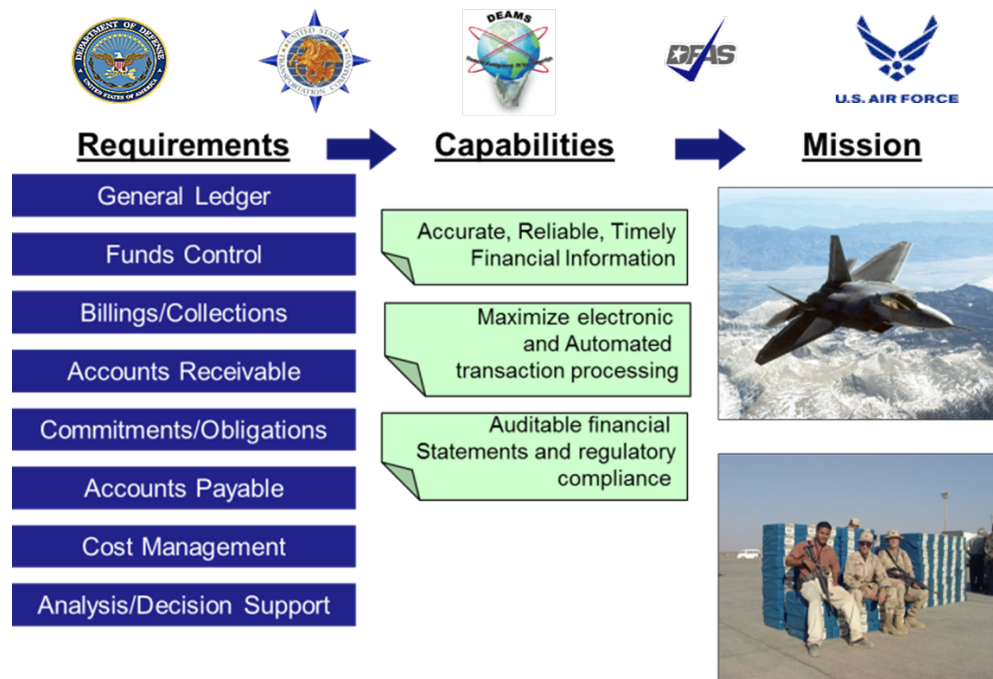




2016 Major Automated Information System Annual Report



Defense Enterprise Accounting and Management System-Increment 1 (DEAMS Inc 1)

Defense Acquisition Management
Information Retrieval
(DAMIR)

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Common Acronyms and Abbreviations for MAIS Programs

Acq O&M - Acquisition-Related Operations and Maintenance
ADM - Acquisition Decision Memorandum
AoA - Analysis of Alternatives
ATO - Authority To Operate
APB - Acquisition Program Baseline
BY - Base Year
CAE - Component Acquisition Executive
CDD - Capability Development Document
CPD - Capability Production Document
DAE - Defense Acquisition Executive
DoD - Department of Defense
DoDAF - DoD Architecture Framework
FD - Full Deployment
FDD - Full Deployment Decision
FY - Fiscal Year
IA - Information Assurance
IATO - Interim Authority to Operate
ICD - Initial Capability Document
IEA - Information Enterprise Architecture
IOC - Initial Operational Capability
IP - Internet Protocol
IT - Information Technology
KPP - Key Performance Parameter
\$M - Millions of Dollars
MAIS - Major Automated Information System
MAIS OE - MAIS Original Estimate
MAR – MAIS Annual Report
MDA - Milestone Decision Authority
MDD - Materiel Development Decision
MILCON - Military Construction
MS - Milestone
N/A - Not Applicable
O&S - Operating and Support
OSD - Office of the Secretary of Defense
PB - President's Budget
RDT&E - Research, Development, Test, and Evaluation
SAE - Service Acquisition Executive
TBD - To Be Determined
TY - Then Year
U.S.C- United States Code
USD(AT&L) - Under Secretary of Defense for Acquisition, Technology, & Logistics

Program Information

Program Name

Defense Enterprise Accounting and Management System-Increment 1 (DEAMS Inc 1)

DoD Component

Air Force

Responsible Office

Program Manager

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Date Assigned: August 17, 2015

References

MAIS Original Estimate

January 28, 2013

Approved APB

Defense Acquisition Executive (DAE) Approved Acquisition Program Baseline (APB) dated June 16, 2015

Program Description

The Defense Enterprise Accounting and Management System (DEAMS) is a key part of the United States Air Force (USAF) solution to achieving the Fiscal Year 2010 National Defense Authorization Act auditability requirement by 2017. It transforms financial management processes and systems of the United States Transportation Command (USTRANSCOM), its components, the Defense Finance and Accounting Service, and the USAF, to include USAF Guard and Reserve Units. The scope of the DEAMS Program includes financial administration of the Transportation Working Capital Fund and the USAF General Funds.

The goal of the DEAMS Program is to integrate the functionality of disparate financial management systems into a single system characterized by standard business practices and software configurations capable of delivering accurate, reliable, timely, and auditable financial management information that satisfies congressional and Department of Defense requirements. DEAMS is based on commercial-off-the-shelf software, Oracle eBusiness Suite release 11i.

DEAMS Increment 1 originally consisted of two spirals representing a Technology Demonstration provided for the USTRANSCOM at Scott Air Force Base (AFB), IL. Spiral 1, released on July 27, 2007, provided the Commitment Accounting capability. DEAMS released Spiral 2 on May 27, 2010 which added capabilities for Procure to Pay; Plant, Property & Equipment; Order-to-Cash; Project Accounting; and General Accounting.

Increment 1 is now planned as an eight-release program since Increment 2 activities were incorporated into Increment 1 in 2014 to expedite deployment to operational locations and users.

The Milestone Decision Authority (MDA) approved Milestone B on February 3, 2012 and Milestone C on February 23, 2015.

Business Case

Business Case Analysis, including the Analysis of Alternatives: Key functional requirements for this program are summarized as follows:

In December 2003, the Secretary of Defense directed the Armed Services to report information accurately and in conformance with Generally Accepted Accounting Principles, to comply with Congressional requirements of the Chief Financial Officers Act of 1990, Clinger-Cohen Act of 1996, plus seven additional mandates, including the Standard Financial Information Structure and the FY 2010 National Defense Authorization Act auditability requirement by 2017. The Business Enterprise Architecture 2.2 v2 Financial Management Mission Area Initial Capability Document was endorsed by the Joint Requirements Oversight Committee on April 19, 2005. Business goals are summarized as follows:

1. Provide timely, accurate, and reliable information for Business Management
2. Provide Department of Defense decision makers timely access to business information.

On April 26, 2005 Defense Enterprise Accounting and Management System (DEAMS) received a Milestone A Acquisition Decision Memorandum (ADM) authorizing entry into Technology Development (signed by Assistant Secretary of Defense, Networks and Information Integration). The DEAMS Analysis of Alternatives (AoA) was approved in May 2007. The AoA alternatives considered materiel and non-materiel solutions. Analysis identified automated and non-automated solutions to financial management problems. The materiel solutions included using legacy systems, developing a new custom-coded system, implementing a Government-owned off-the-shelf solution, or implementing a Commercial-off-the-shelf solution. The Director of Cost Analysis & Program Evaluation approved an update in February 2009. On August 14, 2009 the Air Force (AF) Service Acquisition Executive approved the DEAMS Business Case analysis under Business Capability Lifecycle (BCL). A supporting AF Service Cost Position was approved in December 2009.

On September 30, 2010 a Critical Change Report was delivered to Congress for failure to achieve a Full Deployment Decision (FDD) within five years after Funds First Obligated. The Report recommended a restructure of DEAMS from three increments to two increments.

In pursuit of Milestone B, DEAMS formulated a new acquisition strategy that implemented BCL, Office of Management and Budget, and Information Technology Acquisition Reform policy by segmenting the two increments into shorter releases. A new DEAMS Business Case was developed, and a corresponding AF Service Cost Position approved on November 10, 2011. On December 13, 2011 the AF Service Acquisition Executive approved the Business Case. In preparation for Milestone B, the Economic Analysis was approved by Office of Secretary of Defense (Cost Analysis and Program Evaluation) on January 5, 2012. The MDA approved Milestone B via DEAMS Milestone B ADM February 3, 2012.

On October 16, 2013, (SAF/FMPS) briefed OUSD(C) on its action plan to integrate DEAMS into AF-wide FIAR compliance. This action plan is a part of the Air Force's overall strategy to achieve audit readiness by the Congressionally mandated 2014 and 2017 deadlines. DEAMS full deployment is integral to AF achievement of audit readiness.

In January 2014, DEAMS presented the MDA with a revised acquisition strategy supporting the Jan 2015 Milestone C decision, addressing the continuation of deploying the current DEAMS Oracle eBusiness Suite (eBS) version 11i with minimal additional improvements, maintaining the existing program Acquisition Program Baseline (APB) and MAIS execution parameters, postponing the major upgrade of Oracle software until after full deployment, and enabling USAF/USTRANSCOM-wide deployment of DEAMS by October 1, 2016. It also embraced the new strategy by prioritizing and reorganizing both Increment 1 and Increment 2 requirements into the existing Increment 1. Increment 2 activities were incorporated into Increment 1 to expedite deployment to operational locations and users. The MDA approved Milestone C via DEAMS Milestone C ADM on February 23, 2015.

On May 6, 2015 the Office of the Assistant Secretary of the Air Force/Financial Management and Comptroller declared DEAMS had met Initial Operational Capability.

Following an August 2015 FDD review, a September 30, 2015 ADM was issued directing the program to implement a remediation plan to address the concerns identified in the July 1, 2015 Air Force Operational Test and Evaluation Center

(AFOTEC) report for the DEAMS Initial Operational Test and Evaluation and work with AFOTEC and the Director, Operational Test and Evaluation to develop a Verification of Fixes Test Plan to validate remediations. The ADM also directed an FDD Defense Acquisition Board for February 2016 to present updated findings.

Per 10 U.S.C. Chapter 144A, the Senior Official notified Congress on December 3, 2015 of a Significant Change affecting the program's schedule due to missing the threshold date for FDD.

The acquisition documentation was updated for the February 2015 FDD review.

Firm, Fixed-Price Feasibility: The current prime contractor contract has been determined to be a firm fixed-price contract based on the cost risk of satisfying the requirements being sufficiently understood. The contract was sole-sourced for the remaining development activity. The AF is planning to competitively award a firm fixed-price contract post full deployment to conduct a technical upgrade and provide sustainment support (2017 through 2022).

Independent Cost Estimate: An Independent Cost Estimate (ICE) was completed as part of the Critical Change. Notwithstanding the ICE, a Service Cost Position was approved on November 10, 2011 to support the Milestone B in January 2012 and the subsequent APB approved by the MDA on February 3, 2012. An updated Service Cost Position was approved February 6, 2015 in support of the Milestone C Defense Acquisition Board and the subsequent APB was approved June 16, 2015. On August 15, 2015 the Air Force Cost Analysis Agency completed a new Service Cost Position in preparation for FDD.

Certification of Business Case Alignment; Explanation: I certify that all technical and business requirements have been reviewed and validated to ensure alignment with the business case. This certification is based on my review of the DEAMS lifecycle documentation, including the Financial Management Mission Area Initial Capability Document, the DEAMS Business Case, Program Charter, Critical Change Report to Congress, System Capability Document, and System Requirements Document.

Business Case Certification:

Name: Mr. Robert C. Shofner

Organization: Air Force/PEO/Business and Enterprise Systems for DEAMS Inc 1

CAC Subject: CN=SHOFNER.ROBERT.C.1047002180, OU=USAF, OU=PKI, OU=DoD, O=U.S. Government, C=US

Date: 2/23/2016 11:40 AM

Program Status

Significant Change: Per 10 U.S.C. Chapter 144A, the Senior Official notified Congress on December 3, 2015 of a Significant Change affecting the program's schedule due to missing the threshold date for Full Deployment Decision.

On May 6, 2015 the Office of the Assistant Secretary of the Air Force/Financial Management and Comptroller declared DEAMS had met Initial Operational Capability.

DEAMS completed several maintenance and new capability releases throughout 2015 in support of the end-user community.

On July 1, 2015 the Air Force Operational Test and Evaluation Center (AFOTEC) published the report for the DEAMS Initial Operational Test and Evaluation. The report assessed DEAMS as not suitable, not effective, nor survivable. On September 30, 2015 the Milestone Decision Authority issued an ADM directing the program to implement a remediation plan to address the concerns and work with AFOTEC and the Director, Operational Test and Evaluation to develop a Verification of Fixes Test Plan. AFOTEC is to deliver the report regarding the Verification of Fixes to inform the Full Deployment Decision review in February 2016.

The September 30, 2015 ADM also approved a Limited Deployment on October 1, 2015, and pre-deployment activities related to the remaining deployment sites planned for calendar year 2016.

During 2015 DEAMS deployed to 6,400 new users. Therefore, as of December 31, 2015 DEAMS has approximately 11,000 authorized users at 102 locations which is 47% of the user base planned for full deployment.

Schedule

Schedule Events		
Events	Original Estimate Objective	Current Estimate (Or Actual)
MDD ¹	N/A	N/A
Milestone A	Apr 2005	Apr 2005
FFO ²	Apr 2005	Apr 2005
Milestone B	Dec 2011	Feb 2012
Milestone C	Aug 2014	Feb 2015
FDD	Feb 2015	Feb 2016
FD	TBD	TBD

Memo

1/ DEAMS Milestone A pre-dated the requirement for MDD as described in the December 8, 2008 publication of Department of Defense Instruction 5000.02.

2/ DEAMS Increment 1 did not achieve a FDD within five years after FFO for the program and reported a Critical Change in its May 31, 2010 Major Automated Information System Quarterly Report. Subsequently, the Assistant Secretary of the Air Force for Acquisition directed a Program Evaluation and restructured the DEAMS acquisition approach. In September 2010, DEAMS submitted a Critical Change Report to Congress.

Acronyms and Abbreviations

FFO - Funds First Obligated

Performance

Performance Characteristics		
Original Estimate Objective/Threshold		Current Estimate (Or Actual)
Balance with Treasury		
100%	98%	Will Meet Objective
Funds Control		
100%	98%	Will Meet Objective
Accurate Balance of Available Funds		
100%	98%	Will Meet Objective
System Controls		
100%	95%	Will Meet Objective
Subsidiary Accounts Balanced to General Ledger Control Accounts		
100%	95%	Will Meet Objective
Timely Reporting		
8 Hours	24 Hours	Will Meet Objective
Period-End Processing		
100%	95%	Will Meet Objective
Net-Ready		
Current CJCSI 6212.01	Current CJCSI 6212.01	Will Meet Objective
Materiel Availability		
99.7%	98%	Will Meet Objective

Memo

The Defense Enterprise Accounting and Management System program received an approved Business Enterprise Architecture Financial Management Mission Area ICD in June 2005.

Acronyms and Abbreviations

CJCSI - Chairman of the Joint Chiefs of Staff Instruction

Cost

DEAMS Inc 1				
Appropriation Category	BY 2011 \$M		TY \$M	
	Original Estimate	Current Estimate Or Actual	Original Estimate	Current Estimate Or Actual
Acquisition Cost				
RDT&E	569.0	556.4	591.1	578.4
Procurement	47.4	30.9	50.0	32.0
MILCON	0.0	0.0	0.0	0.0
Acq O&M	61.1	99.7	59.5	96.7
WCF-C	135.0	154.9	126.8	150.1
WCF-O	26.1	13.3	25.8	12.7
Total Acquisition Cost	838.6	855.2	853.2	869.9
Operating and Support (O&S) Cost				
Total Operating and Support (O&S) Cost	488.6	613.6	581.1	694.9
Total Life-Cycle Cost				
Total Life-Cycle Cost	1327.2	1468.8	1434.3	1564.8

Cost Notes

1. This report and the Budget Year IT-1 Exhibit cover different time periods thus the costs will not match.
2. Then Year dollars are included for information purposes only; cost variances will be reported against Base Year dollars.
3. The O&S costs reflect all work performed during that phase, regardless of the type or source of funding.