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Exhibit R-2, RDT&E Project Justification				DATE: February 2005				
APPROPRIATION/BUDGET ACTIVITY RDT&E, Defense-Wide/07				R-1 ITEM NOMENCLATURE DISA Mission Support Operations/PE 0303148K				
COST (in Millions)	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Defense Enterprise Accounting and Management System/DE01	0	0	3.426	1.207	0	1.204	1.239	0

A. Mission Description and Budget Item Justification:

Office of the Chief Financial Executive (CFE) activities in the Mission Support area focus on the legislative mandates contained in the Chief Financial Officer (CFO) Act, Financial Managers Financial Integrity Act (FMFIA), and the Government Performance and Results Act (GPRA) as well as the Budget and Performance Integration goal of the President's Management Agenda (PMA). The Directorate provides financial services support and financial automation support to the Agency as well as annual Agency-wide financial statements. In addition, it conducts economic analyses, cost estimating and program and organizational assessments. A major challenge is to provide accurate, reliable, and timely financial information in a cost-effective way to support planning, engineering, acquiring, and fielding Global Net-centric solutions and operating the Global Information Grid.

Direction from the DoD Comptroller requires DISA to implement a new accounting system in order to meet the Presidential Management Agenda for Financial Management Improvements that specifically requires: 1) financial management systems meet federal financial management system requirements and applicable federal accounting and transaction standards; 2) accurate and timely financial information; 3) integrated financial and performance management systems supporting day-to-day operations; and 4) unqualified and timely audit opinion on the financial statements; no material internal control weaknesses reported by the auditors. In addition, the OMB/DoD mandated audit of DISA's financial statements have identified material weaknesses in DISA's accounting of its resources. Some of these weaknesses can only be fixed with a new accounting system. This program element is under Budget Activity 7 because it supports operational systems development.

Accomplishments/Planned Program:

Accounting System	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>
Subtotal Cost	0.000	0.000	3.426	1.207

RDT&E dollars are required to conduct testing; certification; interface development; and system upgrades of the DISA Standard Finance and Accounting System (DSFAS). DSFAS is a Commercial-Off-the-Shelf (COTS) software that will replace DISA's existing accounting systems: Washington Headquarters Services Allotment Accounting System (WAAS), Financial Accounting Management Information System - Computing Services (FAMIS-CS); Financial Accounting Management Information System - Telecommunication Services and Enterprise Acquisition Services (FAMIS-TSEAS). DSFAS will comply with the DoD Enterprise Architecture and will be Joint Financial Management Improvement Plan (JFMIP) certified.

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COST (in Millions)	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Defense Enterprise Accounting and Management System/DE01	0	0	3.426	1.207	0	1.204	1.239	0

B. Program Change Summary:

	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>
Previous President's Budget	0	0	0	0
Current Submission	0	0	3.426	1.207
Total Adjustments	0	0	3.426	1.207

Change Summary Explanation:

FY 2006 and FY 2007 changes represent a new start to accomplish implementation of a new accounting system.

C. Other Program Funding Summary:

	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>	<u>FY 10</u>	<u>FY 11</u>	<u>To Complete</u>	<u>Total Cost</u>
Procurement, DW	0	0	3.641	0.820	0	0	0	0	4.461	4.461
O&M, DW	0	0	1.440	2.000	1.280	1.280	1.280	1.280	Contg	Contg

D. Acquisition Strategy: The overall strategy is based upon the fundamental premise that COTS products will continue their evolution through the constant refresh of commercial technology. To maintain an interoperable system, DSFAS will use a single contractor as an overall integrator. Additionally, DSFAS will utilize other contract vehicles within DISA to acquire additional equipment and services to support the implementation of DSFAS.

E. Performance Metrics: DSFAS will be measured by how successfully it reduces the number of financial audit findings with the end result of obtaining a clean audit opinion. DSFAS will also be measured by how well it supports the DISA Balanced Scorecard Strategy to provide greater transparency, quality and timeliness of financial information.

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Exhibit R-3 Cost Analysis					DATE: February 2005							
APPROPRIATION/BUDGET ACTIVITY		PROGRAM ELEMENT			PROJECT NAME AND NUMBER							
RDT&E, Defense-Wide/07		DISA Mission Support Operations/ PE 0303148K			Defense Enterprise Accounting and Management System/DE01							
Cost Category	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 05 Cost	FY 05 Award Date	FY 06 Cost	FY 06 Award Date	FY 07 Cost	FY 07 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Testing	TBD	TBD	0	0	N/A	1.814	TBD	0.805	TBD	0.000	2.619	2.619
Certification	TBD	TBD	0	0	N/A	0.806	TBD	0.000	N/A	0.000	0.806	0.806
Interface Development	TBD	TBD	0	0	N/A	0.806	TBD	0.402	TBD	0.000	1.208	1.208
TOTAL			0	0	N/A	3.426	TBD	1.207	TBD	0.000	4.633	4.633

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Exhibit R-4 Schedule Profile													Date: February 2005																									
APPROPRIATION/BUDGET ACTIVITY RDT&E, Defense-Wide/07													Program Element Number and Name DISA Mission Support Operations/PE 0303148K													Project Number and Name Defense Enterprise Accounting and Management System/DE 01												
Fiscal Year	2004				2005				2006				2007				2008				2009				2010				2011									
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4						
Testing											▲	▲	▲	▲	▲	▲																						
Certification											▲	▲																										
Interface Development									▲	▲	▲	▲	▲	▲	▲	▲																						
System Upgrade																					▲	▲							▲	▲								

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Exhibit R-4a Schedule Detail		DATE: February 2005
APPROPRIATION/BUDGET ACTIVITY RDT&E, Defense-Wide/07	PROGRAM ELEMENT DISA Mission Support Operations / PE 0303148K	PROJECT NAME AND NUMBER Defense Enterprise Accounting and Management System / DE01

<u>Schedule Profile</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Testing			3Q - 4Q	1Q - 4Q				
Certification			3Q - 4Q					
Interface Development			2Q - 4Q	1Q - 4Q				
System Upgrade						3Q - 4Q	3Q - 4Q	