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OSD RDT&E BUDGET ITEM JUSTIFICATION (R2 Exhibit)

Date: February 2006

APPROPRIATION/ BUDGET ACTIVITY
RDT&E/ Defense Wide BA# 6

PE NUMBER AND TITLE

**0604140D8Z - Capital Asset Management Systems-Military Equipment Evaluation
(CAMS-ME)**

Cost (\$ in Millions)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Total Program Element (PE) Cost	0.000	4.736	0.000	0.000	0.000	0.000	0.000
P141 CAMS - Military Equipment Evaluation	0.000	4.736	0.000	0.000	0.000	0.000	0.000

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

Implementation of CAMS-ME will:

Provide reliable and accurate information to decision makers

- Total acquisition cost of assets will be consistently determined

- Decision makers will get comparable information over time and between programs

- It will allow better investment planning for replacements

Increase public confidence in the Department's ability to account for its assets and help achieve a clean audit opinion.

Bring the Department into compliance with the Chief Financial Officers Act of 1990 and the Federal Financial Management Improvement Act of 1996.

The RDT&E budget funds business process modeling & analysis, configuration management, system engineering, reports design, hosting implementation, and software development costs for the CAMS-ME DoD-wide Enterprise Solution.

B. Program Change Summary	FY 2005	FY 2006	FY 2007
Previous President's Budget (FY 2006)	0.000	7.779	8.715
Current BES/President's Budget (FY 2007)	0.000	4.736	0.000
Total Adjustments	0.000	-3.043	-8.715
Congressional Program Reductions			
Congressional Rescissions			
Congressional Increases			
Reprogrammings			
SBIR/STTR Transfer			

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445

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Other

-3.043

-8.715

C. Other Program Funding Summary: Not Applicable.

D. Acquisition Strategy: Not Applicable.

E. Performance Metrics: Not Applicable.

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OSD RDT&E PROJECT JUSTIFICATION (R2a Exhibit)						Date: February 2006	
APPROPRIATION/ BUDGET ACTIVITY RDT&E/ Defense Wide BA# 6			PE NUMBER AND TITLE 0604140D8Z - Capital Asset Management Systems-Military Equipment Evaluation (CAMS-ME)			PROJECT P141	
Cost (\$ in Millions)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
P141 CAMS - Military Equipment Evaluation	0.000	4.736	0.000	0.000	0.000	0.000	0.000

A. Mission Description and Project Justification: Not Applicable.

B. Accomplishments/Planned Program:

Accomplishment/Planned Program Title	FY 2005	FY 2006	FY 2007
Capital Asset Management System	0.000	4.736	0.000

FY 2006 Plan: Capital Asset Management System-Military Equipment (CAMS-ME)

- Migrate from the baseline valuation tool release 1 to release 2
- Primary purpose is to change from calculating asset values at the program level (phase 1) to a contract level (phase 2)
- Will be used by the P&E Policy Office, and DoD Components for maintaining and updating the baseline and for valuing military equipment assets delivered under contracts awarded post 10/1/2006
- The system will include the functionality described in phase 1 and will have added capabilities to calculate asset and program Work-In-Process values using data obtained from the contract (e.g., asset values calculated using average contract value) and values for certain identifiable Government Furnished Property items embedded in the military equipment end items.
- Will have the capability to exclude (e.g. spares) or separately account for (e.g. ground support equipment) ancillary ME items
- The automation of the system will be limited to a number of interfaces to receive disbursement data at the contract level

C. Other Program Funding Summary: Not Applicable.

D. Acquisition Strategy: Not Applicable.

E. Major Performers Not Applicable.

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447