DEFENSE WORKING CAPITAL FUND

DEFENSE-WIDE
FISCAL YEAR (FY) FY 2012
BUDGET ESTIMATES

OPERATING AND CAPITAL BUDGETS

FEBRUARY 2011
CONGRESSIONAL DATA

Fiscal Year (FY) 2012 Budget Estimates
Activity Group Capital Investment Summary
Defense Finance and Accounting Service
Financial Operations
February 2011
($ in Millions)

Line Number	Item Description	FY 2010 Quantity	FY 2010 Total Cost	FY 2011 Quantity	FY 2011 Total Cost	FY 2012 Quantity	FY 2012 Total Cost
	ADPE & Telecommunications Equipment Baseline		**23.0**		**18.9**		**23.8**
	Computer Hardware (Production)		23.0		18.3		23.8
	Computer Software (Operating System), Telecoms, Other Computer & Tele Supt Equip.						
	Revised Requirement				**18.3**		
	Software Development Baseline		**9.1**		**13.8**		**15.2**
	Internally Developed		5.3		6.5		11.0
	Externally Developed		3.8		5.0		4.3
	Revised Requirement				**11.5**		
	Minor Construction Baseline		**5.6**		**6.6**		**1.8**
	Replacement						
	Productivity						
	New Mission		5.6		6.3		1.8
	Environmental						
	Revised Requirement				**6.3**		
	TOTAL Prior Year Adjustments		**-1.4**				
	TOTAL Capital Investment Baseline		**36.3**		**39.3**		**40.8**
	TOTAL Capital Investment Required				**36.1**		
	Total Capital Outlays (Based on Revised Rqmt)		**29.4**		**34.9**		**36.2**
	Total Depreciation Ex (Based on Revised Rqmt)		**78.1**		**65.2**		**47.0**

**FY 2010 total includes FY 2009 Carryover $12.2 million*
**FY 2011 total decreased from PB 2011 due to revised cost estimates for ePortal, Teleservices, DMO, and Minor Construction. Detail included for these decreases in the Fund 9b*

Exhibit Fund 9a Activity Group Capital Investment Summary

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)							A. Fiscal Year (FY) 2012 Budget Estimates: DFAS Financial Operations					
B. Component / Business Area / Date Defense Finance and Accounting Service February 2011				C. Line No. & Description ADP Equipment			D. Activity Identification DFAS Sites					
	FY 2010			FY 2011			FY 2012					
Element of Cost	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**			
Customer Service												
A. Unified Communications (Teleservices)			8,664			4,200			11,050			
B. Call Recording Application (CRA)			1,131									
C. MyPay			375									
TOTAL Customer Service			10,170			4,200			11,050			

Narrative Justification:

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, in order to meet future DFAS needs.

B. Call Recording Application (CRA) - CRA is a suite of COTS (commercial-off-the-shelf) applications designed to provide full-time recording, screen capture, quality monitoring, eLearning, data tagging, analytics, workforce management, and agent testing. Future CRA requirements will be budgeted under Unified Communications (Teleservices) beginning in FY 2011.

C. MyPay - Web-based software application that provides government personnel with a convenient, high-quality, paperless business environment that safeguards personal information. MyPay supports the capability to submit financial transactions and receive financial statements via the Government's electronic commerce. Funding will support the addition of new E-Payroll customers and implementation of legislative changes.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)							A. Fiscal Year (FY) 2012 Budget Estimates: DFAS Financial Operations					
B. Component / Business Area / Date Defense Finance and Accounting Service February 2011			C. Line No. & Description ADP Equipment			D. Activity Identification DFAS Sites						
	FY 2010			FY 2011			FY 2012					
Element of Cost	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**			
Data Management												
A. Electronic Document Management			1,050			500			400			
B. E-Portal						856						
TOTAL Data Management			1,050			1,356			400			

Narrative Justification:

A. Electronic Document Management (EDM) - 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 while undergoing business transformation initiatives.

B. Electronic-Portal – Support of a web-based infrastructure to share knowledge, access corporate information, and deliver integrated service-oriented solutions.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)												
B. Component / Business Area / Date Defense Finance and Accounting Service February 2011				**C. Line No. & Description** ADP Equipment			**A. Fiscal Year (FY) 2012 Budget Estimates:** DFAS Financial Operations					
							D. Activity Identification DFAS Sites					
	FY 2010			**FY 2011**			**FY 2012**					
Element of Cost	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**			
Infrastructure/Other												
A. Enterprise Local Area Network			7,076			9,875			10,350			
B. Security			1,860			2,834			1,966			
C. Office Automation			2,829									
TOTAL Infrastructure/Other			11,765			12,709			12,316			

Narrative Justification:

A. Enterprise Local Area Network (ELAN) - 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 computing infrastructure from internal and external threats with automated monitoring and response, firewalls, switches, and encryption devices maintained by government and contracted expertise.

C. Office Automation – Equipment for the purchase of a Disbursing Printing and Inserting Equipment.

Exhibit Fund-9b – Activity Group Capital Purchase Justification

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)										A. Fiscal Year (FY) 2012 Budget Estimates: DFAS Financial Operations		
B. Component / Business Area / Date Defense Finance and Accounting Service February 2011				C. Line No. & Description Software Dev / Mod						D. Activity Identification DFAS Sites		
	FY 2010			FY 2011			FY 2012					
Element of Cost	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**			
Customer Service												
A. My Pay			200			2,411			1,046			
TOTAL Customer Service			200			2,411			1,046			

Narrative Justification:

A. My Pay - Web-based software application that provides government personnel with a convenient, high-quality, paperless business environment that safeguards personal information. My Pay supports the capability to submit financial transactions and receive financial statements utilizing electronic commerce. Funding supports the addition of new E-Payroll customers and implementation of legislative changes.

Exhibit Fund-9b – Activity Group Capital Purchase Justification

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)										A. Fiscal Year (FY) 2012 Budget Estimates: DFAS Financial Operations		
B. Component / Business Area / Date Defense Finance and Accounting Service February 2011				C. Line No. & Description Software Dev / Mod						D. Activity Identification DFAS Sites		
	FY 2010			FY 2011			FY 2012					
Element of Cost	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**			
Data Management												
A. E-Commerce/E-Data Interchange			714			550			550			
B. Office Automation - MyMetrics			600			620			1,500			
C. Office Automation - CORAS						400			400			
D. Electronic Data Management			524			800			700			
TOTAL Data Management			1,838			2,370			3,150			

Narrative Justification:

A. E-Commerce/E-Data Interchange - Enable the entitlement and accounting systems to post all financial transactions electronically and within federal DoD requirements. Funding supports Global Exchange mapping to all existing DFAS financial and accounting systems.

B. Office Automation - MyMetrics – A DFAS metrics system providing DFAS with real time performance indicators on all mission areas.

C. Office Automation - Funding supports software development for Contingency Operations Reporting and Analysis Service (CORAS).

D. Electronic Document Management (EDM) – Funding supports software development program that converts paper documents used for payment processing into an electronic format.

Exhibit Fund-9b – Activity Group Capital Purchase Justification

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)												
B. Component / Business Area / Date Defense Finance and Accounting Service February 2011				**C. Line No. & Description** Software Dev / Mod			**A. Fiscal Year (FY) 2012 Budget Estimates:** DFAS Financial Operations **D. Activity Identification** DFAS Sites					
	FY 2010			**FY 2011**			**FY 2012**					
Element of Cost	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**			
Financial Management												
A. Defense Retiree Annuitant Pay System			3,448			5,000			2,000			
B. Computerized Accounts Payable System			499									
C. One Pay			500									
D. Deployed Disbursing System			485			500			500			
E. Defense Debt Management System			685									
F. Automated Disbursing System			1,495			1,206			2,000			
G. Defense Joint Military System AC									4,200			
H. Defense Joint Military System RC									2,350			
TOTAL Financial Management			7,112			6,706			11,050			

Narrative Justification:

A. Defense Retired and Annuitant Pay System (DRAS) - 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 legislative and management initiatives. The balance of out-year funding will be used to support the DRAS Modernization initiative as it moves forward and will be developed by the Defense Logistics Agency (DLA).

B. Computerized Accounts Payable System – Software for a PC-based application providing a standard installation and business line-level vendor pay entitlement system.

C. One Pay – Software for the commercial vendor pay system used by the Armed Forces and other Defense Agencies that provides complete, accurate and timely payment of vendor invoices on behalf of DFAS customers.

D. Deployed Disbursing System (DDS) – Funds support an interface with the Treasury's Stored Value Cart (SVC) System 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.

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

Continued:

E. Defense Debt Management System (DDMS) – Funding for two initiatives: The first initiative accommodates a two way interface between DDMS and the General Fund Enterprise Business System (GFEBS). The second incorporates a disbursing module into the DDMS environment.

F. Automated Disbursing System –Funding will be used for the development of interface software in the retirement of CDS, CFASS and SRD1.

G. 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.

H. 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.

Exhibit Fund-9b – Activity Group Capital Purchase Justification

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION ($ in Thousands)												
B. Component / Business Area / Date Defense Finance and Accounting Service February 2011				**C. Line No. & Description** Minor Construction			**A. Fiscal Year (FY) 2012 Budget Estimates:** DFAS Financial Operations **D. Activity Identification** DFAS Sites					
	FY 2010			**FY 2011**			**FY 2012**					
Element of Cost	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**	**Quantity**	**Unit Cost**	**Total Cost**			
Minor Construction												
A. Minor Construction Cleveland												
B. Minor Construction Columbus			280			2,385			500			
C. Minor Construction Indianapolis			3,186			2,801			1,034			
D. Minor Construction Texarkana			650			400			300			
E. Minor Construction Rome			1,485			750						
Total Minor Construction			5,601			6,336			1,834			

Narrative Justification:

A. Minor Construction Cleveland – Construct Block Wall for $1,400K; Mailroom Lighting Ventilation for $820K; Mass Notification for $165K. All Construction to occur in FY 2011.

B. Minor Construction Columbus – Renovation of restrooms with water efficiency equipment in FY 2010, PBX Room for Telephony for $500K in FY 2012.

C. Minor Construction Indianapolis – PBX Room for $383K in FY 2010; EMER for $1,313K in FY 2010; 2nd Phase Barrier for $1,034K in FY 2012; New Mailroom for $741K in FY 2011; New Receiving Dock for $1,100K in FY 2011; New Truck Sallyport and Security Fence for $960K in FY 2011; CAC readers at all exterior entrances for $1,490K in FY 2010.

D. Minor Construction Texarkana – Site Improvements for Force Protection for $650K in FY 2010 (Program Adjustment FY 2010), $400K in FY 2011, and $300K in FY 2012.

E. Minor Construction Rome – Windows/Doors for $1,485K in FY 2010 (Program Adjustment FY 2010), and a Parking Expansion in FY 2011 for $750K (Program adjustment for FY 2011).

Exhibit Fund-9b – Activity Group Capital Purchase Justification

Fiscal Year (FY) 2012 Budget Estimates
Capital Budget Execution
Defense Finance and Accounting Service
February 2011

FY 2010

CHANGES ON THE FY12 PRESIDENT'S BUDGET

(Dollars in Thousands)

FY	Initiative	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset / Deficiency	Explanation
Equipment – ADPE and TELECOM							
2010	Customer Service	11,072	(-902)	10,170	10,170		Decrease in requirements for Unified Communications (Teleservices) and Call Recording, Reprogram for My Pay from SW to ADPE
2010	Data Management	1,600	(-549)	1,050	1,050		Decrease in requirements EDM
2010	Infrastructure / Other	11,859	(-94)	11,764	11,764		Decrease in requirements for Security and ELAN
Software Development							
2010	Customer Service	1,702	(-1,502)	200	200		Decrease in requirements for My Pay
2010	Data Management	3,356	(-1,518)	1,838	1,838		Decrease in requirements for EDM, Office Automation and increase in requirements for E-Commerce/E-Data Interchange System
2010	Financial Management	10,488	(-3,377)	7,112	7,112		Decrease in requirements for DRAS, IAPS, and DDMS
Minor Construction							
2010	Infrastructure / Other	3,888	1,713	5,601	5,601		Increase in requirements for DFAS Texarkana and DFAS Indianapolis related to Unified Communications PBX build-out.
	Total FY 2010	**43,965**	**(6,229)**	**37,735**	**37,735***		

*FY 2010 does not include $-1.392 million in prior year adjustments

Fiscal Year (FY) 2012 Budget Estimates

Capital Budget Execution
Defense Finance and Accounting Service
February 2011

FY 2011

CHANGES ON THE FY12 PRESIDENT'S BUDGET

(Dollars in Thousands)

FY	Initiative	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset / Deficiency	Explanation
Equipment – ADPE and TELECOM							
2011	Customer Service	4,350		4,350	4,200	(150)	Decrease in Unified Communications (Teleservices)
2011	Data Management	1,800		1,800	1,356	(444)	Decrease in requirements for ePortal
2011	Infrastructure / Other	12,709		12,709	12,709		
Software Development							
2011	Customer Service	5,411		5,411	2,411	(3,000)	Decrease in requirements for DMO
2011	Data Management	1,750		1,750	2,370	620	Increase in requirements for Office Automation
2011	Financial Management	6,626		6,626	6,706	81	Increase in requirements for ADS
Minor Construction							
2011	Infrastructure / Other	6,620		6,620	6,336	(284)	Decrease in requirements for Minor Construction
	Total FY 2011	**39,266**		**39,266**	**36,088**	**(3,177)**	

Fiscal Year (FY) 2012 Budget Estimates
Capital Budget Execution
Defense Finance and Accounting Service
February 2011

FY 2012

CHANGES ON THE FY12 PRESIDENT'S BUDGET

(Dollars in Thousands)

FY	Initiative	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset / Deficiency	Explanation
Equipment – ADPE and TELECOM							
2012	Customer Service	11,050		11,050	11,050	0	
2012	Data Management	400		400	400	0	
2012	Infrastructure / Other	12,316		12,316	12,316		
Software Development							
2012	Customer Service	1,046		1,046	1,046		
2012	Data Management	3,150		3,150	3,150	0	
2012	Financial Management	11,050		11,050	11,050	0	
Minor Construction							
2012	Infrastructure / Other	1,834		1,834	1,834	0	
	Total FY 2012	**40,846**		**40,846**	**40,846**	**0**	

Activity Group Capital Investment Summary
Defense Information Systems Agency
TELECOMMUNICATION SERVICES AND ENTERPRISE ACQUISITION SERVICES
February 2011
(Dollars in Millions)

	FY 2010 Quantity	FY 2010 Total Cost	FY 2011 Quantity	FY 2011 Total Cost	FY 2012 Quantity	FY 2012 Total Cost
Equipment Capabilities	**0.000**	**$0.000**	**2.000**	**$0.950**	**1.000**	**$0.438**
Replacement	**0.000**	**$0.000**	**2.000**	**$0.950**	**1.000**	**$0.438**
TO0030 Fire Suppression System	0.000	$0.000	1.000	$0.450	0.000	$0.000
TO0031 UPS Redundant System	0.000	$0.000	1.000	$0.500	0.000	$0.000
TO0033 Aged Split System Air Conditioning	0.000	$0.000	0.000	$0.000	1.000	$0.438
ADPE & Telecom Equipment Capabilities	**3.000**	**$20.060**	**2.000**	**$8.200**	**3.000**	**$4.391**
Telecoms, Other Computer & Telecom Support Equip	**3.000**	**$20.060**	**2.000**	**$8.200**	**3.000**	**$4.391**
TR0010 JHITS Switch Expansion & Ancil Equip	1.000	$1.700	1.000	$1.700	1.000	$1.700
TR0026 DISN SME-Portable Elec Dev	1.000	$0.560	0.000	$0.000	0.000	$0.000
TR0031 EMSS Gateway Transformation	1.000	$17.800	1.000	$6.500	1.000	$2.075
TO0035 VOIP Meeting place and installation	0.000	$0.000	0.000	$0.000	1.000	$0.616
Software Development	**1.000**	**$0.719**	**2.000**	**$2.195**	**2.000**	**$2.256**
Externally Developed	**1.000**	**$0.719**	**2.000**	**$2.195**	**2.000**	**$2.256**
EE0001 TIBI	1.000	$0.719	1.000	$1.545	1.000	$1.606
EE0004 DDOE Enhancements	0.000	$0.000	1.000	$0.650	1.000	$0.650
Total Obligations	**4.000**	**$20.779**	**6.000**	**$11.345**	**6.000**	**$7.085**
Capital Outlays (below threshold)		$0.000		$0.181		$0.126
Capital Outlays (above threshold)		$0.000		$11.232		$7.207
Total Capital Outlays		**$0.000**		**$11.413**		**$7.333**
Total Depreciation Expense		**$8.948**		**$11.918**		**$14.452**

Telecommunications Services/Enterprise Acquisition Services: Capital Investment Justification							A. FY 2012		
			($ in thousands)				BUDGET ESTIMATES		
B. TSEAS / February 2011			C. TR0010 JHITS Switch Expansion & Ancil Equip				D. Defense Information Systems Agency		
Element of Cost	FY 2010 Quantity	FY 2010 Unit Cost	FY 2010 Total Cost	FY 2011 Quantity	FY 2011 Unit Cost	FY 2011 Total Cost	FY 2012 Quantity	FY 2012 Unit Cost	FY 2012 Total Cost
JHITS Switch Expansion & Ancil Equip	1.00	1,700.00	1,700.00	1.00	1,700.00	1,700.00	1.00	1,700.00	1,700.00
Total	1.00	1,700.00	1,700.00	1.00	1,700.00	1,700.00	1.00	1,700.00	1,700.00

Narrative Justification: Funding will provide a Joint Hawaii Information Transfer System (JHITS) Switch Expansion for mission critical equipment and 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 are required for the JHITS Network Management Center (NMC) to have full command and control of the JHITS network and to ensure full compliance with JITC-certification (IA). Funding is also required for the installation of two (2) DSN soft switches in Hawaii and to upgrade auxiliary equipment such as the Local Session Controllers (LSC), Edge Boundary Controllers (EBC), and media converters to maintain local and commercial long distance services to the Pacific Warfighters.

Current Deficiency and/or Problem: Effective 31 March 2012, 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. The installation of the two DSN soft switches will require upgrades to the auxiliary equipment in order to maintain local and commercial long distance services. Without the equipment upgrades, the MILDEPS will not be able to transition over to Unified Capabilities (UC), of which IP telephony is a primary component, and ultimately, the MILDEPs will lose their local and long distance calling capabilities.

Impact: Without the Solaris 10 operating system installation, the JHITS NMC will lose their 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 (UC).

Telecommunications Services/Enterprise Acquisition Services: Capital Investment Justification						A. FY 2012			
	($ in thousands)					BUDGET ESTIMATES			
B. TSEAS / February 2011	C. TR0031 EMSS Gateway Transformation					D. Defense Information Systems Agency			
Element of Cost	FY 2010 Quantity	FY 2010 Unit Cost	FY 2010 Total Cost	FY 2011 Quantity	FY 2011 Unit Cost	FY 2011 Total Cost	FY 2012 Quantity	FY 2012 Unit Cost	FY 2012 Total Cost
EMSS Gateway Transformation	1.00	17,800.00	17,800.00	1.00	6,500.00	6,500.00	1.00	2,075.00	2,075.00
Total	1.00	17,800.00	17,800.00	1.00	6,500.00	6,500.00	1.00	2,075.00	2,075.00

Description and Purpose: The future EMSS Gateway architecture and capabilities need to undergo a transformation in order to be compatible with the next generation satellite constellation Iridium NEXT. This transformation began in FY 2010 and will continue throughout FY 2016.

Current Deficiency and/or Problem:
Gateway Infrastructure: 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 has been in service since the commencement of the program, is becoming unsupportable. As Iridium Communications Incorporated transitions their commercial service to utilize Iridium NEXT technology, their commercial gateway architecture will also change. To ensure the government's continued ability to receive EMSS/Iridium traffic, the EMSS Gateway will need to be migrated to maintain technical parallel.

EMSS Remote Earth Terminals (ETs): EMSS provides unique mobile satellite services and all global EMSS traffic is down linked and processed at a single location. Due to the current single point of failure at the primary Gateway location, the architecture of the Remote Earth Terminals (ETs) places customers at high risk in the event of a global outage. With additional Remote ETs the EMSS Gateway will be able to receive EMSS/Iridium traffic at an alternative location reducing the chance of service interruption to our customers.

Impact: If the EMSS Gateway is not transformed to remain compatible with the Iridium commercial gateway, EMSS 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.

Telecommunications Services/Enterprise Acquisition Services: Capital Investment Justification			A. FY 2012						
($ in thousands)						BUDGET ESTIMATES			
B. TSEAS / February 2011			C. EE0001 TIBI			D. Defense Information Systems Agency			
Element of Cost	**FY 2010 Quantity**	**FY 2010 Unit Cost**	**FY 2010 Total Cost**	**FY 2011 Quantity**	**FY 2011 Unit Cost**	**FY 2011 Total Cost**	**FY 2012 Quantity**	**FY 2012 Unit Cost**	**FY 2012 Total Cost**
TIBI	1.00	719.00	719.00	1.00	1,545.00	1,545.00	1.00	1,606.00	1,606.00
Total	1.00	719.00	719.00	1.00	1,545.00	1,545.00	1.00	1,606.00	1,606.00

Narrative Justification: DISA's Enterprise Acquisition Services (EAS) business line strives to develop and deploy an automated, fully integrated customer inventory and billing system, to include both telecommunications and non-telecommunications requirements. The goal of the Telecommunications Inventory and Billing Information (TIBI) project is to provide our customer, the warfighter, with the most current information related to their requirements.

Description and Purpose: DISA currently provides contractual, billing, and provisioning information for customer telecommunication requirements, via the TIBI application. The purpose of this project is to expand the net-centric, data-sharing capabilities within TIBI by adding a fully integrated module. This will 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 their costs through the end of the fiscal year and provide the visibility to manage funds more efficiently. This enhancement will be developed in phases. The first phase will develop a pilot application for the non-telecom requirements based on minimal requirements for a limited customer base. Beginning FY 2011 and into FY 2012, TIBI will provide additional capabilities based on requirements defined during the pilot phase to bring the application to full operational capability for all customers. This will involve consolidating data from multiple authoritative source systems and creating a single Web interface. Initial non-telecommunication visibility will be available, with enhancements and integration occurring throughout FY 2012.

Current Deficiency and/or Problem: Customers have expressed concerns that DISA does not provide detailed financial information for their non-telecommunication requirements, in order that they may reconcile their customer billings. Currently, the customer must contact their servicing DFAS Office, where typically the information provided is not at the level of detail needed, or the customer must go to various other sources to pull information related to their requirements.

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

Telecommunications Services/Enterprise Acquisition Services: Capital Investment Justification		A. FY 2012
	($ in thousands)	BUDGET ESTIMATES
B. TSEAS / February 2011	C. EE0004 DDOE Enhancements	D. Defense Information Systems Agency

Element of Cost	FY 2010 Quantity	FY 2010 Unit Cost	FY 2010 Total Cost	FY 2011 Quantity	FY 2011 Unit Cost	FY 2011 Total Cost	FY 2012 Quantity	FY 2012 Unit Cost	FY 2012 Total Cost
DDOE Enhancements	0.00	0.00	0.00	1.00	650.00	650.00	1.00	650.00	650.00
Total	0.00	0.00	0.00	1.00	650.00	650.00	1.00	650.00	650.00

Narrative Justification:

Description and Purpose: The DISA Direct Order Entry (DDOE) is DISA's e-commerce ordering suite of tools, which allow 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-mandated replacement for the FTS2001 Telecommunications System.

Current Deficiency and/or Problem: DDOE must be enhanced to support the broad range of new services on the Networx contract that customers require. This project will support software enhancements to reports, Combined Voice Services, web hosting (FAA), call center support, Emergency Response Service (Army Guard), Unified Messaging System (Army Guard), cell phones, and Networx Management Services.

Impact: Without additional software development to DDOE to support the Networx migration, DISA's customers will experience a loss of services. In addition, manual work-arounds will be required.

Telecommunications Services/Enterprise Acquisition Services: Capital Investment Justification		A. FY 2012
	($ in thousands)	BUDGET ESTIMATES
B. TSEAS / February 2011	C. TO0030 Fire Suppression System	D. Defense Information Systems Agency

Element of Cost	FY 2010 Quantity	FY 2010 Unit Cost	FY 2010 Total Cost	FY 2011 Quantity	FY 2011 Unit Cost	FY 2011 Total Cost	FY 2012 Quantity	FY 2012 Unit Cost	FY 2012 Total Cost
Fire Suppression System	0.00	0.00	0.00	1.00	450.00	450.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	1.00	450.00	450.00	0.00	0.00	0.00

Narrative Justification:

Description and Purpose:

This project includes updating and expanding the existing fire detection and suppression system at DISA CONUS located on Scott Air Force Base in accordance with National Fire Protection Association (NFPA) standards.

Current Deficiency and/or Problem:

The fire detection system needs to be upgraded and expanded in order to provide proper coverage throughout the building and to properly detect and warn occupants of fire. Fire suppression pipes build up rust and corrosion over time, which clogs water lines and plugs the sprinkler heads, severely limiting fire suppression capability.

Impact:

If this project is not completed, the operational mission of DISA CONUS will remain vulnerable to a fire threat. The current aging fire detection and suppression system has limited sensors and potentially clogged sprinkler heads, which places the mission-essential network operations center and building occupants at higher risk in the event of a fire emergency. Completing this project will provide a reliable fire detection and suppression system, as required by federal law and national building codes.

Telecommunications Services/Enterprise Acquisition Services: Capital Investment Justification		A. FY 2012
($ in thousands)		BUDGET ESTIMATES
B. TSEAS / February 2011	C. TO0031 Redundant UPS System	D. Defense Information Systems Agency

Element of Cost	FY 2010 Quantity	FY 2010 Unit Cost	FY 2010 Total Cost	FY 2011 Quantity	FY 2011 Unit Cost	FY 2011 Total Cost	FY 2012 Quantity	FY 2012 Unit Cost	FY 2012 Total Cost
UPS Redundant System	0.00	0.00	0.00	1.00	500.00	500.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	1.00	500.00	500.00	0.00	0.00	0.00

Narrative Justification:

Description and Purpose:

This project will provide a redundant Uninterruptable Power Supply (UPS) in support of the Global Network Operations Support Center (GNSC) and the Global Video Operations Center (GVOC), located at Scott Air Force Base.

Current Deficiency and/or Problem:

Currently, the GNSC and GVOC draw power from two electrical services – 1200 AMP and 1600 AMP. At this time, only the 1200 AMP service has an Uninterruptible Power Source (UPS) to provide emergency backup power. Given the mission critical operations that both the support center and video operations center perform, a backup capability is needed for both electrical services. Additionally, each UPS will act as a redundant capability for the other. During a commercial power outage in September of 2008, the existing UPS failed to carry the critical power load, resulting in downtime for both operations centers. Installing a second UPS will prevent such downtime in the future.

Impact:

Under current conditions, a commercial power outage could halt all processing and jeopardize the DISA CONUS mission due to inadequate emergency electrical support. The continued lack of sufficient emergency back-up power for equipment capacity will not allow DISA to meet its operational requirements.

Telecommunications Services/Enterprise Acquisition Services: Capital Investment Justification									A. FY 2012
($ in thousands)									BUDGET ESTIMATES
B. TSEAS / February 2011			C. TO0035 Voice over Internet Protocol (VoIP)				D. Defense Information Systems Agency		
Element of Cost	**FY 2010 Quantity**	**FY 2010 Unit Cost**	**FY 2010 Total Cost**	**FY 2011 Quantity**	**FY 2011 Unit Cost**	**FY 2011 Total Cost**	**FY 2012 Quantity**	**FY 2012 Unit Cost**	**FY 2012 Total Cost**
VOIP Meeting Place and Installation	0.00	0.00	0.00	0.00	0.00	0.00	1.00	616.00	616.00
Total	0.00	0.00	0.00	0.00	0.00	0.00	1.00	616.00	616.00

Description and Purpose:
This project will procure a video teleconferencing (VTC) capability, leveraging the previously acquired Voice over Internet Protocol (VoIP) service, enabling DISA CONUS employees to hold/participate in VTC's directly from their desks and/or conference rooms. In addition, this capability will serve as the transport backbone for all of DISA CONUS's video teleconferencing requirements. This project will ensure cutting edge technology is at the command's disposal; allow upgrades/changes to occur more rapidly and enable more rapid and interactive communication with our customers.

Current Deficiency and/or Problem:
Currently video teleconferencing (VTC) is extremely limited at DISA CONUS, which causes continuous scheduling issues and reduced communication efficacy with our customers.

Impact:
By not acquiring the new capability, DISA CONUS will continue to utilize old technology for video teleconferences with poor performance and communications quality.

Telecommunications Services/Enterprise Acquisition Services: Capital Investment Justification		A. FY 2012
	($ in thousands)	BUDGET ESTIMATES
B. TSEAS / February 2011	C. TO0033 Replace Aged Air Conditioning Units	D. Defense Information Systems Agency

Element of Cost	FY 2010 Quantity	FY 2010 Unit Cost	FY 2010 Total Cost	FY 2011 Quantity	FY 2011 Unit Cost	FY 2011 Total Cost	FY 2012 Quantity	FY 2012 Unit Cost	FY 2012 Total Cost
Aged Split System Air Conditioning	0.00	0.00	0.00	0.00	0.00	0.00	1.00	438.00	438.00
Total	0.00	0.00	0.00	0.00	0.00	0.00	1.00	438.00	438.00

Narrative Justification:

Description and Purpose:

This project will replace critical aging air conditioning units at DISA CONUS located on Scott Air Force Base, Illinois. The existing air conditioning units are reaching the end of their useful life and require replacement before they fail.

Current Deficiency and/or Problem:

The comfort cooling air conditioning units are reaching the end of their useful life. Units include two large capacity Air Handling Units (23,500 CFM & 25,000 CFM) installed in 1994 and several DX air conditioning units (up to ten units) supporting various rooms that are in need of replacement before they suffer mechanical failure.

Impact:

Retaining the existing air-handling units and existing DX units would keep the existing mechanical equipment in service beyond its life expectancy. The air handling units are providing cooling for many of the administration areas throughout the building. Failure of one of the air-handling units would result in the loss of cooling for those areas. The DX units provide cooling for key computer and telephone equipment areas. Loss of cooling in these areas would require system shut-down to protect computer equipment from damage thereby impacting DISA's mission as a combat support agency.

Capital Budget Execution
Defense Information Systems Agency
Activity Group: TELECOMMUNICATIONS SREVICES AND ENTERPRISE ACQUISITION SERVICES
Date: February 2011
($ in Millions)

Projects on the FY 2011 President's Budget

Fiscal Year	Approved Project	2011 PB	Reprogrammings	Approved Proj. Cost	Current Proj. Cost	Asset/Deficiency	Explanation
FY 2011							
	TO0030 Fire Supression System	0.450	0.000	0.450	0.450	0.000	
	TO0031 UPS Redundant System	0.500	0.000	0.500	0.500	0.000	
	TR0010 JHITS Switch Expansion & Ancil Equip	1.700	0.000	1.700	1.700	0.000	
	TR0026 DISN SME-Protable Elec Dev	0.630	(0.630)	0.000	0.000	0.000	Reprogrammed funding to DDOE Enhancements
	TR0031 EMSS Gateway Transformation	6.500	0.000	6.500	6.500	0.000	
	EE0001 TIBI	1.495	0.000	1.495	1.545	(0.050)	Increased cost for enhancements
	EE0004 DDOE Enhancements	0.000	0.630	0.630	0.650	(0.020)	New requirement
	TOTAL FY 2011	**11.275**			**11.345**		

Activity Group Capital Investment Summary
Defense Information Systems Agency
PE54 COMPUTING SERVICES
February 2011
(Dollars in Millions)

	FY 2010 Quantity	FY 2010 Total Cost	FY 2011 Quantity	FY 2011 Total Cost	FY 2012 Quantity	FY 2012 Total Cost
Equipment Capabilities	**8.000**	**$21.840**	**6.000**	**$25.509**	**10.000**	**$32.000**
Replacement	**8.000**	**$21.840**	**6.000**	**$25.509**	**10.000**	**$32.000**
CE0300 Facilities Equipment	8.000	$21.840	6.000	$25.509	10.000	$32.000
ADPE & Telecom Equipment Capabilities	**3.000**	**$5.200**	**2.000**	**$1.786**	**5.000**	**$5.982**
Telecoms, Other Computer & Telecom Support Equip	**3.000**	**$5.200**	**2.000**	**$1.786**	**5.000**	**$5.982**
CE0400 Communications	3.000	$5.200	2.000	$1.786	3.000	$5.482
CX0100 Storage - Tech Refresh	0.000	$0.000	0.000	$0.000	2.000	$0.500
Software Development	**7.000**	**$1.200**	**2.000**	**$2.500**	**2.000**	**$3.000**
Externally Developed	**7.000**	**$1.200**	**2.000**	**$2.500**	**2.000**	**$3.000**
CV0200 Software Development	7.000	$1.200	2.000	$2.500	2.000	$3.000
Minor Construction Capabilities	**3.000**	**$1.000**	**4.000**	**$1.074**	**4.000**	**$2.500**
New Mission	**3.000**	**$1.000**	**4.000**	**$1.074**	**4.000**	**$2.500**
CE0200 Minor Construction - Facilities	3.000	$1.000	4.000	$1.074	4.000	$2.500
Total Obligations	**21.000**	**$29.240**	**14.000**	**$30.869**	**21.000**	**$43.482**
Capital Outlays (below threshold)		$1.082		$2.000		$2.000
Capital Outlays (above threshold)		$20.150		$46.069		$25.482
Total Capital Outlays		**$21.232**		**$48.069**		**$27.482**
Total Depreciation Expense		**$19.895**		**$16.439**		**$21.169**

COMPUTING SERVICES: Capital Investment Justification							A. FY 2012 Budget Estimates		
($ in Thousands)									
B. Computing Services / February 2011			**C. CE0300 Non-ADP Equipment**			**D. Defense Information Systems Agency**			
Element of Cost	**FY 2010 Unit Cost**	**FY 2010 Quantity**	**FY 2010 Total Cost**	**FY 2011 Unit Cost**	**FY 2011 Quantity**	**FY 2011 Total Cost**	**FY 2012 Unit Cost**	**FY 2012 Quantity**	**FY 2012 Total Cost**
Facilities Equipment	2,730.00	8.00	21,840.00	4,251.50	6.00	25,509.00	3,200.00	10.00	32,000.00
Total	2,730.00	8.00	21,840.00	4,251.50	6.00	25,509.00	3,200.00	10.00	32,000.00

Narrative Justification

Description and Purpose:

Raised floor equipment technical refresh to include Non-ADPE & Telecomm Equipment such as Power Distribution Units (PDUs), generators and Computer Room Air Conditioners (CRACs) are needed at DECC Pacific in FY 2011. Power and air condition equipment are necessary to support the ADP systems at these sites. Existing systems at DECC Pacific are either at their full capacity for cooling their raised floor environment or beyond their projected useful life.

Upgrade/replace Uninterrupted Power Supply (UPS)/electrical system equipment at Processing Element (PE) Dayton, OH (installed in 1996) and Defense Enterprise Computing Center (DECC) Pacific (installed in 2004) in FY 2011; Systems Management Center (SMC) Montgomery, AL (installed in 2006), and PE Chambersburg, PA (installed in 1995) in FY 2012. The existing systems are either at or past the end of their projected useful life and will need an upgrade in order to provide sustained and clean conditioned power.

Design upgrade of UPS/electrical system at SMC Montgomery, AL in FY 2011; PE Warner Robbins, GA and PE Huntsville, AL in FY 2012. Upgrade required to support future workload growth.

Upgrade building automation system at PE Huntsville, AL and SMC Ogden, UT in FY 2012 in order to adequately monitor and control the building environment.

Design upgrade/replacement of chillers, pumps and cooling towers at PE Dayton, OH in FY 2011; PE Warner Robbins, AL and PE Huntsville, AL in FY 2012. Upgrade required to support future workload growth.

Upgrade/replace chillers, pumps and cooling towers at DECC Pacific in FY 2011 and PE Dayton, OH in FY 2012.The existing systems are either at their full capacity for cooling their raised floor environment or beyond their projected useful life. The existing systems require upgrades to maintain cooling capability for current and future ADP equipment.

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. The acquisition timetable for equipment design, manufacture and replacement is 18-30 months. To maintain operational capability, we must plan and invest now to ensure future viability.

Impact:

If these system and infrastructure investments/requirements are not funded, safety hazards and mission failure may result. Age-related infrastructure and equipment deficiencies can result in unplanned 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 UPS have resulted in reduced data center energy consumption of 3% through more efficient units which use less power. Also generator upgrades/replacements have resulted in reduced fuel consumption estimated between 5-10% due to more efficient units. Upgrade/replacement of mechanical systems and chillers yield 20% more cooling for the same amount of power consumption which equates to potential building energy consumption savings of 4-7%.

COMPUTING SERVICES: Capital Investment Justification							A. FY 2012 Budget Estimates		
($ in Thousands)									
B. Computing Services / February 2011			**C. CE0400 Communications**			**D. Defense Information Systems Agency**			
Element of Cost	**FY 2010 Unit Cost**	**FY 2010 Quantity**	**FY 2010 Total Cost**	**FY 2011 Unit Cost**	**FY 2011 Quantity**	**FY 2011 Total Cost**	**FY 2012 Unit Cost**	**FY 2012 Quantity**	**FY 2012 Total Cost**
Communications	1,733.33	3.00	5,200.00	893.00	2.00	1,786.00	1,827.33	3.00	5,482.00
Total	1,733.33	3.00	5,200.00	893.00	2.00	1,786.00	1,827.33	3.00	5,482.00

Narrative Justification
Description and Purpose:

DISA Computing Services provides premiere data processing capability across all of DOD. As such DISA must maintain secure, highly available, and high speed network capabilities during a time when security hackers are becoming more aggressive. DISA manages, maintains and upgrades the datacenter communication infrastructure across the enterprise.

This capital investment category is to upgrade cabling and network topology at Processing Element (PE) Dayton, OH in FY 2011 and at PE Columbus, OH and Systems Management Center (SMC) Oklahoma City, OK in FY 2012. This includes adding switches, routers and other network devices to the existing infrastructure to increase bandwidth and speed. This is necessary to support increased workload, higher speed virtual servers and improve network security.

Install National Security Agency (NSA) Certified encryption devices on circuits to provide expanded secure bandwidth capacity at SMC Mechanicsburg, PA, PE Huntsville, AL and SMC Ogden, UT in FY 2011 and at Infrastructure Service Center (ISC) Columbus, OH, PE Dayton, OH and SMC Oklahoma City, OK in FY 2012. There is a need for encryption devices from DISA's DECCs to the SIPRNET in order to comply with the DOD's policy on secure networks.

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 and new customer workloads migrate to Computing Services, on the Out of Band and production networks. 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.

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 2012 Budget Estimates		
($ in Thousands)									
B. Computing Services / February 2011			**C. CX0100 Storage - Tech Refresh**			**D. Defense Information Systems Agency**			
Element of Cost	**FY 2010 Unit Cost**	**FY 2010 Quantity**	**FY 2010 Total Cost**	**FY 2011 Unit Cost**	**FY 2011 Quantity**	**FY 2011 Total Cost**	**FY 2012 Unit Cost**	**FY 2012 Quantity**	**FY 2012 Total Cost**
Storage - Tech Refresh	0.00	0.00	0.00	0.00	0.00	0.00	250.00	2.00	500.00
Total	0.00	0.00	0.00	0.00	0.00	0.00	250.00	2.00	500.00

Narrative Justification
Description and Purpose:

Storage for unclassified processing systems using server based operating systems is the fastest growing segment of DISA's infrastructure. The increasing deployment of online web based systems, the redeployment of mainframe systems to open systems, expanding requirements of existing systems and increasing new regulatory requirements such as the DoD 5015 Design Criteria Standards for Electronic Record Management Software Application are all factors contributing to the rapidly increasing demand for storage resources. Storage requirements are currently being met using a capacity as a service contract. A small capital amount has been programmed into FY 2012, as some growth falls outside the scope of the capacity services contract. For example, for non-standard operating platforms, the capacity services approach will not cover these requirements.

Current Deficiency and/or Problem:

Existing DISA storage resources are either nearing the end of their useful life or require sufficient upgrades to meet customers' requirements. These growth requirements must be met by either upgrading existing storage systems or acquiring new systems. While a new projected on-demand capacity contract can address most of the new systems requirements, upgrading existing storage systems that still have technical or financial life is outside the scope of that contract approach. This request provides funds for upgrading those currently owned assets. Computing Services supports customers who have deployed unique operating environments. These environments are proprietary in nature and require storage assets from a limited or single source. These storage solutions, due to their proprietary nature also fall outside the scope of the capacity services contract approach. DISA has

the responsibility of providing life cycle sustainment of these systems and their related storage resources. Sustainment means replacing or upgrading a portion of these resources on an annual basis to meet customers' service level agreements. Funding will be required for both legacy open systems and mainframes systems.

Impact:

Not all storage equipment can be technology refreshed through the capacity on demand contract, therefore failure to fund these projects would result in DISA not being able to provide the storage capacity required to meet its expected customer requirements. The requirements include new media servers, replacement of old/unusable storage infrastructure hardware, and increased growth in data volumes and other regulatory or mission requirements, which translate into more storage capacity.

COMPUTING SERVICES: Capital Investment Justification							A. FY 2012 Budget Estimates		
($ in Thousands)									
B. Computing Services / February 2011			**C. CV0200 Software Development**				**D. Defense Information Systems Agency**		
Element of Cost	**FY 2010 Unit Cost**	**FY 2010 Quantity**	**FY 2010 Total Cost**	**FY 2011 Unit Cost**	**FY 2011 Quantity**	**FY 2011 Total Cost**	**FY 2012 Unit Cost**	**FY 2012 Quantity**	**FY 2012 Total Cost**
Software Development	171.43	7.00	1,200.00	1,250.00	2.00	2,500.00	1,500.00	2.00	3,000.00
Total	171.43	7.00	1,200.00	1,250.00	2.00	2,500.00	1,500.00	2.00	3,000.00

Narrative Justification
Description and Purpose:

The DISA Computing Service 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 employs a variety of geographically dispersed mainframes and computing systems which require funding to support the enterprise environment. Standard Operating Environment (SOE) projects require software investments which will eliminate functionally equivalent products, streamline the inventory and create the most efficient processing environment for the customer at the least 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 elimination of functionally equivalent software and the associated duplicative costs. Investment in standardizing software tools to standardize 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 reduce functionally redundant and less secure terminal access to the mainframes, a phased approach to migrate 90,000 users in FY 2011 and FY 2012 to a standard De-militarized Zone Mainframe Internet Access Portal (MIAP) is required.

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: Capital Investment Justification							A. FY 2012 Budget Estimates		
($ in Thousands)									
B. Computing Services / February 2011			C. CE0200 Minor Construction - Facilities				D. Defense Information Systems Agency		
Element of Cost	**FY 2010 Unit Cost**	**FY 2010 Quantity**	**FY 2010 Total Cost**	**FY 2011 Unit Cost**	**FY 2011 Quantity**	**FY 2011 Total Cost**	**FY 2012 Unit Cost**	**FY 2012 Quantity**	**FY 2012 Total Cost**
Minor Construction	333.33	3.00	1,000.00	268.50	4.00	1,074.00	625.00	4.00	2,500.00
Total	333.33	3.00	1,000.00	268.50	4.00	1,074.00	625.00	4.00	2,500.00

Narrative Justification
Description and Purpose:

Several facility enhancements are planned in FY 2011 and FY 2012: 1.) Mechanical room renovation in FY 2011 at SMC Montgomery, AL. Two fully vacated and two partially vacated mechanical rooms will be renovated and used as administrative and/or storage. 2.) Computer Room expansion at DECC Pacific in FY 2011; This project will include executing the build-out of 13,000 square feet of vacant space. The vacant space will be constructed as usable computer room space and will increase the capacity of the existing electrical and mechanical equipment. 3.) SMC Mechanicsburg, PA, SMC Ogden, UT, and Infrastructure Service Center (ISC) St Louis, IL, will require a 100% design for the Anti-Terrorism Force Protection (ATFP) infrastructure in FY 2011. These projects are necessary to fully comply with DoD code UFC-4-010-01 DoD Minimum Anti-Terrorism Standards for buildings. 4.) SMC Ogden, UT and ISC St. Louis, MO, will require a design upgrade/enhancement for the ATFP infrastructure in FY 2012. These projects are necessary to fully comply with the findings in the Defense Threat Reduction Agency report. 5.) Electrical system upgrade at SMC Montgomery, AL in FY 2012. The existing system is inadequate to support future workload requirements. This upgrade includes some minor construction.

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 2011
(Dollars in Millions)

Projects on the FY 2011 President's Budget

Fiscal Year	Approved Project	2011 PB	Reprogrammings	Approved Project Cost	Current Project Cost	Asset/Deficiency	Explanation
FY 2011	Non - ADP Equipment	25.509	0.000	25.509	25.509	0.000	
	Systems Management ADP	0.000	0.000	0.000	0.000	0.000	
	Communications Equipment	1.786	0.000	1.786	1.786	0.000	
	Server - Customer	0.000	0.000	0.000	0.000	0.000	
	Storage - Tech Refresh	1.000	(1.000)	0.000	0.000	0.000	Reprogram funding to Software Development
	Software Development	1.500	1.000	2.500	2.500	0.000	Mainframe Internet Access Portal Architecture Expansion
	Minor Construction - Facilities	1.074	0.000	1.074	1.074	0.000	
	TOTAL FY 2011	**30.869**			**30.869**		

DEFENSE LOGISTICS AGENCY
DEFENSE-WIDE WORKING CAPITAL FUND
SUPPLY CHAIN MANAGEMENT ACTIVITY GROUP
FISCAL YEAR (FY) 2012 BUDGET ESTIMATES
ACTIVITY GROUP CAPITAL INVESTMENT SUMMARY
($ IN MILLIONS)

Line Number	Item Description/Capability	FY 2010		FY 2011		FY 2012			
				Quantity	Total Cost	Quantity	Total Cost		
REP 200-01	Material Handling/Storage Space Utilization - Materiel Supply Chain	1	0.580						
REP 200-02	Material Handling/Storage Space Utilization - Distribution	6	6.829	7	14.334	11	8.570		
NEW 200-03	Material Handling/Storage Space Utilization - Distribution	1	0.529	1	3.700	1	2.250		
PRD 200-04	Material Handling/Storage Space Utilization - Distribution					2	2.698		
REP 200-05	Installation Security - Materiel Supply Chain	5	3.102	3	2.025	2	1.781		
REP 200-06	Installation Security - Distribution	1	0.939	1	0.460	3	2.270		
NEW 200-07	Installation Security - Distribution			3	1.150	5	2.812		
REP 200-08	Quality Control - Materiel Supply Chain			1	0.350				
REP 200-09	Material Disposal - Disposition	2	0.819	2	1.220	2	1.320		
NEW 200-10	Material Handling/Storage Space Utilization - Materiel Supply Chain			1	6.500				
	TOTAL EQUIPMENT (Non ADP/T)	16	12.798	19	29.739	26	21.701		
TEL 100	Telecommunications - Materiel Supply Chain	6	10.549	6	8.424	4	2.568		
TEL 200	Telecommunications - Distribution	1	0.240	2	1.350	2	2.844		
PRD 100	Production Hardware - Materiel Supply Chain	2	3.561	3	6.709	2	3.889		
PRD 200	Production Hardware - Disposition			1	2.183	1	2.757		
NET 100	Network Hardware - Distribution	4	9.019	3	7.564	4	15.800		
	TOTAL EQUIPMENT (ADP/T)	13	23.369	15	26.230	13	27.858		
SWD 200-01	Supply Chain Management - eProcurement		55.676		49.555		0.000		
SWD 200-02	Supply Chain Management - Common Food Management System		15.921		20.120		18.000		
SWD 200-03	Supply Chain Management - Enterprise Business System		22.955		24.982		17.789		
SWD 200-04	Supply Chain Management - Defense Medical Logistics Standard System		4.004		2.401		2.397		
SWD 200-05	Supply Chain Management - DoD EMALL		0.502		4.955		5.622		
SWD 200-06	Supply Chain Management - Functional Executive Agent Medical Support		5.315		0.000		1.995		
SWD 200-07	Supply Chain Management - Reutilization Business Integration		18.914		14.230		8.279		
SWD 300-01	Net-Centric Hubs - Fusion Center		4.719		2.652		2.706		
SWD 300-02	Net-Centric Hubs - Integrated Data Environment		3.926		1.500		1.500		
SWD 300-03	Net-Centric Hubs - Enterprise Business Software		1.912		0.000		0.300		
SWD 300-04	Net-Centric Hubs - Asset Visibility		0.000		0.500		0.500		
SWD 400-01	Master Data - Federal Logistics Information System		2.075		4.075		2.075		
SWD 400-02	Master Data - CPARS and PPIRS		0.000		1.040		1.062		
SWD 500-01	Distribution - Radio Frequency Identification		0.000		0.312		1.814		
SWD 500-02	Distribution - Distribution Standard System		0.000		1.022		1.064		
	TOTAL SOFTWARE DEVELOPMENT		135.919		127.344		65.103		
REP 200-01	Minor Construction $100,000 - $750,000 (Materiel Supply Chain)		3.399		3.871		3.126		
REP 200-02	Minor Construction $100,000 - $750,000 (Distribution)		10.826		10.711		8.997		
REP 200-03	Minor Construction $100,000 - $750,000 (Disposition)		2.701		2.125		2.325		
	TOTAL MINOR CONSTRUCTION		16.926		16.707		14.448		
	TOTAL AGENCY CAPITAL INVESTMENTS	29	189.012	34	200.020	39	129.110		
	Total Capital Outlays		164.776		145.220		96.255		
	Total Depreciation Expense		147.355		201.465		206.168		

Activity Group Capital Investment Justification

(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012 Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
Non-ADP Equipment - Replacement

D. Activity Identification
Materiel Supply Chain

Element of Cost	FY 2010			FY 2011			FY 2012					
	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	1	580	580									

Narrative Justification:

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. The FY 2010 requirement was for a mini loader at DLA Aviation in Richmond.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
Non-ADP Equipment - Replacement

D. Activity Identification
DLA Distribution

Element of Cost	FY 2010			FY 2011			FY 2012					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 200-02 Material Handling/Storage Space Utilization - Replacement	6	1,138.1	6,829	7	2,048	14,334	8	1,071	8,570			

Narrative Justification:

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 2011 include a Container Handler Forklift, Towline Systems, Sortation Systems, Mezzanine and Bin Systems, and a 75 Ton Bridge Crane. Projects in FY 2012 include Saddle trucks, Container Handler, Building storage upgrades, and Racks systems.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
Non-ADP Equipment - Replacement

D. Activity Identification
DLA Distribution

Element of Cost	FY 2010			FY 2011			FY 2012					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
NEW 200-03 Material Handling/Storage Space Utilization – New Mission	1	529	529	1	3,700	3,700	1	2,250	2,250			

Narrative Justification:

These investments are 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. All productivity related projects normally provide a payback of not more than five years and savings to investment ratio of greater than one.

Projects FY 2011 include equipment for a new Distribution Center at DLA Distribution Europe (DDDE) and for a new General Purpose Warehouse (GPW) at DLA Distribution San Joaquin (DDJC) The equipment for GPW at DDJC will provide a high-rise narrow aisle pallet rack storage system, turret trucks, including batteries and chargers, a rail guidance system for material handling equipment and intra-depot transporter conveyors. The Distribution Center at DDDE will include various systems to support storage, material movement, packing, sorting, receiving and shipping. Installation of the new material handling equipment will lower overall material handling costs, reduce facility space requirements and decrease warehouse processing times. Project in FY 2012 includes equipment for HQ building for DLA Distribution.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012 Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
Non-ADP Equipment - Replacement

D. Activity Identification
DLA Distribution

Element of Cost	FY 2010			FY 2011			FY 2012					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
PRD 200-04 Material Handling/Storage Space Utilization – Productivity							2	1,349	2,698			

Narrative Justification:

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.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
Non-ADP Equipment - Replacement

D. Activity Identification
Materiel Supply Chain

Element of Cost	FY 2010			FY 2011			FY 2012					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 200-05 Installation Security	5	620.4	3,102	3	675	2,025	2	890.5	1,781			

Narrative Justification:

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.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
Non-ADP Equipment - Replacement

D. Activity Identification
DLA Distribution

Element of Cost	FY 2010			FY 2011			FY 2012					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 200-06 Installation Security	1	939	939	1	460	460	3	756.7	2,270			

Narrative Justification:

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.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
Non-ADP Equipment - New

D. Activity Identification
DLA Distribution

Element of Cost	FY 2010			FY 2011			FY 2012					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
New 200-07 Installation Security				3	383.3	1,150	5	562.4	2,812			

Narrative Justification:

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.
.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
Non-ADP Equipment - Replacement

D. Activity Identification
Materiel Supply Chain

Element of Cost	FY 2010			FY 2011			FY 2012					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 200-08 Quality Control				1	350	350						

Narrative Justification:

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.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
Non-ADP Equipment - Replacement

D. Activity Identification
DLA Disposition Services

Element of Cost	FY 2010			FY 2011			FY 2012					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 200-09 Material Disposal –Replacement	2	409.5	819	2	610	1,220	2	660	1,320			

Narrative Justification:

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.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
Non-ADP Equipment - New

D. Activity Identification
Materiel Supply Chain

Element of Cost	FY 2010			FY 2011			FY 2012					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
NEW 200-10 Material Handling/Storage Space Utilization - Replacement				1	6,500	6,500						

Narrative Justification:

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.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
TEL 100 Telecommunications Equipment

D. Activity Identification
Materiel Supply Chain

Element of Cost	FY 2010			FY 2011			FY 2012					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
TEL 100 Telecommunications	6	1,758.1	10,549	6	1,404	8,424	4	642	2,568			

Narrative Justification:

This investment for telecommunications equipment is in support of DLA Land and Maritime and DLA Aviation. This equipment will ensure that data transmissions from voice to video are successful. Requirements include telephone switches, Local Area Network (LAN) 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 upgrade is directed by the FY03-07 Program Objective Memorandum (POM) guidance. 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 are 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.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
TEL 200 Telecommunications Equipment

D. Activity Identification
DLA Distribution

Element of Cost	FY 2010			FY 2011			FY 2012					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
TEL 200 Telecommunications	1	240	240	2	675	1,350	2	1,422	2,844			

Narrative Justification:
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. During FY2007, site surveys were performed at seven OCONUS distribution centers with equipment installed at two of those sites (DLA Distribution Guam and Pearl Harbor). Passive RFID printer had been purchased in preparation for MRO-level tagging at pick. During FY2008, expansion in support of the JRIMM project was performed at DLA Distribution Pearl Harbor. RFID printers were shipped to all the CONUS sites and two OCONUS sites. Additional RFID portals had been installed at a new building at DLA Distribution New Cumberland. In FY09, all 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. A project at DLA Distribution San Joaquin (DDJC) has been developed and spearheaded by DLA/HQ/J33. 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. Upon the successful completion of this project, its proven concepts and associated technologies will be propagated to the remaining Distribution Centers. Last Business case analysis was performed by DORRA in February 2005. Economic analysis under consideration by DLA/J379; 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. 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.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Management – Non Energy Activity Group February 2011

C. Line Number & Item Description
PRD 100 Production Hardware

D. Activity Identification
Material Supply Chain

Element of Cost	FY 2010			FY 2011			FY 2012					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
PRD 100 Production Hardware	2	1,780.5	3,561	3	2,236.3	6,709	2	1,944.5	3,889			

Narrative Justification: 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.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Management – Non Energy Activity Group February 2011

C. Line Number & Item Description
PRD 200 Production Hardware

D. Activity Identification
DLA Disposition Services

Element of Cost	FY 2010			FY 2011			FY 2012					
	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			

Narrative Justification:

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).

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Management – Non Energy Activity Group February 2011

C. Line Number & Item Description
PRD 200 Production Hardware

D. Activity Identification
DLA Distribution

Element of Cost	FY 2010			FY 2011			FY 2012					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
NET 100 Network Hardware	4	2,254.7	9,019	3	2,521.3	7,564	4	3,950	15,800			

Narrative Justification:

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.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
SWD 200 Software Development $1.0 and Over

D. Activity Identification
Supply Chain Management

Element of Cost	FY 2010			FY 2011			FY 2012					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-01												
EProcurement			55,676			49,555						

Narrative Justification:

EProcurement started as a pre-planned post-FOC product improvement to the procurement capabilities delivered with Enterprise Business System (EBS). The program is currently awaiting re-designation 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 COTS architecture as a replacement to DLA's legacy procurement systems. In FY 2010, 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 2012, 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.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
SWD 200 Software Development $1.0 and Over

D. Activity Identification
Supply Chain Management

Element of Cost	FY 2010			FY 2011			FY 2012					
	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)			15,921			20,120			18,000			

Narrative Justification:

The Common Food Management System (CFMS), a DLA-financed and DLA-managed system, will replace military food management systems with a single retail system for the DoD. It will incorporate all food management functions performed by the Service legacy systems, in addition to the catalog, order, receipt, and management information currently provided by DLA wholesale systems. The CFMS capability is founded on commercial-off-the-shelf software with some DOD specific modifications and several RICE (Reports, Interfaces, Conversions and Extensions) objects addressing the special requirements of a DOD-wide system operating in CONUS and OCONUS. CFMS will be the automation tool for total supply chain integration for Class I and will support DLA's role as Executive Agent.

Moving to a DLA-financed single retail system for Class I will reduce system maintenance costs across the DOD and will assure that the Military Services continue ordering their garrison feeding from DLA. An economic analysis was conducted in 2004 to identify the full scope of the anticipated savings. The Economic Analysis was refreshed in early FY 2009 resulting in an ROI of 3.98 and total savings of $529,641.00 for FY 2011-2015. A formal Economic Analysis supporting the recently re-baselined program will be completed in Sep 2010. The program also accrues benefit from more efficient inventory management and financial compliance across the Military Services. This initiative is certified annually by the BTA IRB, has completed assertion to the BEA v6.0, and is in process of being assessed by DCMO for Business Process Re-engineering compliance. The program complies with information assurance and accessibility requirements as well as financial regulations such as the Standard Financial Information Structure (SFIS) and Federal Financial Management Improvement Act (FFMIA).

The FY 2011 funding supports operational testing and evaluation of CFMS Increment 1 and subsequent deployment to US Marine Corp dining facility locations. It also supports development and initial testing of Increment 2 for the US Air Force and US Navy (ashore). The FY 2012 funding supports operational testing and evaluation of CFMS Increment 2 and subsequent deployment to the US Air Force and US Navy (ashore) locations. It also supports development and initial testing of Increment 3 for the US Navy (afloat). The funding in FY 2011and FY 2012 also includes development and delivery of training materials for Increments 1 and 2 deployments and purchase and delivery of equipment to support the front and back of the house solutions.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012 Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
SWD 200 Software Development $1.0 and Over

D. Activity Identification
Supply Chain Management

Element of Cost	FY 2010			FY 2011			FY 2012					
	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)			22,955			24,982			17,789			

Narrative Justification:

The Enterprise Business System (EBS), DLA's Enterprise Resource Planning (ERP) platform, was developed and introduced into DLA operations with investment dollars managed through the Business Systems Modernization (BSM), Customer Relationship Management (CRM), Product Data Management Initiative (PDMI), Enterprise Operations Accounting System (EOAS), and EProcurement programs which are now part of the EBS process/systems integration framework. BSM established the core architecture for DLA's Enterprise Business System as the ERP platform for supply chain management of DLA's 5.2 million hardware and troop support items. EBS is the IT foundation that enables DLA to fully implement electronic business, web-based technologies, and an interoperable data environment. Quantitative benefits to be achieved as a result of the BSM program include improved demand forecasting and improved operational effectiveness and efficiencies and retirement of the legacy material management systems (Standard Automated Material Management System and Defense Integrated Subsistence Management System).

The continuing sustainment of this effort includes modernization technology upgrades and capability improvements that are required to support future critical EBS initiatives and to extend the DLA enterprise into a post-BRAC environment. Included are upgrades for SAP Customer Support Management (formerly CRM) and Manugistics, and new SAP capabilities to replace DLA's Real Property Inventory (RPI) applications. In addition, capital investment funding will be used for functional System Change Requests (SCRs) that are at or above the capital threshold.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012 Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
SWD 200 Software Development $1.0 and Over

D. Activity Identification
Supply Chain Management

Element of Cost	FY 2010			FY 2011			FY 2012					
	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			4,004			2,401			2,397			

Narrative Justification:
The Defense Medical Logistics Standard Support-Wholesale (DMLSS-W) is an integrated system supporting the medical logistics needs of the Services and the Warfighter. The program directly funds the business process improvements and Management Information System (MIS) enhancements at DLA Troop Support, with benefits and savings cascading throughout the entire DoD medical logistics supply chain. In FY 2011 - 2012 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 (PV) Contract and associated business processes. To support the Medical Master Catalog, DMLSS-W will re-engineer software to create and modify catalog feeds providing enhanced customer access to data and improving Prime Vendor transactions. The development of new Regional Incentive Applications (RIAs) functionality and re-engineering of DAPA Holder entry applications for DAPAs will improve accuracy for customers, PVs and price adjudicators. The development of new Gen IV transaction items within the Catalog and the programming of automated Catalog Discrepancy Management Processes will provide DLA Troop Support and customers with tools to better manage catalog data. The development of real-time electronic price verification capability will ensure correct prices at the point of order confirmation and that DoD customers will have access to the lowest available pricing. To support Gen IV customer information, DMLSS-W will re-engineer Contract and Customer Data Systems and Fill Rate reporting. The development of Pricing Management will support Prime Vendor Exclusive (PVE) DAPA as a replacement for ACPOP. Service Level Election Function (SLEF) will be re-engineered to include functionality for US embassies and Master Ordering Facilities (MOFs). Software will be developed in order to share trading partner data with PVs and external ordering systems, replacing error-prone manual processes with timely, accurate system interfaces. The development of a workflow within the Defense Medical Logistics Item Identification System (DMLIIS) will support collaboration to fulfill the Gen IV implementation of New Item Request (NIR). The re-engineering of the Readiness Portal will enable customers to retrieve medical product information from a single source and will enable the system to support emerging Medical Contingency Requirements. DMLSS-W will continue the development of Item Source Selection (ISS) to program and model “what-if” scenarios based on commercial part numbers and other commercial identifiers, enhancing sourcing ability for available contracting vehicles to better equip the Warfighter during contingency operations. DMLSS-W will re-engineer the receipt confirmation process to support Wide Area Workflow (WAWF). The electronic catalog will be re-engineered to streamline catalog updates, accept customer requisitions in the form of electric data interchange (EDI) and generate return status in the EDI format. This will manage individual contract fund limits and automatically suspend catalogs that reach their limit and more securely process government purchase cards, and enable customers to substitute authorized items for readiness materials support. Development of Service Oriented Architecture (SOA) will continue with the creation of additional web services and updating and expanding the SOA Framework. Synchronized data will continue to be transferred from the Product Data Bank (PDB) into DMLSS-W applications, in preparation for functional integration with MedPB. The ROI for the DMLSS Program is almost 6 to 1. The benefits estimate is over $3.6 billion across DoD from FY 2002 through FY 2012.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
SWD 200 Software Development $1.0 and Over

D. Activity Identification
Supply Chain Management

Element of Cost	FY 2010			FY 2011			FY 2012					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-05 DOD EMALL			502			4,955			5,622			

Narrative Justification:
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 perform development and enhancements for all aspects of DOD EMALL including Search & Shopping (replacing ePort & eBroker), Ordering & User Profile, and Business Rule Engine & Integrated Customer Acquisition. This includes a link to generate MOES cancellation for EMALL charged orders (Credit/Chargeback amounts). Inventory Management and Stock Positioning (IMSP) supports BRAC to permit retail operations by DLA personnel at military service depots. Government Purchase Card (GPC) validity checks to improve interoperability with pay.gov. Multiple Ship-to in an order to allow multiple ship to addresses (one order to be dispersed to multiple locations). Create FPDS-NG feed from orders placed and provide an interface to report all contracting actions. DLA Troop Support Special Ops Project (C&E) Financial Updates from/to EBS (Spiral 2), Funds Control Module (FCM)-Army and Marines and Wide Area Work Flow (WAWF) Integration.
In FY 2012, EMALL will develop and enhance Log Feed to US Bank Access On Line (GPC), which will in turn enhance system to system communications to reduce reconciliation problems. Retain Shopper Identify in Send Cart – Currently shopper identity is stripped when forwarded to orderer. DLA Troop Support Special Ops Project (C&E) Financial Updates from/to EBS (Spiral 3). FCM-Navy ERP and WAWF Integration. Incorporate Business Decision Logos. Create interface with US Bank Access Online to send level III data from EMALL GPC Orders - Commissary. Enable GSA Ordering using GPC. Vendor Order Download Site to provide a tool for DOD EMALL vendors to enable external downloading of DOD EMALL orders. Site Redesign – Modernization facelift for DOD EMALL to follow industry best practices (BCA completed to support modernization).
In FY 2013, EMALL will develop and enhance Log Feed to US Bank Access On Line (GPC), which will in turn enhance system to system communications to reduce reconciliation problems. Retain Shopper Identify in Send Cart – Currently shopper identity is stripped when forwarded to orderer. DLA Troop Support Special Ops Project (C&E) Financial Updates from/to EBS (Spiral 4). Continued FCM-Navy ERP and WAWF Integration. Incorporate Business Decision Logos. Create interface with US Bank Access Online to send level III data from EMALL GPC Orders - Commissary. Enable GSA Ordering using GPC. Vendor Order Download Site to provide a tool for DOD EMALL vendors to enable external downloading of DOD EMALL orders. Full integration with Purchase Card On-Line System (PCOLS) and Electronic Document Access (EDA). Site Redesign – Continue DOD EMALL Modernization to follow industry best practices. (BCA 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.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012 Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
SWD 200 Software Development $1.0 and Over

D. Activity Identification
Supply Chain Management

Element of Cost	FY 2010			FY 2011			FY 2012					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-06 Functional Executive Agent Medical Support (FEAMS)			5,315			0			1,995			

Narrative Justification:
The Functional Executive Agent Medical Support (FEAMS) supports DLA as the Class VIII Executive Agent by focusing development on the following 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 capital investment will deliver increments of system functionality delivered over multiple phases. The 1st phase, which covers FY2010-2012, will launch MCRW and deliver capability to produce scenario-dependent contingency requirements and enable consolidated forecasting and financing of the Services' surge and sustainment requirements for medical materiel. In this phase, FEAMS will leverage established partnerships to develop a pilot application by encapsulating complete end-to-end workflow processes for one defined MCRW stakeholder. In this effort, FEAMS will provide support to the development of Humanitarian Assistance / Disaster Relief (HA/DR) data for COCOM customers (PACOM lead), which will enable MCRW to extend its utility to both military and humanitarian efforts. Concurrently, MCRW will establish a workflow and portal based application development platform based on COTS tools for engineering the end-end pilot and future functionalities. 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. Phase 1 activity will establish the foundation to enable additional MCRW workflows for new functionality and customer groups in subsequent phases. FEAMS will also participate in DLA and DML configuration control board processes, prepare and coordinate appropriate acquisition documentation and approvals, and obtain required DIACAP certifications and approvals for new capabilities. DSC will extend beyond the supply chain management measures and indicators currently contained in the Fusion Center and will focus on leveraging existing information technology to the maximum extent possible to develop necessary metrics and acquire supporting data. MPS work effort will drive 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. All of these capabilities will significantly enhance support of the Warfighter. The FEAMS Business Case Analysis completed in March 2008 identified potential cost avoidances for DLA and the Services' Medical Logistics Supply Chain of $124M over the effective life FY 2012 – FY 2022.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012 Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
SWD 200 Software Development $1.0 and Over

D. Activity Identification
Supply Chain Management

Element of Cost	FY 2010			FY 2011			FY 2012					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-07 Reutilization Business Integration (RBI) (formerly RMP)			18,914			14,230			8,279			

Narrative Justification:

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 Integrated Data Environment (IDE). 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.

The DLA Distribution Standard System (DSS) will accommodate DLA Disposition Services Receipt, Store, Issue and other disposition processes. System Change Requests (SCRs) are being developed from Joint Application Design (JAD) teams comprised of DLA Disposition Services, DLA Distribution, DLA Logistics Information Service, and associated DLA Information Operations support organizations. 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 (currently pending selection in FY 2010). RBI will utilize the IDE to provide data to Service Agency systems. IDE provides access to master data sources improving data quality and timeliness.

FY 2010 funds will include continued functional and technical SCR documentation and development into the coding of DSS and EBS requirements; SCRs for IDE will be written and design will commence. FY 2010 funds will also include purchase of a COTS tool to serve as the RBI Sales solution, and the support to customize and integrate the Sales tool with EBS financials. FY 2011 funds will include EBS technical landscape management costs as well as continued SCR development/build/test/deploy activities for EBS, DSS, RBI Sales solution and IDE. FY 2012 funds will continue SCR build/test/deploy activities for EBS, DSS, Sales and IDE. 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.

An Economic Analysis Addendum (Revision 4) is currently in coordination in FY 2010. Benefits are expected to begin accruing in FY 2011, with payback expected in FY 2013. Overall RBI program benefits, through FY 2022, are expected to be over $185M (in discounted dollars).

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
SWD 300 Software Development $1.0 and Over

D. Activity Identification

Element of Cost	FY 2010			FY 2011			FY 2012					
	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			4,719			2,652			2,706			

Narrative Justification:

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 October 2012

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.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
SWD 300 Software Development $1.0 and Over

D. Activity Identification

Element of Cost	FY 2010			FY 2011			FY 2012					
	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 Integrated Data Environment (IDE)			3,926			1,500			1,500			

Narrative Justification:

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 December 2009 in accordance with the National Defense Authorization Act of 2005 and the Business Enterprise Architecture.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
SWD 300 Software Development $1.0 and Over

D. Activity Identification

Element of Cost	FY 2010			FY 2011			FY 2012					
	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 (formerly DAASC) Enterprise Software			1,912			0			300			

Narrative Justification:

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 support 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 employee 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.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
SWD 300 Software Development $1.0 and Over

D. Activity Identification

Element of Cost	FY 2010			FY 2011			FY 2012					
	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						500			500			

Narrative Justification:

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 2011, AV would migrate its interfaces and staging database to the Integrated Data Environment (IDE), and provide Web Services and a portal to the Global Combat Support System – Joint (GCSS-J) Family of Systems Portal via the Fusion Center. In FY 2012, 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.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
SWD 400 Software Development $1.0 and Over

D. Activity Identification

Element of Cost	FY 2010			FY 2011			FY 2012					
	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 Federal Logistics Information System Portfolio			2,075			4,075			2,075			

Narrative Justification:
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.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
SWD 200 Software Development $1.0 and Over

D. Activity Identification

Element of Cost	FY 2010			FY 2011			FY 2012					
	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 CPARS and PPIRS						1,040			1,062			

Narrative Justification:

The Contractor Performance Assessment and 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 FAR/DFAR and are identified as the authoritative source for past performance and source selection information. They were developed and are supported by Naval Sea Logistics Center Detachment Portsmouth New Hampshire. Both are part of a functional portfolio that includes systems and applications that provide for management of the vendor and supplier community. In FY 2010 development activities for these systems transitioned from the Business Transformation Agency (BTA) to DLA. Funding will be used for system functional enhancements.
FY 2011 funding will be used to meet COOP requirements and growing usage the CPARS and PPIRS enclave at DISA Ogden will need to add additional operating environments (OEs). This includes associated software, setup and testing costs. In addition, CPARS will be consolidating its' ACCASS and CCASS modules into one standard CPARS data entry process for all DoD. This will provide system sustainment savings as well as reduce training costs. The effort will start in FY2011 through FY2012.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012 Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
SWD 500 Software Development Less Than $1.0

D. Activity Identification
DLA Distribution

Element of Cost	FY 2010			FY 2011			FY 2012					
	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						312			1,814			

Narrative Justification:

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.

Last Business case analysis was performed by DORRA in February 2005. 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.

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.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
SWD 500 Software Development $1.0 and Over

D. Activity Identification
DLA Distribution

Element of Cost	FY 2010			FY 2011			FY 2012					
	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)						1,022			1,064			

Narrative Justification:

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.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
Rep 200 Minor Construction

D. Activity Identification
Materiel Supply Chain

Element of Cost	FY 2010			FY 2011			FY 2012					
	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			3,399			3,871			3,126			

Narrative Justification:

The minor construction investment for projects (costing between $100,000 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.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
Rep 200 Minor Construction

D. Activity Identification
DLA Distribution

Element of Cost	FY 2010			FY 2011			FY 2012					
	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			10,826			10,711			8,997			

Narrative Justification:

The minor construction investment for projects (costing between $100,000 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.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Supply Chain Management Activity Group February 2011

C. Line Number & Item Description
Rep 200 Minor Construction

D. Activity Identification
DLA Disposition Services

Element of Cost	FY 2010			FY 2011			FY 2012					
	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			2,701			2,125			2,325			

Narrative Justification:

The minor construction investment for projects (costing between $100,000 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.
8. 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) 2012 BUDGET ESTIMATES
CAPITAL BUDGET EXECUTION
February 2010
(DOLLARS IN MILLIONS)

PROJECTS ON THE FY 2011 PRESIDENT'S BUDGET

FY	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ (Deficiency)	Explanation
2010	Equipment except ADPE & TELCOM:	14.649	27.447	12.798	14.649	
	Material Handling/Storage Space Utilization - Materiel Supply Chain	0.020	0.600	0.580	0.020	
	Material Handling/Storage Space Utilization - Distribution	12.003	19.361	7.358	12.003	Projects carried over to FY 2011.
	Installation Security - Materiel Supply Chain	1.708	4.810	3.102	1.708	Two projects cancelled.
	Installation Security - Distribution	0.537	1.476	0.939	0.537	Decrease for DDRV Expand Card Access System
	Material Disposal - Disposition	0.381	1.200	0.819	0.381	Actual price under estimate.
	Equipment - ADPE & TELCOM:	-0.218	23.151	23.369	-0.218	
	Telecommunications - Materiel Supply Chain	0.527	11.076	10.549	0.527	Actual price under estimate.
	Telecommunications - Distribution	3.224	3.464	0.240	3.224	Decrease for DDJC Telephone System Upgrade.
	Production Hardware - Materiel Supply Chain	-1.050	2.511	3.561	-1.050	Increase for DLA Transaction Services EBUS EDI COOP
	Network Hardware - Distribution	-2.919	6.100	9.019	-2.919	Increase for DDJC Riverbed LAN project.
2010	Software Development:	-17.120	118.799	135.919	-17.120	
	Supply Chain Management - eProcurement	-16.174	39.502	55.676	-16.174	Increase to baseline for additional functionality.
	Supply Chain Management - Common Food Management Sys	0.000	15.921	15.921	0.000	
	Supply Chain Management - Enterprise Business System	-3.585	19.370	22.955	-3.585	Increase to baseline for additional functionality.
	Supply Chain Management - Defense Medical Log Standard Sys	-1.590	2.414	4.004	-1.590	Increase to baseline for additional functionality.
	Supply Chain Management - DoD EMALL	4.903	5.405	0.502	4.903	Number of System Change Requests (SCR) reduced
	Supply Chain Management - FEAMS	0.000	5.315	5.315	0.000	
	Supply Chain Management - Reutilization Business Integration	-4.044	14.870	18.914	-4.044	Increase to baseline for additional functionality.
	Net Centric Hubs - Fusion Center	-0.950	3.769	4.719	-0.950	Increase to baseline for additional functionality.
	Net Centric Hubs - Integrated Data Environment	-0.047	3.879	3.926	-0.047	Increase to baseline for additional functionality.
	Net Centric Hubs - EBUS WebMethods	1.513	3.425	1.912	1.513	Reduced requirements for this fiscal year.
	Net Centric Hubs - Asset Visibility	0.500	0.500	0.000	0.500	No defined requirements.
	Master Data - Federal Logistics Information System	0.000	2.075	2.075	0.000	
	Master Data - CPARS and PPIRS	1.020	1.020	0.000	1.020	No defined requirements.
	Distribution - Radio Frequency Identification	0.312	0.312	0.000	0.312	No requirement.
	Distribution - Distribution Standard System	1.022	1.022	0.000	1.022	No requirement.
2010	Minor Construction:	0.607	17.533	16.926	1.178	
	Materiel Supply Chain	1.150	4.549	3.399	1.150	
	Distribution	0.028	10.854	10.826	0.028	
	Disposition	-0.571	2.130	2.701	-0.571	One additional project.
	Total FY 2010	**-2.082**	**186.930**	**189.012**	**-1.511**	

DEFENSE LOGISTICS AGENCY
DEFENSE-WIDE WORKING CAPITAL FUND
SUPPLY CHAIN MANAGEMENT ACTIVITY GROUP
FISCAL YEAR (FY) 2012 BUDGET ESTIMATES
CAPITAL BUDGET EXECUTION
February 2011
(DOLLARS IN MILLIONS)

PROJECTS ON THE FY 2011 PRESIDENT'S BUDGET

FY	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ (Deficiency)	Explanation
2011	Equipment except ADPE & TELCOM:	-5.400	24.339	29.739	-5.400	
	Material Handling/Storage Space Utilization - Materiel Supply Chain	-6.500	0.000	6.500	-6.500	Emerging requirement
	Material Handling/Storage Space Utilization - Distribution	1.700	19.734	18.034	1.700	Towline System at DDHU cancelled.
	Installation Security - Materiel Supply Chain	-0.850	1.175	2.025	-0.850	Additional requirement at Supply Center Richmond
	Installation Security - Distribution	0.000	1.610	1.610	0.000	
	Quality Control - Materiel Supply Chain	0.150	0.500	0.350	0.150	Reduced price for Semi Conductor Test System.
	Material Disposal - Disposition	0.100	1.320	1.220	0.100	
	Equipment - ADPE & TELCOM:	-3.908	22.322	26.230	-3.908	
	Telecommunications - Materiel Supply Chain	0.260	8.684	8.424	0.260	Requirement for DLIS cancelled.
	Telecommunications - Distribution	0.914	2.264	1.350	0.914	Increase for deployable depot equipment.
	Production Hardware - Materiel Supply Chain	-1.985	4.724	6.709	-1.985	Increase for DAASC technical refresh.
	Production Hardware - Disposition	-2.183	0.000	2.183	-2.183	Emerging requirement for radio frequency equipment.
	Network Hardware - Distribution	-0.914	6.650	7.564	-0.914	Increase for Navy warehouse transfer.
2011	Software Development:	-32.943	94.401	127.344	-32.943	
	Supply Chain Management - eProcurement	-25.680	23.875	49.555	-25.680	Increase to baseline for additional functionality.
	Supply Chain Management - Common Food Management Sys	0.000	20.120	20.120	0.000	
	Supply Chain Management - Enterprise Business System	-7.542	17.440	24.982	-7.542	Additional requirement for real property application.
	Supply Chain Management - Defense Medical Log Standard Sys	0.000	2.401	2.401	0.000	
	Supply Chain Management - DoD EMALL	0.557	5.512	4.955	0.557	Decreased SCR projection.
	Supply Chain Management - FEAMS	4.900	4.900	0.000	4.900	Development continuing at FY 10 funding level.
	Supply Chain Management - Reutilization Business Integration	-5.178	9.052	14.230	-5.178	Increase to baseline for additional functionality.
	Net Centric Hubs - Fusion Center	0.000	2.652	2.652	0.000	
	Net Centric Hubs - Integrated Data Environment	0.000	1.500	1.500	0.000	
	Net Centric Hubs - Asset Visibility	0.000	0.500	0.500	0.000	
	Master Data - Federal Logistics Information System	0.000	4.075	4.075	0.000	
	Master Data - CPARS and PPIRS	0.000	1.040	1.040	0.000	
	Distribution - Radio Frequency Identification	0.000	0.312	0.312	0.000	
	Distribution - Distribution Standard System	0.000	1.022	1.022	0.000	
2011	Minor Construction:	0.076	16.783	16.707	0.076	
	Materiel Supply Chain	0.000	3.871	3.871	0.000	
	Distribution	0.172	10.883	10.711	0.172	
	Disposition	-0.096	2.029	2.125	-0.096	
	Total FY 2011	**-42.175**	**157.845**	**200.020**	**-42.175**	

DEFENSE LOGISTICS AGENCY
DEFENSE-WIDE WORKING CAPITAL FUND
ENERGY MANAGEMENT ACTIVITY GROUP
FISCAL YEAR (FY) 2012 BUDGET ESTIMATES
ACTIVITY GROUP CAPITAL INVESTMENT SUMMARY
($ IN MILLIONS)

Line Number	Item Description/Capability	FY 2010		FY 2011		FY 2012			
		Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost		
NEW 200-01	Fuel Terminal Automation	6	22.891	7	16.300	6	18.910		
NEW 200-02	Inventory Accuracy	0	0.000	1	2.000	1	3.000		
REP 200-02	Inventory Accuracy	1	4.587	1	8.000	1	8.000		
	TOTAL EQUIPMENT (Non ADP/T)	7	27.478	9	26.300	8	29.910		
SWD 200	Supply Chain Management - BSM/BSM Energy Convergence		15.385		33.047		21.136		
	TOTAL SOFTWARE DEVELOPMENT		15.385		33.047		21.136		
REP/ENV 200	Minor Construction $100,000 - $750,000		38.872		73.000		88.900		
	TOTAL MINOR CONSTRUCTION		38.872		73.000		88.900		
	TOTAL AGENCY CAPITAL INVESTMENTS	7	81.735	9	132.347	8	139.946		
	Total Capital Outlays		47.794		76.100		80.469		
	Total Depreciation Expense		28.615		59.900		61.100		

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Energy Management Activity Group February 2011

C. Line Number & Item Description
NEW 200 Non-ADP Equipment – New Mission

D. Activity Identification
DLA Energy

Element of Cost	FY 2010			FY 2011			FY 2012					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
NEW 200-01 Fuel Terminal Automation – New Mission	6	3,815.1	22,891	7	2,328	16,300	6	3,152	18,910			

Narrative Justification:

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 2011 – FY 2012:

FY 2011 - DFSP Yorktown, VA, DFSP Craney Island, VA, FISC Jacksonville, FL, and 505th QM Battalion, Okinawa, JE

FY 2012 - DFSP NAS Whidbey, FISC Yokosuko, JE; and DFSP Craney Island, VA.

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

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Energy Management Activity Group February 2011

C. Line Number & Item Description
NEW 200 Non-ADP Equipment-New Mission/Replacement

D. Activity Identification
DLA Energy

Element of Cost	FY 2010			FY 2011			FY 2012					
	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	1	4,587	4,587	2	5,000	10,000	2	5,500	11,000			

Narrative Justification:

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.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Energy Management Activity Group February 2011

C. Line Number & Item Description
SWD 200 Software Development $1.0 and Over

D. Activity Identification
DLA Energy

Element of Cost	FY 2010			FY 2011			FY 2012					
	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			15,385			33,047			21,136			

Narrative Justification:

To completely address the Energy supply chain, create a single DLA 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.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Energy Management Activity Group February 2011

C. Line Number & Item Description
Minor Construction Capability -Replacement/Environmental

D. Activity Identification
DLA Energy

Element of Cost	FY 2010			FY 2011			FY 2012					
	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			38,872			73,000			88,900			

Narrative Justification:

The minor construction investment for projects (costing between $100,000 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) 2012 BUDGET ESTIMATES
CAPITAL BUDGET EXECUTION
February 2011
(DOLLARS IN MILLIONS)

PROJECTS ON THE FY 2011 PRESIDENT'S BUDGET

FY	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ (Deficiency)	Explanation
2010	Equipment except ADPE & TELCOM:	0.007	27.485	27.478	0.007	
	Inventory Accuracy	7.413	12.000	4.587	7.413	ATG replacements downsized.
	Fuel Terminal Automation	-7.406	15.485	22.891	-7.406	Emerging AFHE requirements.
2010	Software Development:	17.102	32.487	15.385	17.102	
	BSM/BSM Energy Convergence	17.102	32.487	15.385	17.102	System Integrator contract awarded late in FY.
2010	Minor Construction:	5.128	44.000	38.872	5.128	Requirements reduced
	Total FY 2010	**22.237**	**103.972**	**81.735**	**22.237**	

DEFENSE LOGISTICS AGENCY
DEFENSE-WIDE WORKING CAPITAL FUND
ENERGY MANAGEMENT ACTIVITY GROUP
FISCAL YEAR (FY) 2012 BUDGET ESTIMATES
CAPITAL BUDGET EXECUTION
February 2011
(DOLLARS IN MILLIONS)

PROJECTS ON THE FY 2011 PRESIDENT'S BUDGET

FY	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ (Deficiency)	Explanation
2011	Equipment except ADPE & TELCOM:	0.026	26.326	26.300	0.026	
	Inventory Accuracy	2.000	12.000	10.000	2.000	ATG replacements downsized.
	Fuel Terminal Automation	-1.974	14.326	16.300	-1.974	Increased for 505th QM Battalion Okinawa
2011	Software Development:	0.000	33.047	33.047	0.000	
	BSM/BSM Energy Convergence	0.000	33.047	33.047	0.000	
2011	Minor Construction:	-23.000	50.000	73.000	-23.000	Increased for backlog of prior yr projects
	Total FY 2011	**-22.974**	**109.373**	**132.347**	**-22.974**	

DEFENSE LOGISTICS AGENCY
DEFENSE-WIDE WORKING CAPITAL FUND
DLA DOCUMENT SERVICES ACTIVITY GROUP
FISCAL YEAR (FY) 2012 BUDGET ESTIMATES
ACTIVITY GROUP CAPITAL INVESTMENT SUMMARY
($ IN MILLIONS)

Line Number	Item Description/Capability	FY 2010		FY 2011		FY 2012			
		Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost		
	EQUIPMENT (Non ADP/T)								
REP 100	Digitization	0	0.000	2	1.200	2	1.200		
	TOTAL EQUIPMENT (Non ADP/T)	0	0.000	2	1.200	2	1.200		
	EQUIPMENT (ADP/T)								
PRD 100	Production Hardware	0	0.000	1	1.330	1	1.730		
	TOTAL EQUIPMENT (ADP/T)	0	0.000	1	1.330	1	1.730		
	SOFTWARE DEVELOPMENT								
SWD 100	Net-Centric Hubs								
SWD 200	Net-Centric Hubs $1.0M and Over-Electronic Document Management		2.428		5.143		5.543		
	TOTAL SOFTWARE DEVELOPMENT		2.428		5.143		5.543		
	MINOR CONSTRUCTION								
REP 200	Minor Construction $100,000 - $750,000		0.050		0.300		0.300		
	TOTAL MINOR CONSTRUCTION		0.050		0.300		0.300		
	TOTAL AGENCY CAPITAL INVESTMENTS	0	2.478	3	7.973	3	8.773		
	Total Capital Outlays		4.405		6.026		7.973		
	Total Depreciation Expense		1.763		4.119		4.897		

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Document Services February 2011

C. Line Number & Item Description
REP 100 Replacement Non-ADP Equipment

D. Activity Identification:
DLA Document Services

Element of Cost	FY 2010			FY 2011			FY 2012					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 100 Digitization				2	600	1,200	2	600	1,200			

Narrative Justification:

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.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency Document Services February 2011

C. Line Number & Item Description
PRD 100 Production ADP Equipment

D. Activity Identification
DLA Document Services

Element of Cost	FY 2010			FY 2011			FY 2012					
	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				1	1,330	1,330	1	1,730	1,730			

Narrative Justification:

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 2011 – FY 2012 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.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Document Services February 2011

C. Line Number & Item Description
SWD 200 Software Development $1.0 and Over

D. Activity Identification
DLA Document Services

Element of Cost	FY 2010			FY 2011			FY 2012					
	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			2,428			5,143			5,543			

Narrative Justification:

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 2011 – FY 2012 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.

Activity Group Capital Investment Justification
(Dollars in Thousands)

A. Budget Submission
Fiscal Year (FY) 2012
Budget Estimates

B. Component/Activity Group/Date Defense Logistics Agency
Document Services February 2011

C. Line Number & Item Description
Rep 200 Minor Construction

D. Activity Identification
DLA Document Services

Element of Cost	FY 2010			FY 2011			FY 2012					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
REP 200 Minor Construction			50			300			300			

Narrative Justification:

The minor construction investment for projects (between $100,000 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 and will allow for the implementation of the High Performance Organization (HPO).

DEFENSE LOGISTICS AGENCY
DEFENSE-WIDE WORKING CAPITAL FUND
DLA DOCUMENT SERVICES ACTIVITY GROUP
FISCAL YEAR (FY) 2012 BUDGET ESTIMATES
CAPITAL BUDGET EXECUTION
February 2011
(DOLLARS IN MILLIONS)

PROJECTS ON THE FY 2011 PRESIDENT'S BUDGET

FY	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ (Deficiency)	Explanation
2010	Equipment except ADPE & TELCOM:	1.200	1.200	0.000	1.200	
	High Speed Duplicating Equipment	1.200	1.200	0.000	1.200	Requirement cancelled.
	Equipment - ADPE & TELCOM	1.330	1.330	0.000	1.330	
	Electronic Document Management	1.330	1.330	0.000	1.330	Requirement cancelled.
2010	Software Development:	2.715	5.143	2.428	2.715	
	Electronic Document Management	2.715	5.143	2.428	2.715	Fewer projects than anticipated.
2010	Minor Construction:	0.250	0.300	0.050	0.250	Project carried over to FY 2011.
	Total FY 2010	**5.495**	**7.973**	**2.478**	**5.495**	

DEFENSE LOGISTICS AGENCY
DEFENSE-WIDE WORKING CAPITAL FUND
DLA DOCUMENT SERVICES ACTIVITY GROUP
FISCAL YEAR (FY) 2012 BUDGET ESTIMATES
CAPITAL BUDGET EXECUTION
February 2011
(DOLLARS IN MILLIONS)

PROJECTS ON THE FY 2011 PRESIDENT'S BUDGET

FY	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ (Deficiency)	Explanation
2011	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	1.330	1.330	0.000	
	Electronic Document Management	0.000	1.330	1.330	0.000	
2011	Software Development:	0.000	5.143	5.143	0.000	
	Electronic Document Management	0.000	5.143	5.143	0.000	
2011	Minor Construction:	0.000	0.300	0.300	0.000	
	Total FY 2011	**0.000**	**7.973**	**7.973**	**0.000**	