

**Fiscal Year (FY) 2019 President's Budget  
Operation and Maintenance, Defense-Wide  
Washington Headquarters Services**



**February 2018**

(This page intentionally left blank)

**Washington Headquarters Services  
Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2019 President's Budget**

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

	FY 2017 <u>Actuals</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2018 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2019 <u>Estimate</u>
WHS	626,695	6,125	-196,044	436,776	-4,561	24,192	456,407

\* The FY 2017 Actual column includes \$1,996.0 thousand of FY 2017 Overseas Contingency Operations (OCO) Appropriations Funding (PL 115-31).

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

\* The FY 2019 Estimate column excludes \$7,766.0 thousand of FY 2019 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, DoD 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. The functions and operations of WHS are in support of the Secretary of Defense (SECDEF) Lines of Efforts, "Restoring Military Readiness as We Build a More Lethal Force" and "Bring Business Reforms to the Department of Defense". WHS is functionally aligned under the Chief Management Officer (CMO). 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 NCR. 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 1,274 direct funded civilian full-time equivalents (FTE).

Exhibit OP-5, Operation and Maintenance Detail

**Washington Headquarters Services  
Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2019 President's Budget**

**I. Description of Operations Financed (cont.)**

**Facilities and Installation Management:** The funds associated with this program pay for 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 Defense Agencies and 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; direct treasury disbursement, financial reporting; civilian pay management; and leading the transition from audit readiness to audit sustainment. 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  
Exhibit OP-5, Operation and Maintenance Detail

**Washington Headquarters Services  
Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2019 President's Budget**

**I. Description of Operations Financed (cont.)**

appropriate level of executive and political personnel support for its client base which includes the OSD; the military departments; the Defense Agencies and DoD Field Activities; the National Security Council; White House Support Group; state, local and academic 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 continuously works to improve the support it provides to its customers. A key element towards improvement of support is the time-to-hire (TTH) initiative which implements CMO and WHS strategic guidance to provide an improved hiring solution for the OSD and WHS civilian workforce. In order to provide greater process control and visibility, WHS will now perform Human Resource transactional activities previously serviced by the Defense Logistics Agency (DLA), providing end-to-end auditable HR process that reduces TTH cycle time from 144 days to 70 days.

**WHS Operations:** Provides administrative and operational support to the OSD and its principal staff, select Defense Agencies and DoD Field Activities, and other specified Defense 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 (CAF):** Serves as the DoD executive organization for determining the security clearance eligibility, common access card credentialing, and suitability of non-Intelligence Agency DoD personnel, including eligibility for access to Exhibit OP-5, Operation and Maintenance Detail

**Washington Headquarters Services  
Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2019 President's Budget**

**I. Description of Operations Financed (cont.)**

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

**Washington Headquarters Services  
Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2019 President's Budget**

**I. Description of Operations Financed (cont.)**

The DIUx, with outposts in the heart of Silicon Valley, Austin, TX and Boston, MA 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 repeats 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. Currently, DDS is tasked 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.

**Changes from FY 2018 - FY 2019:** The FY 2019 budget estimate reflects a price change of \$-4,561 thousand and a program change of +\$24,192 thousand. The program changes are highlighted below:

**Compensation and Benefits +\$7,178 (program and price change):** WHS centrally manages its civilian compensation and benefits program which resources 1,274 direct funded civilian FTEs. The overall change of +\$7,178 reflects an increase of +\$845 for price change and an increase of +\$6,333 for program change. Compensation and Benefits reflects adjustments for DIUx and WHS In-sourcing, DDS, Audit Readiness, the Armed Forces Retirement Home,

**Washington Headquarters Services  
Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2019 President's Budget**

**I. Description of Operations Financed (cont.)**

Continuous Evaluation, Repricing, Delaying, Major Headquarter Activities (MHA) Reduction, and one additional Compensable Day.

**Defense Digital Service (DDS) +\$4,323 (program and price change):** The overall change of +\$4,323 reflects an increase of +\$4 for price change and an increase of +\$4,319 for program change. Program increase supports the growing demand for DDS expertise.

**Defense Innovation Unit Experimental (DIUx) +\$13,649 (program and price change):** The overall change of +\$13,649 reflects an increase of +\$324 for price change and an increase of +\$13,325 for program change. DIUx reflects an overall program increase, Countering Small Unmanned Aerial Systems (C-sUAS) Gaps and In-sourcing.

**Facilities Service +\$2,534 (program and price change):** The overall change of +\$2,534 reflects a decrease of \$-7,162 for price change and an increase of +\$9,696 for program change. Adjustments include the Mark Center Rent, Pentagon Rent Adjustment, Revolving Funds Rent Reduction, Pentagon Reservation Building Control System Replacement, Countering Small Unmanned Aerial Systems(C-sUAS) - Protecting High Priority Sites, Leased Space, and reduction in planned moves.

**Financial Management +\$480 (program and price change):** The overall change of +\$480 reflects an increase of +\$350 for price change and an increase of +\$130 for program change. Adjustments reflect a program decrease in Audit Readiness and an increase in the DFAS bill.

**Human Resources \$-1,951 (program and price change):** The overall change of \$-1,951 reflects an increase of +\$280 for price change and a decrease of \$-2,231 for program

Exhibit OP-5, Operation and Maintenance Detail



**Washington Headquarters Services  
Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2019 President's Budget**

**I. Description of Operations Financed (cont.)**

change. This reflects the decrease in Human Resource transactional services from DLA and a decrease in Employee Assistance Program.

**WHS Operations \$-6,582 (program and price change)**: The overall change of \$-6,582 reflects an increase of +\$798 for price change and a decrease of \$-7,380 for program change. This reflects change in WHS Contract Review, DoD CAF Personnel Security Adjudication Support, Reduction in Supplies, Service Requirement Review Board (SRRB) reduction, Department of Public Works from Fort George G. Meade, Enterprise Performance Management (EPM), and Travel.

**II. Force Structure Summary:**

N/A

Washington Headquarters Services  
 Operation and Maintenance, Defense-Wide  
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

A. BA Subactivities	FY 2017 Actuals	Budget Request	FY 2018			Current Estimate	FY 2019 Estimate
			Congressional Action				
			Amount	Percent	Appropriated		
Compensation and Benefits	183,361	165,885	0	0.0	0	165,885	173,063
Defense Digital Service	0	246	0	0.0	0	246	4,569
Defense Innovation Unit Experimental	0	20,984	0	0.0	0	20,984	34,633
Facilities/Installation Management	212,773	178,349	0	0.0	0	178,349	180,883
Financial Management	12,841	11,450	0	0.0	0	11,450	11,930
Human Resources	12,176	15,563	0	0.0	0	15,563	13,612
Information Technology	161,772	0	0	0.0	0	0	0
WHS Operations	43,772	44,299	0	0.0	0	44,299	37,717
<b>Total</b>	<b>626,695</b>	<b>436,776</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>436,776</b>	<b>456,407</b>

\* The FY 2017 Actual column includes \$1,996.0 thousand of FY 2017 Overseas Contingency Operations (OCO) Appropriations Funding (PL 115-31).

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

\* The FY 2019 Estimate column excludes \$7,766.0 thousand of FY 2019 OCO Appropriations funding.

Washington Headquarters Services  
 Operation and Maintenance, Defense-Wide  
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<b>B. <u>Reconciliation Summary</u></b>	<b>Change</b>	<b>Change</b>
	<b><u>FY 2018/FY 2018</u></b>	<b><u>FY 2018/FY 2019</u></b>
<b>Baseline Funding</b>	<b>436,776</b>	<b>436,776</b>
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
<b>Subtotal Appropriated Amount</b>	<b>436,776</b>	
Fact-of-Life Changes (2018 to 2018 Only)		
<b>Subtotal Baseline Funding</b>	<b>436,776</b>	
Supplemental		
Reprogrammings		
Price Changes		-4,561
Functional Transfers		-131
Program Changes		24,323
<b>Current Estimate</b>	<b>436,776</b>	<b>456,407</b>
Less: Wartime Supplemental		
<b>Normalized Current Estimate</b>	<b>436,776</b>	

Washington Headquarters Services  
 Operation and Maintenance, Defense-Wide  
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
<b>FY 2018 President's Budget Request (Amended, if applicable)</b>		<b>436,776</b>
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
<b>FY 2018 Appropriated Amount</b>		<b>436,776</b>
2. War-Related and Disaster Supplemental Appropriations		
3. Fact-of-Life Changes		
<b>FY 2018 Baseline Funding</b>		<b>436,776</b>
4. Reprogrammings (Requiring 1415 Actions)		
<b>Revised FY 2018 Estimate</b>		<b>436,776</b>
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings		
<b>FY 2018 Normalized Current Estimate</b>		<b>436,776</b>
6. Price Change		-4,561
7. Functional Transfers		-131
a. Transfers In		
1) Compensation and Benefits - Audit Readiness	410	
This transfers resources from Office of the Secretary of Defense to WHS. The resources are to fund +3 FTEs to supports the DoD Inspector General (DoDIG) Group Auditors in their efforts to perform the DoD Consolidated Audit. Personnel will be dedicated support to assist with the various phases of audit, from the start of the audit engagement until findings are fully remediated. This includes responding to the DoDIG Group Auditors requests for sampling and ensuring key supporting documentations are provided		

Exhibit OP-5, Operation and Maintenance Detail

Washington Headquarters Services  
 Operation and Maintenance, Defense-Wide  
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
in a timely manner. (FY 2018 Baseline: \$0 thousand; +3 FTEs)		
2) Compensation and Benefits - The Armed Forces Retirement Home (AFRH)	173	
In accordance with the Deputy Secretary of Defense's February 14, 2017 memorandum, "Armed Forces Retirement Home Solvency Strategy", the authority, direction, and control of the AFRH and its Chief Operating Officer transferred from the Under Secretary of Defense (Personnel & Readiness) to the Chief Management Officer (CMO). The CMO was assigned responsibility for AFRH liaison functions to its DoD Field Activity, the WHS, that funds one FTE. This transfer will improve the efficiency and effectiveness of the DoD oversight of the AFRH management and operations. (FY 2018 Baseline: \$0 thousand; +1 FTEs)		
b. Transfers Out		
1) Compensation and Benefits- Continuous Evaluation Investigation Program	-714	
Transfer of personnel and the associated resources to properly align the Continuous Evaluation (CE) request for information (RFI) functions from the WHS to the Defense Security Service (DSS). (FY 2018 Baseline: \$165,885 thousand; -6 FTEs)		
8. Program Increases		70,330
a. Annualization of New FY 2018 Program		
b. One-Time FY 2019 Increases		
1) Building Control System Replacement (Pentagon	3,779	
Exhibit OP-5, Operation and Maintenance Detail		

Washington Headquarters Services  
 Operation and Maintenance, Defense-Wide  
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases

Amount

Totals

Reservation)

The increase supports the replacement of existing building control system components with newer Building Automation and Control Network (BACnet) devices that meet standard communication protocol requirements for the Pentagon. The BACnet devices control critical Pentagon building systems (steam, hot water, blended chilled water, heating, ventilation, air conditioning, drinking water, etc.) and improve the ability to secure the system against electronic intrusion via cyber security protocols. The BACnet system will have increased cyber security protocols to safeguard against electronic intrusion. The existing building controls protocol is obsolete due to lack of spare parts and fewer vendors are available for service enhancements or upgrades. WHS will fund this as a one-time Pentagon Reservation Maintenance Revolving Fund (PRMRF) above standard order. DoD customers who request PRMRF above standard services are required to pay over and above standard services. (FY 2018 Baseline: \$178,349 thousand; +0 FTEs)

c. Program Growth in FY 2019

1) Mark Center Rent

23,913

The FY 2017 National Defense Authorization Act (NDAA) transferred the jurisdiction of the Fort Belvoir Mark Center Campus from the Secretary of the Army to the Secretary of Defense, making the Mark Center Campus part of the Pentagon Reservation. The increase

Washington Headquarters Services  
 Operation and Maintenance, Defense-Wide  
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases

	<u>Amount</u>	<u>Totals</u>
<p>represents what will now be WHS budgetary requests for Pentagon rent (OP-32 line 672 (PRMRF Purchases) instead of the previous budgetary request in the Buildings Maintenance Fund (OP-32 line 680) to resource the WHS/OSD portion of the Mark Center rent. (FY 2018 Baseline: \$178,349 thousand; +0 FTEs)</p>		
<p>2) Defense Innovation Unit Experimental (DIUx) (Non-Labor)</p> <p>Funding supports travel, training, IT hardware/software, supplies, equipment, facility and facility sustainment costs, and +23 contractors with highly-qualified industry experience to facilitate the execution of Other Transactional Authorities (OTAs) focused on prototyping activities. DIUx assists in developing materiel solutions to their most challenging and compelling technological problems. The resources will be used to validate and verify technological solutions in areas of Artificial Intelligence/Machine Learning, Autonomy, Human Systems, Information and Technology and Space. (FY 2018 Baseline: \$20,984 thousand; +0 FTEs)</p>	13,225	
<p>3) Pentagon Rent Adjustment</p> <p>Properly funds the Pentagon Reservation Rent in OP-32 line 672. The increase will fully fund the anticipated FY 2019 Pentagon Reservation Rent. The PRMRF Purchases (OP-32 line 672) supports the following: Pentagon Rent (standard), \$120,741; Pentagon Rent (above standard) (i.e. BCM, C-sUAS), \$4,959; and Mark Center Rent, \$23,913. (FY 2018</p>	8,948	

Exhibit OP-5, Operation and Maintenance Detail

**Washington Headquarters Services  
Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2019 President's Budget**

**III. Financial Summary (\$ in thousands)**

<b>C. <u>Reconciliation of Increases and Decreases</u></b>	<b><u>Amount</u></b>	<b><u>Totals</u></b>
Baseline: \$178,349 thousand; +0 FTEs)		
4) Defense Digital Service (DDS) (Non-Labor) The increase supports facility costs, training, travel, supplies and materials, and support contracts (+5 contractor FTEs). The facility cost funds the build-out and leased space near the U.S. Army Cyber Center of Excellence at Fort Gordon, GA. The facility will be utilized to provide training to customers on how to apply modern technology to solve problems and manage projects efficiently in an unclassified environment. Additional resources will fund travel costs to stakeholders and vendors, supplies and materials (such as private sector tools, software, and computer equipment), and contract support from highly-qualified digital services experts who are Engineers, Project Owners/ Managers, and User/Graphic Interface Designers. (FY 2018 Baseline: \$246 thousand; +0 FTEs)	4,319	
5) Compensation and Benefits - Repricing The increase reflects the proper pricing of the Compensation and Benefits program to bring the Average Annual Rate (AAR) in line with the current execution rate. The WHS civilian pay budget supports 1,274 FTEs performing critical services and functions on behalf of DoD. (FY 2018 Baseline: \$165,885 thousand; +0 FTEs)	3,237	
6) DIUx - Counter Small Unmanned Aerial Systems (C-sUAS) Gaps The increase in funds will acquire hardware,	3,200	

Exhibit OP-5, Operation and Maintenance Detail



Washington Headquarters Services  
 Operation and Maintenance, Defense-Wide  
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases

Amount

Totals

software, and contract support (i.e. engineering, autopilot, video protocol and technician support) to sustain commercial drone security mitigation efforts for the military services and the DoD in support of continuing follow-on efforts on the next generation of platforms for an implemented U.S. Central Command Joint Urgent Operations Needs Statement (JOUNS). The DIUx has developed solutions to mitigate security threats posed by commercial drones used by the military services. These include blocking network traffic to foreign servers, avoiding sharing of Personal Identifiable Information, and blocking potentially harmful forced software updates. (FY 2018 Baseline: \$20,984 thousand; +0 FTEs)

7) Compensation and Benefits - DIUx In-sourcing

3,100

The increase supports the realignment of DIUx mission funds to Compensation and Benefits, that resources an additional +15 FTEs that work to solve challenges and issues for the Department in areas such as Artificial Intelligence and Machine Learning, Autonomy, Human Systems, Information Technology, and Space. DIUx requires specialized staffing to carry out the niche functions of its three teams: Venture, Foundry, and Engagement. The Venture team identifies emerging commercial technology and explores its military applicability, the Foundry team works with technology that is still maturing and is not yet ready for production, and the Engagement Team introduces entrepreneurs to military problems and the military

**Washington Headquarters Services  
Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2019 President's Budget**

**III. Financial Summary (\$ in thousands)**

<b>C. <u>Reconciliation of Increases and Decreases</u></b>	<b><u>Amount</u></b>	<b><u>Totals</u></b>
to entrepreneurs. The additional +15 FTEs are required to hire Program Managers and Highly Qualified Experts (HQEs) who will perform the increased workload as more DoD agencies take advantage of DIUx's technological expertise. (FY 2018 Baseline: \$165,885 thousand; +15 FTEs)		
8) Compensation and Benefits - WHS In-sourcing In support of the DoD Workforce Rationalization Plan, WHS reduced O&M spending through the in-sourcing of contract services to government civilians, ensuring a more appropriate and effective alignment of work and freeing up critical O&M resources for other readiness, recapitalization, and modernization needs. The funding supports the addition of government employees instead of contracted services where appropriate and/or efficient to do so by reducing contract cost. The increase supports +26 FTEs for: - Security and Safe Operations (4 FTEs/\$347 thousand); - Equal Employment Opportunity (3 FTEs/\$413 thousand); - Plans Integration Support (3 FTEs/\$287 thousand); - Small Business Program Support (1 FTE/\$69 thousand); - Facilities Management (7 FTEs/\$722 thousand); - Human Resource Support (8 FTEs/\$867 thousand). (FY 2018 Baseline: \$165,885 thousand; +26 FTEs)	2,705	
9) WHS Counter Small Unmanned Aerial Systems (C-sUAS) - Protecting High Priority Sites		1,180

Exhibit OP-5, Operation and Maintenance Detail

**Washington Headquarters Services  
Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2019 President's Budget**

**III. Financial Summary (\$ in thousands)**

**C. Reconciliation of Increases and Decreases**

	<u>Amount</u>	<u>Totals</u>
Funding will support the sustainment of WHS-owned C-sUAS protecting critical facilities, assets, and mission from unmanned aircraft systems threats. As a Service Provider for the Pentagon, WHS will fund a portion of the C-sUAS sustainment cost as an above standard Pentagon Reservation Maintenance Revolving Fund (PRMRF) order. DoD customers who request PRMRF above standard services must pay for those above standard services. (FY 2018 Baseline: \$178,349 thousand; +0 FTEs)		
10) Compensation and Benefits - Defense Digital Service In order to meet growing demand, the DDS will establish an additional team of five highly skilled technical experts. The team will include three engineers, one product manager, and one strategy/operations lead. Additional manpower and funding will permit the Department to increase the size and scope of programs such as the bug bounty program (also known as "Hack the Pentagon") across vital digital assets. The growth will sustain this program on a continual basis; thus closing vulnerabilities throughout the Department's cyber network as they arise. (FY 2018 Baseline: \$165,885 thousand; +5 FTEs)	1,101	
11) Compensation and Benefits - One Additional Compensable Day The funding increase supports one (1) extra compensable day in FY 2019. (FY 2018 Baseline: \$165,885 thousand)	665	

Exhibit OP-5, Operation and Maintenance Detail

Washington Headquarters Services  
 Operation and Maintenance, Defense-Wide  
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
12) DFAS Bill	633	
This increase fully funds the anticipated FY 2019 bill reflecting full transition to the Defense Agency Initiative (DAI) system. (FY 2018 Baseline: \$11,450 thousand; +0 FTEs)		
13) Leased Space	325	
The increase supports the additional requirement for special-use leases for high priority/classified contingency operations support activities, intelligence community activities, and communication/command centers that support DoD senior leadership. (FY 2018 Baseline: \$178,349 thousand; +0 FTEs)		
9. Program Decreases		-46,007
a. Annualization of FY 2018 Program Decreases		
b. One-Time FY 2018 Increases		
1) DoD CAF Personnel Security Adjudication Support	-1,312	
This was a one-time FY 2018 President's Budget request to develop a Manpower model to calculate and generate DoD CAF adjudicator manpower requirements based on the expected levels of workload. The effort is complete and the model will be used to ensure adjudicator positions are properly planned, benchmarked, and resourced to perform assigned workload. (FY 2018 Baseline: \$44,299 thousand; +0 FTEs)		
c. Program Decreases in FY 2019		
1) Mark Center Rent	-23,913	
The FY 2017 NDAA transferred the jurisdiction of the		

Exhibit OP-5, Operation and Maintenance Detail

Washington Headquarters Services  
 Operation and Maintenance, Defense-Wide  
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
Fort Belvoir Mark Center Campus from the Secretary of the Army to the Secretary of Defense, making the Mark Center Campus part of the Pentagon Reservation. The decrease represents the transfer of the BMF (OP-32 line 680) resources used to pay the WHS portion of the Mark Center rent to the PRMRF Purchases (OP-32 line 672). (FY 2018 Baseline: \$178,349 thousand; +0 FTEs)		
2) Revolving Funds Rent Reduction The reduction results from WHS cost savings initiative to reduce customer rates in the Revolving Funds (BMF and PRMRF). As a result, the rent WHS pays for the OSD/WHS Mark Center and Pentagon occupancy will decrease for FY 2019. (FY 2018 Baseline: \$178,349 thousand; +0 FTEs)	-3,586	
3) WHS Contracts Review The decrease reflects additional savings identified during a rigorous evaluation of WHS service contracts. Some of the savings were used to in-source +26 FTEs. The decrease reflects -24 contractor FTEs (CFTEs): - Plans Integration Support (-4 CFTEs); - Small Business Program (-1 CFTEs); - Equal Employment Opportunity (-5 CFTEs); - Security Services (-5 CFTEs); - Facility Services (-7 CFTEs); and - Administrative Services (-2 CFTEs). (FY 2018 Baseline: \$44,299 thousand; +0 FTEs)	-3,426	
4) DIUx Program Line Realignment to Compensation and	-3,100	

Exhibit OP-5, Operation and Maintenance Detail

**Washington Headquarters Services  
Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2019 President's Budget**

**III. Financial Summary (\$ in thousands)**

<b>C. <u>Reconciliation of Increases and Decreases</u></b>	<b><u>Amount</u></b>	<b><u>Totals</u></b>
Benefits		
DIUx mission funding is reduced and realigned to WHS Compensation and Benefits to support +15 additional civilian FTEs. The DIUx plan will now pursue government personnel instead of contractors to support (-10 contractor FTEs) their critical mission. (FY 2018 Baseline: \$20,984 thousand; +0 FTEs)		
5) Compensation and Benefits - Major Headquarters Activities (MHA) Reduction	-2,191	
Decrease reflects elimination of -16 civilian FTE positions and their associated resources as part of the DoD Reform Agenda and adhering to Section 346 of the FY 2017 NDAA to maintain MHA civilian staffing at reduced levels. (FY 2018 Baseline: \$165,885 thousand; -16 FTEs)		
6) Compensation and Benefits - Delayering	-2,153	
Decrease in funding is a result of the Delayering initiative and strategic grade reshaping actions requested by senior DoD leadership to restructure the organization in order to better execute mission critical functions, eliminate same-grade reporting and maintain a skilled workforce. Delayering actions resulted in the reduction of -10 FTEs across the WHS organization, and increased supervisory oversight. The decrease reflects:		
- Acquisition Support (-1 FTE);		
- Adjudication Support (-6 FTEs);		
- Executive Services Support (-1 FTE);		
- Human Resource Support (-1 FTE);		

Exhibit OP-5, Operation and Maintenance Detail

**Washington Headquarters Services  
Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2019 President's Budget**

**III. Financial Summary (\$ in thousands)**

<b>C. <u>Reconciliation of Increases and Decreases</u></b>	<b><u>Amount</u></b>	<b><u>Totals</u></b>
- WHS Front Office Support (-1 FTE). (FY 2018 Baseline: \$165,885 thousand; -10 FTEs)		
7) Human Resource Support Human Resources functions previously performed by the Defense Logistics Agency (DLA) for transactional services such as staffing and classification, benefits and awards, Labor Management Employee Relations, and maintenance of Human Resources IT systems will now be performed in-house by WHS civilians. This decrease reflects the elimination of payments to DLA for these services. (FY 2018 Baseline: \$15,563 thousand; +0 FTEs)	-1,797	
8) Supplies As part of the DoD Reform Agenda, additional efficiencies were achieved in purchased supplies across the WHS Enterprise. (FY 2018 Baseline: \$44,299 thousand)	-1,010	
9) Reduction in Planned Moves The funding decrease reflects savings from not doing all required activities and actions related to a predetermined tenant relocation. The cost burden (e.g., furniture restock; alternation cost) associated with relocating OSD and WHS tenants from facilities is less than in previous years as a result of improved space stability and overhead planning. (FY 2018 Baseline: \$178,349 thousand; +0 FTEs)	-950	
10) Service Requirement Review Board (SRRB) Decrease reflects the reduction relating to the DoD Reform Agenda. The program includes incremental	-619	

Exhibit OP-5, Operation and Maintenance Detail

Washington Headquarters Services  
 Operation and Maintenance, Defense-Wide  
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
reductions which align with consolidation and reduction of service contracts. (FY 2018 Baseline: \$44,299 thousand; +0 FTEs)		
11) Audit Readiness	-503	
The funding decrease reflects contract support reductions as WHS completes initial audit examinations, and remediation in concert with the DoD, and enters the sustainment phase of Audit Readiness in FY 2109 and out. (FY 2018 Baseline: \$11,450 thousand; +0 FTEs)		
12) Employee Assistance Program	-434	
The reduction is the result of contract re-compete efficiencies for the Employee Assistance Program. The customer base supported by the EAP and its applications includes OSD, WHS and PFFA. (FY 2018 Baseline: \$15,563 thousand; +0 FTEs)		
13) Department of Public Works from Fort George G. Meade	-377	
The decrease represents efficiencies within the utilities program portfolio (electric, gas, water, refuse removal) for services provided by the Department of Public Works (DPW) to the DoD CAF occupied buildings on Fort George G. Meade, Army Base. (FY 2018 Baseline: \$44,299 thousand; +0 FTEs)		
14) Enterprise Performance Management (EPM)	-364	
The reduction reflects a decrease in sustainment cost in IT contract services for the EPM program. As the key process matures, the core metrics will be defined/implemented and initial systems and security analysis will be in place. The EPM is required by		

Exhibit OP-5, Operation and Maintenance Detail



Washington Headquarters Services  
 Operation and Maintenance, Defense-Wide  
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
WHS to define metrics, collect data and report organizational performance information which is used to improve processes and operations. (FY 2018 Baseline: \$44,299 thousand; +0 FTEs)		
15) Travel	-272	
In support of DoD Reform Agenda, management directed decision to scrutinize travel and eliminate non-value added activities. (FY 2018 Baseline: \$44,299 thousand; +0 FTEs)		
<b>FY 2019 Budget Request</b>		<b>456,407</b>

**Washington Headquarters Services  
Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2019 President's Budget**

**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, 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, and manages DoD-occupied, General Services Administration (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 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Percentage of SES hiring actions that meet the target cycle time of 95 business days or less.	90%	90%	90%

Percentage of GS-15 and below hiring actions

Exhibit OP-5, Operation and Maintenance Detail

Washington Headquarters Services  
 Operation and Maintenance, Defense-Wide  
 Fiscal Year (FY) 2019 President's Budget

IV. Performance Criteria and Evaluation Summary:

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 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Space Managed (square feet (SQFT) in 000)			
OSD/WHS Pentagon Assigned SFQT	1,208	1,186	1,004
OSD/WHS Mark Center Assigned SQFT	567	490	571
OSD/WHS Leased Space Assigned SQFT	615	493	443
3) <u>Acquisition and Procurement Support</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Total number of contracts annually	3,500	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	90%	93%	93%
4) <u>Program, Budget and Accounting</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>

Exhibit OP-5, Operation and Maintenance Detail

Washington Headquarters Services  
 Operation and Maintenance, Defense-Wide  
 Fiscal Year (FY) 2019 President's Budget

IV. Performance Criteria and Evaluation Summary:

Program/Budget Coverage (Approp/Funds)	15	15	15
Installation Accounting (Allotments Processed)	14	14	14
O&M Reimbursable Transactions	25,452	25,987	26,507
Quarterly Financial Statements (balance sheets, net position, consolidated statement of budgetary resources, and statement of net cost)	4	4	4
5) <u>Mandatory Declassification Program Mgmt (MDR)</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Mandatory Declassification Cases	6,300	5,500	5,200
Annual Backlog (Open Cases greater than 1 year old as of October 1 <sup>st</sup> each year)	2,025 (32%)	1,100 (20%)	1,352 (26%)
6) <u>DoD Consolidated Adjudication Facility</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Number of personnel serviced	3,512,156	3,550,682	3,520,000
Number of adjudication determinations	836,000	874,000	918,000

Exhibit OP-5, Operation and Maintenance Detail

Washington Headquarters Services  
 Operation and Maintenance, Defense-Wide  
 Fiscal Year (FY) 2019 President's Budget

<u>V. Personnel Summary</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Change FY 2017/ FY 2018</u>	<u>Change FY 2018/ FY 2019</u>
<u>Active Military End Strength (E/S) (Total)</u>	<u>153</u>	<u>155</u>	<u>155</u>	<u>2</u>	<u>0</u>
Officer	31	42	42	11	0
Enlisted	122	113	113	-9	0
<u>Reservists on Full Time Active Duty (E/S)</u>	<u>1</u>	<u>12</u>	<u>49</u>	<u>11</u>	<u>37</u>
Officer	0	8	46	8	38
Enlisted	1	4	3	3	-1
<u>Civilian End Strength (Total)</u>	<u>1,392</u>	<u>1,302</u>	<u>1,350</u>	<u>-90</u>	<u>48</u>
U.S. Direct Hire	1,331	1,256	1,274	-75	18
Total Direct Hire	1,331	1,256	1,274	-75	18
Reimbursable Civilians	61	46	76	-15	30
<u>Active Military Average Strength (A/S) (Total)</u>	<u>153</u>	<u>155</u>	<u>155</u>	<u>2</u>	<u>0</u>
Officer	31	42	42	11	0
Enlisted	122	113	113	-9	0
<u>Reservists on Full Time Active Duty (A/S) (Total)</u>	<u>1</u>	<u>12</u>	<u>49</u>	<u>11</u>	<u>37</u>
Officer	0	8	46	8	38
Enlisted	1	4	3	3	-1
<u>Civilian FTEs (Total)</u>	<u>1,392</u>	<u>1,302</u>	<u>1,350</u>	<u>-90</u>	<u>48</u>
U.S. Direct Hire	1,331	1,256	1,274	-75	18
Total Direct Hire	1,331	1,256	1,274	-75	18
Reimbursable Civilians	61	46	76	-15	30
Average Annual Civilian Salary (\$ in thousands)	137.8	132.1	135.8	-5.7	3.7

Exhibit OP-5, Operation and Maintenance Detail

**Washington Headquarters Services  
Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2019 President's Budget**

<b><u>V. Personnel Summary</u></b>	<b><u>FY 2017</u></b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b>Change <u>FY 2017/ FY 2018</u></b>	<b>Change <u>FY 2018/ FY 2019</u></b>
<u>Contractor FTEs (Total)</u>	<u>892</u>	<u>308</u>	<u>302</u>	<u>-584</u>	<u>-6</u>

**Changes from FY 2018 - FY 2019:** The Reservists on Full-Time Active Duty (A/S) reflects an increase of +37 Military A/S supporting the Defense Innovation Unit Experimental (DIUx).

An overall increase of +18 Civilian Direct Funded FTEs reflect the following adjustments:

- WHS Offices In-sourcing, (+26 FTEs);
- DIUx In-sourcing, (+15 FTEs);
- Defense Digital Service (DDS), (+5 FTEs);
- Audit Readiness, (+3 FTEs);
- The Armed Forces Retirement Home (AFRH), (+ 1 FTE);
- Major Headquarters Activities, (-16 FTEs); and
- Delaying, (-10 FTEs)
- Continuous Evaluation functional transfer to DSS (-6 FTEs)

An overall increase of +30 FTEs in Reimbursable Civilians reflect following adjustments:

- Boards, Commissions and Task Force (BCTF), (-33 FTEs);
- Office of Military Commission, (+33 FTEs); and
- DDS, (+30 FTEs).

The DDS +30 reimbursable FTEs will staff three (3) teams for each of the Military Departments (Department of the Army, Air Force, and Navy). The teams will consist of top tier performers who will join the DoD for one- or two- year terms after several years at leading technology companies. The Army and Air Force each signed a

Exhibit OP-5, Operation and Maintenance Detail

**Washington Headquarters Services  
Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2019 President's Budget**

memorandum of agreement (MOA) with the DDS and is preparing a third MOA with the Department of the Navy. These teams will work on projects such as Counter Unmanned Aerial Systems, IT site modernizations and cyber security.

The overall decrease of -6 Contractor FTEs (CFTEs) reflects a decrease of -24 CFTEs in contract services reduction, an increase of +13 CFTEs for DIUx, and an increase of +5 CFTEs for DDS. The decrease supports the continuous effort in the DoD Reform Agenda to reduce contract support and streamline acquisition process. The DDS and DIUx increases are due to contract support requirements for highly skilled technical experts to perform its mission.

**Washington Headquarters Services  
Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2019 President's Budget**

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

<u>OP 32 Line</u>	<u>FY 2017</u>	<u>Change</u>		<u>FY 2018</u>	<u>Change</u>		<u>FY 2019</u>
		<u>FY 2017/FY 2018</u>			<u>FY 2018/FY 2019</u>		
	<u>Actuals</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	182,927	3,574	-20,806	165,695	845	6,333	172,873
107 Voluntary Sep Incentives	434	0	-244	190	0	0	190
<b>199 Total Civ Compensation</b>	<b>183,361</b>	<b>3,574</b>	<b>-21,050</b>	<b>165,885</b>	<b>845</b>	<b>6,333</b>	<b>173,063</b>
308 Travel of Persons	1,031	18	915	1,964	35	1,925	3,924
<b>399 Total Travel</b>	<b>1,031</b>	<b>18</b>	<b>915</b>	<b>1,964</b>	<b>35</b>	<b>1,925</b>	<b>3,924</b>
672 PRMRF Purchases	143,132	-730	-29,923	112,479	-686	37,820	149,613
680 Building Maint Fund Purch	33,165	-1,141	22,509	54,533	-6,680	-27,499	20,354
696 DFAS Financial Operation (Other Defense Agencies)	3,991	-49	343	4,285	221	633	5,139
<b>699 Total DWCF Purchases</b>	<b>180,288</b>	<b>-1,920</b>	<b>-7,071</b>	<b>171,297</b>	<b>-7,145</b>	<b>10,954</b>	<b>175,106</b>
771 Commercial Transport	6	0	-6	0	0	0	0
<b>799 Total Transportation</b>	<b>6</b>	<b>0</b>	<b>-6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
912 Rental Payments to GSA (SLUC)	77	1	-78	0	0	250	250
913 Purchased Utilities (Non-Fund)	123	2	1,158	1,283	23	-463	843
914 Purchased Communications (Non-Fund)	30,653	521	-31,174	0	0	0	0
915 Rents (Non-GSA)	20,134	342	-20,476	0	0	1,325	1,325
920 Supplies & Materials (Non-Fund)	17,015	289	-8,677	8,627	155	3,534	12,316
921 Printing & Reproduction	1,250	21	-1,271	0	0	0	0
922 Equipment Maintenance By Contract	3,006	51	-3,057	0	0	0	0
923 Facilities Sust, Rest, & Mod by Contract	10,035	171	-932	9,274	167	-1,201	8,240
925 Equipment Purchases (Non-Fund)	3,749	64	-1,278	2,535	46	8,784	11,365
932 Mgt Prof Support Svcs	39,979	680	-6,991	33,668	606	-195	34,079
933 Studies, Analysis & Eval	1,230	21	-367	884	16	-566	334
934 Engineering & Tech Svcs	1,964	33	1,219	3,216	58	2,106	5,380
960 Other Costs (Interest and Dividends)	22	0	-22	0	0	0	0
985 Research & Development, Contracts	0	0	3,000	3,000	0	-3,000	0

Exhibit OP-5, Operation and Maintenance Detail



**Washington Headquarters Services  
Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2019 President's Budget**

<u>OP 32 Line</u>	<u>FY 2017</u> <u>Actuals</u>	<u>Change</u> <u>FY 2017/FY 2018</u>		<u>FY 2018</u> <u>Estimate</u>	<u>Change</u> <u>FY 2018/FY 2019</u>		<u>FY 2019</u> <u>Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
987 Other Intra-Govt Purch	34,901	593	-17,005	18,489	333	-6,752	12,070
989 Other Services	3,478	59	4,803	8,340	150	1,549	10,039
990 IT Contract Support Services	94,393	1,605	-87,684	8,314	150	-391	8,073
<b>999 Total Other Purchases</b>	<b>262,009</b>	<b>4,453</b>	<b>-168,832</b>	<b>97,630</b>	<b>1,704</b>	<b>4,980</b>	<b>104,314</b>
<b>Total</b>	<b>626,695</b>	<b>6,125</b>	<b>-196,044</b>	<b>436,776</b>	<b>-4,561</b>	<b>24,192</b>	<b>456,407</b>

\* The FY 2017 Actual column includes \$1,996.0 thousand of FY 2017 Overseas Contingency Operations (OCO) Appropriations Funding (PL 115-31).

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

\* The FY 2019 Estimate column excludes \$7,766.0 thousand of FY 2019 OCO Appropriations funding.

- Reduction in OP-32 Line 985 (Research & Development, Contracts) properly aligns DIUx program to OP-32 Line 934 (Engineering & Tech Svcs) and 989 (Other Services)

- Reduction in OP-32 Line 987 (Other Intra-Govt Purch) reflects Human Resource program reductions and properly aligns DIUx program to OP-32 line 925 (Equipment Purchases (Non-Fund)) and 920 (Supplies & Materials (Non-Fund))