Fiscal Year (FY) 2004/ FY 2005 Biennial Budget Estimates

Defense Contract Management Agency (DCMA)

February 2003

As a combat support agency the Defense Contract Management Agency (DCMA) is responsible for: contingency and wartime planning with the Combatant Commands (COCOM); maintaining effective training and preparations for deployed operations in Bosnia and Kosovo, and in support of Operation Enduring Freedom (OEF) and Operation Noble Eagle (ONE); deployment with military forces to support contingency operations in the Global War on Terrorism (GWOT); support of joint exercises; and mobilizing defense industry support of COCOM.

DCMA's operation and maintenance appropriation consists of the following activities: Defense Contract Management Districts East, West and International, the Defense Contract Management Agency Headquarters, the Mission Support Unit, Special Programs, and the Standard Procurement System (SPS) totaling $1 billion and 11,034 full time equivalents. DCMA provides contract management services throughout the acquisition life cycle to include contractor compliance with contract terms; accepting products; providing program and technical support; and ensuring that contractors are paid. The Standard Procurement System is the new DoD-wide standard system that will replace Service and Defense Logistics Agency legacy procurement systems.

	FY 2002 Actuals	Price Growth	Program Growth	FY 2003 Estimate	Price Growth	Program Growth	FY 2004 Estimate	Price Growth	Program Growth	FY 2004 Estimate
Budget Activity 4										
Admin & Serv Act	931,095	29,411	4,102	964,608	19,584	24,716	1,008,908	26,692	(7,286)	1,028,314
Total	931,095	29,411	4,102	964,608	19,584	24,716	1,008,908	26,692	(7,286)	1,028,314

Budget Activity 4 reflects funding in support of the Contract Management Agency as well as funding in support of the Standard Procurement System. The O&M appropriation funds the contracts, supplies, equipment maintenance, communications, salaries, awards, personnel, benefits, travel, permanent change of station, and training in support of these programs. Due to the magnitude of the congressional reductions levied upon DCMA in FY 2002 and DoD undistributed reductions in FY 2003, significant reductions were required to be made to the Agency's civilian manpower levels and the non-labor budget. These reductions continue to severely impact our ability to align our workforce to support our customers, train and maintain our workforce, implement facility moves to DoD space, and maintain existing facilities. The FY 2004 increases are attributable to a continuation of workforce reshaping initiatives begun in FY 2003 to place our workforce with the contractor. In FY 2004 DCMA is aligning funds to allow the flexibility to hire back in the areas where the high-risk workload has moved. This initiative will also permit the Agency to re-baseline the civilian workforce and achieve a three (3) percent glide slope in the out years.

	FY 2002 Actual	Change	FY 2003 Estimate	Change	FY 2004 Estimate	Change	FY 2005 Estimate
Operation and Maintenance, Defense-wide							
USDH	1,379	113	1,492	-73	1,419	0	1,419
Total	1,379	113	1,492	-73	1,419	0	1,419

Narrative Explanation of Changes:

FY 2003 to FY 2004

1,492 is a legacy from the last budget submission. 1,419 FTE only are funded in both years.

	Amount	Total
1. FY 2003 President's Amended Budget request		**1,070,567**
2. Congressional Adjustments (Distributed)		
Total Congressional Adjustments (Distributed)		
3. Congressional Adjustments (Undistributed)		
a. FECA Surcharge Reduction	(986)	
b. Unobligated Balance	(1,685)	
c. CSRS/FEHB Accruals	(76,741)	
Total Congressional Adjustments (Undistributed)		(79,412)
Congressional Adjustments (General Provisions)		
a. Section 8100 - Management Efficiencies	(13,351)	
b. Section 8103 - Government Purchase Card	(297)	
c. Section 8109 - Reduce Cost Growth of Information Technology	(1,308)	
d. Section 8133 - Reduce Growth of Travel Cost	(3,173)	
e. Section 8135 - Inflation - revised economic assumptions	(5,560)	
Total Congressional Adjustments (General Provisions)		(23,689)
4. Congressional Earmarks		
a. Section 8044 - Indian Land Environmental Impact	(237)	
Total Congressional Earmarks		(237)
5. FY 2003 Appropriated Amount		**967,229**

	Amount	Total
6. Other Transfers-In		
Total Transfers-In		
7. Other Transfers-In (Non-Functional)		
Total Transfers-In (Non-Functional)		
8. Functional Transfers-Out		
a. GIDEP transfer to DLA	(250)	
b. Defense Property Accountability System (DPAS)	(6)	
Total Transfers-Out		(256)
9. Other Transfer-Out (Non-Functional)		
Total Transfers-Out (Non-Functional)		
10. Price Change		-
11. Program Increases		-
12. Program Decreases		-
This program decrease funds a portion of the emergent fact-of-life requirements for: Government-wide E-GOV initiatives, growing adjudication backlog of security clearances, the Defense Travel System, the DoD Rewards Program and other emergent requirements.	(2,365)	
Total Program Decreases		(2,365)
13. Revised FY 2003 Current Estimate		**964,608**

	Amount	Total
14. Price Change		19,700

15. Program Increases

   a. In recent years DCMA has not been able to shift personnel as quickly as workload shifted. In FY 2004 we plan to increase the number of FTEs over the FY 2003 baseline when we self-finance a VSIP/VERA by under executing FTEs.   27,197

   b. Additional pay day in FY 2004   3,163

   c. Increase in DISA (Communication Services Tier 2) costs to support the Defense Messaging Service (DMS) which has replaced the AUTODIN messaging service throughout DoD for transmittal and receipt of secure messaging traffic.   4,032

   d. Increase in DISA information services cost due to Megacenter Processing and Testbed charges incurring from MOCAS services required for continuous usage of legacy systems and anticipated cost escalations for SPS.   257

   e. Restores one-third of the Agency IT equipment requirements in accordance with the planned replacement cycle. It is critical to restore this cycle to avoid end user interruptions and additional maintenance and repair costs associated with antiquated equipment.   7,639

   f. Increased training and PCS requirements to complement workforce shaping efforts commenced in FY 2003.   16,966

   g. Increase in cost for the Defense Finance and Accounting Services (DFAS) in accordance with service provider estimates.   365

   h. Increase in ADP software costs to support DCMA infrastructure technical architecture as it migrates from client/server applications to Worldwide Web-based applications supported by the Integrated Database/Data Mart.   2,736

	Amount	Total
Total Program Increases		62,355
16. Program Decreases		
a. The decrease in FY 2004 reflects returning VERA/VSIP to normal levels.	(35,099)	
b. SPS program requirement	(2,656)	
Total Program Decreases		(37,755)
17. FY 2004 Budget Request		**1,008,908**
18. Price Change		26,658
19. Program Change		(7,252)
20. FY 2005 Budget Request		**1,028,314**

DEFENSE CONTRACT MANAGEMENT AGENCY (DCMA)
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates
Personnel Summary

	FY 2002	FY2003	FY2004	FY2005	Change FY2002/ FY 2003	Change FY2003/ FY 2004	Change FY2004/ FY 2005
Civilian End Strength Total	11,327	11,184	11,194	10,863	(143)	10	(331)
US Direct Hires	11,230	11,085	11,096	10,765	(145)	11	(331)
Foreign National Direct Hire	79	80	79	79	1	(1)	0
Total Direct Hire	11,309	11,165	11,175	10,844	(144)	10	(331)
Foreign National Indirect Hire	18	19	19	19	1	0	0
(Reimbursable Civilian - Memo)	1,191	1,169	1,114	1,061	(22)	(55)	(53)
Civilian End FTEs (Total)	11,709	11,034	11,311	11,130	(675)	277	(181)
US Direct Hires	11,612	10,935	11,213	11,032	(677)	278	(181)
Foreign National Direct Hire	79	80	79	79	1	(1)	0
Total Direct Hire	11,691	11,015	11,292	11,111	(676)	277	(181)
Foreign National Indirect Hire	18	19	19	19	1	0	0
(Reimbursable Civilian - Memo)	1,191	1,169	1,114	1,061	(22)	(55)	(53)

DEFENSE CONTRACT MANAGEMENT AGENCY
Operations and Maintenance, Defense-Wide
Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates
Summary of Price and Program Changes

	FY 2002 Actuals	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Estimate	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Estimate
Executive, General & Special Schedule	783,780	0.035	27,260	(48,354)	762,686	0.023	17,374	39,592	819,652
Wage Board	322	0.034	11	12	345	0.023	8	0	353
Foreign National Direct Hire	3,650	0.035	127	60	3,837	0.023	87	0	3,924
Separation Liability (FNDH)	151	–	0	(151)	0	–	0	0	0
Benefits to Former Employees	2,320	–	0	(69)	2,251	–	0	0	2,251
Voluntary Separation Incentive Pay	7,081	–	0	31,978	39,059	–	0	(35,099)	3,960
Disability Compensation	4,354	–	0	67	4,421	–	0	0	4,421
TOTAL CIVILIAN PERSONNEL COMPENSATION	801,658		27,398	(16,457)	812,599		17,469	4,493	834,561
Travel of Persons	21,000	0.011	231	6,511	27,742	0.015	416	5,750	33,908
TOTAL TRAVEL	21,000		231	6,511	27,742		416	5,750	33,908
DISA Information Services (includes Testbed)	5,619	(0.010)	(56)	1,014	6,577	–	0	257	6,834
Communication Services (DISA) Tier 2	6,692	–	0	(1,499)	5,193	–	0	4,032	9,225
Defense Finance and Accounting Services	4,109	0.155	637	(960)	3,786	0.039	148	365	4,299
Defense Security Service	371	0.078	29	249	649	0.029	19	0	668
TOTAL PURCHASES	16,791		610	(1,196)	16,205		167	4,654	21,026
Commercial Transportation	1,970	0.011	21	1,243	3,234	0.015	48	1,002	4,284
TOTAL TRANSPORTATION	1,970		21	1,243	3,234		48	1,002	4,284
Foreign National Indirect Hire (FNIH)	559	0.034	19	0	578	0.022	13	0	591
SLUC (GSA Leases)	15,762	0.021	331	96	16,189	0.017	275	0	16,464
Purchased Utilities (non-Fund)	584	0.012	7	(28)	563	0.016	9	0	572
Purchased Communications (non-Fund)	9,633	0.011	106	199	9,938	0.015	149	0	10,087
Rents and Leases (non-GSA)	2,324	0.011	25	(185)	2,164	0.015	32	0	2,196
Postal Service (U.S.P.S.)	587	–	0	(59)	528	–	0	0	528
Supplies & Materials (non-Fund)	11,629	0.011	128	1,517	13,274	0.015	199	2,736	16,209
Printing & Reproduction	213	0.009	2	145	360	0.014	5	0	365
Equipment Maintenance by Contract	719	0.011	8	3	730	0.015	11	0	741
Facility Maintenance by Contract	132	0.015	2	1	135	0.015	2	0	137
Equipment Purchases (non-Fund)	2,335	0.011	26	2,337	4,698	0.015	71	7,639	12,408
Contract Consultants	12,916	0.011	142	(67)	12,991	0.015	194	0	13,185
Management and Professional Support Services	445	–	5	(77)	373	0.013	5	0	378
Studies, Analysis & Evaluation	16	–	0	0	16	–	0	0	16
Other Contracts	31,822	0.011	350	10,119	42,291	0.015	635	(1,674)	41,252
TOTAL OTHER PURCHASES	89,676		1,151	14,001	104,828		1,600	8,701	115,129
Total Operation & Maintenance	931,095		29,411	4,102	964,608		19,700	24,600	1,008,908

DEFENSE CONTRACT MANAGEMENT AGENCY
Operations and Maintenance, Defense-Wide
Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates
Summary of Price and Program Changes

	FY 2004 Estimate	Price Growth Percent	Growth Amount	Program Growth	FY 2005 Estimate
Executive, General & Special Schedule	819,652	0.030	24,967	(13,518)	831,101
Wage Board	353	0.031	11	0	364
Foreign National Direct Hire	3,924	0.031	120	0	4,044
Separation Liability (FNDH)	0	-	0	0	0
Benefits to Former Employees	2,251	-	0	0	2,251
Voluntary Separation Incentive Pay	3,960	-	0	2,640	6,600
Disability Compensation	4,421	-	0	0	4,421
TOTAL CIVILIAN PERSONNEL COMPENSATION	834,561		25,098	(10,878)	848,781
Travel of Persons	33,908	0.016	542	3,821	38,271
TOTAL TRAVEL	33,908		542	3,821	38,271
DISA Information Services (includes Testbed)	6,834	(0.021)	(141)	315	7,008
Communication Services (DISA) Tier 2	9,225	-	0	65	9,290
Defense Finance and Accounting Services	4,299	(0.171)	(735)	(537)	3,027
Communication Services (DISA) Tier 1	0	#DIV/0!	0	0	0
Defense Security Service	668	-	0	(10)	658
TOTAL PURCHASES	21,026		(876)	(167)	19,983
Commercial Transportation	4,284	0.016	69	0	4,353
TOTAL TRANSPORTATION	4,284		69	0	4,353
Foreign National Indirect Hire (FNIH)	591	0.030	18	0	609
SLUC (GSA Leases)	16,464	0.015	247	0	16,711
Purchased Utilities (non-Fund)	572	0.016	9	0	581
Purchased Communications (non-Fund)	10,087	0.016	162	0	10,249
Rents and Leases (non-GSA)	2,196	0.016	35	0	2,231
Postal Service (U.S.P.S.)	528	(0.004)	(2)	0	526
Supplies & Materials (non-Fund)	16,209	0.016	260	0	16,469
Printing & Reproduction	365	0.016	6	0	371
Equipment Maintenance by Contract	741	0.016	12	0	753
Facility Maintenance by Contract	137	0.022	3	0	140
Equipment Purchases (non-Fund)	12,408	0.016	198	0	12,606
Contract Consultants	13,185	0.016	211	0	13,396
Management and Professional Support Services	378	0.016	6	0	384
Studies, Analysis & Evaluation	16	-	0	0	16
Other Contracts	41,252	0.016	660	(28)	41,884
TOTAL OTHER PURCHASES	115,129		1,825	(28)	116,926
Total Operation & Maintenance	1,008,908		26,658	(7,252)	1,028,314

DEFENSE CONTRACT MANAGEMENT AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates
Activity 4: Contract Management

I. <u>Description of Operations Financed</u>:

Contract Management Services (CMS):

The Defense Contract Management Agency (DCMA) role as a combat support organization is its most important mission. DCMA's combat support responsibilities include: providing contract administration services in support of any contingency, war or crisis; contingency and wartime planning with the Combatant Commands (COCOM); maintaining effective training and preparations for deployed operations in Bosnia and Kosovo, and in support of Operation Enduring Freedom (OEF) and Operation Noble Eagle (ONE); deployment with military forces to support contingency operations in the Global War on Terrorism (GWOT); support of joint exercises; and mobilizing defense industry support of COCOM operations.

DCMA provides customer-focused acquisition contract support and management to ensure warfighter readiness, 24/7, worldwide. As DoD's lead contract management agent, DCMA represents the interests of the Government with industry, thereby protecting the rights of the Government, obtaining maximum value for taxpayers' dollars and providing responsive support to the Military Departments as well as to civilian agency customers. DCMA's major responsibilities are: ensuring contractor compliance with cost, delivery, technical, quality and other terms of contracts assigned for management; accepting products and services on behalf of the Government; providing program and technical support; and ensuring that contractors are paid. DCMA serves as DoD's single face to industry in contractors' plants worldwide, providing the Military Departments and civilian agency customers with invaluable insights throughout the acquisition process.

DCMA workload is continuing to grow as a result of Departmental transformation efforts, Military Service recapitalization, readiness and modernization efforts. At the same time, the DCMA workforce continues to downsize. Since 1998, DCMA unliquidated obligations (ULO), a measure of work in progress, has risen by fifty (50) percent. During this same period, DCMA reduced personnel by over 1,500.

I. <u>**Description of Operations Financed**</u>: (continued)

While this budget continues that trend, it also reflects a significant effort in workforce shaping in FY 2003 and FY 2004. In the past few years DCMA has not been able to shift personnel as quickly as the shift in workload. In FY 2003 DCMA plans to under execute FTEs in order to self-finance the cost of Voluntary Separation Incentive Pay, Reduction-In-Force, and management directed reassignments. This will enable DCMA to hire personnel in the locations required to meet high risk transformation workload priorities. DCMA plans to reduce overhead through consolidation of over a dozen field Contract Management Offices (CMOs).

DCMA initiatives reflected in this budget submission include:

The DCMA management headquarters is reduced by seventy-one (71) end strengths by the end of FY 2003. This reduction is in accordance with the FY 2002 National Defense Authorization Act requiring 15 percent end strength reduction from the FY 1999 baseline.

DCMA currently will start outsourcing studies in FY 2003 with potential savings anticipated in the out years.

In response to DCMA's potential retirement wave, this budget reflects workforce restructuring initiatives in accordance with OMB Bulletin 01-07, Workforce Planning and Restructuring, May 8, 2001. Current statistics identify that approximately forty-two (42%) percent of DCMA workforce will be eligible for retirement by 2009. Initiatives include funding for recruitment bonuses for engineers and increased funding for training.

I. <u>**Description of Operations Financed**</u>: (continued)

DCMA Information Technology:

DCMA strives to continually improve efficiency and effectiveness of its business processes in order to support the nation's warfighter. The use of Information Technology (IT) is a major component of DCMA's success in this area; DCMA's workforce requires IT tools to perform their jobs and produce superior results.

Specifically, these efforts include applications that impact such vital DoD acquisition business matters as Pre-award Surveys of prospective contractors, contract price negotiation, material acceptances, contractor payment, and industrial workload analyses and assessments.

Visibility of key data and information at the team level supports performance based management, allowing teams to self direct the application of limited resources to the appropriate priorities.

Ultimately, DCMA's customers, the Military Departments and Defense Agencies, benefit from these efforts because of increased access to information such as contractor delivery status, manufacturing progress, quality assurance metrics, status of negotiations with contractors, and faster and more accurate payments to contractors. DCMA customers will be better able to anticipate contract performance difficulties and work with DCMA to resolve them before they impact the warfighter.

In this budget submittal, the DCMA IT budget is displayed using the Global Information Grid (GIG) and Information Technology/Defense Information Infrastructure (IT/DII) reporting structure. The reporting structure includes: Functional Area Applications, Communication and Computing Infrastructure, Related Technical Activities and Information Assurance.

This DCMA IT budget submission continues our focus on Web-basing all DCMA-unique software applications. There are two reasons why DCMA is pursuing such a course.

I. Description of Operations Financed: (continued)

First, Web-basing applications dramatically reduces the costs associated with fielding new software mission capabilities. (Only a limited handful of central servers need to be updated versus updating the thousands of desktop computers used by the agency's employees).

Second, the move to Web-basing will make DCMA's software applications much more adaptable to the ongoing and future changes in the Department's procurement and financial management systems that are being implemented in accordance with the Department's Financial Management Modernization Improvement Program and Financial Management Enterprise Architecture.

IT infrastructure is vital to DCMA's mission and successful implementation of its initiatives. DCMA's technical architecture defines the computing and communications environment required to meet these goals. As new mission needs and business requirements are identified, DCMA updates its technical architecture.

IT computing and communications infrastructure covers the technical architecture (e.g., desktop computers, Local Area Networks (LANs), LAN servers, operating systems, wide area telecommunications, and system management utilities) needed to deploy, run, and productively use DoD-wide and DCMA-unique mission software applications, the Defense Messaging System, office productivity applications (e.g., Microsoft Office), and Knowledge Management and workgroup collaboration tools. As new mission needs and business requirements are identified, DCMA updates its technical architecture. An illustrative example of a technical architecture update is the migration from client/server applications to Worldwide Web-based applications supported by a DCMA Integrated Database/Data Mart. This will allow us to improve our Information Assurance capabilities, implement DoD's mandated Public Key Infrastructure (i.e. digital identification and signature certificates, with secure data transmission protocols), and support DoD's Acquisition Excellence and Electronic Business/Electronic Commerce initiatives. These continuing updates will also lower database administration requirements, reduce software deployment and maintenance

I. Description of Operations Financed: (continued)

costs, increase adaptability to rapidly changing business and mission requirements, and dramatically reduce the time needed to field new functionalities.

Additionally, these updates will allow us to centrally manage our systems resources for improved reliability and reduced maintenance expenses.

To keep up with the increases in computing power required by successive new generations of operating systems and Commercial-Off-The-Shelf (COTS) software, as well as to facilitate our transition to Web-based applications and improved central system management, DCMA has embarked on a program to replace one-third of its desktop personal computers and LAN servers each year. We do this because:

   (1) This cycle matches manufacturers' standard three-year no-cost on-site repair or replacement warranties.

   (2) Industry-wide experience shows that computer components (particularly, hard drive storage devices) start failing at accelerated rates in the fourth year after a computer or server's delivery.

   (3) The costs of maintenance and repair services for computers and servers whose warranties have expired quickly mount up to the purchase prices for new equipment that would have been covered by three-year warranties.

   (4) Computers and servers more than three years old generally cannot cope with the demands imposed by newer software such as the latest versions of Microsoft's Windows operating system and Office line of products. In addition, software vendors typically stop all technical support for their products two years after the introduction of any replacement products. That means that operation of older software on older machines soon results in significant and protracted interruptions of service for end users, and within a relatively short period of time becomes technically non-viable in any sense.

I. Description of Operations Financed: (continued)

     (5) Annual replacement of one-third of the inventory of computers and servers is less disruptive to workforce productivity and more economical in terms of support costs than an across-the-board replacement once every three years.

Contingency Operations:

Since 1993, DCMA has deployed over 400 people to efforts in Haiti, Rwanda, Bosnia, Kosovo, and many other locations. DCMA oversees the Brown and Root Sustainment contract, which provides base camp construction and maintenance in Bosnia and Kosovo as well as surrounding countries. This contract covers water, latrines, food services, laundry, base camp maintenance, cargo and mail handling, power generation, waste management, and vehicle maintenance. FY 2002 contingency funding supported civilian overtime, TDY, and pre-deployment training. FY 2003 funding was transferred from the Overseas Contingency Transfer Fund to the Defense-Wide appropriations.

Reimbursable Earnings:

The DCMA current estimate reflects a substantial increase of $17.3 million in reimbursable earnings from FY 2002 to FY 2004. DCMA is projecting significant decreases in direct hours worked by functional personnel for Foreign Military Sales (FMS) customers (9% decrease from FY 2002 to FY 2004) and the National Aeronautical Space Administration (NASA) (6.2% decrease from FY 2002 to FY 2004). However, these decreases will be offset by the significant increase in the direct hourly rates charged to DCMA's reimbursable customers. In FY 2002, the NASA rate was $68.23 and the FMS rate was $71.13 (excludes $4.08 for the Unfunded Civilian Retirement (UCR)). In FY 2003 the direct hourly rates for NASA and FMS were increased to $90.41 (FMS rate excludes $4.67 for the UCR). DCMA projects that the FY 2004 NASA and FMS rates will be $93.48.

DCMA performs contract management services on a reimbursable basis for non-DoD customers. Most of this reimbursable work, including support of Foreign Military Sales (FMS), NASA and other

civilian agency customers, is billed monthly at a standard annual rate. Outside Continental United States (OCONUS) reimbursable work (limited in scope) is primarily reimbursed on an actual cost basis.

I. Description of Operations Financed: (continued)

Contract management hours in support of FMS in the Continental United States (CONUS) are computed based on an annual ratio of FMS contract disbursements to total contract disbursements and account for 65 percent of the DCMA's estimated reimbursable budget for FY 2003. In FY 2000 the FMS annual ratio was 10.2 percent. The ratio decreased to 7.3 percent in FY 2001, 6.53 percent in FY 2002, and 6.28 in FY 2003. It is projected to decrease to 6.24 percent in FY 2004, resulting in a decrease of approximately 40 personnel. We anticipate that the FMS annual ratio for FY 2005 will continue the declining trend, resulting in further decreases in FMS earnings.

The majority of the decreases in our FMS earnings track back to significant reductions in FMS disbursements on FMS sales to Saudi Arabia.

DCMA hours worked in support of NASA and associated DCMA reimbursable earnings decreased approximately 27 percent from FY 1996 through FY 2000. However, from FY 2000 to FY 2001, the NASA hours stabilized and increased slightly (2.7 percent). The increase in hours was attributable to delegated work to support Johnson Space Center for the Space Shuttle and the International Space Station. The September 11, 2001 terrorist attacks and other safety issues impacted scheduled launches and NASA hours from FY 2001 to FY 2002 decreased by 3.9 percent. Due to reduced NASA budgets, we anticipate that the NASA hours will continue to decrease during FY 2003 (1.7 percent reduction from FY 2002 actuals) and FY 2004 (4.7 percent reduction from FY 2002 actuals). However, DCMA reduced the number of direct hours used to calculate Full Time Equivalents (FTEs) from 1,705 to 1,610 when the FY 2003 proposed rates were approved by OUSD(C). We therefore project a modest increase in personnel (3) for FY 2004.

II. Force Structure Summary: N/A

III. <u>Financial Summary (O&M: Dollars in Thousands)</u>:

A. Sub activity Group:	FY 2002 Actual	FY 2003 Budget Requested	Appropriated	Current Estimate	FY 2004 Estimate	FY 2005 Estimate
1. Contract Administration Services						
Personnel Compensation and Benefits	880,859	958,777	850,353	850,353	903,663	913,111
Voluntary Separation Incentive pay	7,133	10,236	39,059	39,059	3,960	6,600
PCS	10,603	14,828	14,778	14,778	20,607	20,937
Travel	18,741	24,208	22,537	22,537	25,244	25,648
Training	8,145	13,570	13,201	13,201	22,600	26,041
Finance and Accounting Services	4,720	4,300	3,786	3,786	4,299	3,027
Furniture and Non-ADP Equipment	872	3,851	1,510	1,510	1,535	1,544
Other Operating Support Costs	52,381	72,193	79,070	79,070	82,023	84,514
Sub Total	983,454	1,101,963	1,024,294	1,024,294	1,063,932	1,081,423
2. DCMA Information Technology						
Functional Area Application	1,753	4,177	2,794	2,794	1,434	718
Communication & Computing Infrastructure	15,937	28,314	21,144	21,144	26,959	28,430
Related Technical Activities	9,334	3,393	9,861	9,861	8,943	9,126
Information Assurance	3,379	4,211	2,627	2,627	1,929	1,785
Sub Total	30,403	40,095	36,426	36,426	39,265	40,059
3. Information Services - DISA Processing	6,439	7,559	7,488	7,488	7,861	8,176
5. Information Services - DISA Tier 2	7,441	11,884	6,104	6,104	10,139	10,204
6. Contingency Operations	1,827	2,777	2,777	2,777	2,926	3,051
7. Human Resourcing Operation Center	3,026	4,076	3,861	3,861	3,930	4,005
Total	1,032,590	1,168,354	1,080,950	1,080,950	1,128,053	1,146,918

DEFENSE CONTRACT MANAGEMENT AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates
Activity 4: Contract Management

A.Sub activity Group:

	FY 2002 Actual	FY 2003 Budget Requested	FY 2003 Appropriated	FY 2003 Current Estimate	FY 2004 Estimate	FY 2005 Estimate
Reimbursable Earning	113,200	111,662	130,184	130,184	130,551	131,470
Operation and Maintenance Total	919,390	1,056,692	950,766	950,766	997,502	1,015,448

B. Reconciliation Summary:

	Change FY 2003/FY 2003	Change FY 2003/FY 2004	Change FY 2004/FY 2005
1.Baseline Funding	1,056,692	950,766	997,502
a. Congressional Adjustment (Distributed)	-		
b. Congressional Adjustment (Undistributed)	(79,412)		
c. Congressional Adjustment (General Provisions)	(23,656)		
d. Congressional Earmarks	(237)		
e. Congressional Earmarks Billpayer	-		
2.Subtotal Appropriated Amount	953,387	950,766	997,502
a. Adjustments to meet Congressional Intent			
b. Across-the-board reductions (Rescission)			
c. Approved Reprogramming/Transfers	(256)		
3.Price Change	-	19,497	26,474
4.Program Changes	(2,365)	27,239	(8,528)
5.Current Estimate	**950,766**	**997,502**	**1,015,448**

C. Reconciliation of Increases and Decreases:

	Amount	Total
1. FY 2003 President's Budget request		**1,056,692**
2. Congressional Adjustments (Distributed)		
3. Congressional Adjustments (Undistributed)		
a. FECA Surcharge Reduction	(986)	
b. Unoligated Balance	(1,685)	
c. CSRS/FEHB Accruals	(76,741)	
Total Congressional Adjustments (Undistributed)		(79,412)
Congressional Adjustments (General Provisions)		
a. Section 8100 - Management Efficiencies	(13,351)	
b. Section 8103 - Government Purchase Card	(297)	
c. Section 8109 - Reduce Cost Growth of Information Technology	(1,308)	
d. Section 8133 - Reduce Growth of Travel Cost	(3,140)	
e. Section 8135 - Inflation - revised economic assumptions	(5,560)	
Total Congressional Adjustments (General Provisions)		(23,656)
4. Congressional Earmarks		
a. Section 8044 - Indian Land Environmental Impact	(237)	
Total Congressional Earmarks		(237)
5. FY 2003 Appropriated Amount		**953,387**
6. Functional Tranfers-In		
Total Functional Transfers-In		
7. Other Transfers-In (Non-Functional)		
Total Other Functional Transfers-In		

C. Reconciliation of Increases and Decreases (continued):

```
8. Functional Transfers-Out
   a. GIDEP transfer to DLA                                        (250)
   b. Defense Property Accountability System (DPAS)                  (6)
         Total Functional Transfers-Out                                        (256)
9. Other Transfers-Out (Non-functional)
         Total Other Transfers-Out
10. Price Change                                                                   -
11. Program Increases                                                              -
12. Program Decreases
    This program decrease funds a portion of the emergent fact-
    of-life requirements for: Government-wide E-Gov initiatives,
    growing adjudication backlog of security clearances, the
    Defense Travel System, The DoD Rewards Program and other
    emergent requirements.                                       (2,365)
         Total Program Decreases                                              (2,365)
```

13. Revised FY 2003 Current Estimate   **950,766**

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14. Price Change                                                             19,497
15. Program Increases                                                        62,338
   a. In the past few years DCMA has not been able to shift
personnel as quickly as the shift in workload.  In FY 2004 DCMA
plans to increase the number of FTEs when compared to the FY 2003
baseline when we self-finance a VSIP/VERA by underexecuting FTEs.
DCMA now has the ability to hire personnel in the locations
required to meet high risk transformation workload priorities.   27,197


   b. Additional pay day                                          3,160


   c. Increase in DISA (Communication Services Tier 2) costs to
support the Defense Messaging Service (DMS) which has replaced
the AUTODIN messaging service throughout DoD for transmittal and
receipt of secure messaging traffic.                             4,032
```

C. Reconciliation of Increases and Decreases (continued):

    d. Increase in DISA information services cost due to
Megacenter Processing and Testbed charges incurring from MOCAS
services required for continuous usage of legacy systems.   243

    e. Restores one-third of the Agency IT equipment requirements
in accordance with the planned replacement cycle. It is critical
to restore this cycle to avoid end user interruptions and
additional maintenance and repair costs associated with
antiquated equipment service which would otherwise be covered by
manufacturers warranties.   7,639

    f.Increased training and PCS requirements to complement
workforce shaping efforts commenced in FY 2003.   16,966

    g. Increase in cost for the Defense Finance and Accounting
Services (DFAS) in accordance with service provider estimates.   365

    h. Increase in ADP software costs to support DCMA
infrastructure technical architecture as it migrates from
client/server applications to Worldwide Web-based applications
supported by the Integrated Database/Data Mart.   2,736

16. Program Decreases		(35,099)
a. The decrease in FY 2004 reflects returning VERA/VSIP to normal levels.	(35,099)	
17. FY 2004 Budget Request		**997,502**
18. Price Change		26,474
19. Program Change		(8,528)
20. FY 2005 Budget Request		**1,015,448**

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

DCMA aims to be the provider of choice for contract management for the Department of Defense, delivering great customer service and leading the way to efficient and effective business processes. DCMA's strategic objectives include: assuring the quality of today's products and services, and improving the capability of tomorrow's Defense industrial base, teaming with our customers in securing best value products and services, providing payment and financial management service that promote efficient and effective operations, using risk management to improve efficiency in supplier and internal business management processes, and building and maintaining a work environment that attracts, develops, and sustains a quality workforce.

The FY 2003-2009 DoD Performance Contract for DCMA contains ten goals that are associated with the Agency mission.

The first goal is to reduce the cost per unit of output for contract management services by three percent annually from the FY 1998 baseline through improvements in productivity. DCMA has implemented a unit cost and activity-based management system. The forecast assumes stable contract workload and no major changes in delegation of contract authority from the military services.

The second goal is to achieve a rating of five or greater, on a six point scale, on 90 percent of the responses regarding overall customer satisfaction. DCMA will conduct customer surveys each month. Primary customers to be surveyed are Acquisition Category I, II and III program managers, their respective Procurement Contracting Officers (PCOs), service logistics and item managers, and their respective PCOs. Problems identified in the surveys will be assessed for corrective action.

The third goal is to improve the percentage of contracts closed out in accordance with Federal Acquisition Regulation/Defense Federal Acquisition Regulation Supplement goals.

IV. Performance Criteria and Evaluation Summary: (continued)

Much of the documentation required to close out contracts is provided by other organizations (i.e., Defense Contract Audit Agency, Defense Finance and Accounting Service, and program offices). To attain this goal, DCMA teams with these other organizations to work systemic issues that would otherwise delay closeout.

The fourth goal is to ensure that 85 percent of potential canceling funds do not cancel. DCMA works canceling funds to assist its customers in assuring that they do not have to pay for prior contractual obligations with current funds.

DCMA accomplishes this objective by querying all MOCAS ACRNs for canceling appropriations, reviews accounting records with ULO balances against canceling appropriations, heightens production surveillance on undelivered goods, etc. DFAS and DCMA work together to develop the list of canceling appropriations and confirms the list with the Services.

The fifth goal is to increase on-time deliveries by two percentage points per year. This entails DCMA's partnering with customers to improve the entire end-to-end delivery management process. This goal is supported by various initiatives which capitalize on decision support software that provides "drill down" capabilities to organizational and process sources of poor delivery; continued evaluation on end-to end procurement processes for systemic root cause drivers to poor delivery performance; engaging with buying activities when systemic issues are identified; and, using risk management principles to prioritize and focus contract management actions on high-risk suppliers; and, employing Early CAS, Management Councils, formal corrective action requests and other tools to influence supplier performance.

The sixth goal is to increase the percentage of personnel who are DAWIA certified to Level II (90 percent) and Level III (96 percent). The employees receive training provided by the Defense Acquisition University.

IV. <u>Performance Criteria and Evaluation Summary</u>: (continued)

The seventh goal is increase the electronic processing of invoice payments for those contracts administered by DCMA. An increase in productivity and efficiency is sought through use of increased electronic processing of invoices, this supports the President's initiative on expanding electronic Government and implements electronic invoicing requirements of the FY 2001 Appropriation Act.

The eighth goal is to increase acceptance in the number of documents received and processed electronically. The goal is to increase the percentage of day-to-day contract administration activities such as DD250s, conducts electronically.

The ninth goal is reducing interest payments paid on Non-Power Track interest by 5 percentage points per year.

The tenth goal is to reduced aged accounts receivable, ninety days and over. This target is a percentage goal established with a long-term objective of reducing aged accounts receivable over one hundred and twenty days. In order to achieve the desired results DCMA will continue to work closely with other organizations in the resolving systemic issues that delay resolution of disputed bills.

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V.   Personnel Summary:

	FY 2002	FY2003	FY2004	FY2005	Change FY2002/ FY 2003	Change FY2003/ FY 2004	Change FY2004/ FY 2005
Active Military End Strength (E/S) Total	626	625	623	623	(1)	(2)	0
Officer	529	528	528	528	(1)	0	0
Enlisted	97	97	95	95	0	(2)	0
Civilian End Strength Total	11,319	11,175	11,185	10,854	(144)	10	(331)
US Direct Hires	11,222	11,076	11,087	10,756	(146)	11	(331)
Foreign National Direct Hire	79	80	79	79	1	(1)	0
Total Direct Hire	11,301	11,156	11,166	10,835	(145)	10	(331)
Foreign National Indirect Hire	18	19	19	19	1	0	0
(Reimbursable Civilian - Memo)	1,191	1,169	1,114	1,061	(22)	(55)	(53)
Active Military FTEs (Total)	626	625	623	623	(1)	(2)	0
Officer	529	528	528	528	(1)	0	0
Enlisted	97	97	95	95	0	(2)	0
Civilian End FTEs (Total)	11,701	11,025	11,302	11,121	(676)	277	(181)
US Direct Hires	11,604	10,926	11,204	11,023	(678)	278	(181)
Foreign National Direct Hire	79	80	79	79	1	(1)	0
Total Direct Hire	11,683	11,006	11,283	11,102	(677)	277	(181)
Foreign National Indirect Hire	18	19	19	19	1	0	0
(Reimbursable Civilian - Memo)	1,191	1,169	1,114	1,061	(22)	(55)	(53)

Summary of Price and Program Changes

VI. Financial Summary (O&M: Dollars in Thousands):

Summary of Price and Program Changes

	FY 2002 Actuals	Price Growth	Program Growth	FY 2003 Estimate	Price Growth	Program Growth	FY 2004 Estimate	Price Growth	Program Growth	FY 2005 Estimate
Executive, General & Special Schedule	782,776	27,225	(48,354)	761,647	17,350	39,589	818,586	24,935	(13,516)	830,005
Wage Board	322	11	12	345	8	0	353	11	0	364
Foreign National Direct Hire	3,650	127	60	3,837	87	0	3,924	120	0	4,044
Separation Liability (FNDH)	151	0	(151)	0	0	0	0	0	0	0
Benefits to Former Employees	2,320	0	(69)	2,251	0	0	2,251	0	0	2,251
Voluntary Separation Incentive Pay	7,081	0	31,978	39,059	0	(35,099)	3,960	0	2,640	6,600
Disability Compensation	4,354	0	67	4,421	0	0	4,421	0	0	4,421
TOTAL CIVILIAN PERSONNEL COMP	800,654	27,363	(16,457)	811,560	17,445	4,490	833,495	25,066	(10,876)	847,685
Travel of Persons	20,926	230	6,465	27,621	414	5,750	33,785	540	3,821	38,146
TOTAL TRAVEL	20,926	230	6,465	27,621	414	5,750	33,785	540	3,821	38,146
DISA Information Services (includes Testbed)	4,876	(49)	996	5,823	0	243	6,066	(141)	301	6,226
Communication Services (DISA) Tier 2	6,692	0	(1,499)	5,193	0	4,032	9,225	0	65	9,290
Defense Finance and Accounting Services	4,109	637	(960)	3,786	148	365	4,299	(735)	(537)	3,027
Communication Services (DISA) Tier 1	0	0	0	0	0	0	0	0	0	0
Defense Security Service	371	29	249	649	19	0	668	0	(10)	658
TOTAL PURCHASES	16,048	617	(1,214)	15,451	167	4,640	20,258	(876)	(181)	19,201

Summary of Price and Program Changes

VI. Financial Summary (O&M: Dollars in Thousands):

	FY 2002 Actuals	Price Growth	Program Growth	FY 2003 Estimate	Price Growth	Program Growth	FY 2004 Estimate	Price Growth	Program Growth	FY 2005 Estimate
Commercial Transportation	1,970	21	1,236	3,227	48	1,002	4,277	69	0	4,346
TOTAL TRANSPORTATION	1,970	21	1,236	3,227	48	1,002	4,277	69	0	4,346
Foreign National Indirect Hire (FNIH)	559	19	0	578	13	0	591	18	0	609
SLUC (GSA Leases)	15,762	331	96	16,189	275	0	16,464	247	0	16,711
Purchased Utilities (non-Fund)	584	7	(28)	563	9	0	572	9	0	581
Purchased Communications (non-Fund)	9,633	106	199	9,938	149	0	10,087	162	0	10,249
Rents and Leases (non-GSA)	2,324	25	(185)	2,164	32	0	2,196	35	0	2,231
Postal Service (U.S.P.S.)	587	0	(59)	528	0	0	528	(2)	0	526
Supplies & Materials (non-Fund)	11,579	128	1,526	13,233	198	2,736	16,167	259	0	16,426
Printing & Reproduction	213	2	145	360	5	0	365	6	0	371
Equipment Maintenance by Contract	572	6	3	581	9	0	590	10	0	600
Facility Maintenance by Contract	132	2	1	135	2	0	137	3	0	140
Equipment Purchases (non-Fund)	2,318	26	2,354	4,698	71	7,639	12,408	198	0	12,606
Contract Consultants	11,549	127	40	11,716	175	0	11,891	190	(199)	11,882
Management and Professional Support Services	145	2	(77)	70	2	0	72	2	0	74
Studies, Analysis & Evaluation	16	0	0	16	0	0	16	0	0	16
Other Contracts	23,819	262	8,057	32,138	483	982	33,603	538	(1,093)	33,048
TOTAL OTHER PURCHASES	79,792	1,043	12,072	92,907	1,423	11,357	105,687	1,675	(1,292)	106,070
Total	919,390	29,274	2,102	950,766	19,497	27,239	997,502	26,474	(8,528)	1,015,448

I. Description of Operations Financed:

The Defense Contract Management Agency (DCMA) is responsible for the Department of Defense Standard Procurement System (SPS) within the Procurement/Contract Management area. DoD initiated the SPS in 1994 to enhance readiness and support to warfighters through standardization and optimization of procurement systems and activities across the Army, Navy, Air Force, Marine Corps, Defense Logistics Agency, Defense Contract Management Agency, and the other Defense Agencies. SPS is currently supporting over 22,400 users in the field and is the <u>only</u> standard business system in DoD. During fiscal year 2002, operational procurement professionals relied on SPS to complete more than 416 thousand contract actions totaling over 40 billion dollars.

The SPS will prepare legacy procurement system users to operationally use SPS and enable retirement decisions to be made for the 13 designated major legacy systems. SPS has been installed completely to five legacy system communities: Automation of Procurement and Accounting Data Entry (APADE) in the U.S. Navy, Base Contracting Automation System (BCAS) in the U.S. Marine Corps, Standard Army Automated Contracting System (SAACONS) in the U.S. Army, Federal Standard Automated Contracting System (SACONS) in the Other Defense Activities, and Base Contracting Automation System (BCAS) in the U.S. Air Force.

Programmed Operation and Maintenance funds are used for activities in support of the SPS mission, such as Help Desk Support, Program Management Support, Personnel, Software Maintenance, Travel, Defense Information Service Agency (DISA) Processing, and Shared Data Warehouse (SDW) Maintenance.

Help Desk Support, under the sub-activity software maintenance, is approximately 55 percent of the Operations and Maintenance budget in all budget years and encompasses the following areas: core help desk support, web support, and infrastructure support. Core Help Desk Support provides SPS users a mechanism for reporting operational deficiencies and necessary functional system changes. Infrastructure support provides assistance to SPS system

administrators with database management and corruption issues, software related connectivity issues, and issues relating to software reinstallation. Web support provides SPS users with

a globally accessible product knowledge base that includes software updates and documents that help users operate the SPS software more efficiently. This medium also provides a real-time, online, ability to generate and monitor the status of service requests.

Shared Data Warehouse (SDW) Maintenance, under the sub-activity software maintenance, and Defense Information Service Agency Processing, under the sub-activity DISA Information Services, are approximately 15 percent of the Operations and Maintenance budget in all budget years. SDW provides the Defense Contract Management Agency and the Defense Finance and Accounting Service communities with the ability to perform contract reconciliation and closeout actions in a more expeditious manner. The SDW uses a forward-bridge to extract and combine data from multiple Mechanization of Contract Administration Services (MOCAS) databases. The support of this environment requires funding for maintenance and DISA processing charges.

II. <u>**Force Structure Summary**</u>: **N/A**

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III. <u>**Financial Summary (O&M: Dollars in Thousands)**</u>:

A. Subactivities:	FY 2002 Actual	FY 2003 Budget Request	FY 2003 Appropriated	FY 2003 Current Estimate	FY 2004 Estimate	FY 2005 Estimate
1. Personnel Comp & Benefits	1,004	1,084	1,084	1,039	1,066	1,096
2. Travel	74	178	178	121	123	125
3. DISA Info Services	743	667	667	754	768	782
4. Supplies & Materials	50	29	29	41	42	43
5. Equipment Maintenance	147	335	335	149	151	153
6. Equipment Purch/COTS	16	0	0	0	0	0
7. Software Maintenance	8,003	9,178	9,178	10,158	7,653	8,829
8. Implementation Support	1,636	2,379	2,346	1,545	1,568	1,802
9. Other Operating Support Costs	32	25	25	35	35	36
Total	11,705	13,875	13,842	13,842	11,406	12,866

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B. **Reconciliation Summary:**	Change FY 2003/ FY 2003	Change FY 2003/ FY 2004	Change FY 2004/ FY 2005
Baseline Funding	**13,875**	**13,842**	**11,406**
Congressional Adjustments (Distributed)			
Congressional Adjustments (Undistributed)			
Congressional Adjustments (General Provisions)	(33)		
Appropriation	**13,842**	**13,842**	**11,406**
Realignment to Meet Congressional Intent			
Across-the-Board Reduction			
Fact-of-Life Changes (CY to CY Only)			
Subtotal Baseline Funding	13,842	13,842	11,406
Price Changes		203	184
Program Changes		(2,639)	1,276
Current Estimate	**13,842**	**11,406**	**12,866**

C. Reconciliation of Increases and Decreases:

	(Dollars in Thousands)	
	Amount	Totals
FY 2003 Amended President's Budget		**13,875**
1.Congressional Adjustments		
a)Congressional Adjustments (General Provisions)		(33)
Section 8133 –		
Reduction in Travel Costs		
FY 2003 Appropriated Amount		**13,842**
2. Fact-of-Life Changes		
Baseline Funding		13,842
3.Reprogrammings/Supplemental		
a)Anticipated Supplemental		
b)Reprogrammings(Requiring 1415 Action)		
i) Increases		
ii) Decreases		
Revised FY 2003 Estimate		13,842
4.Price Change		203
5.Program Increases		17
a. Increase for extra Paid Day	3	
b. Increase in DISA Information Services expected due to	14	
anticipated cost escalations.		
6.Program Decreases		(2,656)
FY 2004 Budget Request		**11,406**
7. Price Change		184
8. Program Increases		1,276
FY 2005 Budget Estimate		**12,866**

IV. Performance Criteria and Evaluation Summary:

Sub-Activity #1: Personnel Compensation and Benefits
Labor, under the sub-activity Personnel Compensation and Benefits, is approximately 9% of the Operations and Maintenance budget in all budget years. The SPS Joint Program Management Office has the following hiring goals for fiscal year 2003:

Beginning End-Strength	End-Strength Goal	Beginning FTEs	FTE Goal
8	9	8	9

Sub-Activity #2: Travel
This sub-activity is approximately one percent of the total Operations and Maintenance budget in all budget years. This cost is mission essential; however, we have not established specific performance criteria at this time.

Sub-Activity #3: DISA Information Services
The DISA Information Services sub-activity is approximately 6 percent of the Operations and Maintenance budget in all budget years. Performance criteria for this sub-activity are combined with sub-activity seven, Software Maintenance.

Sub-Activity #4: Supplies and Materials:
This sub-activity is less than one percent of the total Operations and Maintenance budget in all budget years. This cost is mission essential; however, we have not established specific performance criteria at this time.

Sub-Activity #5: Equipment Maintenance:

This sub-activity is less than two percent of the total Operations and Maintenance budget in all budget years. This cost is mission essential; however, we have not established specific performance criteria at this time.

Sub-Activity #6: Equipment Purchases and COTS:
This sub-activity is less than one percent of the total Operations and Maintenance budget in all budget years. This cost is mission essential; however, we have not established specific performance criteria at this time.

Sub-Activity #7: Software Maintenance:
Help Desk Support, under the sub-activity software maintenance, is approximately 55 percent of the Operations and Maintenance budget in all budget years. When working on service requests, the SPS Help Desk is required to meet certain target percentages for average response and average resolution times. These average response and average resolution times and corresponding definitions are documented below.

SPS Help Desk Metrics	Target Percentage	Time Frame
Monthly Average Response Times		
Severity 1 Service Requests	50%	4 hours
	100%	8 hours
Severity 2 Service Requests	50%	8 hours
	100%	16 hours
Severity 3 Service Requests	50%	16 hours
	100%	2.5 weeks
Monthly Average Resolution Times		
Severity 1 Service Requests	75%	24 hours
	100%	60 hours
Severity 2 Service Requests	50%	44 hours
	100%	96 hours
Severity 3 Service Requests	50%	5 weeks

	100%	10 weeks

Definitions:
• Response time is defined as the time it takes for an Authorized Caller to be contacted by the first SPS Help Desk analyst who attempts to troubleshoot the Service Request.   • Resolution time will be calculated as the time required by the SPS Help Desk to identify a correct solution to an Authorized Caller's Service Request, minus any time the SPS Help Desk is awaiting a response from the Authorized Caller or a 3rd party vendor Help Desk support staff. Resolution time commences when a Service Request is opened.

Help Desk metrics are monitored by the SPS Joint Program Management Office on a monthly basis to ensure that the contractor is meeting the performance criteria described above.

Shared Data Warehouse (SDW) Maintenance, also under the sub-activity software maintenance, is approximately 9 percent of the Operations and Maintenance budget in all budget years. SDW provides the Defense Contract Management Agency and the Defense Finance and Accounting Service communities with the ability to perform contract reconciliation and closeout actions in a more expeditious manner. This is in support of the following DCMA performance goals (for complete details of the DCMA Business Plan please refer to http://home.dcma.mil/dcma-fbp/02planc.htm#PG1_4_2):

- Based on a contract with OSD, to achieve closeout of contracts 88% of the time within the Federal Acquisition Regulation mandated time frames.
- Maintain contracts more than 180 days past their final delivery date at 7% or less at the end of each month
- Complete plant clearance cases in a timely manner. Achieve timely closeout of plant clearance cases 75% of the time.
- Ensure 85% of funds, identified as at risk of canceling, do not cancel.

Additional Software Maintenance initiatives represent less than five percent of the total Operations and Maintenance budget in all budget years. These costs are mission essential; however, we have not established specific performance criteria at this time.

Sub-Activity #8: Implementation Support:
Program Management Support, under the sub-activity Implementation Support, is approximately 13 percent of the Operations and Maintenance budget in all budget years. Contracting Officer Representatives monitor contractor performance to ensure all required tasks are accomplished and support the Program's mission and goals. Project Plans and Progress Reports are required monthly to ensure that contractors are meeting performance requirements.

Sub-Activity #9: Other Operating Support Costs:
This sub-activity is less than one percent of the total Operations and Maintenance budget in all budget years. This cost is mission essential; however, we have not established specific performance criteria at this time.

V. Personnel Summary:	FY 2002	FY 2003	FY 2004	FY 2005	Change FY 2003/ FY 2004	Change FY 2004/ FY 2005
Active Mil End Strength (Total)	0	0	0	0	0	0
Officer						
Enlisted						
Civilian End Strength (Total)	8	9	9	9	0	0
U.S. Direct Hire	8	9	9	9	0	0
Active Mil FTEs (Total)	0	0	0	0	0	0
Officer						
Enlisted						
Civilian FTEs (Total)	10	9	9	9	0	0
U.S. Direct Hire	10	9	9	9	0	0

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VI. OP 32 Line Items (Dollars in Thousands):

		FY 2002 Est	Change FY 2003/2004 Price Growth	Change FY 2003/2004 Prog Growth	FY 2003 Est	Change FY 2004/2005 Price Growth	Change FY 2004/2005 Prog Growth	FY 2004 Est	Change FY 2004/2005 Price Growth	Change FY 2004/2005 Prog Growth	FY 2005 Est
101	Executive, General & Special Schedule	1,004	35	0	1,039	24	3	1,066	32	(2)	1,096
103	Wage Board	0	0	0	0	0	0	0	0	0	0
199	Total Civilian Personnel Compensation	1,004	35	0	1,039	24	3	1,066	32	(2)	1,096
308	Travel Of Persons	74	1	46	121	2	0	123	2	0	125
399	Total Travel	74	1	46	121	2	0	123	2	0	125
647	DISA Information Services	743	-7	18	754	0	14	768	0	14	782
699	Total Purchases	743	-7	18	754	0	14	768	0	14	782
771	Commercial Transportation	0	0	7	7	0	0	7	0	0	7
799	Total Transportation	0	0	7	7	0	0	7	0	0	7
920	Supplies & Materials	50	0	-9	41	1	0	42	1	0	43
922	Equipment Maintenance	147	2	0	149	2	0	151	2	0	153
925	Equipment Purchase & COTS	17	0	-17	0	0	0	0	0	0	0
931	Contract Consultants	1,367	15	-107	1,275	19	0	1,294	21	199	1,514
932	Mngt & Professional Svcs	268	3	0	271	3	0	274	4	0	278
987	Other IG Contracts	32	0	-4	28	0	0	28	0	0	28
989	Other Contracts	8,003	88	2,066	10,157	152	-2,656	7,653	122	1,065	8,840
999	Total Other Purchases	9,884	108	1,929	11,921	177	-2,656	9,442	150	1,264	10,856
9999	Total	11,705	137	2,000	13,842	203	-2,639	11,406	184	1,276	12,866