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United States General Accounting Office

GAO

Fact Sheet for the Chairman, Defense
Subcommittee, Committee on
Appropriations, House of Representatives

October 1987

ADP MODERNIZATION

Status of Proposed Enhancements to Defense Logistics Agency Systems



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United States
General Accounting Office
Washington, D.C. 20548

Information Management and
Technology Division

B-227223

October 22, 1987

The Honorable Bill Chappell, Jr.
Chairman, Defense Subcommittee
Committee on Appropriations
House of Representatives

Dear Mr. Chairman:

As requested in your August 4, 1986, letter and in our subsequent discussions with your office, this report provides information on 16 proposed enhancements to the Defense Logistics Agency's automated information systems. On July 2, 1987, we provided your office with a briefing on the status of the 16 enhancements proposed by the Logistics Agency. During the briefing, your office requested that (1) the material presented during the briefing be summarized in a report; (2) the report contain information summarizing the Office of the Secretary of Defense's review and approval actions relative to the 16 proposed enhancements, the Logistics Agency's projected obligations for each proposed enhancement, and the respective amounts requested in the fiscal year 1988 Defense Logistics Agency budget request for each enhancement; and (3) the report contain a description of the automated information systems affected by the proposed enhancements. This letter summarizes the July 2, 1987, briefing, and appendixes I, II, and III present the other requested information.

Under a November 26, 1986, decision by the Department of Defense Major Automated Information Systems Review Council, these 16 enhancements, estimated by the Logistics Agency's Office of Telecommunications and Information Systems to cost over \$122 million, were to be reviewed and approved by the Assistant Secretary of Defense for Acquisition and Logistics (now known as Production and Logistics) prior to implementation. The decision memorandum specifically required the Assistant Secretary of Defense for Acquisition and Logistics to:

- (1) Work with the Director of the Defense Logistics Agency to separate from the Logistics Systems Modernization Program those near-term enhancements that are truly critical to fulfilling the Logistics Agency's mission;
- (2) Review the near-term criticality of the enhancements proposed by the Defense Logistics Agency; and

- (3) Ensure validation of the costs and benefits for the proposed near-term enhancements.

To accomplish the validation of costs and benefits for the 16 near-term enhancements, the Assistant Secretary of Defense for Acquisition and Logistics acquired the assistance of the Director for Program Analysis and Evaluation. (Program Analysis and Evaluation is another organizational component of the Office of the Secretary of Defense). Information on the validation of costs and benefits for the various proposed enhancements as well as approvals by the Assistant Secretary of Defense for Acquisition and Logistics is contained in appendix I.

Our information shows that the Defense Logistics Agency has requested fiscal year 1988 funds for 10 of the 16 proposed enhancements. According to the Office of Telecommunications and Information Systems, fiscal year 1988 funds for the remaining 6 enhancements were not requested because it intends to fund these enhancements with money available from previous fiscal year appropriations. (See appendix II.) The Logistics Agency's automated information systems affected by these proposed enhancements are described in appendix III.

As requested by your office, we did not obtain official agency comments on this report. We did, however, obtain the views of responsible agency officials during the course of our work. These views were considered in the development of this report.

This report is based on information obtained (1) during interviews with responsible officials within the Defense Logistics Agency, the Offices of the Assistant Secretaries of Defense, Acquisition and Logistics, and Comptroller, and the Department of Defense's Program Analysis and Evaluation Office; (2) from the examination of documents submitted to the Council, the Assistant Secretary of Defense, Acquisition and Logistics, and the Program Analysis and Evaluation Office for review; and (3) from official clarification of decisions concerning these subjects from the Executive Secretary of the Council on behalf of the Principal Deputy Assistant Secretary of Defense, Comptroller, Chairman of the Council.

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We are providing copies of this report to the Chairmen, Senate and House Committees on Appropriations, Senate and House Committees on Armed Services, House Committee on Government Operations, and Senate Committee on Governmental Affairs; the Secretary of Defense; the Director, Defense

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Logistics Agency; the Director, Office of Management and Budget; and other interested parties; and will make copies available to others upon request.

For additional information on the matters discussed in this report, please contact me on (202) 275-3188.

Sincerely yours,

A handwritten signature in cursive script that reads "William S. Franklin".

William S. Franklin
Associate Director

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INFORMATION ON PROPOSED
CRITICAL NEAR-TERM ENHANCEMENTS

<u>Defense Logistics Agency (DLA) near-term enhancements^a</u>	<u>Approved^c by A&L^d</u>	<u>Costs^b validated by PA&E^e</u>	<u>Benefits validated by PA&E^f</u>
MOCAS Interim Central Processing Unit Upgrade	YES	YES	NO
DISMS Interim Central Processing Unit Replacement	YES	YES	NO
Integrated Materiels Complex	YES	YES	NO
LOGMARS Shipping Documentation Program for DIDS Enhancement	YES ^g	NO	NO
DSATS/Transportation Management System	YES ^g	NO	NO
DLA/DAASO ^h Automated Data Processing Equipment Replacement ⁱ	YES	NO ^j	NO
Center/Depot Central Processing Unit Upgrade	NO	NO	NO
End-User Computing	NO	NO	NO
Mass Data Storage	NO	NO	NO
Non-Impact Printing System	NO	NO	NO
DLSC ^k Disk & Communications Equipment	NO	NO	NO
Depot Receiving, Storage & Issue Support	NO	NO	NO
EDMICS ^l	NO	NO	NO
Prototype Data Base Machines	NO	NO	NO
Distributed Data & Processing Capability	NO	NO	NO

^aSee appendix III for an explanation of the acronyms above.

^bBased on information provided by the Division Director, Research and Development Procurement Cost Analysis, Program Analysis and Evaluation Office, who supervises the analysts who review the critical near-term enhancements.

^cAs of June 15, 1987.

^dOffice of the Assistant Secretary of Defense, Acquisition and Logistics.

^eProgram Analysis and Evaluation Office.

^fAccording to the Director for Cost Analysis in the Office of Program Analysis and Evaluation.

^gThe Logistics Agency received approval to release the Request for Proposals, but approval to award the contract is contingent upon supplying additional cost data to Program Analysis and Evaluation.

^hDefense Automated Addressing System Office.

ⁱAcquisition and Logistics approved a prototype only.

^jCosts being reviewed by the Office of Program Analysis and Evaluation as of June 15, 1987.

^kDefense Logistics Service Center.

^lWithdrawn from the near-term enhancement list by the Logistics Agency and placed back within the modernization program.

FISCAL YEAR 1988 FUNDING FOR PROPOSED ENHANCEMENTS,
AMOUNTS THE LOGISTICS AGENCY IS REQUESTING TO OBLIGATE, AND
THE PORTION REQUESTED IN THE BUDGET

<u>Defense Logistics Agency (DLA)</u> <u>near-term enhancements^a</u>	<u>Amount DLA</u> <u>wants to</u> <u>obligate</u>	<u>Amount requested</u> <u>in the budget^b</u>
	----- (in millions) ^c -----	
MOCAS Interim Central Processing Unit Upgrade	\$ 0 ^d	
DISMS Interim Central Processing Replacement	.1	
Integrated Materiels Complex	.1	
LOGMARS Shipping Documentation Program for DIDS Enhancement	0 ^d	e
DSATSC/Transportation Management System	1.7	
DLA/DAASO ^f Automated Data Processing Equipment Replacement	3.3	.3
Center/Depot Central Processing Unit Upgrade	5.8	4.6
End-User Computing	10.0	10.0
Mass Data Storage	22.9	1.5
Non-Impact Printing System	20.7	10.2
DLSC ^g Disk & Communications Equipment	4.6	2.3
Depot Receiving, Storage & Issue Support	1.1	
EDMICS	27.9	6.0
Prototype Data Base Machines	.5	3.0
Distributed Data & Processing Capability	.9	.7
	<u>22.7</u>	<u> </u>
TOTALS	\$122.3	\$38.6

^aSee appendix III for an explanation of the acronyms above.

^bWith the exception of the figure discussed in note e, all figures are taken from the Department of Defense Budget for Fiscal Year 1988 Procurement Programs (P-1) January 1987, and are included in the automated data processing equipment total in line 13 of that document.

^cNumbers are rounded to the nearest \$100,000.

^dFunds would be obligated from previous fiscal years' appropriations.

^eFunding for LOGMARS is included in the Logistics Agency's fiscal year 1988 request for telecommunications equipment totaling \$20.2 million (P-1, line 14).

^fDefense Automated Addressing System Office.

^gDefense Logistics Service Center.

DESCRIPTIONS OF AUTOMATED INFORMATION
SYSTEMS AFFECTED BY PROPOSED ENHANCEMENTS

- APCAPS - Automated Payroll Cost and Personnel System - This is the Logistics Agency's standard system for civilian payroll, labor cost accounting, and personnel administration.
- DAAS - Defense Automated Addressing System - This system provides individual service- and agency-tailored transaction processing, including special editing and routing of documentation to supply points, depots, shipping points, and other required locations that effect supply management and distribution for the services and agencies.
- DIDS - Defense Integrated Data System - This system, which operates at the Defense Logistics Service Center, maintains and disseminates logistics data for the Department of Defense, other government agencies, and foreign governments. Established to facilitate the identification of materials that are repetitively stored, stocked, and issued within the federal government, the system's functions include publications, statistics, search and interrogations, maintenance of item-of-supply information, characteristics processing, and stock number assignment. The system also provides automated support for the Federal Catalog System.
- DISMS - Defense Integrated Subsistence Management System - This system is used to manage perishable and semiperishable foodstuffs destined for feeding military troops and commissary resale.
- DSATS/TRAMS - Defense Logistics Agency Standard Automated Transportation System/Transportation Management System - This system provides traffic management services to support the Defense Contract Administration Services. TRAMS will be used by the Contract Services in the management of Department of Defense shipments between subcontractors and prime contractors and from prime contractors to military users and stock points.
- EDMICS - Engineering Drawing Management and Information Control System - This is a laser-optic-based storage system for engineering drawings and related technical data maintained by Defense Supply Center repositories.

- IMC - Integrated Materiel Complex - This is a materiel handling system which will integrate the warehousing functions of receiving, storing, selecting, packing, and shipping at the Defense Depot in Mechanicsburg, Pennsylvania.
- LOGMARS - Logistics Marking and Reading Symbology system - This system is an application of the Defense Logistics Agency Standard Warehousing and Shipping Automated System that provides defense depots with a picking and shipping application using bar-coded documents.
- MOCAS - Mechanization of Contract Administration Services system - This system provides updated contract, financial, and quality assurance information to contract administration offices.
- SAMMS - Standard Automated Materiel Management System - This system supports the inventory management mission of defense supply centers. Its functions include materiel distribution, requirements determination, supply control, stock fund financial management, accounting and billing, procurement and production, and technical cataloging processes.

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