

News Release

Defense Finance and Accounting Service

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DFAS announces HPO for Disbursing

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ARLINGTON, Va., (Jan. 20, 2004) - The Defense Finance and Accounting Service recently completed a Business Case Analysis for its Disbursing function as part of its corporate transformation process.

Based on the results, DFAS will transform the Disbursing Product Line into a value-based organization by implementing a High-Performing Organization rather than conducting an A-76 competition.

"We can improve upon our success and reduce our costs without conducting an A-76 competition," said Lee Krushinski, director of Accounting Services for DFAS. "This decision and the work to make Disbursing a High-Performing Organization will help DFAS along its transformation journey toward becoming a world-class finance and accounting organization."

A cross-functional team of DFAS employees conducted the BCA according to the six-step process established for all DFAS BCAs:

1. Identify Team
2. Define Scope
3. Define Current Organization
4. Conduct Market Research
5. Analyze Options
6. Provide Recommendation

The team evaluated several options ranging from the HPO to conducting an A-76 competition. They determined the Strength, Weaknesses, Opportunities and Threats associated with each available option before making their recommendation to move toward an HPO.

After the team completed its work, the recommendation was then coordinated through the Corporate Transformation Team and the Transformation Executive Steering Group before being considered by the DFAS Leadership Council.

"Moving forward smartly as a team is important. Transformation is an integrated effort that involves all of DFAS to make us more competitive, more efficient and greater value to our customers. While coordinating these efforts takes some

additional time, it ensures the team's recommendations are consistent with other initiatives throughout DFAS," Krushinski said. "As the HPO unfolds, and we determine best value solutions, we will continue to keep the DFAS team informed."

This is the third BCA decision announced by DFAS. Earlier BCAs resulted in the decision to conduct an A-76 competition for Marine Corps Accounting and the decision to transform Vendor Pay into an HPO without conducting an A-76 competition in the foreseeable future.