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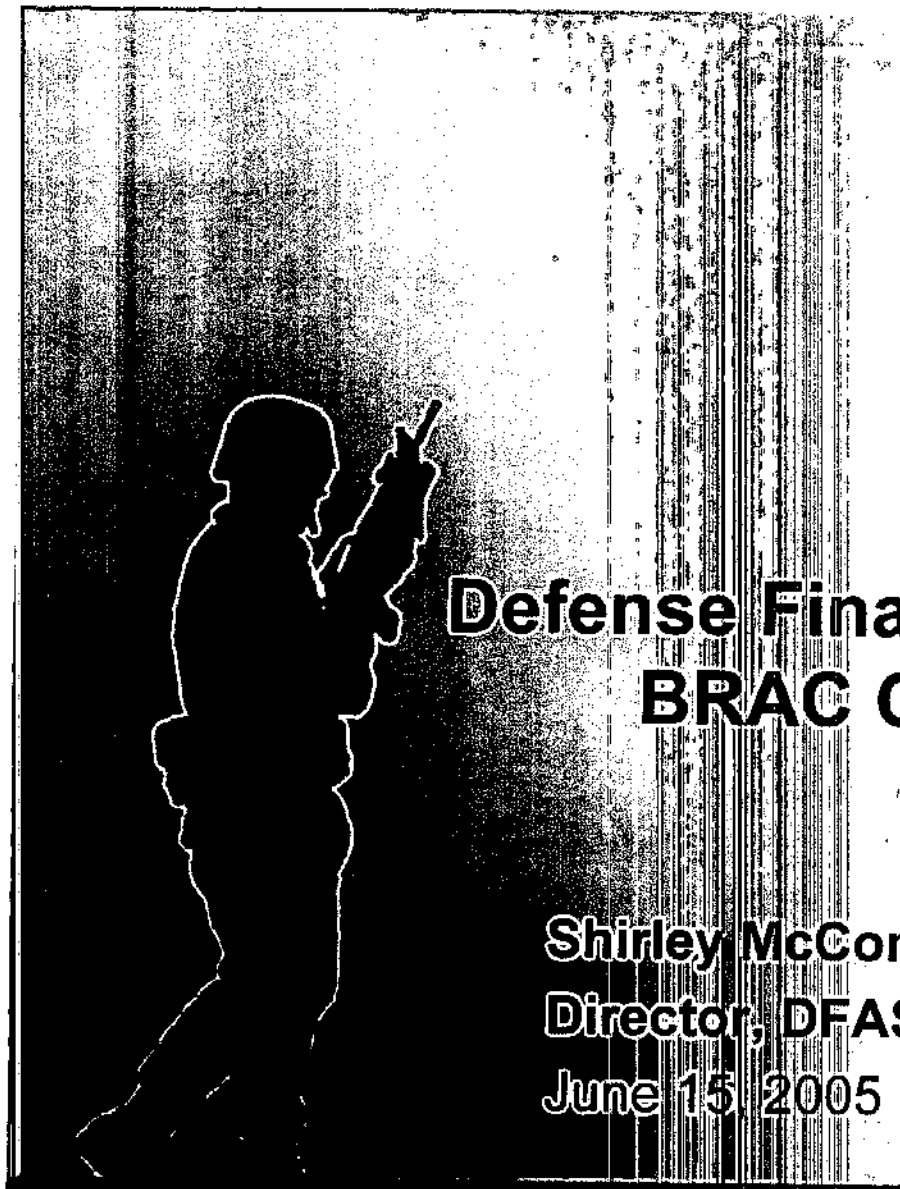


Your Financial Partner @ Work

Defense Finance and Accounting Service BRAC Commission Update

Shirley McConnell

Director, DFAS Pensacola

June 15, 2005

Agenda

- DFAS at a glance
- DFAS customer service matrix and organization
- DFAS success stories
- DFAS Pensacola information
  - ✓ Mission
  - ✓ Organization and Assets
  - ✓ Customers
  - ✓ Functions Performed
  - ✓ Accounting Business Line
  - ✓ Commercial Pay Business Line
  - ✓ Civilian Pay Business Line

DFAS at a glance -- The big picture

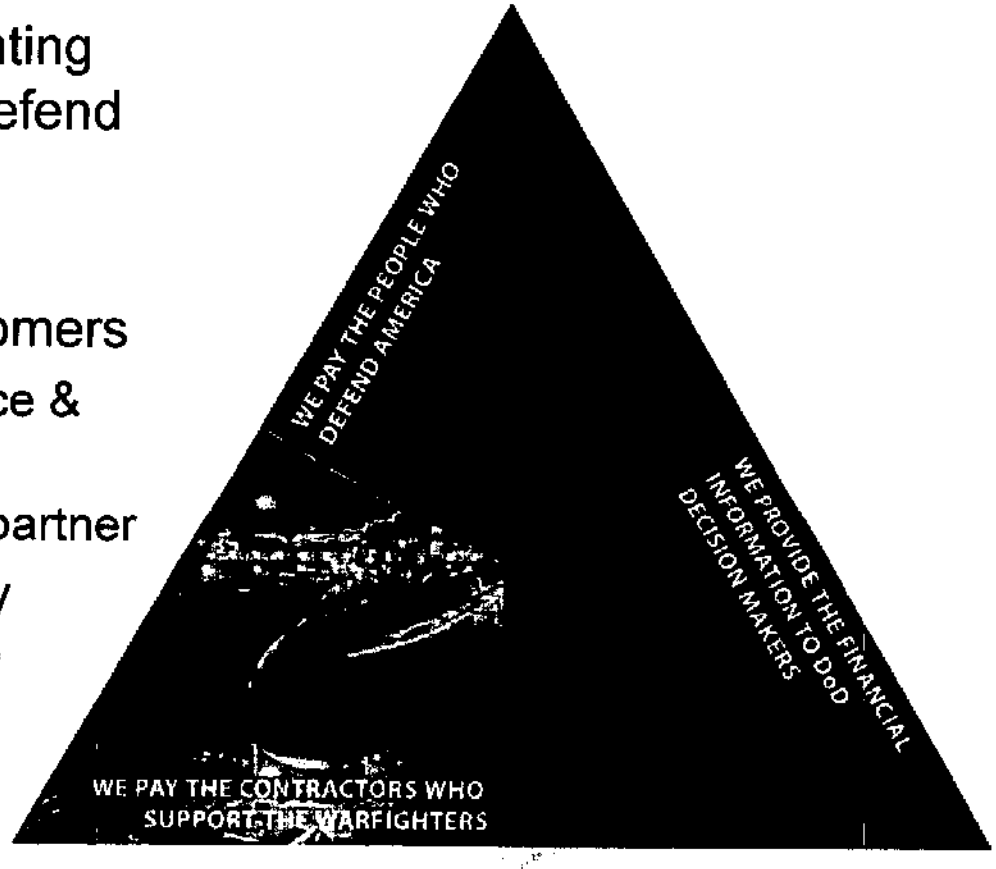
- Mr. Zack E. Gaddy's priorities:
  - ✓ Take care of our customers
  - ✓ Improve our operations to become world-class in all we do
  - ✓ Deliver the best value that excites our customers & motivates our employees

"These are exciting times for DFAS as we continue to transform & assert our role as the finance & accounting leader in the Department of Defense & ultimately in the federal government. NOW is the time for us to make a difference. I know I can count on you."

DFAS at a glance -- Our mission, vision & values

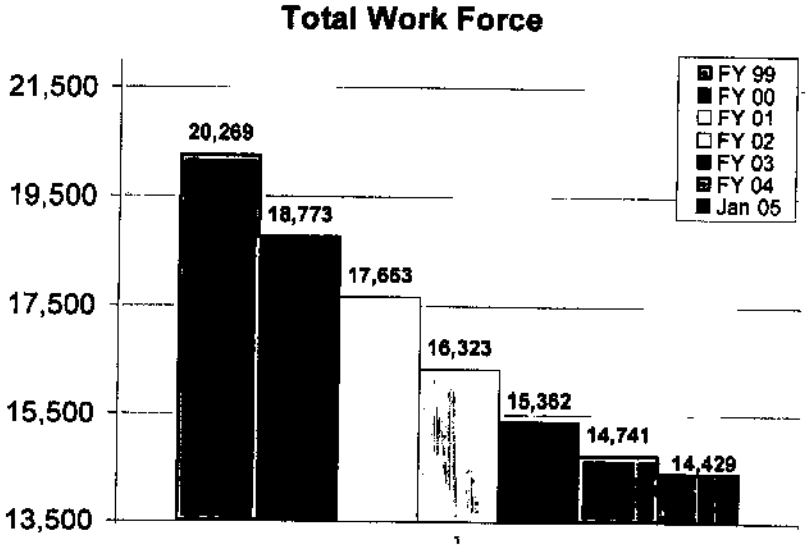
- *Mission:* Provide responsive, professional finance & accounting services for the people who defend America.

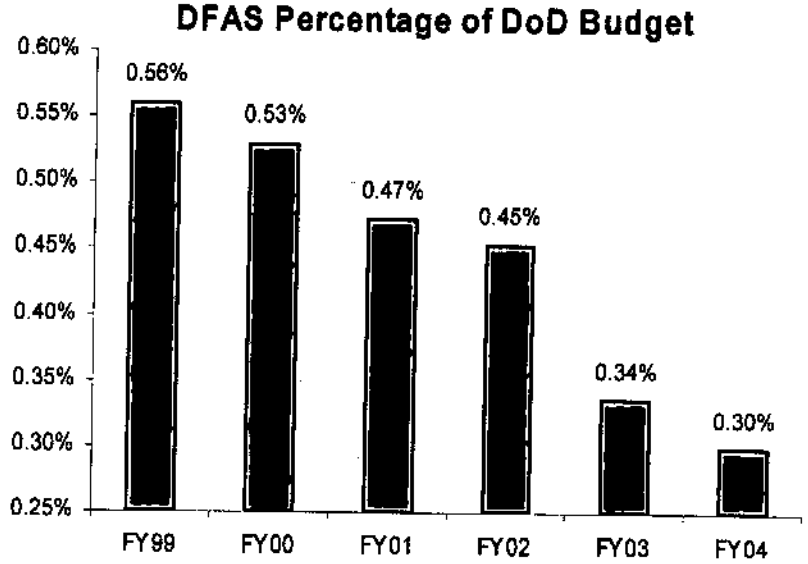
- *Vision:* Best value to our customers
  - ✓ World-class provider of finance & accounting services
  - ✓ Trusted, innovative financial partner
  - ✓ One organization, one identity
  - ✓ Employer of choice, providing a progressive & professional work environment

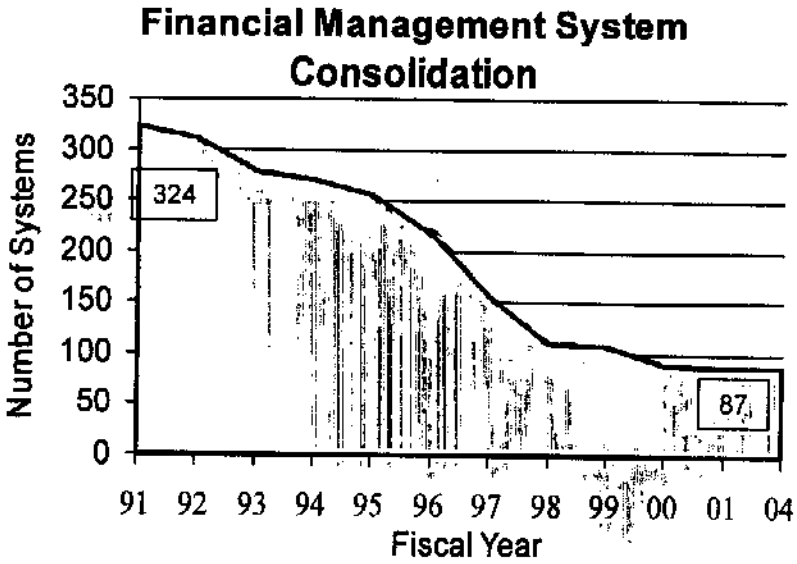


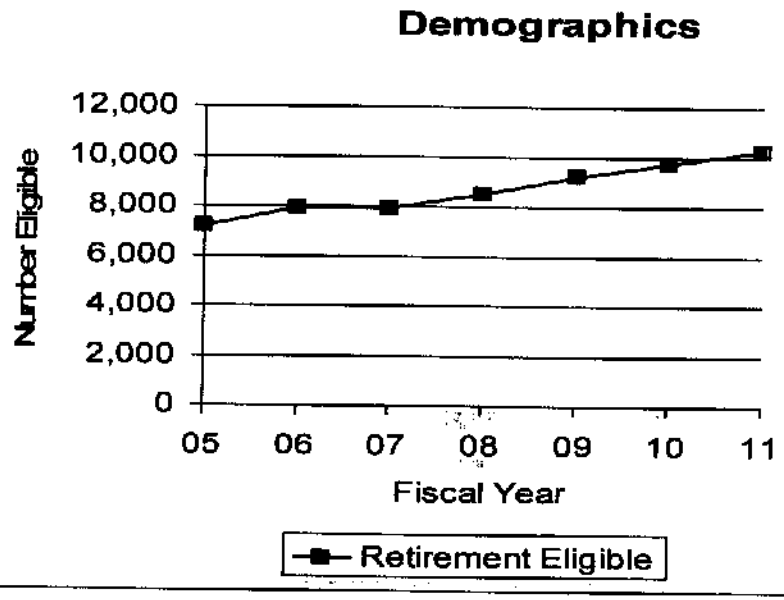
- *Values:* Integrity, Service, Innovation

DFAS at a glance -- The state of DFAS today









DFAS at a glance - Magnitude of annual operations

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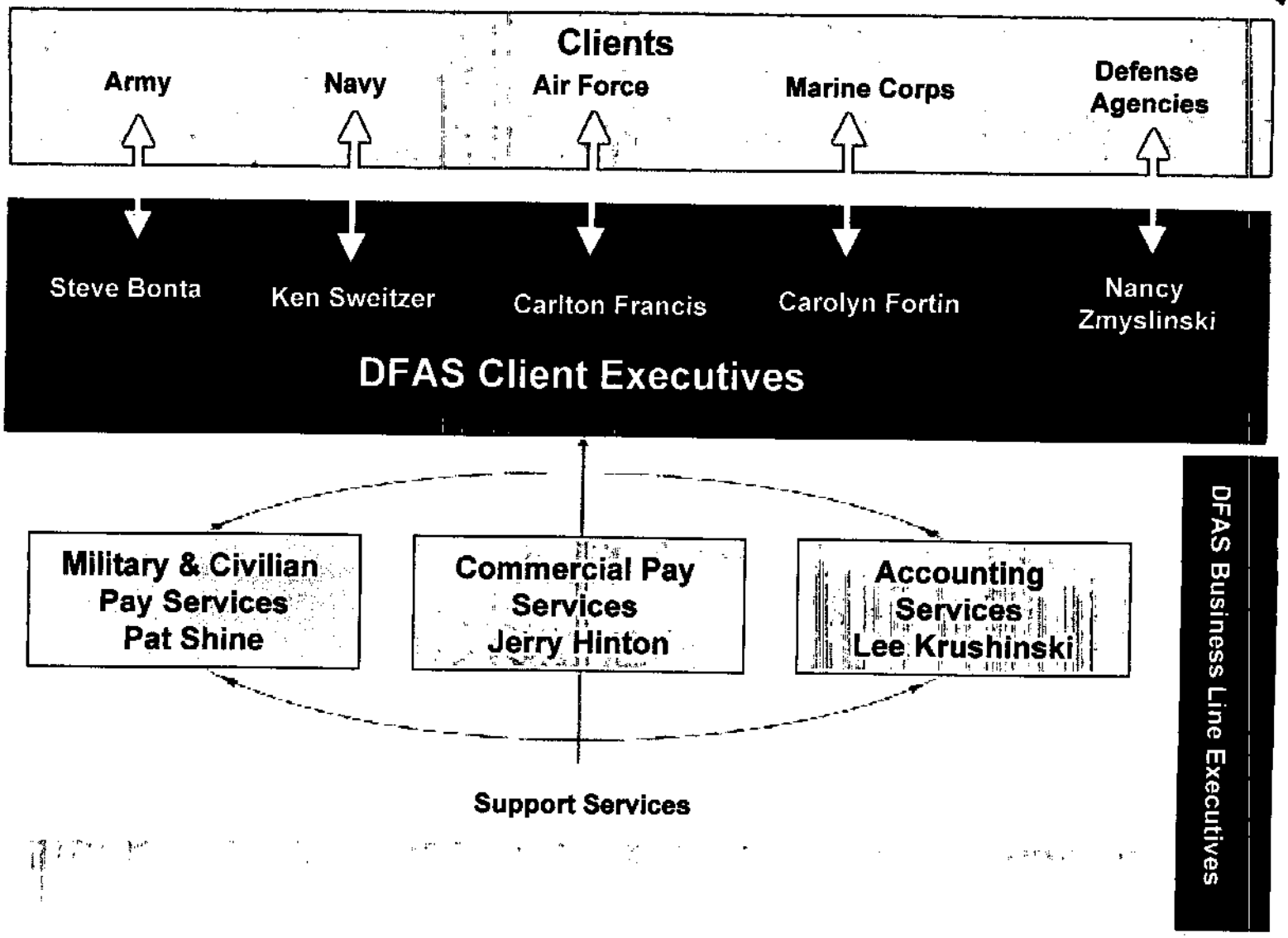
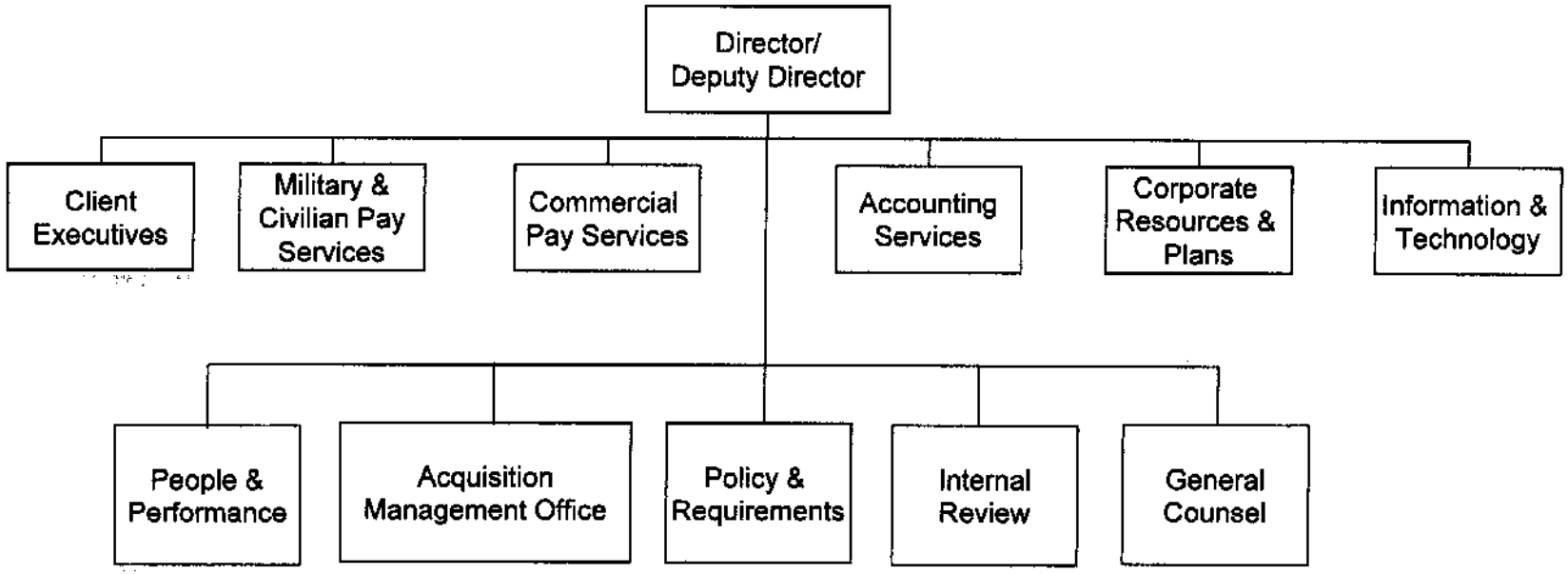
It's about the customer!

Customer Service Matrix

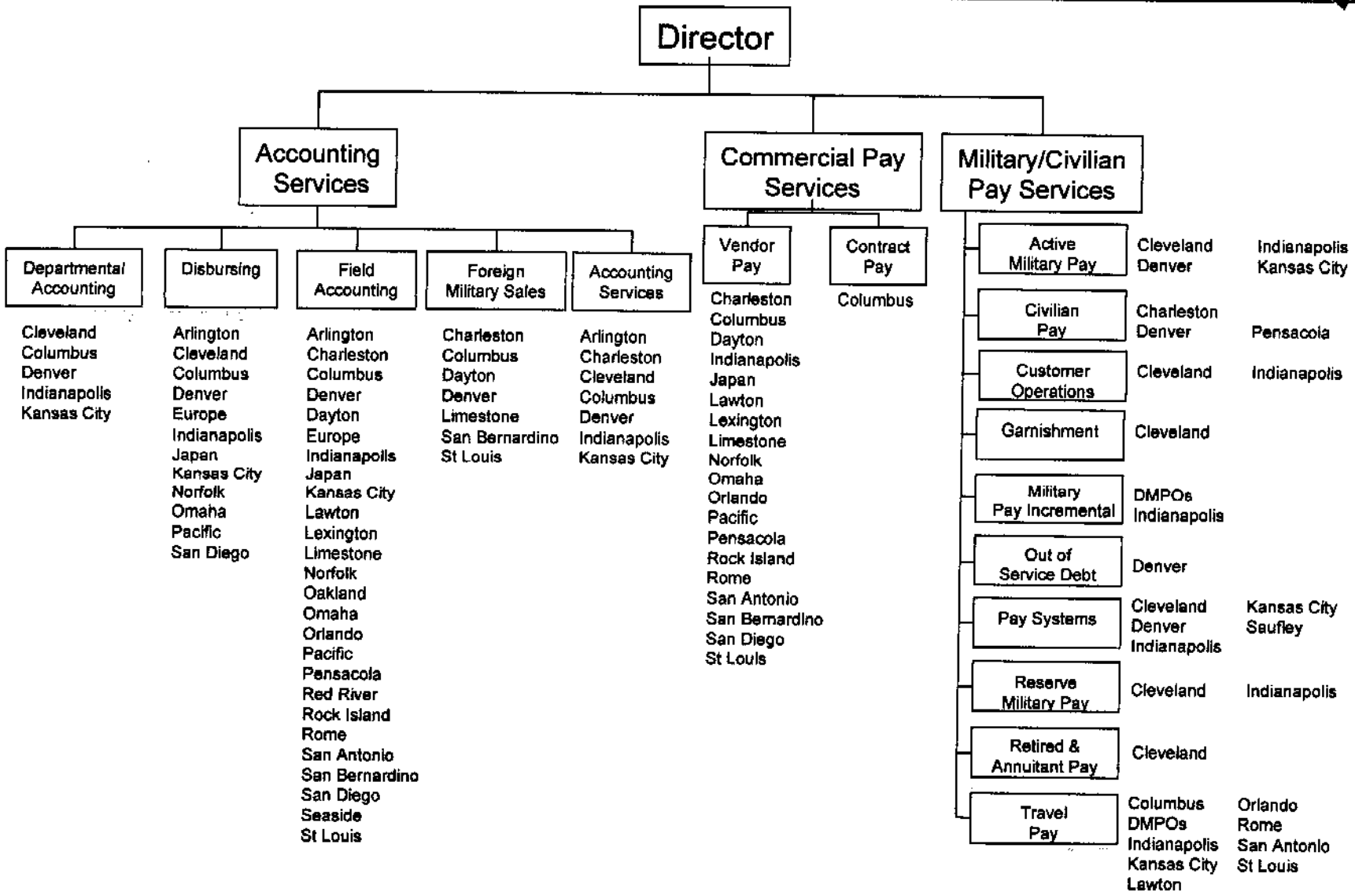


DFAS Organization



As of Feb. 28, 2005

DFAS Product Line/Locations



DFAS success stories

- Earned a 5th consecutive "unqualified opinion" and assisted five clients to achieve clean opinions of their own
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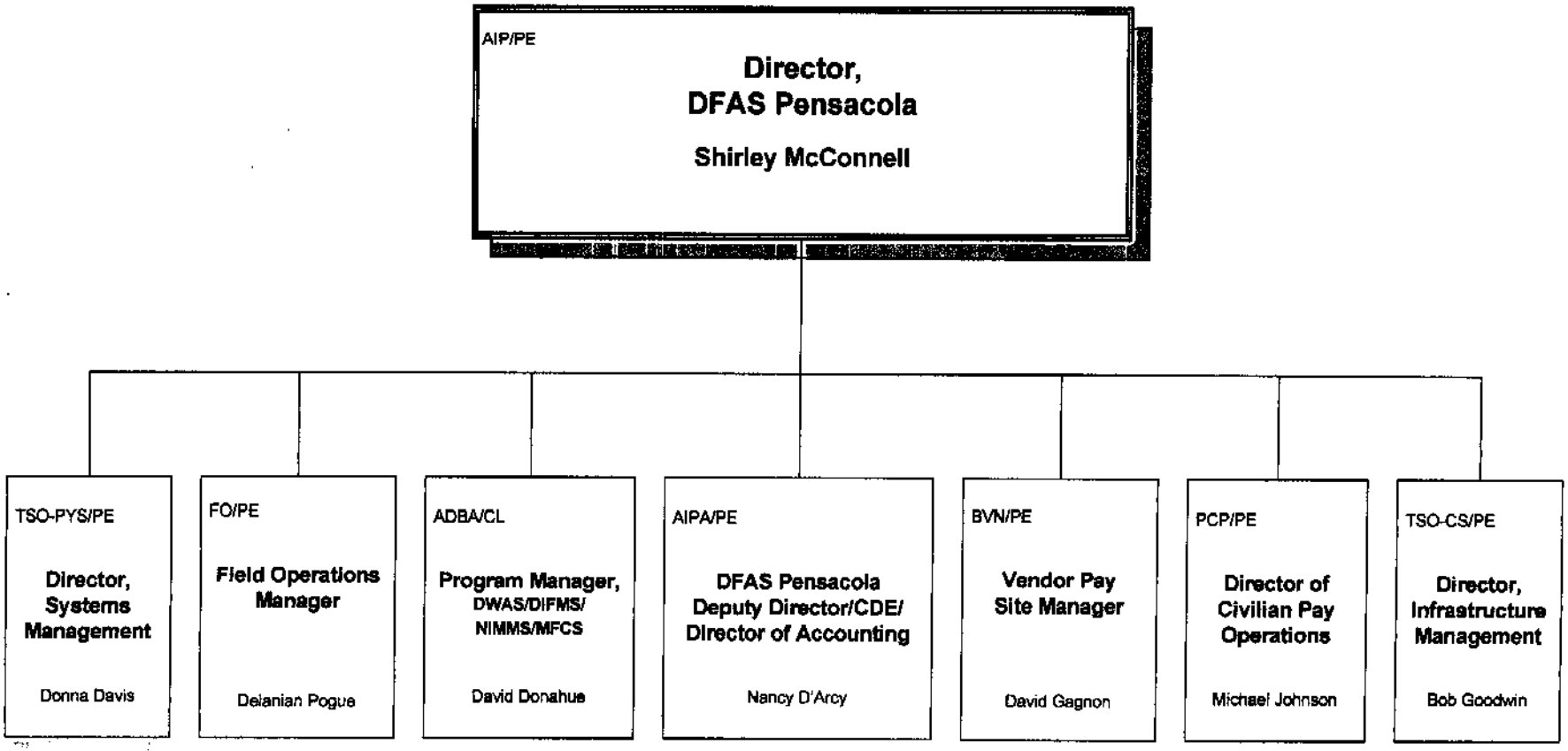
DFAS Pensacola Organization



Work Force Demographics

DFAS - Agency Wide	Pensacola
95% over age 30	98% (369)
83% over age 40	90% (339)
49% over age 50	51% (192)
27% age 55 and over	29% (108)
48 Average age	49.9
26% reg. retire. elig.	30% (112)
17% early retire. elig.	17% (65)

Assets

- People

  - ✓ 376 employees
    - 34 Contractors
  - ✓ Career Development Program
    - 8 Developmental Level Accountants
    - 3 Entry Level Accountants (ELPAs)
    - 13 CDFM Certifications
  - ✓ 77 employees with degrees
    - 12 Masters
    - 65 Bachelors

Primary Functions Performed for our Customer

- Accounting - To provide responsive, professional finance and accounting services and be a best value to our customers by providing Prevalidation of requests for payment, analysis and correction of abnormal conditions and reporting on results of operations and status of appropriated and revolving funds for Navy, Air Force and DoD customers serviced.

- Vendor Pay - The Pensacola Vendor Pay office processes payments for goods, supplies and services for the Navy, Air Force, and DoD customers. Included are Foreign Military Sales (FMS), Miscellaneous Payments (Training, Utilities etc.), Transportation, Credit Card (IMPAC) and contractual payments.

- Civilian Pay - The DFAS Pensacola Payroll Office provides pay and support for employees assigned to the Executive Office of the President, the Air Force, and Defense Agencies, including the Defense Contract Mapping Agency employees in Canada. We also provide required reports to Accounting entities, the Thrift Board, Office of Personnel Management and U. S. Treasury.

DFAS Customers Served and Success stories – Local victories

- Field-Level Accounting - DFAS Pensacola
  - ✓ General Fund Accounting
    - Navy
  - ✓ Working Capital Fund Accounting
    - DISA
    - Air Force
  - ✓ Reports & Analysis Division
    - Systems and Query Administration Team
    - Financial Services Team
    - Cost Analysis Team
    - Quality Assessment Team

Account for $ 161 Billion in Annual Funding

DFAS Customers Served and Success stories – Local victories

- Successfully implemented Continuity of Operation Plan (COOP) after Hurricane IVAN
- Successfully accomplished fiscal year-end closing after Hurricane Ivan
- Automated accounting processes which reduced billing hours to customers, improved efficiency, accuracy and timeliness of reports, and improved morale of employees
- Accounts Receivable Navy General Fund Center of Excellence
- Partnering with customers on Financial Improvement Plans (FIP) with a goal toward Auditable Financial Statements (AFS)
- Implemented DWAS invoicing module for our Air Force customers

DFAS Customers Served and Success stories – Local victories

- Reduced inflow of Undistributed Disbursements by 12K transactions per month for Bureau of Naval Personnel (BUPERS)
- Reduced IPAC rejects by 90% in last three months
- Automated billing for Telecommunication Services and Enterprise Acquisition Services (TSEAS) preventing manual input of 15K bills annually
- Advanced billed $276M for TSEAS and DISA Computing Services (DCS)
- Reduced 12k transactions of unmatched disbursements for BUPERS annually
- Award winning implementation of DWAS for Air Force customers

DFAS Customers Served and Success stories – Local victories

- Vendor Pay - DFAS Pensacola
  - ✓ Unique customer processing with Defense Information Telecommunication Contracting Organization (DITCO)
    - ✓ Paying app. 1.2 million telecommunications invoices/year
    - ✓ Utilize the Financial Accounting and Budgeting System (FABS). Use of FABS in lieu of mainstream entitlement system allows for integrated Customer billing and cost accounting for DITCO
  - ✓ Utilize the STARS One-Pay entitlement system to pay Navy, DoD, and Air Force customers
    - ✓ Automated interfaces allow for systemic prevalidation and accounting transactions to flow without manual intervention
    - ✓ EDI and EFT participation rates are growing monthly
    - ✓ Customers can request view access to all One-Pay processes to assist them in their business operations

DFAS Customers Served and Success stories – Local victories

- Civilian Pay - DFAS Pensacola
  - Customers
    - ✓ 250,000 civilian employees every two weeks
      - ✓ Executive Office of the President
      - ✓ Air Force
      - ✓ All Defense Agencies
      - ✓ Defense Contract Mapping Canadian Employees
  - Successes
    - ✓ Hurricane Ivan
      - ✓ Immediate Execution of Contingency
      - ✓ All Employees Paid On Time and Accurately
    - ✓ ePayroll
      - ✓ Department of Veteran Affairs
        - 246,000 Employees
        - Conversion to Begin FY06

DFAS Customers Served and Success stories – Local victories

- TSO Corporate Services Infrastructure Engineering
  - ✓ Mission – Unique within DFAS the mission is to Engineer, deploy and support the DFAS Technical and Security Infrastructure for the DFAS Enterprise Local Area Network (ELAN)
    - ✓ Wide Area Communications and Local Area Networks
      - ✓ Capacity Planning, provisioning, predictive modeling, traffic analysis
    - ✓ Directory, Email, Print and File services
    - ✓ AntiVirus and AntiSpam Services
    - ✓ Firewalls and VPN services
    - ✓ Vulnerability Assessment & Intrusion Detection
    - ✓ Red Team
    - ✓ DFAS Computer Emergency Response Team (CERT)
    - ✓ Tier 3 Help Desk

DFAS Customers Served and Success stories – Local victories

- TSO Corporate Services Infrastructure Engineering
  - ✓ Customers
    - ✓ DFAS
    - ✓ DISA
  - ✓ Success Stories
    - ✓ CAC authentication for network and email access for all DFAS
    - ✓ Infrastructure Security tested and passed Defense Threat Reduction Agency vulnerability test
    - ✓ Successful antivirus antispam program
    - ✓ Reeingeering ELAN for lights out operations
    - ✓ ELAN uptime/availability exceeds 99.9%
    - ✓ Reduced ELAN program cost
    - ✓ Assisted DISA in evaluating hacking events at DISA facilities hosting DFAS systems
    - ✓ Assisted DISA in identifying communications/system problems

Our strategic challenge

- Our customers expect:
  - ✓ Accurate and timely payment of personnel
  - ✓ Accurate and timely payment of vendors and contractors
  - ✓ Auditable financial statements
  - ✓ Business intelligence that enables better decision-making
  - ✓ Lower costs of products and services
- Customers deserve a financial service partner who enhances their readiness & mission capability

The road ahead -- Becoming world class

- We will continue our DFAS journey of excellence
- We will be guided by our core values -- integrity, service & innovation
- We will recommit to understanding our customers
- We will practice good two-way communication to ensure lasting success
- We will make it an inclusive, total team effort from all DFAS business lines & functions

DCN: 3017

Your Financial Partner @ Work

DFAS BRAC Commission Update

Hauser
Field Site Director

Agenda

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- DFAS Saufley Field information
- The road ahead

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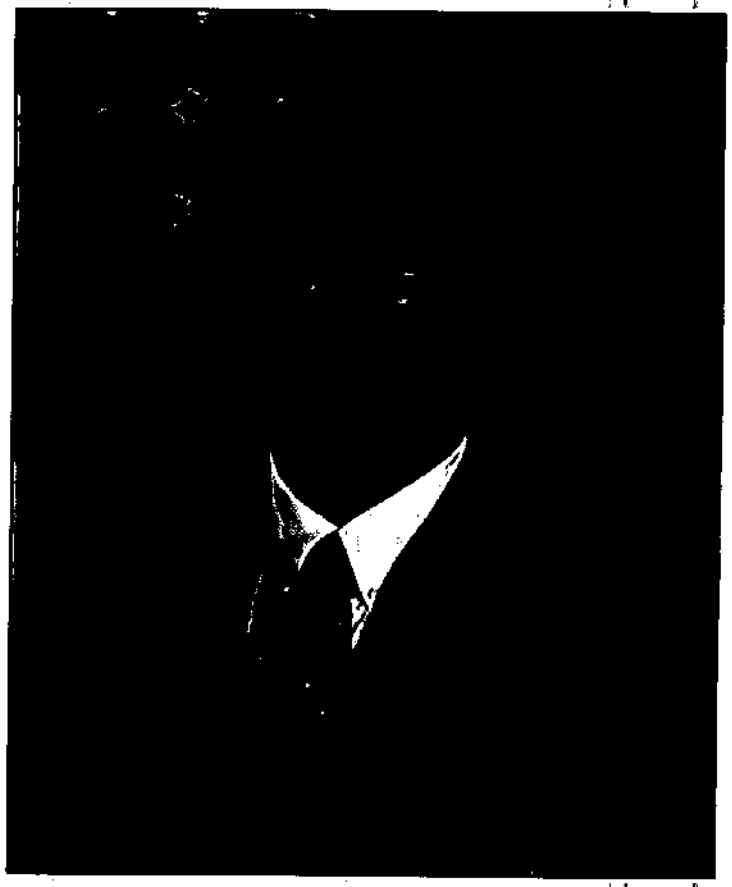

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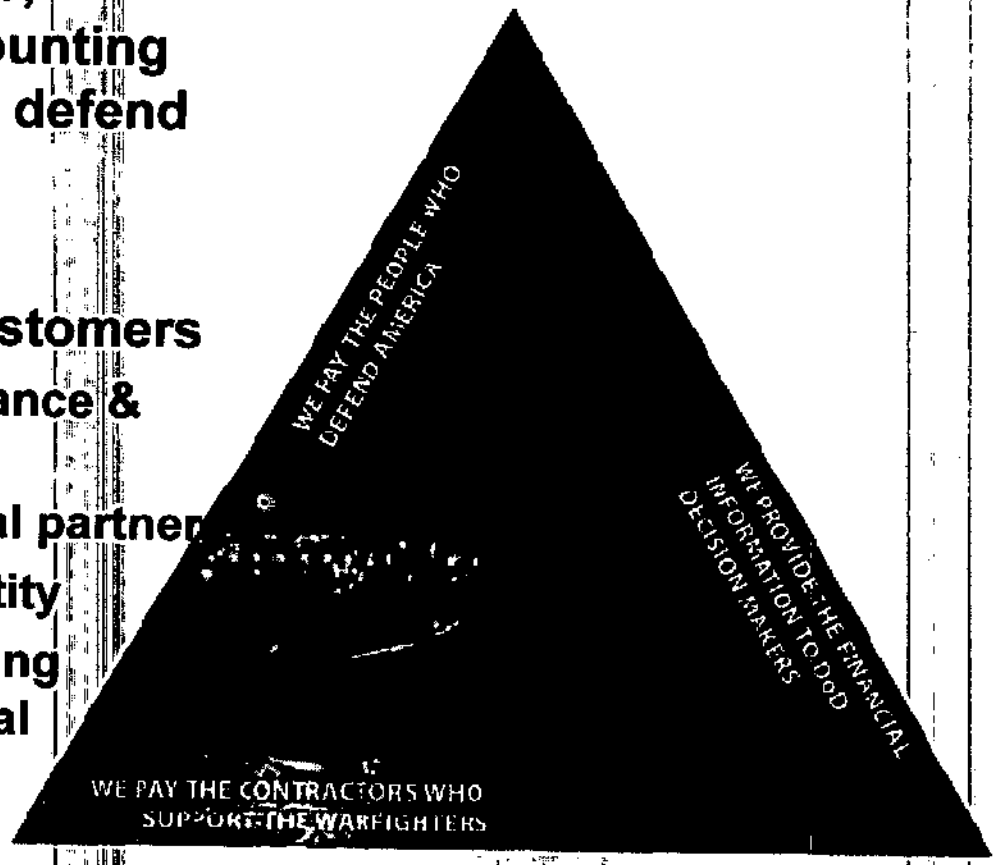

- ***Values:*** **Integrity, Service, Innovation**

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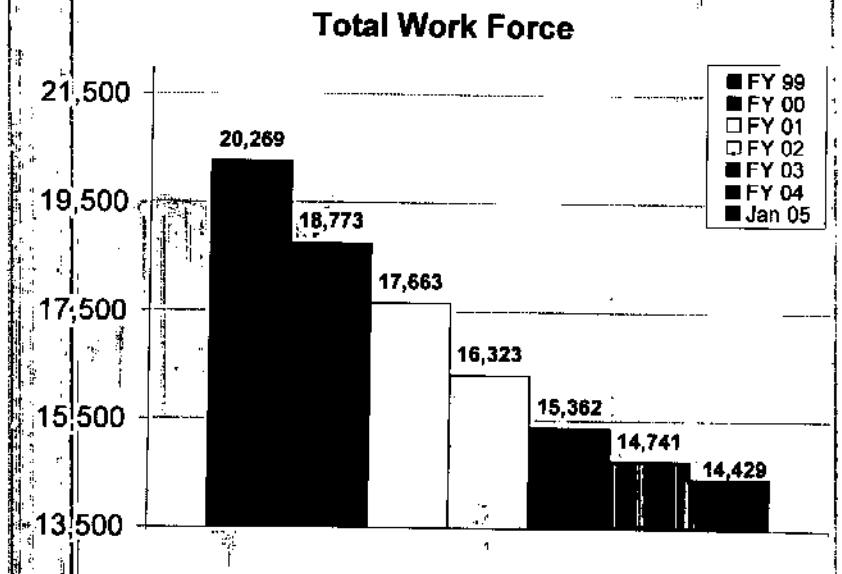

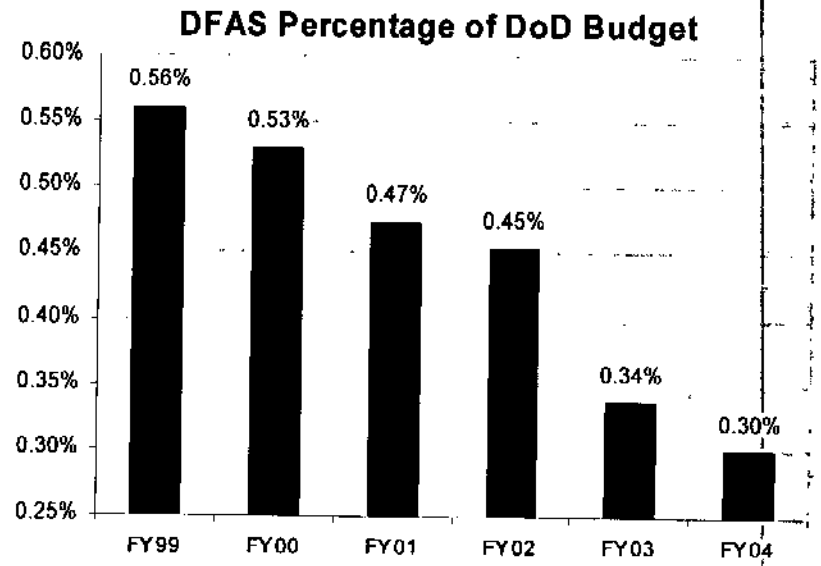

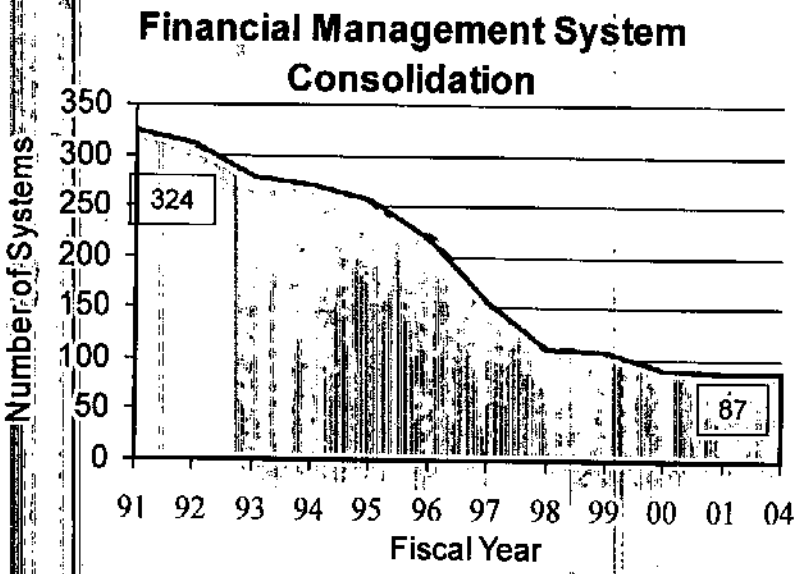

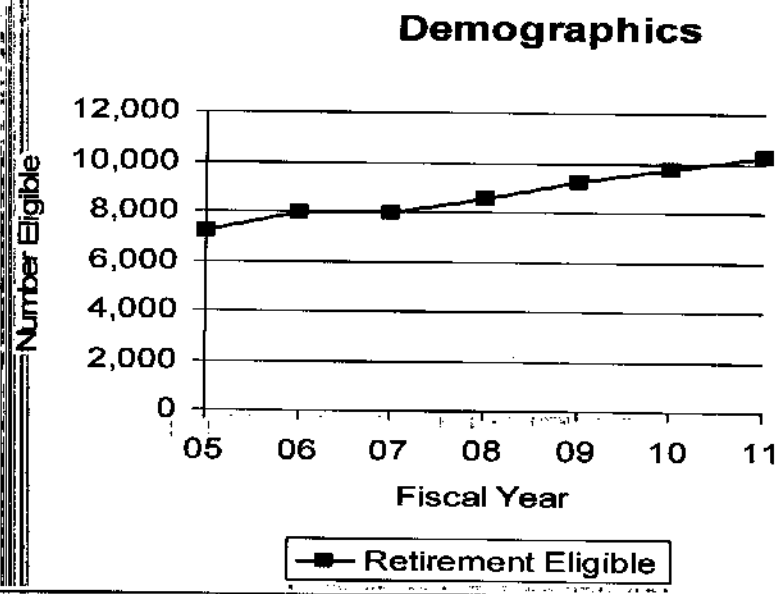

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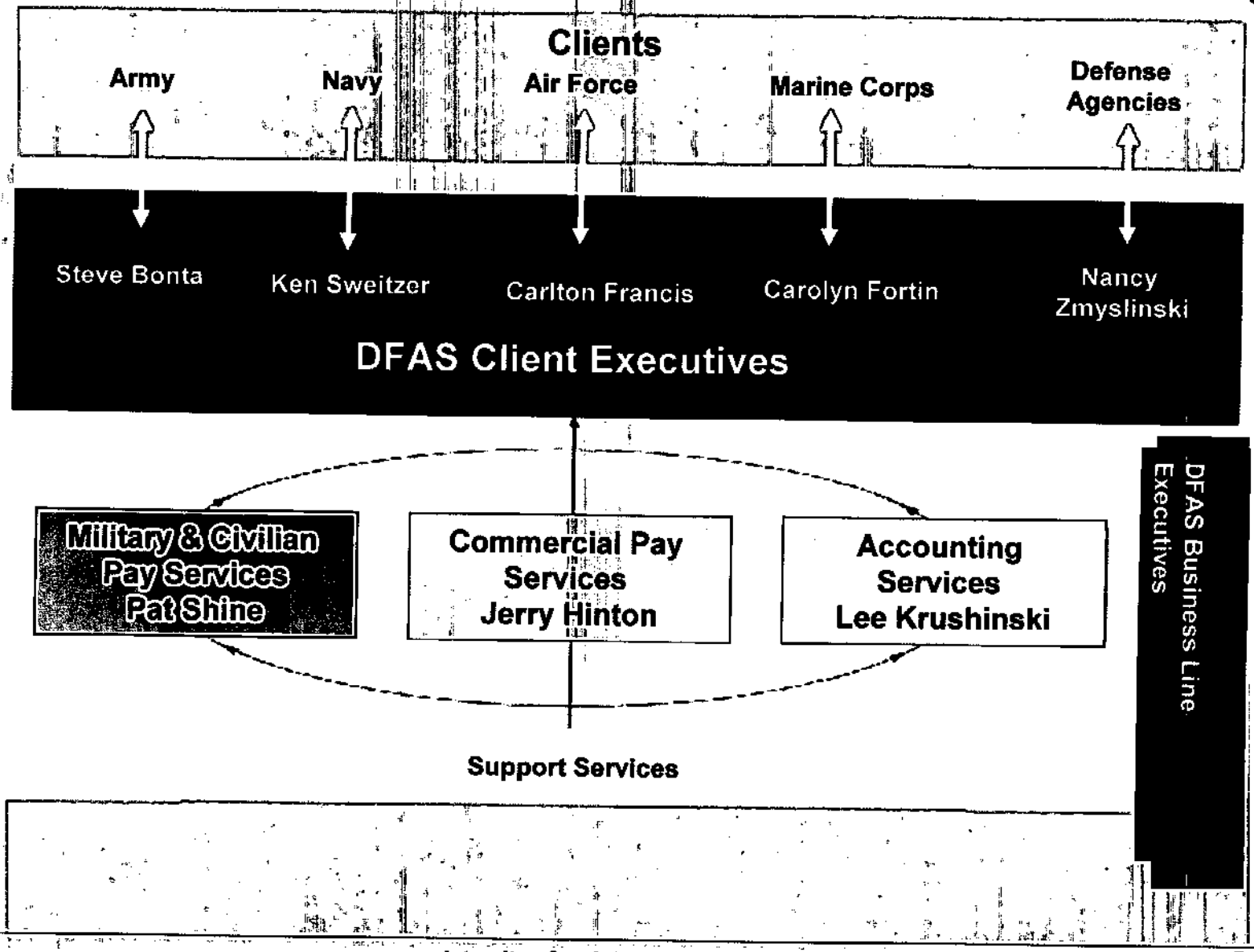
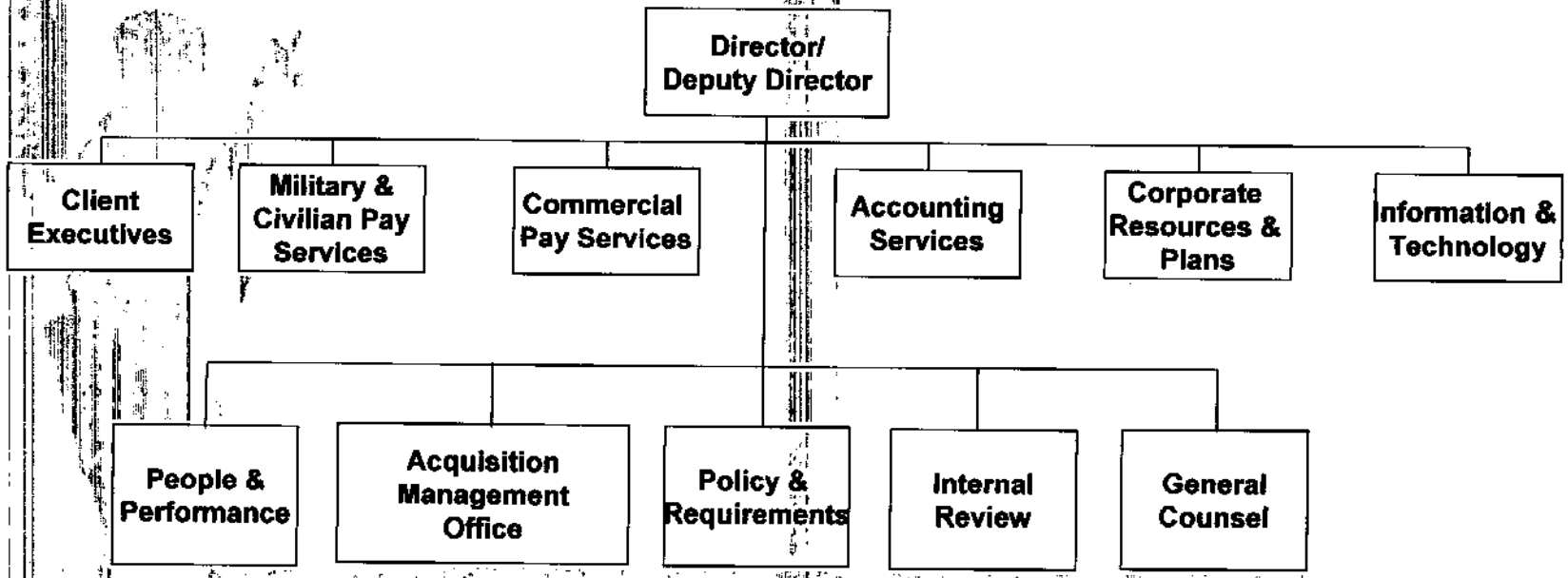


DFAS Organization



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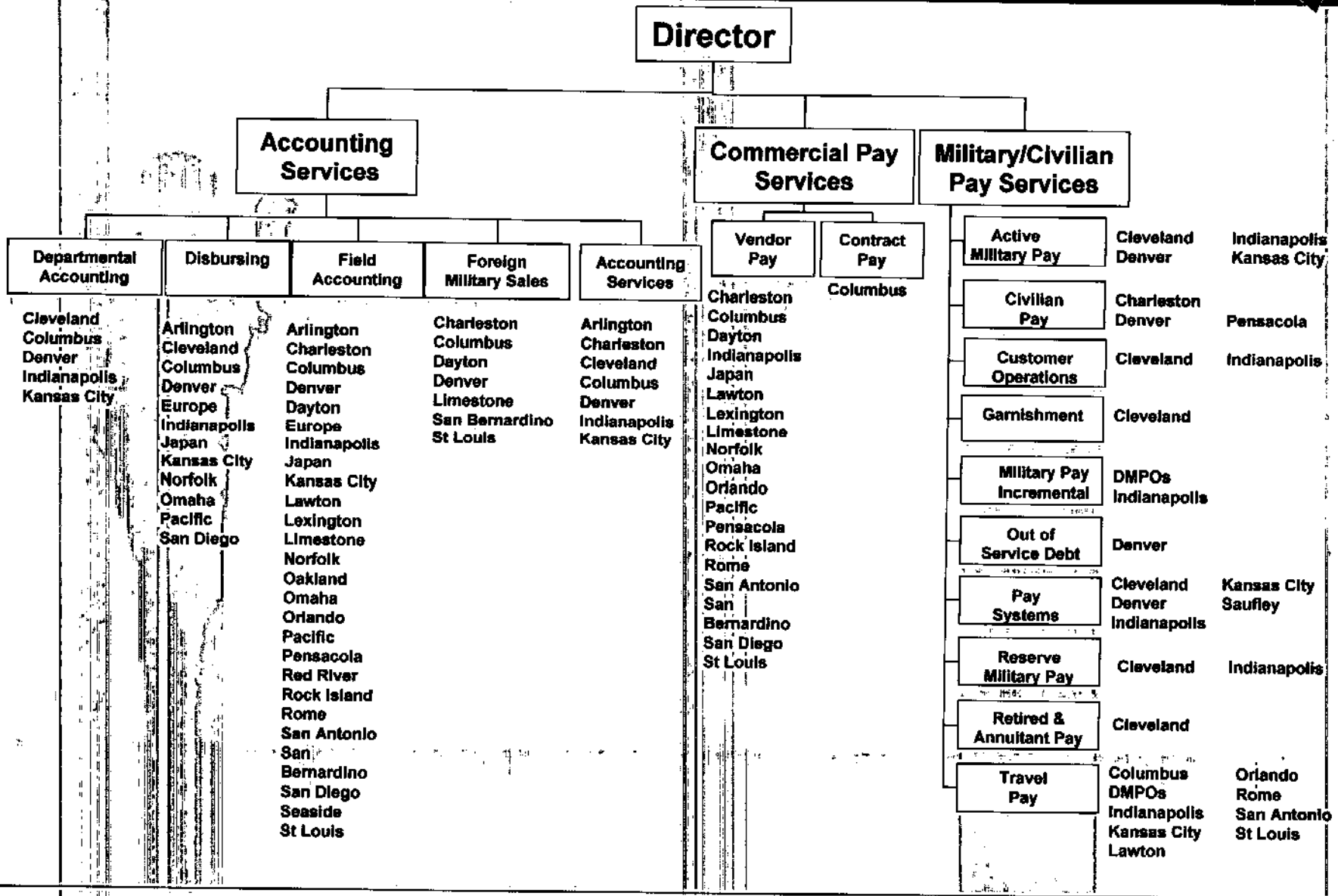
DFAS Product Line/Locations



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Local Success Stories

- Disaster Recovery Plan was successfully executed to recover from Hurricane Ivan, reflecting favorably on the agency and DoD - relocated 354 employees and fully supported their needs
- ePayroll implementation of Department of Health and Human Services was completed – largest ePayroll implementation to date (65K accounts)
- Approximately 145,000 U.S. Air Force civilian accounts were implemented on the SmartDocs system

Technology Services Organization-Pensacola

DFAS

OFFICE OF THE DIRECTOR
LARRY HAUSER
STEVE BURTON
CIVILIANS - 4
CONTRACTORS - 0

SOFTWARE QUALITY ASSURANCE & ADP SECURITY OFFICE
DALE CHILDS
CIVILIANS - 4
CONTRACTORS - 3

BUSINESS MANAGEMENT DIRECTORATE
CANDICE MARONEY
CIVILIANS - 8
CONTRACTORS – 6

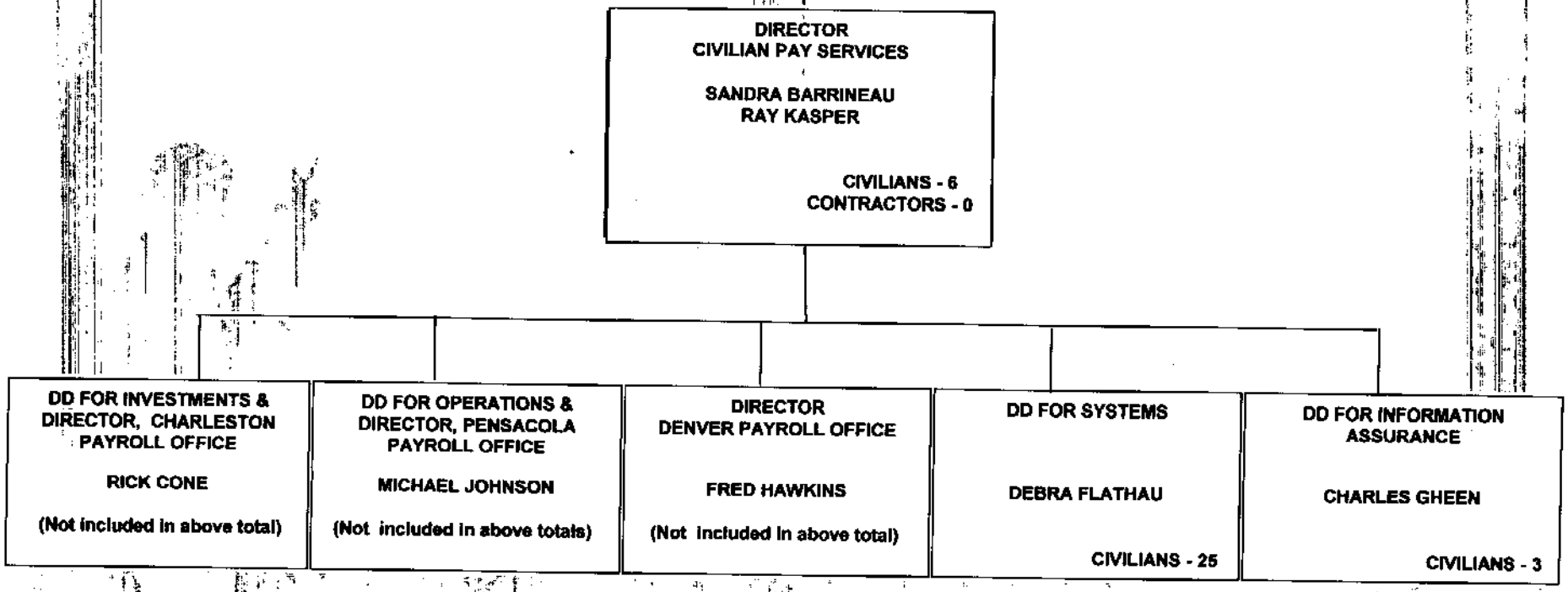
CIVILIAN PAY SYSTEMS ENGINEERING DIRECTORATE
DAVID THOMAS
CIVILIANS - 61
CONTRACTORS - 34

SYSTEMS MANAGEMENT DIRECTORATE
DONNA DAVIS
CIVILIANS – 51
CONTRACTORS - 53

SOFTWARE TEST & EVALUATION DIRECTORATE
PEGGY CARLSON
CIVILIANS - 24
CONTRACTORS - 25

Total Civilian Staff	152
Total Contractor Staff	121
Total Staff	273

Civilian Pay Services



Total Civilian Staff	34
Total Contractor Staff	0
Total Staff	34

Missions Performed at Saufley Field

- ***Provide information technology services to DFAS and non-DFAS customers***
  - ✓ **Design, develop, acquire, test, deploy, operate and maintain information systems and applications that support customer defined requirements**
  - ✓ **Provide information technology consultation, training and operations enabling services**
  - ✓ **Advise current and prospective customers of available technology innovations that empower customers with flexible alternatives that encourage user access to data, as well as, manipulation and management of data**
- ***Provide functional and program management services to the DFAS Civilian Pay Product Line***
  - ✓ **Perform program management functions for civilian pay systems**
  - ✓ **Interpret, define & prioritize customer requirements associated with civilian pay systems**
  - ✓ **Provide information assurance and system security & audit services for the Product Line and civilian pay systems**
  - ✓ **Provide budgetary, personnel and other administrative support to the Product Line**

What We Do To Perform The Mission

- Operate under Defense Working Capital Fund provisions
- Provide traditional software development & maintenance (CDA) services
  - ✓ MCPS (DCPS, ATAAPS, SmartDocs, Pay Profiling, etc.)
  - ✓ Accounting (DCAS)
  - ✓ Navy (FASTDATA)
- Perform System Management functions for the Civilian Pay Product Line of MCPS (DCPS, ATAAPS and ICPS)
- Provide Requirements Management services for the Civilian Pay Product Line of MCPS (DCPS, ATAAPS and ICPS)
- Provide Enterprise Test Center services
- Provide Customer Contact Center services
- Provide production support (scheduling & operations) services
  - ✓ DCPS
  - ✓ DCD/DCW

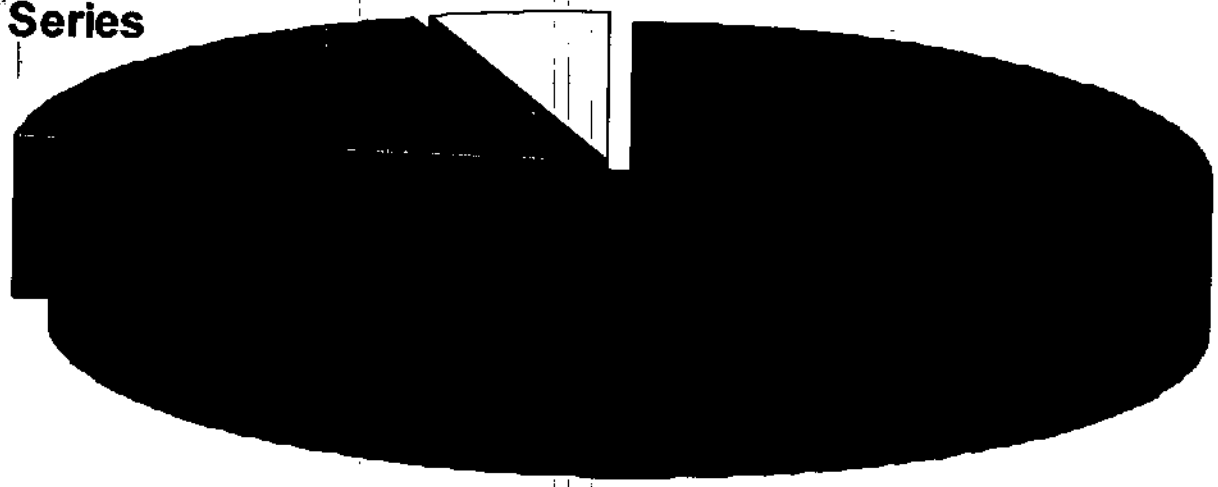
Uniqueness of Mission?

- Information Technology and Program Management services are currently performed at other DFAS locations so while the basic missions are not unique:
  - ✓ The Civilian Pay Product Line Manager & staff (and expertise) are exclusive to this location
  - ✓ The IT and subject matter expertise for the workload supported are exclusive to this location
  - ✓ The customer base supported by this Activity (primarily the non-DoD entities) is unique. Primary examples include:
    - Executive Office of the President (current)
    - Classified Agency (current)
    - Department of Energy (current)
    - Health and Human Services (current)
    - Environmental Protection Agency (future)
    - Veterans Administration (future)
- For these reasons, careful planning is critical to mitigate the risk associated with moving this workload.

Our People

	On Board		
	Civilians	Contractor	Total
FY00	181	90	271
FY01	192	96	288
FY02	202	100	302
FY03	179	102	281
FY04	196	120	316
FY05	186	121	307

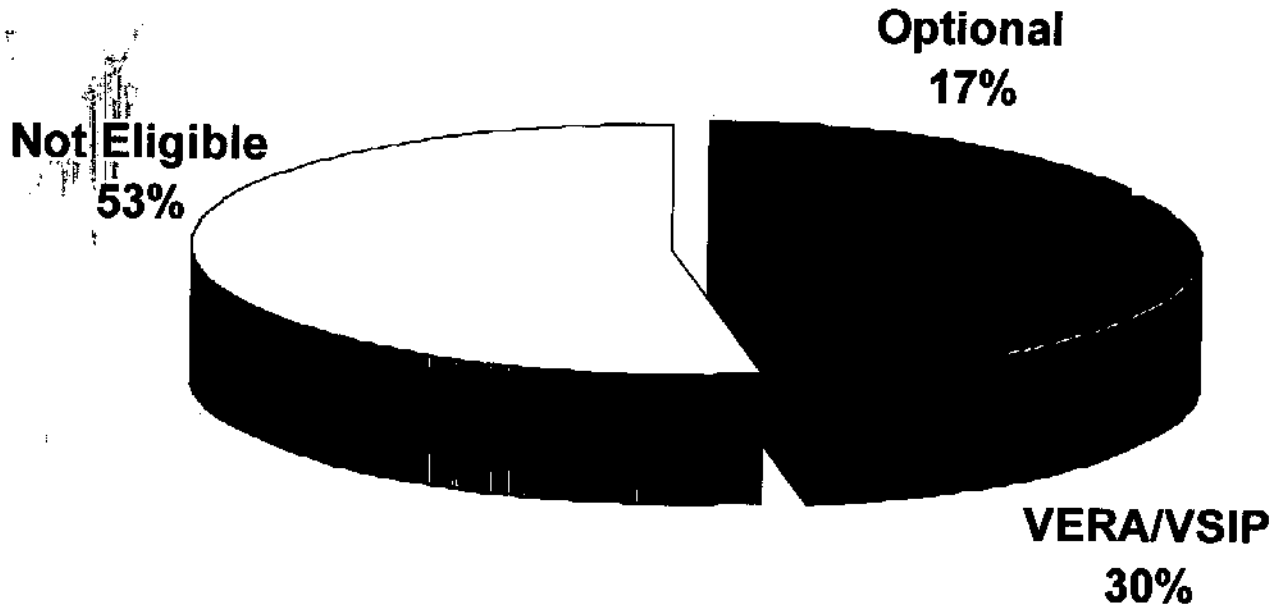
Workforce Profile – Government Personnel



Civilians On Board - 186
- Average Grade - 11.7
- Average Age - 48.5
- Average Length of Service - 19.9

Contractors - 121

Workforce Profile - Retirement Eligible Jun 05

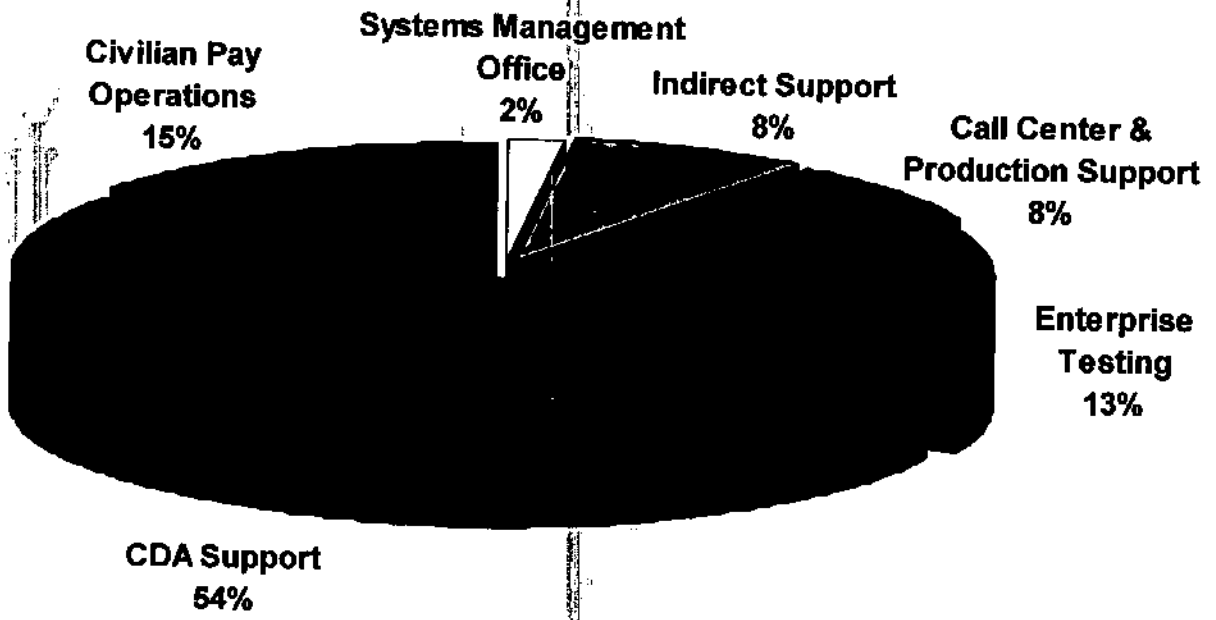


*Civilians on Board - 186
- Optional - 32
- VERA/VSIP - 56
- Not Eligible - 98

Workforce Profile – Transfer Eligibility

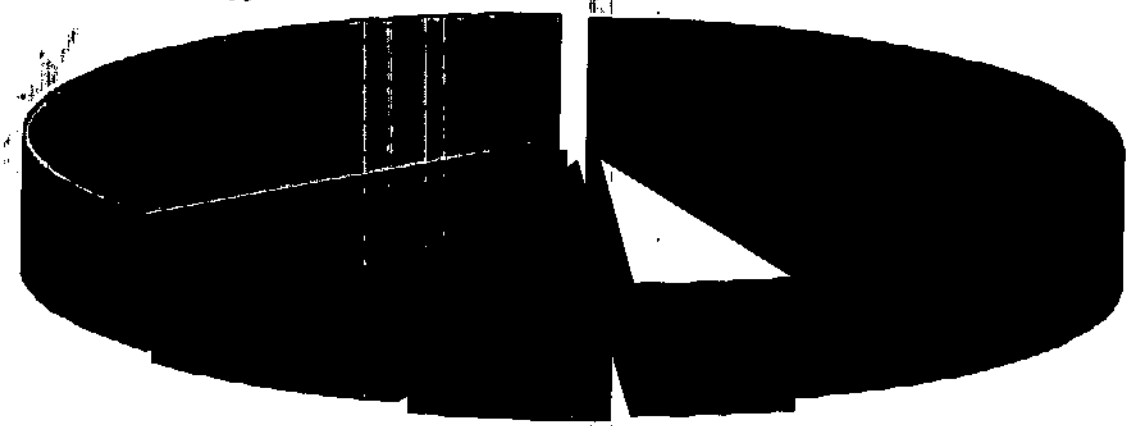
- Agency has made commitment that all permanent employees in good standing are eligible to transfer to continuing locations
- 100% of our employees are permanent and in good standing and therefore eligible to transfer to another DFAS location

What We Do – Civilian Staffing By Function



CDA Support	100
Civilian Pay Operations	28
Enterprise Testing	24
Call Center & Production Support	15
Indirect Support	15
Systems Management Office	4
Total	186

What We Do – Civilians By System



DCPS	83.5
DCAS	8.5
FASTDATA	12
Other	67
Support	15
Total	186

Distinguishing Characteristics & Attributes

- Support DoD and non-DoD customers
  - ✓ Largest ePayroll provider (President's Management Agenda)
  - ✓ Payroll system support classified Agency
  - ✓ DFAS Business Lines are the primary source of funds for DoD and non-DoD workload
- Enjoy high customer satisfaction
- Committed to Software Process Improvement (only CMM Level 4 Activity in DFAS)
- Systems efforts have received DoD and national level awards
  - ✓ Nomination pending for SmartDocs
  - ✓ DCPS selected as one of Top 5 Systems nationally in 2004
  - ✓ DCAS received "Excellence in Engineering" award in 2002
  - ✓ Managing Application Performance received Government Computer News national award in 1995
- Low turnover rate
- Good citizens with high community involvement

Our Strategic Challenge

- Our customers expect:
  - ✓ Accurate and timely payment of personnel
  - ✓ Accurate and timely payment of vendors and contractors
  - ✓ Auditable financial statements
  - ✓ Business intelligence that enables better decision-making
  - ✓ Lower costs of products and services
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The Road Ahead - Becoming World Class

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- We will be guided by our core values -- integrity, service & innovation
- We will recommit to understanding our customers
- We will practice good two-way communication to ensure lasting success
- We will make it an inclusive, total team effort from all DFAS business lines & functions

Questions?

DCN: 3017

DFAS

Your Financial Partner @ Work