Business Transformation Agency

Fiscal Year 2007 Budget Estimates

February 2006

Procurement, Defense-Wide

Department of Defense, Business Transformation Agency

Appropriation: RDT&E, D-W(BTA)

Date: Feb-06

TOA, $ in Millions

R-1 Line Item No.	Program Element Number	Item	Budget Activity	FY 2006 Cost	FY 2007 Cost	FY 2008 Cost	FY 2009 Cost	FY 2010 Cost	FY 2011 Cost
BTA	060502OBTA	RDT&E, D-W(BTA)	Budget Activity 5	----	140.2	134.8	118.9	120.8	123.2

Exhibit P-40, Budget Item Justification

Date: February 2006

Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number | P-1 Line Item Nomenclature
Procurement, Defense Wide, Budget Activity **Capital Asset Management System-Military Equipment (CAMS-ME)** | Capital Asset Management System-Military Equipment (CAMS-ME)
01, | Major Equipment, OSD

Program Element for Code B Items:

(Dollars in Millions)	Prior Yrs	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	To Complete	Total
CAMS-ME	0.0	0.0	0.0	6.538	7.536	8.343	7.701	7.894		38.012

Other Related Program Elements:
RDT&E PE 0605020BTA

Description

(U) CAMS-ME has been approved by the Finance and Accounting, Logistics, and Acquisition Domains as the Mid-Term Systems Solution for reporting the value of military equipment (ME). As part of the Department's enterprise system solution for valuing and reporting ME, CAMS-ME will maintain the work in process (WIP) cost, calculate the value of ME, and depreciate delivered ME end items over the course of their useful lives. CAMS-ME will be developed by the Department of the Navy working with OUSD(AT&L), and with Air Force and Army assistance, to ensure that all ME valuation requirements are met.

Implementation of CAMS-ME will:
Provide reliable and accurate information to decision makers.
• Total acquisition cost of assets will be consistently determined
• Decision makers will get comparable information over time and between programs
• It will allow better investment planning for replacements
Increase public confidence in the Department's ability to account for its assets and help achieve a clean audit opinion.
Bring the Department into compliance with the Chief Financial Officers Act of 1990 and the Federal Financial Management Improvement Act of 1996.

The procurement budget funds IT infrastructure costs for each service to support the development, testing and sustainment of the CAMS-ME DoD-wide Enterprise Solution.

Exhibit P-5 Cost Analysis

Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number:
0300/01/35

Date: February 2006

P-1 Line Item No 29

P-1 Line Item 1 Nomenclature
CAMS-ME

WBS COST ELEMENTS	Prior Years Total Cost	Prior Years Unit Cost	FY 2005 Unit Cost	FY 2005 Total Cost	FY 2006 Unit Cost	FY 2006 Total Cost	FY 2007 Unit Cost	FY 2007 Total Cost	FY 2008 Unit Cost	FY 2008 Total Cost
Hardware	N/A	N/A	N/A		N/A		N/A	1.304	N/A	1.390
Software	N/A	N/A	N/A		N/A		N/A	1.758	N/A	5.072
Seat Licenses	N/A	N/A	N/A		N/A		N/A	3.476	N/A	1.074
Gross-P-1 End Item Cost	0.000	0.000	0.000		0.000			6.538		7.536
Less PY Adv Proc (by PY FY)										
Net P-1 Full Funding Cost	0.000	0.000	0.000		0.000			6.538		7.536
Plus CY Non-P-1 Costs										
Other Non-P-1 Costs										
Initial Spares										
Total	0.000	0.000	0.000		0.000			6.538		7.536

Exhibit P-5, Cost Analysis
(Exhibit P-5, page 1 of 2)

WBS COST ELEMENTS	FY 2009 Unit Cost	FY 2009 Total Cost	FY 2010 Unit Cost	FY 2010 Total Cost	FY 2011 Unit Cost	FY 2011 Total Cost
Hardware	N/A	1.761	N/A	1.646	N/A	2.482
Software	N/A	5.502	N/A	4.961	N/A	4.318
Seat Licenses	N/A	1.080	N/A	1.094	N/A	1.094
Gross-P-1 End Item Cost		8.343		7.701		7.894
Less PY Adv Proc (by PY FY)						
Net P-1 Full Funding Cost		8.343		7.701		7.894
Plus CY Non-P-1 Costs						
Other Non-P-1 Costs						
Initial Spares						
Total		8.343		7.701		7.894

Exhibit P-40, Budget Item Justification
(Exhibit P-5, page 2 of 2)

Exhibit P-40, Budget Item Justification

Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number:	Date: February 2006
0300D/01/35	P-1 Line Item 29 Nomenclature Standard Procurement System (SPS)

	ID Code	Prior Years	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	To Complete	Total
Proc Qty	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Proc Cost	N/A	N/A	N/A	9.753	7.358	6.819	7.762	7.961	Cont.	Cont.

Background:

Within the Procurement/Contract Management area, DCMA is responsible for the Department of Defense Standard Procurement System (SPS). DoD initiated the SPS in 1994 to enhance readiness and support to warfighters through standardization and optimization of procurement systems and activities. SPS is currently supporting over 23,000 users in the field and is the largest standard business system in DoD.

The SPS is based on modification of a Commercial-Off-The-Shelf (COTS) item. The item is modified to support DoD Defense Contract Management Agency (DCMA) transferred funding for the out years (FY07 and out) to the Business Transformation Agency (BTA).

Performance Criteria and Evaluation:

Performance criteria and monitoring mechanisms are put in place for work performed by the contractor. Deployment is approximately 26% of the Procurement budget estimate. The Program Office measures contractor performance on the Deployment Order by (1) successful execution of the deployment process and (2) a favorable rating on the Exit Checklist. A deployment process is executed successfully if an installation or upgrade is completed within benchmark timeframes that are based on hardware configurations. The Exit Checklist is completed by sites following the installation or upgrade of the SPS software and returned to the Program Office's Contracting Officer within 7 days. The contractor receives 70% of payment upon successful completion of the installation or upgrade. The remaining 30% of the payment is issued upon receipt of a favorable rating on the Exit Checklist. If the contractor exceeds the benchmark timeframe or receives an unfavorable rating on the Exit Checklist, penalties are appropriately applied.

The Deployment delivery order currently meets all criteria of a performance-based acquisition: (1) the work is stated in terms of outcomes/results (2) there are measurable performance standards and (3) there is a mechanism for price reduction if outcomes are not met.

Training is approximately 36% of the Procurement budget estimate and includes the following mechanisms for monitoring work performed by the contractor: Trainer Observation Reports, Student Course Evaluations and Weekly Status Reports. The Government reviews and performs trend analyses on the Trainer Observation Reports and Student Course Evaluations. Results of the analyses are used to provide feedback to the contractor (i.e. corrective action). Weekly Status Reports and Project Schedules are reviewed weekly to ensure that all required tasks/contractual objectives are accomplished and support the Program's mission and goals. The Government accepts Deliverables once it is determined that the contractor has met all acceptance criteria. Expected outcomes and acceptance criteria that will be used to measure performance in future years are currently being developed to meet performance-based criteria.

Program Integration Support is approximately 40% of the Procurement budget estimate and is monitored by the Contracting Officer Representative to ensure all required tasks/contractual objectives are accomplished and support the Program's mission an goals. Project Plans and Progress Reports are required monthly to ensure that contractors are meeting performance requirements. This support is funded incrementally, and future funding is contingent on performance.

Recent Accomplishments:

SPS has been installed completely to five legacy system communities: Automation of Procurement and Accounting Data Entry (APADE) in the U.S. Navy, Base Contracting Automation System (BCAS) in the U.S. Marine Corps, Standard Army Automated Contractin System (SAACONS) in the U.S. Army, Federal Standard Automated Contracting System (SACONS) in other Defense Agencies, and Base Contracting Automation System (BCAS) in the U.S. Air Force. During fiscal year 2005, operational procurement professionals relied on SPS to complete contract awards in excess of 73 billion dollars.

The Government officially accepted SPS version 4.2 Increment 1 on 20 June 2002 and promptly began deployments on 24 June 2002. This version was delivered to the Government on schedule and within cost. Version 4.2 Increment 1 deployment concluded i June 2004 with a user base of 15,327 users.

The Version 4.2 Increment 2 software application will be integrated with an Enterprise Adapter and Integrity Tool. As of June 2005, Version 4.2 Increment 2 was deployed to 8,223 users and will be deployed to an additional 14,653 users in Fiscal Year 2006.

Version 4.2 Increment 3 will increase system performance, enhance functional capabilities, maximize modular solution sets, and expand integration among the logistics, procurement, and financial communities of the DoD using web-based technology. Version 4.2 Increment 3 successfully completed the Business Management Modernization Program (BMMP) approval process in October 2003 and was placed under contract. The Increment 3 product will evolve through 5 software builds. Build 4 was delivered for testing in August 2005 and Build 5 is scheduled for delivery in February 2006. Build reviews have concluded that Increment 3 development is on schedule to meet planned deployments.

The SPS Program Office deployed 121 Battle Ready Contingency Contracting Systems to fielded troops in support of the War on Terror, 46 systems in fiscal year 2005, and plan continued deployments throughout the budget years. Software Releases are deployed to implement regulatory software changes, resolve security deficiencies, and provide enhanced capability to the SPS use community.

Exhibit P-5 Cost Analysis

Date: February 2006

Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number:
0300/01/35

P-1 Line Item No. 29 Nomenclature
Standard Procurement System (SPS)

WBS COST ELEMENTS	Prior Years Total Cost	Prior Years Unit Cost	FY 2005 Unit Cost	FY 2005 Total Cost	FY 2006 Unit Cost	FY 2006 Total Cost	FY 2007 Unit Cost	FY 2007 Total Cost	FY 2008 Unit Cost	FY 2008 Total Cost
Installation/Licenses/Database Conversion	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3.346	N/A	1.450
Program Integration Support	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3.233	N/A	3.690
Training	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3.174	N/A	2.218
Gross-P-1 End Item Cost	0.000			0.000		0.000		9.753		7.358
Less PY Adv Proc (by PY FY)										
Net P-1 Full Funding Cost	0.000			0.000		0.000		9.753		7.358
Plus CY Non-P-1 Costs										
Other Non-P-1 Costs										
Initial Spares										
Total	0.000			0.000		0.000		9.753		7.358

Exhibit P-5, Cost Analysis

(Exhibit P-5, page 1 of 2)

Exhibit P-5 Cost Analysis (Page 2)	P-1 Line Item 29 Nomenclature: Standard Procurement System (SPS)					
WBS COST ELEMENTS	FY 2009 Unit Cost	FY 2009 Total Cost	FY 2010 Unit Cost	FY 2010 Total Cost	FY 2011 Unit Cost	FY 2011 Total Cost
Installation/Licenses/Database Conversion	N/A	1.342	N/A	1.489	N/A	1.497
Program Integration Support	N/A	3.338	N/A	3.994	N/A	4.198
Training	N/A	2.139	N/A	2.279	N/A	2.266
Gross-P-1 End Item Cost		6.819		7.762		7.961
Less PY Adv Proc (by PY FY)						
Net P-1 Full Funding Cost		6.819		7.762		7.961
Plus CY Non-P-1 Costs						
Other Non-P-1 Costs						
Initial Spares						
Total		6.819		7.762		7.961

Exhibit P-40, Budget Item Justification

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Exhibit P-5a, Procurement History and Planning

Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number:
0300/01/35

						DATE: February 2006			
						P-1 Line Item 29 Nomenclature Standard Procurement System (SPS)			
WBS COST ELEMENTS	Qty / Unit Cost	Location of PCO	RFP Issue Date	Contract Method and Type	Contractor and Location	Award Date	Date of First Delivery	Tech Data Available Now?	Date Revisions Available
FY 2007									
Installation/Licenses/Database Conversion	3.346	DCMA-SO	N/A	Option - Priced Unknown	CACI - Arlington, VA & Unknown	Aug-96 Jan-07	1QFY07 2QFY07	No	N/A
Program Integration Support	3.233	DCMA-SO	N/A	Option - Priced	CACI - Arlington, VA	Aug-96	1QFY07	No	N/A
Training	3.174	DCMA-SO	N/A	Option - Priced Unknown	CACI - Arlington, VA & Unknown	Aug-96 Jan-07	1QFY07 2QFY07	No	N/A

Appropriation: Procurement, D-W(BTA)

Budget Activity 4 Administration and Servicewide Support

P-1 Line Item No.	Item Nomenclature	Ident Code	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
35	Capital Asset Management System-Military Equipment (CAMS-ME)			6.538	7.536	8.343	7.701	7.894
35	Standard Procurement System (SPS)			9.753	7.358	6.819	7.762	7.961
	Total BTA		0	16.291	14.894	15.162	15.463	15.855