

50 Years of the Best “Interim” Solution

*By David Guinasso
Director, Electronic Business*

Time and money — it is said that a person can’t have enough of either. Thanks to one of the oldest and, now, most effective federal government contracting programs, the eBusiness Directorate Information Technology Customer Service Organization is giving customers and government agencies more of both.

The Mechanization of Contract Administration Services, or MOCAS, system has long been a part of government contracting. Established 50 years ago, MOCAS

is used by the Defense Contract Management Agency and Defense Finance and Accounting Service to administer and pay contracts issued to defense contractors.

MOCAS was created by the National Planning Group, which was composed of Army, Navy and Air Force personnel. The group used the Air Force Data Automation

Established 50 years ago, MOCAS is used by DCMA and DFAS to administer and pay contracts issued to defense contractors.

Proposal for Project Program for Improved Contract Management Procedures as a base, and modified the proposal to meet peculiar Army, Navy, Air Force and Defense Supply Agency (formerly, Defense Logistics Agency) requirements.

The original hardware configuration consisted of one International Business Machines



An IBM 360 Model 30 circa 1968. The smallest of the System/360 configurations, the Model 30 could serve as a stand-alone system, a communications system or the satellite processor of a larger system. (Photo courtesy of IBM)



An IBM 1440 Data Processing System circa 1965. The 1440 was a low-cost system designed to solve the increasing data handling problems of smaller volume businesses, meeting the need for a complete accounting system and offering the benefits of a business information system. (Photo courtesy of IBM)

Corporation 1440 data processing system, a small-scale computer, which used large-scale permanent disk storage and introduced the concept of removable disk storage packs, and one IBM 360 (Model 30) data processing system — a small-to-medium-scale computer that used only removable disk storage units, e.g., tapes. At the time, these were high-tech devices, composed of 16K central processing units and card readers/punchers.

Throughout its existence, MOCAS has been declared interim, moribund and near defunct on several occasions. The system was in fact scheduled for closure in 2002, but MOCAS endured and has flourished in recent years.

A decade ago, rising maintenance costs (more than \$20 million annually) and operation fees (\$110 per transaction) made MOCAS a prime candidate for termination. Presently, however, maintenance and transaction costs have decreased to \$3.5 million annually and \$35 per transaction, respectively. These decreased costs have been the result of increased all-electronic contract data entry. An increase in all-electronic data entry has eliminated problems such as document handling and lost documents, dropping interest penalties more than 86 percent to

Throughout its existence, MOCAS has been declared interim, moribund, and near defunct on several occasions ... but MOCAS endured and has flourished in recent years.


\$42 million. The reduction is an especially remarkable achievement considering the number of invoices and money MOCAS handles (see sidebar regarding Wide Area Workflow invoices versus the gross national product of various countries).

Not only is MOCAS saving more money, but the service system is increasing contracting efficiency. A decade ago, most transactions were made by hand — fewer than 10 percent were made electronically. Now more than 93 percent of transactions are electronic. With the rise in electronic transactions, the percentage of invoices rejected or recycled has dramatically decreased from 11.3 percent to 6.1 percent.

As MOCAS celebrates its fiftieth anniversary, its reversal of fortunes has caused the enterprise to be considered as a target environment system. In other words, MOCAS will not only be a part of past and present contracting but also a large part of its future. By the service system's inclusion in the target environment, MOCAS is likely

assured of being in operation for many more years.

Recently, MOCAS improved its pre-validation procedures, and in the very near future the system will have a revamped look and feel, streamline data entry and CAC-enabled capability. In addition, DCMA wants MOCAS to eventually identify and track additional contract clauses and make payments in foreign currency.

MOCAS currently has the highest on-time payment and electronic rates, the lowest interest penalty rate, the highest use of electronic invoicing and the largest number of partners for electronic contracts — systems and buying offices — of any government contracting system. It also handles the greatest number of types of electronic invoices. After half of a century, MOCAS continues to flourish with age. 

WAWF Invoices vs. GNP

Austria	\$226 billion	MOCAS fiscal year 2008	\$213 billion
Turkey	\$212 billion	MOCAS fiscal year 2007	\$162 billion
Poland	\$188 billion	MOCAS fiscal year 2006	\$129 billion
Indonesia	\$174 billion		
Thailand	\$128 billion		