



# PROCURE-TO-PAY<sup>Orlando</sup> TRAINING SYMPOSIUM 2018

## Future of MOCAS

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## MOCAS Overview and Case for Change



**M** ECHANIZATION  
**O** F  
**C** ONTRACT  
**A** DMINISTRATION  
**S** ERVICES

What is MOCAS?

Integrated system supporting post-award administration and contract payment

Who uses MOCAS?



DCMA



DFAS



Procurement Offices



DCAA



DTRA



WHS



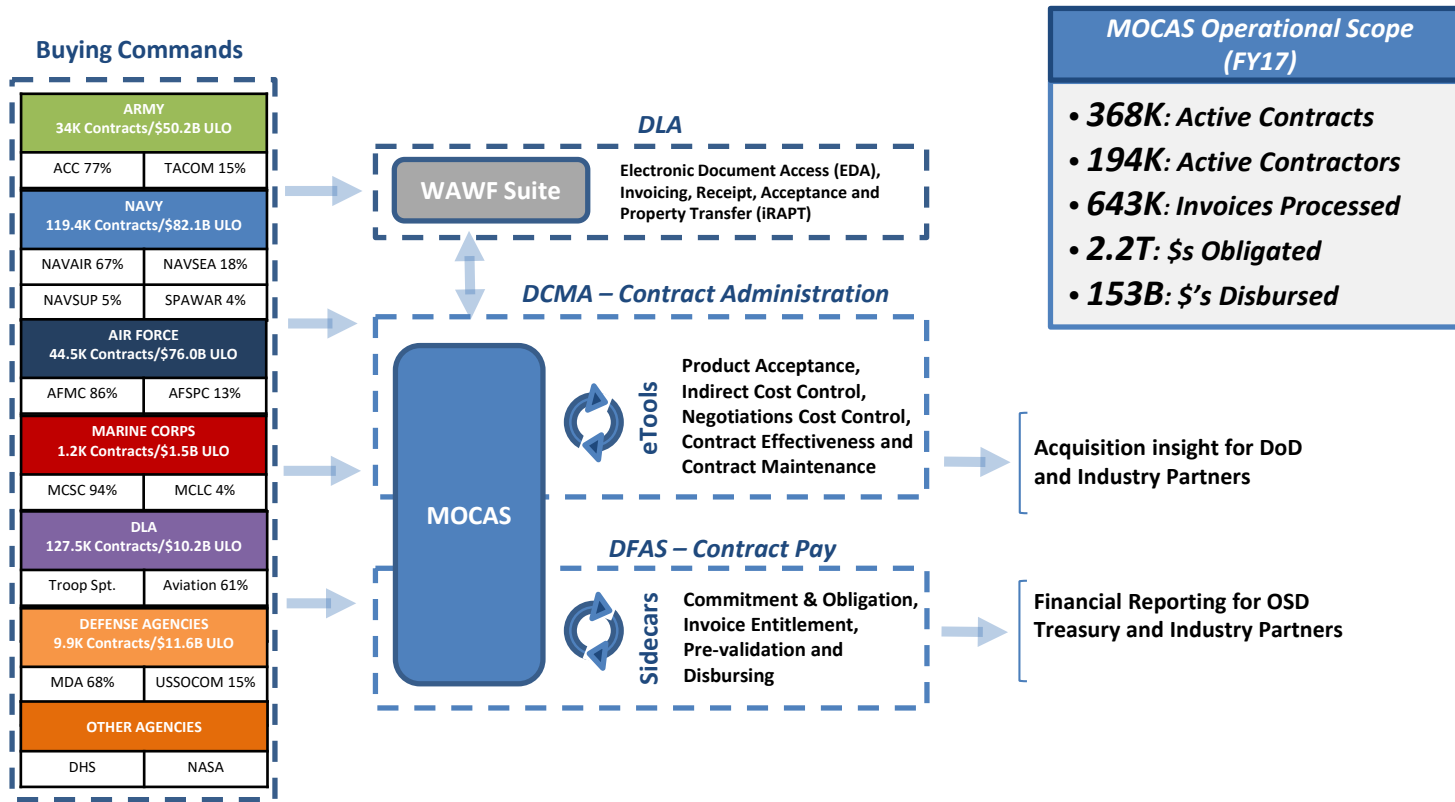
Why MOCAS?

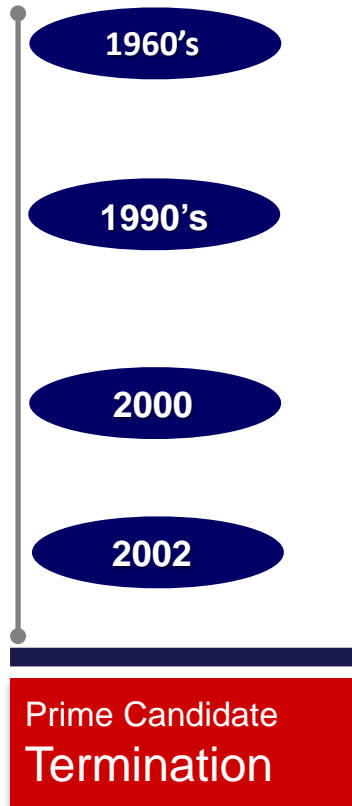
Pays More Complex Contracts

- ✓ Mixed-Type
- ✓ Multi-Service
- ✓ Multi-Year
- ✓ Multi-Deliverables
- ✓ Foreign Military Sales
- ✓ Foreign Currencies

Makes Financing Payments

- ✓ Progress Payments
- ✓ Performance-Based Payments
- ✓ Commercial Item Financing
- ✓ Interim Cost Payments



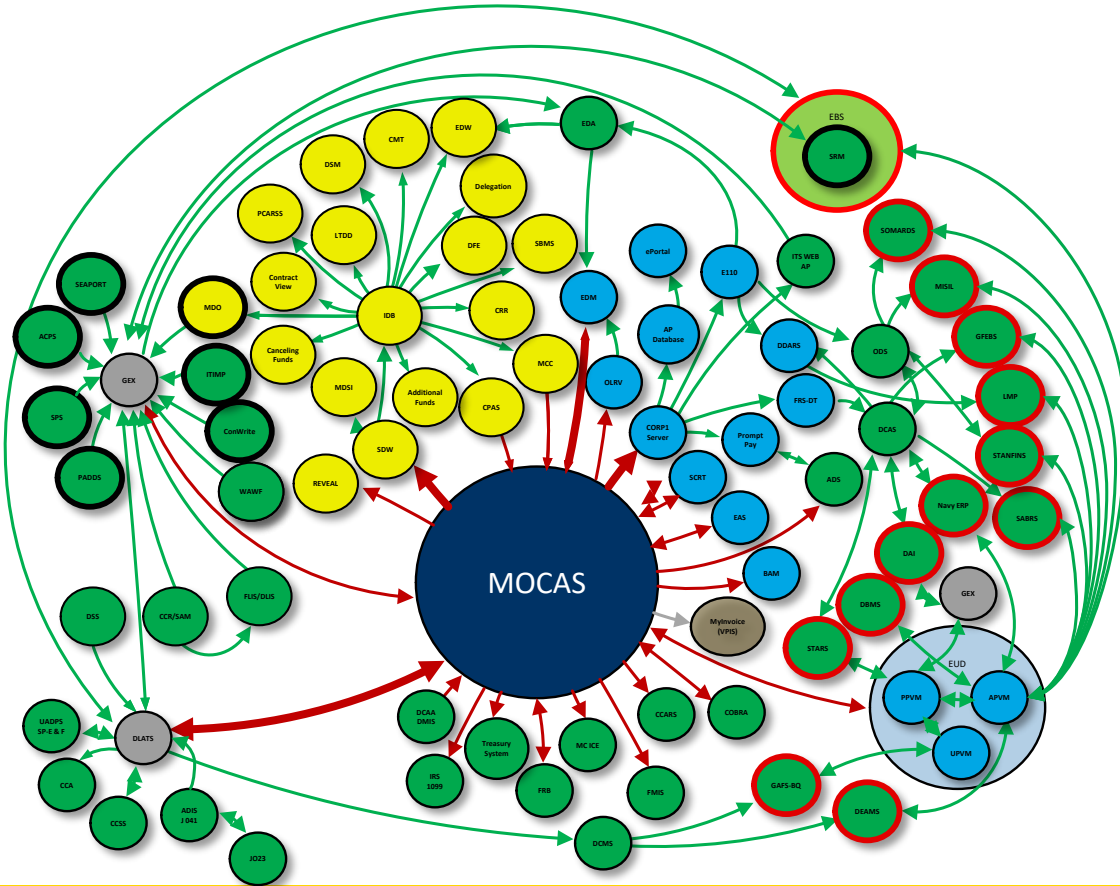
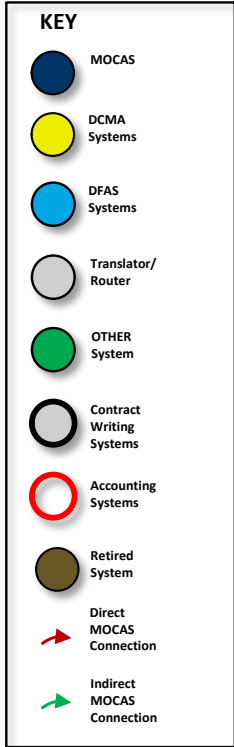


- In 1960s, MOCAS designed as a joint service single accounting and contract system.
- By 1990s, MOCAS was more than 30 years old and had become costly to maintain.
- March 23, 2000 memo announced that October 1, 2002 scheduled retirement date for MOCAS.
- August 29, 2000, a conversion/closeout integrated process team (IPT) was assembled.
- January 01, 2001 began the interim period known as the MOCAS “brownout” (Legacy System).
- **October 1, 2002 scheduled retirement date for MOCAS.**



- **Decades long Sustainment only System Designation gave way to increasing sustainment risk and inefficiency.**
  - **No significant architectural changes in 30+ years**
    - No change in basic design
    - No changes in COTS
  - **Long term maintenance mode**
    - No new development other than SCRs (business)
    - Data changes and other directives mostly waived, addressed by...
    - ... DCMA/DFAS Architectural pattern: leave MOCAS alone, add eTools (DCMA) and Sidecars (DFAS) outside of MOCAS to improve capabilities.

***MOCAS eventually re-designated a System of Interest,  
and now a Target System.***



DoDAF  
SV-1  
View



The DoD has a critical need for a sustainable, efficient and effective approach to processing centralized Procure-to-Pay (P2P) functions on the complex contracts that constitute 51% of DoD procurement spend. This centralized function includes the following:

- Entitlement
- Financial Oversight
- Contract Management
- Contract Closeout



Since the 1960s this functionality has been provided by the MOCAS system. The system last received a major technical upgrade during the mid-1980s.

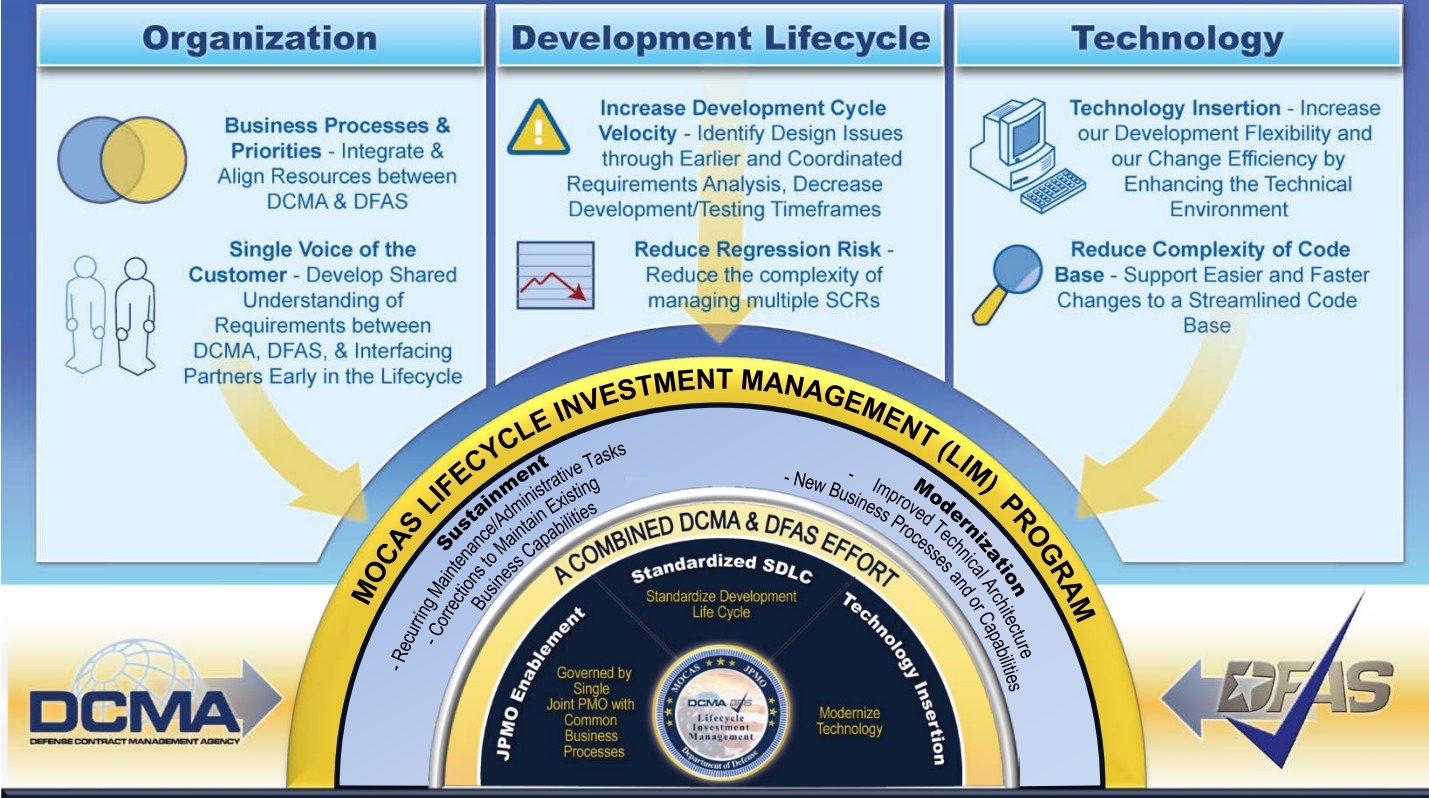
**Problem: DCMA and DFAS must improve the efficiency of moving changes/directives from initial concept to working solutions in production.**

**Program Vision:** To develop and execute a plan in cooperation with stakeholders to ensure the continued availability of the critical functionality above in the To-Be environment by evaluating available technologies and investment options and identify the alternative that provides the best value to the department.





# Investing in the Future of MOCAS



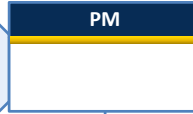


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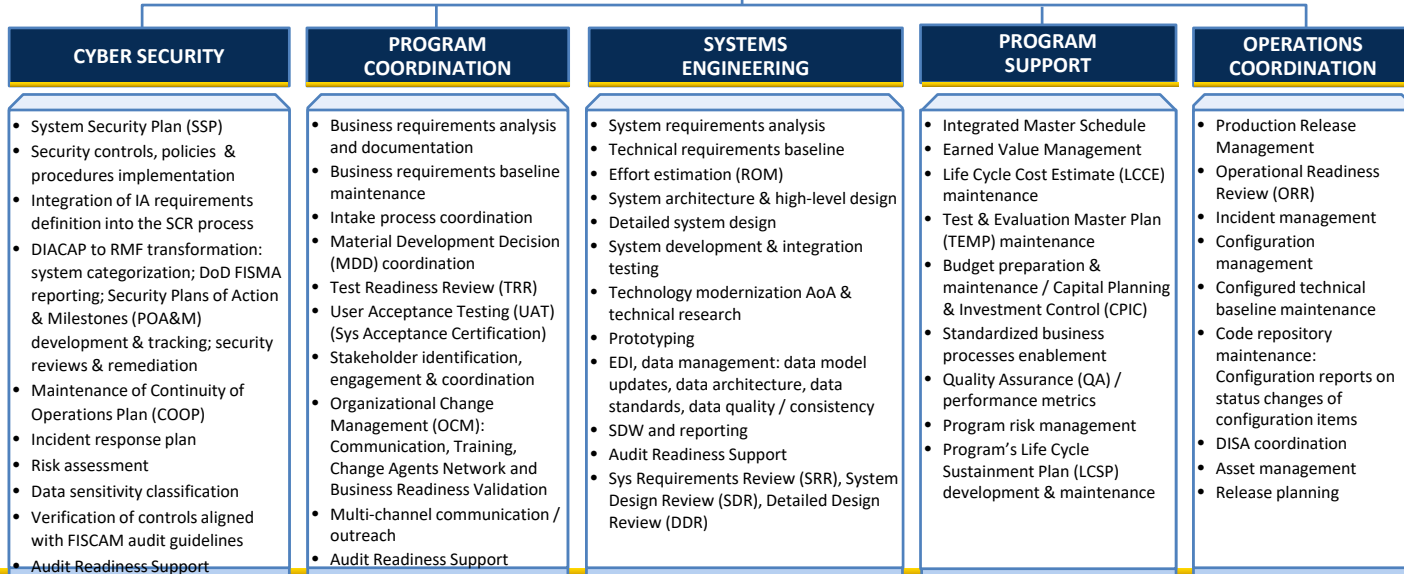
## Initiative 1: Organizational Alignment

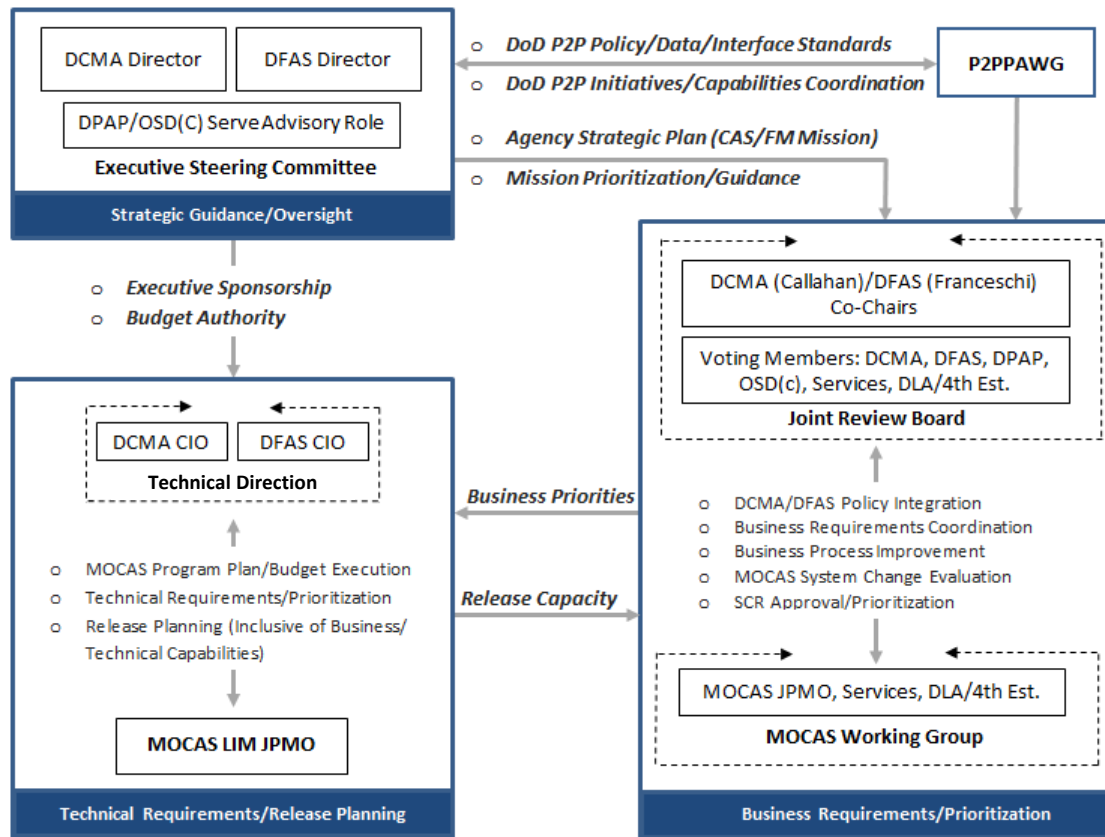


- Program strategy, organization & direction
- Roles, responsibilities, accountability, decision rights & governance
- Executive sponsorship, funding, budgeting, and staffing
- Financial controls, risk management, and performance monitoring
- Program execution, balancing cost & schedule constraints
- Executive reporting & communication
- Support and direction to DPM and Division Leads



- PM support, Division Lead supervision
- Integrated Master Schedule, baseline, EVM, status reporting / metrics
- Risk management, budget / CPIC support
- Financial Improvement and Audit Readiness (FIAR) coordination
- Quality Management Plan & QA audits

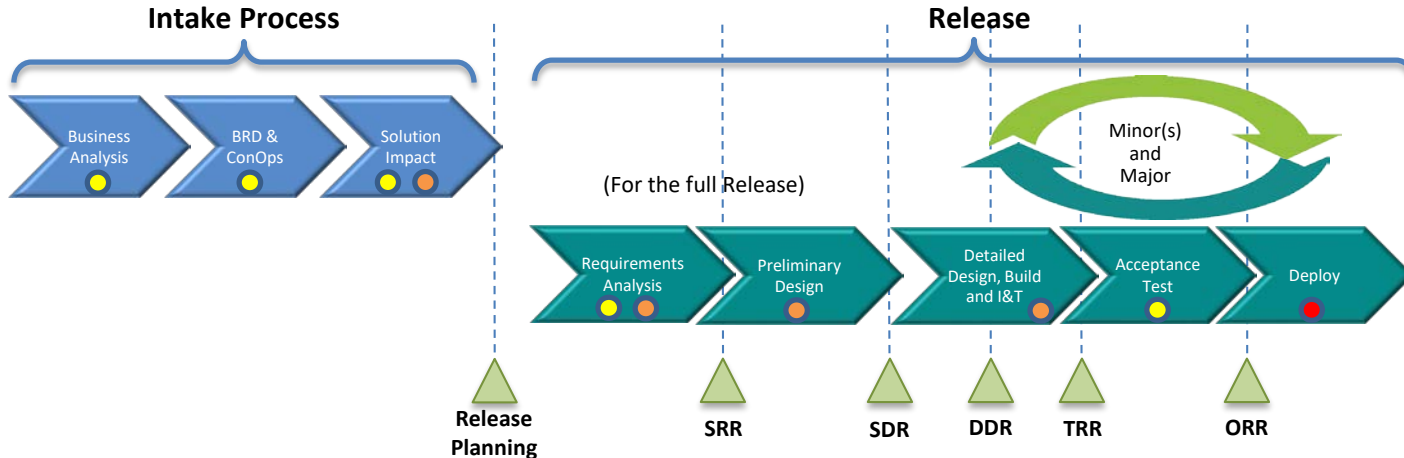






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## Initiative 2: Standardized Software Development Lifecycle (SDLC)



**Define Capabilities for a Release**

For each of the business needs:

- Analyze the Business Problem
- Produce Business Requirements (BRD)
- Estimate cost and effort for this capability
- Multiple Business Problems are grouped into a Release (Release Planning)

**Requirements and Design**

For each of the business needs:

- Analyze system requirements (Systems Requirements Review)
- Map requirements to system components
- Preliminary design to support the requirements (System Design Review)
- This is for the entire Release

**Build, Test & Deploy**

For each minor/major Release:

- Complete Detailed Design (Detailed Design Review)
- Code the solution and prepare for user testing (Test Readiness Review)
- After acceptance prepare for deployment to Production (Operational Readiness Review)

**Key:** ● Program Coordination ● Systems Engineering ● Operations Coordination

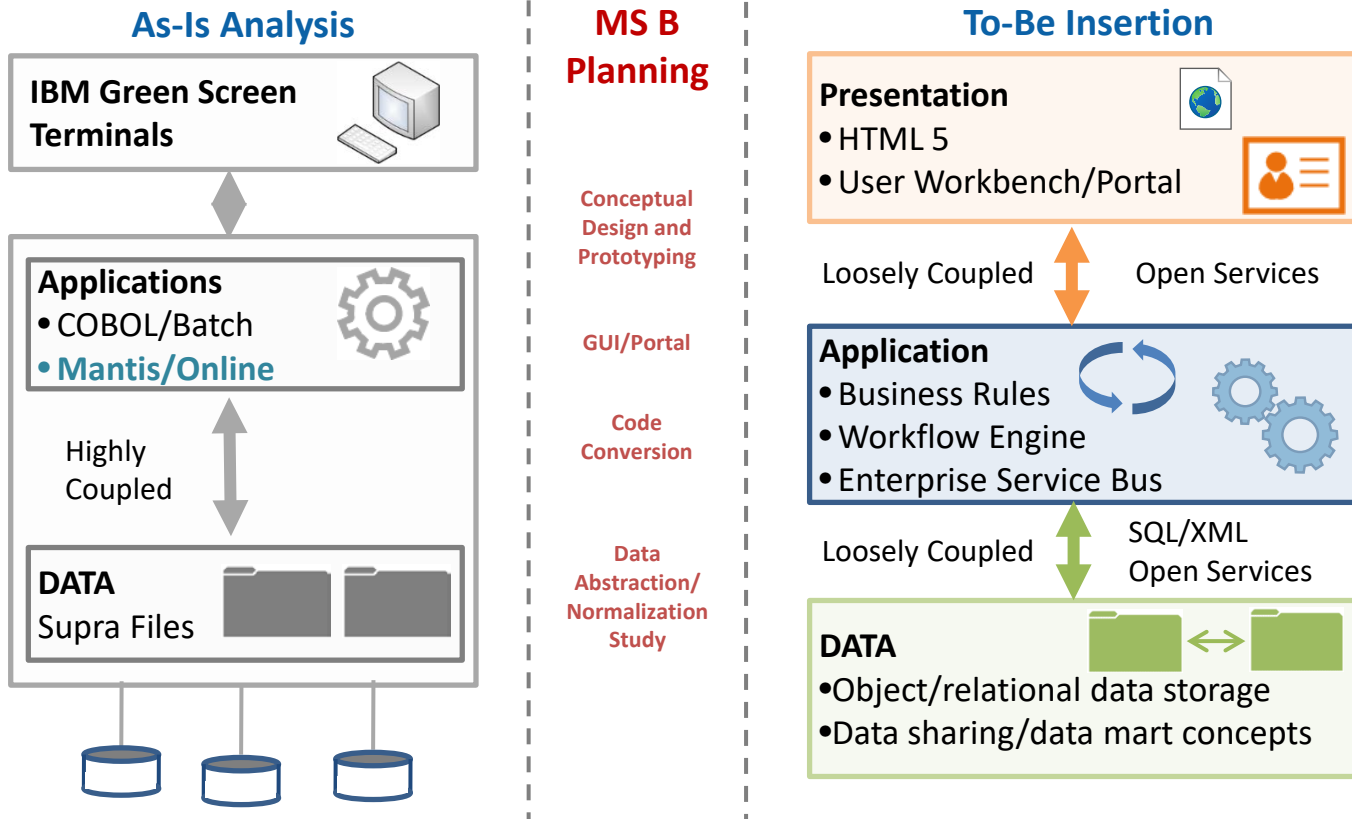


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# Initiative 3: MOCAS Modernization





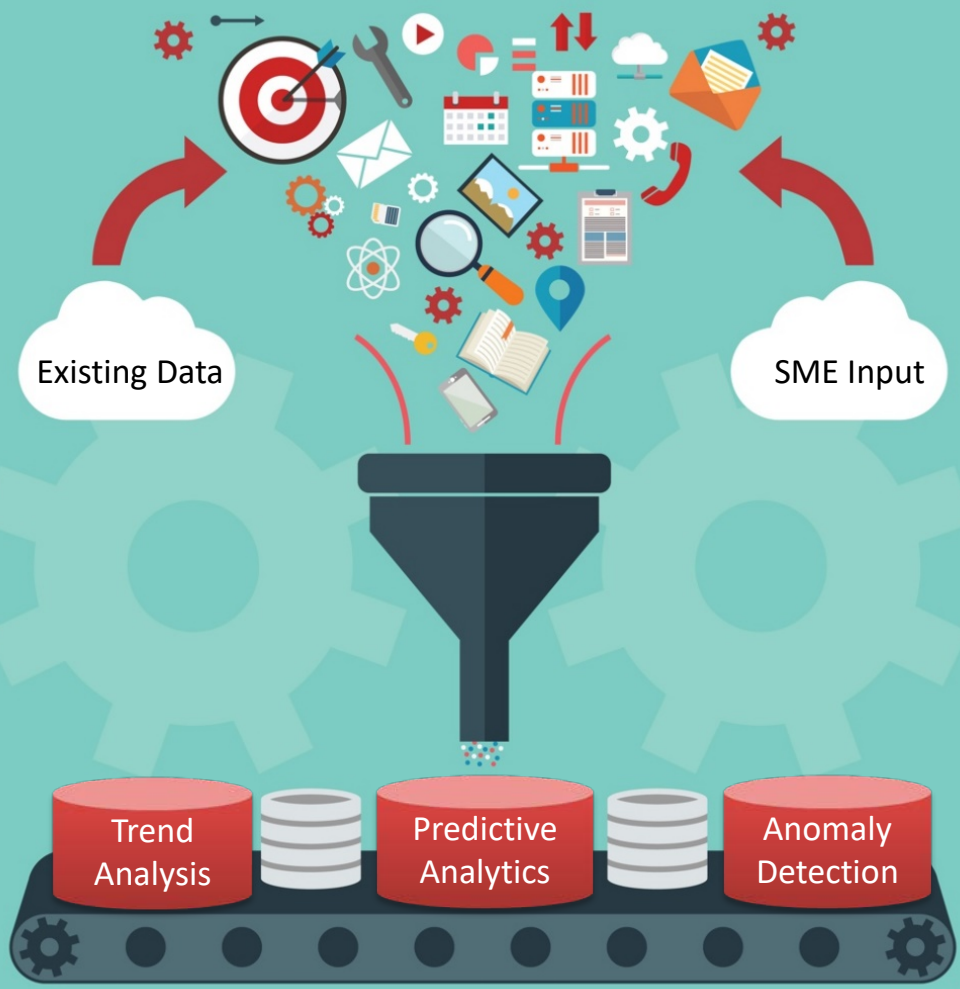


| Current (As-Is) Analysis                               | Evaluation/Study                                | Potential (To-Be) Capability  |
|--|---|---|
| Batch Oriented Processing                              | <i>On-Line Transactions</i>                     | <ul style="list-style-type: none"> <li>• <i>Code Redesign/Refactoring</i></li> </ul>  |
|  | <i>Workflow Driven</i>                          | <ul style="list-style-type: none"> <li>• <i>Enhanced Workflow</i></li> <li>• <i>Rules Based Logic</i></li> </ul>                                      |
| Static and Batch Driven Reports                        | <i>Dynamic Reports Created On-Demand</i>        | <ul style="list-style-type: none"> <li>• <i>Event Notifications</i></li> <li>• <i>Improved Reporting</i></li> <li>• <i>Event Reporting</i></li> </ul> |
| Need to Pull Reports/Status from MOCAS                 | <i>Subscribing to Events and Status Changes</i> |   |
| Hard Coded Business Rules and Logic                    | <i>Rules Based Architecture</i>                 | <ul style="list-style-type: none"> <li>• <i>Enhanced Workflow</i></li> <li>• <i>Rules Based Logic</i></li> </ul>                                      |
| Antiquated Data Storage Techniques                     | <i>Object/Relational Data Storage</i>           | <ul style="list-style-type: none"> <li>• <i>Database Technology</i></li> <li>• <i>Data Optimization</i></li> </ul>                                    |
| Multi-Level Data Translations and Maps (XML->EDI->UDF) | <i>Data Standardization</i>                     | <ul style="list-style-type: none"> <li>• <i>Native XML Support</i></li> </ul>   |
| FTP of Files at the Interfaces                         | <i>Adoption of Service Oriented Interfaces</i>  | <ul style="list-style-type: none"> <li>• <i>Code Redesign/Refactoring</i></li> </ul>  |
| Static Column Oriented User Screens                    | <i>Dynamic Full Featured GUIs</i>               | <ul style="list-style-type: none"> <li>• <i>User Interface Improvements</i></li> </ul>  |
| Multiple MOCs  | <i>Consolidation/Integration</i>                | <ul style="list-style-type: none"> <li>• <i>Database Technology</i></li> <li>• <i>Data Optimization</i></li> </ul>                                    |



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## MOCAS Data Analytics



Existing Data

SME Input

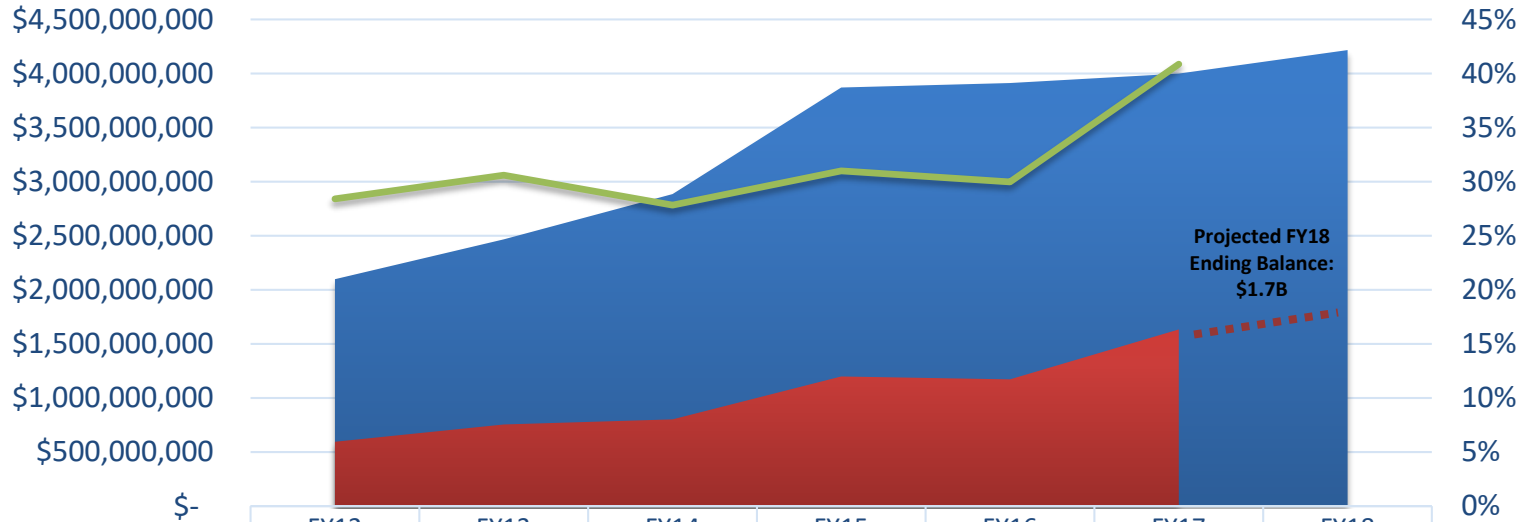
Trend Analysis

Predictive Analytics

Anomaly Detection



## Cancelling Funds



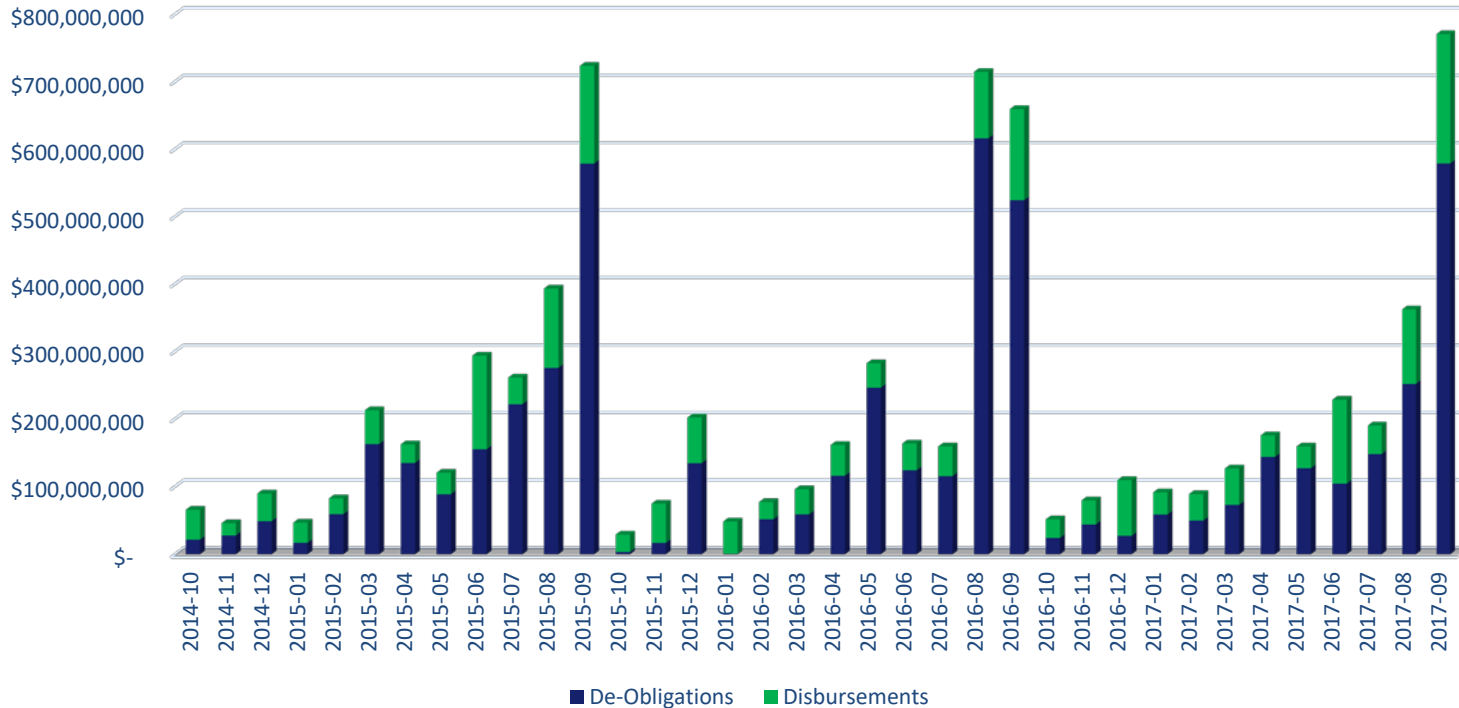
|                            | FY12         | FY13         | FY14         | FY15         | FY16         | FY17         | FY18         |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Beginning Balance          | \$2,098,412, | \$2,466,902, | \$2,885,077, | \$3,870,003, | \$3,911,715, | \$3,998,613, | \$4,215,927, |
| Ending Balance (Cancelled) | \$596,090,75 | \$754,911,94 | \$803,139,29 | \$1,199,589, | \$1,172,522, | \$1,634,044, |              |
| Percent Cancelled          | 28%          | 31%          | 28%          | 31%          | 30%          | 41%          |              |

■ Beginning Balance    
 ■ Ending Balance (Cancelled)    
 — Percent Cancelled

# Decreases in Cancelling Funds by Transaction Type



## Disposition of MOCAS Cancelling Funds



- ▶ Q4 FY17 de-obligations of cancelling funds totaled **\$978M**
- ▶ In FY17, de-obligations comprised **67%** of the reduction in cancelling funds balances





## High Risk

410 CLINs, \* \$182M

- Line item delivery date exceeds cancelling date
- Payment Instructions DO NOT use older funds first
- Residual balance indicates additional deliveries are expected

## Medium Risk

70 CLINs, \$260M

- Line item delivery date exceeds cancelling date
- Payment Instructions use older funds first
- Residual balance indicates additional deliveries are expected

## Low Risk

914 CLINs, \$818M

- Line item date exceeds cancelling date (at contract level)
- Residual Balance indicates additional deliveries are expected

| High Risk - Issue By                      |                  |
|---|------------------|
| Name                                      | Percent of CLINs |
| Air Force Installation Contracting Agency | 45%              |
| DCMA St. Augustine                        | 7%               |
| Air Force Sustainment Center              | 6%               |
| NAVAIR Warfare                            | 5%               |
| HQ US ARMY TACOM                          | 4%               |
| Air Force Life Cycle Management Center    | 4%               |
| NAVSEA HQ                                 | 3%               |

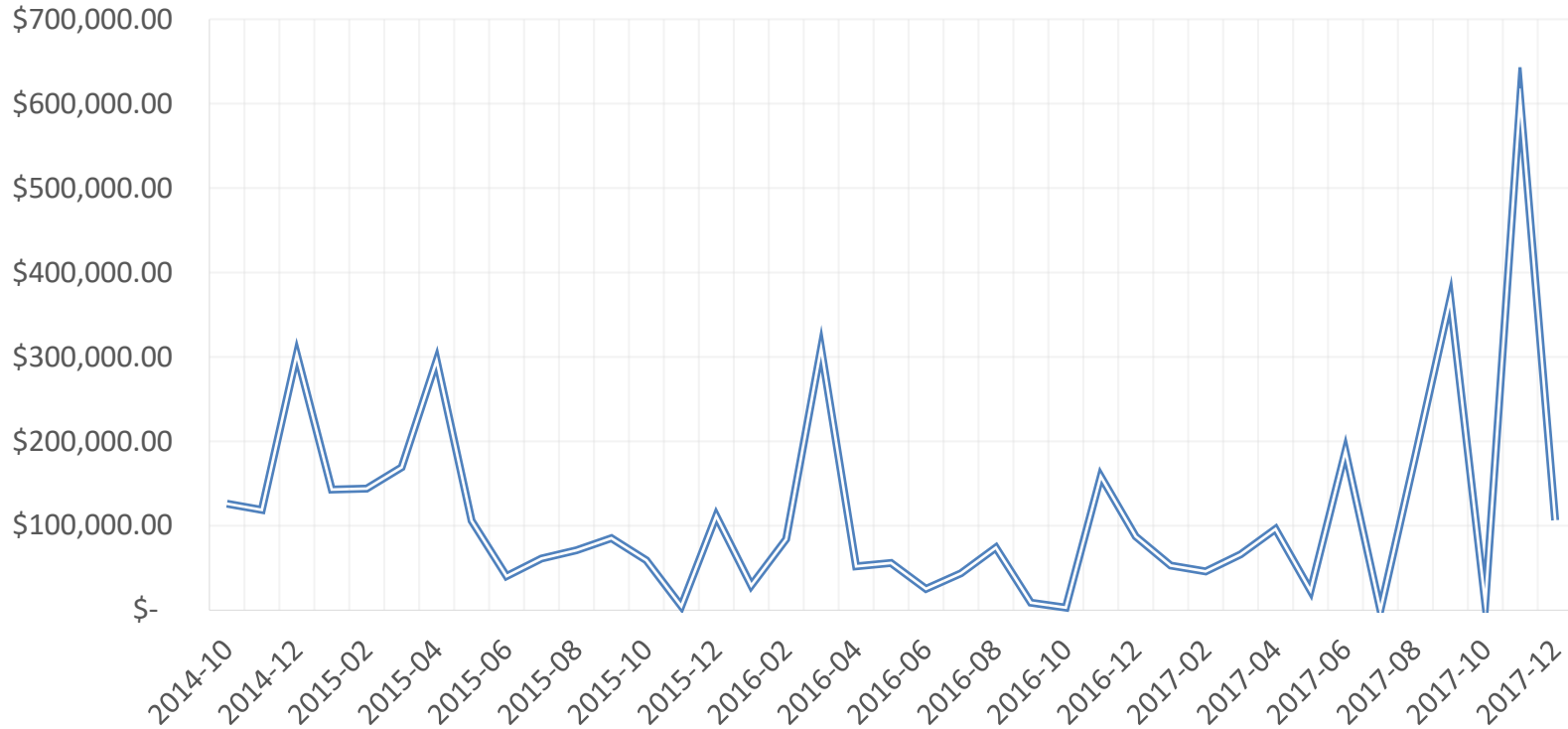
| Air Force Installation Contracting Agency Breakdown |                  |
|---|------------------|
| Command   | Percent of CLINs |
| Air Force Center for Environmental Excellence       | 93%              |
| Air Force Installation and Mission Support Center   | 7%               |

| High Risk - Contractor       |                  |
|------------------------------|------------------|
| COMPANY                      | Percent of CLINs |
| ARGO/LRS JV                  | 13%              |
| JACOBS GOVERNMENT SERVICES C | 10%              |
| LOCKHEED MARTIN CORPORATION  | 9%               |
| RAYTHEON COMPANY             | 8%               |
| BOEING COMPANY, THE          | 8%               |
| PLEXUS SCIENTIFIC CORPORATIO | 5%               |
| WESTON SOLUTIONS, INC.       | 5%               |
| NORTHROP GRUMMAN SYSTEMS COR | 4%               |

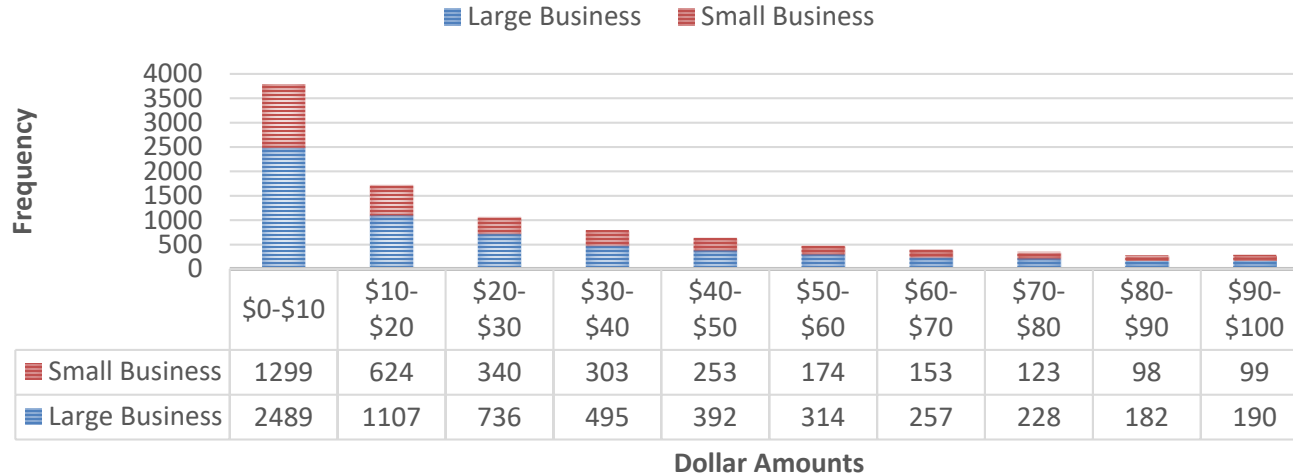
\* CLIN = Contract Line Item Number



## NATO DISBURSEMENT AMOUNTS BY MONTH



## VOLUME OF MOCAS INTEREST PAYMENTS AT VARYING DOLLAR AMOUNTS (FY17)



In FY17, 8,038 interest payments were paid under \$50 (5,219 to large businesses)





Where else can we take proactive approaches through data analytics?





# Procure-to-Pay



## Training Symposium

**April 3 - April 5, 2018 • Hilton Orlando - Orlando, FL**