Impact:									
Failure to execute these projects will result in increased operational risk to users of the EMSS gateway.									

Capital Investment Justification
Defense Information Systems Agency
INFORMATION SERVICES ACTIVITY GROUP
May 2021
(Dollars in Thousands)

Information Services Activity Group: Capital Investment Justification (\$ in thousands)				A. Fiscal Year 2022					
B. Enterprise Acquisition Services / October 2020			C. Software Development			D. Famis Account Management Information System (FAMIS)			
Element of Cost	FY 2020			FY 2021			FY 2022		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
FAMIS	1.00	1,800.00	1,800.00	1.00	2,900.00	2,900.00	1.00	1,800.00	1,800.00
Total	1.00	1,800.00	1,800.00	1.00	2,900.00	2,900.00	1.00	1,800.00	1,800.00

Narrative Justification:
The DISA implemented a new enterprise financial system in FY 2019 by modernizing the legacy Financial Accounting Management Information System (FAMIS). The new financial system provides a single, compliant system that will reduce manual, off-line efforts and establish standardized cost structures across the Information Services Activity Group.

Description and Purpose:
Capital investment program authority for software development is required to ensure the new financial system will remain compatible with other legacy and future systems and so that any change requests required to implement policy, procedural, or security changes can be met. The DISA must be able to rapidly address compatibility issues to ensure the financial operations of the Agency are not negatively impacted. DISA is also in the process of consolidating two DWCF activity groups to a single activity group, which will require additional systems changes.

Current Deficiency and/or Problem:
This authority is being requested to ensure DISA can consolidate financial operations to a single activity group and that any emerging deficiencies can be resolved timely.

Impact:
If unfunded, required changes to implement policy, procedural, security, infrastructure, or interface changes will be delayed.

Capital Investment Justification
Defense Information Systems Agency
INFORMATION SERVICES ACTIVITY GROUP
May 2021
(Dollars in Thousands)

Information Services Activity Group: Capital Investment Justification (\$ in thousands)						A. Fiscal Year 2022			
B. Enterprise Acquisition Services / October 2020			C. Software Development			D. IDEAS			
Element of Cost	FY 2020			FY 2021			FY 2022		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
IDEAS	1.00	1,600.00	1,600.00	1.00	1,600.00	1,600.00	1.00	1,600.00	1,600.00
Total	1.00	1,600.00	1,600.00	1.00	1,600.00	1,600.00	1.00	1,600.00	1,600.00

Narrative Justification:

The Integrated Defense Enterprise Acquisition System (IDEAS) is the Defense Information Technology Contracting Organization's (DITCO's) modernized procurement system used for telecommunications and traditional contracting business.

Description and Purpose:

This capital project will provide a mechanism to fulfill expected change requests to the Integrated Defense Enterprise Acquisition System (IDEAS). Changes to policy, procedures, security, infrastructure, and interfaces can drive urgent enhancements and the organization must be agile enough to satisfy those enhancements promptly. This effort will start the process to identify and collect user requirements for the multiple types of contract managed by the customer, establish a logical sequence to design, code and implement compliant contracting workflows, and migrate contracts from existing systems into IDEAS.

Current Deficiency and/or Problem:

DISA does not have a centralized, mature system to manage contracts in an end-to-end data compliant format. The current system lacks the capability to support the introduction of the mandated Procurement Data Standard (PDS) and Purchase Request Data Standard (PRDS) as well as critical workflows supporting traditional contracting (i.e not telecom). This authority is being requested to ensure any emerging change requests can be resolved timely.

Impact:

If unfunded, required changes to implement policy, procedural, security, infrastructure, or interface changes will be delayed.

Capital Investment Justification
Defense Information Systems Agency
INFORMATION SERVICES ACTIVITY GROUP
May 2021
(Dollars in Thousands)

Information Services Activity Group: Capital Investment Justification (\$ in thousands)						A. Fiscal Year 2022			
B. Telecommunications Services / October 2020			C. ADPE and Telecom - Equipment			D. Enterprise Voice Services Evolution			
Element of Cost	FY 2020			FY 2021			FY 2022		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Enterprise Voice Services Evolution	0.00	0.00	0.00	1.00	3,900.00	3,900.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	1.00	3,900.00	3,900.00	0.00	0.00	0.00

Narrative Justification:

DISA's Enterprise Voice Services provide our mission partners with reliable, classified and unclassified, high-quality voice and voice messaging services. The Enterprise Voice Services portfolio includes managed and basic Enterprise Voice over Internet Protocol (EVOIP), Enterprise Classified Voice over Internet Protocol (ECVOIP), Voice over Secure Internet Protocol (VOSIP), and Enterprise Audio Conferencing (EAC).

Description and Purpose:

The purpose of the Enterprise Voice Services Evolution project is to facilitate continuous tech refresh activities to resolve open end-of-life and support issues, improve quality of service, and ensure infrastructure is scalable to meet customer demand. Examples of tech refresh activities that will occur in FY 2021 include expanding sensor coverage and tech refreshing session border controllers, media gateways, network switches, and backup devices. This project will purchase ADPE and telecom equipment supporting those tech refresh activities.

Current Deficiency and/or Problem:

End of life equipment is causing information assurance vulnerabilities and CAT 1 severity level findings in the environment, placing mission partners and DISA-provided services at risk.

Impact:

The EVOIP/ECVOIP Tech Refresh (HW/SW) alleviates the immediate potential of failure in the field due to end of life of equipment. This equipment will be necessary for a testing capabilities and future enhancement supporting the Voice Services.

Capital Investment Justification
Defense Information Systems Agency
INFORMATION SERVICES ACTIVITY GROUP
May 2021
(Dollars in Thousands)

Information Services Activity Group: Capital Investment Justification (\$ in thousands)						A. Fiscal Year 2022			
B. Telecommunications Services / October 2020			C. Software Development			D. Enterprise Voice Services Evolution			
Element of Cost	FY 2020			FY 2021			FY 2022		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Enterprise Voice Services Evolution	0.00	0.00	0.00	1.00	3,000.00	3,000.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	1.00	3,000.00	3,000.00	0.00	0.00	0.00

Narrative Justification:

DISA's Enterprise Voice Services provide our mission partners with reliable, classified and unclassified, high-quality voice and voice messaging services. The Enterprise Voice Services portfolio includes managed and basic Enterprise Voice over Internet Protocol (EVOIP), Enterprise Classified Voice over Internet Protocol (ECVOIP), Voice over Secure Internet Protocol (VOSIP), and Enterprise Audio Conferencing (EAC).

Description and Purpose:

The purpose of the Enterprise Voice Services Evolution project is to facilitate continuous tech refresh activities to resolve open end-of-life and support issues, improve quality of service, and ensure infrastructure is scalable to meet customer demand. Examples of tech refresh activities that will occur in FY 2021 include expanding sensor coverage and tech refreshing session border controllers, media gateways, network switches, and backup devices. This project will purchase Software supporting those tech refresh activities.

Current Deficiency and/or Problem:

End of life equipment is causing information assurance vulnerabilities and CAT 1 severity level findings in the environment, placing mission partners and DISA-provided services at risk.

Impact:

The EVOIP/ECVOIP Tech Refresh (HW/SW) alleviates the immediate potential of failure in the field due to end of life of equipment. This equipment will be necessary for a testing capabilities and future enhancement supporting the Voice Services.

Capital Investment Justification
Defense Information Systems Agency
INFORMATION SERVICES ACTIVITY GROUP
May 2021
(Dollars in Thousands)

Information Services Activity Group: Capital Investment Justification (\$ in thousands)							A. Fiscal Year 2022		
B. Telecommunications Services / October 2020				C. ADPE and Telecom - Equipment			D. Voice Cloud Access Point (VCAP)		
Element of Cost	FY 2020			FY 2021			FY 2022		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Voice Cloud Access Point (VCAP)	0.00	0.00	0.00	0.00	0.00	0.00	4.00	789.06	3,156.24
Total	0.00	0.00	0.00	0.00	0.00	0.00	4.00	789.06	3,156.24

Narrative Justification:

The DoD components are transitioning users to Office365 Impact Level 5 tenant environments that require connectivity between that service and commercial voice environments.

Description and Purpose:

This project is required to meet projected increases in concurrent call volume as additional DoD Components transition to the Office365 environment. The VCAP capability is being established at an initial capacity of 50,000 maximum concurrent calls and this project is intended to expand that capacity to 100,000 maximum concurrent calls. Equipment purchases required to expand the VCAPs at all Boundary Cloud Access Point (BCAP) locations consists of all routing, security, monitoring, and management devices. This equipment securely connects IL 5-hosted Session Border Controllers (SBCs) to the VCAP-hosted SBCs for DSN calling and to the Verizon commercial SBCs for Commercial calling.

Current Deficiency and/or Problem:

Expansion of the VCAP infrastructure will be required to meet customer demand as additional users transition to the Office 365 Impact Level 5 environment.

Impact:

Without the ability to connect new users on the commercial phone network, users will lose much of the utility of the Office365 capability, and will face significant barriers to effective collaboration, especially while on maximum telework scenarios such as the current response to COVID-19.

Capital Investment Justification
Defense Information Systems Agency
INFORMATION SERVICES ACTIVITY GROUP
May 2021
(Dollars in Thousands)

Information Services Activity Group: Capital Investment Justification (\$ in thousands)							A. Fiscal Year 2022		
B. Telecommunications Services / October 2020				C. Software Development			D. Voice Cloud Access Point (VCAP)		
Element of Cost	FY 2020			FY 2021			FY 2022		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Voice Cloud Access Point (VCAP)	0.00	0.00	0.00	0.00	0.00	0.00	4.00	803.51	3,214.03
Total	0.00	0.00	0.00	0.00	0.00	0.00	4.00	803.51	3,214.03

Narrative Justification:

The DoD components are transitioning users to Office365 Impact Level 5 tenant environments that require connectivity between that service and commercial voice environments.

Description and Purpose:

This project is required to meet projected increases in concurrent call volume as additional DoD Components transition to the Office365 environment. The VCAP capability is being established at an initial capacity of 50,000 maximum concurrent calls and this project is intended to expand that capacity to 100,000 maximum concurrent calls. Equipment purchases required to expand the VCAPs at all Boundary Cloud Access Point (BCAP) locations consists of all routing, security, monitoring, and management devices. This equipment securely connects IL 5-hosted Session Border Controllers (SBCs) to the VCAP-hosted SBCs for DSN calling and to the Verizon commercial SBCs for Commercial calling.

Current Deficiency and/or Problem:

Expansion of the VCAP infrastructure will be required to meet customer demand as additional users transition to the Office 365 Impact Level 5 environment.

Impact:

Without the ability to connect new users on the commercial phone network, users will lose much of the utility of the O365 capability, and will face significant barriers to effective collaboration, especially while on maximum telework scenarios such as the current response to COVID-19.

Capital Investment Justification
Defense Information Systems Agency
INFORMATION SERVICES ACTIVITY GROUP
May 2021
(Dollars in Thousands)

Information Services Activity Group: Capital Investment Justification (\$ in thousands)				A. Fiscal Year 2022					
B. Telecommunications Services / October 2020		C. ADPE and Telecom - Equipment			D. Fourth Estate Network Optimization				
Element of Cost	FY 2020			FY 2021			FY 2022		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Equipment	1.00	60,098.00	60,098.00	1.00	9,200.00	9,200.00	1.00	11,150.00	11,150.00
TOTAL	1.00	60,098.00	60,098.00	1.00	9,200.00	9,200.00	1.00	0.00	11,150.00
Narrative Justification:									
As a result of an IT reform review, DISA has been identified as the single service provider for all Fourth Estate Agencies' commodity IT functions. DISA will be responsible for all operations, maintenance, and investment in commodity IT systems and the technology personnel functions associated with the support of those systems as mission partners migrate in a phased approach. This includes network services, operations, asset management, enterprise services, and cybersecurity functions.									
Description and Purpose:									
Capital investment program authority is required to support Fourth Estate Agencies' commodity IT infrastructure as they migrate to DISA as the single service provider. Key efforts include merging infrastructure across multiple local access network environments, which includes a refresh and expansion of laptops, desktops, routers, voice/video equipment, switches, database servers, print servers, and firewalls in support of the Local Area Network (LAN) optimization.									
Current Deficiency and/or Problem:									
The DoD Fourth Estate agencies currently operate in stove-piped environments and leverage redundant/duplicative capabilities. As a result of this environment there is limited visibility to securely share information, inadequate use of enterprise and shared services is not cost-effective or operationally efficient, and lack of agility reduces ability to fully support the dynamic mission environments.									
Impact:									
If these capabilities are not funded, the DISA will be unable to meet the technology refreshment and equipment upgrades for the Fourth Estate Agencies which are required to successfully merge the networks, desktop images and other commodity services. End of warranty equipment supporting the Fourth Estate local area network environments may remain on the network, resulting in a lack of support in the event of outages.									

**Capital Budget Execution
Defense Information Systems Agency
INFORMATION SERVICES ACTIVITY GROUP
May 2021
(Dollars in Millions)**

<u>Fiscal Year</u>	<u>Major Category</u>	<u>Initial Request</u>	<u>Current Proj. Cost</u>	<u>Approved Change</u>	<u>Explanation</u>
FY 2020					
	Equipment except ADPE and Telecommunications	0.000	0.000	0.000	
	Equipment - ADPE and Telecommunications	269.889	203.061	(66.828)	Decrease due to reductions in 4ENO requirements
	Software Development	18.945	25.640	6.695	Increase due to new IBM requirement
	Minor Construction	2.100	0.907	(1.193)	
	TOTAL FY 2020	290.934	229.608	(61.326)	
FY 2021					
	Equipment except ADPE and Telecommunications	0.000	0.000	0.000	
	Equipment - ADPE and Telecommunications	194.102	172.968	(21.134)	Decrease in requirements for DISN Tech Refresh
	Software Development	7.183	16.675	9.492	Increase due to moving Mainframe MIAP replacement to FY21 and EVOIP
	Minor Construction	3.500	3.500	0.000	
	TOTAL FY 2021	204.785	193.143	0.000	
FY 2022					
	Equipment except ADPE and Telecommunications	0.000	0.000	0.000	
	Equipment - ADPE and Telecommunications	209.473	209.473	0.000	
	Software Development	7.414	7.414	0.000	
	Minor Construction	3.100	3.100	0.000	
	TOTAL FY 2021	219.987	219.987	0.000	

DEFENSE LOGISTICS AGENCY
DEFENSE-WIDE WORKING CAPITAL FUND
SUPPLY CHAIN MANAGEMENT ACTIVITY GROUP
FISCAL YEAR (FY) 2022 BUDGET ESTIMATES
ACTIVITY GROUP CAPITAL INVESTMENT SUMMARY
(\$ IN MILLIONS)

Line Number	Item Description	FY 2020		FY 2021		FY 2022	
		Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
MAT 200-01	Material Handling/Storage Space Utilization - Distribution	7	67.073	12	67.195	7	52.852
MAT 200-02	Material Handling/Storage Space Utilization - Materiel Supply Chain	5	5.320	0	0.000	0	0.000
IS 200-01	Installation Security - Materiel Supply Chain	1	0.561	3	1.110	1	0.400
MAD 200-01	Material Disposal - Disposition	6	1.902	2	1.840	3	2.000
	<u>TOTAL EQUIPMENT (Non ADP/T)</u>	19	74.856	17	70.145	11	55.252
TEL 100	Telecommunications - Distribution	1	0.857	1	3.000	0	0.000
PRD 100	Production Hardware - Materiel Supply Chain	0	0.000	1	2.480	1	0.361
NET 100	Network Hardware - Distribution	0	0.000	1	3.700	3	13.925
NET 200	Network Hardware - Materiel Supply Chain	3	15.867	3	24.910	2	11.295
	<u>TOTAL EQUIPMENT (ADP/T)</u>	4	16.724	6	34.090	6	25.581
SWD 200-01	Supply Chain Management - Enterprise Business System (EBS)		7.318		6.418		0.000
SWD 200-02	Supply Chain Management - Defense Medical Logistics Standard System (DMLSS)		2.397		2.397		2.397
SWD 200-03	Supply Chain Management - DoD EMALL/FedMALL		6.304		6.304		6.304
SWD 200-04	Supply Chain Management - Functional Executive Agent Medical Support (FEAMS)		2.269		2.261		2.306
SWD 200-05	Supply Chain Management - Federal Logistics Information System (FLIS)		0.000		5.000		4.696
SWD 200-06	Supply Chain Management - Distribution Standard System (DSS)		0.000		20.000		11.134
SWD 300-01	Net-Centric Hubs - Enterprise Software		3.514		8.317		8.564
	<u>TOTAL SOFTWARE DEVELOPMENT</u>		21.802		50.697		35.401
REP 200-01	Minor Construction \$250,000 - \$2,000,000 (Materiel Supply Chain)		1.837		3.526		3.526
REP 200-02	Minor Construction \$250,000 - \$2,000,000 (Distribution)		3.868		9.002		9.002
REP 200-03	Minor Construction \$250,000 - \$2,000,000 (Disposition)		4.490		3.011		3.261
	<u>TOTAL MINOR CONSTRUCTION</u>		10.195		15.539		15.789
	<u>TOTAL AGENCY CAPITAL INVESTMENTS</u>	23	123.577	23	170.471	17	132.023
	Total Capital Outlays		72.769		86.915		90.785
	Total Capital Investment Recovery		44.663		77.039		74.536

Exhibit Fund -9a Activity Group Capital Investment Summary

Capital Investment Justification
Defense Logistics Agency
Supply Chain Management Activity Group
May 2021
(Dollars in Thousands)

Activity Group Capital Investment Justification (Dollars in Thousands)										A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates		
B. Component/Business Area/Date Defense Logistics Agency Supply Chain Management Activity Group May 2021				C. Line Number & Item Description MAT 200-01 Non-ADP Equipment						D. Activity Identification DLA Distribution		
Element of Cost	FY 2020			FY 2021			FY 2022			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
<u>MAT 200-01</u> Material Handling/Storage Space Utilization	7	9,582	67,073	12	5,600	67,195	7	7,550	52,852			
<p>Narrative Justification:</p> <p>The investments are for material handling equipment, mobile material handling equipment, and miscellaneous warehouse equipment or systems within DLA Distribution depots. Equipment is to replace existing items that have reached or exceeded the useful life established for this category. Based on guidance contained in various Department of Defense (DoD) governing polices, Defense Logistics Agency (DLA) has established a replacement and life expectancy/productivity enhancement 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.</p> <p>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. All productivity related projects normally provide a payback of not more than five years and savings to investment ratio of greater than one.</p> <p>Expected projects for FY2021 and FY2022 include material handling vehicles, storage and rack systems and automation systems at various locations. The increase in cost for FY21 and FY22 is due to the Equipment Modernization initiative, which includes the modernization of largest DLA Distribution Center - the Eastern Distribution Center (EDC).</p>												

Capital Investment Justification
Defense Logistics Agency
Supply Chain Management Activity Group
May 2021
(Dollars in Thousands)

Activity Group Capital Investment Justification (Dollars in Thousands)										A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates		
B. Component/Business Area/Date Defense Logistics Agency Supply Chain Management Activity Group May 2021					C. Line Number & Item Description MAT 200-02 Non-ADP Equipment					D. Activity Identification Materiel Supply Chain		
Element of Cost	FY 2020			FY 2021			FY 2022			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
<u>MAT 200-02</u> Material Handling/Storage Space Utilization	5	1,064	5,320	0	0	0	0	0	0			
<p>Narrative Justification:</p> <p>The investments are for material handling equipment, mobile material handling equipment, and miscellaneous warehouse equipment or systems within DLA Inventory Control Points facilities. Equipment is to replaces existing items that have reached or exceeded the useful life established for this category. Based on guidance contained in various Department of Defense (DoD) governing polices, Defense Logistics Agency (DLA) has established a replacement and life expectancy/productivity enhancement standards for all categories of investment equipment. The life expectancy standards are based on the given condition, usage hours, and/or repair costs to the equipment. 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.</p> <p>Equipment supports new/expanding missions 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. All productivity related projects normally provide a payback of not more than five years and savings to investment ratio of greater than one.</p>												

Capital Investment Justification
Defense Logistics Agency
Supply Chain Management Activity Group
May 2021
(Dollars in Thousands)

Activity Group Capital Investment Justification (Dollars in Thousands)										A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates		
B. Component/Business Area/Date Defense Logistics Agency Supply Chain Management Activity Group May 2021					C. Line Number & Item Description IS 200-01 Non-ADP Equipment					D. Activity Identification Materiel Supply Chain		
Element of Cost	FY 2020			FY 2021			FY 2022			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
<u>IS 200-01</u> Installation Security	1	561	561	3	370	1,110	1	400	400			
<p>Narrative Justification:</p> <p>These investments projects involve providing installation security related items. Security items such as portals, turnstiles, entrance card reader, intrusion, detection devices, and fire emergency trucks throughout DLA facilities. Equipment of this type will provide security of the items stored in the DLA occupied buildings, as well as safety and security for the DLA employees. This equipment is in accordance with security guidance provided by Department of Defense and order to rectify identified security deficiencies.</p>												

Capital Investment Justification
Defense Logistics Agency
Supply Chain Management Activity Group
May 2021
(Dollars in Thousands)

Activity Group Capital Investment Justification (Dollars in Thousands)										A. Budget Submission Fiscal Year (FY) 2022- Budget Estimates		
B. Component/Business Area/Date Defense Logistics Agency Supply Chain Management Activity Group May 2021					C. Line Number & Item Description MAD 200-01 Non-ADP Equipment					D. Activity Identification DLA Disposition Services		
Element of Cost	FY 2020			FY 2021			FY 2022			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
<u>MAD 200-01</u> Material Disposal	6	317	1,902	2	920	1,840	3	667	2,000			
<p>Narrative Justification:</p> <p>These investment projects are for rough terrain, forklift and Shredders equipment that are used to aid in material disposal and have 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 life expectancy standards are based on the given condition, usage hours, and/or repair costs to the equipment. 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.</p> <p>Expected projects for FY2021 20k (lift weight) rough terrain forklift, 40k (lift weight) rough terrain forklift, and a Reach Stacker Expected projects for FY2022 are for 50k (lift weight) rough terrain forklift, shredder and a Reach Stacker</p>												

**Capital Investment Justification
 Defense Logistics Agency
 Supply Chain Management Activity Group
 May 2021
 (Dollars in Thousands)**

Activity Group Capital Investment Justification (Dollars in Thousands)										A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates		
B. Component/Business Area/Date Defense Logistics Agency Supply Chain Management Activity Group May 2021					C. Line Number & Item Description TEL 100 Telecommunications Equipment					D. Activity Identification DLA Distribution		
Element of Cost	FY 2020			FY 2021			FY 2022			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
<u>TEL 100</u> Telecommunications	1	857	857	1	3,000	3,000	0	0	0			
<p>Narrative Justification:</p> <p>This investment is for telecommunications equipment is in support of DLA Distribution and its associated depots locations. Requirements include Local Area Network (LAN) and Wide Area Network (WAN) upgrades associated with telecommunications hardware, storage solutions, video teleconferencing hardware, and a trunked radio system.</p> <p>The Physical Cable Infrastructure is required to support DLA mission in support of DLA technology and architecture and initiatives. The goals are to modernize the Cable Infrastructure to support DLA telecommunications and network systems. The purpose is to replace antiquated infrastructure that is no longer compliant with DoD and industry standards and to provide additional infrastructure to support DLA growth and increased use of network driven technology. To perform DLA mission infrastructure is continually improving to ensure the availability of information and data required to its mission.</p> <p>In FY 2021 Distribution Modernization, investments in the warehouses to include infrastructure to build out the Eastern Distribution Center and investment on the Real-Time Location Systems (RTLS).</p>												

**Capital Investment Justification
 Defense Logistics Agency
 Supply Chain Management Activity Group
 May 2021
 (Dollars in Thousands)**

Activity Group Capital Investment Justification (Dollars in Thousands)										A. Budget Submission Fiscal Year (FY) 2022- Budget Estimates		
B. Component/Business Area/Date Defense Logistics Agency Supply Chain Management Activity Group May 2021					C. Line Number & Item Description PRD 100 Production Hardware					D. Activity Identification Material Supply Chain		
Element of Cost	FY 2020			FY 2021			FY 2022			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
<u>PRD 100</u> Production Hardware	0	0	0	1	2,480	2,480	1	361	361			
Narrative Justification: This investment is for the DLA Enterprise Data Solutions mission is to provide transaction-processing services and receive, validate, edit, route, transmit, and archive nearly all unclassified DoD logistic traffic. The requirements identify provides DLA Enterprise Data Solutions the necessary components needed for data exchange and security between the DLA Enterprise Data Solutions profile environments and its diverse external customer base. The DoD Electronic Business gateway at DLA Enterprise Data Solutions is a highly reliable “global community services” logistics processing application serving the entire DoD community and all DoD logistics customers using DoD and commercial networks. The requirements include the hardware system platforms for sustainment interfaces into the DLA Enterprise Data Solutions core mission.												

**Capital Investment Justification
 Defense Logistics Agency
 Supply Chain Management Activity Group
 May 2021
 (Dollars in Thousands)**

Activity Group Capital Investment Justification (Dollars in Thousands)										A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates		
B. Component/Business Area/Date Defense Logistics Agency Supply Chain Management Activity Group May 2021				C. Line Number & Item Description NET 100 Network Hardware						D. Activity Identification DLA Distribution		
Element of Cost	FY 2020			FY 2021			FY 2022			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
NET 100 Network Hardware	0	0	0	1	3,700	3,700	3	4,641	13,925			
Narrative Justification: This investment is to install planned improvements and upgrades of Core/Mission Critical LAN hardware, cable and middleware as part of the Warehouse Management System to include Local Area Network (LAN) and Wide Area Network (WAN) upgrades to DLA Distribution and the associated depots. The equipment is to provide a robust LAN to support the DLA mission as well as meet DLA technology goals and initiatives. The goals are to reduce procurement lead times, design and implement a best value enterprise IT environment, continue to maintain the current IT environment while supporting operational issues, mandated changes and system enhancements and improve customer response time for services and materiel.												

**Capital Investment Justification
Defense Logistics Agency
Supply Chain Management Activity Group
May 2021
(Dollars in Thousands)**

Activity Group Capital Investment Justification (Dollars in Thousands)										A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates		
B. Component/Business Area/Date Defense Logistics Agency Supply Chain Management Activity Group May 2021				C. Line Number & Item Description NET 200 Network Hardware						D. Activity Identification Material Supply Chain		
Element of Cost	FY 2020			FY 2021			FY 2022			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
NET 200 Network Hardware	3	5,289	15,867	3	8,303	24,910	2	5,647	11,295			
<p>Narrative Justification:</p> <p>This investment is for Local Area Network (LAN) and Wide Area Network (WAN) upgrades to DLA Primary Level Field Activities (PLFA). This requirement is to install planned improvements and upgrades of Core/Mission Critical LAN hardware, cable and middleware infrastructure to provide a robust LAN to support the DLA mission as well as meet DLA technology goals and initiatives. The goals are to reduce procurement lead times, design and implement a best value enterprise IT environment, continue to maintain the current IT environment while supporting operational issues, mandated changes and system enhancements and improve customer response time for services and materiel.</p>												

**Capital Investment Justification
Defense Logistics Agency
Supply Chain Management Activity Group
May 2021
(Dollars in Thousands)**

Activity Group Capital Investment Justification (Dollars in Thousands)										A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates		
B. Component/Business Area/Date Defense Logistics Agency Supply Chain Management Activity Group May 2021					C. Line Number & Item Description SWD 200-01 Software Development \$1.0 and Over					D. Activity Identification Materiel Supply Chain		
Element of Cost	FY 2020			FY 2021			FY 2022			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
<u>SWD 200-01</u> Enterprise Business System (EBS)			7,318			6,418			0			
<p>Narrative Justification: EBS continues to modernize and refine in order to maximize benefits, improve processes and analysis, implement process area business reengineering opportunities, and offer greater agility in monitoring and tracking operational and fiscal performance. Since EBS provides Agency with the tools to respond to new challenges and trends in supporting the warfighter, the continuous refinement through process and technical improvements is critical to the Agency's supply chain management capability.</p> <p>This investment includes the requirements to develop projects and acquisition programs that support progress toward FIAR Plan compliance; many requirements directed to ongoing DoD reform efforts i.e., Planning, Programming, Budgeting and Execution (PPBE) Standards, United States Standard General Ledger (USSGL), Standard Line of Accounting (SLOA), Standard Financial Information Structure (SFIS) compliance. The current list of customer priorities includes the following programs/efforts: DLA Internet Bid Board System (DIBBS), Clause Logic Services (CLS), Technical Quality (TQ) Application Integration Plan & Analyze (P&A), Qualified Suppliers List (QSL) Audit Tracking Application, SLOA, Government-wide Invoicing (G-Invoicing), Reverse Auctioning (RA), and SAP Standardization.</p>												

**Capital Investment Justification
Defense Logistics Agency
Supply Chain Management Activity Group
May 2021
(Dollars in Thousands)**

Activity Group Capital Investment Justification (Dollars in Thousands)										A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates		
B. Component/Business Area/Date Defense Logistics Agency Supply Chain Management Activity Group May 2021				C. Line Number & Item Description SWD 200-02 Software Development \$1.0 and Over						D. Activity Identification Materiel Supply Chain		
Element of Cost	FY 2020			FY 2021			FY 2022			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
SWD 200-02 Defense Medical Logistics Standard Support (DMLSS) Wholesale			2,397			2,397			2,397			
<p>Narrative Justification: The Defense Medical Logistics Standard Support-Wholesale (DMLSS-W) is an integrated system supporting the medical logistics needs of the Services and the Warfighter. The program directly funds the business process developments and Management Information System (MIS) development at DLA Troop Support Philadelphia with benefits and savings cascading throughout the entire DoD medical logistics supply chain. This investment supports software re-engineering to the DMLSS-W applications in support of the Defense Medical Logistics Enterprise System (DML-ES) Authoritative Source Initiative and associated business processes. The design and implementation of product, sourcing, and pricing capabilities will consolidate and optimize management of multiple sources of back-end product and pricing, as well as associated contracts and pricing agreements.</p> <p>Subsequent releases of this product and pricing capability will provide an enhanced vendor item management interface for product & pricing management during data inception processes and a robust application workflow will be developed to support vendor item price management activities between DMLSS and Vendors. This functionality will reduce time & effort for government resources to manually evaluate, determine and correct invalid data presented by vendors, enabling these resources to increase efforts addressing more complex data resolution activities to increase products that are made available to Medical customers. This capability also streamlines the data synchronization process between the vendor and DLA Troop Support to provide quality authoritative data. Additionally, business processes surrounding Distribution and Pricing Agreements (DAPA) product sourcing functionality will be modernized to integrate with ECAT and Readiness product and pricing data. This capability will enhance the opportunities for DMLSS to enforce enterprise-centric business rules for product data management and will improve product and pricing alignment across all Medical programs to increase Acquisition awareness in negotiating product and pricing offerings. This capability will also strengthen all source catalog interfaces with the Medical Master Catalog (MMC) reducing duplicate and inconsistent product representations to customers.</p>												

Capital Investment Justification
Defense Logistics Agency
Supply Chain Management Activity Group
May 2021
(Dollars in Thousands)

Activity Group Capital Investment Justification (Dollars in Thousands)										A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates		
B. Component/Business Area/Date Defense Logistics Agency Supply Chain Management Activity Group May 2021					C. Line Number & Item Description SWD 200-03 Software Development \$1.0 and Over					D. Activity Identification Materiel Supply Chain		
Element of Cost	FY 2020			FY 2021			FY 2022			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
<u>SWD 200-03</u> DOD EMALL/FedMall			6,304			6,304			6,304			
<p>Narrative Justification: The DOD EMALL/FedMall was a web-based government procurement application designed to allow users to search or browse for commercial and government off-the-shelf products and services through a single interface and purchase those products or services online. It fulfills Section 332 of the Fiscal Year 1999 DOD Authorization Act, Public Law 105-261, Title III, Subtitle D, October 17, 1998, which called for a single point of access for DOD ordering on the internet as part of its overall Electronic Commerce (e-commerce) implementation. In 2017, DLA deployed FedMall, DOD EMALL's modernization initiative that would leverage a COTS platform to provide the same services to the DOD, with improved functionality and performance. FedMall provides the government with a cost-effective way to address current and future user needs by providing industry best practices, enhanced system performance, flexibility, and scalability.</p> <p>FedMall's Mission is to provide world class, enterprise wide, customer centric e-Commerce purchasing capability that supports and equips ALL government agencies in meeting their mission. This investment directly supports this goal by providing additional capabilities in FedMall to increase key functionality for this program, make it more user friendly and give it a more commercial "Amazon-like" look and feel. In addition, development of capabilities to support new stakeholder business processes, address Cyber Security findings, improve data quality, and enhance existing data ingest workflow and architecture are critical. Essential development efforts include an Order Management System (OMS) and a business intelligence (BI) tool. An OMS provides inventory management, order tracking, reverse auction, request for quote, order management, vendor/inventory hosting, catalog management and other features common in commercial purchasing platforms. Additionally, an OMS will significantly reduce or eliminate our current dependency on IBM tools for which we pay over \$4M in licensing fees annually. A BI tool will significantly increase data analysis and reporting capabilities and improve data integrity.</p>												

**Capital Investment Justification
 Defense Logistics Agency
 Supply Chain Management Activity Group
 May 2021
 (Dollars in Thousands)**

Activity Group Capital Investment Justification (Dollars in Thousands)										A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates		
B. Component/Business Area/Date Defense Logistics Agency Supply Chain Management Activity Group May 2021				C. Line Number & Item Description SWD 200-04 Software Development \$1.0 and Over						D. Activity Identification Materiel Supply Chain		
Element of Cost	FY 2020			FY 2021			FY 2022			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
SWD 200-04 Functional Executive Agent Medical Support (FEAMS)			2,269			2,261			2,306			
<p>Narrative Justification: The FEAMS program is chartered to support DLA's mission as the Executive Agent for Medical Materiel and work with the Services to support the Defense Medical Logistics Enterprise by developing Materiel solutions that enable enterprise transformation and optimize supply chain operations. Supporting its chartered mission through the FY20 to FY22 investments, the FEAMS program, through the Medical Contingency Requirements Workflow (MCRW), will enable: Medical Materiel Requirement Forecasting Direct integration with Service combat development shops which build medical assemblages for operation support. This will allow the Services to clinically generate assemblage content (medical materiel), evaluate if additional materiel is required by running computations and simulations, and identify the materiel that is already available in stock. The Services will be able to model a more accurate outcome than current processes and notify their replenishment needs to materiel managers and industry(vendors). [Allowance standard meta management] A full allowance standard management lifecycle technical framework for the United States Marine Corps (USMC). This turnkey solution will allow management of allowance standards. The capability to view and evaluate the materiel logistics health of a support item (consumables) associated to an end item (typically a device) by parsing textual data in Federal Logistics Information System (FLIS) MRC codes which will allow Services to maintain and keep current the clinical and logistical health of their assemblage Sets and Kits (National Stock Numbers) NSNs.</p>												

**Capital Investment Justification
Defense Logistics Agency
Supply Chain Management Activity Group
May 2021
(Dollars in Thousands)**

Activity Group Capital Investment Justification (Dollars in Thousands)										A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates		
B. Component/Activity Group/Date Defense Logistics Agency Supply Chain Management Activity Group May 2021				C. Line Number & Item Description SWD 200-05 Software Development \$1.0 and Over						D. Activity Identification Materiel Supply Chain		
Element of Cost	FY 2020			FY 2021			FY 2022					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
<u>SWD 200-05</u> Federal Logistics Information System (FLIS)			0			5,000			4,696			
<p>Narrative Justification: Federal Logistics Information System (FLIS) provides authoritative source data on over 7.2M National Stock Numbers (NSN) to 60k military and civilian personnel across the Department of Defense (DoD), Military Services, Federal Agencies, civil agencies, and international partners throughout 28 countries to support planning, procurement, order fulfillment, distribution, warehousing, maintenance, and disposal missions. The capability enables over 8,000 procurement actions and 100,000 orders each day for annual sales more than \$42 billion. DLA is spending too much on operational IT infrastructure, business processes need streamlining and improvement, and business capabilities need increased performance. FLIS currently struggles to keep up with emergent business requirements, a new workforce that requires streamlined intuitive user interfaces, and the need for real-time predictive data analytics. As a result, the customer community is requesting changes faster than FLIS can manage. FLIS functionality falls into one of following high-level swim lanes: master data management (update), collaboration, workflow, dissemination, inquiry and/or reporting. These capabilities are delivered through 17 various applications, modules, and tools. As each of these elements are separate and disparate, they require users to log into multiple systems and/or force a manual process to complete cataloging transactions, view data and collaborate with mission partners. Adding to these challenges are ever increasing software licensing costs, steep infrastructure hosting & support costs, and lack of ability to consolidate the hardware footprint due the three different technical stacks (mainframe, mid-tier and web-based) being used by the FLIS applications. We have an opportunity to reduce operational IT infrastructure costs and lower program life-cycle costs while improving policies, process, and compliance by transforming FLIS into an agile application that continues to provide critical capabilities for DoD while also leaning forward into future needs. This investment is to re-engineer the DoD Item Master capability for the Federal Catalog Program using standard industry business processes on a modern open-source technology platform.</p>												

**Capital Investment Justification
Defense Logistics Agency
Supply Chain Management Activity Group
May 2021
(Dollars in Thousands)**

Activity Group Capital Investment Justification (Dollars in Thousands)										A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates		
B. Component/Activity Group/Date Defense Logistics Agency Supply Chain Management Activity Group May 2021					C. Line Number & Item Description SWD 200-06 Software Development \$1.0 and Over					D. Activity Identification Materiel Supply Chain		
Element of Cost	FY 2020			FY 2021			FY 2022			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
<u>SWD 200-?</u> <u>Distribution Standard System</u> <u>(DSS)</u>			0			20,000			11,134			
<p>Narrative Justification:</p> <p>The Distribution Standard System (DSS) Program is for distribution processing of material using DLA's Warehouse Management System (WMS). This requirement is to modernize DSS to better align DLA warehouse and distribution processes with industry standards and simplify storage and distribution requirements in order to meet today audit standards. DLA is looking to leverage brand name SAP support services to assist with platform configuration development on the Government's existing SAP software for:</p> <ul style="list-style-type: none"> • Extended Warehouse Management (EWM) • Transportation Management (TM) • Global Trade Services (GTS) • Event Management (EM) • Solution Manager (SM) • Express Parcel (XPS) • ITS Mobile • Process Integrator / Process Optimizer (PI/PO) • Business Objects / Business Warehouse (BO/BW) 												

**Capital Investment Justification
 Defense Logistics Agency
 Supply Chain Management Activity Group
 May 2021
 (Dollars in Thousands)**

Activity Group Capital Investment Justification (Dollars in Thousands)										A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates		
B. Component/Business Area/Date Defense Logistics Agency Supply Chain Management Activity Group May 2021				C. Line Number & Item Description SWD 300-01 Software Development						D. Activity Identification Materiel Supply Chain		
Element of Cost	FY 2020			FY 2021			FY 2022			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
SWD 300-01 Enterprise Software			3,514			8,317			8,564			
Narrative Justification: The Enterprise Software requirement includes the DLA Enterprise Data Solutions mission is to provide transaction-processing services and receive, validate, edit, route, transmit, and archive nearly all unclassified DoD logistic traffic. The requirements of DLA Enterprise Data Solutions Enterprise software to provide the capabilities needed for data exchange between the DLA Enterprise Data Solutions profile environments and diverse external customer base. This allows DLA to provide requested logistics data for DoD, other Federal Agencies, the North Atlantic Treaty Organization (NATO), and foreign military sales (FMS) countries as well as data to support DoD requisition tracking. The DoD Electronic Business gateway at DLA Enterprise Data Solutions is a highly reliable "global community services" logistics processing application serving the entire DoD community and all DoD logistics customers using DoD and commercial networks. Enterprise Software include capitalized Commercial Off-The-Shelf (COTS) application and perpetual licenses.												

**Capital Investment Justification
 Defense Logistics Agency
 Supply Chain Management Activity Group
 May 2021**

(Dollars in Thousands)

Activity Group Capital Investment Justification (Dollars in Thousands)										A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates		
B. Component/Business Area/Date Defense Logistics Agency Supply Chain Management Activity Group May 2021					C. Line Number & Item Description REP 200-01 Minor Construction					D. Activity Identification Materiel Supply Chain		
Element of Cost	FY 2020			FY 2021			FY 2022					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
<u>REP 200-01</u> Minor Construction			1,837			3,526			3,526			
<p>Narrative Justification:</p> <p>The minor construction investment are for projects (costing between \$250,000 and \$2,000,000.00 each) and will construct new, replace existing, or modify current facilities to enhance mission operation and increase the level of protection of the workforce. These projects include:</p> <ol style="list-style-type: none"> 1. Renovation and alteration of administrative facilities. 2. Upgrades to utility systems to comply with environmental and fire protection standards. 3. Additional paving for road networks and personnel parking to comply with the new Anti-Terrorism/Force Protection standoff distances. 4. Incidental improvements associated with facilities repair projects. 5. Security enhancements 6. Americans with Disabilities Act enhancements (Site wide) 7. Vehicle washing station 8. Water storage for irrigation <p>All of these projects are required to allow DLA missions to continuing be in safe, compliant, secure and efficient facilities.</p>												

Capital Investment Justification
Defense Logistics Agency
Supply Chain Management Activity Group
May 2021
(Dollars in Thousands)

Activity Group Capital Investment Justification (Dollars in Thousands)										A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates		
B. Component/Business Area/Date Defense Logistics Agency Supply Chain Management Activity Group May 2021					C. Line Number & Item Description REP 200-02 Minor Construction					D. Activity Identification DLA Distribution		
Element of Cost	FY 2020			FY 2021			FY 2022					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
<u>REP 200-02</u> Minor Construction			3,868			9,002			9,002			
<p>Narrative Justification:</p> <p>The minor construction investment are for projects (costing between \$250,000 and \$2,000,000 each) and will construct new, replace existing, or modify current real property facilities to enhance mission operation and increase the level of protection of the workforce. These projects include:</p> <ol style="list-style-type: none"> 1. Installing and upgrading fire suppression and alarm systems to meet current code requirements. 2. Upgrading security facilities (gates, fences, and lighting) to meet current Anti-Terrorism/Force Protection standards. 3. Adding new and improving areas for open storage, road networks and operational areas. 4. Altering and expanding facilities to accommodate mission changes, consolidation and stock repositioning. 5. Improvements to utilities to enhance reliability and resiliency. 6. Incidental improvements associated with facilities repair projects and capital equipment projects. 7. Replacement of existing facilities that cannot be repaired economically or have far exceeded their service life. 8. Installing generators to provide backup power to support cold chain management of medical items and critical mission operations. <p>These investments will result in the recapitalization of the facilities necessary for the cost-effective performance of the DLA Distribution mission.</p>												

**Capital Investment Justification
Defense Logistics Agency
Supply Chain Management Activity Group
May 2021
(Dollars in Thousands)**

Activity Group Capital Investment Justification (Dollars in Thousands)										A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates		
B. Component/Business Area/Date Defense Logistics Agency Supply Chain Management Activity Group May 2021					C. Line Number & Item Description REP 200-03 Minor Construction					D. Activity Identification DLA Disposition Services		
Element of Cost	FY 2020			FY 2021			FY 2022					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
<u>REP 200-03</u> Minor Construction			4,490			3,011			3,261			
<p>Narrative Justification:</p> <p>The minor construction investment are for projects (costing between \$250,000 and \$2,000,000.00 each) and will construct new, replace existing, or modify current facilities to enhance mission operation and increase the level of protection of the workforce. These projects include:</p> <ol style="list-style-type: none"> 1. Adding paving or concrete extensions to existing storage, road networks and operational areas 2. Paving existing unpaved and un-graveled lots to be used for storage and scrap 3. Upgrading utilities systems to accommodate mission changes, consolidation, and relocation 4. Adding extensions to existing buildings which increases total foot print area of the building 5. Replace entire facility that cannot be repaired economically is past its usage life expectancy 6. Add new facilities to store equipment and material <p>These investments will result in the recapitalization of the facilities necessary for the cost-effective performance of the DLA Disposition Services mission.</p>												

**DEFENSE LOGISTICS AGENCY
DEFENSE-WIDE WORKING CAPITAL FUND
SUPPLY CHAIN MANAGEMENT ACTIVITY GROUP
FISCAL YEAR (FY) 2022 BUDGET STIMATES
CAPITAL BUDGET EXECUTION
May 2021
(DOLLARS IN MILLIONS)**

Major Category	Initial Request	Current Proj Cost	Approved Change	Explanation
Non-ADPE Equipment:	67.852	74.856	7.004	
ADPE & TELCOM Equipment:	16.184	16.724	0.540	
Software Development:	29.489	21.802	(7.687)	Funding was reprogrammed from Software Development, in order to cover higher costs than anticipated for network ADPE equipment and Non-ADPE for Distribution Modernization investments.
Minor Construction:	15.225	10.195	(5.030)	Some funding was internal reprogrammed to Non-ADPE projects.
Total FY 2020	128.750	123.577	(5.173)	

Major Category	Initial Request	Current Proj Cost	Approved Change	Explanation
Non-ADPE Equipment:	70.145	70.145	0.000	
ADPE & TELCOM Equipment:	11.116	34.090	22.974	Increase for ADP system replacement to meet compliance
Software Development:	20.742	50.697	29.955	Increase for Software Development program that need major modernization to meet auditability and compliance
Minor Construction:	15.539	15.539	0.000	
Total FY 2021	117.542	170.471	52.929	

Major Category	Initial Request	Current Proj Cost	Approved Change	Explanation
Non-ADPE Equipment:	0.000	55.252	55.252	
ADPE & TELCOM Equipment:	0.000	25.581	25.581	
Software Development:	0.000	35.401	35.401	
Minor Construction:	0.000	15.789	15.789	
Total FY 2022	0.000	132.023	132.023	

DEFENSE LOGISTICS AGENCY
DEFENSE-WIDE WORKING CAPITAL FUND
ENERGY MANAGEMENT ACTIVITY GROUP
FISCAL YEAR (FY) 2022 BUDGET ESTIMATES
ACTIVITY GROUP CAPITAL INVESTMENT SUMMARY
(\$ IN MILLIONS)

Line Number	Item Description	FY 2020		FY 2021		FY 2022	
		Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
NEW 200-01	Fuel Terminal Automation	1	5.382	4	8.100	3	12.500
NEW/REP 200-02	Inventory Accuracy	3	0.792	3	4.500	1	1.000
	<u>TOTAL EQUIPMENT (Non ADP/T)</u>	4	6.174	7	12.600	4	13.500
REP/ENV 200	Minor Construction \$250,000 - \$2,000,000		42.823		46.311		47.267
	<u>TOTAL MINOR CONSTRUCTION</u>		42.823		46.311		47.267
	<u>TOTAL AGENCY CAPITAL INVESTMENTS</u>	4	48.997	7	58.911	4	60.767
	Total Capital Outlays		36.131		54.148		59.892
	Total Capital Investment Recovery		42.962		52.110		48.728

Exhibit Fund -9a Activity Group Capital Investment Summary

Capital Investment Justification
Defense Logistics Agency
Energy Activity Group
May 2021
(Dollars in Thousands)

Activity Group Capital Investment Justification (Dollars in Thousands)										A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates		
B. Component/Business Area/Date Defense Logistics Agency Energy Management Activity Group May 2021				C. Line Number & Item Description NEW 200 Non-ADP Equipment – New Mission						D. Activity Identification DLA Energy		
Element of Cost	FY 2020			FY 2021			FY 2022					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
<u>NEW 200-01</u> Fuel Terminal Automation – New Mission	1	5,382	5,382	4	2,000	8,100	3	4,166	12,500			
<p>Narrative Justification:</p> <p>The Automated Fuel Handling Equipment (AFHE) allows large bulk fuel locations to monitor and control fuel operations from a central location on site, via dedicated network communications, through an installed computer application. The fuel terminal automation projects includes automation of valves, fuel transfer pumps, tank gauging, fuel metering systems, and pipeline instrumentation. Integral components of the AFHE system, the Supervisory Control and Data Acquisition (SCADA) systems are installed at the Operations Control Center (OCC) located on 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 entire operations of the terminal, such as, receiving and issuing fuel are being controlled from the OCC. The communication infrastructure and other devices required for the transfer of alarm and inventory data and control signals from the field equipment to the OCC are provided. The primary cost benefit of these automation projects is the prevention of oil spills, avoiding costly cleanup expenses and minimizing environmental risks.</p>												

Capital Investment Justification
Defense Logistics Agency
Energy Activity Group
May 2021
(Dollars in Thousands)

Activity Group Capital Investment Justification (Dollars in Thousands)										A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates		
B. Component/Business Area/Date Defense Logistics Agency Energy Management Activity Group May 2021				C. Line Number & Item Description NEW 200 Non-ADP Equipment-New Mission/Replacement						D. Activity Identification DLA Energy		
Element of Cost	FY 2020			FY 2021			FY 2022					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
<u>NEW & REP 200-02</u> Inventory Accuracy New Mission and Replacement	3	264	792	3	1,500	4,500	1	1,000	1,000			
<p>Narrative Justification:</p> <p>DLA is the DoD Executive Agent for more than 400 fuel terminals worldwide. In all of these terminals, there are various types of fuel tanks, each with Automated Tank Gauges (ATG). ATG systems measure and monitor fuel levels and inventories and are permanently installed in storage tanks. The devices efficiently provide information regarding the amount of product, temperature, and water in fuel tanks. These gauges have connectivity to the Enterprise Business System (EBS) Energy system, FuelsManager Defense (FMD), which will capture all the data with regard to fuel stored and maintain accurate inventory records. The various Service Stations in DoD facilities have equipment to capture the quantity of fuel stored and have connectivity to the same BSM Energy system, FMD. 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 procedures in fuel loss control.</p>												

Capital Investment Justification
Defense Logistics Agency
Energy Activity Group
May 2021
(Dollars in Thousands)

Activity Group Capital Investment Justification (Dollars in Thousands)										A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates		
B. Component/Business Area/Date Defense Logistics Agency Energy Management Activity Group May 2021					C. Line Number & Item Description Minor Construction Capability -Replacement/Environmental					D. Activity Identification DLA Energy		
Element of Cost	FY 2020			FY 2021			FY 2022					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
<u>REP & ENV 200</u> Minor Construction Replacement/Environmental			42,823			46,311			47,267			
<p>Narrative Justification:</p> <p>The minor construction investment are for projects (costing between \$250,000 and \$2,000,000 each) and will construct new, replace existing, or modify current facilities to enhance mission operations and increase the level of protection of the workforce and the mission stock. These projects include:</p> <ol style="list-style-type: none"> 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 <p>The minor construction capital is for the requirements of aging petroleum infrastructures, to include matching funds 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.</p> <p>Benefits include continued safe, compliant and efficient facility operations.</p>												

DEFENSE LOGISTICS AGENCY
ENERGY MANAGEMENT ACTIVITY GROUP FISCAL YEAR (FY)
2022 BUDGET ESTIMATES CAPITAL BUDGET EXECUTION
May 2021
(DOLLARS IN MILLIONS)

Major Category Non-ADPE	Initial Request	Current Proj Cost	Approved Change	Explanation
Equipment: ADPE & TELCOM	17.300	6.174	(11.126)	\$10M was approved for carryover
Equipment:	0.000	0.000	0.000	
Software Development:				
Minor Construction:	0.000	0.000	0.000	
Total FY 2020	45.269	42.823	(2.446)	Under executed due to lower requirements (13.572)
	62.569	48.997		

Major Category	Initial Request	Current Proj Cost	Approved Change	Explanation
Non-ADPE Equipment:	12.500	12.600	0.100	Slight increase to funds Automated Fuel Handling Equipment at project sites
ADPE & TELCOM Equipment: Software	0.000	0.000	0.000	
Development: Minor Construction:				
Total FY 2021	0.000	0.000	0.000	
	46.311	46.311	0.000	

Major Category Non-ADPE	Initial Request	Current Proj Cost	Approved Change	Explanation
Equipment: ADPE & TELCOM				
Equipment: Software Development:				
Minor Construction:	0.000	13.500	13.500	
Total FY 2022	0.000	0.000	0.000	
	0.000	0.000	0.000	
	0.000	0.000	0.000	
	0.000	0.000	0.000	
	0.000	47.267	47.267	
		60.767	60.767	

DEFENSE LOGISTICS AGENCY
 DEFENSE-WIDE WORKING CAPITAL FUND
 DLA DOCUMENT SERVICES ACTIVITY GROUP
 FISCAL YEAR (FY) 2022 BUDGET ESTIMATES
 ACTIVITY GROUP CAPITAL INVESTMENT SUMMARY
 (\$ IN MILLIONS)

Line Number	Item Description	FY 2020		FY 2021		FY 2022	
		Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
	NON-ADPE EQUIPMENT						
REP 100	Digitization Duplication Equipment	0	0.000	0	0.000	6	5.738
	<u>TOTAL EQUIPMENT (Non ADP)</u>	0	0.000	0	0.000	6	5.738
	<u>TOTAL AGENCY CAPITAL INVESTMENTS</u>	0	0.000	0	0.000	6	5.738
	Total Capital Outlays		0.000		0.000		0.000
	Total Capital Investment Recovery		0.042		0.042		0.018

Exhibit Fund -9a Activity Group Capital Investment Summary

Capital Investment Justification
Defense Logistics Agency
Document Services Activity Group
May 2021
(Dollars in Thousands)

Activity Group Capital Investment Justification (Dollars in Thousands)										A. Budget Submission Fiscal Year (FY) 2022 Budget Estimates		
B. Component/Business Area/Date Defense Logistics Agency Document Services May 2021				C. Line Number & Item Description REP 100 Replacement Non-ADP Equipment						D. Activity Identification DLA Document Services		
Element of Cost	FY 2020			FY 2021			FY 2022					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
REP 100 Digitization Duplication Equipment			0			0	6	956.3	5,738			
<p>Narrative Justification:</p> <p>This equipment investment for printing presses with bindery capabilities that will replace 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.</p>												

DEFENSE LOGISTICS AGENCY
DEFENSE-WIDE WORKING CAPITAL FUND
DLA DOCUMENT SERVICES ACTIVITY GROUP
FISCAL YEAR (FY) 2022 BUDGET ESTIMATES
CAPITAL BUDGET EXECUTION
May 2021
(DOLLARS IN MILLIONS)

Major Category	Initial Request	Current Proj Cost	Approved Change	Explanation
Non-ADPE Equipment:	0.000	0.000	0.000	
Total FY 2020	0.000	0.000	0.000	

Major Category	Initial Request	Current Proj Cost	Approved Change	Explanation
Non-ADPE Equipment:	0.000	0.000	0.000	
Total FY 2021	0.000	0.000	0.000	

Major Category	Initial Request	Current Proj Cost	Approved Change	Explanation
Non-ADPE Equipment:	0.000	5.738	5.738	
Total FY 2022	0.000	5.738	5.738	