

# **Fiscal Year 2011 Budget Estimates**

## **Washington Headquarters Services (WHS)**



February 2010

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**WASHINGTON HEADQUARTERS SERVICES**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2011 Budget Estimates**

Operation and Maintenance, Defense-Wide Summary (\$ in thousands)

**Budget Activity (BA) 4: Administrative and Service-Wide Activities**

	<u>FY 2009</u> <u>Actuals</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2010</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2011</u> <u>Estimate</u>
WHS	509,603	194	81,728	591,525	-21,731	34,336	604,130

\* The FY 2009 column includes a \$12.200 thousand technical fix adjustment made after the O-1 report was published.

**I. Description of Operations Financed:** The Washington Headquarters Services (WHS) was established under DoD Directive 5110.4, on October 1 1977. WHS is a field activity that provides centralized, consolidated administrative and operational support to the Department of Defense (DoD) activities in the National Capitol Region (NCR). Its mission is to provide direct support to the Secretary and Deputy Secretary of Defense, Pentagon Reservation operations and leased facilities in the NCR, and broad human resources support to the defense agencies and activities. Based on its specific mission, WHS customers may also include the White House, the National Security Council, Congress, and/or other executive branch agencies in the NCR. In general, core WHS activities represent a consolidation of administrative and operational functions that provide services to DoD activities throughout the Fourth Estate.

The Department is continuing the plan to improve the oversight of contractor services, acquire those services more effectively, and in-source contractor services where it is more appropriate and efficient to do so. In FY 2011, WHS intends to replace approximately 26 contractors with approximately 26 government employees at a total cost savings of \$3,829 thousand.

WHS is responsible for planning, managing and administering core competencies in the following functional areas:

- **WHS Operations:** Operational support to the Office of the Secretary of Defense (OSD), certain DoD Field Activities, and other specified Defense activities. These

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services include personnel and information security, records management and declassification, Acquisition Management and Oversight, planning, programming and evaluation, and other such administrative services. WHS also provides support for the Federal Executive Boards Program. Services in this line of business were funded in the FY 2010 President's Budget (PB) as contracts, travel, training, graphics, Federal Executive boards and graphics.

- **Information Technology**: Information Technology (IT) resources support for the decision and policy-making processes of the organizational components of OSD and WHS. WHS develops information management strategies and programs, acquires and manages services and systems over their life cycles. WHS also supports the DoD Public Key Infrastructure (PKI) effort, which is a critical element in achieving a secure Information Assurance (IA) posture for the Defense Information Infrastructure (DII), and the Defense Continuity Integration Network - Pentagon Continuity Information System. In the FY 2010 PB, the Information Technology line of business was funded in WHS Information Technology, OSD Networks IT program, Public Key Infrastructure and Defense Continuity Network.
- **Facilities and Installation Management**: Real property management services for the Pentagon Reservation, Raven Rock Mountain Complex, and other DoD-occupied, General Services Administration (GSA) - controlled administrative space in the NCR, and other DoD common support facilities. WHS provides a variety of property management services for both buildings and the personnel who occupy them. In the FY 2010 PB, the Facilities and Installation Management business line was funded in facilities support services, material and equipment; Pentagon Rent, Pentagon Renovation Project, Pentagon Renovation Furniture and GSA Rent.
- **Financial Management**: Financial management services to include planning, programming, budgeting and execution, and accounting services for WHS and its

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customers. WHS manages a wide array of projects and initiatives for OSD, WHS and selected DoD Field Activities. WHS is also responsible for providing system support for the accounting and reporting of DoD Trust Funds. Develops policies for the administration of funds, providing accounting support, and establishing reporting procedures for all funds allotted to OSD, WHS and selected DoD Field Activities. In the FY 2010 PB the Financial Management line of business was funded in contracts and support services.

- **Human Resources**: Human resource services for executive, political, military, and civilian personnel; to include employee benefits, administration of the Drug-Free Workplace Program, advisory services on staffing activities, classification and management advisory on compensation, external recruitment efforts, work force development, awards and incentives programs, labor and management employee relations services, personnel security, consolidated adjudications of personnel security investigations, and management of military personnel assigned to OSD and WHS and specified Defense Agencies and DoD Field Activities, Military Departments, the White House, the National Security Council and Congress. Previously, in the FY 2010 PB the Human Resources line of business as funded in contracts and support services.

More detailed information on the mission and functions of WHS can be found at the following website: <http://www.whs.mil>.

**II. Force Structure Summary: N/A**

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III. Financial Summary (\$ in thousands)

	FY 2010						
	FY 2009 <u>Actuals</u>	Budget <u>Request</u>	<u>Congressional Action</u>		<u>Appropriated</u>	<u>Current Estimate</u>	FY 2011 <u>Estimate</u>
			<u>Amount</u>	<u>Percent</u>			
A. <u>BA Subactivities</u>							
1. Compensation and Benefits	89,939	101,976	0	0	101,976	101,976	112,051
2. WHS Operations	15,040	31,863	3,136	9.8	34,999	34,999	42,684
3. Information Technology	162,991	194,635	-393	0.2	194,242	194,242	190,883
4. Facilities/Installation Management	216,602	224,428	-453	0.2	223,975	223,975	216,181
5. Financial Management	14,751	27,080	-55	0.2	27,025	27,025	32,905
6. Human Resources	10,280	9,327	-19	0.2	9,308	9,308	9,426
<b>Total</b>	<b>509,603</b>	<b>589,309</b>	<b>2,216</b>	<b>0.4</b>	<b>591,525</b>	<b>591,525</b>	<b>604,130</b>

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III. Financial Summary (\$ in thousands)

<u>B. Reconciliation Summary</u>	<u>Change</u> <u>FY 2010/FY 2010</u>	<u>Change</u> <u>FY 2010/FY 2011</u>
<b>Baseline Funding</b>	589,309	591,525
Congressional Adjustments (Distributed)	3,200	
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)	-984	
<b>Subtotal Appropriated Amount</b>	<b>591,525</b>	
Fact-of-Life Changes (CY to CY Only)		
<b>Subtotal Baseline Funding</b>	<b>591,525</b>	
Anticipated Supplemental Reprogrammings		
Price Changes		-21,731
Functional Transfers		
Program Changes		34,336
<b>Current Estimate</b>	<b>591,525</b>	<b>604,130</b>
Less: Wartime Supplemental		
<b>Normalized Current Estimate</b>	<b>591,525</b>	

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

<b>C. Reconciliation of Increases and Decreases</b>	<b>Amount</b>	<b>Totals</b>
<b>FY 2010 President's Budget Request (Amended, if applicable)</b>		589,309
1. Congressional Adjustments		2,216
a. Distributed Adjustments	3,200	
b. Undistributed Adjustments		
c. Adjustments to meet Congressional Intent		
d. General Provisions		
1) Sec 8097 - Economic Assumptions	-735	
2) Sec 8037 - Mitigation of Environment Impacts	-249	
e. Congressional Earmarks - Indian Lands Environmental Impact		
<b>FY 2010 Appropriated Amount</b>		<b>591,525</b>
2. War-Related and Disaster Supplemental Appropriations		
3. Fact of Life Changes		
<b>FY 2010 Baseline Funding</b>		591,525
4. Reprogrammings (requiring 1415 Actions)		
<b>Revised FY 2010 Estimate</b>		591,525
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		
<b>FY 2010 Normalized Current Estimate</b>		591,525
6. Price Change		-21,731
7. Functional Transfers		
8. Program Increases		58,964
a. Annualization of New FY 2010 Program		
b. One-Time FY 2011 Increases		
c. Program Growth in FY 2011		

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

<b>C. Reconciliation of Increases and Decreases</b>	<b>Amount</b>	<b>Totals</b>
1) <u>Contracting Services Insourcing.</u> WHS is insourcing contractor services where it is more appropriate and/or efficient to do so. This program increase is requested to hire 26 civilians, reducing contract cost by \$+6,925 thousand. FY 2010 Base: \$101,976 thousand)	6,925	
2) <u>Compensation and Benefits.</u> Program growth in civilian pay of \$+1,569 will be used to stabilize baseline funding for civilian payroll. (FY 2010 Base: \$101,976 thousand)	1,569	
3) <u>WHS Operations.</u> Funding increases of \$+13,683 thousand in other intra-governmental purchases support mandatory and systematic studies to address improved communications during emergency events, contract support for system maintenance and implementation, Interactive Customer Evaluation (ICE) development, strategic plan development and Continuity of Operation (COOP) programs. Funding increase of \$+6,000 thousand will support additional boards, commissions and task force requirements. (FY 2010 Base: \$34,999 thousand)	19,683	
4) <u>Financial Management.</u> Funding increase of \$+6,500 thousand to prepare for Defense Agencies Initiative (DAI). (FY 2010 Base: \$27,025 thousand)	6,500	
5) <u>Facilities/Installation Management.</u> Program increase of \$+17,400 thousand will provide for the standup operations of Mark Center and other cost associated with the operations and security of the Center. Program increases of \$+6,140 thousand in rental payments to GSA leases and \$+747 thousand in purchased utilities provide for additional costs associated with rental payments for GSA leases and increase cost of utilities. FY 2010 Base: \$223,975)	24,287	
9. Program Decreases		-24,628

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

<b>C. Reconciliation of Increases and Decreases</b>	<b>Amount</b>	<b>Totals</b>
a. Annualization of FY 2010 Program Decreases		
b. One-Time FY 2010 Increases		
1) <u>WHS Operations.</u> A decrease of \$-12,742 thousand in management and professional support services is the result of a one-time increase in FY 2010 for the Commission on Wartime Contracting. (FY 2010 Base: \$34,999 thousand)	-12,742	
2) <u>WHS Operations.</u> A decrease of \$-106 other intra-governmental purchases is the result of a one-time increase in FY 2010 for support provided for the development of packages for the Malcolm Baldrige Award. (FY 2010 Base: \$34,999 thousand)	-106	
c. Program Decreases in FY 2011		
1) <u>Contracting Services Insourcing.</u> In FY 2011 WHS intends to replace approximately 26 contractors with approximately 26 government employees for a cost savings of \$3,829 thousand. (FY 2010 Base: \$194,242 thousand)	-3,829	
2) <u>Information Technology.</u> The decrease of \$-1,888 thousand in other intra-governmental purchases is attributed to reductions in support for SECDEF communications capabilities at Global Situational Awareness Facility, alternate sites and networking systems supporting the Secretary and OSD Staff. (FY 2010 Base: \$194,242 thousand)	-1,888	
3) <u>Facilities/Installation Management.</u> A decrease of \$-4,094 thousand in other intra-governmental purchases is a result of reduced requirements for the Pentagon Reservation Maintenance Revolving Fund and a decrease of \$-1,167 thousand is attributed to a decrease in management support services. (FY 2010 Base \$223,975 thousand)	-5,261	

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

**C. Reconciliation of Increases and Decreases**

	<b>Amount</b>	<b>Totals</b>
4) <u>Financial Management</u> After considering the effects of inflation, the size and scope of Financial Management Services programs are decreased \$-802 thousand in other intra-governmental purchases. (FY 2010 Base: \$27,025 thousand)	-802	
<b>FY 2011 Budget Request</b>		<b>604,130</b>

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**IV. Performance Criteria and Evaluation Summary**

The WHS provides administrative and operational support services to OSD, and 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. Ensure compliance with National Security Presidential Directive (NSPD)-51 and Homeland Security Presidential Directive (HSPD)-20 risk management principles.

In addition to these traditional services, WHS also 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 Department of Defense occupied GSA controlled space in common support facilities throughout the NCR.

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

	<b><u>FY 2009</u></b>	<b><u>FY 2010</u></b>	<b><u>FY 2011</u></b>
1) <u>Personnel and Personnel Security</u>			
Civilian Personnel serviced by the WHS Human Resources Directorate	6,592	5,990	5,990
Civilian Personnel receiving Security Policy, Appeals and Consolidated Adjudication Facility services for OSD, Specified Defense Agencies and DoD Field Activities	100,000	100,000	100,000

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**IV. Performance Criteria and Evaluation Summary**

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Personnel Security Administration and Security Clearances (amount processed)	13,000	13,000	13,000
Military Personnel receiving personnel security and human resource services for OSD, WHS and WHS-Serviced organizations	3,100	3,100	3,100
Civilian and military personnel receiving training and developmental services for OSD, WHS and WHS-Serviced organizations	3,425	3,425	3,425
2) <u>Information Technology Support</u>			
IT Seats (Networked Personal Computers, Stand Alone Computers, Laptops)	18,845	18,845	18,845
3) <u>Facilities and Operational Services</u>			
Space Managed (square feet in 000)			
Pentagon Reservation	4,841	4,841	4,841
Other	9,159	9,159	9,159
Communications			
Number of Lines	15,125	15,125	15,125
Number of Instruments	9,822	9,822	9,822
Personnel Serviced	4,759	4,759	4,759
4) <u>Acquisition and Procurement Support</u>			
Total Contract Actions Processed	3,000	3,000	3,000

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**IV. Performance Criteria and Evaluation Summary**

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Total Obligations Processed (\$000)	\$700,000	\$700,000	\$700,000
5) <u>Program, Budget and Accounting</u>			
Program/Budget Coverage (Approp/Funds)	15	15	15
Installation Accounting (Allotments Processed)	14	14	14
Direct Program Transactions Processed	2,400	2,400	2,400
Reimbursable Program Transactions Processed	50,000	50,000	50,000
Agency Accounting Reports	1,730	1,730	1,730
6) <u>Mandatory Declassification Program Mgmt</u>			
Systematic Declassification - Pages Reviewed	13,900	15,400	15,400
Mandatory Declassification Review Cases	6519	8,449	8,449

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<b>V. <u>Personnel Summary</u></b>	<b><u>FY 2009</u></b>	<b><u>FY 2010</u></b>	<b><u>FY 2011</u></b>	<b>Change FY 2009/ FY 2010</b>	<b>Change FY 2010/ FY 2011</b>
<u>Active Military End Strength (E/S)</u>					
(Total)					
Officer	51	55	55	4	0
Enlisted	133	133	132	0	-1
 <u>Civilian End Strength (Total)</u>					
U.S. Direct Hire	698	759	762	61	3
Memo: Reimbursable Civilians Included	11	11	11	0	0
 <u>Active Military Average Strength (A/S)</u>					
(Total)					
Officer	51	55	55	4	0
Enlisted	133	133	132	0	-1
 <u>Civilian FTEs (Total)</u>					
U.S. Direct Hire	672	761	752	89	-9
Memo: Reimbursable Civilians Included	3	3	11	0	8
Total Direct Hire	675	764	763	89	-1
 <u>Average Annual Civilian Salary (\$ in thousands)</u>					
	101	140	149	39	9

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

<u>OP 32 Line</u>	FY 2009 <u>Actuals</u>	Change FY 2009/FY 2010		FY 2010 <u>Estimate</u>	Change FY 2010/FY 2011		FY 2011 <u>Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
101 Exec, Gen'l & Spec Scheds	89,939	2,226	9,811	101,976	1,581	8,494	112,051
107 Voluntary Sep Incentives	113	0	-113	0	0	0	0
<b>199 Total Civ Compensation</b>	<b>90,052</b>	<b>2,226</b>	<b>9,698</b>	<b>101,976</b>	<b>1,581</b>	<b>8,494</b>	<b>112,051</b>
308 Travel of Persons	1,501	18	-72	1,447	20	3	1,470
<b>399 Total Travel</b>	<b>1,501</b>	<b>18</b>	<b>-72</b>	<b>1,447</b>	<b>20</b>	<b>3</b>	<b>1,470</b>
672 Pentagon Reserv Maint	135,738	-5,620	8,859	138,977	-28,185	-3,649	107,143
673 Def Fin & Accounting Svc	0	0	3,500	3,500	14	-178	3,336
680 Building Maint Fund Purch	0	0	0	0	0	17,400	17,400
<b>699 Total Purchases</b>	<b>135,738</b>	<b>-5,620</b>	<b>12,359</b>	<b>142,477</b>	<b>-28,171</b>	<b>13,573</b>	<b>127,879</b>
912 GSA Leases	33,219	830	6,781	40,830	572	6,140	47,542
913 Purch Util (non fund)	2,068	23	1,705	3,796	53	747	4,596
914 Purch Communications	34,996	385	3,246	38,627	541	77	39,245
915 Rents (Non GSA)	1,187	13	-1,200	0	0	0	0
920 Supplies/Matl (non fund)	15,101	166	-4,729	10,538	148	21	10,707
921 Print & Reproduction	1,725	19	338	2,082	29	4	2,115
922 Eqt Maint Contract	2,640	29	8,266	10,935	153	22	11,110
923 Facilities Maint Contr	11,869	131	-1,182	10,818	151	22	10,991
925 Eqt Purch (non fund)	30,210	332	-8,121	22,421	314	45	22,780
931 Contract Consultants	1,035	11	-1,046	0	0	0	0
932 Mgt Prof Support Svcs	13,510	149	11,162	24,821	347	-9,492	15,676
933 Studies, Analysis & Eval	4,079	45	543	4,667	65	10	4,742
934 Engineering & Tech Svcs	28,830	317	-29,147	0	0	0	0
987 Other IntraGovt Purch	38,008	418	110,792	149,218	2,090	12,728	164,036

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

<u>OP 32 Line</u>	FY 2009 <u>Actuals</u>	Change <u>FY 2009/FY 2010</u>		FY 2010 <u>Estimate</u>	Change <u>FY 2010/FY 2011</u>		FY 2011 <u>Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
989 Other Contracts	63,762	701	-44522	19,941	279	1,928	22,148
998 Other Costs	73	1	6,857	6,931	97	14	7,042
<b>999 Total Other Purchases</b>	<b>282,312</b>	<b>3,570</b>	<b>59,743</b>	<b>345,625</b>	<b>4,839</b>	<b>12,266</b>	<b>362,730</b>
<b>Total</b>	<b>509,603</b>	<b>194</b>	<b>81,728</b>	<b>591,525</b>	<b>-21,731</b>	<b>34,336</b>	<b>604,130</b>

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