

Fiscal Year 2018 Budget Estimate
Washington Headquarters Services (WHS)



May 2017

Operation & Maintenance, Defense-Wide

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**Washington Headquarters Services
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2018 President's Budget**

**Operation and Maintenance, Defense-Wide Summary (\$ in thousands)
Budget Activity (BA) 4: Administrative and Service-Wide Activities**

	FY 2016 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2017 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2018 <u>Estimate</u>
WHS	604,170	9,432	16,272	629,874	10,178	-203,276	436,776

* The FY 2016 Actual column includes \$1,980.0 thousand of FY 2016 Overseas Contingency Operations (OCO) Appropriations Funding (PL 114-113).

* The FY 2017 Estimate column excludes \$3,137.0 thousand of FY 2017 OCO Appropriations Funding.

* The FY 2018 Estimate column excludes \$3,179.0 thousand of FY 2018 OCO Appropriations funding.

I. Description of Operations Financed: The Washington Headquarters Services (WHS) was established on October 1, 1977, as a Department of Defense (DoD) field activity by DoD Directive 5100.4. WHS is the essential services provider for the Office of the Secretary of Defense (OSD), the defense agencies, field activities, specified offices in the National Capital Region (NCR) and across the nation. WHS provides a wide range of centralized capabilities to DoD headquarters, OSD, and DoD components, enabling economies of scale for delivering essential administrative services to fulfill the mission of the Department. WHS aligns under the Director of Administration in the Office of the Deputy Chief Management Officer (DCMO). WHS services are organized into several directorates and specialty offices. These teams of WHS personnel support the mission of our Defense Department customers by managing DoD-wide programs and operations for the Pentagon Reservation, Mark Center, and DoD-leased facilities in the National Capital Region. WHS enables centralized operational support functions for maximum efficiency and control, while adopting a business model based on the following programs:

Compensation and Benefits: WHS centrally manages its civilian compensation and benefits program that includes 1,256 direct civilian full-time equivalents (FTE).

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I. Description of Operations Financed (cont.)

Facilities and Installation Management: The funds associated with this program pay the OSD and WHS portions of rent for the Pentagon, Raven Rock Mountain Complex, Mark Center, and leased space within the NCR. The rent payments cover costs for Facility and Installation services to include space management, facility operation, maintenance, repair and alteration, minor construction, custodial, physical security, property management, safety, health, environmental management, fire protection and other support services.

Financial Management: Services include planning, programming, budgeting, execution, and accounting services for WHS and its customers. The Financial Management Directorate develops policies and performs the administration of funds, provides accounting support, and establishes reporting procedures for all funds allotted to OSD, WHS and selected DoD field activities. Key functions also include developing the Program Objective Memorandum (POM), Budget Estimate Submission (BES), and President's Budget (PB); funds distribution and certification; financial reporting; civilian pay management; and leading the audit readiness effort. WHS maintains quality, efficiency, and effectiveness of financial operations through the delivery of timely, accurate, and reliable products and services.

Human Resources: Provides support for executive, political, military and civilian personnel. Services and functions include: employee benefits; administration of the Drug-Free Workforce Program; advisory services on staffing activities; classification and management advisory on compensation; external recruitment efforts; personnel security and clearance appeals; work force development; awards and incentive programs; and labor and management employee relations services. This group enables WHS to provide the appropriate level of executive and political personnel support for its client base which includes the OSD; the military departments; Defense Agencies and Field Activities; the National Security Council; White House Support Group; state, local and academic

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I. Description of Operations Financed (cont.)

institutions; and other executive agencies and legislative bodies. These programs also enable WHS to serve its OSD and Fourth Estate customers with high demand services such as the hiring of consultants and highly qualified experts (HQE); and Intergovernmental Personnel Act (IPA) assignments. Human Resource Directorate (HRD) continuously works to improve the support it provides to its customers. Process improvement include the time-to-hire (TTH) initiative which implements DCMO and WHS strategic guidance to provide an improved hiring solution for the OSD and WHS civilian workforce. This solution provides an end-to-end auditable HR process which reduces TTH cycle time from 144 days to 70 days

Information Technology: There was a functional transfer of resources to the Defense Information System Agency (DISA) in FY 2018 as DISA assumes operational control of the Joint Information Technology Service Provider - Pentagon (JSP) in accordance with Deputy Secretary of Defense Directive Memorandum, Consolidation of Pentagon Information Technology Operations, dated 1 May 2015.

WHS Operations: Provides administrative and operational support to the OSD and its principal staff, certain DoD Field Activities, and other specified DoD Agencies. Additional services include continuity of operations (COOP), planning and program evaluation, legal services, the Mass Transit Subsidy Program, and the automatic declassification program as required by Executive Order. Support is also provided for acquisition planning, technical guidance and business strategy development for all programs, historical services, and executive level advice and assistance on all WHS and OSD procurement and contracting matters.

DoD Consolidated Adjudications Facility (DoD CAF): Serves as the DoD executive organization for determining the security clearance eligibility, common access card

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I. Description of Operations Financed (cont.)

credentialing, and suitability of non-Intelligence Agency DoD personnel, including eligibility for access to Sensitive Compartmented Information (SCI). These security actions, which total over one million cases annually, involve all applicants actively affiliated with the DoD, to include Active Duty, National Guard, Reserve, civilian, and contractor personnel under the National Industrial Security Program. In addition to DoD employees, the DoD CAF supports the White House, staff of the United States Senate and House of Representatives, Supreme Court of the United States, the Congressional Budget Office, and the U.S. Capitol Police. The workload performed by the DoD CAF comprises nearly 96 percent of all adjudicative reviews performed within DoD and over 84 percent of those executed across the federal government. The DoD CAF is responsible for ensuring that, based on all available information, the individual's loyalty, reliability and trustworthiness are such that entrusting an individual with classified information, assigning them to sensitive duties, or providing them physical and logical access to facilities and systems is clearly consistent with the interests of national security. The DoD CAF projects an increase in the number of adjudications it will perform as the DoD expands its Continuing Evaluation (CE) program. CE uses hardware and software technical solutions, including automated records checks, to supplement security investigations. This capability will provide the DoD with the ability to identify detrimental information and/or adverse activities in a more auspicious manner; thus strengthening the Department's ability to deter, detect, and, prevent insider threats. Resources associated with the DoD CAF are aligned within the WHS Operations and Compensation and Benefits sub-activities.

DOD Innovation Functions: The DoD launched two technology initiatives, Defense Innovation Unit Experimental (DIUx) and Defense Digital Service (DDS), for the purpose of accelerating technological innovations to support the Department. The DoD relies on

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I. Description of Operations Financed (cont.)

innovation to maintain our nation's ability to deter, and if need be, prevail in conflict.

The DIUx, with outposts in the heart of Silicon Valley and Boston, serves as a bridge between those in the U.S. military executing some of our nation's toughest security challenges and companies operating at the cutting edge of technology. DIUx is an experiment that continuously repeat how best to identify, contract, and prototype novel innovations through sources not traditionally available to the DoD, with the ultimate goal of accelerating technology into the hands of the warfighter.

The DDS was established to apply best-in-class private sector practices, skills, and technology to transform the way software products are developed and delivered for the DoD. DDS is charged with examining the way the Department works with cloud-based services and to think more deliberately and innovatively about cloud and information technology implementation practices and policies. DDS performs its mission by working closely with DoD stakeholders, and other government entities, focusing on targeted projects that advance DoD's initiatives that are critical to the wellbeing of Service members, Civilian employees, and the core mission support of the Department. Resources associated with the DoD Innovation Functions are aligned within the WHS Operations and Compensation and Benefits sub-activities.

Changes from FY 2017 - FY 2018: The FY 2018 budget estimate reflects a price change of \$10,178 thousand and a program change of \$-203,276 thousand. The program changes are highlighted below:

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Compensation and Benefits \$-17,294: WHS centrally manages its civilian compensation and benefits program which resources 1,256 direct civilian FTEs. Program highlights include the overall change of \$-17,294, with an increase of \$3,576 in price change and a decrease of \$-20,870 in program change. Compensation and benefits reflects adjustments for the DDS, DIUx, DoD CAF Continuous Evaluation, Human Resource Time-to-Hire initiative, and workforce reshaping and program repricing. The program also reflects the functional transfers of GAO Audit Liaison, Sensitive Compartmented Information (SCI) eligibility program, Financial Improvement and Audit Readiness (FIAR), Joint Information Technology Service Provider-Pentagon (JSP), and Corporate Fellows Program.

Facilities Service \$-35,624: Reflects an overall decrease of \$-35,624, with an increase of \$1,947 in price change and a decrease of \$-37,571 in program change. This reflects adjustments for construction and furniture restock and the Pentagon Wedge 1 recapitalization. Additionally, the decrease in assigned space and associated resources attributable to JSP's functional transfer to DISA. The transfer includes the JSP's Pentagon, Mark Center, and leased facilities assigned space and associated resources and also the Pentagon and Mark Center tenant funding for the common IT support.

Financial Management \$-769: Reflects an overall decrease of \$-769, with an increase of \$133 in price change and a decrease of \$-902 in program change. Adjustments reflect the change in level of support for the financial system, Enterprise Resource planning System-Defense (EBAS-D), and DFAS bill.

Human Resources +\$642: Reflects an overall increase of \$642. Adjustments include an increase of \$298 in price change and an increase of \$344 in program change. This reflects adjustments in Human Resource support, Human Resource Time-to-Hire initiative,

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and Defense Travel Modernization, and the transfer of resources from the 4th Estates that support the USAJOBS program and the WHS childcare initiative.

Information Technology \$-160,928: Reflects an overall decrease of \$-160,928 with an increase of \$3,395 in price change and a decrease of \$-164,323 in program change. This reflects the functional transfer of resources to the DISA as DISA assumes operational control of the JSP in accordance with Deputy Secretary of Defense Directive Memorandum, Consolidation of Pentagon Information Technology Operations, dated 1 May 2015. This also reflects adjustments in NCR IT Consolidation, Information Technology program reduction, Defense Information Systems Network (DISN) Cost Recovery Model, Enterprise Licensing Agreement, and Enterprise Performance Management.

WHS Operations +\$20,875: Reflects an overall increase of \$20,875 with an increase of \$829 in price change and an increase of \$20,046 in program change. This includes the functional transfer of DIUx from the Under Secretary of Defense (Acquisition, Technology and Logistics) and additional program increase for labor and contract support. WHS Operations also reflects the establishment of the DDS. Adjustments also include reductions as directed by the Services Requirements Review Board (SRRB) and an increase in resources to support the Personnel Security Adjudication staffing model.

II. Force Structure Summary:

N/A

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	FY 2017							
	FY 2016	Budget	Congressional Action			Current	FY 2018	
			<u>Actual</u>	<u>Request</u>	<u>Amount</u>			<u>Percent</u>
A. BA Subactivities								
Compensation and Benefits	179,946	183,179	0	0.0	0	183,179	165,885	
Facilities/Installation Management	205,412	213,868	0	0.0	0	213,868	178,244	
Financial Management	16,493	12,219	0	0.0	0	12,219	11,450	
Human Resources	19,828	14,921	0	0.0	0	14,921	15,563	
Information Technology	139,231	164,248	0	0.0	0	164,248	3,320	
WHS Operations	43,260	41,439	0	0.0	0	41,439	62,314	
Total	604,170	629,874	0	0.0	0	629,874	436,776	

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* The FY 2017 Estimate column excludes \$3,137.0 thousand of FY 2017 OCO Appropriations Funding.

* The FY 2018 Estimate column excludes \$3,179.0 thousand of FY 2018 OCO Appropriations funding.

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B. <u>Reconciliation Summary</u>	Change	Change
	<u>FY 2017/FY 2017</u>	<u>FY 2017/FY 2018</u>
Baseline Funding	629,874	629,874
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
Subtotal Appropriated Amount	629,874	
Fact-of-Life Changes (2017 to 2017 Only)		
Subtotal Baseline Funding	629,874	
Supplemental		
Reprogrammings		
Price Changes		10,178
Functional Transfers		-193,257
Program Changes		-10,019
Current Estimate	629,874	436,776
Less: Wartime Supplemental		
Normalized Current Estimate	629,874	

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2017 President's Budget Request (Amended, if applicable)		629,874
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
FY 2017 Appropriated Amount		629,874
2. War-Related and Disaster Supplemental Appropriations		
3. Fact-of-Life Changes		
FY 2017 Baseline Funding		629,874
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2017 Estimate		629,874
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings		
FY 2017 Normalized Current Estimate		629,874
6. Price Change		10,178
7. Functional Transfers		-193,257
a. Transfers In		
1) Defense innovation Unit Experimental (DIUx)	14,544	
This transfers resources and responsibility from the Under Secretary of Defense for Acquisition, Technology and Logistics (USD (AT&L)) to the WHS in accordance with a Secretary of Defense (SECDEF) July 2016 memorandum. The DIUx is a DoD effort to connect the vibrant commercial technology ecosystem to the DoD technology ecosystem, and vice versa. DIUx directly supports the immediate office of the SECDEF and Deputy SECDEF and functions as an interface node between the Department, entrepreneurs, start-up		

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C. Reconciliation of Increases and Decreases

	<u>Amount</u>	<u>Totals</u>
<p>firms, and commercial technology companies in Silicon Valley, California (DIUx West); Boston, Massachusetts (DIUx East), and a team in Austin, Texas that will work with innovators throughout Texas, the central United States and other U.S. technology hubs to increase DoD access to leading-edge commercial technologies and technical talent. (FY 2017 Baseline: \$14,544 thousand; +0 FTEs)</p>		
<p>2) Childcare support for OSD/WHS Civilians This transfers resources and responsibility from the Department of the Army to the WHS to provide alternative childcare options for civilian employees of the OSD and WHS due to a policy change that lowers the priority placement of children of civilian employees at the Child Development Center at Joint Base Myer Henderson Hall. The WHS will institute a Fee Assistance Program for OSD and WHS civilian employees to offset the cost of childcare no longer being provided at Joint Base Myer Henderson Hall. (FY 2017 Baseline: \$0 thousand; +0 FTEs)</p>	2,400	
<p>3) DODIG Transfer of Function This transfers GAO Audit Liaison and Report follow-up functions and 8 FTEs from the DoD Inspector General (DoDIG) to the WHS. This transfer will improve the transparency and visibility of GAO engagements and recommendations throughout the Department. (FY 2017 Baseline: \$0 thousand; +8 FTEs)</p>	1,150	
<p>4) Transfer of Function from DIA</p>	833	

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This transfers responsibility and 7 FTEs to render Sensitive Compartmented Information (SCI) eligibility determinations for OSD, DoD Field Activities, and select Defense Agencies from the Defense Intelligence Agency (DIA) to the WHS DoD CAF in accordance with a June 22, 2016 Memorandum of Agreement (MOA) between DIA and WHS. (FY 2017 Baseline: \$0 thousand; +7 FTEs)		
5) USAJOBS 4th Estate Funding	535	
This transfers resources from the Defense Agencies to the WHS to finance the 4th Estate bill from the Office of Personnel Management for USAJOBS. This transfer eliminates the need for Military Interdepartmental Purchase Requests (MIPR) during the year of execution. (FY 2017 Baseline: \$0 thousand; +0 FTEs)		
b. Transfers Out		
1) Joint Information Technology Service Provider - Pentagon (JSP)	-210,448	
This transfers responsibility and -150 FTEs from the WHS to the Defense Information System Agency (DISA) to support consolidation of Pentagon Information Technology Operations. The DISA assumes operational control of the JSP in accordance with a Deputy Secretary of Defense Directive Memorandum dated 1 May 2015. The transfer includes the JSP's Pentagon, Mark Center, and leased facilities assigned space and associated resources and also the Pentagon and Mark Center tenant funding for the common IT support. (FY 2017 Baseline: \$192,874 thousand; -150 FTEs)		

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	<u>Amount</u>	<u>Totals</u>
2) Financial Improvement and Audit Readiness (FIAR) Realigns FIAR resources from the WHS to the Defense Agencies and Field Activities, U.S. Special Operations Command (USSOCOM) and U.S. Transportation Command (USTRANSCOM) to support FIAR requirements and transfers 13 FTEs from WHS to the following organizations: DARPA +1, DCMA +1, DoDEA +1, DTRA +2, MDA +1, OSD +1, SOCOM +4, and TRANSCOM +2. The reallocation of 13 FTEs from the WHS to the respective organizations will enable them to meet audit readiness goals within established timelines, and to provide necessary support during the Defense-wide account examinations and audits. (FY 2017 Baseline: \$2,613 thousand; -13 FTEs)	-1,729	
3) Corporate Fellows Program This transfers responsibility and -1 FTE from the WHS to the Undersecretary of Defense for Personnel & Readiness (USD(P&R)). The transfer aligns the responsibility of the Secretary of Defense Corporate Fellows Program (SDCFP) to USD(P&R) who will serve as the executive agent. (FY 2017 Baseline: \$183,179 thousand; -1 FTEs)	-542	
8. Program Increases		22,770
a. Annualization of New FY 2017 Program		
b. One-Time FY 2018 Increases		
c. Program Growth in FY 2018		
1) Defense Innovation Unit-Experimental (DIUx) Manpower The funding increase provides 15 FTEs and	9,700	

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	<u>Amount</u>	<u>Totals</u>
approximately 23 contractors who will provide expertise and labor to identify and guide technological solutions for DoD customers with critical needs and to prototype novel innovations through sources traditionally not available to the DoD, with the ultimate goal of accelerating technology into the hands of the men and women in uniform. The program did not previously have any established civilian or contractor FTEs; this establishes those positions. (FY 2017 Baseline: \$0 thousand; +15 FTEs)		
2) Defense Digital Service (DDS) The funding increase establishes the DDS with a mission to drive game-changing evolution in the way the Department builds and deploys technology and digital services. The DDS exists to apply best-in class private sector practices, talent, and technology to transform the way software products are built and delivered within the Department. The funding increase provides 20 FTEs and their associated operational support. (FY 2017 Baseline: \$0 thousand; +20 FTEs)	4,621	
3) Continuous Evaluation (CE) The funding increase supports 31 FTEs that continue the Department's effort to strengthen the ability to detect, deter, and prevent insider threats by expanding the CE program to cover an additional 500,000 cleared personnel; thus doubling the amount of adjudications. DoD CAF adjudicates all military	3,461	

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
service members, civilian employees, and consultants affiliated with the DoD, to include DoD personnel at the White House, and staff of the United States Senate and House of Representatives, Supreme Court of the United States, Congressional Budget Office, United States Capitol Police, and contractor personnel under the National Industrial Security Program. (FY 2017 Baseline: \$183,179 thousand; +31 FTEs)		
4) Defense Finance and Accounting Service (DFAS) This increase fully funds anticipated FY 2018 bill that reflects transition to the Defense Agency Initiative (DAI) model that increases WHS reliance on DFAS to provide accounting services. (FY 2017 Baseline: \$12,219 thousand; +0 FTEs)	2,507	
5) Personnel Security Adjudication- Manpower Model The funding increase resources development of a model that calculates and generates DoD CAF adjudicator manpower requirements based on the levels of workload expected by the Department. Such a model will enable the Department to better support changes in adjudicator requirements based on the expected Personnel Security Clearance needs of the Department. (FY 2017 Baseline: \$41,439 thousand; +0 FTEs)	1,290	
6) Time-to-Hire (TTH)- Compensation and Benefits Funding supports 10 FTEs and the implementation of a business reference model (BRM) focused on re-engineering the 4th Estate hiring process. The BRM provides an end-to end auditable HR process that	1,191	

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
proposes to reduce TTH from 144 days to 70 days. TTH cycle time, such as job announcement and job offers, will be reduced. (FY 2017 Baseline: \$183,179 thousand; +10 FTEs)		
9. Program Decreases		-32,789
a. Annualization of FY 2017 Program Decreases		
b. One-Time FY 2017 Increases		
c. Program Decreases in FY 2018		
1) Workforce reshaping and reprice of Compensation and Benefits	-7,653	
Delaying \$-5,995: The decrease in funding is a result of delaying and strategic grade reshaping actions to restructure the organization to execute mission critical functions and eliminate same-grade reporting. Delaying actions resulted in the reduction of 55 FTEs across the WHS organization.		
Repricing \$-1,658: In addition, the reduction reflects repricing of the Compensation and Benefits program to bring the average annual rate per FTE in line with the current execution rate.		
(FY 2017 Baseline: \$183,179 thousand; -55 FTEs)		
2) National Capital Region (NCR) IT Consolidation Efficiencies	-5,000	
The decrease reflects the JSP IT consolidation of common enterprise support for the NCR. The IT footprint was consolidated into a single IT Service provider to remove duplication and standardize security across the Enterprise. Consolidation of Enterprise IT funds reduced operational cost that		

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	<u>Amount</u>	<u>Totals</u>
allowed the realization of efficiencies. Additionally, the enterprise approach enabled cyber security improvements and ensured a common IT infrastructure business application support framework. This reduction was made prior to the JSP transfer to the DISA in FY 2018 in accordance with the Deputy Secretary of Defense Directive Memorandum dated 1 May 2015. (FY 2017 Baseline: \$164,248 thousand; +0 FTEs)		
3) Information Technology Program	-4,240	
The decrease reflects strategic sourcing initiatives with the overall goal of identifying and partnering with a service provider that can deliver quality services and generate greater cost efficiencies. The consolidation of Enterprise Information Technology funds allowed the realization of savings and reduced operational cost. (FY 2017 Baseline: \$164,248 thousand; +0 FTEs)		
4) Defense Information Systems Network (DISN) Cost Recovery Model	-3,795	
The decrease results from DISA modernization of the DISN subscription services model to a consumption-based recovery model. The restructuring drives costs down, incentivizes cost conscious customer behavior, and encourages enterprise solutions where appropriate. The transition to DISN cost for services recovery model began in FY 2017 and yields cost reduction through modernization. (FY 2017 Baseline: \$164,248 thousand; +0 FTEs)		

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5) Enterprise Business Accountability System- Defense (EBAS-D) The decrease reflects the reduced level of resources and support allocated to the current financial system as WHS transitions to the DAI. DAI will modernize the WHS financial, procurement, time and labor management capabilities and streamline inter-agency accounting and support WHS efforts to meet auditability goals. (FY 2017 Baseline: \$12,219 thousand; +0 FTEs)	-3,409	
6) Service Requirements Review Board (SRRB) As part of the DoD reform agenda, savings were identified during the SRRB process by reducing contract support and streamlining acquisition practices. Savings reflects a reduction in contract overhead and support. (FY 2017 Baseline: \$41,439 thousand; +0 FTEs)	-2,474	
7) Wedge 1 Recapitalization The reduction reflects a decreased level of planned support for OSD and WHS tenant space upgrades within Wedge-1 of the Pentagon and is in-line with the Universal Space Plan (USP) standards. (FY 2017 Baseline: \$213,868 thousand; +0 FTEs)	-1,257	
8) Human Resource Support The decrease reflects a reduction of Human Resource contract services and associated contractor FTEs. The decrease accounts for consolidation and reduction of service contracts. (FY 2017 Baseline: \$14,921 thousand; +0 FTEs)	-1,252	

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9) Enterprise Licensing Agreement The reduction reflects decreases in the cost of enterprise licenses based on centralized purchasing of like items and consolidation of information technology contracts and licensing agreements. Information Technology consolidation initiatives increased negotiation power and guided the overall reduction of software application licensing costs and enterprise-wide savings. (FY 2017 Baseline: \$164,248 thousand; +0 FTEs)	-1,215	
10) Time-to-Hire (TTH)- Human Resource Operational Funding The decrease realigns funding from the Human Resources operational funding to Compensation and Benefits to support 10 FTE for the implementation of a business reference model (BRM) focused on re-engineering the 4th Estate hiring process. (FY 2017 Baseline: \$14,921 thousand)	-1,191	
11) Enterprise Performance Management (EPM) The reduction reflects a decrease in IT contract services for EPM program as developers completed building EPM infrastructure in FY 2017 therefore needing fewer contract personnel (developers) support in FY 2018. The EPM is required by WHS to define metrics, collect data and report organizational performance information which is used to improve processes and operations. (FY 2017 Baseline: \$3,990 thousand; +0 FTEs)	-750	
12) Construction and Furniture Restock	-405	

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Amount

Totals

The decrease is a result of reduced support in new acquisition, lifecycle replacement, and repair action for furniture, carpet cleaning, and draperies requirements for OSD and WHS. This program supports internal suite alterations projects, life cycle replacements for IT infrastructure, and electrical systems that have reached maximum capacity. (FY 2017 Baseline: \$213,868 thousand; +0 FTEs)

13) Travel Efficiencies

-148

The decrease results from efforts to achieve efficiencies in commercial air travel by increased use of restricted airfare, a modernized travel system, and updated travel regulations that align with industry best practices. Moving to a modern travel system in conjunction with a simplification of existing regulations achieves operational efficiencies in travel expenses. (FY 2017 Baseline: \$14,921 thousand; +0 FTEs)

FY 2018 Budget Request

436,776

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IV. Performance Criteria and Evaluation Summary:

The WHS provides administrative and operational support services to OSD as well as certain defense agencies and joint activities which do not have their own administrative support capability. WHS's objectives are to provide accurate and responsive support in civilian and military personnel services, information technology, facilities operations and management, acquisition and procurement, financial management, and other miscellaneous activities. Additionally WHS strives to ensure compliance with the 2007 National Security Presidential Directive/NSPD-51 and Homeland Security Presidential Directive/HSPD-20 risk management principles for continuity of operations in the event of a national emergency.

In addition to these traditional services, WHS administers data systems in support of the OSD decision and policy making processes, provides automated data processing services, continuity integration enterprise-level storage devices, information technology resources, and manages DoD-occupied, GSA-controlled space in common support facilities throughout the National Capital Region. WHS has also expanded its services to include the DoD CAF, DDS, and DIUx activities.

The following identifies some of the more significant indicators for WHS Operations and Maintenance:

<u>1) Personnel Services and Personnel Security</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Percentage of SES hiring actions that meet the target cycle time of 95 business days or less.	90%	90%	90%

Exhibit OP-5, Operation and Maintenance Detail

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IV. Performance Criteria and Evaluation Summary:

Percentage of GS-15 and below hiring actions completed within 75 business days or less.	90%	90%	90%
Percentage of interim clearances granted within 10 business days of NIP received to interim granted portion of the process.	90%	90%	90%

2) <u>Facilities and Operational Services</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Space Managed (square feet (SQFT) in 000)			
OSD/WHS Pentagon Assigned SFQT	1,150	1,208	1,186
OSD/WHS Mark Center Assigned SQFT	580	567	490
OSD/WHS Leased Space Assigned SQFT	706	615	493
3) <u>Acquisition and Procurement Support</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Total number of contracts annually	3,504	3,500	3,500
Percentage of O&M dollars obligated/committed prior to expiration	100%	100%	100%
Percentage of total acquisitions awarded within specified timeframes	86%	90%	93%

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IV. Performance Criteria and Evaluation Summary:

<u>4) Program, Budget and Accounting</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Program/Budget Coverage (Approp/Funds)	15	15	15
Installation Accounting (Allotments Processed)	14	14	14
O&M Reimbursable Transactions	24,030	25,452	25,987
Accounting Reports (1002s, SF-133, etc.)	1,908	2,000	2,000
Quarterly Financial Statements (balance sheets, net position, consolidated statement of budgetary resources, and statement of net cost)	4	4	4
<u>5) Mandatory Declassification Program Mgmt (MDR)</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Mandatory Declassification Cases	7,500	6,300	5,500
Annual Backlog (Open Cases greater than 1 year old as of October 1 st each year)	1,440 (19%)	2,025 (32%)	1,100 (20%)
<u>6) DoD Consolidated Adjudication Facility</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>

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IV. Performance Criteria and Evaluation Summary:

Number of personnel serviced	3,330,528	3,512,156	3,550,682
Number of adjudication determinations	848,000	836,000	874,000

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<u>V. Personnel Summary</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Change FY 2016/ FY 2017</u>	<u>Change FY 2017/ FY 2018</u>
<u>Active Military End Strength (E/S) (Total)</u>	<u>153</u>	<u>153</u>	<u>155</u>	<u>0</u>	<u>2</u>
Officer	31	31	42	0	11
Enlisted	122	122	113	0	-9
<u>Reservists on Full Time Active Duty (E/S)</u>	<u>1</u>	<u>1</u>	<u>12</u>	<u>0</u>	<u>11</u>
Officer	0	0	8	0	8
Enlisted	1	1	4	0	3
<u>Civilian End Strength (Total)</u>	<u>1,373</u>	<u>1,435</u>	<u>1,302</u>	<u>62</u>	<u>-133</u>
U.S. Direct Hire	1,355	1,424	1,256	69	-168
Total Direct Hire	1,355	1,424	1,256	69	-168
Reimbursable Civilians	18	11	46	-7	35
<u>Active Military Average Strength (A/S) (Total)</u>	<u>153</u>	<u>153</u>	<u>155</u>	<u>0</u>	<u>2</u>
Officer	31	31	42	0	11
Enlisted	122	122	113	0	-9
<u>Reservists on Full Time Active Duty (A/S) (Total)</u>	<u>1</u>	<u>1</u>	<u>12</u>	<u>0</u>	<u>11</u>
Officer	0	0	8	0	8
Enlisted	1	1	4	0	3
<u>Civilian FTEs (Total)</u>	<u>1,370</u>	<u>1,395</u>	<u>1,302</u>	<u>25</u>	<u>-93</u>
U.S. Direct Hire	1,339	1,384	1,256	45	-128
Total Direct Hire	1,339	1,384	1,256	45	-128
Reimbursable Civilians	31	11	46	-20	35
Average Annual Civilian Salary (\$ in thousands)	135.9	132.4	132.1	-3.5	-0.3

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<u>V. Personnel Summary</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Change FY 2016/ FY 2017</u>	<u>Change FY 2017/ FY 2018</u>
<u>Contractor FTEs (Total)</u>	<u>730</u>	<u>770</u>	<u>308</u>	<u>40</u>	<u>-462</u>

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VI. OP 32 Line Items as Applicable (Dollars in thousands):

<u>OP 32 Line</u>	Change			Change			<u>FY 2018</u>
	<u>FY 2016</u>	<u>FY 2016/FY 2017</u>		<u>FY 2017</u>	<u>FY 2017/FY 2018</u>		
	<u>Actual</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>
101 Exec, Gen'l & Spec Scheds	181,669	3,424	-2,104	182,989	3,576	-20,870	165,695
107 Voluntary Sep Incentives	264	0	-74	190	0	0	190
199 Total Civ Compensation	181,933	3,424	-2,178	183,179	3,576	-20,870	165,885
308 Travel of Persons	1,262	24	192	1,478	30	456	1,964
399 Total Travel	1,262	24	192	1,478	30	456	1,964
672 PRMRF Purchases	0	0	143,479	143,479	4,204	-35,204	112,479
680 Building Maint Fund Purch	33,379	-1,379	25,963	57,963	-2,394	-1,036	54,533
696 DFAS Financial Operation (Other Defense Agencies)	0	0	1,853	1,853	-75	2,507	4,285
699 Total DWCF Purchases	33,379	-1,379	171,295	203,295	1,735	-33,733	171,297
771 Commercial Transport	50	1	-51	0	0	0	0
799 Total Transportation	50	1	-51	0	0	0	0
912 Rental Payments to GSA (SLUC)	60	1	-61	0	0	0	0
913 Purchased Utilities (Non-Fund)	236	4	297	537	11	735	1,283
914 Purchased Communications (Non-Fund)	12,068	229	3,624	15,921	318	-16,239	0
915 Rents (Non-GSA)	22,868	434	-23,302	0	0	0	0
920 Supplies & Materials (Non-Fund)	19,272	366	-7,268	12,370	247	-3,990	8,627
921 Printing & Reproduction	1,325	25	-1,350	0	0	0	0
922 Equipment Maintenance By Contract	2,027	39	3,299	5,365	107	2,842	8,314
923 Facilities Sust, Rest, & Mod by Contract	14,788	281	-5,712	9,357	187	-270	9,274
925 Equipment Purchases (Non-Fund)	2,900	55	1,857	4,812	96	-2,373	2,535
932 Mgt Prof Support Svcs	46,975	893	-20,095	27,773	555	5,340	33,668
933 Studies, Analysis & Eval	1,602	30	1,117	2,749	55	-1,920	884
934 Engineering & Tech Svcs	1,582	30	-1,612	0	0	3,216	3,216
960 Other Costs (Interest and Dividends)	15	0	-15	0	0	0	0
985 Research & Development, Contracts	0	0	0	0	0	3,000	3,000

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<u>OP 32 Line</u>	FY 2016 <u>Actual</u>	Change FY 2016/FY 2017		FY 2017 <u>Estimate</u>	Change FY 2017/FY 2018		FY 2018 <u>Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
987 Other Intra-Govt Purch	180,949	3,438	-146,971	37,416	748	-19,675	18,489
989 Other Services	4,168	79	2,935	7,182	144	1,014	8,340
990 IT Contract Support Services	76,711	1,458	40,271	118,440	2,369	-120,809	0
999 Total Other Purchases	387,546	7,362	-152,986	241,922	4,837	-149,129	97,630
Total	604,170	9,432	16,272	629,874	10,178	-203,276	436,776

* The FY 2016 Actual column includes \$1,980.0 thousand of FY 2016 Overseas Contingency Operations (OCO) Appropriations Funding (PL 114-113).

* The FY 2017 Estimate column excludes \$3,137.0 thousand of FY 2017 OCO Appropriations Funding.

* The FY 2018 Estimate column excludes \$3,179.0 thousand of FY 2018 OCO Appropriations funding.