



**DEPUTY CHIEF MANAGEMENT OFFICER**  
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**WASHINGTON, DC 20301-9010**

October 23, 2017

MEMORANDUM FOR: SEE DISTRUBUTION

SUBJECT: Fiscal Year 2017 Department of Defense Organizational Assessment Report

The attached assessment has been prepared pursuant to sections 4311-4315 of Title 5, United States Code and Office of Personnel Management, implementing regulations and guidance. This guidance requires that performance evaluations for DoD Senior Executive Service (SES) members and Senior Level Scientific and Technical (SL/ST) professionals be based on both individual and organizational performance. This memorandum and the attached Organizational Assessment comply by providing an assessment of organizational performance through Third Quarter, FY 2017.

DoD's FY 2017 performance goals, as reflected in the President's Budget, are the basis for DoD-wide organizational performance. DoD Component performance results also inform individual SES and SL/ST performance evaluations. Rating officials and members of Performance Review Boards (PRBs) should use the attached organizational assessment results, along with other relevant performance reports, to assess SES and SL/ST performance. PRBs should make pay-for-performance decisions and award determinations based upon results achieved that demonstrate success and improvement in both DoD-wide and Component-specific performance.

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Attachment:  
As stated

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2017

# Department of Defense Organizational Assessment



October 2017



The estimated cost of this report or study for the Department of Defense is approximately \$28,000 in Fiscal Years 2007 - 2017. This includes \$1,000 in expenses and \$27,000 in DoD labor.

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## Overview

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The Department of Defense (DoD) Organizational Assessment (OA) reports on DoD-wide performance results and is used to evaluate performance of Senior Executive Service (SES) and Senior Level/Scientific and Technical (SL/ST) professionals, pursuant to sections 4311-4315 of Title 5, of the United States Code and Office of Personnel Management implementing guidance. Accordingly, Senior Executives are evaluated on both individual and organizational performance.

Performance results through the third quarter of FY 2017, published in this report, will be used for senior executive performance review boards along with other DoD-wide and component-specific strategic goals and performance results published in documents such as, but not limited to:

- The 2014 Quadrennial Defense Review, National Military Strategy, National Security Strategy, National Intelligence Strategy, and Defense Planning Guidance
- Organizational plans such as, but not limited to, Principal Staff Assistant (PSA) strategic plans, Defense Agency and DoD Field Activity (DAFA) Strategic Plans, Theater Campaign Plans, and Service Campaign Plans
- Functional plans such as, but not limited to those related to management reform of the DoD enterprise
- Budget documents containing performance plans, measures, and targets

This FY 2017 OA report leverages performance measure content from the DoD Agency Strategic Plan (ASP), Fiscal Years 2015-2018, version 2.0, (draft). Appendices A & B of the DoD ASP also serves as the DoD Agency Performance Plan (APP) for Fiscal Years 2016 and 2017 and the draft APP for Fiscal Year 2018.

# Summary of Results

The FY 2017 OA evaluates strategic objective progress based on 68 performance measures included in Appendix A of the DoD ASP, Fiscal Years 2015-2018, version 2.0 (draft).

## Fiscal Year 2017 Performance Results Summary

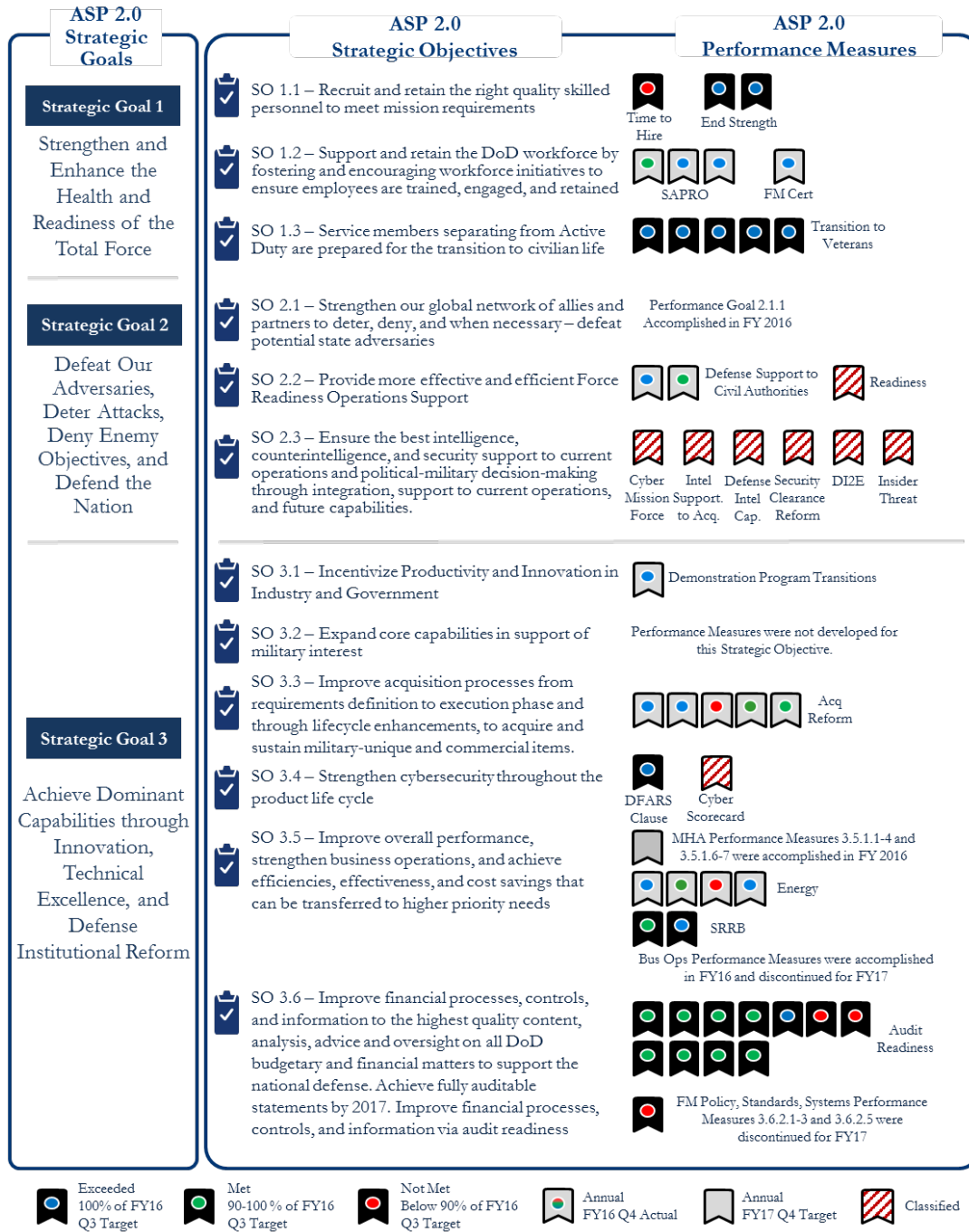


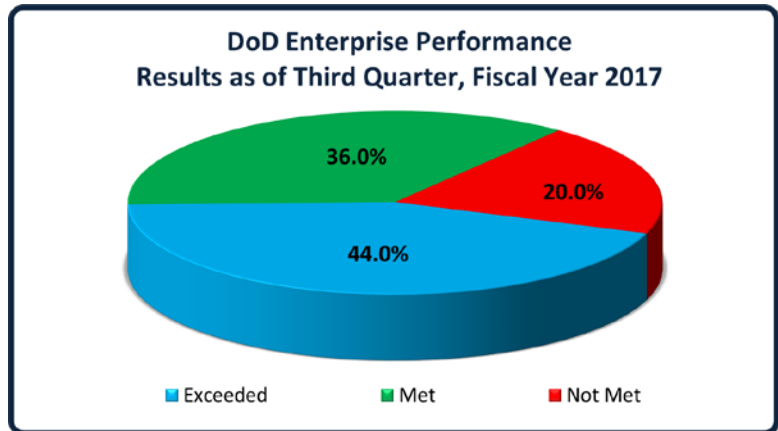
Figure 1 - Summary of FY 2017 Results as of 3<sup>rd</sup> Quarter and Alignment of DoD FY 2015-2018 Agency Strategic Plan, Version 2.0

The Department is a performance-based organization. As such, the Department is committed to managing towards specific, measurable goals derived from a defined mission, using performance data to continually improve operations.

The Department has been successful in meeting many of the measures as of third quarter, FY 2017, including those related to strengthening business operations, achieving efficiencies, effectiveness and cost savings, audit readiness, and ensuring our Veterans are ready for their transition to civilian life.

At the end of the third quarter in FY 2017, the Department met or exceeded 80 percent its performance targets. The Department had not met 20 percent of its targets.

Performance threshold definitions from the Office of Personnel Management (OPM) were used to determine if the Department exceeded, met, or did not meet their performance targets. Specifically, the OPM definitions are:



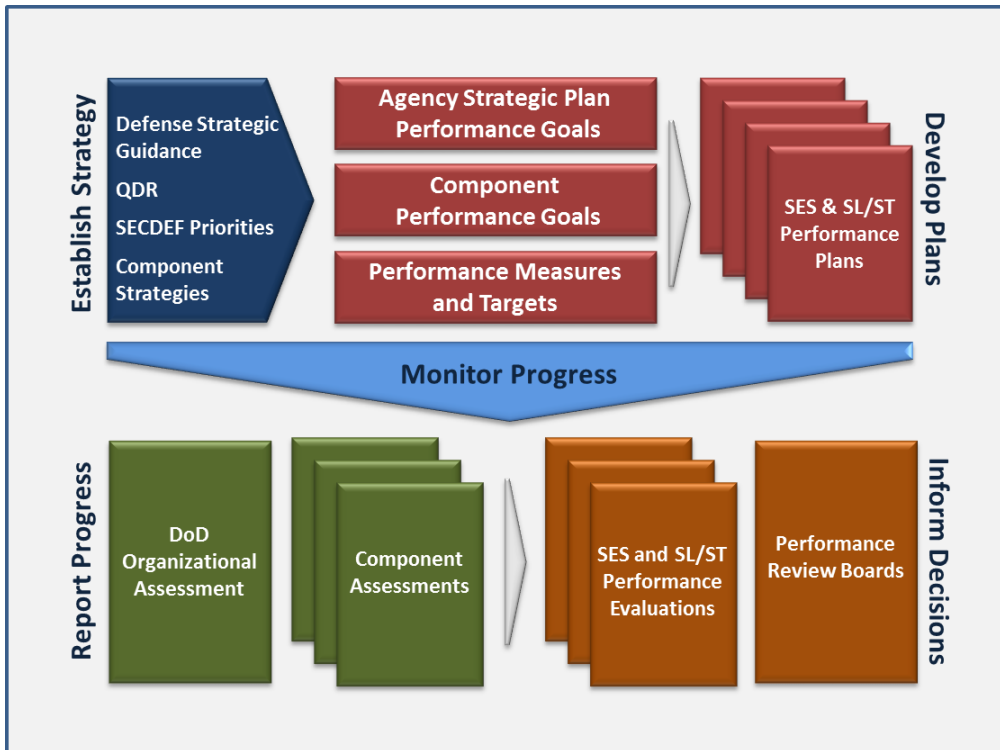
- **Exceeded:** Actual performance more than 100% of target
- **Met:** Actual performance 90-100% of target
- **Not Met:** Actual performance below 90% of target

The Department utilized several classified performance measures in the FY 2017 performance cycle. While the details of these measures are not included in this unclassified report, their status (met, not met, exceeds) has been included in the overall assessment.

In addition, because several DoD performance measures have annual targets prior to 3<sup>rd</sup> quarter, the status of these measures was also used in the overall performance assessment as of the 3<sup>rd</sup> quarter of FY 2017.

To ensure the quality of performance data collected for this assessment, DoD goal owners have attested the performance data results and narrative information is complete, accurate, and reliable and that verification and validation procedures are documented and available upon request.





**Figure 2 - Alignment of Organizational Goals to Senior Executive and Senior Professional Performance Evaluations**

Defense leaders are responsible for creating performance measures in the Annual Performance Plan. These performance measures encompass activities related to both the Department’s warfighting mission and business operations to create a holistic performance plan and budget submission. While goal leader responsibility has been assigned to functional Principal Staff Assistants for reporting purposes, these goals and measures are used to inform the “Results Driven” critical elements contained in respective Senior Executive performance agreements. This enables executives to focus on measurable outcomes from the Department’s Agency Strategic Plan. Figure 2 is a high level depiction of how performance measure results drive the evaluation a senior executive performance.

## Transition to Veterans

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Our Nation should provide the best support possible to those who keep our country free and strong as they transition to civilian life, especially during this time of planned structural Department reorganizations. The DoD remains focused on how to achieve lasting success for transitioning Service members both in preparing them for careers beyond the military and ensuring a smooth transition from active duty. To effectively address these issues, the Department continues to implement policies and practices that focus on Readiness and supporting Service members and their families.

The Department and other critical federal partners are working to ensure that all eligible Service members participate in an effective program of pre-separation planning and education through evidence-based learning. This support is delivered through curriculum, Transition GPS (Goals, Plans, Success) within the DoD Transition Assistance Program (TAP), which is comprised of both core instructional blocks and individually selected tracks for accessing higher education, for obtaining career technical training, and for entrepreneurship.



**Photo 1: An Air Force Reserve individual mobilization augmentee assigned to the Pentagon, serves as the county judge for Orange County, Texas, in civilian life.**

Through 3rd Quarter FY 2017, more than 90 percent of known eligible active duty and Reserve Component Service members have met the TAP performance objectives.

Since 2007, the Department of Defense and Department of Veterans Affairs (VA) have operated an Integrated Disability and Evaluation System (IDES) to provide both DoD and VA disability benefits to Service members discharged due to medical disability. For the IDES performance goals, during third quarter FY 2017, the equally weighted goal components of the average of IDES process timeliness; Service member customer service satisfaction; accuracy and consistency of Military Department IDES dispositions; and Military Department compliance with case processing administrative requirements resulted in an overall 85% score for the DoD IDES performance measure, which exceeded the third quarter target (80%). The DoD will continue to evaluate the Military Departments' performance against all measures that comprise the IDES Performance Goal.

## Sustaining Audit Readiness

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The National Defense Authorization Act (NDAA) for 2014 mandates that the Secretary of Defense ensures a full audit is performed on the DoD financial statements beginning in FY 2018. The DoD Consolidated Audit will likely be the largest audit ever undertaken. It comprises more than 24 standalone audits and an overarching consolidated audit. The DoD has notified the Department of Defense Inspector General (DoD IG) and congressional committees that it has the necessary capabilities to start the full financial statement audit in FY 2018. The Department expects to receive a variety of audit findings and recommendations, which will help to establish the baseline and provide a benchmark against which progress can be measured. During FY 2017, the Department established ambitious goals for improving our readiness posture going into next year's audit. While several of these goals were not achieved, all material organizations have asserted that sufficient capability exists to support and obtain actionable feedback from a full scope financial audit.



**Photo 2: Marines conduct improvised explosive device evasion drills during Spanish Bilateral Amphibious Landing Exercise in Sierra del Retin, Spain, March 13, 2017.**

Remediating audit findings from the full financial statement audits is at the core of DoD's audit strategy and is the most certain and cost-effective path to achieving a clean audit opinion. The audit assesses our financial processes and systems and will bring to light areas where the Department can improve. Over the next year, the Department must support a number of concurrent activities, including supporting the ongoing audits, addressing issues identified in earlier audits, and planning for future audits. This all directly supports the Department's strategic priority to transform business processes.

In order to standardize how audit results are reported and tracked by the Department, the DoD has developed a common tool with standardized categories of deficiencies in order to capture critical elements of audit findings to drive change, accountability, and measure progress. The tool will support accountability of remediation activities across the components. Appendix A represents self-reported progress against performance measures identified in prior years. In FY 2018, these performance measures and targets will be changed in response to expected feedback and Notice of Findings and Recommendations received via the independent public accounting audit results.

## Energy

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The Services and Combatant Commands have made strides in including the risks of energy disruptions in planning activities. Experiential learning through including operational energy in wargames, exercises, and operation plans allows the industrial base to bring capabilities they have developed and truly test them with the warfighter. This benefits the government-industry partnership and allows new operational concepts and warfighting strategies to be developed.

The earlier we consider energy in the development process, the more we are able to effectively influence the design and capability of future systems. Underpinned by an analysis of how a system will be supported in a future warfighting scenario, the energy key performance parameter helps the Department make holistic decisions about future combat forces and the energy logistics and infrastructure needed to support those forces. The needs of our



**Photo 3: Lightweight solar panels on Mt. Koke'e, Hawaii demonstrate rapidly-deployable, off-grid energy technologies for increased mission energy resiliency in remote locations.**

Combatant Commands will inform Department investments in people, equipment, and installations. Joint and Service wargames and scenario analyses will identify long-term risks to our combat capability that can be remedied through changes in how we consume and distribute energy in operations. These “demand signals” for operational energy improvements will then be integrated across requirements, acquisition, and innovation decision-making to quickly and effectively meet warfighter needs.

## Reforming the DoD Acquisition Process

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As the 2016 Annual Report on the Performance of the Defense Acquisition System illustrates, cost growth for Major Defense Acquisition Programs is at a 30-year low. The Department has achieved this success by observing several key tenets: setting reasonable requirements, putting trained professionals in charge, giving them the resources that they need, and providing strong incentives for success. With some exceptions, performance requirements and schedules are generally stable across major programs and the United States continues to field the most capable warfighting systems in the world.

Since the Weapons System Acquisition Reform Act of 2009, major programs baselined reflect cumulative underruns in excess of \$30 billion. All three military departments are showing net improvements across their portfolios of programs with original baselines since 2009. This result comports with analysis indicating that cost growth has improved recently and that it is the programs started before 2009 that have higher cost growth. We have seen success in ensuring the Department is paying reasonable prices by tying contractor performance and risk to profit/fee. We have been monitoring operating margins of our prime contractors to ensure that the net effect of these efforts



**Photo 4: A military working dog handler, sits with her dog, Jaska, during K-9 hoist evacuation training at Soto Cano Air Base, Honduras, Aug. 15, 2016.**

– combined with other issues, such as Sequestration – is not undermining the health of our defense industrial base. Results for the six largest prime contractors since 2009 show that they have performed consistently or slightly better, providing evidence that our efforts have not hurt the profit margins of these companies.

The annual report also describes the Department’s

significant progress in rebuilding the acquisition workforce. Congress made this success possible through the Defense Acquisition Workforce Development Fund, Acquisition Demonstration Project (AcqDemo), and other special hiring authorities. The Department has rebuilt workforce size, reshaped the workforce to strengthen early and mid-career year groups, significantly improved certification and education levels, and expanded participation in the contribution-based AcqDemo personnel management system.

Average development timelines for major programs must be reduced to be more responsive to the force. Defense manufacturing costs continue to increase at rates greater than those of the larger economy. To some extent this is the result of the increasing complexity and performance requirements of the systems themselves, but the overall trends are unaffordable. The Department has had many successes, and will continue to review and improve our work in delivering capability to the warfighter and protecting the taxpayer.

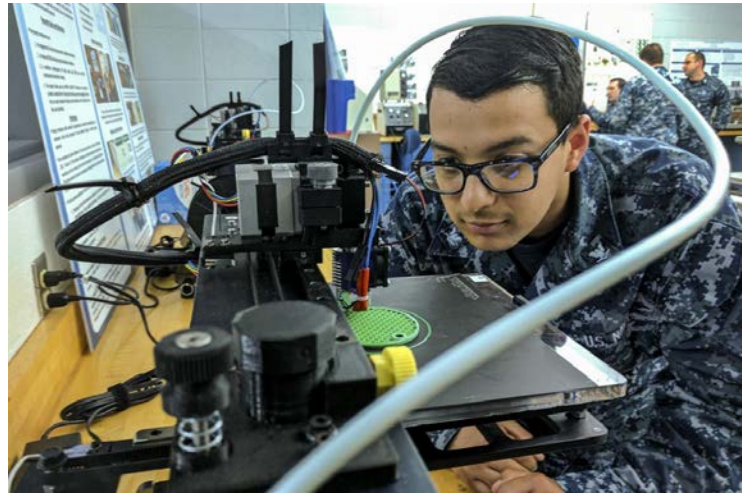
## Innovation

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Our Department-wide focus on technology innovation seeks to identify and invest in unique capabilities to sustain and advance the Department's military superiority for the 21st Century. The Department's research and engineering enterprise plays a vital role in maintaining the U.S.

technological advantage despite the increased rate of investment in military research and development (R&D) from near-peers and easy proliferation of knowledge and technology that has eroded U.S. historic advantages. The Department's research and engineering enterprise is focused on providing the technologies to address current and

future threats, reducing the cost of current systems while increasing their capability, and creating technological surprise for our adversaries. In the process of delivering capabilities into the warfighter's hands, we have leveraged all sources of innovation, both internal and external to DoD, and we used prototyping and experimentation to inform, evaluate, and accelerate technology development. The Department's continued R&D efforts contribute to the fielding of capabilities to the warfighter to ensure the Department is able to win today's fight and any future fights.



**Photo 5: A Navy Petty Officer examines a 3-D printer during a 3-D design and production course at Old Dominion University in Norfolk, Va., May 13, 2017, as part of the university's FleetMaker program. The program teaches service members how to design and print objects and parts that can help the fleet. Pastor is an information systems technician.**

## Competitively Awarded Contract Obligations

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When viable, competition is, perhaps, the single best way to motivate contractors to provide the best value (i.e., the best performance at the lowest price). Since 2010, competition goals have been set by the Department. The military departments each analyze projections of future acquisitions to identify opportunities and creative strategies for future competitive awards.

Competition achievement by contracting organizations varies widely based upon the missions and type of supply or service being procured. Challenges to improving competition include high-value sole-source Foreign Military Sales, large on-going shipbuilding and aviation programs, and sustainment for major weapon systems that have already moved past the stage in the lifecycle where competition is economically viable. Another challenge can be industry bid-protests of source selections results, requiring DoD to award sole-source bridge contracts for goods and services in the interim until the protests are resolved and the new contracts can be awarded. Fiscal uncertainty, including continuing resolutions, and limited new starts, have negatively affected competition rates.

Despite these challenges, the DoD is continuing to pursue various approaches for breaking out system components for competition and take steps to increase competition for major systems by



**Photo 6: Sailors man the rails aboard the aircraft carrier USS Nimitz as it passes the USS Arizona Memorial in Pearl Harbor to participate in the biennial Rim of the Pacific 2012 exercise, the world's largest international maritime exercise, July 2, 2012. Twenty-two nations, more than 40 ships and submarines, more than 200 aircraft and 25,000 military personnel are participating in RIMPAC exercise from June 29 to Aug. 3, in and around the Hawaiian Islands.**

introducing competition during the sustainment phase of a product's life cycle through the use of open systems and open architectures. Beyond this kind of head-to-head competition, we are also expanding the types and use of other competitive environments to drive performance and cost savings. For example, the Navy's evolving Profit-Related-to-Offer techniques adjusts profit and production share between two captive shipyards based on bidding and cost control. Finally, analysis is continuing to set goals based on what is achievable rather than on simply setting goals based on prior actuals.

## **Civilian Hiring End-to-End Timeline**

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As has been clear in establishing this performance goal, the capacity to hire quality candidates in a timely manner is critical in the Department's ability to build a larger, more capable, and more lethal joint force. Factors both within and beyond the control of DoD have contributed to the overall increase of time to hire for the previous quarters of FY 2017. Simply, there has been no single factor that can be identified as the sole contributor.

Some areas of ongoing assessment in time to hire (TTH) influence include inconsistency in communications across components, differences in human resource (HR) information technology systems, lack of consistent process execution, varying degrees of interpretations of the law, HR span of control in the hiring process, budget, and/or seasonality effects. Multiple internal and external forces can complicate both analysis in understanding and determining root causes, and in implementing successful action plans.

DoD has continued to work through these challenges and uncertainties. More engagement with the OPM through building up analytical capabilities and competency models in USA STAFFING, complemented with the reestablishment of a DoD TTH Civilian Hiring working group, allow for enhanced communications, sharing of best practices, and strengthening of targeted training and

professional development opportunities within the HR community. Additionally, reemphasizing the importance of communication between the HR advisors and the hiring managers will continue to be a priority effort to improve TTH processes. To ensure progress in achieving timely hiring practices, established objectives and targets that contribute to program success will be captured and monitored as part of the Human Capital Operating Plan. The Department will continue to review and assess the TTH process in order to minimize negative impacting factors, while seeking to achieve its ultimate goal of timely hiring.

## Institutional Reform

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The Secretary of Defense, the Executive Office of the President (including the Office of Management and Budget (OMB)), and Congress continue to drive reform within the DoD. In his Budget Guidance Memorandum to the Department, dated January 31, 2017, Secretary Mattis stated DoD must improve how it does business in order to increase the lethality, improve the readiness, and grow the capability and capacity of our forces. To this end, the FY



**Photo 7: Texas National Guard soldiers assist residents affected by flooding caused by Hurricane Harvey in Houston, Aug. 27, 2017.**

2019-2023 Defense Program contains an ambitious reform agenda. Further, the President issued an Executive Order directing OMB to develop a plan to reorganize the Executive Branch. In response, OMB directed federal agencies to develop comprehensive plans for reforming the federal government, reducing federal civilian workforces, and maximizing employee performance.

As a result of this direction, DoD developed a comprehensive reform agenda, which will be included in the next ASP to be published in February 2018. The focus of the reform agenda is pursuing cross-enterprise consolidation, reduction, and where appropriate, elimination of specific business activities or duplication of efforts to achieve greater efficiency, effectiveness, and savings. These efforts will free up resources for higher priority requirements that will contribute to the lethality of the Department. Implementation of the reform agenda and other Department priorities will be tracked through the ASP, which is based on the Secretary's priorities; the Annual Performance Plan, which sets out specific goals and targets; and the Annual Performance Report, which publishes the Department's performance results each year.

In FY 2017, the Department expanded its ongoing reform efforts to further reduce the cost of doing business. By identifying additional opportunities for management improvements and investments in



high priority programs, the Department is striving to maximize the availability and utilization of its constrained resources to achieve an optimum balance of force structure capacity and technological capabilities. This approach included divesting lower priority or excess force structure and excess infrastructure as well as implementing compensation reforms.

Current initiatives include reduction of Major DoD Headquarters Activities (MHA), service contract requirements reviews, Information Technology (IT) optimization, leased space consolidation, military healthcare reforms, operational energy improvements, implementing more efficient logistics practices, and optimizing business operations including exchanges and commissaries.

Institutional reform will continue over the coming years as initiatives are developed through a set of cross-functional teams that have been established to champion the Department's reform agenda.

***Contract Management:*** The Department obligates over \$250 billion annually to contract for goods and services, including acquisition of major weapons systems, support for military bases, implementing new information technology, and other mission areas. The Department's leadership has taken significant steps to plan and monitor progress regarding the management and oversight of



**Photo 8: Hawaii Air National Guardsmen view the waters off Joint Base Pearl Harbor-Hickam, Hawaii, March 7, 2017, from the back ramp of a C-17 Globemaster III after completing training.**

contracting techniques and approaches. In FY 2016, the OSD staff and the Defense Agencies and DoD Field Activities institutionalized a requirements review process known as Service Requirements Review Boards (SRRB), complementing similar reviews already underway in the Military Departments. Through these SRRBs, senior leaders focus on assessing, reviewing, and validating service contract requirements.

The process requires organizations to review their service contract requirements and assess opportunities for efficiencies, to include elimination of non-value added services, identification and elimination of duplicative requirements, realignment of requirements to better align to mission, and identification of strategic sourcing opportunities. In addition, the OSD staff and Defense Agencies and DoD Field Activities, via the SRRB process, were tasked with capturing savings of \$1.9 billion by 2021 for reinvestment in higher priority requirements. In 2017, 15 senior review panels were conducted for 25 organizations, and identified savings of \$141 million for FY 2017 alone. The projected savings for FY 2018 is approximately \$500 million.

**Major DoD Headquarters Activities (MHA):** Section 346(b) of the NDAA for FY 2016 directed a 25 percent reduction in the cost of MHA from FY 2016 re-baselined levels by FY 2020 (including credit for previous headquarters reductions conducted under former Secretary of Defense Hagel). In December 2015, the DSD approved programmatic reductions of \$1.39 billion and 2,350 military and civilian manpower authorizations through FY 2021 to be incorporated into the President's Budget (PB) 2017 request. At the end of FY 2017, the Department will have achieved 20.7 percent of the 25 percent cost reduction directed in legislation. By the end of FY 2020, the Department expects to be at 25.9 percent against the 25 percent cost reduction target.

Section 346(b) prescribed a top level, common framework for MHA. That framework, as amplified by the Office of the Deputy Chief Management Officer (ODCMO), identifies all activities of OSD, the Joint Staff, and the Military Department headquarters as MHA, and also defines select functions in the Combatant Commands, Major Commands and Component Commands of the Military Departments, and the Defense Agencies and DoD Field Activities as MHA. This major re-baselining effort established an authoritative MHA baseline for the purposes of reporting, tracking, and future management. The baseline includes manpower (military and civilian) and operating costs of headquarters, including contractor support.



**Photo 9: The District of Columbia National Guard's 257th Army Band kicks off the National Independence Day Parade along Constitution Avenue in Washington, D.C., July 4, 2015. Known as the Band of the Nation's Capital, the 257th Army band has the honor of leading the elite marching units of each of the five uniformed services at the start of the annual holiday celebration.**

**Leased Space:** In FY 2014, the Department started with a baseline of 5.4 million square feet of DoD-occupied space in the National Capital Region (NCR). The Department set forth a plan to reduce this footprint by 1.2 million square feet prior to FY 2020. To date, the Department has eliminated 267,000 square feet of leased space used in the NCR by making better use of government space, resulting in a savings to the Department of \$10 million per year beginning in FY 2016. The Department will release an additional 886,000 square feet by FY 2020 for a total of \$43 million per year in savings thereafter. In addition to the FY 2014 planned efforts, the Department continues to look for additional leased space savings within the NCR, and will also look into opportunities nationwide.

**Defense Resale:** Recent budget proposals sought to reduce Defense Commissary Agency (DeCA) funding by more than 70 percent, or \$1 billion per year, beginning in FY 2017. In order to implement a phased approach, the Department requested an alternate plan in the FY 2017 President's Budget to achieve DeCA savings of \$1 billion per year by FY 2021. Consolidation of

defense resale is an initiative being pursued through the Department's reform agenda, to be published with the next DoD Agency Strategic Plan.

**Information Technology Optimization:** The Department continues to make progress with ongoing efforts that are projected to result in nearly \$1.488 billion in Information Technology (IT) savings in FYs 2017 through 2021. Reviews of the Military Health System IT resources have targeted more than \$440 million in potential savings. An additional \$1.044 billion in savings are expected by taking full advantage of the Department's purchasing power and aggressively identifying and pursuing opportunities to further optimize DoD's IT infrastructure, NCR, and Defense Media Activity IT consolidation, enterprise licensing, and application rationalization.

**Military Healthcare:** The Department has proposed various ways to reform TRICARE for several years and the reforms currently reflected in the budget give beneficiaries more simplicity and choice in how they manage their healthcare, while also incentivizing the much more affordable use of military treatment facilities. These reforms will not only save money but will also maximize the workload and readiness of our Military's medical force; giving our doctors, nurses, medics, and corpsmen the experience they need to be effective in their mission. These reforms



**Photo 10: Hawaii Army National Guardsmen provide medical aid to a mock casualty during a combined training exercise in Kalaheo, Hawaii, July 19, 2017.**

have the potential to generate over \$3 billion over the Future Years Defense Program that can be better spent elsewhere to improve current and future readiness without sacrificing force health readiness or the care of our people.

**Business Operations Improvements:** The Department identified IT net benefits resulting from current Fourth Estate investments to develop, modernize, or enhance business systems. These benefits will enable a \$310 million reduction of business operations costs resulting from IT modernization investments in Fourth Estate activities between FYs 2017 and 2021. Although the net benefits analysis and findings do not currently capture any Defense health savings, the Department continues to analyze this business area to determine if additional potential savings can be achieved in the future. Defense Travel Modernization is also underway and will leverage simplified and automated business rules with a projected savings of up to \$450 million over five years.

## Summary

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The Department is a performance-based organization. As such, the Department is committed to managing towards specific, measurable goals derived from its defined National Defense mission, using performance data to continually improve operations. For example, the Department has maintained its commitment to veterans transitioning into the civilian workforce, reforming the DoD acquisition process, and pursuing improvement opportunities related to financial audit readiness, contract competition, and civilian time to hire. The Department looks forward to working with its stakeholders and Congress to meet the challenge of creating more effective and efficient operations, while delivering a high-value return for the American taxpayer in carrying out its mission to protect the country and its interests.

## Appendix A: Third Quarter, FY 2017 Performance Results Summary

The following tables outline the Department's strategic goals, strategic objectives, and results for FY17 performance measures. *Met* (green) and *Not Met* (red) assessments were calculated based on the Office of Personnel Management's (OPM) SES and SL/ST ratings distribution justification criteria.

STRATEGIC GOAL 1							
Strengthen and Enhance the Health and Readiness of the Total Force							
Strategic Objective (SO) 1.1: Recruit and retain the right quality skilled personnel to meet mission requirements							
Strategic Objective (SO) Leaders: USD(P&R), OSD							
<b>Performance Goal (PG) 1.1.1:</b> Beginning FY 2015, the Department will monitor the time to hire for all civilian hiring actions to determine its performance to an annual goal of 80 days while examining the drivers affecting the ability to meet the goal.		<b>Performance Goal (PG) Leader:</b> Chief of Staff, Office of the Under Secretary of Defense, Personnel & Readiness (OUSD, P&R), OSD					
Performance Measure		Q1 2017	Q2 2017	Q3 2017	Q4 2017	2018	Prior Year Results
1.1.1.1 Beginning in FY 2016, the Department will improve and maintain its timeline for all internal and external (direct hire authority, expedited hire authority, and delegated examining) civilian hiring actions at 80 days or less.	Target	< 80	< 80	< 80	< 80	TBD	FY11:104 FY12: 83 FY13: 94 FY14: 89 FY15: 83 FY16: 86
	Actual	88	96	112			
<b>PG 1.1.2:</b> Improve data management of variance in Active Component end strength to meet or exceed Congressional end strength by no more than three (3) percent		<b>Performance Goal (PG) Leader:</b> Chief of Staff, Office of the Under Secretary of Defense, Personnel & Readiness (OUSD, P&R), OSD					
Performance Measure		Q1 2017	Q2 2017	Q3 2017	Q4 2017	2018	Prior Year Results
1.1.2.1 For each fiscal year, the DoD Active Component end strength will not vary by more than three percent from the SECDEF/ NDAA prescribed end strength for that fiscal year.	Target	+/- 3%	+/- 3%	+/- 3%	+/- 3%	+/- 3%	FY11: -0.50% FY12: -1.60% FY13: -1.40% FY14: -0.83% FY15: 0.25% FY16: -0.58%
	Actual	-0.88%	-1.08%	-1.07%			
<b>PG 1.1.3:</b> Improve data management of variance in Reserve Component end strength to meet or exceed Congressional end strength by no more than 3%		<b>Performance Goal (PG) Leader:</b> Chief of Staff, Office of the Under Secretary of Defense, Personnel & Readiness (OUSD, P&R), OSD					
Performance Measure		Q1 2017	Q2 2017	Q3 2017	Q4 2017	2018	Prior Year Results
1.1.3.1 For each fiscal year, the DoD Reserve Component end strength will not vary by more than three percent from the SECDEF/ NDAA prescribed end strength for that fiscal year.	Target	+/- 3%	+/- 3%	+/- 3%	+/- 3%	+/- 3%	FY11: 0.20% FY12: -0.80% FY13: -0.86% FY14: -1.10% FY15: -1.00% FY16: 0.09%
	Actual	-0.29%	-0.33%	-0.65%			

STRATEGIC GOAL 1

Strengthen and Enhance the Health and Readiness of the Total Force

**SO 1.2:** Support and retain the DoD workforce by fostering and encouraging workforce initiatives to ensure employees are trained, engaged and retained

**SO Leader:** USD(P&R), OSD

**PG 1.2.1: End Sexual Assault in DoD:** By 2018, working with the Military Services and nationally-recognized organizations, shape the health and readiness of the force through the following key indicators. Continue to tie this PG into other DoD efforts to prevent sexual assault and respond to victims.

**PG Leader:**

Director, Sexual Assault Prevention and Response Office (SAPRO), OUSD (P&R), OSD

Performance Measure		Q1 2017	Q2 2017	Q3 2017	Q4 2017	2018	Prior Year Results
1.2.1.1: Increase the percentage of bystander interventions of sexual assault from 87 percent to 95 percent.	Target	Measured Annually			95%	90%	FY16: 88% (Target: 90%)
	Actual						
1.2.1.2: Increase from 25 percent to 35 percent the overall estimated (restricted and unrestricted) reporting rate of sexual assault allegations across the DoD over FY 2014 reporting rate.	Target	Measured Annually			35%	35%	FY16: 32% (Target: 30%)
	Actual						
1.2.1.3: Increase from 10 percent to 20 percent the portion of male Service members reporting allegations of sexual assault over the FY 2014 reports.	Target	Measured Annually			20%	20%	FY16: 17% (Target 15%)
	Actual						
<b>PG 1.2.2:</b> The Department needs a well-trained financial workforce, which has knowledge, skills, and abilities necessary to provide decision support and analysis as well as provide critical enabling support to help the Department achieve auditable financial statements.		<b>PG Leader:</b> Director, Human Capital and Resource Management, Office of Under Secretary of Defense, Comptroller/Human Capital and Resource Management, OSD					
Performance Measure		Q1 2017	Q2 2017	Q3 2017	Q4 2017	2018	Prior Year Results
1.2.2.1: The DoD will increase the percent of FM members certified to 55% between FY2015 and FY2016 and by an additional 5% each, in fiscal years 2017 and 2018.	Target	Measured Annually			60%	65%	FY16: 66% (Target 55%)
	Actual						

**STRATEGIC GOAL 1**

**Strengthen and Enhance the Health and Readiness of the Total Force**

**SO 1.3** Service members separating from active duty are prepared for the transition to civilian life.

**SO Leader:** USD(P&R), OSD

**PG 1.3.1:** Transition to Veterans. By September 30, 2017, DoD will improve the career readiness of Service members transitioning to civilian life.

**PG Leader:**  
Chief of Staff, OUSD(P&R), OSD

Performance Measure		Q1 2017	Q2 2017	Q3 2017	Q4 2017	2018	Prior Year Results
1.3.1.1: 80 percent of Service members will meet the DoD IDES performance goal.	Target	80%	80%	80%	80%	80%	FY12: 24% FY13: 32% FY14: 79% FY15: 87% FY16: 84%
	Actual	88%	84%	85%			
1.3.1.2: Verified percent of known eligible active duty Service members who met Career Readiness Standards or received a warm handover to appropriate partner agencies prior to their separation or retirement from active duty.	Target	85%	85%	85%	85%	85%	FY14: 34% FY15: 88% FY16: 96.9%
	Actual	98.3%	97.8%	97.4%			
1.3.1.3: Verified percent of known eligible reserve component Service members who met Career Readiness Standards or received a warm handover to appropriate partner agencies prior to their separation or retirement from active duty.	Target	85%	85%	85%	85%	85%	FY15: 93% FY16: 92.7%
	Actual	98.6%	97.6%	98.0%			
1.3.1.4: Verified percent of known eligible active duty Service members who attended (a) pre-separation counseling, (b) a Department of Labor employment workshop, and (c) Veterans Affairs Benefits briefings prior to their separation or retirement from active duty..	Target	85%	85%	85%	85%	85%	FY14: 63% FY15: 94% FY16: 96.8%
	Actual	97.7%	97.3%	96.7%			
1.3.1.5: Verified percent of known eligible reserve component Service members who attended (a) pre-separation counseling, (b) a Department of Labor employment workshop, and (c) Veterans Affairs Benefits briefings prior to their separation or retirement from active duty.	Target	85%	85%	85%	85%	85%	FY15: 90% FY16: 94%
	Actual	95.6%	95.5%	95.0%			

## STRATEGIC GOAL 2

Defeat our Adversaries, Deter Attacks, Deny Enemy Objectives, and Defend the Nation

**SO 2.1** Strengthen our global network of allies and partners to deter, deny, and when necessary – defeat potential state adversaries.

**SO Leader:** USD(P), OSD

**PG 2.1.1:** By CY 2018, develop counterterrorism partnership concepts for the Levant, Yemen, East Africa, Maghreb/Sahel, and the Lake Chad Basin, and execute programs in support of these partnership concepts, to build partner capacity in countries and regions where violent extremist organizations pose a serious threat to U.S. national interests.

**PG Leader:** DASD for Special Operations and Combating Terrorism, Office of the ASD for Special Operations and Low-Intensity Conflict, OUSD(P)

Performance Measure		Q1 2017	Q2 2017	Q3 2017	Q4 2017	2018	Prior Year Results
2.1.1.1: Concept paper production / Number of concept papers.	Target	Objectives for this measure were completed in Q3 FY 2016 and reported in the FY 2016 DoD Organizational Assessment. Performance Measure 2.1.1.1 has been discontinued.					Q3 FY16: 5
	Actual						

**SO 2.2:** Provide more effective and efficient Force Readiness Operations Support

**SO Leaders:** USD(P&R), OSD and USD(P), OSD

**PG 2.2.1:** Preparedness to provide Defense Support of Civil Authorities

**PG Leader:** Deputy Assistant Secretary of Defense (HDI&DSCA), OUSD(P), OSD

Performance Measure		Q1 2017	Q2 2017	Q3 2017	Q4 2017	2018	Prior Year Results
2.2.1.1: Number of operational/contingency plans approved to address DSCA and CBRN response / Number of formal plans	Target	Measured Annually			8	8	FY16: 8 (Target: 6)
	Actual						
2.2.1.2: Sourcing level of CBRN Response Enterprise (CRE) / Percentage of units fully sourced	Target	Measured Annually			100%	100%	FY16: 100% of Units Fully Sourced (Target 100%)
	Actual						



## STRATEGIC GOAL 2

Defeat our Adversaries, Deter Attacks, Deny Enemy Objectives, and Defend the Nation

**SO 2.2:** Provide more effective and efficient Force Readiness Operations Support

**SO Leaders:** USD(P&R), OSD and USD(P), OSD

**PG 2.2.2:** Increase Operational Readiness by FY 2020. By CY 2018, develop classified enterprise-level metrics to assess and track the readiness of the Joint Force to accomplish the National Military Strategy. This would measure, at a minimum: the readiness of the Joint Force to fulfill the force demands of top-tier operational warplans; the percent of steady-state Combatant Command demand for forces fulfilled by the Joint Force; progress towards enterprise-level readiness recovery goals.

**PG Leader:** Deputy Assistant Secretary of Defense (Force Readiness), OUSD(P&R), OSD.

PG 2.2.2: Associated performance measures, indicators, and targets are classified and currently in development.

**SO 2.3:** Ensure the best intelligence, counterintelligence, and security support to current operations and political-military decision-making through integration, support to current operations, and future capabilities.

**SO Leader:** USD(I), OSD

**PG 2.3.1:** Build the Intelligence portion of the Cyber Mission Force (CMF) to improve cyber capability and defend against growing threats.

**PG Leader:** Director for Defense Intelligence (Technical Collection and Special Programs) – OUSD(I), OSD

Performance Measures are classified and reported annually and are not included in this report.

**PG 2.3.2:** Inform fact based resource decisions for intelligence production in order to reduce intelligence gaps in support of major weapons systems.

**PG Leader:** Director for Defense Intelligence (Intelligence Strategy, Programs, and Resources), OUSD(I), OSD

Performance Measures are classified and reported annually and are not included in this report.

**PG 2.3.3:** By the fourth quarter of FY 2017, ensure key intelligence capabilities meet cost, schedule and performance requirements to protect and enhance defense intelligence capabilities in the areas of global coverage, counterterrorism and counterproliferation and Anti-Access/Area Denial (A2AD) environments.

**PG Leader:** Director for Defense Intelligence (Intelligence Strategy, Programs, and Resources), OUSD(I), OSD

Performance Measures are classified and reported semi-annually (2<sup>nd</sup> & 4<sup>th</sup> quarter) and are not included in this report.

## STRATEGIC GOAL 2

Defeat our Adversaries, Deter Attacks, Deny Enemy Objectives, and Defend the Nation

**SO 2.3:** Ensure the best intelligence, counterintelligence, and security support to current operations and political-military decision-making through integration, support to current operations, and future capabilities.

**SO Leader:** USD(I), OSD

**PG 2.3.4:** Evolve and implement DoD personnel security clearance reforms to mitigate the inherent risks and vulnerabilities posed by personnel entrusted with access to government information, facilities, systems, and other personnel.

**PG Leader:** Director for Defense Intelligence (Intelligence and Security), OUSD(I), OSD

Performance Measures are classified and reported annually and are not included in this report.

**PG 2.3.5:** Achieve improved mission effectiveness, efficiency, and security across the DoD, Intelligence Community, and with our international partners through seamless integration of intelligence information enterprise Information Technology (IT) capabilities into both the Joint Information Environment (JIE) and the Intelligence Community Information Technology Environment (IC ITE).

**PG Leader:** Director for Defense Intelligence (Intelligence, Strategy, Programs, and Resources), OUSD(I), OSD

Performance Measures are classified and reported quarterly and are not included in this report.

**PG 2.3.6:** By the fourth quarter FY 2017 the 43 DoD Components to reach and maintain “Full Operating Capability” with their Insider Threat Programs, based on the guidelines and tier-level(s) distributed by the National Insider Threat Task Force.

**PG Leader:** Director for Defense Intelligence (Intelligence and Security), OUSD(I), OSD

Performance Measures are classified and reported semi-annually (2<sup>nd</sup> & 4<sup>th</sup> quarter) and are not included in this report.

### STRATEGIC GOAL 3

Achieve Dominant Capabilities Through Innovation, Technical Excellence and Defense Institutional Reform

**SO 3.1:** Incentivize Productivity and Innovation in Industry and Government.

**SO Leader:** USD(AT&L), OSD

**PG 3.1.1:** Maintain a strong technical foundation within the Department's Science and Technology (S&T) program by transitioning completed demonstration programs.

**PG Leader:** Assistant Secretary of Defense for Research and Engineering (R&E), OUSD (AT&L), OSD

Performance Measure		Q1 2017	Q2 2017	Q3 2017	Q4 2017	2018	Prior Year Results
3.1.1.1: Percent of completing demonstration programs transitioning each year.	Target	Measured Annually			40%	40%	FY11: 83% FY12: 83% FY13: 77% FY14: 82% FY15: 82% FY16: 72% (Target: 40%)
	Actual						

**SO 3.2:** Expand core capabilities in support of military interest.

**SO Leader:** USD(AT&L), OSD

Performance Goals and Performance Measures have not been developed for this Strategic Objective.

**SO 3.3:** Improve acquisition processes from requirements definition to execution phase and through lifecycle enhancements, to acquire and sustain military-unique and commercial items.

**SO Leader:** USD(AT&L), OSD

**PG 3.3.1: Reform the Acquisition Process.** By September 30, 2017, DoD will improve its acquisition process.

**PG Leader:** Director, Acquisition Resources and Analysis, OUSD (AT&L), OSD

Performance Measure		Q1 2017	Q2 2017	Q3 2017	Q4 2017	2018	Prior Year Results
3.3.1.1: The median growth in cycle time for MDAPs will not increase by more than 15 percent from the Milestone B baseline.	Target	Measured Annually			</= 15%	</= 15%	FY11: 4.5% FY12: 6.6% FY13: 5.37% FY14: 0.0% FY15: 0.0% FY16: 14.9% (Target: </= 15%)
	Actual						
3.3.1.2: Biennial rate of quantity adjusted unit procurement cost growth for MDAPs will not exceed 6 percent.	Target	Measured Annually			</= 6%	</= 6%	FY12: -0.3% FY13: -1.42% FY14: 0.21% FY15: -0.41% FY16: 0% (Target: </= 6%)
	Actual						

### STRATEGIC GOAL 3

Achieve Dominant Capabilities Through Innovation, Technical Excellence and Defense Institutional Reform

**SO 3.3:** Improve acquisition processes from requirements definition to execution phase and through lifecycle enhancements, to acquire and sustain military-unique and commercial items.

**SO Leader:** USD(AT&L), OSD

**PG 3.3.1: Reform the Acquisition Process.** By September 30, 2017, DoD will improve its acquisition process.

**PG Leader:** Director, Acquisition Resources and Analysis, OUSD (AT&L), OSD

Performance Measure		Q1 2017	Q2 2017	Q3 2017	Q4 2017	2018	Prior Year Results
3.3.1.3: Annual number of MDAP breaches--significant or critical cost overruns for reasons other than approved changes in quantity--will be zero.	Target	Measured Annually			0	0	FY13: 0 FY14: 1 FY15: 0 FY16: 1 (Target: 0)
	Actual						
3.3.1.4: Percent of contract obligations that are competitively awarded will increase from 56.9 percent in FY 2013 to 53 percent in FY 2017.	Target	Measured Annually			53%	53%	FY13: 56.9% FY14: 58.7% FY15: 55.1% FY16: 52.8% (Target: 57%)
	Actual						
3.3.1.5: Percent of acquisition positions filled with personnel meeting Levels II and III certification requirements.	Target	Measured Annually			>80.6%	>80.6%	FY13: 76.3% FY14: 80.6% FY15: 78.8% FY16: 78.3% (Target: >80.6%)
	Actual						

**SO 3.4:** Strengthen cybersecurity throughout the product life cycle

**SO Leaders:** USD(AT&L), OSD; DoD CIO, OSD

**PG 3.4.1:** By the end of FY 2017, the DoD will include in 85 percent of all new contracts, and as necessary modify contracts associated with critical programs and technology, the Defense Federal Acquisition Regulations (DFAR) clause 252.204-7012. Safeguarding Covered Defense Information and Cyber Incident Reporting.

**PG Leader:** Director, Defense Procurement and Acquisition Policy, OUSD (AT&L), OSD

Performance Measure		Q1 2017	Q2 2017	Q3 2017	Q4 2017	2018	Prior Year Results
3.4.1.1 The percent of contracts and contract modifications that contain DFAR Clause 252.204-7012	Target	85%	85%	85%	85%	TBD	FY14: 52% FY15: 75% FY16: 56%
	Actual	89%	88%	89%			

### STRATEGIC GOAL 3

Achieve Dominant Capabilities Through Innovation, Technical Excellence and Defense Institutional Reform

**SO 3.4:** Strengthen cybersecurity throughout the product life cycle

**SO Leaders:** USD(AT&L), OSD; DoD CIO, OSD

**PG 3.4.2:** Cybersecurity. Improve awareness of security practices, vulnerabilities, and threats to the operating environment, by limiting access to only authorized users and implementing technologies and processes that reduce the risk from malicious activity.

**PG Leader:** Deputy CIO for Cybersecurity, DoD CIO, OSD

**PM 3.4.2.1:** Performance Measures are reported to the SECDEF via DoD Cybersecurity Scorecard Cybersecurity Discipline (FOUO or higher) in line with DEPSECDEF memorandum, "DoD Cybersecurity Campaign - Cybersecurity Discipline Implementation Plan", October 26, 2015. The DoD Cybersecurity Discipline Implementation Plan was amended February 2016.

**SO 3.5:** Improve overall performance, strengthen business operations, and achieve efficiencies, effectiveness, and cost savings that can be transferred to higher priority needs

**SO Leaders:** DCMO, OSD; USD(AT&L), OSD; DoD CIO, OSD

**PG 3.5.1:** Realigning Major DoD Headquarters Activities. Increase funding for high priority core missions by reducing the cost of overhead and management structures and redirecting those savings to core missions

**PG Leader:** Director, OP&DS, ODCMO, OSD

Performance Measure		Q1 2017	Q2 2017	Q3 2017	Q4 2017	2018	Prior Year Results
3.5.1.1: Baseline MHA using a revised policy framework - baseline OSD; the Office of the IG, DoD; and the Defense Agencies and DoD Field Activities.	Target	Objectives for this measure were completed in Q1 FY 2016 and reported in the FY 2016 DoD Organizational Assessment. Performance Measure 3.5.1.1 has been discontinued.					FY16: Met
	Actual						
3.5.1.2: Baseline the MilDeps, the JS, and the CCMDs.	Target	Objectives for this measure were completed in Q4 FY 2016 and reported in the FY 2016 DoD Organizational Assessment. Performance Measure 3.5.1.2 has been discontinued.					FY16: Met
	Actual						
3.5.1.3: Program reductions in OSD; the Office of the Inspector General, DoD; and the Defense Agencies and DoD Field Activities for the FY 2017 President's Budget (PB).	Target	Objectives for this measure were completed in Q2 FY 2016 and reported in the FY 2016 DoD Organizational Assessment. Performance Measure 3.5.1.3 has been discontinued.					FY16: Met
	Actual						
3.5.1.4: Program reductions to MHA across the Future Years Defense Program in the MilDeps, the JS, and the CCMD headquarters for the FY 2017 PB.	Target	Objectives for this measure were completed in Q2 FY 2016 and reported in the FY 2016 DoD Organizational Assessment. Performance Measure 3.5.1.4 has been discontinued.					FY16: Met
	Actual						

### STRATEGIC GOAL 3

Achieve Dominant Capabilities Through Innovation, Technical Excellence and Defense Institutional Reform

**SO 3.5:** Improve overall performance, strengthen business operations, and achieve efficiencies, effectiveness, and cost savings that can be transferred to higher priority needs

**SO Leaders:** DCMO, OSD; USD(AT&L), OSD; DoD CIO, OSD

**PG 3.5.1:** Realigning Major DoD Headquarters Activities. Increase funding for high priority core missions by reducing the cost of overhead and management structures and redirecting those savings to core missions

**PG Leader:** Director, OP&DS, ODCMO, OSD

Performance Measure		Q1 2017	Q2 2017	Q3 2017	Q4 2017	2018	Prior Year Results
3.5.1.5: Revise the MHA policy: #1 Work Group effort complete no later than second quarter FY 2016 #2 Draft issuance for formal coordination no later than third quarter FY 2016 (June 2016) #3 Draft issuance for principal signature no later than fourth quarter FY 2016; #4 Final issuance no later than fourth quarter FY 2016 (September 2016)	Target	Refined in FY 2017: Target: To be completed by the end of 4Q FY 2018.					FY16: Not Met
	Actual						
3.5.1.6: Office of the Director, Cost Assessment and Program Evaluation (ODCAPE) will create MHA flags at the category level to coincide with the revised policy framework categories (e.g., B1, B5i) and update the MHA data using the DoD component data collected and validated by ODCMO.	Target	Objectives for this measure were completed in Q4 FY 2016 and reported in the FY 2016 DoD Organizational Assessment. Performance Measure 3.5.1.6 has been discontinued.					FY16: Met
	Actual						
3.5.1.7: ODCMO, in coordination with ODCAPE and OUSD(C), will review Program Objective Memorandum/ Budget Estimate Submission, and oversee MHA changes during the PBR.	Target	Objectives for this measure were completed in Q4 FY 2016 and reported in the FY 2016 DoD Organizational Assessment. Performance Measure 3.5.1.7 has been discontinued.					FY16: Met
	Actual						

### STRATEGIC GOAL 3

Achieve Dominant Capabilities Through Innovation, Technical Excellence and Defense Institutional Reform

**SO 3.5:** Improve overall performance, strengthen business operations, and achieve efficiencies, effectiveness, and cost savings that can be transferred to higher priority needs

**SO Leaders:** DCMO, OSD; USD(AT&L), OSD; DoD CIO, OSD

**PG 3.5.2: Improve DoD Energy Performance.** By September 30, 2025, DoD will improve its facility energy performance by reducing average building energy intensity by 25 percent from the 2015 baseline.

**PG Leader:** Assistant Secretary of Defense for Energy, Installations and Environment, OUSD (AT&L), OSD

Performance Measure		Q1 2017	Q2 2017	Q3 2017	Q4 2017	2018	Prior Year Results	
		Measured Annually						
3.5.2.1: Reduce Facility Energy Intensity	Target	Measured Annually				5.0%	7.5%	FY15: 19.9% FY16: 5.1% (Target: 2.5%)
	Actual							
3.5.2.2: Institutionalize Operational Energy Considerations in Force Development: Energy Supportability Analysis (ESA)-informed Energy KPP for JROC-interest item ACQ programs, using OE.	Target	Measured Annually				100%	100%	FY16: 96% (Target: 100%)
	Actual							
3.5.2.3: Institutionalize Operational Energy Considerations in Force Development-OE constraints and limitations analyses in Title 10 war games.	Target	Measured Annually				100%	100%	FY16: 75% (Target: 90%)
	Actual							
3.5.2.4: Institutionalize Operational Energy Considerations in Force Development: Energy Supportability Analysis (ESA)-used in all ACQ programs, using OE.	Target	Measured Annually				90%	100%	FY16: 92% (Target: 80%)
	Actual							

### STRATEGIC GOAL 3

Achieve Dominant Capabilities Through Innovation, Technical Excellence and Defense Institutional Reform

**SO 3.5:** Improve overall performance, strengthen business operations, and achieve efficiencies, effectiveness, and cost savings that can be transferred to higher priority needs

**SO Leaders:** DCMO, OSD; USD(AT&L), OSD; DoD CIO, OSD

**PG 3.5.3:** By FY 2021, DOD will document and realize a \$1.9 billion funding reduction by reviewing and validating service requirements across the OSD, the Defense Agencies, and DoD Field Activities.

**PG Leader:** Director, DBMAO, ODCMO, OSD

Performance Measure		Q1 2017	Q2 2017	Q3 2017	Q4 2017	2018	Prior Year Results
3.5.3.1: By FY 2016, Service Requirements Review Boards will be conducted for all components of the Office of the Secretary of Defense (OSD), Defense Agencies, and DoD Field Activities and results reviewed by a Senior Review Panel.	Target	Objectives for this measure were completed in Q4 FY 2016 and reported in the FY 2016 DoD Organizational Assessment. Performance Measure 3.5.3.1 has been discontinued.					FY16: Met (Target: Q4 FY16)
	Actual						
3.5.3.2: By 2017, Requirements Review Boards conducted for all components of the Office of the Secretary of Defense (OSD), Defense Agencies and DoD Field Activities will have identified and realized \$141.5 million in savings.	Target	Objectives for this measure were completed in Q4 FY 2016 and reported in the FY 2016 DoD Organizational Assessment. Performance Measure 3.5.3.2 has been discontinued.					FY16: Met (Target: Q1 FY17)
	Actual						
<p><b>PG 3.5.4:</b> By FY 2021, DoD will reduce budgeted Fourth Estate business operation costs through investments in business system information technology by a minimum of \$300 million.</p>		<p><b>PG Leader:</b> Director, DBMAO, ODCMO, OSD</p>					

Performance Goal 3.5.4 Discontinued in 2017.



### STRATEGIC GOAL 3

Achieve Dominant Capabilities Through Innovation, Technical Excellence and Defense Institutional Reform

**SO 3.5:** Improve overall performance, strengthen business operations, and achieve efficiencies, effectiveness, and cost savings that can be transferred to higher priority needs

**SO Leaders:** DCMO, OSD; USD(AT&L), OSD; DoD CIO, OSD

**PG 3.5.5:** By FY 2017, DCMO will complete a comprehensive review of current proposed modernizations of the business systems for OSD, the Defense Agencies, and DoD Field Activities.

**PG Leader:** Director, DBMAO, ODCMO, OSD

Performance Measure		Q1 2017	Q2 2017	Q3 2017	Q4 2017	2018	Prior Year Results
3.5.5.1: By FY 2017, ODCMO will complete a comprehensive review of current proposed modernizations of the business systems for OSD, the Defense Agencies, and DoD Field Activities.	Target	Objectives for this measure were completed in FY 2016 and reported in the FY 2016 Organizational Assessment.					FY16: Met
	Actual	Performance Measure 3.5.5.1 will not be carried forward					
3.5.5.2: The DoD will measure the net benefits ratio associated with discretionary development & modernization IT investments.	Target	Objectives for this measure were completed in FY 2016 and reported in the FY 2016 Organizational Assessment.					FY16: Met
	Actual	Performance Measure 3.5.5.2 will not be carried forward					

**SO 3.6:** Improve financial processes, controls, and information to the highest quality content, analysis, advice and oversight on all DoD budgetary and financial matters to support the national defense. Achieve full auditability of the budgetary and financial information that is most valuable in managing the DoD. Achieve fully auditable statements by 2017. Improve financial processes, controls, and information via audit readiness

**SO Leader:** Deputy CFO, OSD

**PG 3.6.1: Financial Statement Audit Readiness.** \_  
The DoD's financial statement will be audit ready by September 30, 2017

**PG Leader:** Deputy Chief Financial Officer, OUSD(C), OSD

Performance Measure		Q1 2017	Q2 2017	Q3 2017	Q4 2017	2018*	Prior Year Results
<i>Note: While the Department continues to work towards 100% completion of these measures, it has the ability to present financial processes and systems needed to begin audit of full financial statements in order to receive actionable feedback and drive remediation activities.</i>						Expected to change with FY18 Audit	
3.6.1.1: Universe of Transactions, Reconciliations to GL Systems, Schedule of Budgetary Activity (SBA)*	Target	99%	99%	99%	100%	100%	FY16: 97%
	Actual	99%	99%	99%			

\*SBA will no longer be used in FY 2018 and measure is no longer a valid performance target.

### STRATEGIC GOAL 3

Achieve Dominant Capabilities Through Innovation, Technical Excellence and Defense Institutional Reform

**SO 3.6:** Improve financial processes, controls, and information to the highest quality content, analysis, advice and oversight on all DoD budgetary and financial matters to support the national defense. Achieve full auditability of the budgetary and financial information that is most valuable in managing the DoD. Achieve fully auditable statements by 2017. Improve financial processes, controls, and information via audit readiness

**SO Leader:** Deputy CFO, OSD

**PG 3.6.1: Financial Statement Audit Readiness.** \_  
The DoD's financial statement will be audit ready by September 30, 2017

**PG Leader:** Deputy Chief Financial Officer, OUSD(C), OSD

Performance Measure		Q1 2017	Q2 2017	Q3 2017	Q4 2017	2018*  Expected to change with FY 2018 Audit	Prior Year Results
3.6.1.2: Universe of Transactions, Reconciliations to general ledger (GL) Systems, Statement of Budgetary Resources and Balance Sheet	Target	93%	98%	98%	99%	100%	FY16: 75%
	Actual	86%	91%	94%			
3.6.1.3: Universe of Transactions, Reconciliations from feeder source systems to the GL, Schedule of Budgetary Activity (SBA)*  *SBA will no longer be used in FY 2018 and measure is no longer a valid performance target.	Target	93%	99%	99%	100%	100%	FY16: 77%
	Actual	89%	90%	98%			
3.6.1.4: Universe of Transactions, Reconciliations from feeder source systems to the GL, Statement of Budgetary Resources and Balance Sheet	Target	83%	97%	97%	98%	100%	FY16: 68%
	Actual	82%	82%	88%			
3.6.1.5: Journal Vouchers, unsupported	Target	0.40%	0.50%	0.75%	0.80%	0.80%	FY16: 0.99%
	Actual	0.12%	0.15%	0.15%			

### STRATEGIC GOAL 3

Achieve Dominant Capabilities Through Innovation, Technical Excellence and Defense Institutional Reform

**SO 3.6:** Improve financial processes, controls, and information to the highest quality content, analysis, advice and oversight on all DoD budgetary and financial matters to support the national defense. Achieve full auditability of the budgetary and financial information that is most valuable in managing the DoD. Achieve fully auditable statements by 2017. Improve financial processes, controls, and information via audit readiness

**SO Leader:** Deputy CFO, OSD

**PG 3.6.1: Financial Statement Audit Readiness.** \_  
The DoD's financial statement will be audit ready by September 30, 2017

**PG Leader:** Deputy Chief Financial Officer, OUSD(C), OSD

Performance Measure		Q1 2017	Q2 2017	Q3 2017	Q4 2017	2018* Expected to change with FY 2018 Audit	Prior Year Results
3.6.1.6: Fund Balance with Treasury: DoD's timely clearing of all overaged unmatched disbursements and collection transactions	Target	Semi-Annual	0.1%	Semi-Annual	0.09%	0.08%	FY16: 0.42%
	Actual	0.51%	Semi-Annual				
3.6.1.7: Fund Balance with Treasury: DoD's timely clearing of overaged all in-transit disbursements and collection transactions	Target	Semi-Annual	0.5%	Semi-Annual	.25%	.25%	FY16: 0.51%
	Actual	0.75%	Semi-Annual				
3.6.1.8: DoD-wide Mission Critical Assets Existence and Completeness Baseline, General Equipment	Target	85.6%	100%	100%	100%	100%	FY16: 79.4%
	Actual	90%	91%	94%			
3.6.1.9: DoD-wide Mission Critical Assets Existence and Completeness Baseline, Real Property	Target	77.2%	100%	100%	100%	100%	FY16: 75.8%
	Actual	85.5%	91%	96%			

### STRATEGIC GOAL 3

Achieve Dominant Capabilities Through Innovation, Technical Excellence and Defense Institutional Reform

**SO 3.6:** Improve financial processes, controls, and information to the highest quality content, analysis, advice and oversight on all DoD budgetary and financial matters to support the national defense. Achieve full auditability of the budgetary and financial information that is most valuable in managing the DoD. Achieve fully auditable statements by 2017. Improve financial processes, controls, and information via audit readiness

**SO Leader:** Deputy CFO, OSD

**PG 3.6.1: Financial Statement Audit Readiness.** \_  
The DoD's financial statement will be audit ready by September 30, 2017

**PG Leader:** Deputy Chief Financial Officer, OUSD(C), OSD

Performance Measure		Q1 2017	Q2 2017	Q3 2017	Q4 2017	2018* Expected to change with FY 2018 Audit	Prior Year Results
3.6.1.10: DoD-wide Mission Critical Assets Existence and Completeness Baseline, Internal Use Software		Target	100%	100%	100%	100%	FY16: 83.7%
		Actual	87%	92%	97%		
3.6.1.11: DoD-wide Mission Critical Assets Existence and Completeness Baseline, Inventory, Operating Materials, and Supplies		Target	100%	100%	100%	100%	FY16: 83.1%
		Actual	88%	87%	90%		

### STRATEGIC GOAL 3

Achieve Dominant Capabilities Through Innovation, Technical Excellence and Defense Institutional Reform

**SO 3.6:** Improve financial processes, controls, and information to the highest quality content, analysis, advice and oversight on all DoD budgetary and financial matters to support the national defense. Achieve full auditability of the budgetary and financial information that is most valuable in managing the DoD. Achieve fully auditable statements by 2017. Improve financial processes, controls, and information via audit readiness

**SO Leader:** Deputy CFO, OUSD(C), OSD

**PG 3.6.2:** Enhance and implement financial policies and processes to streamline, simplify and standardize the financial management business and systems environment to improve efficiencies and reduce costs for key end-to-end processes and data exchanges.

**PG Leader:** Deputy CFO, OUSD(C), OSD

Performance Measure		Q1 2017	Q2 2017	Q3 2017	Q4 2017	2018	Prior Year Results
<p><i>Note: While the Department continues to work towards 100% completion of these measures, it has the ability to present financial processes and systems needed to begin audit of full financial statements in order to receive actionable feedback and drive remediation activities.</i></p>							
3.6.2.1: IGT – Percent of General Terms and Conditions in G-Invoicing	Target	<p><i>Deleted in FY 2017.</i> The IGT development and implementation plan is still under development and not fully vetted for operational use. As such, the original performance measure and associated goal for this effort was prematurely reported. Reporting of the establishment of the general terms and conditions is not an appropriate representation of the effort and therefore should be eliminated from the inventory of performance measurement.</p>					FY16: 1.6%
	Actual						
3.6.2.2: Standards – Percent of systems and data exchanges assessed by JITC that are compliant with Standard Financial Information Structure (SFIS) and United States Standard General Ledger (USSGL)	Target	<p><i>Deleted in FY 2017</i></p>					FY16: 80.4%
	Actual						
3.6.2.3: Standards – Percent of transactions with a valid standard line of accounting which are validated using the SLOA validation service.	Target	<p><i>Deleted in FY 2017.</i> This measurement area has not yet been implemented. Transactions will begin to be tested through the Standard Line of Accounting (SLOA) Centralized Service (SCS) beginning November 1, 2016. As such, the original performance measure and associated goal for this effort was prematurely reported. In addition, this area is not a critical capability or measurement area deemed necessary to identify as an agency goal.</p>					FY16: 0%
	Actual						
3.6.2.4: Simplify – Percent of key financial systems retired	Target	Measured Annually			12%	23%	FY16: 5% (Target: 10%)
	Actual						

### STRATEGIC GOAL 3

Achieve Dominant Capabilities Through Innovation, Technical Excellence and Defense Institutional Reform

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**SO Leader:** Deputy CFO, OUSD(C), OSD

**PG 3.6.2:** Enhance and implement financial policies and processes to streamline, simplify and standardize the financial management business and systems environment to improve efficiencies and reduce costs for key end-to-end processes and data exchanges.

**PG Leader:** Deputy CFO, OUSD(C), OSD

Performance Measure		Q1 2017	Q2 2017	Q3 2017	Q4 2017	2018	Prior Year Results
<p><i>Note: While the Department continues to work towards 100% completion of these measures, it has the ability to present financial processes and systems needed to begin audit of full financial statements in order to receive actionable feedback and drive remediation activities.</i></p>							
3.6.2.5: Standards – Percent of key data exchanges using the Standard Line of Accounting validation service	Target	Deleted in FY 2017. This measurement area has not yet been implemented. Transactions will begin to be tested through the Standard Line of Accounting (SLOA) Centralized Service (SCS) beginning November 1, 2016. As such, the original performance measure and associated goal for this effort was prematurely reported.. In addition, this area is not a critical capability or measurement area deemed necessary to identify as an agency goal.					FY16: 0%
	Actual						

## Appendix B: Acronyms and Definitions

Acronym/Abbreviation	Definition
APB	Acquisition Program Baseline
APP	Annual Performance Plan
ASP	Agency Strategic Plan
ATO	Authority to Operate
BBP	Better Buying Power
BMD	Ballistic Missile Defense
BPR	Business Process Reengineering
B-SIG	Business Senior Integration Group
BTU/GSF	British Thermal Unit per Gross Square Foot
CAP	Cross-Agency Priority
CBRN	Chemical, Biological, Radiological, and Nuclear
CCMD	Combatant Command
CIO	Chief Information Officer
CCRI	Command Cyber Readiness Inspection
CERFP	Chemical, Biological, Radiological, Nuclear and High-Yield Explosives Enhanced Response Force Packages
CMO	Chief Management Officer
CONUS	Continental United States
CPI	Continuous Process Improvement
CRS	Career Readiness Standards
CS/IA	Cyber Security / Information Assurance
CY	Calendar Year
C2CRE	Command and Control (C2) CBRN Response Elements
DAFA	Defense Agencies and DoD Field Activities
DBC	Defense Business Council
DBS	Defense Business System
DCMO	Deputy Chief Management Officer
DSCA	Defense Support of Civil Authorities
DCRF	Defense CBRN Response Force
DD	Department of Defense (form designation)
DEOCS	Defense Equal Opportunity Climate Survey
DES	Disability Evaluation System
DFARS	Defense Federal Acquisition Regulation Supplement
DHP	Defense Health Program
DHS	Department of Homeland Security
DIB	Defense Industrial Base
DIRI	Defense Institution Reform Initiative

Acronym/Abbreviation	Definition
DISA	Defense Information Systems Agency
DLIFLC	Defense Language Institute Foreign Language Center
DoD	Department of Defense
DoD CIO	Department of Defense Chief Information Officer
DoDD	Department of Defense Directive
DoDEA	Department of Defense Education Activity
DoDI	Department of Defense Instruction
DoL	Department of Labor
DMAG	Deputy's Management Action Group
DPAP	Defense Procurement and Acquisition Policy
ECRMA	Enterprise-wide Contractor Manpower Reporting Application
ED	Department of Education
eKPP	Energy Key Performance Parameter
EMD	Engineering and Management Development
ESA	Energy Supportability Analyses
ESPC	Energy Savings Performance Contracts
FBWT	Fund Balance With Treasury
FISMA	Federal Information Security Modernization Act
FM	Financial Management
FOUO	For Official Use Only
FPD	Force Protection Detachment
FY	Fiscal year
GAO	Government Accountability Office
GPF	General Purpose Force
GPS	Goals, Plan, Success
HR	Human Resource
HRF	Homeland Response Forces
IATO	Interim Authority to Operate
IATT	Interim Authority to Test
IDES	Integrated Disability Evaluation System
IG	Inspector General
IMR	Individual Medical Readiness
IPA	Independent Public Accountant
ISR	Intelligence, Surveillance, and Reconnaissance
IT	Information Technology
JROC	Joint Requirements Oversight Council
JS	Joint Staff
MAIS	Major Automated Information System
MCIO	Military Criminal Investigation Organization
MDAP	Major Defense Acquisition Program



Acronym/Abbreviation	Definition
MHA	Major DoD Headquarters Activities
MSEP	Military Spouse Employment Partnership
MSO	Military Source Operations
NC3	Nuclear Command, Control, and Communications
NDAA	National Defense Authorization Act
NIPRNET	Non-secure Internet Protocol Router Network
NSS	National Security Systems
OA	Organizational Assessment
ODCAPE	Office of the Director, Cost Assessment and Program Evaluation
ODCMO	Office of the Deputy Chief Management Officer
OMB	Office of Management and Budget
OSD	Office of Secretary of Defense
PB	President's Budget
PEBLO	Physical Evaluation Board Liaison Officers
PIO	Performance Improvement Officer
PKI	Public Key Infrastructure
PG	Performance Goal
PMA	President's Management Agenda
PSA	Principal Staff Assistant
QDR	Quadrennial Defense Review
SAPR	Sexual Assault Prevention and Response
SBA	Small Business Administration
SBR	Statement of Budgetary Resources
SECDEF	Secretary of Defense
SES	Senior Executive Service
SFA	Security Force Assistance
S&T	Science and Technology
SL/ST	Senior Level / Scientific and Technical Professional
SOP	Standard Operating Procedures
TAP	Transition Assistance Program
TTH	Time To Hire
UESC	Utility Energy Service Contracts
U.S.	United States
USAID	United States Agency for International Development
U.S.C.	United States Code
USD(AT&L)	Under Secretary of Defense for Acquisition, Technology and Logistics
USD(C/CFO)	Under Secretary of Defense(Comptroller)/Chief Financial Officer
USD(I)	Under Secretary of Defense for Intelligence
USD(P)	Under Secretary of Defense for Policy
USD(P&R)	Under Secretary of Defense for Personnel and Readiness

Acronym/Abbreviation	Definition
UCX	Unemployment Compensation
VA	Veterans Affairs
VOW	Veterans Opportunity to Work Act
WII	Wounded, Ill and Injured





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