

Fiscal Year 2013 Budget Estimates
Washington Headquarters Services (WHS)



February 2012

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**Washington Headquarters Service
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

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

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

	FY 2011	Price	Program	FY 2012	Price	Program	FY 2013
	<u>Actuals</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
WHS	579,064	-7,843	-15,680	555,541	1,106	-35,350	521,297

I. Description of Operations Financed: [Http://www.whs.mil](http://www.whs.mil). 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 Capital Region (NCR). The WHS mission is to provide direct support to the Secretary and Deputy Secretary of Defense, Pentagon Reservation operations and leased facilities in the NCR, and in-depth human resources support to the Defense Agencies and activities. The 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 providing services to DoD activities throughout the Fourth Estate.

Changes from FY 2012 to FY 2013: The FY 2013 budget estimate is based on Department of Defense (DoD) strategic and fiscal guidance. The WHS is in compliance with the Secretary of Defense (SECDEF) established Efficiency Task Force Directive to achieve additional efficiencies. The WHS continues to pursue oversight of and reduced redundancy of contract services. The WHS has undergone an internal reorganization, combining functions and realigning directorates to create efficiencies. All of these factors have produced a net decrease in the FY 2013 budget of \$-34,244 thousand; this net amount reflects an overall price change total of \$+1,106 thousand and a net program change of \$-35,350 thousand.

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I. Description of Operations Financed (cont.)

WHS Operations had a program increase of \$+21,713 thousand due to an internal transfer of functions between directorates. This increase is not new program growth for WHS overall, it is a realignment of functions between the directorates within WHS and is offset by corresponding program decreases.

A program increase of \$+3,097 thousand for Human Resource Management occurred as a result of internal realignment of Civilian Pay to non-Pay to reimburse the Defense Logistics Agency (DLA) for personnel support. This increase is offset by the corresponding decrease in civilian pay and is not new program growth.

Finance shows a program decrease of \$-5,793 thousand which reflects an internal transfer out of functions within directorates. Some of these decreases offset the above mentioned increases.

Information Technology shows a program decrease of \$-3,104 thousand due to reductions in the wireless telecommunication program, printers and associated labor and materials cost, Enterprise IT Service Contract Support, and the elimination of other programs.

Facilities shows a program decrease of \$-55,135 thousand to include the internal transfers within WHS for the Program Services Division, reduction to Pentagon Rent, termination of centrally funded Mark Center rent, decrease in management and professional support services contracts and other programs in compliance with general reductions to meet DoD efficiency goals.

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I. Description of Operations Financed (cont.)

Other efficiencies of -5,215, realized from FY 2012 to FY 2013, include the reduction of 3 Senior Executive Service positions, consolidation of IT organizations, and the consolidation of the Defense Facilities Directorate with Pentagon Renovation.

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

WHS Operations (\$48,610k): Operational support to the Office of the Secretary of Defense (OSD), certain DoD Field Activities, and other specified Defense activities. These services include personnel and information security, records management and declassification, acquisition management and oversight, planning, programming and evaluation, and related administrative services. WHS also provides support for the Federal Executive Boards Program. Services in this line of business are funded in contracts, travel, training, and the Federal Executive boards and graphics.

Information Technology (\$142,230k): Information Technology (IT) resources support 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). Services in this line of business are funded in WHS Enterprise Information Technology Services Directorate, and Public Key Infrastructure.

Facilities and Installation Management (\$194,728k): Real property management services for the Pentagon Reservation, Raven Rock Mountain Complex, and other DoD-occupied, General

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I. Description of Operations Financed (cont.)

Services Administration (GSA) - controlled administrative space in the National Capitol Region, and other DoD common support facilities. WHS provides a variety of property management services for the buildings and personnel who occupy them. Services in this line of business are funded in facilities support services, material and equipment, Pentagon Rent, Pentagon Renovation Project, Pentagon Renovation Furniture and GSA Rent.

Financial Management (\$11,981k): Financial management services include planning, programming, budgeting and execution, and accounting services for WHS and its 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. WHS 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. Services in this line of business are funded in contracts and support services.

Human Resources (\$11,654k): Human resource services for executive, political, military, and civilian personnel, including 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. Services in this line of business are funded in contracts and support services.

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I. Description of Operations Financed (cont.)

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 2012							FY 2013 Estimate
	FY 2011 Actuals	Budget Request	Congressional Action			Current Estimate		
			Amount	Percent	Appropriated			
A. BA Subactivities								
1. Compensation and Benefits	115,677	104,320	109	.1	104,429	104,429		112,094
2. WHS Operations	28,102	26,687	-1,704	-6.4	24,983	24,983		48,610
3. Information Technology	185,651	144,208	1,262	.9	145,470	145,470		142,230
4. Facilities/Installation Management	207,774	256,143	-703	-0.3	255,440	255,440		194,728
5. Financial Management	28,618	23,489	-6,603	-28.1	16,886	16,886		11,981
6. Human Resources	13,242	8,337	-4	-0.1	8,333	8,333		11,654
Total	579,064	563,184	-7,643	-1.4	555,541	555,541		521,297

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III. Financial Summary (\$ in thousands)

B. Reconciliation Summary

	Change FY 2012/FY 2012	Change FY 2012/FY 2013
Baseline Funding	563,184	555,541
Congressional Adjustments (Distributed)	-6,500	
Congressional Adjustments (Undistributed)	-922	
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)	-221	
Subtotal Appropriated Amount	555,541	
Fact-of-Life Changes (2012 to 2012 Only)		
Subtotal Baseline Funding	555,541	
Supplemental		
Reprogrammings		
Price Changes		1,106
Functional Transfers		
Program Changes		-35,350
Current Estimate	555,541	521,297
Less: Wartime Supplemental		
Normalized Current Estimate	555,541	

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III. Financial Summary (\$ in thousands)

	Amount	Totals
C. Reconciliation of Increases and Decreases		
FY 2012 President's Budget Request (Amended, if applicable)		563,184
1. Congressional Adjustments		-7,643
a. Distributed Adjustments		
1) Removal of FY2011 Costs Budgeted for DAI	-6,500	
b. Undistributed Adjustments		
1) Undistributed Adjustment	-922	
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
1) Migration of Environment Impacts	-221	
FY 2012 Appropriated Amount		555,541
2. War-Related and Disaster Supplemental Appropriations		
3. Fact-of-Life Changes		
FY 2012 Baseline Funding		555,541
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2012 Estimate		555,541
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings		
FY 2012 Normalized Current Estimate		555,541
6. Price Change		1,106
7. Functional Transfers		
8. Program Increases		61,211
a. Annualization of New FY 2012 Program		
1) Continuation of Mark Center Rent for Full Year Increase due to additional basic user charge (e.g. "rent") increase necessary to pay for a whole year. FY 2012 was only funded for half a year (\$14.3 million). (FY 2012 Baseline: \$255,440 thousand)	14,026	
b. One-Time FY 2013 Increases		
c. Program Growth in FY 2013		

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III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
1) One More Compensable Day Provides funding for one more compensable day during the fiscal year. (FY 2012 Baseline: \$104,319 thousand; 719 FTEs)	432	
2) WHS Operations WHS has performed an internal realignment of functions between directorates; a program increase due to an internal transfer of functions between directorates for Enterprise Performance Management System (EPMS), Mass Transit Subsidy, Flexible Spending Account, Program Services Division (PSD) Function, and the Electronic Records Management Application for continuous process improvement contracts that support DA&M and WHS in an effort to gain efficiencies. This increase is not new program growth for WHS overall, it is a realignment of functions between the directorates within WHS and is offset by corresponding program decreases. (FY 2012 Baseline: \$26,425 thousand)	31,006	
3) Single Enterprise Contracting Office Increase supports the centralization of acquisition services requirements for the Office of the Secretary of Defense (OSD), Principal Staff Assistants (PSA) at Washington Headquarters Services. This effort executes the plan directed by the Secretary of Defense in the Track 4 memorandum, dated March 14, 2011 that represents the initial establishment of the capability with a goal of reaching full capability by FY 2014. To establish the single contracting enterprise office, funds were realigned from the OSD PSAs and represent a net-zero sum for the	12,110	

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III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases

department. Through efficiencies gained from economies of scale and logistical needs, the consolidation of acquisition services will result in efficient acquisition oversight, eliminate contract documentation redundancies, and improve contract performance of the contracting support activities. It is a cost-conscious way to improve the acquisition business planning and oversight of the contracting support activities. The centralized acquisition office projects to negotiate approximately \$965 million of OSD contracts. Funds support the addition of 83 FTEs, information technology equipment for IT services and maintenance of facilities.

(FY 2012 Baseline: \$0 thousand)

4) Human Resources

A program increase for Human Resource Management occurred as a result of internal realignment of Civilian Pay to non-Pay to reimburse the Defense Logistics Agency (DLA) for personnel support. This increase is offset by the corresponding decrease in civilian pay and is not new program growth. (FY 2012 Baseline: \$8,333 thousand)

5) Facilities/Installation Management

The new Space Policy and Management Division (SPMD) Construction, Alterations and Fit-out which reflects anticipated office configuration changes needed at Mark Center to accommodate organizational changes that have occurred since Mark Center space allocation and layout plans were locked down in order to meet the construction schedule. (FY 2012 Baseline: \$255,440 thousand)

9. Program Decreases

Amount	Totals
3,095	
542	
	-96,561

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III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
a. Annualization of FY 2012 Program Decreases		
b. One-Time FY 2012 Increases		
c. Program Decreases in FY 2013		
1) Facilities/Installation Management	-69,711	
Facilities shows a program decrease reflecting the internal transfers within WHS for the Program Services Division (\$-12,078); termination of centrally funded Mark Center rent (\$-7,918); decrease in rent to reflect draw down of Pentagon renovation program (\$-16,083); decrease in GSA rent costs to reflect BRAC moves (\$-2,381); decrease in leased facility move costs due to program rampdown as tenants are moved to Anti-Terrorism/Force Protection compliant leased facilities (\$-16,080); and decrease due to completion of lease facility restoration costs to return BRAC (\$-9,407). Reductions in facility maintenance contracts for HVAC, utilities and cleaning services for FOB2/Navy Annex -services transferred to Arlington Cemetary after demolition of building (\$-5,764). (FY 2012 Baseline: \$255,440 thousand)		
2) WHS Operations	-9,293	
WHS Operations is reduced by eliminating redundancy of contractor support by combining like administrative services (\$-1,907); and contractor to civilian conversion (\$-370). A perceived decrease is due to a realignment of funds between erroneous object classes (\$-6,542), this decrease is offset by a corresponding increase in WHS Operations. Additional reductions are a result of an Executive Order decreasing travel and printing costs (\$-456). (FY 2012 Baseline: \$26,425 thousand)		

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III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
3) Financial Management Finance shows a program decrease which reflects an internal transfer out of functions for Enterprise Performance Management System (EPMS) (\$-4,202), Mass Transit Subsidy (\$-692), Flexible Spending Account (\$-899), Defense Courier Service, and the termination of duplicative Financial Management systems. Some of these decreases offset the above mentioned increases to in WHS Operations. (FY 2012 Baseline: \$16,886 thousand)	-5,793	
4) Efficiencies Efficiencies realized from FY 2012 to FY 2013 for 3 Senior Executive Service reductions, consolidation of IT organizations, and consolidation of Defense Facilities Directorate with Pentagon Renovation. (FY 2012 Baseline: \$0 thousand)	-5,215	
5) Compensation & Benefits Compensation and benefits shows a reduction of 24 FTEs due to efficiencies realized from FY 2012 to FY 2013 with the consolidation of IT services and downsizing WHS operations. (FY 2012 Baseline: \$104,319 thousand; 719 FTEs)	-3,436	
6) Information Technology Information Technology shows a program decrease due to reductions in the wireless telecommunication program, printers and associated labor and materials cost, Enterprise IT Service Contract Support, and the elimination of other programs. (FY 2012 Base: \$144,139 thousand)	-3,113	
FY 2013 Budget Request		521,297

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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 works to 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:

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
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	100,000	100,000	100,000

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IV. Performance Criteria and Evaluation Summary:

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Adjudication Facility services for OSD, Specified Defense Agencies and DoD Field Activities			
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)	21,040	21,240	21,359
3) <u>Facilities and Operational Services</u>			
Space Managed (square feet in 000)			
Pentagon Reservation	8,756	8,756	8,756
Other	9,561	9,561	9,561
Communications			
Number of Lines	21,878	22,016	22,098

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IV. Performance Criteria and Evaluation Summary:

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Number of Instruments	21,878	22,016	22,098
Personnel Serviced	11,022	11,091	11,132
4) <u>Acquisition and Procurement Support</u>			
Total Contract Actions Processed	3,000	3,000	3,000
Total Obligations Processed (\$000)	\$800,000	\$800,000	\$800,000
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	6,519	8,449	8,449

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<u>V. Personnel Summary</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	Change FY 2011/ FY 2012	Change FY 2012/ FY 2013
<u>Active Military End Strength (E/S) (Total)</u>	140	179	179	39	0
Officer	33	55	55	22	0
Enlisted	107	124	124	17	0
<u>Civilian End Strength (Total)</u>	783	779	766	-4	-13
U.S. Direct Hire	783	779	766	-4	-13
Total Direct Hire	783	779	766	-4	-13
Memo: Reimbursable Civilians Included	62	11	22	-51	11
<u>Active Military Average Strength (A/S)</u> (Total)	140	179	179	39	0
Officer	33	55	55	22	0
Enlisted	107	124	124	17	0
<u>Reservists on Full Time Active Duty (A/S)</u> (Total)	5	5	5	0	0
Officer	4	4	4	0	0
Enlisted	1	1	1	0	0
<u>Civilian FTEs (Total)</u>	837	773	797	-64	24
U.S. Direct Hire	837	773	797	-64	24
Total Direct Hire	837	773	797	-64	24
Memo: Reimbursable Civilians Included	32	54	22	22	-32
Average Annual Civilian Salary (\$ in thousands)	143.7	145.2	144.6	1.5	-0.6
 <u>Contractor FTEs (Total)</u>	 844	 911	 776	 67	 -135

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

OP 32 Line	FY 2011 Actuals	Change FY 2011/FY 2012		FY 2012 Estimate	Change FY 2012/FY 2013		FY 2013 Estimate
		Price	Program		Price	Program	
101 Exec, Gen'l & Spec Schedules	115,677	0	-11,358	104,319	391	7,384	112,094
107 Voluntary Sep Incentives	0	0	110	110	0	-110	0
199 Total Civ Compensation	115,677	0	-11,248	104,429	391	7,274	112,094
308 Travel of Persons	1,673	30	501	2,204	37	763	3,004
399 Total Travel	1,673	30	501	2,204	37	763	3,004
417 Local Purch Supplies & Mat	978	18	-996	0	0	0	0
499 Total Supplies & Materials	978	18	-996	0	0	0	0
672 Pentagon Reserv Maint	106,646	-13,587	31,881	124,940	-13,306	-7,909	103,725
673 Def Fin & Accounting Svc	3,305	-585	1,319	4,039	669	-745	3,963
680 Building Maint Fund Purch	0	0	55,700	55,700	8,823	-34,325	30,198
699 Total DWCF Purchases	109,951	-14,172	88,900	184,679	-3,814	-42,979	137,886
771 Commercial Transport	49	1	223	273	5	-278	0
799 Total Transportation	49	1	223	273	5	-278	0
912 GSA Leases (SLUC)	44,506	801	-23,061	22,246	378	4,894	27,518
913 Purch Util (non fund)	1,502	27	604	2,133	36	876	3,045
914 Purch Com (non fund)	18,410	331	3,070	21,811	371	-653	21,529
915 Rents, Leases (non GSA)	1,938	35	-1,973	0	0	265	265
917 Postal Svc (USPS)	21	0	-21	0	0	28	28
920 Supplies/Matl (non fund)	14,581	262	2,915	17,758	302	2,251	20,311
921 Print & Reproduction	1,881	34	251	2,166	37	-806	1,397
922 Eq't Maint Contract	5,320	96	1,720	7,136	121	-788	6,469
923 Facilities Maint by	10,929	197	3,326	14,452	246	-13,906	792

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<u>OP 32 Line</u>	FY 2011 <u>Actuals</u>	Change <u>FY 2011/FY 2012</u>		FY 2012 <u>Estimate</u>	Change <u>FY 2012/FY 2013</u>		FY 2013 <u>Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
Contr							
925 Eqt Purch (Non-Fund)	25,148	453	-18,860	6,741	115	-3,410	3,446
932 Mgt Prof Support Svcs	40,628	731	-21,869	19,490	331	-2,910	16,911
933 Studies, Analysis & Eval	9,484	171	-6,283	3,372	57	545	3,974
934 Engineering & Tech Svcs	17,912	322	-18,234	0	0	1,032	1,032
957 Lands and Structures	670	0	-670	0	0	0	0
959 Insurance Claims/Indmnties	58	0	-58	0	0	31	31
985 Research & Development, Contracts	1,093	0	-1,093	0	0	0	0
987 Other IntraGovt Purch	60,374	1,087	-26,396	35,065	596	18,946	54,607
989 Other Services	96,281	1,733	13,572	111,586	1,897	-6,525	106,958
999 Total Other Purchases	350,736	6,280	-93,060	263,956	4,487	-130	268,313
Total	579,064	-7,843	-15,680	555,541	1,106	-35,350	521,297