DEFENSE WORKING CAPITAL FUND

DEFENSE-WIDE FISCAL YEAR (FY) FY 2013 BUDGET ESTIMATES

OPERATING AND CAPITAL BUDGETS



FEBRUARY 2012 CONGRESSIONAL DATA

Defense Finance and Accounting Service



Fiscal Year (FY) 2013 Budget Estimates
Defense Working Capital Fund (DWCF)
President's Budget Submission
February 2012

Preparation of this report/study cost the Department of Defense a total of approximately \$16,000 for the 2012 Fiscal Year.

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Fiscal Year (FY) 2013 Budget Estimates Activity Group Capital Investment Summary Defense Finance and Accounting Service Financial Operations February 2012 (\$ in Millions)

	·	FY	2011	FY	2012	FY	2013
Line	Item	Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
<u>Number</u>	<u>Description</u>						
	ADPE & Telecommunications Equipment Baseline		10.6		23.8		17.0
	Computer Hardware (Production)		10.6		23.8		17.0
	Computer Software (Operating System),						
	Telecoms, Other Computer & Tele Supt Equip.						
	Revised Requirement		10.6		23.8		17.0
	Software Development Baseline		9.2		15.2		12.3
	Internally Developed		4.7		12.7		7.6
	Externally Developed		4.5		4.3		4.7
	Revised Requirement		9.2		17.0		12.3
	The first the quite ment		7.2		2.00		
	Minor Construction Baseline		1.0		1.8		1.1
	Replacement						
	Productivity						
	New Mission		1.0		1.8		1.1
	Environmental						
	Revised Requirement		1.0		1.8		1.1
	TOTAL Prior Year Adjustments						
	TOTAL Capital Investment Baseline		20.8		40.8		30.4
	TOTAL Capital Investment Required		20.8		42.6		30.4
	-						
	Total Capital Outlays (Based on Revised Rqmt)		31.0		29.8		34.6
	Total Depreciation Ex (Based on Revised Rqmt)		73.3		47.0		35.7
	*FY 2011 includes FY 2010 Carryover which obligated i						
	*FY 2012 total increased from PB 2012 due to the additi	on of DCPS,	DDMS and I	DDS. Detail	included in the	Fund 9b	

Exhibit Fund 9a Activity Group Capital Investment Summary

ACTIVITY GROUP CAPITAL INVI		JUSTI	FICATIO	N		A. Fiscal Year (FY) 2013 Budget Estimates: DFAS Financial Operations						
B. Component / Business Area / Date			C. Line	No. &		D. Activ	vity Identif	fication				
Defense Finance and Accounting Service				ription		DFA	S Sites					
February 2012			ADP Equ	ipment								
]	FY 2011]	FY 2012		F	FY 2013				
Element of Cost	Quantity	Unit	Total	Quantity	Unit	Total	Quantity	Unit	Total			
		Cost	Cost		Cost	Cost		Cost	Cost			
Customer Service												
A. Unified Communications (Teleservices)			2,091			11,050			3,350			
TOTAL Customer Service			2,091			11,050			3,350			

A. Teleservices – Unified communications for all DFAS sites requiring a technology update to the telecommunications private branch exchange (PBX) and video conferencing component, to include call recording and call center development.

ACTIVITY GROUP CAPITAL II (\$ in Tho		JUSTI	FICATIO	ON			al Year (FY S Financial		_	stimates:			
B. Component / Business Area / Date Defense Finance and Accounting Service February 2012	and Accounting Service					D. Activity Identification DFAS Sites							
	F	Y 2011		FY 2012			F	Y 2013					
Element of Cost	Quantity	Unit Cost	Total Cost			Total Cost	Quantity	Unit Cost	Total Cost				
Data Management													
A. Electronic Document Management B. E-Portal			0 655			400			826 0				
TOTAL Data Management			655			400			826				

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

B. E-Portal - The Enterprise Portal (ePortal) is a DFAS we	b-based infrastructure to share knowledge, access	s Corporate information and deliver integrated	service-oriented solutions.
Funding will create an alternate worksite in DFAS CO.			

ACTIVITY GROUP CAPITAL (\$ in Th	INVESTMEN ousands)	T JUSTI	IFICATI	ON		A. Fiscal Year (FY) 2013 Budget Estimates: DFAS Financial Operations						
B. Component / Business Area / Date Defense Finance and Accounting Service February 2012		C. Line No. & Description ADP Equipment					vity Identif S Sites	ication				
		FY 2011		FY 2012				Y 2013				
Element of Cost	Quantity	Unit Cost	Total Cost	1 - 1		Total Cost	Quantity	Unit Cost	Total Cost			
Infrastructure/Other												
A. Enterprise Local Area Network B. Security			7,330 548			10,350 1,966			10,868 1,907			
TOTAL Infrastructure/Other			7,878			12,316			12,775			

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

B. Security – Continued protection of the DFAS communications and comput	ting infrastructure from interna	al and external threats with aut	tomated monitoring and	response, firewalls
switches, and encryption devices maintained by government and contracted ex	xpertise.			

	ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ in Thousands)									A. Fiscal Year (FY) 2013 Budget Estimates: DFAS Financial Operations				
B. Component / Business Area / Date Defense Finance and Accounting Service February 2012	vice C. Line No. & Description Software Dev / Mod					D. Activity Identification DFAS Sites								
	I	Y 2011	FY 2012				l F	Y 2013						
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost					
Customer Service														
A. MyPay			453			1,046			1,192					
B. DMO			0			0			0					

TOTAL Customer Service Narrative Justification:

A. MyPay - Web-based software application that provides government personnel with a convenient, high-quality, paperless business environment that safeguards personal information. Funding will support the addition of new E-Payroll customers and implementation of legislative changes.

453

1,046

1,192

B. DMO - Client server database application that interfaces with the Defense Joint Military Pay System (DJMS); it is used by MILPAY Offices and DFAS to create, audit, submit pay transactions to DJMS and receive transaction update status and pay product feedback from DJMS. Funding will provide for a web based replacement that will significantly enhance function and increase security.

ACTIVITY GROUP CAPITAL INVE (\$ in Thousan			al Year (FY) 2013 Budget E AS Financial Operations	stimates:
B. Component / Business Area / Date	C. Line No	. & D. Acti	ivity Identification	
Defense Finance and Accounting Service	Descrip	tion DFA	AS Sites	
February 2012	Software De	v / Mod		

	I	FY 2011		F	Y 2012		FY 2013				
Element of Cost	Quantity	Unit	Total	Quantity	Unit	Total	Quantity	Unit	Total		
		Cost	Cost		Cost	Cost		Cost	Cost		
Data Management											
A. E-Commerce/E-Data Interchange System			1,625			550			559		
B. Office Automation			0			1500			845		
C. Electronic Data Management			1,120			700			878		
D. CORAS			0			0			0		
E. MyMetrics			0			0			300		
F. E-Portal			71			0			0		
TOTAL Data Management			2,816			2,750			2,582		

- A. E-Commerce/E-Data Interchange System Enable the entitlement and accounting systems to post all financial transactions electronically and within federal DoD requirements, i.e., commitments, obligations, accounts payable, invoices, and disbursements using industry Electronic Data Interchange (EDI) standards, American National Standards Institute (ANSI)
- B. Office Automation Funding will support software development and the automation of various agency initiatives to increase efficiency and provide data consolidation.
- C. Electronic Document Management Funding will support software development for a program that reduces dependence on paper through conversion of thousands of paper documents used in payment processing and associated data to an electronic format that can be accessed from a desktop workstation.
- D. CORAS Previously funded under Office Automation: Funding will support software development for Contingency Operations Reporting and Analysis Service (CORAS)
- E. MyMetrics Previously funded under Office Automation: MyMetrics, a DFAS metrics system providing DFAS with real time performance indicators on all mission areas.
- F. E-Portal The Enterprise Portal (ePortal) is a DFAS web-based infrastructure to share knowledge, access Corporate information and deliver integrated service-oriented solutions. Funding will provide for the software component to create an alternate worksite in DFAS CO.

ACTIVITY GROUP CAPITAL INV. (\$ in Thousa		al Year (FY) 2013 Budget E S Financial Operations	Estimates:		
B. Component / Business Area / Date	C. Line	No. &	D. Activ	vity Identification	
Defense Finance and Accounting Service	Desc	Description		AS Sites	
February 2012	Software	Software Dev / Mod			
	EX. 2011	EX. 2012		EX 2012	

	J	FY 2011	•	FY 2012		I	FY 2013		•	•	
Element of Cost	Quantity	Unit	Total	Quantity	Unit	Total	Quantity	Unit	Total		
		Cost	Cost		Cost	Cost		Cost	Cost		
Financial Management											
A. Defense Retiree Annuitant Pay System			168			2,000			2,124		
B. Defense Civilian Pay System			826			1,431			1,431		
C. Deployed Disbursing System			999			780			740		
D. Defense Debt Management System			0			508			267		
E. Automated Disbursing System			1,206			2,000			2,032		
F. DJMS-AC			0			4,200			850		
G. DJMS-RC			0			2,350			1,100		
H. MOCAS			2,874			0			0		
I. CAPS-W			1,743			0			0		
TOTAL Financial Management			7,816			13,269			8,544		

- A. Defense Retired and Annuitant Pay System DRAS is a pay entitlement system that establishes and maintains payment to approximately 2.5 million military retirees, former spouses, survivor beneficiaries and annuitant customers. Funds will be used for legislative and management initiatives in addition to future modernization efforts.
- B. Defense Civilian Pay System One of four automated payroll providers for the Executive Branch; provides the best value to the customer by maintaining high productivity, accuracy for services provided. Funding will be used to amend reporting requirement to OPM by providing an electronic exchange of standardized retirement data.
- C. Deployed Disbursing System DDS funds will support an interface with the Treasury's Stored Value Cart System (SVC) as well as Marine Corps initiatives of Higher headquarters reporting and oversight, monthly SF-5515 reporting, and push/pull of interfacing files for the Marine Corps to removed human intervention.

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

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Continued:
D. Defense Debt Management System – Funding for two initiatives: The first will accommodate a two way interface between DDMS and the General Fund Enterprise Business System (GFEBS). The second will incorporate a disbursing module into the DDMS environment.
E. Automated Disbursing System –Funding will be used for the development of interface software in the retirement of CDS, CFASS and SRD1.
F. Defense Joint Military Pay System (DJMS) – Active Component (AC) provides pay computation, leave and financial accounting for the active military members in the US Army Navy and Air Force. Funding will expand capabilities to include additional workloads and provide for any regulatory and legislative changes.
G. Defense Joint Military Pay System (DJMS) – Reserve Component (RC) provides pay computation, leave and financial accounting for the reserve military members in the US Army Navy and Air Force.
H. MOCAS – Modernization of Contract Administration Services (MOCAS) is used by the Defense Contract Management Agency (DCMA) and DFAS in the administration and payment of DCMA administered contracts. Funding will support 3% Withhold modifications and the automation of the standard payment, guidance, and instructions (PGI).
I. CAPS-W – Computerized Accounts Payable System for Windows (CAPS-W) Entitlement system for Army, Marine Corps and Defense Agencies. Funding will provide for intheater capabilities for the timely reporting of vendor payments.

Exhibit Fund-9b – Activity Group Capital Purchase Justification

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ in Thousands)						A. Fiscal Year (FY) 2013 Budget Estimates: DFAS Financial Operations					
B. Component / Business Area / Date			C. Line				vity Identif	ication			
Defense Finance and Accounting Service				cription		DFA	S Sites				
February 2012			Minor C	Construction	l						
	F	Y 2011		I	Y 2012		F	Y 2013			
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost		
Minor Construction											
A. Minor Construction Limestone			0			0			250		
B. Minor Construction Columbus			0			500			0		
C. Minor Construction Indianapolis			263			1,034			450		
D. Minor Construction Texarkana			0			300			0		
E. Minor Construction Rome			750			0			400		
F. Minor Construction Cleveland			0			0			0		

1,013

1,834

1,100

Total Minor Construction Narrative Justification:

- A. Minor Construction Limestone Mass Notification System (FY13)
- B. Minor Construction Columbus PBX room for Telephony (FY12)
- C. Minor Construction Indianapolis RO COOP in Indianapolis (FY11), Second Phase barriers (FY12), Ballistic Protection at entry points (FY13)
- D. Minor Construction Texarkana Site Improvements or Force Protection (FY11), Site Improvements or Force Protection (FY12)
- E. Minor Construction Rome Perimeter fence parking expansion (FY11), Mass Notification System (FY13)
- F. Minor Construction Cleveland Mailroom lighting ventilation (FY11)

Fiscal Year (FY) 2013 Budget Estimates Capital Budget Execution Defense Finance and Accounting Service February 2012

FY 2011

CHANGES ON THE FY13 PRESIDENT'S BUDGET

(Dollars in Thousands)

FY	Initiative	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset / Deficiency	Explanation
Equipme	nt – ADPE and TELECOM						
2011	Customer Service	4,200	1,588	5,788	2,085	3,703	Decrease in Teleservices with carryover into FY12.
2011	Data Management	1,356	(-580)	776	655	121	Decrease FY2010 Unified Communications Carryover requirements, and reprogram of ePortal to software.
2011	Infrastructure / Other	11,765	(-2,498)	9,267	7,878	1,389	Reprogram of a portion of Security ADPE to Security SW.
Software	<u>Development</u>						
2011	Customer Service	2,411	1,336	3,747	453	3,294	Emerging requirement for DMO and decreased requirement of MyPay. DMO is carried over to FY12, and a small portion of MyPay is also carried over to FY12 – both to be obligated in FY12.
2011	Data Management	2,857	1,134	3,991	2,816	1,175	Increase in requirements for EDM Carryover, ePortal, and EC/EDI and a decrease in CORAS
2011	Financial Management	9,235	2,864	12,099	5,905	6,194	Emerging requirement for DCPS, DJMS-SFRVS and decreased requirement of DRAS. Carryover for DJMS and DRAS for FY12. DJMS was obligated in early FY12, DRAS is for Contingent Liability.
2011	Infrastructure / Other	944	356	1,300	0	1,300	Emerging requirements for Security that will be carried over and obligated in FY12.
Minor Co	onstruction _						
2011	Infrastructure / Other	6,336	(4,200)	2,136	1,013	1,123	Decrease in requirements for DFAS Cleveland and Texarkana
	Total FY 2011	39,104	0	39,104	20,805	18,299	

Fiscal Year (FY) 2013 Budget Estimates Capital Budget Execution Defense Finance and Accounting Service February 2012

FY 2012

CHANGES ON THE FY13 PRESIDENT'S BUDGET

(Dollars in Thousands)

FY	Initiative	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset / Deficiency	Explanation
Equipme	nt – ADPE and TELECOM		•		Ţ,	·	•
2012	Customer Service	11,050		11,050	11,050		
2012	Data Management	400		400	400		
2012	Infrastructure / Other	12,316		12,316	12,316		
Software	<u>Development</u>						
2012	Customer Service	1,046		1,046	1,046		
2012	Data Management	3,150		3,150	2,750	(400)	Decrease in requirements for Office Auto-CORAS
2012	Financial Management	11,050		11,050	13,269	2,219	Emerging Requirements for DCPS, DDS and DDMS (Detail in Fund 9b)
Minor Co	onstruction						
2012	Infrastructure / Other	1,834		1,834	1,834		
	Total FY 2012	40,846		40,846	42,665	1,819	

Fiscal Year (FY) 2013 Budget Estimates Capital Budget Execution Defense Finance and Accounting Service February 2012

FY 2013

CHANGES ON THE FY13 PRESIDENT'S BUDGET

(Dollars in Thousands)

FY	Initiative	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset / Deficiency	Explanation
Equipme	nt – ADPE and TELECOM			-			
2013	Customer Service	3,350		3,350	3,350		
2013	Data Management	1,200		1,200	826	(374)	Decrease in requirements for EDM
2013	Infrastructure / Other	12,775		12,775	12,775		
Software	Development						
2013	Customer Service	1,154		1,154	1,192	38	Increase in requirements for MyPay
2013	Data Management	2,895		2,895	2,582	(313)	Decrease in requirements for Office Auto-CORAS & MyMetrics, and an increase in requirements for EDM, Office Automation, and EC/EDI
2013	Financial Management	6,450		6,450	8,544	2094	Emerging requirements for DDMS and DCPS, and increase in requirements for DRAS, ADS, and DDS.
Minor Co	onstruction_						•
2013	Infrastructure / Other	300		300	1,100	800	Emerging requirements for DFAS IN, RO, and LI, decrease in requirements for TX
	Total FY 2013	28,124		28,124	30,369	2,245	

DEFENSE INFORMATION SYSTEMS AGENCY FISCAL YEAR (FY) 2013 BUDGET ESTIMATES



DEFENSE WORKING CAPITAL FUND INFORMATION SERVICES

February 2012

Activity Group Capital Investment Summary Defense Information Systems Agency TELECOMMUNICATION SERVICES AND ENTERPRISE ACQUISITION SERVICES February 2012 (Dollars in Millions)

	FY 2011 Quantity	FY 2011 Total Cost	FY 2012 Quantity	FY 2012 Total Cost	FY 2013 Quantity	FY 2013 Total Cost
ADPE & Telecom Equipment Capabilities	3.000	\$8.200	2.000	\$8.230	3.000	\$18.830
Telecoms, Other Computer & Telecom Support Equip	3.000	\$8.200	2.000	\$8.230	3.000	\$18.830
TO0035 VOIP Meeting place and installation	1.000	\$0.000	0.000	\$0.000	0.000	\$0.000
TR0010 JHITS Switch Expansion & Ancil Equip	1.000	\$1.700	1.000	\$1.700	0.000	\$0.000
TR0031 EMSS Gateway Transformation	1.000	\$6.500	1.000	\$6.530	1.000	\$13.660
TR0032 Broadband Global Area Network	0.000	\$0.000	0.000	\$0.000	1.000	\$1.090
TR0033 DTCS Architecture Improvement	0.000	\$0.000	0.000	\$0.000	1.000	\$4.080
Software Development	2.000	\$2.195	2.000	\$2.256	1.000	\$0.650
Externally Developed	2.000	\$2.195	2.000	\$2.256	1.000	\$0.650
EE0001 TIBI	1.000	\$1.545	1.000	\$1.606	0.000	\$0.000
EE0004 DDOE Enhancements	1.000	\$0.650	1.000	\$0.650	1.000	\$0.650
Total Obligations	5.000	\$10.395	4.000	\$10.486	4.000	\$19.480
Capital Outlays (above threshold)		\$0.000		\$9.543		\$19.185
Total Capital Outlays		\$0.000		\$9.543		\$19.185
Total Depreciation Expense		\$10.913		\$14.907		\$18.215

Telecommunication Ser	vices/Ente	erprise Acq Justificati	-	A. FY 2013							
	((\$ in thousands)							Budget Estimates		
B. TSEAS / February	2012	C. TR0010 JHITS Switch Expansion & Ancil Equip						D. Defense Information Systems Agency			
	FY 2011	FY 2011	FY 2011	FY 2012	FY 2012	FY 20	12	FY 2013	FY 2013	FY 2013	
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total	Cost	Quantity	Unit Cost	Total Cost	
JHITS Switch Expansion &	1.00	1,700.00	1,700.00 1,700.00 1.00 1,700.00 1,70					0.00	0.00	0.00	
Ancil Equip											
Total	1.00	1,700.00	1,700.00	1.00	1,700.00	1,700	0.00	0.00	0.00	0.00	

Narrative Justification: Funding will provide for Joint Hawaii Information Transfer System (JHITS) switch expansion, as necessary to support the Services' base populations, and to upgrade operating systems software and hardware to comply with information assurance (IA) requirements.

Description and Purpose: The Sun hardware and Solaris 10 operating system software upgrade enable the JHITS Network Management Center (NMC) to have full command and control of the JHITS network and ensure full compliance with cyber security directives. Funding will also install ancillary equipment such as the Local Session Controllers, Edge Boundary Controllers, and media converters to provide necessary VoIP network technology enhancements. These upgrades will maintain local and commercial long distance services to the Pacific Warfighters.

Current Deficiency and/or Problem: Lucent Government Systems announced there will be a discontinuation of all support of the current JHITS Solaris 8 operating system equipment, thus necessitating the Solaris 10 operating system upgrade. Also, the installation of two DSN soft switches requires upgrades to the ancillary equipment to maintain local and commercial long distance services.

Impact: Without the Solaris 10 operating system installation, the JHITS management center will lose its capability to perform management responsibilities on the JHITS network. The upgrade of the Sun hardware and Solaris 10 operating system will ensure continued sustainment and operational support with delivery of primary command and control communications for Combatant Commanders in the Pacific. Without the installation of the two soft switches, JHITS will not be able to provide the services required by the MILDEPs, and will not be in compliance with the DoD mandate to transition to Unified Capabilities.

Telecommunication So	A. FY 2013										
	Budget Estimates										
R TSFAS / Fobruary	B. TSEAS / February 2012 C. TR0031 EMSS Gateway Transformation								D. Defense Information Systems		
D. ISLAS / Febluary	2012	C. TROUST EMSS Gateway Transformation					Agency				
	FY 2011	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2013	FY 2013	FY 2013		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cos	st Quantity	Unit Cost	Total Cost		
EMSS Gateway	1.00	6,500.00	6,500.00	1.00	6,530.00	6,530.00	1.00	13,660.00	13,660.00		
Transformation											

1.00

6.530.00

6.530.00

1.00

13,660.00

13,660.00

Narrative Justification

1.00

6.500.00

Total

Description and Purpose: The Enhanced Mobile Satellite Service (EMSS) provides deployed warfighters and partnering agencies global communications. The DoD's EMSS Gateway architecture requires a transformation in order to be compatible with the next generation satellite constellation, Iridium NEXT, and requires implementation of a COOP capability. The Gateway upgrades are being accomplished in stages with completion estimated in FY 2016.

6,500.00

Current Deficiency and/or Problem: The current EMSS DoD Gateway was procured to receive traffic from the current Iridium constellation. However, the aging EMSS terrestrial architecture, infrastructure, and equipment, which have been in service since the commencement of the program, are becoming unsupportable. As Iridium Communications Incorporated transitions their commercial service to utilize Iridium NEXT technology, their commercial gateway architecture will also change. In order for the DoD to take advantage of the new capabilities that Iridium NEXT will provide, and to ensure the government's continued ability to receive EMSS/Iridium traffic, the DoD's Gateway will need to be migrated to maintain technical parity. Increased funding in FY 2013 supports the Access Network Controller, which increases bandwidth and signal-accessing capabilities, expands Iridium's network capacity, and supports the additional features and services planned for Iridium NEXT, to include voice and data call processing.

Impact: If the EMSS Gateway is not transformed to remain compatible with the Iridium commercial gateway, the DoD will not be able to receive critical operational traffic nor provide access to new services offered by Iridium NEXT. Without upgrades to the DoD Gateway infrastructure, end user equipment, encryption devices, and implementation of a COOP capability, this vital US Government resource will not be able to meet future communications needs.

Telecommunication Services/Ente	Telecommunication Services/Enterprise Acquisition Services: Capital Investment Justification					
	Budget Estimates					
B. TSEAS / February 2012	C. TR0032 Broadband Global Area Network	D. Defense Information Systems Agency				

	FY 2011	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2013	FY 2013	FY 2013
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Broadband Global Area	1.00	0.00	0.00	0.00	0.00	0.00	1.00	1,090.00	1,090.00
Network									
Total	1.00	0.00	0.00	0.00	0.00	0.00	1.00	1,090.00	1,090.00

Description and Purpose: Broadband Global Area Network (BGAN) is the newest Internet Protocol (IP) – based Mobile Satellite Service (MSS) offering from Inmarsat (the leading MSS provider to the DoD). Funds are needed to procure BGAN Remote Access Service (RAS) equipment, install equipment at the DECCs in Europe and in the Pacific, and to complete system and operational testing. Equipment includes routers, switches, firewalls, performance enhancing proxy devices, encryption devices, and intrusion detection equipment and system spares.

Current Deficiency and/or Problem: Significant concerns about mission assurance and operational security (OPSEC) exist with the way commercial entities currently provision and deliver BGAN services to DoD users. Currently, IP network paths traverse the public internet or use back-side connections to user home networks/enclaves. This project will provide a secure, managed, DoD enterprise capability that offers BGAN users reach-back to the Defense Information Systems Network (DISN).

Impact: If not funded, the Global Information Grid (GIG) will continue to be at risk due to non-mission assured solutions being used to tunnel customers' virtual private networks (VPNs) across the DISN. Additionally, the military services will continue to operate and sustain their own non-enterprise gateways, and efficiencies in equipment, personnel support, and leased lines will not be realized.

Telecommunication Services/Ente	Telecommunication Services/Enterprise Acquisition Services: Capital Investment Justification					
	Budget Estimates					
B. TSEAS / February 2012	C. TR0033 DTCS Architecture Improvement	D. Defense Information Systems Agency				

	FY 2011	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2013	FY 2013	FY 2013
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
DTCS Architecture	0.00	0.00	0.00	0.00	0.00	0.00	1.00	4,080.00	4,080.00
Improvement									
Total	0.00	0.00	0.00	0.00	0.00	0.00	1.00	4,080.00	4,080.00

Description and Purpose: The Distributed Tactical Communications System (DTCS) is a satellite-based communications system that incorporates Iridium satellite technology, software, and commercial GPS. It facilitates Command and Control among dismounted warfighters in any terrain or region without the need for additional theater infrastructure. The DTCS resolves challenges faced by tactical satellite communications by leveraging the benefits of Iridium COTS satellite technology. DTCS satisfies warfigher requirements for beyond line-of-sight, over-the-horizon, and on-the-move communications. Enhancements to the DTCS architecture provide additional services to institutionalize the lessons and capabilities our forces have acquired through ongoing operations, to fund equipment to maintain operating systems and provide rapid replacement of mission critical equipment. The goal is continued satellite-based communications to support disruption and defeat of terrorist adversaries, with particular utility in the Afghanistan/Pakistan border regions.

Current Deficiency and/or Problem: DISA received appropriated OCO RDT&E in FY 2010 to support DTCS spiral development to realize enhanced handset display and data, increased range, and multi-beam network management capability. Spiral development is estimated to be completed in FY 2012. The DTCS program is sustained in the DWCF, capital authority is required to support future enhancements to the architecture as it may be required to meet evolving warfighter demands.

Impact: Without a budget line to support future capital investments, the DTCS services could be interrupted or unable to support the expected user base.

Telecommunication Services/En	nterprise Acquisition Services: Capital Investment Justification	A. FY 2013
	Budget Estimates	
B. TSEAS / February 2012	C. EE0001 Telecom Inventory Billing Information	D. Defense Information Systems
b. 15EAS / February 2012	C. EE0001 Telecom inventory binning information	Agency

	FY 2011	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2013	FY 2013	FY 2013
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
TIBI	1.00	1,545.00	1,545.00	1.00	1,606.00	1,606.00	0.00	0.00	0.00
Total	1.00	1,545.00	1,545.00	1.00	1,606.00	1,606.00	0.00	0.00	0.00

Description and Purpose: The Telecom Inventory Billing Information (TIBI) application currently provides contractual, billing, and provisioning information for customer telecommunication requirements. The purpose of this project is to expand the TIBI capabilities to enable our customers to see detailed information related to both telecom and non-telecommunications requirements. Also, this enhancement will provide the capability for our customers to project costs through the end of the fiscal year and provide the visibility to more efficiently manage funds. This enhancement will be developed in phases as was the initial TIBI application. The first phase funded in FY 2011, developed a pilot application with initial operating capabilities for the non-telecom (IT) requirements based on minimal requirements for a limited customer base. FY 2012 funding supports the second phase and provides additional capabilities based on requirements defined during the pilot phase to bring the application to full operational capability. Second phase is estimated to be completed during FY 2013. This project has been approved by the Defense Business System Management Council

Current Deficiency and/or Problem: Customers have expressed concerns that DISA does not provide the same detailed financial information for DISA managed IT Contracts as it does for telecommunication circuits. In order to reconcile their billings from DISA, customers must contact their servicing Defense Finance and Accounting Services (DFAS) Office, where typically the information provided is not at the level of detail needed by the customer, or the customer must go to various other sources, internal or external, to pull information related to their requirements.

Impact: This project will provide an integrated, simplified solution for customers to obtain financial information in order to make more well-informed business decisions.

Telecommunication Se	Telecommunication Services/Enterprise Acquisition Services: Capital Investment Justification							A. FY 2013		
(\$ in Thousands)							Budget Estimates			
B. TSEAS / Februar	B. TSEAS / February 2012			C. EE0004 DDOE Enhancements				D. Defense Information Systems Agency		
Element of Cost	FY 2011 Quantity	FY 2011 Unit Cost	FY 2011 Total Cost	FY 2012 Quantity	FY 2012 Unit Cost	FY 2012 Total Cost	FY 2013 Quantity	FY 2013 Unit Cost	FY 2013 Total Cost	
DDOE	1.00	650.00	650.00	1.00	650.00	650.00	1.00	650.00	650.00	

1.00

650.00

Total

Description and Purpose: The DISA Direct Order Entry (DDOE) is DISA's e-commerce ordering suite of tools which allows customers to order telecommunications services and equipment. The purpose of this project is to enhance the DDOE functionality to incorporate new service offerings of Networx, the GSA replacement for the FTS2001 Telecommunications System.

1.00

650.00

650.00

1.00

650.00

650.00

Current Deficiency and/or Problem: DDOE must be enhanced to support the broad range of new services on the Networx contract that customers require. Software enhancements will be completed in phases. This project provides software development beyond Phase 3 and funds software enhancements to reports, Combined Voice Services, Secure Internet Service (Managed Trusted IP Service), Voice over IP (VOIP), and additional reporting capabilities. Networx currently has 53 different Telecommunications Services. DDOE has been updated with 10 of these services that are currently being utilized by the DoD customers. Funds will continue to support development of automated tools to order additional Telecommunications Services offered by Networx.

Impact: Without additional software development to DDOE, increased manual work-arounds will be required by the customer and/or DITCO to utilize the additional Networx telecommunication services.

650.00

Capital Budget Execution

Defense Information Systems Agency

Activity Group: TELECOMMUNICATIONS SREVICES AND ENTERPRISE ACQUISITION SERVICES

Date: February 2012 (\$ in Millions)

Projects on the FY 2012 President's Budget

Fiscal Year FY 2012	Approved Project	<u>2012 PB</u>	Reprogrammings	Approved Proj. Cost	Current Proj. Cost	Asset/Deficiency	Explanation
	TO0033 Aged Split System Air Conditioning	0.438	(0.438)	0.000	0.000	0.000	Reprogrammed funding to EMSS Gateway Transformation.
	TR0010 JHITS Switch Expansion & Ancil Equip	1.700	0.000	1.700	1.700	0.000	
	TR0031 EMSS Gateway Transformation	2.075	1.054	3.129	6.530	(3.401)	Increased requirement to support EMSS Iridium Next gateway transformation
	TO0035 VOIP Meeting Place and Installation	0.616	(0.616)	0.000	0.000	0.000	Reprogrammed funding to EMSS Gateway Transformation.
	EE0001 TIBI	1.606	0.000	1.606	1.606	0.000	
	EE0004 DDOE Enhancements	0.650	0.000	0.650	0.650	0.000	
	TOTAL FY 2012	7.085			10.486		

Activity Group Capital Investment Summary Defense Information Systems Agency PE54 COMPUTING SERVICES February 2012 (Dollars in Millions)

	FY 2011 Quantity	FY 2011 Total Cost	FY 2012 Quantity	FY 2012 Total Cost	FY 2013 Quantity	FY 2013 Total Cost
Equipment Capabilities	8.000	\$25.509	9.000	\$36.000	13.000	\$35.300
Replacement	8.000	\$25.509	9.000	\$36.000	13.000	\$35.300
CE0300 Facilities Equipment	8.000	\$25.509	9.000	\$36.000	13.000	\$35.300
ADPE & Telecom Equipment Capabilities	1.000	\$1.786	1.000	\$1.100	1.000	\$1.100
Telecoms, Other Computer & Telecom Support Equip	1.000	\$1.786	1.000	\$1.100	1.000	\$1.100
CE0100 Systems Management ADP	0.000	\$0.000	0.000	\$0.000	0.000	\$0.000
CE0400 Communications	1.000	\$1.786	1.000	\$1.100	1.000	\$1.100
CX0100 Storage - Tech Refresh	0.000	\$0.000	0.000	\$0.000	0.000	\$0.000
Software Development	3.000	\$2.500	2.000	\$3.382	1.000	\$4.000
Externally Developed	3.000	\$2.500	2.000	\$3.382	1.000	\$4.000
CV0200 Software Development	3.000	\$2.500	2.000	\$3.382	1.000	\$4.000
Minor Construction Capabilities	3.000	\$1.074	4.000	\$3.000	3.000	\$2.175
New Mission	3.000	\$1.074	4.000	\$3.000	3.000	\$2.175
CE0200 Minor Construction - Facilities	3.000	\$1.074	4.000	\$3.000	3.000	\$2.175
Total Obligations	15.000	\$30.869	16.000	\$43.482	18.000	\$42.575
Capital Outlays (below threshold)		\$0.610		\$1.000		\$1.000
Capital Outlays (above threshold)		\$0.000		\$39.708		\$58.876
Total Capital Outlays		\$0.610		\$40.708		\$59.876
Total Depreciation Expense		\$12.242		\$16.761		\$23.598

Computing Services: Capital	Investment Justification	A. FY 2013			
(\$ in Thousa	Budget Estimates				
B. Computing Services / February 2012	C. CE0300 Non-ADP Equipment	D. Defense Information Systems Agency			

	FY 2011	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2013	FY 2013	FY 2013
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Facility Equipment	8.00	3,188.62	25,509.00	9.00	4,000.00	36,000.00	13.00	2,715.38	35,300.00
Total	8.00	3,188.62	25,509.00	9.00	4,000.00	36,000.00	13.00	2,715.38	35,300.00

Description and Purpose:

The following table shows the planned Computing Services facility equipment projects.

Site	FY 2012	FY 2013
SMC Mechanicsburg		Upgrade building automation system
		Upgrade the existing Computer Room Air Handler (CRAH) units
		Upgrade critical buss gear to increase the overall bracing capacity to handle serious electrical events
		Design the upgrade for additional generators and gear on the C&D busses. This will add redundancy and increase capacity.
SMC Montgomery	Upgrade Uninterrupted Power Supply (UPS) and critical distribution systems	Upgrade existing cooling towers
SMC Ogden	Upgrade building automation system	

SMC Oklahoma City	Design/build expansion and upgrade of mechanical cooling system (chillers, cooling towers, pumps, etc.)	Upgrade building automation system
ISC Columbus		Upgrade the existing Computer Room Air Handler (CRAH) units
		Design expansion and upgrade of mechanical cooling system (i.e. chillers, cooling towers, pumps)
ISC St Louis		Upgrade building automation system
PE San Antonio		Upgrade and expand the current facility security system
PE Warner Robbins	Design expansion and upgrade of mechanical cooling system (i.e. chillers, cooling towers, pumps)	Upgrade mechanical cooling system (i.e. chillers, cooling towers, pumps)
	Design upgrade of UPS/electrical system	Upgrade current UPS and critical distribution systems to include switchgear and the generator
	Upgrade weight bearing capacity of raised floor	
DECC Europe	Design upgrade of mechanical cooling system (chillers, cooling towers, pumps, etc.)	
	Design upgrade of UPS/electrical system	

Building automation system upgrades are necessary in order to adequately monitor and control the building environment.

Mechanical cooling system upgrades are required as existing systems are either at or nearing their full capacity for cooling the raised floor environment or are beyond their projected useful life. The existing systems require upgrades to maintain cooling capability for current and future ADP equipment.

Upgrade of UPS/Electrical systems (including buss projects) are required to support additional redundancy and future workload growth.

Upgrade and expand the existing facility security system at ISC San Antonio, TX in FY 2013 to monitor additional square footage. The additional square footage is necessary to support future workload growth.

Upgrade of the raised floor at PE Warner Robins, GA in FY 2012 is required to increase the weight bearing capacity of the raised floor in order to support current and future workload requirements.

Current Deficiency and/or Problem:

The Computing Centers require cyclical upgrades to their infrastructure and plant equipment. These upgrades are necessary to ensure reliability, security and redundancy to support customer workload.

Impact:

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

Energy Savings: Upgrade/replacement of uninterrupted power supply has resulted in reduced data center energy consumption of 3 percent through more efficient units which use less power. Also generator upgrades/replacements have resulted in reduced fuel consumption estimated between 5-10 percent due to more efficient units. Upgrade/replacement of mechanical systems and chillers yield 20 percent more cooling for the same amount of power consumption which equates to potential building energy consumption savings of 4-7 percent.

Computing Services: Capital Investment Justification					A. FY 2013				
(\$ in Thousands)						Budget Estimates			
B. Computing Services /	February	2012	C. CE0400	Communi	cations	D. Defense Information Systems Agency			
	FY 2011	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2013	FY 2013	FY 2013
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Communications	1.00	1,786.00	1,786.00	1.00	1,100.00	1,100.00	1.00	1,100.00	1,100.00
Total	1.00	1,786.00	1,786.00	1.00	1,100.00	1,100.00	1.00	1,100.00	1,100.00

Description and Purpose:

DISA Computing Services provides premiere data processing capability for the DOD, requiring secure, highly available, and high speed network capabilities. DISA plans to maintain and upgrade its datacenter communication infrastructure through the use of a services contract to procure communications equipment. The advantages of a services approach include flexibility with infrastructure growth, flexibility with changing technology, and decreased time required to procure the equipment. This capital funding request would be used to acquire communication hardware not covered by the services contract.

Current Deficiency and/or Problem:

The next generation of Computing Services Network Architecture needs to be installed. It leverages the use of distributed enclaves so that all information flows are consolidated to maximize performance, security and availability. The current enclaves will not support the high demand of bandwidth throughout the DECCs as existing workload expands in past due the military service's data center consolidations. Additionally, in order to secure customer systems, tools such as local firewalls and Network Access Control tools are necessary to maintain the security of the network. Most of this requirement is expected to be accomplished through flexible services contracts, but a portion will require DWCF capital investment funds.

Impact:

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

Computing Services: Capital Investment Justification					A. FY 2013					
(\$ in Thousands)							Budget Estimates			
B. Computing Services /	February	2012	C. CV0200 So	ftware De	velopment	D. Defense Information Systems Agency				
	FY 2011	FY 2011		FY 2012	FY 2012	FY 2012	FY 2013	FY 2013	FY 2013	
Element of Cost	Quantity	Unit Cos	st Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
Software Development	3.00	833.00	2,500.00	2.00	1,691.00	3,382.00	1.00	4,000.00	4,000.00	
Total	3.00	833.00	2,500.00	2.00	1,691.00	3,382.00	1.00	4,000.00	4,000.00	

Description and Purpose:

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

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. Therefore, DISA must invest in new software to more efficiently host systems that provide a highly available, secure and robust computing environment. Based on the technical evaluation and the implementation cost, new products will be selected to meet organizational needs. Technical evaluations on mainframe and distributed software products will be conducted throughout the enterprise allowing minimization of functionally equivalent software and the associated duplicative costs. Investment in reducing software tools through standardization to a select number of products is required. In addition, in order to maintain network and system availability, investment is required in tools that manage, monitor and report on events from computing center systems.

To increase Mainframe security system access, users are being migrated to a standard De-militarized Zone Mainframe Internet Access Portal (MIAP). In FY 2012, implementation of Phase III will take effect, in which additional users will be migrated over to MIAP.

Funding has also been included in FY 2013 to support a next generation financial accounting system under the Department's Defense Agency Initiative. Funding is requested in the event that additional capital may be needed to complete the system.

Impact:

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

Computing Services: Cap	oital Investment Justification	A. FY 2013			
(\$ in T	Budget Estimates				
B. Computing Services / February 2012	C. CE0200 Minor Construction - Facilities	D. Defense Information Systems Agency			

	FY 2011	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2013	FY 2013	FY 2013
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Minor Construction	3.00	358.00	1,074.00	4.00	750.00	3,000.00	3.00	725.00	2,175.00
Total	3.00	358.00	1,074.00	4.00	750.00	3,000.00	3.00	725.00	2,175.00

Description and Purpose:

The following facility enhancements are planned in FY 2012 and FY 2013:

Site	FY 2012	FY 2013
SMC Mechanicsburg	Upgrade external Anti-terrorism (AT) / Force	
	Protection (FP) and physical security	
SMC Montgomery	Acquire/install transformers and pads associated	
	with Uninterruptable Power Supply (UPS)	
	upgrade	
SMC Ogden		Upgrade external AT/FP and physical security
SMC Oklahoma City		Upgrade the external plant area to support
		additional generators
ISC St Louis	Upgrade external AT/FP and physical security	
PE Warner Robbins		Minor construction associated with UPS upgrade

Upgrade of external Anti-Terrorism Force Protection (ATFP) and physical security is necessary in order to fully comply with DoD code UFC-4-010-01 DoD Minimum Anti-Terrorism Standards for the building.

Uninterrupted power supply upgrades are required as the existing system is inadequate to support future workload requirements. The upgrades include some minor construction.

Adding pad and shed covering for generators at SMC Oklahoma City, OK is necessary in order to add additional generators in the future as workload grows.

Current Deficiency and/or Problem:

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

Impact:

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

Capital Budget Execution Defense Information Systems Agency PE54 COMPUTING SERVICES February 2012 (Dollars in Millions)

Projects on the FY 2012 President's Budget

Fiscal Year Approved Project		<u>2012 PB</u>	Reprogrammings	Approved Project Cost	Current Project Cost	Asset/Deficiency	Explanation
FY 2012	Non - ADP Equipment	32.000	4.000	36.000	36.000	0.000	Reprogrammed funding from Comm Equip to support new/upgrade facility projects at the DECCs.
	Communications Equipment	5.482	(4.382)	1.100	1.100	0.000	Reduced capital requirement as Comm equipment is procured through a service contract. Reprogrammed funding to Non- ADPE and Software.
	Storage - Tech Refresh	0.500	(0.500)	0.000	0.000	0.000	Reduced capital requirement as Storage equipment is procured through a service contract. Reprogrammed funding to Minor Construction.
	Software Development	3.000	0.382	3.382	3.382	0.000	Reprogrammed funding from Comm equip to support Mainframe Internet Access Portal.
	Minor Construction - Facilities	2.500	0.500	3.000	3.000	0.000	Reprogrammed funding from Storage to support security barriers around the building.
	TOTAL FY 2012	43.482			43.482		

DEFENSE LOGISTICS AGENCY DEFENSE-WIDE WORKING CAPITAL FUND SUPPLY CHAIN MANAGEMENT ACTIVITY GROUP FISCAL YEAR (FY) 2013 BUDGET ESTIMATES ACTIVITY GROUP CAPITAL INVESTMENT SUMMARY (\$ IN MILLIONS)

Line	(\$ IN MILLIONS) ne									
Line Number	Item Description/Capability	Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost			
Nullibel	item Description/Capability	wuaniity	I Utai CUSI	wuaniny	TOTAL COST	Quantity	10141 0081			
REP 200-01	Material Handling/Storage Space Utilization - Distribution	6	11.480	9	5.472	4	10.990			
NEW 200-02	Material Handling/Storage Space Utilization - Distribution	1	6.393	1	2.250		2.202			
PRD 200-03	Material Handling/Storage Space Utilization - Distribution	1	1.700	4	5.796		1.530			
REP 200-04	Installation Security - Materiel Supply Chain	1	0.569	2	1.781		0.500			
REP 200-05	Installation Security - Distribution	1	0.443	3	2.270					
NEW 200-06	Installation Security - Distribution	2	0.928	5	2.812	3	1.884			
REP 200-07	Quality Control - Materiel Supply Chain	1	0.377							
REP 200-08	Material Disposal - Disposition	1	0.866	2	1.320	4	2.860			
NEW 200-09	Material Handling/Storage Space Utilization - Materiel Supply Chain	1	6.500							
	TOTAL EQUIPMENT (Non ADP/T)	15	29.256	26	21.701	16	19.966			
TEL 100	Telecommunications - Materiel Supply Chain	6	14.838	4	2.568		5.922			
TEL 200	Telecommunications - Distribution	2	0.945	2	2.844	. 3	5.141			
PRD 100	Production Hardware - Materiel Supply Chain	3	6.662	2	3.889	4	10.030			
PRD 200	Production Hardware - Disposition	1	2.183	1	2.757	1	2.804			
NET 100	Network Hardware - Distribution	2	7.550	4	15.800	2	5.000			
	TOTAL EQUIPMENT (ADP/T)	14	32.178	13	27.858	17	28.897			
SWD 200-01	Supply Chain Management - eProcurement		49.515		31.100		19.600			
SWD 200-02	Supply Chain Management - Common Food Management System		5.764		0.250		19.800			
SWD 200-03	Supply Chain Management - Enterprise Business System		41.071		30.046		24.108			
SWD 200-04	Supply Chain Management - Defense Medical Logistics Standard System		2.401		2.397		2.397			
SWD 200-05	Supply Chain Management - DoD EMALL		2.458		2.500		5.733			
SWD 200-06	Supply Chain Management - Functional Executive Agent Medical Support				0.995		2.458			
SWD 200-07	Supply Chain Management - Reutilization Business Integration		14.229		8.279		0.500			
SWD 300-01	Net-Centric Hubs - Fusion Center		2.652		1.706		2.760			
SWD 300-02	Net-Centric Hubs - Integrated Data Environment		1.437		0.000					
SWD 300-03	Net-Centric Hubs - Enterprise Business Software				0.300		0.791			
SWD 300-04	Net-Centric Hubs - Asset Visibility				0.000		0.500			
SWD 400-01	Master Data - Federal Logistics Information System		3.991		2.075		2.075			
SWD 400-02	Master Data - CPARS and PPIRS				0.000					
SWD 500-01	Distribution - Radio Frequency Identification				0.000		1.817			
SWD 500-02	Distribution - Distribution Standard System				0.000		1.086			
	TOTAL SOFTWARE DEVELOPMENT		123.518		79.648		83.625			
REP 200-01	Minor Construction \$250,000 - \$750,000 (Materiel Supply Chain)		3.352		3.126		3.226			
REP 200-02	Minor Construction \$250,000 - \$750,000 (Distribution)		10.839		8.997		9.002			
REP 200-03	Minor Construction \$250,000 - \$750,000 (Disposition)		2.247		2.240		2.095			
	TOTAL MINOR CONSTRUCTION									
	TOTAL MINOR CONSTRUCTION		16.438		14.363		14.323			
	TOTAL ACCINICA CADITAL INIVECTMENTS	20	204 200	20	4.40.570	22	440.044			
	TOTAL AGENCY CAPITAL INVESTMENTS	29	201.390	39	143.570	33	146.811			
1	Total Capital Outlave		160 240		190.479		154 604			
	Total Capital Outlays Total Depreciation Expense		169.349 444.180		190.479		154.624 209.808			
	Total Depletiation Expense		444.180		197.289		209.808			
1		1	1		1	1				

Activity Group Capital Investment Justification (Dollars in Thousands)									A. Budget Submission Fiscal Year (FY) 2013 Budget Estimates				
B. Component/Activity Group/Date Defense Logistics Agency Supply Chain Management Activity Group February 2012					C. Line Number & Item Description REP 200-01 Non-ADP Equipment - Replacement						D. Activity Identification DLA Distribution		
	FY 2011			FY 2012			FY 2013						
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
REP 200-01 Material Handling/Storage Space Utilization - Replacement	6	1,913	11,480	9	608	5,472	4	2,747.5	10,990				

These investments are for material handling equipment, mobile material handling equipment, and miscellaneous warehouse equipment or systems. Replacement of equipment is for existing items that have reached or exceeded the useful life established for these categories. Based on guidance contained in various Department of Defense (DoD) governing polices, the Defense Logistics Agency (DLA) has established replacement and life expectancy/productivity enhancements standards for all categories of investment equipment. The standards are based on life expectancy with consideration given to condition, usage hours, and/or repair costs. DLA establishes age, utilization and repair standards based on industry information and experience in the absence of DoD acquisition and replacement criteria relative to unusual categories of equipment. Projects in FY 2012 include a Saddle trucks, Container Handler, Building storage upgrades, and Racks systems. Projects in FY 2013 include Container Handler Forklifts, Towline Systems, Sortation Systems, and Hybrid Crane.

Acti	ense Logistics Agency NEW 200-02 Non-ADP Equipment – New Mission											
Component/Activity Group/Date efense Logistics Agency apply Chain Management Activity Group February 2012								ew Missio	on	·	y Identifi Distribu	
	FY 2011				FY 2012			FY 2013				
Element of Cost	Quantity Unit Total			Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
<u>NEW 200-02</u> Material Handling/Storage Space Utilization – New Mission				1	2,250	2,250	3	734	2,202			

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

Project in FY 2012 includes equipment for HQ building for DLA Distribution. Projects FY 2013 include equipment associated with MILCON for DLA Distribution at Susquehanna and for new Container Handlers forklift equipment at various DLA Distribution installations

Acti	vity Gro			vestmer ousands)	nt Justi	fication	l			A. Budge Fiscal Ye Budget I	ar (FY)	2013
B. Component/Activity Group/Da Defense Logistics Agency Supply Chain Management Activi	2012	C. Line N PRD 200-			cription oment - Pro	oductivity		D. Activity	y Identifi Distribut			
		FY 2011			FY 2012			FY 2013				
Element of Cost	Quantity	FY 2011			Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
PRD 200-03 Material Handling/Storage Space Utilization – Productivity	1	1,700	1,700	4	1,449	5,796	1	1,530	1,530			

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

Projects in FY 2012 include providing high density bin and rack storage systems in DLA Distribution San Joaquin, California and DLA Distribution Pacific, Hawaii for the purposes of consolidation of material and reduce the material processing times. Projects in FY 2013 include providing rack storage systems in DLA Distribution Warner Robins, Georgia.

Activi	ity Grou		ital Inv ars in Tho		nt Justi	ficatior	ì			Fiscal Y	et Submis ear (FY) : Estimate	2013
B. Component/Activity Group/Dat Defense Logistics Agency Supply Chain Management Activit		February	2012		Number &)-04 Non-		escription ipment -	Replacen	nent		ity Identifi riel Suppl	
		FY 2011			FY 2012			FY 2013				
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 200-04 Installation Security	1	569	569	2	890.5	1,781	1	500	500			

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

Activi	ty Grou		ital Inv ars in Tho	estmer	nt Justi	ficatior	1			A. Budg Fiscal Y Budget		2013
B. Component/Activity Group/Dat Defense Logistics Agency Supply Chain Management Activit	fense Logistics Agency oply Chain Management Activity Group February 201					& Item De ADP Equ	escription iipment - F	Replacem	ent		ity Identifi Distribut	
		FY 2011			FY 2012			FY 2013				
Element of Cost	Quantity	FY 2011			Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 200-05 Installation Security	1	443	443	3	756.7	2,270						

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

Activ	ity Grou		ital Inv		nt Justi	ficatior	1			Fiscal Y	et Submi ear (FY) : Estimate	2013
B. Component/Activity Group/Dat Defense Logistics Agency Supply Chain Management Activit							escription uipment –	New Mis	sion		ity Identifi Distribut	
		FY 2011			FY 2012			FY 2013				
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
NEW 200-06 Installation Security	2	464	928	5	562.4	2,812	3	628	1,884			

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

Activi	ty Gro		ital Inv ars in Tho	estmer	nt Justi	fication	1			Fiscal Y	get Submi (ear (FY) : Estimate	2013
B. Component/Activity Group/Dat Defense Logistics Agency Supply Chain Management Activit	ense Logistics Agency oply Chain Management Activity Group February 2012					& Item De ADP Equ		Replacem	nent		ity Identifi iel Supply	
	FY 2011				FY 2012			FY 2013				
Element of Cost	Quantity	FY 2011			Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 200-07 Quality Control	1	377	377									

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

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

Activi	ty Grou		ital Inv	estmer	nt Justi	fication	1			Fiscal Y	et Submis ear (FY) : Estimate	2013
B. Component/Activity Group/Dat Defense Logistics Agency Supply Chain Management Activit	2012	C. Line REP 200			scription ipment - F	Replacem	ent		ty Identifi position S			
		FY 2011			FY 2012			FY 2013				
Element of Cost	Quantity	1 1			Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 200-08 Material Disposal –Replacement	1	866	866	2	660	1,320	4	715	2,860			

This investment is for scrap handlers that 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 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.

Activi	ity Grou		ital Inv	restmer	nt Justi	fication	1			Fiscal Y	et Submi: ear (FY) : Estimate	2013
B. Component/Activity Group/Dat Defense Logistics Agency Supply Chain Management Activit							scription uipment –	New Mis	sion		ity Identifi iel Supply	
		FY 2011			FY 2012			FY 2013				
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
NEW 200-09 Material Handling/Storage Space Utilization - Replacement	1	6,500	6,500									

This investment is for material handling equipment, mobile material handling equipment, and miscellaneous warehouse equipment or systems. Equipment supports new mission or productivity related projects for which DLA has established policies and procedures to ensure that the ultimate goals of providing cost savings in terms of reduced man-hours to complete mission oriented tasks, new systems or equipment to meet the requirements for attaining DLA strategic goals, and modification to enhance safety of the operators or environment are met. The FY11 investment provides bins for the pipe and bar stock, a Hubtex® machine (manual) for handling stock bins in higher racks, pallet storage bins (three-deep), automated, unmanned material handling systems and creates the capacity to accommodate bulk storage at Portsmouth Naval Shipyard. This option will allow the shutdown of Bldgs. 149, 159, 166 and 177.

Activ	ity Grou		ital Inv	estmer	nt Justi	ficatior	า			Fiscal Y	et Submis ear (FY) : Estimate	2013
B. Component/Activity Group/Dat Defense Logistics Agency Supply Chain Management Activit							escription ons Equip	ment			ity Identifi el Supply	
					FY 2012			FY 2013				
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Total Cost	
TEL 100 Telecommunications	6	2,473	14,838	4	616.2	2,568	7	846	5,922			

This investment for telecommunications equipment is in support of DLA Land and Maritime, DLA Aviation and DLA Troop Support. This equipment will ensure that data transmissions from voice to video are successful. Requirements include telephone switches, Local Area Network (LAN) upgrades, Wide Area Network (WAN) upgrades, storage solutions, video teleconferencing hardware, and a trunked radio system. The LAN Upgrade at DLA Land and Maritime is a directed action and is required to maintain and improve the current level of support to customers. A robust LAN is required to support the DLA Land and Maritime mission as well as meet DLA technology goals and initiatives. The goals of the upgrade 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. An Economic Analysis (EA) has been submitted for this expenditure. There is approximately \$17.5M in productivity savings (discounted to \$11.2M) accruing to the LAN not going down on an abnormal basis. This figure is reasonable since the benefits stream is capturing the fact that the LAN is critical IT infrastructure that must be in place to allow the mission of the agency to be fulfilled. In addition to the quantitative benefits, the LAN Upgrade is qualitatively consistent with current IT policy. The improved reliability and additional technological robustness of the LAN will support both DLA Land and Maritime and DLA agency wide business plans and goals. The purpose of the enhancements is to install planned improvements and upgrades of Core/Mission Critical LAN and telecommunications hardware, cable and middleware. The continued enhancement of the DLA Land and Maritime LAN and telecommunications infrastructure is essential to the continued improvement of the availability of information and data required for DLA Land and Maritime to effectively perform its mission. A Business Case Analysis (BCA) has been performed and submitted for each fiscal year. No specific Cost/savings quantitative analysis was performed for these projects. However, the projects are consistent with the DLA long-term plan for upgrading the DLA Land and Maritime LAN and telecommunications capabilities.

Activ	ity Gro		ital Inv ars in Tho		nt Justi	ficatior	ı			Fiscal Y	et Submis ear (FY) 2 Estimate	2013
B. Component/Activity Group/Dat Defense Logistics Agency Supply Chain Management Activit	fense Logistics Agency pply Chain Management Activity Group February 201						scription ons Equip	oment			ty Identifi A Distribut	
		FY 2011			FY 2012			FY 2013				
Element of Cost	Quantity	FY 2011			Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
TEL 200 Telecommunications	2	472.5	945	2	1,422	2,844	3	1,713.6	5,141			

The Radio Frequency mission, as specified in DoD 4140.1-R and Defense Reform Initiative Directive (DRID) 48, calls for the ability to read 2D bar codes during the pick operation. The mission relies upon the perpetuation of serial number information throughout the supply chain; suppliers will mark this information on material in the form of 2D bar codes. This work is primarily supported by Radio Frequency equipment. Beyond completion of the UIT projects (both replacements and new RF systems) in FY2009, no RF infrastructure requirements are known at this time. During the past several years, DLA has been required to fund capital projects for new depots in Sigonella, Guam, and Korea. Funding is programmed in FY 2010 and FY 2011 to support contingencies. The intent of this action is to procure end user devices and their attendant ancillary equipment that can interface with the current 802.11b/g infrastructure the same as (802.11b/g) the current end user equipment. The intent is also to replace and/or supplement the current 802.11b/g infrastructure when necessary and when necessary to survey, design and install and implement an entire new site when required. No BCA or EA was done. Money was allocated for future requirements that are not yet completely defined. There will be no visual cost savings involved as these projects will be mandated in order to support mission requirements.

Radio Frequency Identification (RFID) supports the overall goal of supply chain integration and logistics interoperability and allows for information exchange within and between internal and external business partners. The first phase of the RFID initiative included reading passive RFID tags at receiving locations, initially for new procurement and eventually for field returns. Site surveys were performed at seven OCONUS distribution centers with equipment installed at two of those sites (DLA Distribution Guam and Pearl Harbor) and awaiting frequency approvals. Passive RFID printer had been deployed in preparation for MRO-level tagging at receiving. RFID printers were shipped to all the CONUS sites and two OCONUS sites. pRFID portals were registered with DLA Transaction Services as an integral component for improving the metrics. A central reporting server was created; its role as a repository for composite data is being developed. The Center of Excellence (CoE) at DDJC will be the centerpiece for implementing new pRFID technologies driven by business processes. Phase I projects include fast-track receiving, intra-depot tracking of material, and a real-time-location system in the CCP facility. Negative ROI anticipated until MRO level tagging, Local Delivery initiatives, and auto-receipt processing are more ubiquitous. DLA Distribution J3 estimates annual savings in excess of \$1M with auto-receipt of RDOs alone. The benefit of RFID in Receiving (PRR) is being realized at the DLA Distribution San Joaquin and New Cumberland sites.

Activ	ity Grou		ital Inv	estmer	nt Justi	ficatior	1			Fiscal Y	et Submis ear (FY) : Estimate	2013
B. Component/Activity Group/Dat Defense Logistics Agency Supply Chain Management Activit	efense Logistics Agency upply Chain Management Activity Group February 201						escription vare				ity Identifi rial Suppl	
		FY 2011			FY 2012			FY 2013				
Element of Cost	Quantity	FY 2011			Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
PRD 100 Production Hardware	3	2,220.6	6,662	2	1,944.5	3,889	4	2,507.5	10,030			

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

Activi	ity Grou		ital Inv ars in Tho		nt Justi	ficatior	1			Fiscal Ye	Submissior ear (FY) 20 Estimates)13
B. Component/Activity Group/Dat Defense Logistics Agency Supply Chain Management Activit					Number & Product						ity Identifi	
		·			FY 2012			FY 2013				
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
PRD 200 Production Hardware	1	2,183	2,183	1	2,757	2,757	1	2,804	2,804			

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

Activi	ity Grou		oital Inv	restmer	nt Justi	ficatior	ı			Fiscal Y	et Submi ear (FY) : Estimate	2013
B. Component/Activity Group/Dat Defense Logistics Agency Supply Chain Management Activit	• •					k Item De Hardwar	•				ity Identifi A Distribu	
					FY 2012			FY 2013				
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
<u>NET 100</u> Network Hardware	2	3,775	7,550	4	3,950	15,800	2	2,500	5,000			

In FY 2011, FY 2012 and FY 2013, DLA Information Operations New Cumberland will upgrade LAN networks supporting DLA Distribution to include hardware and infrastructure cabling. There are also LAN installation requirements to establish DLA network enclave connectivity supporting the BRAC program and the DLA Distribution Navy Warehouse Transfer initiative. Upgrades are planned for DLA Distribution Kuwait, DLA Distribution San Joaquin, DLA Distribution Richmond, DLA Distribution Susquehanna, DLA Distribution Hill AFB, DLA Distribution Korea, DLA Distribution Expeditionary Depot and the DLA Distribution HQ. The LAN installation supporting BRAC and Navy Warehouse Transfer locations will be planned as locations are identified through the planning process.

Due to changing and or insufficient requirements for the various locations, no Business Case Analysis (BCA) or Economic Analysis (EA) was performed.

Incomplete knowledge of the existing infrastructure and until these transfers are completed and actual requirements identified, no savings/cost avoidance should result from the purchase.

Activ	ity Grou		oital Inv		nt Justi	ficatior	ı			Fiscal Y	et Submis ear (FY) : Estimate	2013
B. Component/Activity Group/Dat Defense Logistics Agency Supply Chain Management Activit						& Item De ware Dev	escription relopment	\$1.0 and	Over		ity Identifi Supply C	
		·			FY 2012			FY 2013				
Element of Cost	Quantity	FY 2011			Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-01												
EProcurement			49,515			31,100			19,600			

EProcurement started as a pre-planned product improvement to the procurement capabilities delivered with Enterprise Business System (EBS). The program is currently designated as an ACAT IAM program by the DCMO. EProcurement will replace the legacy DLA procurement capability with SAP Commercial Off The Shelf (COTS) products.

SAP Procurement for the Public Sector (PPS) COTS solution will be integrated into existing DLA EBS ERP architecture. In FY 2012, DLA will complete the Build and Test Phase and begin the Deployment Phase. DLA will receive the following deliverables at the end of the Build Phase: Application Configuration Rationales, Technical Designs for Reports, Interfaces, Conversions, and Extensions (RICE), coding of all RICE, unit tests for all RICE, Test Planning materials, Deployment Planning materials, job summaries, Supervisory workshop materials, Change discussion materials, Instructor guides, training exercises, and a workforce readiness plan. During the Test Phase, teams will execute a variety of tests to include Functional testing, Integration testing, Regression testing, Operational testing, Performance testing, User Acceptance testing, FFMIA testing, and JITC testing. During the Deployment Phase, the team will perform Cutover and Conversion activities, execute training, and resolve system issues that may arise as they execute their rollouts across DLA. In FY 2013, DLA will complete the Deployment Phase. Again, the team will perform Cutover and Conversion activities, execute training, and resolve system issues that may arise as they execute their rollouts across DLA.

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

Activ	ity Grοι		ital Inv		nt Justi	fication	1			Fiscal Y	et Submis ear (FY) : Estimate	2013
B. Component/Activity Group/Dat Defense Logistics Agency Supply Chain Management Activit						& Item De ware Dev	escription relopment	\$1.0 and	l Over		ity Identifi Supply C	
					FY 2012			FY 2013				
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-02 Common Food Management System (CFMS)	ost Cost Cost 2 agement 5,764					250			19,800			

In July 2011, the CFMS Executive Board (EB) voted and agreed to end development of the CFMS system. EB members are Air Force, Army, Marine Corps, Navy, Military Sealift Command and Joint Staff J4 with DLA serving as the Chair. The Commercial Off-The-Shelf (COTS) software product at the core of the CFMS solution had unresolved defects that prevented a DOD user from performing daily food service operations. CFMS would have replaced five military food management systems with a single DOD retail-level food management system. The COTS vendor made DOD specific modifications to their product and the CFMS development team created Reports, Interfaces, Conversions and Extensions (RICE) objects to address specific requirements not present in the COTS product. CFMS would have automated and provided a total supply chain integration solution for Class 1, Subsistence.

In early 2012, DLA will execute an Analysis of Alternatives (AOA) to determine how best to support the requirement of DOD 5101.10, Subsistence Executive Agency (EA) to, "plan, develop, fund, implement, and maintain a Joint Food Management System." The AOA will consider the non-COTS products developed during the CFMS program as Government Furnished Property including: documented DOD functional requirements (85%) that were approved by all Services, the interface to the Defense Manpower Data Center Defense Eligibility Enrollment Reporting System - for Patron data that does not contain personally identifiable information, enterprise level food service reports that were approved by all Services, Natick Labs nutritionists linking of Armed Forces Recipe System recipe ingredients to United States Department of Agriculture nutritional data bases and the financial module that fulfills Federal Financial Management Improvement Act requirements and uses Standard Financial Information Structure data elements.

DLA will use the FY 2012 funding to execute the selected AOA course of action (COA). At this time, the COA is unknown; however, DLA anticipates executing contracts to develop a new or modify an existing food service capability that fulfills the requirements of all DOD customers. DLA will use the funding to develop the acquisition products required for Milestone A approval. This includes, but is not limited to, development of an Initial Capabilities Document, Economic Analysis and Acquisition Strategy. DLA will also use the funding to acquire program management office support services. DLA will use the FY2013 funding to develop the acquisition products required for Milestone B approval (e.g., Preliminary Design Review, Capabilities Development Document, Schedule, etc.) and to acquire contractor provided system development services to develop a new and/or modify existing DOD food service system(s).

In FY 2012, DLA will quantify return on investment, benefit/cost ratio, break-even and net-present value as part of the economic analysis for the selected COA.

Activi	ity Grou		oital Inv		nt Justi	fication	1			Fiscal Y	et Submi ear (FY) : Estimate	2013
B. Component/Activity Group/Dat Defense Logistics Agency Supply Chain Management Activit						& Item De ware Dev	scription elopment	\$1.0 and	l Over	D. Activi Materiel	ity Identifi Supply C	
		FY 2011			FY 2012			FY 2013				
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-03 Enterprise Business System (EBS)			41,071			30,046			24,108			

The DLA EBS has increasingly used demand planning modules to monitor the retail-level stock—everything from food and medical supplies to spare parts and equipment—that is stored at military supply storage and distribution sites. Essentially, EBS will help link the entire supply chain from the time a warfighter places an order to the time that order is delivered. Currently at full operational capacity, EBS enables DLA employees, some of whom are deployed at dozens of sites globally, to take information on stock that is stored at military supply storage and distribution sites and turn that information into an actionable document called a supply plan that is used by buyers to procure products. EBS allows DLA's over 8,000 EBS users and DLA's customers to make supply queries online, place orders, improve delivery time, have automated product data information and give commanders immediate access to stock information. EBS enables DLA to not only do business as it has traditionally done at the wholesale level, but now also on a retail level. As EBS continues to evolve, expansion of the capabilities and benefits will be added through investments such as EProcurement, Energy Convergence and the retail integration efforts required by the Base Realignment and Closure Congressional mandate. EBS is enabling DLA to improve customer fulfillment and maintain material availability while providing the opportunity to implement policies that reduce inventory and warehouse operations costs. Among the many benefits that DLA anticipates are: Further decreases in costs to customers as a result of lower prices from suppliers and reduced internal costs; Enhanced sales and operations planning processes and increased actionable customer intelligence; Reduced systems costs through further legacy system retirement; Compliance with DoD Standard Financial Information Structure; Continued maintenance of 100% security compliance; Continued maintenance of 100% critical information exchange and Enhanced use of Web services.

Activ	se Logistics Agency y Chain Management Activity Group February 2012 SWD 200-04 Software Development \$1.0 and Over 100 and												
B. Component/Activity Group/Da Defense Logistics Agency Supply Chain Management Activ	y 2012					\$1.0 and	l Over		ity Identifi Supply C				
		FY 2011			FY 2012			FY 2013					
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
SWD 200-04													
Defense Medical Logistics Standard Support (DMLSS) Wholesale			2,401			2,397			2,397				

The Defense Medical Logistics Standard System-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 improvements and Management Information System (MIS) enhancements at the DLA Troop Support Philadelphia with benefits and savings cascading throughout the entire DoD medical logistics supply chain. In FY 2012 - 2013 the program will continue software re-engineering improvements to the DMLSS-W applications in support of the implementation of the Generation IV (Gen IV) Prime Vendor Contract and associated business processes. To support the Medical Master Catalog (MMC), DMLSS-W will complete phased deployment of interactive catalog and sourcing functionality in the MMC enabling an integrated view of product, source and pricing options and providing enhanced customer access to data and improving optimal sourcing. DMS (DAPA Management System) will be reprogrammed to allow new functionalities and interfaces with the MMC to control accurate data submissions, including system interfaces with Medical Supplier Directory (MSD) and with the Product Data Bank (PDB). The development of real-time electronic price verification will ensure that DoD customers have access to correct prices at the point of order confirmation. To support Gen IV customer information, DMLSS-W will continue to re-engineer contract and customer databases and Fill Rate reporting. To support Med-Surg, Pharmaceutical, and Fleet Programs, DMLSS-W will develop Pharmaceutical and Fleet fill rate reporting and re-engineer Med-Surg reporting, creating one authoritative source for KOs and customers to access vendor fill rate data. Customer and Contract Maintenance will be re-engineered for Pharmaceutical department association for Trading Partner project. The development of automated flu-vaccine tracking capabilities will enable better requirements gathering for the services and real time visibility of transactional data. The continued development of a workflow within the Defense Medical Logistics Item Identification System (DMLIIS) will support New Item Request (NIR) integration into the DMLSS-Retail system. The re-engineering of the Readiness Portal will enable customers to retrieve medical product information from a single source and better support emerging Medical Contingency Requirements. The next phase of Item Source Selection (ISS) development will incorporate MMC enhanced sourcing capabilities to program and model "what-if" scenarios based on commercial part numbers and other identifiers, enhancing sourcing ability for available contracting vehicles to better equip the Warfighter during contingency operations and evolving into an Enterprise source selection engine integrated with DMLSS-Retail. DMLSS-W will complete re-engineering the receipt confirmation process to support Wide Area Workflow (WAWF). The electronic catalogue will be programmed with functionalities that will enable increased user access to data and increase reporting tool capability. Functionality will be developed to automatically track and disable ECAT contracts to ensure that sales do not exceed the agreed upon ceiling limit and that the terms of the contract are in compliance. The catalogue will be re-engineered to capture unique identifiers associated with New Born Screening Initiative establishing a standardized cost saving price for DoD customers. Synchronized data will continue to be transferred from PDB into DMLSS-W applications, in preparation for functional integration with MedPDB. The ROI for the DMLSS Program is almost 6 to 1. The benefits estimate is over \$3.6 billion across the DoD from FY 2002 through FY 2012.

Activ	ity Grou		oital Inv		nt Justi	ficatior	1			Fiscal Y	et Submis ear (FY) : Estimate	2013
B. Component/Activity Group/Dat Defense Logistics Agency Supply Chain Management Activit	fense Logistics Agency						scription elopment	\$1.0 and	Over		ity Identifi Supply C	
					FY 2012			FY 2013				
Element of Cost	Quantity	FY 2011			Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-05 DOD EMALL			2,458			2,500			5,733			

The DOD EMALL is an advanced, web-based government procurement application designed much like commercial applications. The site provides a personalized experience where each user can initiate transactions right from their desktop. DOD EMALL allows users to search or browse for commercial and government off-the-shelf products and services through a single interface and then to purchase those products or services in an easy to use online format. In FY 2011, EMALL will have performed development and enhancements in order to meet Financial standardization and mandated DOD compliance projects. EDA: Electronic document Access is the transmission of select purchase card delivery orders through the GEX and on to EDA. FPDS-NG: Create DOD EMALL feed to the Federal Procurement Data system. Web Logic: Upgrade to Web Logic V10.3.3 and partial refactoring of current Raytheon coding.

In FY 2012, EMALL will continue the Financial compliance and standardization initiatives. This includes a link to generate MOES redirect for EMALL charged orders (Credit/Chargeback amounts). Upgrade to Web Logic V10.3.3 and refactoring current Raytheon coding. Replacing ePort & eBroker, Phase II Web Logic refactoring of Raytheon code, SFIS: Standard Financial Information Structure which will ensure continuance of Purchase card industry data security (PCI-DSS) compliance and the ability to support credit card purchases and the relevant financial links to Citibank and JP Morgan. C&E: DLA Troop Support Special Ops project for Financial updates to/from EBS. FPDS-NG Spiral III rollout pre population: Create DOD EMALL feed to the Federal Procurement Data system. RIE: transitioning of the charging of the government purchase card from DOD EMALL to EBS; Enterprise Business System.

In FY 2013, DOD EMALL Site Redesign – Modernization facelift for DOD EMALL to follow industry best practices (BCA is being completed to support modernization). In addition, Capital investment funding will be used for functional System Change Requests (SCRs) that are at or above the capital threshold. The benefits of implementation in all the above areas will allow DOD EMALL to meet all areas of Compliance and continue to provide improved operational effectiveness and efficiencies using state of the art world class processes to the war fighter. Redesign initiatives include Business Rule Engine and Integrated Customer Acquisition, Multiple Ship to destinations in a single order, Upgrades to Shopping cart identity functions, enabling GSA global ordering using GPC, reverse auctioning supplier collaboration, Search, Shopping, Ordering and User Profile enhancements and creation of a Vendor Order Download Site to provide a tool for DOD EMALL vendors to enable external downloading of orders.

Activ	ity Gro	up Cap	ital Inv		nt Justii	fication	1			Fiscal Y	et Submis ear (FY) 2 Estimate	2013
B. Component/Activity Group/Date Defense Logistics Agency Supply Chain Management Activity						Item Desc are Devel	cription lopment \$	1.0 and Ov	/er		ty Identific Supply Ch	
		·			FY 2012			FY 2013				
Element of Cost	Quantity	FY 2011			Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-06												
Functional Executive Agent Medical Support (FEAMS)			0			995			2,458			

The Functional Executive Agent Medical Support (FEAMS) program identifies and implements business process improvements to improve medical supply chain operations. FEAMS facilitates the DLA Class VIII executive agent mission in three initial emphasis areas with both unclassified and classified (future) processing requirements: Medical Contingency Requirements Workflow (MCRW), Decision Support Capability (DSC), and Materiel and Process Standardization (MPS). FEAMS FY12 and FY13 capital investment will deliver MCRW increment one functionality in two releases and will form the foundation for future MCRW capability and Defense Medical Logistics DSC and MPS efforts.

In the 1st MCRW release, FEAMS will leverage the information and partnerships gathered from the MCRW Proof of Concept (PoC) study conducted in the FEAMS prototyping phase to produce a scenario-dependent contingency requirements estimate and corresponding material item list that begins the evolution to a consolidated forecasting methodology for Services' contingency sustainment requirements. In this release FEAMS will validate an end-toend workflow process for a Deliberate Planning use case using PACOM OPLAN data and will begin to work with NORTHCOM to validate extending MCRW capability for Humanitarian Assistance / Disaster Relief (HA/DR) use case. FEAMS will identify requirements and support producing Humanitarian Assistance / Disaster Relief (HA/DR) data necessary to enable generation of Patient Condition Occurrence Frequency (PCOF) data for COCOM customers and will analyze and identify DSC performance metrics and measures to become the enterprise visibility and management leverage point for the contingency requirements management process. Through this effort, FEAMS will identify the best value technical approach and define data management requirements for leveraging existing capability both internal and external to the Defense Medical Logistics (DML) enterprise. Additionally, FEAMS will engage data sharing partners, develop required service level agreements, and orchestrate their participation in data workgroups. Release 1 activity will establish the foundation to enable additional MCRW workflows for new functionality and customer groups in subsequent releases. FEAMS MCRW Release 2 will enable new MCRW workflows for Sustainment and Crisis Action planning use cases respectively using OPLAN data from the COCOM customer and will also build upon the release 1 Deliberate Planning capability. FEAMS will begin developing DSC for the identified supply chain measures and indicators currently contained in the Fusion Center. FEAMS will also work with the Defense Medical Materiel Program Office to identify and, if possible, incorporate data acquisition, management, and reporting tools within MCRW. This will establish the foundation for future MPS work and will assist medical products standardization at both the policy and execution levels in both institutional facilities and operational/contingency operations, minimizing the impact and leveraging the benefit of rapid technological innovation in the commercial market for medical materiel The FEAMS Business Case identified potential cost avoidances for DLA and the Services' Medical Logistics Supply Chain of \$124M over the effective life FY 2012 - FY 2022. FEAMS capabilities have strong customer advocacy and will significantly enhance DLA support to the Warfighter.

Activ	ity Grou		oital Inv		nt Justi	ficatior	1			Fiscal Y	et Submis ear (FY) : Estimate	2013
B. Component/Activity Group/Dat Defense Logistics Agency Supply Chain Management Activit						& Item De tware De	escription velopmen	t \$1.0 and	d Over		ity Identifi position S	
					FY 2012			FY 2013				
Element of Cost	Quantity	FY 2011			Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-07 Reutilization Business Integration (RBI)		· 1				8,279			500			

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

DSS will accommodate DLA Disposition Services' Receipt, Store, Issue and other disposition processes. DLA Disposition Services' Financial, Budget, Procurement and some disposition requirements will be satisfied by EBS. DLA Disposition Services' Sales requirements will be satisfied by a COTS solution within EBS. RBI will utilize DLA Transaction Services to provide data to Service/Agency systems. DLA Transaction Services provides access to master data sources thereby improving data quality and timeliness.

FY 2012 funds will include SCR deployment activities to support EBS, DSS, Sales and DLA Transaction Services with continued functional and technical SCR coding of DSS and EBS requirements. FY 2012 will also allow for the RBI share of a WebMethods software upgrade and one Capital funded SCR for any portion of RBI which has already been fielded. FY 2013 funds will include sustainment of EBS, DSS and DLA Transaction Services to manage the DLA Disposition Services business areas.

An Economic Analysis Addendum (Revision 5) is currently being developed to incorporate the new costs for a three month extension. Benefits are expected to begin accruing in FY 2012, with payback expected in FY 2013. Overall RBI program benefits, through FY 2022, are expected to be over \$185M (in discounted dollars).

Activ	ity Grou		ital Inv ars in Tho		nt Justi	fication	1			Fiscal Y	et Submi ear (FY) Estimate	2013
B. Component/Activity Group/Dat Defense Logistics Agency Supply Chain Management Activit						k Item De ware Dev	scription elopment	\$1.0 and	l Over		vity Identi el Supply	
		· · · · · · · · · · · · · · · · · · ·			FY 2012			FY 2013				
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 300-01 Net-Centric Hubs Fusion Center			2,652			1,706			2,760			

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

Business Case Analysis Type III Completed December 2009-FOC Fiscal Year 2018

Approximately 220 analysts are employed to conduct analytical work. Only 25 percent of their time is actually spent doing analytical work and the remainder of their time is spent gathering, verifying and presenting data. The Fusion Center will provide at least 25% increase in productivity by automating enterprise level briefings and providing analytical tools for root cause analysis. An increase in analyst efficiency results in a productivity increase of \$5.5M per year.

An estimation of operational error is valued at 1 percent of DLA annual revenue of \$42.0B (FY2008 actual) which equates to \$420M. The Fusion Center can anticipate and prevent about 5 percent of the errors through the timely and accurate reporting of information. Five percent of \$420M equals \$21.0M. Ninety percent of the \$21.0M equals \$18.9M per year not being invested in errors. This amount can be invested better resulting in reduced inventory, more sales and increased support to the warfighter.

Activ	ity Grou		ital Inv		nt Justi	ficatior	ì			Fiscal Y	et Submis ear (FY) : Estimate	2013
B. Component/Activity Group/Dat Defense Logistics Agency Supply Chain Management Activit						k Item De ware Dev	escription relopment	\$1.0 and	l Over		vity Identi el Supply	
					FY 2012			FY 2013				
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 300-02 Net-Centric Hubs						0			0			
Integrated Data Environment (IDE)			1,437			U			0			

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

Funding is required to complete IDE Increment-3 and support transition and sustainment. Increment-3 implements the IDE SIPRNET environments within the DECC that support classified interfaces and processing. Increment-3 implements a web services management (WSM) capability in the unclassified environment that is required to establish a DLA data services governance process. The DLA WSM capability will provide an operationally robust capability for managing web services across the various DLA sites and facilitate integration with NCES capabilities to provide discovery of and access to DLA data.

IDE has no cost savings, only cost avoidances. The IDE Economic Analysis (EA) dated Jun 2010 shows the Return on Investment (ROI) is 3.27 and the payback year is 2018.

IDE received annual re-certification approval by the Defense Business Systems Management Committee (DBSMC) in March 2011 in accordance with the National Defense Authorization Act of 2005 and the Business Enterprise Architecture.

Activi	ty Gro	up Cap	ital Inv		nt Justii	fication	1			Fiscal Y	et Submis ear (FY) 2 Estimate	2013
B. Component/Activity Group/Date Defense Logistics Agency Supply Chain Management Activity					Number 8 0-03 Soft						vity Identi el Supply	
		·			FY 2012			FY 2013				
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 300-03 Net Centric Hubs DLA Transaction Services Enterprise Software			0			300			791			

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

Activi	ity Grou		ital Inv		nt Justi	fication	ı			Fiscal Y	et Submis ear (FY) : Estimate	2013
B. Component/Activity Group/Dat Defense Logistics Agency Supply Chain Management Activit						k Item De ware Dev	scription elopment				vity Identi el Supply	
					FY 2012			FY 2013				
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 300-04 Net Centric Hubs Asset Visibility			0			0			500			

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

Funding programmed is to support functional enhancements. In FY 2013, AV would create dashboard capability within both low and high side to answer multiple strategic logistics questions through graphical display which is currently not available. Additional mapping capabilities would also be developed.

An Economic Analysis was modified in March 2010 and AV provides the ability to see assets in the distribution pipeline, but it is not a system that directly affects logistics operations. As a result, while AV can enable improvements in logistics operations, it cannot claim or show direct savings as material management or transportation management systems can. Investments in AV's capabilities will enable operational systems to realize savings, and increase the effectiveness of deployments.

Activ	ity Grou		ital Inv		nt Justi	fication	ı			A. Budget Submission Fiscal Year (FY) 2013 Budget Estimates		
B. Component/Activity Group/Date Defense Logistics Agency Supply Chain Management Activity	efense Logistics Agency pply Chain Management Activity Group February 2013					k Item De ware Dev	scription elopment	\$1.0 and	l Over	D. Activity Identification Materiel Supply Chain		
	FY 2011				FY 2012 FY 2							
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 400-01 Master Data			3,990			2,075			2,075			
Federal Logistics Information System Portfolio	3,990			2,073			2,075					

The Federal Logistics Information System (FLIS) Portfolio is comprised of the FLIS, the Catalog Re-engineering System (CRS), the Reference Master Data Environment (RMDE), and the Universal Data Repository (UDR). The FLIS is identified as the authoritative source system to broadcast the logistics data for numerous processes that support DoD ERP implementations and many legacy systems. The CRS was designed as a universal, catalog input and work-flow tool as a result of cataloging consolidation. CRS also performs Supply Support Request (SSR) processing for DLA managed items. In 2007, DLA Logistics Information Service subject matter experts conducted an Economic Analysis (EA) for FLIS as it had reached the end of its lifecycle. In order to reduce the footprint, enhance customer support and provide additional supply chain information, FLIS will undergo incremental improvements to position for true transformation in approximately 2014. There have been 14 projects identified for incremental improvements to FLIS, in addition to the development and evolution of the Commercial Master Data File (ComMDF).

Due to the like/complimentary functionality between FLIS and CRS, the EA team analyzed merging the functionality of both systems into a single system. This system will be using the DLA IDE data sharing/transactional solution- the WebMethods suite of tools. The FY 2011 requirement includes the shutting down of CRS, and the cost of integrating WebMethods into the DLA Logistics Information Service/FLIS Portfolio for CRS and RMDE. The WebMethods will support cataloging transactions for FLIS Transformation as well as data sharing. Integrating the WebMethods into the FLIS portfolio reduces the existing suite of tools required in DLA to support mission requirements, aligns DLA Logistics Information Service with the DLA IDE and replaces GOTS and/or COTS solutions such as Oracle Application Server that are costly to sustain and not frequently used in DLA. This allows DLA a better opportunity to obtain Corporate licensing at a reduced price vice several individual solutions to negotiate prices and fund licenses.

The overall advantages of these projects are increased systems agility, flexibility in responding to customer requirements, decreased system footprint, elimination of duplicative processes/systems, and the enhanced ability to provide relevant data for sourcing, standardization, taxonomy development, and item descriptions. This realignment prepares DLA Logistics Information Service to support the transformation of FLIS and integrates more of the DLA IDE-like toolset into the DLA Logistics Information Service mission/portfolio for data sharing and transactional management.

Activ	ity Grou		ital Inv		nt Justi	ficatior	1			A. Budget Submission Fiscal Year (FY) 2013 Budget Estimates			
B. Component/Activity Group/Da Defense Logistics Agency Supply Chain Management Activi	ense Logistics Agency ply Chain Management Activity Group February 20					& Item De tware De	escription velopmen	t			vity Identi el Supply		
		FY 2011		FY 2012 FY 2013									
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
SWD 400-02 Master Data	WD 400-02												
CPARS and PPIRS	0			0			0						

The Contractor Performance Assessment Reporting System (CPARS) and the Past Performance Information Retrieval System (PPIRS) are applications that receive and record reports, observations and ratings on contractor performance. These programs are required by the Federal Acquisition Regulation and Defense Federal Acquisition Regulation (FAR/DFAR). Both are identified as the authoritative source for past performance and source selection information. The System Sustainment office is located at Naval Sea Logistics Center Detachment, Portsmouth New Hampshire. CPARS/PPIRS has direct mission support to combat/contingency operations by allowing the acquisition community to make their selection based on a vendor's past performance and quality of goods and service delivered to the DoD community. In FY 2010, Development activities for these systems transitioned from the Business Transformation Agency (BTA) to DLA.

FY 12, Sustainment functionality for both CPARS and PPIRS will transition from DLA to GSA on October 1, 2011.

Activi	ity Grou		ital Inv	estmer	nt Justi	fication	ı			A. Budget Submission Fiscal Year (FY) 2013 Budget Estimates		
B. Component/Activity Group/Dat Defense Logistics Agency Supply Chain Management Activit	efense Logistics Agency upply Chain Management Activity Group February 20						scription elopment	Less Tha	an \$1.0	D. Activity Identification DLA Distribution		
	FY 2011				FY 2012	FY 2013						
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 500-01 Radio Frequency Identification	0			0			1,817					

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

As passive RFID technology is further ingrained in our supply chain, the criticality of its software performance and increased capabilities becomes greatly important. Investment in the continued implementation and development of this essential component of the RFID package facilitates the benefit of this technology to DLA Distribution's customers.

Economic analysis is under consideration by DLA Logistics Operations; the completion/release date is not known at this time. Negative ROI anticipated until MRO level tagging, Local Delivery initiatives, and auto-receipt processing are more ubiquitous. PRR is part of our tag to stow initiative. A positive ROI will take a few years, but additional savings may be found from other site to site problems. Lost materials will be an eventual finding where large dollars will be saved in man hours and money.

DLA Distribution J-3 estimates annual savings in excess of \$1M with auto-receipt of RDOs alone. The benefit of RFID in Receiving (PRR) is being realized at the DLA Distribution San Joaquin and DLA Distribution New Cumberland sites.

Activi	ity Grou		ital Inv	estmer	nt Justi	ficatior	ì			A. Budget Submission Fiscal Year (FY) 2013 Budget Estimates		
B. Component/Activity Group/Dat Defense Logistics Agency Supply Chain Management Activit	efense Logistics Agency pply Chain Management Activity Group February 2						scription elopment	\$1.0 and	Over	D. Activity Identification DLA Distribution		
		FY 2011		FY 2012			FY 2013					
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 500-02 Distribution Standard System (DSS)	0			0			1,086					

The Distribution Standard System (DSS) was fully deployed FY1998. DSS will continue to be enhanced through Business Process Improvements beyond Full Operational Capability (FOC). Many of these productivity System Change Requests (SCR's) are generated by the DLA Distribution Centers, sites and other stakeholders to improve and standardize the Distribution Business Processes. They will provide more cost effective customer support by enhancing functional areas such as Storage, Workload Planning, Transportation, Inventory, Receiving, Small Arms Serialization Program (SASP), Local Delivery, Packing, Packaging, Preservation and Marketing (PPP&M), Care Of Supplies In Storage (COSIS), Hazardous Material (HAZMAT), Equipment Control System (ECS), and Management Information System (MIS). In the latest releases as well the plans for future releases, DSS has and will continue to expand use of RFID/pRFID technologies to reduce processing steps, increase accuracy and improve asset visibility. RFID and WAWF have been incorporated into specific functions within DSS to meet DODs requirement to improve accountability and the receipt acceptance process. Additionally, DSS is fully interoperable with all DOD systems that are compliant with DOD's standard DLSS and DLMS interfaces. DSS SCRs are created by DLA HQ, DLA Distribution and DLA Information Operations to support Service Enterprise Resource Planning (ERP) and BRAC retail operations. This funding will support expanding DSS not only to new sites as required (for example DLA Distribution Kuwait and DLA Distribution Kandahar, Afghanistan) but also for ongoing Enterprise initiatives such as Reutilization Business Initiative (RBI) and Defense Transportation Coordination Initiative (DTCI).

SCRs are required to keep DSS current with changing commercial and government freight policies, unique DoD and Service related initiatives, and regulatory changes to on-line and batch programs. These SCRs address mandated and priority core mission issues. All development will be performed internally.

Analysis of individual DSS SCRs shows a range of Return On Investment (ROI) from 0.33 to 11.1; the payback period range from less than one (1) month to three (3) years.

Activi	ity Grou		ital Inv ars in Tho	restmer	nt Justi	fication	ì			Fiscal Y	A. Budget Submission Fiscal Year (FY) 2013 Budget Estimates		
B. Component/Activity Group/Dat Defense Logistics Agency Supply Chain Management Activit	efense Logistics Agency pply Chain Management Activity Group February 20						scription ction				ity Identifi riel Supply		
	FY 2011			FY 2012			FY 2013						
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
REP 200-01 Minor Construction	3,352			3,126			3,226						

The minor construction investment for projects (costing between \$250,000 and \$750,000 each) will construct new, replace existing, or modify current facilities to enhance mission performance, increase the level of protection of the workforce, and the mission stock. These projects include:

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

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

Activi	ity Grou		ital Inv ars in Tho		nt Justi	ficatior	ı			A. Budget Submission Fiscal Year (FY) 2013 Budget Estimates		
B. Component/Activity Group/Dat Defense Logistics Agency Supply Chain Management Activit	k Item De r Constru				D. Activi	ity Identifi tribution	cation					
Supply Chain Management Activity Group February 2012 FY 2011				FY 2012 FY 2013								
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 200-02 Minor Construction			10,839			8,997			9,002			

The minor construction investment for projects (costing between \$250,000 and \$750,000 each) will construct new, replace existing, or modify current facilities to enhance mission performance. These projects include:

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

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

Activi	ty Grou		ital Inv	restmer	nt Justi	fication	ì			A. Budget Submission Fiscal Year (FY) 2013 Budget Estimates		
B. Component/Activity Group/Dat Defense Logistics Agency Supply Chain Management Activit	efense Logistics Agency upply Chain Management Activity Group February 20					k Item De r Constru					ity Identifi position S	
		FY 2011			FY 2012			FY 2013				
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 200-03 Minor Construction			2,247			2,240			2,095			

The minor construction investment for projects (costing between \$250,000 and \$750,000 each) will construct new, replace existing, or modify current facilities to enhance mission performance. These projects include:

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

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

DEFENSE LOGISTICS AGENCY DEFENSE-WIDE WORKING CAPITAL FUND SUPPLY CHAIN MANAGEMENT ACTIVITY GROUP FISCAL YEAR (FY) 2013 BUDGET ESTIMATES CAPITAL BUDGET EXECUTION February 2012 (DOLLARS IN MILLIONS)

PROJECTS ON THE FY 2012 PRESIDENT'S BUDGET

/ NOSEC/	S ON THE TT 2012 T RESIDENT S BODGET		Approved	Current	Asset/	
FY	Approved Project	Reprogs	Proj Cost	Proj Cost	(Deficiency)	Explanation
2011	Equipment except ADPE & TELCOM:	0.483	29.739	29.256	0.483	
	Material Handling/Storage Space Utilization - Materiel Supply Chain	0.000	6.500	6.500	0.000	
	Material Handling/Storage Space Utilization - Distribution	-1.539	18.034	19.573	-1.539	Increase price on 2 projects
	Installation Security - Materiel Supply Chain	1.456	2.025	0.569	1.456	Reduced requirements
	Installation Security - Distribution	0.239	1.610	1.371	0.239	Reduced requirements
	Material Disposal - Disposition	0.354	1.220	0.866	0.354	Reduced requirements
	Quality Control - Materiel Supply Chain	-0.027	0.350	0.377	-0.027	Price adjustments
	Equipment - ADPE & TELCOM:	-5.948	26.230	32.178	-5.948	
	Telecommunications - Materiel Supply Chain	-6.414	8.424	14.838	-6.414	Increase for Lan Network Upgrades and DSS-IMSP Infrastructure
	Telecommunications - Distribution	0.405	1.350	0.945	0.405	Reduced requirements
	Production Hardware - Materiel Supply Chain	0.047	6.709	6.662	0.047	Price adjustment
	Network Hardware - Distribution	0.014	7.564	7.550	0.014	Price adjustment
	Production Hardware - Disposition	0.000	2.183	2.183	0.000	
2011	Software Development:	3.826	127.344	123.518	3.826	
	Supply Chain Management - eProcurement	0.040	49.555	49.515	0.040	Price adjustment
	Supply Chain Management - Common Food Management Sys	14.356	20.120	5.764	14.356	Program cancelled, New AoA being done in FY12
	Supply Chain Management - Enterprise Business System	-16.089	24.982	41.071	-16.089	Increase to baseline for additional functionality.
	Supply Chain Management - Defense Medical Log Standard Sys	0.000	2.401	2.401	0.000	
	Supply Chain Management - DoD EMALL	2.497	4.955	2.458	2.497	Reduced requirements for this fiscal year.
	Supply Chain Management - FEAMS	0.000	0.000	0.000	0.000	
	Supply Chain Management - Reutilization Business Integration	0.001	14.230	14.229	0.001	Price adjustment
	Net Centric Hubs - Fusion Center	0.000	2.652	2.652	0.000	
	Net Centric Hubs - Integrated Data Environment	0.063	1.500	1.437	0.063	Price adjustment
	Net Centric Hubs - Enterprise Business Software	0.000	0.000	0.000	0.000	
	Net Centric Hubs - Asset Visibility	0.500	0.500	0.000	0.500	No defined requirements.
	Master Data - Federal Logistics Information System	0.084	4.075	3.991	0.084	Price adjustment
	Master Data - CPARS and PPIRS	1.040	1.040	0.000	1.040	No defined requirements.
	Distribution - Radio Frequency Identification	0.312	0.312	0.000	0.312	No defined requirements.
	Distribution - Distribution Standard System	1.022	1.022	0.000	1.022	No defined requirements.
2011	Minor Construction:	0.269	16.707	16.438	0.269	
	Materiel Supply Chain	0.519	3.871	3.352	0.519	Reduced requirements
	Distribution	-0.128	10.711	10.839	-0.128	Price adjustments
	Disposition	-0.122	2.125	2.247	-0.122	Price adjustments
	Total FY 2011	-1.370	200.020	201.390	-1.370	

DEFENSE LOGISTICS AGENCY DEFENSE-WIDE WORKING CAPITAL FUND SUPPLY CHAIN MANAGEMENT ACTIVITY GROUP FISCAL YEAR (FY) 2013 BUDGET ESTIMATES CAPITAL BUDGET EXECUTION February 2012 (DOLLARS IN MILLIONS)

PROJECTS ON THE FY 2012 PRESIDENT'S BUDGET

FY	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ (Deficiency)	Explanation
FI	Approved Project	Reprogs	Pioj Cost	Fioj Cost	(Deliciency)	схранацон
2012	Equipment except ADPE & TELCOM:	0.000	21.701	21.701	0.000	
	Material Handling/Storage Space Utilization - Distribution	0.000	13.518	13.518	0.000	
	Installation Security - Materiel Supply Chain	0.000	1.781	1.781	0.000	
	Installation Security - Distribution	0.000	5.082	5.082	0.000	
	Material Disposal - Disposition	0.000	1.320	1.320	0.000	
	Equipment - ADPE & TELCOM:	0.000	27.858	27.858	0.000	
	Telecommunications - Materiel Supply Chain	0.000	2.568	2.568	0.000	
	Telecommunications - Distribution	0.000	2.844	2.844	0.000	
	Production Hardware - Materiel Supply Chain	0.000	3.889	3.889	0.000	
	Production Hardware - Disposition	0.000	2.757	2.757	0.000	
	Network Hardware - Distribution	0.000	15.800	15.800	0.000	
2012	Software Development:	-14.545	65.103	79.648	-14.545	
	Supply Chain Management - eProcurement	-31.100	0.000	31.100	-31.100	Increase to baseline for additional functionality.
	Supply Chain Management - Common Food Management Sys	17.750	18.000	0.250	17.750	Program cancelled, New AoA being done in FY12
	Supply Chain Management - Enterprise Business System	-12.257	17.789	30.046	-12.257	Additional requirement for IMSP, GRC Access Tool and Pricing Tool Implementation.
	Supply Chain Management - Defense Medical Log Standard Sys	0.000	2.397	2.397	0.000	
	Supply Chain Management - DoD EMALL	3.122	5.622	2.500	3.122	Reprogrammed - project reprioritized
	Supply Chain Management - FEAMS	1.000	1.995	0.995	1.000	Reprogrammed - project reprioritized
	Supply Chain Management - Reutilization Business Integration	0.000	8.279	8.279	0.000	
	Net Centric Hubs - Fusion Center	1.000	2.706	1.706	1.000	Reprogrammed - project reprioritized
	Net Centric Hubs - Integrated Data Environment	1.500	1.500	0.000	1.500	Reprogrammed - project reprioritized
	Net Centric Hubs - Enterprise Business Software	0.000	0.300	0.300	0.000	
	Net Centric Hubs - Asset Visibility	0.500	0.500	0.000	0.500	Reprogrammed - project reprioritized
	Master Data - Federal Logistics Information System	0.000	2.075	2.075	0.000	
	Master Data - CPARS and PPIRS	1.062	1.062	0.000	1.062	Reprogrammed - project reprioritized
	Distribution - Radio Frequency Identification	1.814	1.814	0.000	1.814	Reprogrammed - project reprioritized
	Distribution - Distribution Standard System	1.064	1.064	0.000	1.064	Reprogrammed - project reprioritized
2012	Minor Construction:	0.085	14.448	14.363	0.085	
	Materiel Supply Chain	0.000	3.126	3.126	0.000	
	Distribution	0.000	8.997	8.997	0.000	
	Disposition	0.085	2.325	2.240	0.085	Projects adjustment due to new capital threshold
	Total FY 2012	-14.460	129.110	143.570	-14.460	

DEFENSE LOGISTICS AGENCY DEFENSE-WIDE WORKING CAPITAL FUND **ENERGY MANAGEMENT ACTIVITY GROUP** FISCAL YEAR (FY) 2013 BUDGET ESTIMATES ACTIVITY GROUP CAPITAL INVESTMENT SUMMARY

(\$ IN MILLIONS)

Line	(\$ IIV IVIIL		2011	FY	2012	FY	2013
Number	Item Description/Capability	Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
NEW 200-01	Fuel Terminal Automation	7	16.246	5	17.585	7	14.479
NEW 200-01	Inventory Accuracy	1	1.764	1	2.000	1	3.000
REP 200-02	Inventory Accuracy	1	8.211	1	7.000	1	11.912
	TOTAL FOLUDAÇAT (Alex ADD/T)	0	20.224	7	20, 505	0	20.204
	TOTAL EQUIPMENT (Non ADP/T)	9	26.221	,	26.585	9	29.391
SWD 200	EBS Energy Convergence		32.219		36.491		18.076
	TOTAL SOFTWARE DEVELOPMENT		32.219		36.491		18.076
REP/ENV 200	Minor Construction \$250,000 - \$750,000		50.019		60.000		61.020
REP/ENV 200	Willion Construction \$250,000 - \$750,000		50.019		00.000		01.020
	TOTAL MINOR CONSTRUCTION		50.019		60.000		61.020
	TOTAL AGENCY CAPITAL INVESTMENTS	9	108.459	7	123.076	9	108.487
	Total Capital Outlays		62.711		101.298		105.836
	Total Depreciation Expense		23.432		40.200		51.300

Activ	ity Gro	oup Cap	oital Inv		nt Justi	ficatior	1			A. Budget Submission Fiscal Year (FY) 2013 Budget Estimates			
	Component/Activity Group/Date Defense Logistics Agency ergy Management Activity Group February 2012					C. Line Number & Item Description NEW 200 Non-ADP Equipment – New Mission					D. Activity Identification DLA Energy		
		FY 2011		FY 2012 FY 2013									
Element of Cost	Quantity	Unit Cost	Total Cost	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	16,246	5	3,517	17,585	7	2,068.4	14,479						

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

The following sites are planned for AFHE installation in FY 2012 – FY 2013:

FY 2012 – FISC San Diego, CA, FISC Yokosuko (Hakozai/Tsrumi), JP; and DFSP Craney Island, VA and 505th QM Battalion, Okinawa, JP FY 2013 – FISC San Diego, CA, FISC Yokosuko (Hakozai/Tsrumi), JP, DFSP Craney Island, VA, FISC Pearl Harbor, HI and Fort Benning, GA

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

Activi	ity Gro	up Cap	ital Inv		nt Justi	fication	1			A. Budget Submission Fiscal Year (FY) 2013 Budget Estimates			
Component/Activity Group/Date Defense Logistics Agency nergy Management Activity Group February 2012 C. Line Number & Item Description NEW 200 Non-ADP Equipment-New Mission/Replacement											ty Identifica ergy	ation	
		FY 2011		FY 2012 FY 2013									
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
NEW & REP 200-02 Inventory Accuracy New Mission and Replacement	Inventory Accuracy 2 4,987.5 9,975						2	7,456	14,912				

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

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

A ativity . One we Camital Invastration and Invatition tion											A. Budget Submission Fiscal Year (FY) 2013 Budget Estimates		
B. Component/Activity Group/Date Defense Logistics Agency Energy Management Activity Group February 2012					C. Line Number & Item Description SWD 200 Software Development \$1.0 and Over						D. Activity Identification DLA Energy		
	FY 2011			FY 2012				FY 2013					
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
SWD 200 Supply Chain Management Enterprise Business System (EBS) Energy Convergence			32,219			36,491			18,076				

To completely address the Energy supply chain, create a single DLA Enterprise Resource Planning (ERP) for all of DLA's business lines, and meet the direction of the December 2003 OSD PDM to merge the fuel commodity with EBS, additional functions must be automated, converged, and standardized in the existing EBS. The Analysis of Alternatives was completed in May 2006 and concluded that converging BSM Energy with EBS through the implementation of SAP Oil and Gas is the preferred alternative and provides a positive Return on Investment (ROI). SAP will provide improved efficiencies which will enable the DLA Energy to process the increased workload associated with the overall DoD energy mission. This converged solution will also provide an automated procurement solution for DLA Energy which is currently fully manual. Milestone A was declared in March 2007 resulting in the start of the first of three phases to bring the converged solution to reality. Phase I, which began in FY 2007, resulted in two applicable SAP industry solutions, Oil and Gas and the EBS Public Sector, functioning together on a common ERP backbone. This phase was completed in December 2008. Phase II, which was completed in May 2010, technically merged SAP Oil and Gas and Public Sector, the Phase I deliverable, with the SAP Procurement application. Phase III, System Integration, began in FY 2011. This phase will result in a fully integrated, coherent, single ERP for DLA in FY 2014 to include the automated procurement solution. The Systems Integration effort will assure all of DLA Energy's supply chains to include all the non-petroleum supply chains are fully incorporated and properly configured in the ERP and that the three primary SAP applications all function as a single entity for all of DLA's supply chains. The Milestone B Economic Analysis (EA) was completed in June 2009. The ROI is 1.78. The EA shows that it is significantly more economical and effective than the existing legacy system. Benefits will include reduced inventory; reduced demurrage, transportation, facilities, and interest penalty costs; as well as savings from use of the same software suite for all of DLA and automate DLA Energy functions that are stove-piped and fully manual.

A ativity of Couries I have a tracent investigation										A. Budget Submission Fiscal Year (FY) 2013 Budget Estimates		
B. Component/Activity Group/Date Defe Energy Management Activity Group	C. Line Number & Item Description Minor Construction Capability -Replacement/Environmental						D. Activity Identification DLA Energy					
	FY 2011			FY 2012			FY 2013					
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP & ENV 200 Minor Construction Replacement/Environmental			50,019			60,000			61,020			

The minor construction investment for projects (costing between \$250,000 and \$750,000 each) will construct new, replace existing, or modify current facilities to enhance mission performance and increase the level of protection of the workforce and the mission stock. These projects include:

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

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

Benefits include continued safe, compliant and efficient facility operations.

DEFENSE LOGISTICS AGENCY DEFENSE-WIDE WORKING CAPITAL FUND ENERGY MANAGEMENT ACTIVITY GROUP FISCAL YEAR (FY) 2013 BUDGET ESTIMATES CAPITAL BUDGET EXECUTION February 2012 (DOLLARS IN MILLIONS)

PROJECTS ON THE FY 2012 PRESIDENT'S BUDGET

FY	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ (Deficiency)	Explanation
2011	Equipment except ADPE & TELCOM:	0.079	26.300	26.221	0.079	
	Inventory Accuracy	0.025	10.000	9.975	0.025	ATG replacements downsized.
	Fuel Terminal Automation	0.054	16.300	16.246	0.054	Emerging AFHE requirements.
2011	Software Development:	0.826	33.047	32.219	0.826	
	EBS Energy Convergence	0.826	33.047	32.221	0.826	Reprogram to Supply Chain Management-EBS
2011	Minor Construction:	22.981	73.000	50.019	22.981	Requirements reduced
	Total FY 2011	23.886	132.347	108.459	23.886	

DEFENSE LOGISTICS AGENCY DEFENSE-WIDE WORKING CAPITAL FUND ENERGY MANAGEMENT ACTIVITY GROUP FISCAL YEAR (FY) 2013 BUDGET ESTIMATES CAPITAL BUDGET EXECUTION February 2012 (DOLLARS IN MILLIONS)

PROJECTS ON THE FY 2012 PRESIDENT'S BUDGET

FY	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ (Deficiency)	Explanation
2012	Equipment except ADPE & TELCOM:	3.325	29.910	26.585	3.325	
	Inventory Accuracy	2.000	11.000	9.000	2.000	ATG replacements downsized.
	Fuel Terminal Automation	1.325	18.910	17.585	1.325	Emerging AFHE requirements.
2012	Software Development:	-15.355	21.136	36.491	-15.355	
	EBS Energy Convergence	-15.355	21.136	36.491	-15.355	Increasing requirements
2012	Minor Construction:	28.900	88.900	60.000	28.900	Reprogrammed - project reprioritized
	Total FY 2012	16.870	139.946	123.076	16.870	

DEFENSE LOGISTICS AGENCY DEFENSE-WIDE WORKING CAPITAL FUND DLA DOCUMENT SERVICES ACTIVITY GROUP FISCAL YEAR (FY) 2013 BUDGET ESTIMATES ACTIVITY GROUP CAPITAL INVESTMENT SUMMARY (\$ IN MILLIONS)

Line	(+	IN MILLIONS) FY	2011	FY	2012	FY 2013	
Number	Item Description/Capability	Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
	EQUIPMENT (Non ADP/T)						
REP 100	Digitization	1	0.490	2	1.200	2	1.200
	TOTAL EQUIPMENT (Non ADP/T)	1	0.490	2	1.200	2	1.200
	EQUIPMENT (ADP/T)						
PRD 100	Production Hardware	0	0.000	1	1.730	1	1.330
	TOTAL EQUIPMENT (ADP/T)	0	0.000	1	1.730	1	1.330
	SOFTWARE DEVELOPMENT						
SWD 100 SWD 200	Net-Centric Hubs Net-Centric Hubs \$1.0M and Over-Electronic Document Management		0.000		2.543		5.143
	TOTAL SOFTWARE DEVELOPMENT		0.000		2.543		5.143
	MINOR CONSTRUCTION						
REP 200	Minor Construction \$250,000 - \$750,000		0.000		0.000		0.300
	TOTAL MINOR CONSTRUCTION		0.000		0.000		0.300
	TOTAL AGENCY CAPITAL INVESTMENTS	1	0.490	3	5.473	3	7.973
	Total Capital Outlays Total Depreciation Expense		3.359 2.092		5.473 4.897		8.583 4.738

A a Chailte a Channa and Channa and Channa Channa											A. Budget Submission Fiscal Year (FY) 2013 Budget Estimates		
B. Component/Activity Group/Date Defense Logistics Agency Document Services February 2012					C. Line Number & Item Description REP 100 Replacement Non-ADP Equipment						D. Activity Identification: DLA Document Services		
Element of Cost	FY 2011			FY 2012			FY 2013						
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
REP 100 Digitization	1	490	490	2	600	1,200	2	600	1,200				

This investment for high speed duplicating equipment replaces existing equipment that has reached or exceeded the useful life established for these categories. Based on guidance contained in various Department of Defense (DoD) governing polices, the Defense Logistics Agency (DLA) has established replacement and life expectancy standards for all categories of investment equipment. The standards are based on life expectancy with consideration given to condition, usage hours, and/or repair costs. DLA establishes age, utilization and repair standards based on industry information and experience in the absence of DoD acquisition and replacement criteria relative to various categories of equipment.

A ativity of Couries I have a tracent investigation											A. Budget Submission Fiscal Year (FY) 2013 Budget Estimates		
B. Component/Activity Group/Date Defense Logistics Agency Document Services February 2012					C. Line Number & Item Description PRD 100 Production ADP Equipment						D. Activity Identification DLA Document Services		
Element of Cost	FY 2011			FY 2012				FY 2013					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
PRD 100 Production Hardware Electronic Document Management			0	1	1,730	1,730	1	1,330	1,330				

Electronic Document Management (EDM) is a transformational, capabilities-based capital planning initiative. It allows for the rapid acquisition of hardware, software and technical labor services for the deployment and implementation of various data management solutions for emergent customer requirements. EDM provides the customer with the ability to manage their content via electronic storage, workflow, web-based retrieval and certified records management. DLA Document Services must be able to react quickly to emergent customer fact-of-life needs, usually within one year, or less. The FY 2012 – FY 2013 projection was developed based on the number, size and scope of projects DLA Document Services has already installed, as well as those anticipated. The equipment replacement strategy not only ensures the highest quality equipment is purchased to refresh the original equipment but also minimizes equipment related costs by taking advantage of discounts available for high quantity buys. Examples of the equipment generally required are database, archive and web servers, document scanners, workstations, uninterruptible power supplies, miscellaneous switches, cables, and connectors.

											A. Budget Submission Fiscal Year (FY) 2013 Budget Estimates		
B. Component/Activity Group/Date Defense Logistics Agency Document Services February 2012					Number &) Software			and Over		D. Activity Identification DLA Document Services			
Element of Cost	FY 2011			FY 2012 FY 2013									
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
SWD 200 Net-Centric Hubs Electronic Document Management			0			2,543			5,143				

Electronic Document Management (EDM) is a transformational, capabilities-based capital planning initiative. It allows for the rapid acquisition of hardware, software and technical labor services for the deployment and implementation of various data management solutions for emergent customer requirements. EDM provides the customer with the ability to manage their content via electronic storage, workflow, web-based retrieval and certified records management. DLA Document Services must be able to react quickly to emergent customer fact-of-life needs, usually within one year, or less. The FY 2012 – FY 2013 projection was developed based on the number, size and scope of projects DLA Document Services has already installed, as well as those anticipated. Software requirements are for COTS application software licenses and contract labor to perform integration, testing, and training.

										A. Budget Submission Fiscal Year (FY) 2013 Budget Estimates		
B. Component/Activity Group/Date Defense Logistics Agency Document Services February 2012					C. Line Number & Item Description Rep 200 Minor Construction							ation vices
Element of Cost	FY 2011			FY 2012				FY 2013				
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 200 Minor Construction			0			0			300			

The minor construction investment for projects (between \$250,000 and \$750,000) will construct new, replace existing, or modify current facilities to implement mission consolidations and allow for operational improvements. These projects consist of:

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

These investments will result in cost effective facilities to support the mission.

DEFENSE LOGISTICS AGENCY DEFENSE-WIDE WORKING CAPITAL FUND DLA DOCUMENT SERVICES ACTIVITY GROUP FISCAL YEAR (FY) 2013 BUDGET ESTIMATES CAPITAL BUDGET EXECUTION February 2012 (DOLLARS IN MILLIONS)

PROJECTS ON THE FY 2012 PRESIDENT'S BUDGET

FY	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ (Deficiency)	Explanation
2011	Equipment except ADPE & TELCOM:	0.710	1.200	0.490	0.710	
	High Speed Duplicating Equipment	0.710	1.200	0.490	0.710	Fewer project than anticipated
	Equipment - ADPE & TELCOM	1.330	1.330	0.000	1.330	
	Electronic Document Management	1.330	1.330	0.000	1.330	No defined requirements.
2011	Software Development:	5.143	5.143	0.000	5.143	
	Electronic Document Management	5.143	5.143	0.000	5.143	Requirements cancelled
2011	Minor Construction:	0.300	0.300	0.000	0.300	Projects below new threshold
	Total FY 2011	7.483	7.973	0.490	7.483	

DEFENSE LOGISTICS AGENCY DEFENSE-WIDE WORKING CAPITAL FUND DLA DOCUMENT SERVICES ACTIVITY GROUP FISCAL YEAR (FY) 2013 BUDGET ESTIMATES CAPITAL BUDGET EXECUTION February 2012 (DOLLARS IN MILLIONS)

PROJECTS ON THE FY 2012 PRESIDENT'S BUDGET

FY	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ (Deficiency)	Explanation
2012	Equipment except ADPE & TELCOM:	0.000	1.200	1.200	0.000	
	High Speed Duplicating Equipment	0.000	1.200	1.200	0.000	
	Equipment - ADPE & TELCOM	0.000	1.730	1.730	0.000	
	Electronic Document Management	0.000	1.730	1.730	0.000	
2012	Software Development:	3.000	5.543	2.543	3.000	
	Electronic Document Management	3.000	5.543	2.543	3.000	Funds reprogrammed in support of other DLA software development program.
2012	Minor Construction:	0.300	0.300	0.000	0.300	Reprogrammed - project reprioritized
	Total FY 2012	3.300	8.773	5.473	3.300	