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Exhibit R-2, RDT&E Budget Item Justification: PB 2016 Defense Contract Management Agency **Date:** February 2015

Appropriation/Budget Activity 0400: <i>Research, Development, Test & Evaluation, Defense-Wide / BA 5: System Development & Demonstration (SDD)</i>					R-1 Program Element (Number/Name) PE 0605013BL / <i>Information Technology Development</i>							
COST (\$ in Millions)	Prior Years	FY 2014	FY 2015	FY 2016 Base	FY 2016 OCO	FY 2016 Total	FY 2017	FY 2018	FY 2019	FY 2020	Cost To Complete	Total Cost
Total Program Element	119.959	13.812	12.530	12.542	-	12.542	13.193	13.528	13.797	13.945	Continuing	Continuing
01: <i>Systems Modifications and Development</i>	119.959	13.812	12.530	12.542	-	12.542	13.193	13.528	13.797	13.945	Continuing	Continuing

A. Mission Description and Budget Item Justification

DCMA is positioned as a unique, independent enterprise that provides DoD with capabilities not found in the Component Services, or anywhere else within Government. In accordance with the President's Management Agenda (PMA), DoD's Secretary of Defense (SECDEF) "Six Areas of Focus", and the 2014 Quadrennial Defense Review (QDR), DCMA is seeking to adapt, reshape and rebalance to prepare for the strategic challenges and opportunities we face in the years ahead. As the independent eyes and ears of the DoD, national and international partners, DCMA is continually delivering actionable acquisition insight. Adherence to Better Buying Power (BBP) 2.0 initiatives, such as controlling costs throughout the product lifecycle, incentivizing productivity, and improving tradecraft in acquisition of services, are ensuring affordability and increasing productivity. Application of improved supply chain management directives and superior price-costing strategies will eliminate requirements imposed on industry where costs outweigh benefits. The intent is to work with industry to collect data that will enable the Department to identify requirements that can be reduced or eliminated to reduce cost without adversely affecting performance. Better understanding of the commercial sector will allow the Agency to properly exploit its benefits while protecting government interests. Furthermore, we are invigorating our efforts to adjust to the changing environment through achieving and sustaining audit readiness, creating an agile and flexible learning organization/culture to support future customer programs, initiating and strengthening acquisition processes and optimizing mission execution to support the acquisition enterprise through agile business practices.

DCMA's mission is to provide Contract Administration Services (CAS) to the Department of Defense (DoD) Acquisition Enterprise and its partners to ensure delivery of quality products and services to the warfighter; on time and on cost. DCMA has two primary objectives, 1) providing CAS to the military services and other authorized customers worldwide and 2) providing contingency contract support in theater. The Agency has worldwide acquisition impact through three Field Directorates (Operations, International, and Special Programs). The Agency's Field Directorates are regionally based. The Agency's civilian and military personnel manages over 20,063 contractors and approximately 348,000 active contracts.

DCMA is executing a strategy to modernize and consolidate all web-based applications in concert with a new Enterprise Architecture framework that adheres strictly to the Business Enterprise Architecture (BEA). Investing in newer modern technologies that utilize business process driven frameworks will greatly improve not only the quality of the DCMA contract information but allow DCMA to realize internal process efficiencies. The web-based capabilities support DCMA's unique mission and provide cross functional capabilities that support the full range of acquisition and contract management. These capabilities help DCMA acquisition workforce access real time data; thus, enabling them to make sound contract management and business decisions. The objective behind web-based capabilities is to provide mission-effective and efficient solutions to unique sets of problems that slow down or hinder performance based contract management for DCMA and other DoD support components.

FY 2014 Actual: In FY 2014 (\$13.812) DCMA reengineered some of DCMA's Contract Administration and Line of Service business processes and the toolsets that provide these capabilities. We streamlined business processes and consolidated toolsets that enable those capabilities to reduce operations and sustainment costs for the Department and where applicable for DCMA.

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FY 2015-2016 Plan: In FY 2015 (\$12.530) and FY 2016 (\$12.542) DCMA is planning to capitalize on Information Technology (IT) investment innovations that leverage technology to achieve an agile enterprise architecture that equips the Agency with enhanced IT solutions for mission support operations and gives Agency decision-makers better data to compare options, provide ready analytic solutions, allocate resources, and improve processes.

B. Program Change Summary (\$ in Millions)	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016 Base</u>	<u>FY 2016 OCO</u>	<u>FY 2016 Total</u>
Previous President's Budget	13.812	12.530	12.631	-	12.631
Current President's Budget	13.812	12.530	12.542	-	12.542
Total Adjustments	-	-	-0.089	-	-0.089
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			
• Cost of Life Adjustment	-	-	-0.089	-	-0.089

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Exhibit R-2A, RDT&E Project Justification: PB 2016 Defense Contract Management Agency										Date: February 2015		
Appropriation/Budget Activity 0400 / 5					R-1 Program Element (Number/Name) PE 0605013BL / Information Technology Development				Project (Number/Name) 01 / Systems Modifications and Development			
COST (\$ in Millions)	Prior Years	FY 2014	FY 2015	FY 2016 Base	FY 2016 OCO	FY 2016 Total	FY 2017	FY 2018	FY 2019	FY 2020	Cost To Complete	Total Cost
01: Systems Modifications and Development	119.959	13.812	12.530	12.542	-	12.542	13.193	13.528	13.797	13.945	Continuing	Continuing
Quantity of RDT&E Articles		-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

DCMA is positioned as a unique, independent enterprise that provides DoD with capabilities not found in the Component Services, or anywhere else within Government. In accordance with the President's Management Agenda (PMA), DoD's Secretary of Defense (SECDEF) "Six Areas of Focus", and the 2014 Quadrennial Defense Review (QDR), DCMA is seeking to adapt, reshape and rebalance to prepare for the strategic challenges and opportunities we face in the years ahead. As the independent eyes and ears of the DoD, national and international partners, DCMA is continually delivering actionable acquisition insight. Adherence to Better Buying Power (BBP) 2.0 initiatives, such as controlling costs throughout the product lifecycle, incentivizing productivity, and improving tradecraft in acquisition of services, are ensuring affordability and increasing productivity. Application of improved supply chain management directives and superior price-costing strategies will eliminate requirements imposed on industry where costs outweigh benefits. The intent is to work with industry to collect data that will enable the Department to identify requirements that can be reduced or eliminated to reduce cost without adversely affecting performance. Better understanding of the commercial sector will allow the Agency to properly exploit its benefits while protecting government interests. Furthermore, we are invigorating our efforts to adjust to the changing environment through achieving and sustaining audit readiness, creating an agile and flexible learning organization/culture to support future customer programs, initiating and strengthening acquisition processes and optimizing mission execution to support the acquisition enterprise through agile business practices.

DCMA's mission is to provide Contract Administration Services (CAS) to the Department of Defense (DoD) Acquisition Enterprise and its partners to ensure delivery of quality products and services to the warfighter; on time and on cost. DCMA has two primary objectives, 1) providing CAS to the military services and other authorized customers worldwide and 2) providing contingency contract support in theater. The Agency has worldwide acquisition impact through three Field Directorates (Operations, International, and Special Programs). The Agency's Field Directorates are regionally based. The Agency's civilian and military personnel manages over 20,063 contractors and approximately 348,000 active contracts.

DCMA is executing a strategy to modernize and consolidate all web-based applications in concert with a new Enterprise Architecture framework that adheres strictly to the Business Enterprise Architecture (BEA). Investing in newer modern technologies that utilize business process driven frameworks will greatly improve not only the quality of the DCMA contract information but allow DCMA to realize internal process efficiencies. The web-based capabilities support DCMA's unique mission and provide cross functional capabilities that support the full range of acquisition and contract management. These capabilities help DCMA acquisition workforce access real time data; thus, enabling them to make sound contract management and business decisions. The objective behind web-based capabilities is to provide mission-effective and efficient solutions to unique sets of problems that slow down or hinder performance based contract management for DCMA and other DoD support components.

B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)

	FY 2014	FY 2015	FY 2016
Title: Software Development	13.812	12.530	12.542
Articles:	-	-	-

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Appropriation/Budget Activity 0400 / 5		R-1 Program Element (Number/Name) PE 0605013BL / <i>Information Technology Development</i>		Project (Number/Name) 01 / <i>Systems Modifications and Development</i>	
B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)			FY 2014	FY 2015	FY 2016
Description: We are engaging with our Service Acquisition Executives to collaborate earlier in the acquisition process to ensure requirements are defined with well written entry and exit criteria, testing requirements defined, technical data addressed and risk addressed. DCMA participation earlier in the acquisition life cycle process provides clearer requirements for execution and sustainment, reduces life cycle costs and supports better buying power. Software development continues to be one of the main cost drivers for cost overruns. Our in plant presence allows us to perform oversight and analysis of existing software development to include emerging critical focus areas of agile software and technology processes and leaning forward to address cybersecurity and information assurance concerns. Our independent in-plant insight into contractor processes provides a unique acquisition insight service to our DoD customers to ensure contractor compliance in program development. We see DCMA as a key role in mission assurance surveillance and the surveillance of complex software and network systems to support DoD initiatives. This is integral to better buying power. FY 2014 Accomplishments: DCMA developed solutions for using enterprise actionable data in a mobile environment. Also, continued the migration of Integrated Workload Management System (IWMS) and DCMA 360, which provides an integrated suite of DCMA collaborative web-applications. It will be a major focus in the future as well and the development of an Enterprise Surveillance Plan tool that will analyze technical requirements and contract risk, and determine surveillance requirement. Also, DCMA enhanced its modification and Delivery Order System and implemented the Procurement Data Standardization (PDS). PDS is a system-agnostic data standard that is intended to be adopted and implemented DoD-wide for creation, translation, processing, and sharing of procurement actions. It defines the minimum requirements for contract writing system output to improve visibility and accuracy of contract-related data. Also, it supports interoperability of DoD acquisition systems; and standardizes and streamlines the procure-to-pay business process. Further, the PDS will improve visibility of contract-related data, enabling senior DoD leadership to make better informed business decisions. And finally, this data standard will support future migration to enterprise and federal systems and processes where appropriate. DCMA worked in concert with the Defense Procurement Acquisition Policy (DPAP) contract on building a contract file structure within IWMS by improving: Storage Taxonomy and Standardization; Contract Administration Business Processes and efficiency; and filing of electronic contract documents. DCMA has engaged DPAP and plans on utilizing the Distributed Virtual Electronic File structure as a basis for storing the electronic files. The IWMS effort will help DPAP and the Department: avoid redundancy, establish master documentation sources; automate document processing, and clarify records retention.					

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B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)		FY 2014	FY 2015
DCMA was engaged in DPAP PDS XML to ANSI X12 Mapping. DPAP requested assistance from DCMA to test and validate a data translation capability that converts data exchanged between Contract Writing Systems (CWSs) and Mechanization Of Contract Administration Services (MOCAS) into the PDS format, further promoting the integration of contract data and interoperability of related CAS systems across the DoD enterprise. This capability will significantly reduce the number of data translation mappings DCMA currently sustains on behalf of our MOCAS trading partners, further streamlining Electronic Data Interchange (EDI) transmissions of awards and modifications into MOCAS, reducing the cost of manual processing invoices into MOCAS. Additionally, DCMA supported SeaPort CWS (EDI) Development and Certification. DCMA provided technical support to the Navy to develop, test and deploy EDI translation maps for SeaPort, one of several Navy CWSs that award and administer contracts for the Department. Prior to DCMA's involvement, the Seaport system was not capable or certified to transmit awards and modifications via EDI to MOCAS, causing the Navy to pay a much higher manual rate for payment of invoices. Development and certification was completed in early FY 2014, the Navy projects a savings of \$800K annually. Further, DCMA streamlined and improved communication processes and interfaces in the areas of Contract Administration Services improving data exchange across the DoD Acquisition Enterprise. FY 2015 Plans: DCMA's primary focus for FY15 is centered on the reengineering of DCMA's Contract Administration and Line of Service business processes and the toolsets that provide the needed capabilities. Our goal is to streamline business processes and consolidate toolsets that enable those capabilities to reduce operations and sustainment costs for the Department and where applicable for DCMA. In order to accomplish this goal DCMA will need to invest in the research, purchase, and development of the new capabilities. In addition DCMA is capitalizing on Information Technology (IT) investment innovations that leverage technology to achieve an agile enterprise architecture that equips the Agency with enhanced IT solutions for mission support operations and gives Agency decision-makers better data to compare options, provide ready analytic solutions, allocate resources, and improve processes. Also, in conjunction with DPAP and Performance Assessments and Root Cause Analyses (PARCA) we plan to improve the quality of analytical and predictive information (and reduce direct impact to programs) by standardizing business processes and capabilities. The Analytic Information Management System (AIMS) effort will: standardize compliance assessment methodologies, tools, processes, and technologies; establish a guideline assessment wizard to ensure these attributes are examined in a repeatable process and return consistent results; implement business intelligence, analytics, and a single data repository to improve insight into operations performance across the Acquisition enterprise; improve detection of Earned Value Management			

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B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)	FY 2014	FY 2015	FY 2016
System (EVMS) non-compliance; and establish a consolidated view of all compliance and performance data, from the same source system. FY 2016 Plans: DCMA plans to continue to capitalize on IT investment innovations that leverage technology to achieve an agile enterprise architecture that equips the Agency with enhanced IT solutions for mission support operations and gives Agency decision-makers better data to compare options, provide ready analytic solutions, allocate resources, and improve processes. Our goal is to continue to work with DPAP and Performance Assessments and Root Cause Analyses (PARCA) to improve the quality of analytical and predictive information (and reduce direct impact to programs) by standardizing business processes and capabilities. The Analytic Information Management System (AIMS) effort will: standardize compliance assessment methodologies, tools, processes, and technologies; establish a guideline assessment wizard to ensure these attributes are examined in a repeatable process and return consistent results; implement business intelligence, analytics, and a single data repository to improve insight into operations performance across the Acquisition enterprise; improve detection of Earned Value Management System (EVMS) non-compliance; and establish a consolidated view of all compliance and performance data, from the same source system.			
Accomplishments/Planned Programs Subtotals	13.812	12.530	12.542

C. Other Program Funding Summary (\$ in Millions)											
Line Item	FY 2014	FY 2015	FY 2016 Base	FY 2016 OCO	FY 2016 Total	FY 2017	FY 2018	FY 2019	FY 2020	Cost To Complete	Total Cost
• 0701113BL: PDW: <i>Procurement Operations</i>	5.711	4.325	2.494	-	2.494	2.655	2.877	2.935	2.965	Continuing	Continuing
• 0701113 BL: O&M: <i>Procurement Operations</i>	123.107	129.404	132.981	-	132.981	141.344	147.090	149.799	146.831	Continuing	Continuing
Remarks											
D. Acquisition Strategy											
DCMA is invigorating efforts to adjust to the changing environment through achieving and sustaining audit readiness, creating an agile and flexible learning organization/ culture to support future customer programs, initiating and strengthening acquisition processes and optimizing mission execution to support the acquisition enterprise through agile business practices. As a part of our strategy and business practices, DCMA directly supports Better Buying Power (BBP) 2.0 initiatives, such as controlling costs throughout the product lifecycle, incentivizing productivity, an improving tradecraft in acquisition of services. Critical among BBP initiatives are should-cost and affordability. DCMA's expertise											

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in these areas has enabled unprecedented savings and cost avoidance. In an environment of declining resources, this pricing talent will be a valuable asset in ensuring the Government only pays its fair share of company costs. Additionally, in pursuing these business practices we are continuing to utilize contractors to perform specialized functions such as software development and testing. A number of mini-competitions are held with Federal Supply Schedule, Government Wide Acquisition Contracts, and DCMA Basic Purchasing Agreement Vendors. <u>E. Performance Metrics</u> To deliver on our mission of actionable acquisition insight, the Agency will focus on four primary goals: 1) achieve and sustain audit readiness for ourselves and our customers – audit readiness by 2017, while supporting a sustained audit readiness solution beyond 2017; 2) create an agile and flexible learning organization and culture that anticipates and responds to future customer program needs; 3) initiate and strengthen acquisition processes, with a focus on informing and contributing to DoD affordability decisions; and 4) optimize Agency mission execution to support acquisition enterprise through agile business practices.		

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2016 Defense Contract Management Agency												Date: February 2015		
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Product Development (\$ in Millions)				FY 2014		FY 2015		FY 2016 Base		FY 2016 OCO		FY 2016 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
Software Development	C/Various	TBD : TBD	119.959	13.812		12.530		12.542		-		12.542	Continuing	Continuing	N/A
Subtotal			119.959	13.812		12.530		12.542		-		12.542	-	-	-

	Prior Years	FY 2014		FY 2015		FY 2016 Base		FY 2016 OCO		FY 2016 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	119.959	13.812		12.530		12.542		-		12.542	-	-	-

Remarks

DCMA Information Technology supports the Agency's combat support mission by capitalizing on IT investment innovations that leverage technology to achieve an agile enterprise architecture that improves its contract management workforce's productivity, efficiency, and effectiveness.

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Exhibit R-4, RDT&E Schedule Profile: PB 2016 Defense Contract Management Agency			Date: February 2015
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	FY 2014				FY 2015				FY 2016				FY 2017				FY 2018				FY 2019				FY 2020			
	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
Phase XI - Development																												
Phase XI - Testing																												
Phase XI - Deployment																												
Phase XII - Development																												
Phase XII - Testing																												
Phase XII - Deployment																												
Phase XIII - Development																												
Phase XIII - Testing																												
Phase XIII - Deployment																												
Phase XIV - Development																												
Phase XIV - Testing																												
Phase XIV - Deployment																												
Phase XV - Development																												
Phase XV - Testing																												
Phase XV - Deployment																												
Phase XVI - Development																												
Phase XVI - Testing																												
Phase XVI - Deployment																												

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Exhibit R-4A, RDT&E Schedule Details: PB 2016 Defense Contract Management Agency			Date: February 2015
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Schedule Details

Events	Start		End	
	Quarter	Year	Quarter	Year
Phase XI - Development	1	2015	3	2015
Phase XI - Testing	2	2015	4	2015
Phase XI - Deployment	4	2015	4	2015
Phase XII - Development	1	2016	3	2016
Phase XII - Testing	2	2016	4	2016
Phase XII - Deployment	4	2016	4	2016
Phase XIII - Development	1	2017	3	2017
Phase XIII - Testing	2	2017	4	2017
Phase XIII - Deployment	4	2017	4	2017
Phase XIV - Development	1	2018	3	2018
Phase XIV - Testing	2	2018	4	2018
Phase XIV - Deployment	4	2018	4	2018
Phase XV - Development	1	2019	3	2019
Phase XV - Testing	2	2019	4	2019
Phase XV - Deployment	4	2019	4	2019
Phase XVI - Development	1	2020	3	2020
Phase XVI - Testing	2	2020	4	2020
Phase XVI - Deployment	4	2020	4	2020