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Exhibit R-2, RDT&E Budget Item Justification					DATE: February 2007			
APPROPRIATION/BUDGET ACTIVITY RDT&E, Defense-Wide/07					R-1 ITEM NOMENCLATURE DISA Mission Support Operations/PE 0303148K			
COST (in Millions)	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
DISA Standard Finance and Accounting System/DE01	3.195	1.219	0	1.174	1.219	0	0	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 supporting 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 06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>
Subtotal Cost	3.195	1.219	0.000	1.174

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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Congressional Add	<u>FY 06</u>		<u>FY 07</u>		<u>FY 08</u>		<u>FY09</u>
Subtotal Cost	6.000		0.000		0.000		0.000

Additional dollars received in support of the Critical Infrastructure Test Range at the Idaho National Laboratory. This is a congressional add that will be executed by the Department of Energy.

B. Program Change Summary:

	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>
Previous President's Budget	9.291	1.224	0.000	1.174
Current Submission	3.195	1.219	0.000	1.174
Total Adjustments	-6.096	-0.005	0.000	0.000

Change Summary Explanation: FY 2006 change is due to the Congressional Add for the Critical Infrastructure Test Range that will be executed by the Department of Energy, as well as undistributed Congressional reductions to the Defense-Wide RDT&E appropriation. FY2007 change is due to revised fiscal guidance.

C. Other Program Funding Summary:

	<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>FY 12</u>	<u>FY 13</u>	<u>To Complete</u>	<u>Total Cost</u>
Procurement, DW	0	0.812	0	0	0	0	0	0	.812	.812
O&M, DW	25.731	30.245	12.394	15.012	15.118	13.858	12.437	12.384	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.

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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 2007								
APPROPRIATION/BUDGET ACTIVITY		PROGRAM ELEMENT				PROJECT NAME AND NUMBER						
RDT&E, Defense-Wide/07		DISA Mission Support Operations/ PE 0303148K				DISA Standard Finance and Accounting System/DE01						
Cost Category	Contract Method & Type	Performing Activity & Location	Total Pys Cost	FY 07 Cost	FY 07 Award Date	FY 08 Cost	FY 08 Award Date	FY 09 Cost	FY 09 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Testing	TBD	TBD	0.000	0.600	TBD	0.000	TBD	0.800	TBD	Contg	Contg	2.419
Certification	TBD	TBD	0.000	0.200	N/A	0.000	N/A	0.000	N/A	Contg	Contg	1.006
Interface Development	TBD	TBD	0.000	0.419	TBD	0.000	TBD	0.374	TBD	Contg	Contg	1.208
Congressional Add			6.000	0.000	N/A	0.000	N/A	0.000	N/A	0.000	0.000	6.000
TOTAL			6.000	1.219		0.000		1.174				

DISA is currently collaborating with BTA-DAI. BTA-DAI is in control of the schedule. They expect the contract to be awarded mid FY07.

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Exhibit R-4 Schedule Profile

Date: February 2007

APPROPRIATION/BUDGET ACTIVITY
RDT&E, Defense-Wide/07

Program Element Number and Name
DISA Mission Support Operations/PE 0303148K

DISA Standard Finance and
Accounting System/DE01

Fiscal Year	2006				2007				2008				2009				2010				2011				2012				2013			
	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 2007
APPROPRIATION/BUDGET ACTIVITY RDT&E, Defense-Wide/07	PROGRAM ELEMENT DISA Mission Support Operations / PE 0303148K	PROJECT NAME AND NUMBER DISA Standard Finance and Accounting System/DE01

<u>Schedule Profile</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>	<u>FY 2012</u>	<u>FY 2013</u>
Testing		4Q	1Q - 4Q					
Certification			3Q - 4Q					
Interface Development		4Q	1Q - 4Q					
System Upgrade					3Q - 4Q	3Q - 4Q		