



OFFICE OF THE COMPTROLLER OF THE DEPARTMENT OF DEFENSE

WASHINGTON, DC 20301-1100

(Information Resources
Management)

COVER BRIEF

TO: COMPROLLER
THRU: PRINCIPAL DEPUTY COMPTROLLER
FROM: DEPUTY COMPTROLLER (INFORMATION RESOURCES MANAGEMENT)

SUBJECT: Memo for the Record

PURPOSE: Record decision of the initial allocation of the \$1 billion for ADP Development and Modernization.

DISCUSSION:

- The provisions of Title VIII, Section 8108 (attached), of the FY 1991 DoD Appropriations Act stipulated that the \$1 billion available for transfer is subject to the review and approval of the Executive Level Group (ELG).
- It has been determined that the reference to ELG in the language should be interpreted to be the three internal members. It would not be proper for the external members of the ELG to make funding decisions for the DoD.
- The attached Memo for the Record will serve as the official decision document to record approval by the internal members of the ELG. The actual transfer of funds will be made by the DoD Comptroller.
- I am available to brief you if you choose.

RECOMMENDATION: Signature

Prepared by: Cindy Kendall/IRM/3E843/55679/December 17, 1990

Cindy Kendall



OFFICE OF THE SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

MEMORANDUM FOR THE RECORD

SUBJECT: Allocation of the FY 1991 Defense Appropriations Act
ADP Operations and Maintenance Funding for Development
and Modernization

The FY 1991 DoD Appropriations Act reduced operations and maintenance (O&M) funding for ADP development and modernization requirements from the Army, Navy, Air Force, Defense Logistics Agency, and the Office of the Secretary of Defense (OSD) by \$374 million. The remaining \$1 billion was assigned to an OSD transfer account to be allocated by the OSD Corporate Information Management (CIM) office with the approval of the Executive Level Group in accordance with the provisions of Title VIII, Section 8108 of the FY 1991 DoD Appropriations Act.

To ensure proper allocation, a thorough and intensified analysis was conducted. A prioritized listing of funding requirements by system was prepared by each Service and DLA. A joint working group, consisting of representatives from the Military Departments, DLA, the Joint Staff, OSD (C3I, P&L, Comp, FM&P, PA&E, and HA), and CIM and Computer-aided Acquisition and Logistics Support (CALs) program management offices, was formed to recommend funding allocation consistent with Department priorities. Priority criteria were developed and agreed upon. Systems supporting Defense Management Report Decisions, CIM and CALs initiatives, critical operational support systems, and congressional interest, or providing high return on investment, were identified as top priorities. Using these factors, the group derived and applied an allocation formula for recommended funding.

To ensure full conformance to Department priorities, an indepth analysis was then performed on each program recommended for funding. As a result of this analysis, systemic shortcomings were identified. Specific guidance will be issued redirecting modernization efforts to correct these shortcomings and achieve the goals and objectives of the CIM initiative.

Based on the analysis and issuance of additional guidance, \$219.96 million will be held in the OSD account pending decisions on the designation of Executive Agents (EA) and the assessment of funding requirements for interim systems. The

\$219.96 million represents 8 months of funding for those systems targeted as candidates for interim standard systems under CIM or identified as CIM-potential systems, and 6 months of funding to cover CIM startup costs. Many of these decisions are expected over the next 90 days and funds will be expeditiously released accordingly.

The remaining \$780.04 million of the \$1 billion of ADP O&M funds provides for 4 months of funding for CIM candidate systems, and funding for priority non-CIM systems. These funds are to be distributed by the DoD Comptroller. The following summarizes the initial allocation decision:

<u>INITIAL ALLOCATION</u>	<u>MILLIONS</u>
Army: Initial FY 91 Allocation.....	\$310.24
4 Months Funding for CIM Programs.....	\$25.93
Funding for Non-CIM Programs.....	\$284.31
Navy: Initial FY 91 Allocation.....	\$175.80
4 Months Funding for CIM Programs.....	\$7.97
Funding for Non-CIM Programs.....	\$167.83
AF: Initial FY 91 Allocation.....	\$248.82
4 Months Funding for CIM Programs.....	\$18.22
Funding for Non-CIM Programs.....	\$230.60
DLA: Initial FY 91 Allocation.....	\$29.17
4 Months Funding for CIM Programs.....	\$27.14
Funding for Non-CIM Programs.....	\$2.03
OSD: Initial FY 91 Allocation.....	\$16.01
Total Initial Allocation.....	\$780.04
Total Funds Withheld.....	\$219.96

Approved by:



Duane P. Andrews
Assistant Secretary
of Defense (C3I)

Sean O'Keefe
Department of Defense
Comptroller

David S. C. Chu
Assistant Secretary
of Defense (PA&E)

Federal Republic of Germany under a European retrograde program.

(d) The President may suspend the application of subsection (a) during a period of war in which the United States is a party.

(TRANSFER OF FUNDS)

Sec. 8108. In addition to the amounts appropriated or otherwise made available in this Act, \$1,000,000,000 is appropriated for the modernization and expansion of automated data processing systems: *Provided*, That the Secretary of Defense shall, upon determining that such funds are necessary and further the objectives of the Corporate Information Management Initiative, transfer such amounts as necessary to the appropriate operation and maintenance appropriations provided in title II of this Act to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: *Provided further*, That obligation and expenditure of these funds are subject to the review and approval of the Corporate Information Management Executive Level Group: *Provided further*, That this transfer authority shall be in addition to any other transfer authority contained in this Act.

Sec. 8109. None of the funds available in this or any other Act shall be available for the preparation of further studies on the feasibility of removal and transportation of unitary chemical weapons from the eight chemical storage sites within the continental United States. This prohibition does not apply to studies needed for environmental analyses required by the National Environmental Policy Act.

Sec. 8110. (a) Notwithstanding any other provision of law, funds made available to the Department of Defense in fiscal year 1991 and thereafter, shall be used to establish and maintain as part of the wartime energy reserve of the United States, a stockpile in Israel for petroleum fuels of military utility equal to 4,500,000 barrels.

(b) The stockpile referred to in subsection (a) shall be—

(1) configured to meet the wartime needs and combined military training requirements of the United States and Israel, and

(2) owned by the United States and operated jointly by the United States Department of Defense and Israel.

(c) In the event of a wartime emergency or a state of heightened military readiness on the part of Israel, the President of the United States may direct that Israel be permitted to draw upon all or part of the stockpile of petroleum product referred to in subsection (a), if the President—

(1) determines it is in the national interest of the United States, and

(2) so reports to Congress in accordance with section 652 of the Foreign Assistance Act of 1961 as amended.

(d) Negotiations, leading to an agreement by July 30, 1991, shall begin immediately to bring the fuel stockpile referred to in subsection (a) to full operational readiness no later than September 30, 1993.

(e) For purposes of this section, the term "petroleum product" shall refer to all petroleum, oils and lubricants required for military operations.

(f) The provisions of this section are effective immediately upon the enactment of this Act.

FY 1991 PROCUREMENT ALLOCATION

<u>ORG</u>	<u>PRO</u>	<u>CON</u>
OSD	BALANCED ALLOCATION	DOES NOT FUND NAVY, AF & DLA ADP CONSOLIDATION
JCS	FUNDS JOPEs	
ARMY	FUNDS TOP 2 PRIORITIES + PRIORITY #6	PRIORITIES #3, #4 & #5 MUST COMPETE FOR CIM \$\$ HELD
NAVY	FUNDS TOP 3 PRIORITIES + PRIORITIES #5, #6 & #7	PRIORITIES #4 & #8 ON MUST COMPETE FOR CIM \$\$ HELD DOES NOT FUND ADP CONSOLID- ATION (#17)
AF	FUNDS TOP 2 PRIORITIES + DMMIS (#5)	PC-III (#3) MUST COMPETE FOR CIM \$\$ HELD DOES NOT FUND ADP CONSOLID- ATION (#4) & CAS (#6)
DLA	FUNDS PRIORITIES #1 & #3	REMAINING SYSTEMS MUST COMPETE FOR CIM \$\$ HELD DOES NOT FUND ADP CONSOLID- ATION (#4)
CALS	FUND 75% OF NAVY CALS REQ FUNDS ARMY CALS IPE FUNDS NAVY STD TECH INFO SYS FUNDS DLA EDMICS	DOES NOT FUND 25% OF NAVY CALS REQ DOES NOT FUND NAVY EDMICS OR CAD/CAM
CIM	FUNDS TOP 6 PRIORITIES FUNDS 4 OTHER POT CIM SYSTEMS HOLDS \$12M FOR FUTURE CIM REQ TOTAL ALLOCATION FOR CIM OR CIM RELATED SYSTEMS - \$72M	LESS FUNDS HELD THAN REQUESTED

FY 1991 PROCUREMENT ALLOCATION (1,000' s)

<u>SYSTEM</u>	<u>REQ</u>	<u>ALLOCATE</u>	<u>HOLD</u>	<u>COMP</u>	<u>COMMENT</u>
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(FUND NAVY CALS CONGRESSIONAL TRANSFERS)

TMPODS	5,000				NAVY
MPEPS	2,000				NAVY
FOP	4,000				NAVY
SPA	23,000				NAVY
EDMICS	12,000				NAVY
DRAWING PROCUREMENT	25,000				NAVY
ZONE TECHNOLOGY (ZT)	20,000				NAVY
ITIWP	1,000				NAVY
AIM	3,000				NAVY
SUBTOTAL	95,000		70,000		

(FUND CONGRESSIONAL TRANSFERS)

CALS INFO PROCESSING EQPMNT	2,810	2,810			ARMY
STD TECH INFO SYSTEM	2,734	2,734			NAVY
CENTRAL PROCESS & DISTR	1,112		1,112		NAVY
MEPRS/EAS III (WAS OCC HEALTH)	1,443	1,363			NAVY
MICROPHARMACY & FOOD SERV	505	505			NAVY
CLINICAL & DIAGNOSTIC	1,084	1,084			AF
EDMICS	13,275	13,275			DLA
SUBTOTAL	22,963	21,771	1,112		

(FUND FOLLOWING COMPONENT PRIORITY SYSTEMS)

JCS JOPES	10,792	10,792			ALL
ARMY ADP CONSOLIDATION	31,700	9,700			ARMY
SPAR	11,623	11,623			NAVY
RDB	2,946	2,946			AF
DMMIS	37,000	8,800			AF
SUBTOTAL		43,861			

(FUND FOLLOWING CIM SYSTEMS)

CIM OFFICE ADP	2,000	2,000			ALL
CIM SYSTEM DEVELOPMENT	3,700	3,700			DMSA
DDS	13,500	13,500			DLA
SUBTOTAL		19,200			

(HOLD FOR FOLLOWING CIM SYSTEMS)

12,019

PERSONNEL CONCEPT-III	29,106	AF
CCSS	1,900	ARMY
DISMS	854	DLA
DLIS	910	DLA
DAISY	1,566	DLA
DAAS	1,072	DLA
CTOL	6,500	DLA
PED	10,500	NAVY
MPR-JSS	1,600	ARMY
PBAS	2,100	ARMY
ICP-R	14,549	NAVY
STARCIIPS	4,800	ARMY

SUBTOTAL

12,019

TOTAL

84,832

83,131

= 167,963

FY 1991 PROCUREMENT ALLOCATION

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CALS	FUND 75% OF NAVY CALS REQ FUNDS ARMY CALS IPE FUNDS NAVY STD TECH INFO SYS FUNDS DLA EDMICS <i>FUNDS TOTAL OF *88.8M FOR CALS PROGRAMS</i>	DOES NOT FUND 25% OF NAVY CALS REQ DOES NOT FUND NAVY EDMICS OR CAD/CAM
CIM	FUNDS TOP 6 PRIORITIES FUNDS 4 OTHER POT CIM SYSTEMS HOLDS \$12M FOR FUTURE CIM REQ TOTAL ALLOCATION FOR CIM OR CIM RELATED SYSTEMS - \$72M	LESS FUNDS HELD THAN REQUESTED
<i>PFL</i>	<i>FUNDS \$41.3M FOR CIM ISS SEE CALS</i>	<i>REMAINING REQ (\$41.6M) MUST COMPETE FOR CIM \$\$ HELD</i>