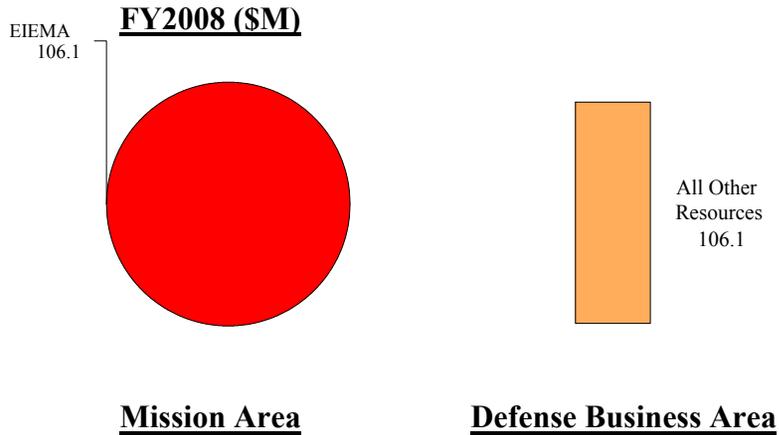


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FY07/08PB Comparison (\$M)

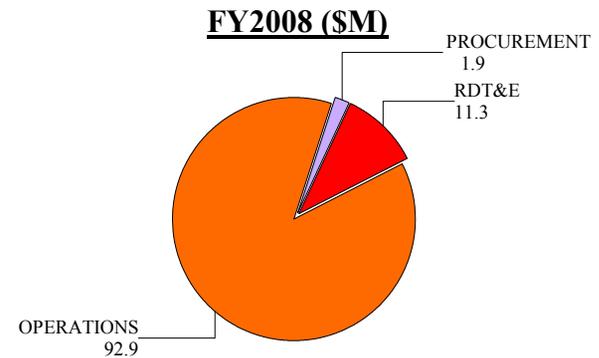
	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>
PB FY2007:	\$ 115.8	\$ 124.0	\$ 124.3
PB FY2008:	\$ 107.0	\$ 106.1	\$ 101.3
Delta:	\$-8.8	\$-17.9	\$-23.0

- Explain:**
- FY07 reflects programmatic adjustments
 - FY08 reflects Departmental reductions and Agency internal realignments.
 - FY09 reflects Departmental reductions and offsets to avoid further DCMA FTE reductions.

FY07 to FY08 Comparison (\$M)

	<u>FY2007</u>	<u>FY2008</u>	<u>Delta</u>
PB FY2008:	\$ 107.0	\$ 106.1	\$-0.9

Explain:
The budget changes reflect internal programmatic adjustments required to support the Agency's mission.



APPROPRIATION

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Executive Summary

The Defense Contract Management Agency's (DCMA's) mission is to provide customer-focused acquisition support and contract management services to ensure warfighter readiness, 24/7, Worldwide. DCMA continues to place great emphasis on streamlining and modernizing Department of Defense's (DoD's) business processes while maintaining improved accountability, security and integrity of systems and data. We are continuing our deep involvement in the Department's Business Enterprise Architecture efforts. We are embracing the DoD Transformation, by participating and leading the process of change, and taking full advantage of the benefits that the latest technologies can offer. DCMA is fully aligned with the following President's Management Agenda (PMA) strategic goals: Strategic Management of Human Capital, Competitive Sourcing, Improved Financial Performance, Expanded Electronic Government and Budget and Performance Integration.

As DCMA strives to continually improve the efficiency and effectiveness of its business processes in support of the nation's Warfighter; it uses Information Technology (IT) as a major component to achieve its success in this area. DCMA's workforce requires and is dependent on IT tools to perform their jobs and produce superior results. Funding to achieve DCMA IT requirements is included in three appropriations: Operations and Maintenance (O&M), Procurement Defense-Wide (PDW) and Research Development Test and Evaluation (RDT&E).

The DCMA Information Technology budget submission incorporates investments in support of E-Government and E-Business. Such investments include Web-based software applications that provide economic efficiencies and allow DCMA to update central servers versus updating thousands of desktop computers used by DCMA employees whenever new capabilities are added. It supports Public Key Infrastructure (PKI) security enhancements to secure our networks and prevent intrusions. It supports technical architecture that complies with OSD directives related to security and storage and provides visibility of key data and information at the team level in support of performance-based management.

Specifically, our IT 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. As such our goals are aligned with providing help to the IT users, providing adequate bandwidth, deploying the right equipments, operating systems and utilities while protecting DCMA computing environment.

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. 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.

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- (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.

DCMA's budget also includes funding to cover charges for Defense Information Service Agency (DISA) Processing and Testbed services for the Mechanization of Contract Administration Services (MOCAS).

Significant Changes

DCMA significant budget changes are attributable to departmental funding adjustments. These adjustments have substantially decreased DCMA's Information Technology out-year funding (FY 2009-2013) particularly in the Operations and Maintenance (O&M) account. As a result Information Technology computing infrastructure initiative funding was used as offsets to what otherwise would have been DCMA FTE reductions. These changes have reduced the computing power available to cope with new generations of operating systems and Commercial-Off-The-Shelf (COTS) software. Also, these changes limit our efforts to facilitate the transition to Web-based applications and impede DCMA's ability to meet its one-third replacement of its desktop personal computers and servers each year. The bottom line result is that DCMA mission effectiveness will be impaired through less reliable and effective IT computing infrastructure.

Defense Business Systems

DCMA sustains its focus on Web-basing all DCMA-unique software applications, and continues the push into Web Services software technology (i.e., machine-to-machine information exchanges between DCMA, our customers in the Military Services and Defense agencies, and the Defense industry, based upon the open-standard Extensible Markup Language [XML], Simple Object Access Protocol [SOAP], and so on). There are two primary reasons why DCMA is pursuing such a course. 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 rather than thousands of employees' desktop computers.) Second, moving to Web-basing and Web Services 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 Business Management Modernization Program and Business Management Enterprise Architecture, as well as better enable the Military Services to achieve their desired real-time supply chain information "Reachback" capabilities that will extend all the way onto the factory floors where parts, components, and systems are being produced.

In addition, IT computing and communications infrastructure is essential to our mission. It covers the technical architecture (e.g., desktop computers, Local Area Networks

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

Information Assurance Activities

DCMA is aggressively meeting the Information Assurance transformation challenge to the domestic and international threat environment currently facing the Department of Defense (DoD). DCMA has taken the position that Information Assurance is a most critical strategic initiative supporting all other information technology assets. This area must remain fully funded to protect the DCMA and DoD's networks and data.

Due to requirements for firewall security and Public Key Infrastructure (PKI) enablement, DCMA maintains directory service software tools to manage its heterogeneous operating system environment and security software interfaces. Directory services software is vital to DCMA's ability to manage authorized user access controls in conjunction with firewalls, PKI and intrusion detection systems.

Major Accomplishments

Recertified and reaccredited one-third of the agency's circuits and systems.

Installed E-Tools Server replacements to support E-Tools applications.

Enhanced the Agency's Network Directory Services (NDS) to be ready to integrate advanced security-related authentication (e.g., biometrics) as well as stay consistent with DoD security authentication.

Developed additional Web-based applications and introduced a collaboration portal. The new applications support increased machine-to-machine data exchanges between DCMA, other DoD Components, and industry; improved accuracy and timeliness of Defense acquisition-related financial transactions; and increased employee productivity.

Improved and implemented wireless applications and communications in support of contract management, acquisition, and contractor payment operations.

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Continued Web-basing DCMA-unique software applications that provide high speed capabilities to our remote users.

Major Planned Activities

Install Storage Area Network System (SANS) Records Management Disc Backup Replacements. This Records Management effort allows DCMA to comply with the Government Paperwork Elimination Act and National Archives and Records Administration requirements for maintaining an efficient Records Management and Data Retrieval System. DCMA's storage system allows the agency to store documents at reduced costs by storing "electrons" instead of paper, and provides agency-wide access to information in a secure environment.

Replacement of Ethernet Switches to improve interoperability throughout the agency on our networks.

Continue to replace core hub site switches to provide enhanced Wide Area Network (WAN) capabilities to better integrate with Defense Information System Network (DISN) and the Global Information Grid (GIG).

Recertify and reaccredit one-third of the agency's circuits and systems.

Continue to enhance the Agency's Network Directory Services (NDS) to be ready to integrate advanced security-related authentication by acquiring advanced system vulnerability scanning tools (to replace current generation of scanning tools).

Replace Video Conferencing's (VTCs) multiple call units/gateways at Headquarters and divisions.

Global Information Grid (GIG) / Net-Centricity

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: Communication and Computing Infrastructure, Related Technical Activities and Information Assurance.

DCMA is energetically developing new, and reengineering current infrastructure/architecture in order to meet the network application demands of our Agency customers. All DCMA web applications are built to GIG/DII/COE standards to ensure compatibility with other DoD systems. Our goal is to deliver mission critical software applications on time, at target cost, that fully satisfy our end-user requirements. At the same time, these tools will be built from the ground up to be affordable, powerful, and reliable. This allows DCMA to support DoD's Acquisition Excellence and Electronic Business and Electronic Commerce initiatives, as well as improve our Information Assurance capabilities and implement DoD's mandated Public Key Infrastructure including secure data transmission protocols and remote wireless capabilities.

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DISA Long Haul and Processing:

The Defense Information Service Agency (DISA) serves as a manager for all Defense Information Systems Network (DISN) activities. DISN is a wide-area communications component in the Global Information Grid (GIG). Through DISN, DCMA receives interoperable, secure Internet Protocol (IP) and Asynchronous Transfer Mode (ATM) data communication services. DISA also provides global voice services through the Defense Switched Network (DSN) which is a worldwide private-line telephone network. DISA's charges for these services are included in DCMA's budget under DISA Long Haul.

The DISA Electronic Commerce Centers (DECCs) at Columbus, OH and Ogden, UT maintain seven test instances of MOCAS for testing MOCAS system modifications before they are put into production. Those test instances are very important given that MOCAS processes approximately 1.5 million contractor invoices worth \$120 billion each year. The agency's DISA processing charges include all expenses related to equipment depreciation and replacement, software, licensing fees, and the DISA labor required to operate and maintain these systems.

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Information Technology Budget Exhibit Resource Summary by Initiative (IT-1)

	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>
DEFENSE CONTRACT MANAGEMENT AGENCY RESOURCE SUMMARY:	147,584	107,029	106,099	101,278

1794 - STANDARD PROCUREMENT SYSTEM (SPS)

Major

GIG Category: FUNCTIONAL AREA APPLICATIONS - ACQUISITION

Operations

<u>Appropriation</u>	<u>Budget Activity</u>	<u>Budget Line Item</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>
O&M,DEF-WIDE	BA 04 ADMN & SRVWD ACT	DEFENSE CONTRACT MANAGEMENT AGENCY	13,036	0	0	0

Procurement

<u>Appropriation</u>	<u>Budget Activity</u>	<u>Budget Line Item</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>
PROC., DEF-WIDE	BA 01 MAJOR EQUIPMENT	MAJOR EQUIPMENT	8,286	0	0	0

RDT&E

<u>Appropriation</u>	<u>Budget Activity</u>	<u>Program Element</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>
RDT&E ,DEF-WIDE	BA 05 SYS DEV & DEMO (SDD)	0605015BL INFORMATION TECHNOLOGY DEVELOPMENT-STANDARD PROCUREMENT SYSTEM (SPS)	5,002	0	0	0

Initiative Resource Summary:	26,324	0	0	0
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Information Technology Budget Exhibit Resource Summary by Initiative (IT-1)

2523 - DCMA Work Automation ()

Non-Major

GIG Category: RELATED TECHNICAL ACTIVITIES - TECHNICAL ACTIVITIES

Operations

<u>Appropriation</u>	<u>Budget Activity</u>	<u>Budget Line Item</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>
O&M,DEF-WIDE	BA 04 ADMN & SRVWD ACT	DEFENSE CONTRACT MANAGEMENT AGENCY	52,873	52,099	52,089	52,749

Procurement

<u>Appropriation</u>	<u>Budget Activity</u>	<u>Budget Line Item</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>
PROC., DEF-WIDE	BA 01 MAJOR EQUIPMENT	MAJOR EQUIPMENT	3,407	3,049	1,892	1,949

RDT&E

<u>Appropriation</u>	<u>Budget Activity</u>	<u>Program Element</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>
RDT&E ,DEF-WIDE	BA 05 SYS DEV & DEMO (SDD)	0605013BL INFORMATION TECHNOLOGY DEVELOPMENT	9,293	10,963	11,297	11,628

Initiative Resource Summary:	65,573	66,111	65,278	66,326
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Information Technology Budget Exhibit Resource Summary by Initiative (IT-1)

2530 - DCMA Communications Infrastructure ()

Non-Major

GIG Category: COMMUNICATIONS AND COMPUTING INFRASTRUCTURE - COMPUTING INFRASTRUCTURE

Operations

<u>Appropriation</u>	<u>Budget Activity</u>	<u>Budget Line Item</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>
O&M,DEF-WIDE	BA 04 ADMN & SRVWD ACT	DEFENSE CONTRACT MANAGEMENT AGENCY	18,414	22,173	22,517	23,383

Initiative Resource Summary:

18,414	22,173	22,517	23,383
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2531 - DCMA Administrative Productivity Automation ()

Non-Major

GIG Category: COMMUNICATIONS AND COMPUTING INFRASTRUCTURE - COMPUTING INFRASTRUCTURE

Operations

<u>Appropriation</u>	<u>Budget Activity</u>	<u>Budget Line Item</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>
O&M,DEF-WIDE	BA 04 ADMN & SRVWD ACT	DEFENSE CONTRACT MANAGEMENT AGENCY	35,620	17,508	17,184	10,332

Procurement

<u>Appropriation</u>	<u>Budget Activity</u>	<u>Budget Line Item</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>
PROC., DEF-WIDE	BA 01 MAJOR EQUIPMENT	MAJOR EQUIPMENT	28	0	0	0

Initiative Resource Summary:

35,648	17,508	17,184	10,332
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Information Technology Budget Exhibit Resource Summary by Initiative (IT-1)

6405 - DEFEND SYSTEMS & NETWORKS (IA G2)

Non-Major

GIG Category: INFORMATION ASSURANCE ACTIVITIES - IA GOAL 2: DEFEND SYSTEMS AND NETWORKS

Operations

<u>Appropriation</u>	<u>Budget Activity</u>	<u>Budget Line Item</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>
O&M,DEF-WIDE	BA 04 ADMN & SRVWD ACT	DEFENSE CONTRACT MANAGEMENT AGENCY	0	1,137	1,020	1,137

Initiative Resource Summary:

0	1,137	1,020	1,137
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6408 - PROTECT INFORMATION (IA G1)

Non-Major

GIG Category: INFORMATION ASSURANCE ACTIVITIES - IA GOAL 1: PROTECT INFORMATION

Operations

<u>Appropriation</u>	<u>Budget Activity</u>	<u>Budget Line Item</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>
O&M,DEF-WIDE	BA 04 ADMN & SRVWD ACT	DEFENSE CONTRACT MANAGEMENT AGENCY	1,625	100	100	100

Initiative Resource Summary:

1,625	100	100	100
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