DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
Supply Management Activity Group
FY 2002 Amended Budget Submission
Activity Group Capital Investment Summary
($ in Millions)

Line Number	Item Description	FY 2000		FY 2001		FY 2002	
		Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
	EQUIPMENT (Non ADP/T) $0.1 to $0.499	3	1.1	1	0.4	3	0.5
REP 000	Replacement	2	0.7			2	0.3
PRD 000	Productivity	1	0.4	1	0.4	1	0.2
NEW 000	New Mission						
	EQUIPMENT (Non ADP/T) $0.5 to $0.999	0	0.0			1	0.9
REP 100	Replacement						
PRD 100	Productivity					1	0.9
NEW 100	New Mission						
	EQUIPMENT (Non ADP/T) $1.0 and Over	1	4.0	1	4.0	3	4.6
REP 200	Replacement			1	4.0		
PRD 200	Productivity	1	4.0			3	4.6
NEW 200	New Mission						
	TOTAL EQUIPMENT (Non ADP/T)	**4**	**5.1**	**2**	**4.4**	**7**	**6.0**
ADP 000	ADP/T EQUIPMENT $0.1 To $0.499	7	2.8	19	4.0	25	6.0
ADP 100	ADP/T EQUIPMENT $0.5 To $0.999	2	1.6	2	0.9	1	0.9
ADP 200	ADP/T EQUIPMENT $1.0 and Over	11	12.6	5	8.7	1	1.2
	TOTAL EQUIPMENT (ADP/T)	**20**	**17.0**	**26**	**13.7**	**27**	**8.0**
SWD 000	SOFTWARE DEVELOPMENT $0.1 To $0.499		2.1		2.4		1.1
SWD 100	SOFTWARE DEVELOPMENT $0.5 To $0.999		2.5		0.6		3.3
SWD 200	SOFTWARE DEVELOPMENT $1.0 and Over		68.8		129.1		115.4
	TOTAL SOFTWARE DEVELOPMENT		**73.4**		**132.1**		**119.9**
RPM 000	**MINOR CONSTRUCTION**		**29.4**		**31.7**		**31.1**
	TOTAL AGENCY CAPITAL INVESTMENTS	**24**	**124.9**	**28**	**181.9**	**34**	**165.0**

Activity Group Capital Investment Justification

($ in Thousands)

A. Budget Submission
FY 2002 Amended Budget Submission

B. Component/Activity Group/Date Defense Logistics Agency
Supply Management Activity Group June 2001

C. Line Number & Item Description
REP 000 Replacement Equipment $0.1 to $0.499

D. Activity Identification

Element of Cost	FY 2000			FY 2001			FY 2002					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total REP 000	2	251	502				2	153	306			

Narrative Justification:

These investments of miscellaneous equipment are required to replace existing items with similar characteristics that have reached or significantly exceeded the useful life established for these categories. Based on guidance contained in various Department of Defense (DoD) governing policies, 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 unusual categories of equipment.

FY 2002 projects include: A measuring machine ($150) and a spark analyzer ($156) at Defense Supply Center Columbus (DSCC).

For the measuring machine, the discounted payback period is 2.76 years and the Savings to Investment Ratio (SIR) is 3.16.

For the spark analyzer, the discounted payback period is 5.49 years and the Savings to Investment Ratio (SIR) is 1.43.

Activity Group Capital Investment Justification

($ in Thousands)

A. Budget Submission
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B. Component/Activity Group/Date Defense Logistics Agency
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C. Line Number & Item Description
PRD 000 Productivity Equipment $0.1 to $0.499

D. Activity Identification

Element of Cost	FY 2000			FY 2001			FY 2002					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total PRD 000				1	395	395	1	207	207			

Narrative Justification:

A Closed Circuit Television (CCTV) System for building 6 at Defense Supply Center Philadelphia (DSCP).

The Savings to Investment Ratio (SIR) is 2.07 and the payback period is 5.10 years.

Activity Group Capital Investment Justification

($ in Thousands)

A. Budget Submission
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B. Component/Activity Group/Date Defense Logistics Agency
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C. Line Number & Item Description
PRD 100 Productivity Equipment $0.5 to $0.999

D. Activity Identification

Element of Cost	FY 2000			FY 2001			FY 2002					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total PRD100							1	895	895			

Narrative Justification:

A Closed Circuit Television (CCTV) system is proposed for Defense Supply Center Richmond (DSCR). Vulnerability assessments were conducted in September, 1996 and January, 1999. Both assessments recommended that a CCTV system is required for early detection of unauthorized entry into the installation at remote perimeter fence lines. DSCR has a two-mile perimeter fence which runs along privately owned wooded property. DSCR Security will be able to monitor and detect intruders prior to entry into the installation. The system consists of thirty-four cameras installed on the fence lines, CCTV sets, and underground fiber optic cabling connecting the cameras to the CCTV sets. Early detection and prevention of unauthorized access to remove or destroy government property precludes the ramifications and the liability brought about by apprehension and/or possible use of force. If this system is not provided, additional security guards will be needed to provide the necessary security.

The Savings to Investment Ratio (SIR) is 9.3 and the discounted payback period is 5.10 years.

Activity Group Capital Investment Justification

($ in Thousands)

A. Budget Submission
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B. Component/Activity Group/Date Defense Logistics Agency
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C. Line Number & Item Description
REP 200 Replacement Equipment $1.0 and Over

D. Activity Identification

Element of Cost	FY 2000			FY 2001			FY 2002					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total REP 200 Fuel Terminal Automation Upgrades (DESC)	1	4,000	4,000	1	4,000	4,000	3	1,533.3	4,600			

Narrative Justification:

This project provides for fuel terminal automation upgrades at Defense Fuel Supply Point (DFSP), Pensacola, Florida; Naval Air Station (NAS), North Island, California; and Marine Corps Air Station (MCAS), Cherry Point, North Carolina. These sites are responsible for receiving, storing and delivering jet fuel, diesel fuel, and motor gasoline to the Services. This investment is required to install new control systems that will improve facility control and fuel accountability with enhanced safety and security provisions. This includes the installation of automatic tank gauges, flow computers for meters, field interface devices, Program Logic Controllers (PLCs), terminal management systems, tank overfill protection, pipeline metering, valves and pump control and truck rack metering automation. In addition, a leak detection system will be installed to prevent environmental spills and damages.

This investment is required to ensure reliability of the services offered and to provide adequate central control/monitoring of fuel operation to improve efficiency, fuel accountability and safety in handling large quantities of hazardous fuel.

At DFSP, the Savings to Investment Ratio (SIR) is 1.12 and the payback period is 7.2 years.

At MCAS, the SIR is 1.28 and the payback period is 6.9 years.

At NAS, the SIR is 2.02 and the payback period is 6.5 years.

Activity Group Capital Investment Justification

($ in Thousands)

A. Budget Submission
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B. Component/Activity Group/Date Defense Logistics Agency
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C. Line Number & Item Description
ADP 000 $0.1 to $0.499

D. Activity Identification

Element of Cost	FY 2000			FY 2001			FY 2002					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
ADP 000	9	331	2,979	19	170.8	4,037	25	239.3	5,983			

Narrative Justification:

FY 2002 projects include:

Defense Message System (DMS) ($402) – DMS is a DoD directed program under the direction of OASD/C3I. The system provides a full range of messaging services using X.400 and X.500 standards and Multi-level Information System Security (MISSI) concepts. While DMS is installed throughout DLA, it is not a static system. Hardware that was initially installed with DMS is now reaching life cycle end and must be replaced as it does not support the Hewlett Packard 11.0 Operating System and Windows 2000. The Savings to Investment Ratio (SIR) is 1.45 and the payback period is 8 years.

DSCP Voice Mail System ($225) – An upgrade to the current voice mail system is required due to an increase in message traffic.

DSCR Video Teleconferencing (VTC) Bridge ($221) - A bridge is required to support the VTC to desktop initiative. This initiative will provide a unified messaging environment and allow real time event and data exchanges. The SIR ratio is 1.20 and the payback period is 2 years.

DESC Fuel Automated System (FAS) Servers ($1,900) – DESC plans to replace five file servers that have reached life cycle end. Due to the implementation of Oracle Energy Downstream (OED) server replacements will be modified to support OED platforms.

Activity Group Capital Investment Justification ($ in Thousands)		A. Budget Submission **FY 2002 Amended Budget Submission**
B. Component/Activity Group/Date Defense Logistics Agency Supply Management Activity Group June 2001	C. Line Number & Item Description ADP 000 $0.1 to $0.499	D. Activity Identification

FY 2002 projects (continued):

DSCC Local Area Network (LAN) Upgrade ($250) – The upgrade will increase the efficiency of the lower tier (personal computer) platforms and interfaces to existing automated systems.

DSCC Hierarchical Storage Management (HSM) ($400) – HSM consists of optical and tape storage devices that automatically and transparently allocate storage resources by levels. Infrequently used data is stored on lower levels while frequently used data is maintained on the operating level. HSM allows for the efficient use of less expensive storage devices, quick access to all data, and a reduction in the number of servers and disk drives required to meet storage needs. The SIR is 2.42 and the payback period is 2 years.

DSCC Storage Area Network (SAN) ($235) – As each NT and UNIX server reaches capacity it is necessary to increase the amount of disk space. Rather than purchase additional storage for each server, DSCC will purchase a SAN unit to manage the space requirements for all servers. Using SAN technology several computers can be attached to a common disk array making additional storage available to all servers as needed. The SIR is 1.74 and the payback period is 2 years.

DLA Operations Research and Resource Analysis Office (DORRA) Server ($350) – DORRA's current scientific computer configuration consists of two HP 9000 computers. One of the HP's is scheduled for life cycle replacement in FY02. The replacement will be a HP 9000 N Class Server with an upgrade to include fiber channel Redundant Array of Inexpensive Disks (RAID) drives. This configuration will prevent data loss and allow for technical and scientific applications to run more efficiently.

Human Resources Center (HROC) Server ($500) – HROC currently uses three servers to run multiple human resource administration systems. One of these servers, a Hewlett Packard T-600, was purchased in 1997 and is scheduled for life cycle replacement in FY 02.

Activity Group Capital Investment Justification ($ in Thousands)		A. Budget Submission **FY 2002 Amended Budget Submission**
B. Component/Activity Group/Date Defense Logistics Agency Supply Management Activity Group June 2001	C. Line Number & Item Description ADP 000 $0.1 to $0.499	D. Activity Identification

FY 2002 projects (continued):

Headquarters Information Technology Support (HQITS) Network Servers ($1,000) – Eight replacement servers are required for web and application services that are provided to the Headquarters Complex, Ft. Belvoir. Procurement of the servers at the same time allows for replacement and redesign of the entire platform, taking advantage of storage area networks and fault tolerance via clustering. The SIR is 5.41 and the payback period is 2 years.

Defense Automatic Addressing System Center (DAASC) Logistics Data Gateway (LDG) ($500) – The LDG will provide web-based access to the data that DAASC stores and maintains. Via the Internet customers can track requisitions, create reports, monitor trends and project future requirements. The hardware required to support this initiative includes two servers and an additional Direct Access Storage Device (DASD) that will be added to the current computing platform. The SIR is 1.38 and the payback period is 3.7 years.

Activity Group Capital Investment Justification

($ in Thousands)

A. Budget Submission
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B. Component/Activity Group/Date Defense Logistics Agency
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C. Line Number & Item Description
ADP 100 $0.5 to $0.999

D. Activity Identification

Element of Cost	FY 2000			FY 2001			FY 2002					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
ADP 100 LAN Growth and CAT 6 Upgrade (DSCR)	2	354.5	709	2	460	920	1	877	877			

Narrative Justification:

Procuring the latest Smartswitch technology and continuing to upgrade LAN connections are necessary at DSCR to meet current and future telecommunication demands. Due to the expanded use of on-line systems and Electronic Data Interchange, more connections and faster transmission must be added to the LAN. DSCR plans to upgrade LAN wiring to Category 6, which will allow for the reliable, high-speed transmission of data, ensuring that all critical applications run smoothly. A Smartswitch will provide seamless connectivity. Smartswitch technology is a robust system with one to one ratios, eliminating collision domains, as traffic will no longer have to compete for the same space. Any data received at the Center will move faster over the LAN as the system transports data packets faster and can handle greater volume.

The Return on Investment (ROI) is 1.53 and the estimated payback period is 3.6 years.

Activity Group Capital Investment Justification

($ in Thousands)

A. Budget Submission
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B. Component/Activity Group/Date Defense Logistics Agency
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C. Line Number & Item Description
ADP 200 $1.0 and Over

D. Activity Identification

Element of Cost	FY 2000			FY 2001			FY 2002					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
ADP 200-01 DAASC DARP							1	1,162	1,162			

Narrative Justification:

This investment is for the Defense Automatic Addressing System Center (DAASC) Automated Data Processing Equipment Replacement Program (DARP). The DAASC Network Control System (DNCS) performs the primary DAASC mission of receiving, editing, validating, and routing logistics data for the Military Services, DLA, other DoD/Federal Agencies and the Foreign Military Sales (FMS) community. The DNCS provides the technical platform to allow for all transition between networks and existing communications systems. The goal of the DARP initiative is to replace the aging DNCS hardware and software systems at the DAASC Dayton, Ohio and Tracy, California sites with DII COE compliant hardware and software platforms. The new platforms will enable DAASC to provide the quality services that the warfighter requires, while reducing costs and integrating new technology. The hardware procured will include a high production clustered server for both operating sites and a development test server for the Dayton site only. DAASC will also procure two terabytes of Direct Access Storage Device (DASD) and automated backup capabilities. The replacement hardware will provide for the continuation of reliable telecommunications interoperability and network connectivity in a fully DII/COE compliant environment. If the replacements are not procured and DAASC cannot perform logistics transactions, the customer base would be required to put in place the telecommunications capability that DAASC currently provides.

The Return on Investment (ROI) is 11.08 with an estimated payback period of less than one year.

Activity Group Capital Investment Justification

($ in Thousands)

A. Budget Submission
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B. Component/Activity Group/Date Defense Logistics Agency
Supply Management Activity Group June 2001

C. Line Number & Item Description
SWD 000 $0.1 to $0.499

D. Activity Identification

Element of Cost	FY2000			FY 2001			FY 2002					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 000 Supply Software Development Initiatives			1,404			2,379			1,100			

Narrative Justification:

DSCP Vendor Express (VENEX) ($400) - DSCP currently operates VENEX at five medical prime vendors. The system features an interface from the vendor's ordering system, creation of a Government Bill of Lading (GBL), and transmission of completed shipment data to a master system at DSCP. Management Reform Memorandum 15 calls for the elimination of the hardcopy GBL and incorporation of automated carrier payment. This initiative will provide DSCP with the capability to eliminate the hardcopy GBL, implement the Power Track carrier payment system, and obtain and make available the Intransit Visibility (ITV) information. The Return on Investment (ROI) is 3.08.

DESC Fuel Automated System (FAS) COTS ($700) – The FAS migratory program was initiated to evolve and modernize the DLA and Air Force Fuel Automated Management Systems to support the DoD fuels mission. This mission includes management and accountability for fuel stored at installations. The FAS program will field a multi-functional, fully integrated Automated Information System that supports increased fuel supply requirements. Funding will be utilized to purchase Commercial Off-the-Shelf (COTS) software products such as an Adapter Portal ($250) to support Oracle Energy Downstream (OED) Electronic Commerce and the Extract, Transformation, and Load (ETL) end-user tool ($450) for cleansing data in preparation of data warehousing. The Return on Investment (ROI) is 3.1.

Activity Group Capital Investment Justification

($ in Thousands)

A. Budget Submission
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B. Component/Activity Group/Date Defense Logistics Agency
Supply Management Activity Group June 2001

C. Line Number & Item Description
SWD 100 $0.5 to $0.999

D. Activity Identification

Element of Cost	FY2000			FY 2001			FY 2002					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 100-01 DAASC DARP II									937			

Narrative Justification:

This investment is for the Defense Automatic Addressing System Center (DAASC) Automated Data Processing Equipment Replacement Program (DARP). The DAASC Network Control System (DNCS) performs the primary DAASC mission of receiving, editing, validating, and routing logistics data for the Military Services, DLA, other DoD/Federal Agencies and the Foreign Military Sales (FMS) community. The DNCS provides the technical platform for all transition between networks and existing communications systems. The goal of the DARP initiative is to replace the aging DNCS hardware and software systems at the DAASC Dayton, Ohio and Tracy, California sites with DII COE compliant hardware and software platforms. The new platforms will enable DAASC to provide the quality services that the warfighter requires, while reducing costs and integrating new technology. The software portion of the project involves the redesign and reprogramming of the application processes, maximizing the use of COTS software where possible. Software integration is also be required to support the value added services that DAASC provides such as multiple means of submitting queries and large data extracts. If the replacements are not procured and DAASC cannot perform logistics transactions, the customer base would be required to put in place the telecommunications capability that DAASC currently provides. All software development will be performed externally. The Return on Investment (ROI) is 11.08 with an estimated payback period of less than one year.

Activity Group Capital Investment Justification

($ in Thousands)

A. Budget Submission
FY 2002 Amended Budget Submission

B. Component/Activity Group/Date Defense Logistics Agency
Supply Management Activity Group June 2001

C. Line Number & Item Description
SWD 100 $0.5 to $0.999

D. Activity Identification

Element of Cost	FY2000			FY 2001			FY 2002					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 100-02 Systems Translator Support						264			963			

Narrative Justification:

DLA uses the COTS product, TSI Mercator, to perform functions required to conduct Electronic Business (EB) Electronic Data Interchange (EDI) between DLA and commercial and government trading partners. The Mercator translation software package was implemented at all of the Inventory Control Points (ICPs) in FY 1999. To move into production mode and expand the scope of EB at DLA, integration and development are required. This effort will include the necessary program planning and technical support to:

- Develop EB/EDI processes with DLA trading partners and integrate into the Mercator tool.
- Develop Mercator mappings and data flows to ensure successful delivery to the appropriate destination systems.
- Provide EB integration, enterprise application integration, and Internet application integration.
- Develop legacy system interfaces.
- Provide migration assistance between systems and mid-tier platforms.
- Conduct point-to-point and end-to-end testing of DLA's EB documents.
- Develop transition/operations plan for the technical disciplines present in the EB/EDI environment
- Identify and resolve operational and/or architectural related issues.

The Return on Investment (ROI) is 37.34 and the payback period is less than one year. All software development will be performed externally.

Activity Group Capital Investment Justification

($ in Thousands)

A. Budget Submission
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C. Line Number & Item Description
SWD 100 $0.5 to $0.999

D. Activity Identification

Element of Cost	FY2000			FY 2001			FY 2002					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 100-03 Prime Vendor Portal						600			500			

Narrative Justification:

Prime Vendor (PV) is a Supply support vehicle whereby DLA managed items are transferred to a third party provider, who operates an entire or substantial portion of an existing commercial supply chain. This kind of partnership has proven to be very successful in the commercial, finished goods inventory markets. Customers are seeking improved performance through an enhanced ordering process. Currently, customers must log into multiple PV web sites to order a variety of items from several different PV sources. Frequently, the customer becomes confused as to which PV they should order from, especially when the commodity is supported regionally. These funds will be used to develop a PV Portal that will provide a single face to the customer. By using a standard web browser, the customer would be automatically guided to the correct PV for the commodity they wish to buy and, once logged in, the customer's single password would allow them to navigate seamlessly across their preferred PV sites. A link to the DLA E-Mall site will also be available and all ordering activities will be directed to legacy system data warehouses. Initially this product will be a DSCP General and Industrial ordering tool with the functionality expanding to the other commodities. The capabilities will be accomplished through the purchase of a COTS logistical software package with enhancements made to develop the customized application. All software development will be performed externally.

Activity Group Capital Investment Justification

($ in Thousands)

A. Budget Submission
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B. Component/Activity Group/Date Defense Logistics Agency
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C. Line Number & Item Description
SWD 100 $0.5 to $0.999

D. Activity Identification

Element of Cost	FY 2000			FY 2001			FY 2002					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 100-04 Federal Logistics Information System (DLIS)			910						910			

Narrative Justification:

The Federal Logistics Information System (FLIS) provides automated support to the Federal Catalog System and maintains the National Stock Number database. Software development changes to FLIS will provide increased customer access to the information. Changes will support Defense Integrated Subsistence Management System (DISMS) data in FLIS, access to FLIS data via the Inventory Control Point (ICP) web sites, expansion of freight and packaging capabilities, Distribution Standard System (DSS) and Business Systems Modernization (BSM) interfaces, and interfaces to other Service data for Integrated Data Environment (IDE) initiatives. All software development will be performed internally. The Return on Investment (ROI) is 1.5.

Activity Group Capital Investment Justification

($ in Thousands)

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B. Component/Activity Group/Date Defense Logistics Agency
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C. Line Number & Item Description
SWD 200 $1.0 and Over

D. Activity Identification

Element of Cost	FY2000			FY 2001			FY 2002					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-01 Business Systems Modernization			46,748			95,755			92,817			

Narrative Justification:

Business Systems Modernization (BSM) allows for the integration of business processes with a new enterprise business system based on Commercial-off-the-Shelf Software (COTS) and best commercial practices. BSM provides an Information Technology foundation which allows for both continuous process and continuous technology insertion. It is the IT foundation which will allow DLA to fully implement electronic business, web-based technologies, and an integrated data environment, as well as other innovations to be compliant with the Joint Technical Architecture and the data exchange standards (e.g. ANS ASCI X.12), necessary for DLA to interoperate with its customers and suppliers. DLA currently provides common logistics support to the Military Services and Commanders in Chief using legacy materiel management systems such as SAMMS and DISMS. These legacy systems are the product of decades of accumulated and divergent business practices, using technology that is obsolete and is no longer supported by the original equipment manufacturers and software support provider. Additionally, the system consists of several million lines of code that provides no analytical capability or real-time data access. These shortfalls (age, complexity, and size) lead to its fragility, high maintenance cost, and increasing unreliability. DoD and DLA are striving to align business practices with best commercial practices by re-engineering logistics processes at all echelons. BSM supports the objectives of Joint Vision 2020 (concept of Focused Logistics and logistics transformation plan), the Department of Defense (DoD) Logistics Strategic Plan, and the DLA Strategic Plan. BSM is a member of the Global Combat Support System (GCSS) Family of Systems (FoS) and will comply with the requirements of the GCSS Capstone Requirements Document. On August 1, 2000 the BSM program received Milestone 1/2A approval to conduct the enterprise design and begin the Concept Demonstration at the three DLA Inventory Control Points. Phase I/II will encompass FY 01 and FY 02, with an anticipated Milestone 2/3 decision late in FY 02, to enter Enterprise Implementation and Roll-Out. The Return on Investment (ROI) is 1.05 and the payback will occur in FY 2015.

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($ in Thousands)

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SWD 200 $1.0 and Over

D. Activity Identification

Element of Cost	FY2000			FY 2001			FY 2002					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-02 Other Supply Initiatives			3,414			378			2,505			

Narrative Justification:

Hazardous Materiel Information System (HMIS) ($1,305). HMIS is a central repository of information on hazardous items/materials used in the DoD. The relational data base management system resides on a mid-tier with access via the world wide web. The FY 02 funding is required to develop software in the redesign effort to an EC/EDI scan imaging environment. The Return on Investment (ROI) is 1.28. All software development will be preformed internally.

Standard Automated Materiel Management System (SAMMS) ($1,200). SAMMS is the standard Automated Information System (AIS) used for mission support by the DLA hardware Inventory Control Points (ICPs) (DSCC, DSCR) and by DSCP for Medical and Clothing/Textile commodities. Software development changes to Legacy SAMMS are necessary to meet critical ICP mission and customer support requirements as they arise in the period pending replacement by the Business Systems Modernization (BSM) program. Further, SAMMS must continue to accommodate mandatory requirements such as maintenance changes (program malfunctions/deficiencies), and interfaces to FLIS, DSS, ERLS and Military Standards (MILS). Emerging Mission Critical enhancements will be subject to approval by the SAMMS Configuration Control Board (CCB). All software development will be performed internally.

Activity Group Capital Investment Justification

($ in Thousands)

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

D. Activity Identification

Element of Cost	FY2000			FY 2001			FY 2002					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-03 Subsistence Total Order and Receipt Electronic System (DSCP)			2,400			2,500			1,000			

Narrative Justification:

Subsistence Total Order and Receipt Electronic System (STORES) provides Subsistence customers from all military services with a single order entry point/electronic commerce interface. It is integrated with all services' systems, sends orders direct to Prime Vendors and/or Defense Subsistence Offices, takes receipt data, and sends pre-invoice data electronically to vendor and financial systems. Enhancements to STORES are required to support communications with overseas sites, implement a credit card program, and provide an electronic catalog and Internet access capabilities. The Savings to Investment Ratio (SIR) is 2.84 with a payback period of 1.5 years. All software development will be performed externally.

Activity Group Capital Investment Justification

($ in Thousands)

A. Budget Submission
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B. Component/Activity Group/Date Defense Logistics Agency
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C. Line Number & Item Description
SWD 200 $1.0 and Over

D. Activity Identification

Element of Cost	FY 2000			FY 2001			FY 2002					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-04 DESEX (DLIS)									1,500			

Narrative Justification:

The Defense Supply Expert System (DESEX) is a deployed operational system that interfaces with DLA and Military Service legacy systems at 19 Inventory Control Points (ICPs) allowing customers to conduct supply transactions in an interactive phone, e-mail and Web environment. Customers can obtain requisition checks/asset availability, create new requisitions, modify existing ones, or speak to a Customer Service Associate (CSA). Software development changes to DESEX are required for continuous voice recognition, Computer Telephony Interface (CTI), digital signaling and routing by National Stock Number (NSN). Funding will also we used to provide users with a state of the art web interface and access to all information through a DII/COE compliant system. These enhancements will reduce the amount of calls referred to a CSA for action in a DII/COE compliant environment while retaining the unique abilities to provide information/access to ICP Call Centers. All software development will be performed externally.

Activity Group Capital Investment Justification

($ in Thousands)

A. Budget Submission
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B. Component/Activity Group/Date Defense Logistics Agency
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C. Line Number & Item Description
SWD 200 $1.0 and Over

D. Activity Identification

Element of Cost	FY 2000			FY 2001			FY 2002					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-05 Defense Medical Logistics Standard System (DSCP)			6,798			5,358			4,947			

Narrative Justification:

The Defense Medical Logistics Standard System (DMLSS) Wholesale is an integrated electronic system supporting the medical logistics needs of the Military Services. While the program directly funds the business process improvements and Management Information System (MIS) enhancements at the DSCP Medical Directorate, the benefits and savings cascade down the entire wholesale DoD logistics network. In FY02, DMLSS Wholesale will address the data integrity challenges inherent in integrating the Department of Veteran Affairs pricing structure into the DoD supply chain, expanding Web-based Ordering System (WBOS) capabilities, providing real-time pricing updates and supporting DoD's plan for a Consolidated Pharmacy Benefits Program. In addition, DMLSS Wholesale will support the Medical Directorate's continuing move to Electronic Commerce (EC) solutions that are necessary to keep pace with commercial trading partners and augment the integrated data environment and electronic connectivity to rapidly communicate decisions in the supply chain from the point of manufacture to the point of consumption. These enhancements are critical to the continuing success of providing better products and improved services at a lower cost. The Return on Investment for the DMLSS Program is 5.89. The life cycle benefits estimate is $3.2 billion over the period FY 2000–FY 2012, with benefits attributed to Release 2.0 of $523 million. All savings are aggregated for the retail and wholesale components because DMLSS is an integrated partnership between these components. All software development is performed externally.

Activity Group Capital Investment Justification

($ in Thousands)

A. Budget Submission
FY 2002 Amended Budget Submission

B. Component/Activity Group/Date Defense Logistics Agency
Supply Management Activity Group June 2001

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

D. Activity Identification

Element of Cost	FY 2000			FY 2001			FY 2002					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-06 Cataloging Re-Engineering System (DLIS)			11,400			6,460			1,750			

Narrative Justification:

The Cataloging Re-engineering System (CRS) provides DoD with a standard cataloging system that fully supports the centralization of all functions under DLA management. CRS will interface with the Standard Procurement System (SPS), Federal Logistics Information System (FLIS) and all of the Service and DoD Supply systems. It will be fully compliant with the Global Combat Support System (GCSS) and the Defense Information Infrastructure/Common Operating Environment (DII/COE). CRS will increase the productivity of catalogers and reduce the number of errors in cataloging batch transactions. CRS will store all business logic. Systems that encapsulate knowledge, rather than merely store data, will reduce processing time and free operators to work on the smaller number of transactions that pose more intricate problems and require concentrated operator knowledge to solve. The savings for CRS are $11million over the cost of investment period, FY 1999-2006, plus yearly savings of 12M over the status quo in every subsequent year. The Return on Investment is 1.4 and the payback period is 7 years. The funding required in FY2002 is for continued contractor software development necessary for the integration and implementation in creating the standardized cataloging system. All funding required after FY 2000 will be utilized for System Change Requests (SCR's) and implementation of new technology to meet future requirements. All software development is being performed externally.

Activity Group Capital Investment Justification

($ in Thousands)

A. Budget Submission
FY 2002 Amended Budget Submission

B. Component/Activity Group/Date Defense Logistics Agency
Supply Management Activity Group June 2001

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

D. Activity Identification

Element of Cost	FY 2000			FY 2001			FY 2002					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-07 Logistics Data Gateway									1,300			

Narrative Justification:

The DoD logistics community is requiring more data to be available on-line to support research and “what if” scenarios. Logistics Data Gateway (LDG) is an initiative to design and document a comprehensive architecture and provide a set of Business Intelligence Tools capable of allowing the customer fast and easy access to the vast amount of data which DAASC maintains and processes. Standard COTS tools will be used to allow users and applications access to the data. Development will include a data warehouse/data mart, application interfaces required to facilitate the COTS tool set, data cleansing capability, value added scripts and stored procedures where necessary, and metric reporting capability. The data warehouse/data mart will be available to the customer via the Internet to do operational research, create reports, track requisitions, monitor trends, and project needs. The customer will be able to download data, save the output securely on the DAASC server, or email results around the world. This project positions DAASC to support the total asset visibility requirements, as identified in the FY 2000 DoD Logistics Strategy Plan. The impact of not making this investment is that customers will have limited access to the DAASC managed data. Under the current scenario the customer has to call DAASC functional experts and identify their data requirements. The functional expert captures and identifies the requirements to the programming staff who then develops the programs that produce the required data extracts, data integration, and reports. The Savings to Investment Ratio (SIR) is 1.38 and the estimated payback period is 3.7 years.

Activity Group Capital Investment Justification

($ in Thousands)

A. Budget Submission
FY 2002 Amended Budget Submission

B. Component/Activity Group/Date Defense Logistics Agency
Supply Management Activity Group June 2001

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

D. Activity Identification

Element of Cost	FY 2000			FY 2001			FY 2002					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-08 IDE									3,600			

Narrative Justification:

The Integrated Data Environment (IDE) initiative was established as a result of the Focused Logistics Wargame (FLOW 2010) and the GCSS CINC Combat Support Information Requirements (CSIR). IDE will create an on-line logistics information environment for supporting warfighter situational awareness, management decision-making, pipeline performance analysis and business process improvements. This project is critical to current mission performance because DLA lacks the ability to provide on-line information to the warfighter, which has led to degraded pipe-line visibility and control, inefficient use of critical strategic lift, logistics organizations left with the wrong assets, and users who build redundant and duplicative requirements which further burdens heavily taxed transportation and communications capabilities. The capability to obtain accurate, up-to-date logistics information for use in making decisions in critical military situations does not exist and current systems cannot be sufficiently integrated to provide for decision support, situational awareness, or a common operational picture. The IDE initiative will be accomplished in multiple phases through the use of applications integration, software tools and COTS. Development of the first phase includes access and integration of DLA Class I (Subsistence), Class III (Fuels) and Class VIII (Medical) logistics data and development of an IDE web site. Phase II will extend the IDE core infrastructure to include the remaining DLA Supply classes, enhance the situational awareness capabilities, and expand the functionality beyond DLA. All software development will be performed externally.

The Return on Investment for IDE is 2.17 and the Payback Period is 3.73 years.

Activity Group Capital Investment Justification

($ in Thousands)

A. Budget Submission
FY 2002 Amended Budget Submission

B. Component/Activity Group/Date Defense Logistics Agency
Supply Management Activity Group June 2001

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

D. Activity Identification

Element of Cost	FY 2000			FY 2001			FY 2002					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-09 Knowledge Management									4,275			

Narrative Justification:

Knowledge Management (KM) is an emerging DLA HQ initiative that treats intellectual capital as a managed asset. The primary tools applied in the practice of KM are organizational dynamics, process engineering, and technology. These three elements work in concert to streamline and enhance the capture and flow of an organizations data, information, and knowledge, then deliver it to individuals. The primary goal of KM is to deliver the intellectual capacity of the Agency to individuals who make the day-to-day decisions that, in aggregate, determine the success or failure of an organization. Phase I of the project will implement standalone KM applications and systems across DLA Headquarters. Following successful implementation at Headquarters, KM will be implemented at DLA's major field activities. Phase II implementation will also integrate the KM approach with Business Systems Modernization (BSM). The working concept is that KM will provide portals and data warehousing for integration of unstructured data, such as word processing documents, spreadsheets, and relational databases, with structured data from DLA's Enterprise Resource Planning (ERP) module. All software development will be performed externally.

The Return on Investment (ROI) is 1.30 and the payback period is 2.92 years.

Activity Group Capital Investment Justification

($ in Thousands)

A. Budget Submission
FY 2002 Amended Budget Submission

B. Component/Activity Group/Date Defense Logistics Agency
Supply Management Activity Group June 2001

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

D. Activity Identification

Element of Cost	FY 2000			FY 2001			FY 2002					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-10 ARN-VPV			800						1,750			

Narrative Justification:

The Apparel Research Network (ARN) Virtual Prime Vendor (VPV) initiative is a supply chain integration system based on a balanced inventory flow replenishment concept. This project will allow the Defense Supply Center Philadelphia (DSCP) to assume the ownership of inventory at Marine, Navy and Air Force Recruit Training Centers (RTCs) and retail clothing stores. This project is essential to the success of the DSCP initiative to take ownership of all retail clothing inventory at RTCs, immediately draw down inventory levels, and maintain optimum inventory control with total asset visibility of the recruit clothing supply chain. The ARN -VPV will provide tools to support every aspect of supply chain management:

Integration - ARN Asset Visibility System through the Virtual Item Manager Interface

Wholesale - Balanced Inventory Flow Replenishment System and Quality Logistics Management (QLM) Central

Retail - QLM Local and 3-D Full Body Scanning for Recruit Clothing Issues

Manufacturing - Automated Supplier Apparel Production

The design of the ARN VPV system is built on a foundation of COTS tools and standard web-based technologies. In FY 2000 development began under the Logistics Research and Development (Log R&D) program with the Army RTC's as the prototype. The prototype successfully achieved an overall inventory reduction of $25 million at the 6 Army RTC's. During FY 2001 the Army RTC rollout will be completed with rollout to the Navy RTC at Great Lakes Naval Center and the Air Force RTC at Lackland AFB following in FY 2002. Upon successful implementation at these locations ARN-VPV will proceed in FY 2003 to include the Navy Exchange Command (NEXCOM) retail stores. The Return on Investment is 4.38 with a payback period of 1.29 years. All software development will be performed externally.

Activity Group Capital Investment Justification

($ in Thousands)

A. Budget Submission
FY 2002 Amended Budget Submission

B. Component/Activity Group/Date Defense Logistics Agency
Supply Management Activity Group June 2001

C. Line Number & Item Description
RPM 000 Minor Construction

D. Activity Identification

Element of Cost	FY 2000			FY 2001			FY 2002					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Minor Construction												
Non-Energy			3,522			1,700			1,675			
Energy			26,217			30,000			29,400			
Total Minor Construction			29,739			31,700			31,075			

Narrative Justification:

The minor construction investment, for projects between $100 and $500 each, will construct new or modify existing facilities for mission and operational improvements. The projects consist of:

(1) Upgrading fire protection and alarm systems.
(2) Upgrading utility distribution systems (especially water and electrical).
(3) Additional paving for road networks and organizational and personnel parking.
(4) Renovation of administrative facilities and restrooms.
(5) Upgrading fuel distribution, oil/water separators and tank monitoring systems (Energy only).
(6) Construction of fuel laboratories (Energy only).
(7) Upgrading storm water management systems (drainage structures, retention basins)
(8) Upgrading buildings to meet seismic criteria (structural upgrades).
(9) Upgrading buildings for compliance with Americans with Disability Act

Additional minor construction requirements are for incidental improvements associated with facilities repair projects; and for Energy, projects associated with the transfer of funding responsibility for Service Defense Fuel Supply Points. These investments will result in cost effective facilities to support the mission and upgrade storage, distribution and dispensing facilities to ensure compliance with all fire, safety and environmental regulations.

DEFENSE LOGISTICS AGENCY
Defense-Wide Working Capital Fund
Supply Management Activity Group
FY 2002 Amended Budget Submission
Capital Budget Execution
FY 2000
(Dollars in Millions)

PROJECTS ON THE FY 2001 PRESIDENT'S BUDGET

FY	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ (Deficiency)	Explanation
2000	Equipment except ADPE & TELCOM:	(0.7)	4.4	5.1	(0.7)	
	Replacement < $0.499	(0.3)	0.4	0.7	(0.3)	Emergent requirement
	Productivity < $0.499	0.0	0.0	0.0	0.0	
	VXI Automated Component Test System	(0.4)	0.0	0.4	(0.4)	Reauthorization of prior year project
	Fuel Terminal Automation-San Diego	0.0	4.0	4.0	0.0	
2000	Equipment - ADPE & TELCOM:	0.4	17.4	17.0	0.4	
	Technical Infrastructure Equipment	(0.5)	9.9	10.4	(0.5)	Project repriced
	Base Level Sustainment (BLS)	0.7	3.1	2.5	0.7	Projects reprioritized/repriced
	Defense Message System	0.1	0.3	0.2	0.1	Project repriced
	DSCR LAN Replacement	0.1	0.8	0.7	0.1	Project rescoped
	Go Paperless	0.4	0.4	0.0	0.4	Cancelled
	Mid-Tier Augmentation	0.0	1.0	1.0	0.0	
	LIPS/LOTS Upgrade	0.4	1.8	1.3	0.4	Reprogrammed for LIPS/LOTS software
	Electronic Business	(0.9)	0.0	0.9	(0.9)	FY99 Carryover for project completion
2000	Software Development:	(18.3)	55.1	73.4	(18.3)	
	Softward Development < $0.499	(0.4)	0.7	1.1	(0.4)	Emergent requirements
	Federal Logistics Information System (FLIS)	0.8	0.9	0.2	0.8	Partially deferred to FY01
	Defense Integrated Subsistence Mgmt Sys (DISMS)	1.6	1.6	0.0	1.6	Projects reprioritized
	Other Supply Initiatives	2.9	3.4	0.5	2.9	Two projects will be completed in FY01
	Defense Medical Logistics Standard Sys (DMLSS)	(0.8)	6.2	7.0	(0.8)	Additional development required
	Business Systems Modernization (BSM)	(20.1)	26.7	46.7	(20.1)	First task defined-project repriced
	Cataloging Reengineering System (CRS)	0.0	11.4	11.4	0.0	
	Web Based Software Development	(0.0)	1.2	1.2	(0.0)	
	Fuel Automated System (FAS) COTS	0.3	1.0	0.7	0.3	Reprogrammed for FAS hardware
	Subsistence Total Order & Receipt Electronic System	(0.9)	1.5	2.4	(0.9)	Additional requirements
	Go Paperless	0.0	0.5	0.5	0.0	
	Customer Wait time (CWT) Software Tool	0.0	0.0	0.0	0.0	
	LIPS/LOTS Upgrade	(0.4)	0.0	0.4	(0.4)	Project rescoped
	Electronic Business	(1.2)	0.0	1.2	(1.2)	FY99 Carryover for project completion
2000	Minor Construction:	0.8	30.2	29.4	0.8	Projects not executed due to design delays
	Total FY 2000	**(17.8)**	**107.1**	**124.9**	**(17.8)**	