

Request for Information (RFI)/  
Sources Sought Notice  
United States Army Medical Research and Materiel  
Command (USAMRMC)  
Managerial Cost Accounting (MCA) Software and  
Information Support Contract

---

**Background**

The USAMRMC vision is to be “the world’s experts and leaders in the military relevant biomedical research and medical materiel communities, delivering the best medical solutions to enhance, protect, treat, and heal our Warfighters.” The USAMRMC mission is to “Provide medical knowledge and materiel lifecycle management to protect, treat and optimize Warfighter health and performance across the full spectrum of operations.”

A Strengths/Weaknesses/Opportunities/Threats (SWOT) Analysis conducted in September 2008 and presented to The Surgeon General (TSG) (who is also the Commander, MEDCOM) yields a complex picture regarding resources and the need for effective managerial cost accounting. Outside money, increasing funds for the study of infectious disease, and infrastructure projects are resource related opportunities; conversely, dependency on outside money and the drain of Congressional Special Interest (CSI) projects on resources are noted weaknesses. The weakness noted by the lack of a USAMRMC Strategic Plan contributes to various threats including: misalignment of resources, lack of effective oversight, and shifting priorities.

A number of laws, accounting standards, information systems requirements, and related guidance have emphasized the need for cost information and cost management in the federal government (e.g. CFO Act of 1990, SFFAS No. 4, JFMIP, FFMIA.) More importantly, managerial cost accounting offers a way to maximize efficiency and effectiveness of existing resources by identifying the true costs of programs, as well as providing better information for making decisions and enhancing accountability. As the USAMRMC G-8, Resource Management is responsible for managerial cost accounting for the Command and supporting the achievement of the current documented strategic resource objectives, i.e. optimizing fund allocation, promoting an efficient and dedicated workforce, and optimizing life cycle management and utilization of facilities and infrastructure.

Currently, USAMRMC-RM builds OROS Activity Based Costing (ABC) models for USAMRMC HQ’s, laboratories and activities:

U.S. Army Medical Research and Materiel Command Headquarters (USAMRMC)  
Telemedicine and Advanced Technology Research Center (TATRC)  
Congressionally Directed Medical Research Programs (CDMRP)  
U.S. Army Aeromedical Research Laboratory (USAARL)  
U.S Army Center for Environmental Health Research (USACEHR)

U.S. Army Health Facility Planning Agency (USAHFPA)  
U.S. Army Institute of Surgical Research (USAISR)  
U.S. Army Medical Information Technology Center (USAMITC)  
U.S. Army Medical Materiel Agency (USAMMA)  
U.S. Army Medical Materiel Center, Europe (USAMMCE)  
U.S. Army Medical Materiel Development Activity (USAMMDA)  
U.S. Army Medical Research Acquisition Activity (USAMRAA)  
U.S. Army Medical Research Institute of Chemical Defense (USAMRICD)  
U.S. Army Medical Research Institute of Infectious Diseases (USAMRIID)  
U.S. Army Research Institute of Environmental Medicine (USARIEM)  
Walter Reed Army Institute of Research (WRAIR)

ABC models vary greatly in size and granularity, ranging from several \$M accounted for with under 100 activities, to several hundred \$M accounted for with approximately one thousand activities. Approximately three quarters of the activities use “% effort” as an activity driver with most of the remaining drivers being “FTE” (full time equivalents.)

The Statement of Federal Financial Accounting Standards No. 4 (SFFAS 4), Managerial Cost Accounting [MCA] Concepts and Standards for the Federal Government sets forth the fundamental elements for MCA in government agencies. The five standards in SFFAS 4 require government agencies to (1) accumulate and report the cost of activities on a regular basis for management information purposes; (2) establish responsibility segments, and measure and report the cost of each segment’s outputs and calculate the unit cost of each output; (3) determine and report the full costs of government goods and services, including direct and indirect cost; (4) recognize the costs of goods and services provided by other federal entities; and (5) use and consistently follow costing methodologies or cost finding techniques most appropriate to the segment’s operating environment in order to accumulate and assign cost to outputs. SFFAS 4 states that MCA should be a fundamental part of the financial management system, and to the extent practical, should be integrated with other parts of the system.

The existing USAMRMC ABC models are used to recover the full costs for Headquarters goods and services and develop overhead/indirect cost figures, and are updated approximately once per year. New ABC solutions should provide a vehicle for interfacing with financial systems, enhance the frequency of model construction, as well as support both total cost visibility and process improvement efforts.

Moreover, there is currently no On-Line Analytical Processing (OLAP) capability. New reporting solutions should have an easily accessible web enabled, server based OLAP tool for reporting ABC (and possibly other) data. The OLAP tool must be configured to meet Army security requirements and allow model builders to publish data without violating Army information technology security protocols.

## Notional Concept

Our notional concept is to have a single, standard, centralized enterprise ABC modeling capability with feeds from STANFINS/GFEBS (or any other systems capturing relevant performance data) with the functionality and flexibility to automatically populate the ABC model and web enabled OLAP reporting tool. USAMRMC RM management staff will build and maintain the ABC models and publish data via the secure web based OLAP tool so that remote and/or subordinate commands and activities (CONUS and OCONUS) have the ability to view and analyze their own efficiency and performance information.

During the modeling process, the solution should have the flexibility to allow for cross referencing tables from various sources and file types, as well as providing a full range of analytics as part of the OLAP reporting tool (e.g. the ability to do calculations, exception highlighting, ranking, graphing, etc).

This model will be used as the foundation for managerial cost accounting, cost and performance measurement, and enhancing the budget management process for USAMRMC.

---

## Responses

No contract will be awarded as a result of this RFI. The Government will not pay for costs associated with developing a response to this RFI. No other information is available to respondents. To be of greatest value, responses should be received by close of business, February 27, 2009. Electronic submissions (email with Microsoft Word attachment) are required. Attachments should be no longer than 20 pages. Please send responses to Mr. Wayne Medina, at [Wayne.Medina@amedd.army.mil](mailto:Wayne.Medina@amedd.army.mil). Responses should address the following areas:

---

### Comments on Objectives and Notional Concept

1. Is the notional concept the best way to meet USAMRMC's MCA objectives? Why or why not? Do the objectives lend themselves to ABC as the best MCA tool? Why or why not?
2. Address overall MCA objectives. What does current industry expertise advise for MCA in an R&D (specifically, medical R&D if possible) environment? For medical life cycle management?
3. Address objective of disseminating MCA information. Is a separate OLAP tool required?
4. Describe any other challenges or special considerations the Government should take into account for the USAMRMC MCA software and information support contract.

---

### Capabilities Statement

1. Tell us about your organization and its capabilities to meet USAMRMC's objectives.

2. Identify your organization's relevant experience with respect to USAMRMC's objectives.

3. You may identify current or prospective teaming partners, their salient characteristics, and relevant experience.