



**DEPUTY CHIEF MANAGEMENT OFFICER**

9010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-9010

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MEMORANDUM FOR CHIEF MANAGEMENT OFFICER OF THE DEPARTMENT OF  
DEFENSE

SECRETARIES OF THE MILITARY DEPARTMENTS  
CHAIRMAN OF THE JOINT CHIEFS OF STAFF  
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DIRECTOR OF OPERATIONAL TEST AND EVALUATION  
CHIEF INFORMATION OFFICER OF THE DEPARTMENT OF  
DEFENSE  
ASSISTANT SECRETARY OF DEFENSE FOR LEGISLATIVE  
AFFAIRS  
ASSISTANT TO THE SECRETARY OF DEFENSE FOR PUBLIC  
AFFAIRS  
DIRECTOR OF NET ASSESSMENT  
DIRECTORS OF DEFENSE AGENCIES  
DIRECTORS OF DOD FIELD ACTIVITIES

SUBJECT: Communication of Organizational Performance for the Fiscal Year 2019 Senior  
Executive Service and Senior Professional Performance Appraisal Cycle

This memorandum, and its attachment, provide the assessment of the DoD's organizational performance through third quarter Fiscal Year (FY) 2019. Pursuant to Chapter 43, Subchapter II of Title 5, United States Code and Part 430, Subpart D of Title 5, Code of Federal Regulations, performance evaluations for Senior Executive Service (SES), Senior Professional (SP), and equivalent workforce will be based on both individual and organizational performance.

In an effort to streamline the Department's reporting issuances, the Chief Management Office has encapsulated the previously issued "DoD Organization Assessment" (OA) within the attached "FY 2019 Agency Financial Report" (AFR). The performance information previously found in the standalone OA can now be viewed in the Management's Discussion and Analysis (MD&A) section of the FY 2019 AFR.

The purpose of the AFR is to provide an overview of the Department's financial information as well as preliminary summary-level performance results through third quarter FY 2019. The MD&A Performance Overview sub-section of the AFR highlights the key performance goals and results, also described in the FY 2019 Annual Performance Plan (Successes and Areas of Improvement).

The AFR can be found by visiting: <https://comptroller.defense.gov/Financial-Management/Reports/>. To view the Annual Performance Plan, please visit: <https://cmo.defense.gov/Publications/Annual-Performance-Plan-and-Performance-Report/>.

As a reminder, performance goals, as reflected in the President's Budget, are the basis for DoD-wide organizational performance. Rating officials and members of Performance Review Boards (PRB) will use the attached organizational assessment results, along with other relevant performance reports, to assess the performance of the Department's executive workforce. PRBs will 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.

I am confident that these streamlined actions will continue to facilitate the Department's ability to meet the high standards we have set for ourselves.

Questions regarding this correspondence may be directed to Jennifer Hill at 703 614-1834 or by email at [Jennifer.s.hill4.civ@mail.mil](mailto:Jennifer.s.hill4.civ@mail.mil).



Lisa W. Hershman

Attachment:  
As stated

## Appendix A: Third Quarter, FY 2019 Performance Results Summary

Appendix A highlights the Department's strategic goals, strategic objectives, and results through third quarter for FY 2019 Annual Performance Plan. The following tables outline FY 2019 performance measure results. Exceeds (blue), 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. 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.

### **Rebuild Military Readiness as We Build a More Lethal Joint Force**

#### *Restore military readiness to build a more lethal force*

The Department continued to measure, assess, and understand readiness throughout 2019 to make informed policy and programming choices to improve and retain readiness of our Military Services to support the objectives outlined in the NDS. The metrics identified in the Readiness Recovery Framework (R2F) measure the Military Services' progress toward rebuilding warfighting readiness by tracking key readiness shortfall drivers such as personnel accessions and retention, training, equipment availability, maintenance shortfalls, etc. The Department conducted two semi-annual assessments of Service force elements, and as a result our understanding of readiness drivers has matured and improved. We can now provide context into how many force elements are facing readiness shortfalls and gauge progress toward readiness recovery.

The R2F was validated and updated where necessary through the Executive Readiness Management Group venue and reported to the Deputy Secretary of Defense, Secretary of Defense, and Congress. External factors may pose challenges to recovering readiness shortfalls identified by the R2F. These include a lack of stable, predictable, and adequate funding; changes in operational tempo that increases demand of the Military Services; and real-world-actions of near-peer adversaries

#### *Modernize Key Capabilities*

The NDS emphasizes rebuilding military readiness for a more lethal joint force. To that end, OUSD(A&S) implemented a contract performance incentive to boost F-35 assembly flow and product quality. Moreover, to increase F-35 Mission Capability and Aircraft Availability Rates, OUSD (A&S) developed and executed a performance improvement plan to increase spare parts, accelerate organic depot repair activations, and aggressively implement reliability and maintainability improvements across the fleet. The F-35 enterprise's efforts continue to improve sustainment in the deployed environment while working to achieve the Department's goal of an 80% mission capability (MC) rate for operational tactical aircraft by the beginning of FY 2020.

OUSD(A&S) is committed to enabling resilient and agile logistics by leveraging decision support tools, such as the Maintenance and Availability Data Warehouse (MADW), to accelerate materiel availability improvements across fielded fleets. Specifically, OUSD(A&S) used MADW to set performance targets and measure progress across the entire enterprise by integrating and storing maintenance and availability data for equipment, weapon systems, infrastructure, and facilities across military service branches.

Finally, to reinforce DoD's commitment to meet critical mission requirements while protecting human health, A&S led the effort for DoD to proactively take action to reduce the risks of Perfluorooctane Sulfonate (PFOS) and Perfluorooctanoic Acid (PFOA) to human health, by adopting a three-pronged approach: 1.) DoD has

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taken quick action to address PFOS and PFOA in the drinking water it supplies, 2.) DoD has taken response action in accordance with the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA, aka Superfund), and 3.) DoD has committed significant funds in research and development to identify and test fluorine-free Aqueous Film Forming Foam (AFFF), and to develop more cost effective treatment technologies.

### *Enhance information technology and cybersecurity defense capabilities*

The DoD Chief Information Officer's (DoD CIO) vision is guided by four priorities: cybersecurity; artificial intelligence; cloud computing; and command, control, and communications modernization (C3).

**Cybersecurity:** The Department continues to make progress strengthening the Department's cybersecurity risk posture through implementation of the First Four Cyber Initiatives, Supply Chain Risk Management, and the Joint Regional Security Stack (JRSS). The First Four Cyber Initiatives includes the following: Comply-to-Connect; Identity, Credential, and Access Management; Secure Application Development; and Cyber Workforce. The JRSS effort improves the ability to defend the DoD Information Network and to resolve gaps in mid-point security for Internet Protocol (IP)-based traffic on the Non-classified IP Router Network and Secret IP Router Network.

**Artificial Intelligence (AI):** The Joint Artificial Intelligence Center's (JAIC) effort is accelerating DoD's adoption and integration of AI to achieve mission impact at scale. In support of the 2018 National Defense Strategy, the primary objective for FY 2019 is to continue building the organization, to include the Joint Common Foundation, while delivering initial AI-enabled capabilities to the field and growing and sustaining an AI Center of Excellence for the Department.

**Cloud Computing:** The Deputy Secretary (DepSecDef) established the enterprise cloud initiative to competitively acquire the Joint Enterprise Defense Infrastructure (JEDI) Cloud. The Request for Proposal was released in July 2018 and the acquisition action is currently in the process of source selection. The JEDI effort also includes the roll out of an Account Tracking and Automation Provisioning Tool (AT-AT). When open for business, the JEDI Cloud will allow the Department to take advantage of economies of scale, ensure superiority through data aggregation and analysis, and lay the foundational technology for artificial intelligence and machine learning.

**Command, Control, and Communications Modernization (C3):** The Department's C3 capabilities have been enhanced through progress made in Modernizing Tactical Radio Communications; Assuring Electromagnetic Spectrum (EMS) Access, Use, & Maneuver; Modernizing and Protecting Positioning, Navigation, and Timing (PNT) Information; and Improving Senior Leadership Communications Resiliency.

### *Civilian Recruitment and Retention*

In order to increase lethality, improve readiness, and grow the capability and capacity of our forces, it is imperative to improve the overall management of our Total Force of Active and Reserve military personnel, government civilians, and defense contracting. Section 129a of Title 10, United States Code requires the Secretary of Defense to establish policies and procedures for determining “the most appropriate and cost efficient mix of military, civilian, and contractor personnel to perform the mission of the Department of Defense.” The outcome is to attain “a Department of Defense workforce sufficiently sized and comprised of the appropriate mix of personnel necessary to carry out the mission of the Department and the core mission

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areas of the Armed Forces.”

The DoD spends the vast majority of its resources on total labor costs. At the same time, our Total Force is the key enabler for all operational and critical support functions. We must continuously review and better rationalize how we choose among Total Force alternatives in determining how to do our work, and reinvest cost savings in force readiness and modernization.

The DoD’s lethality and readiness are not just a function of our Service members. DoD’s civilian workforce is essential to sustaining the viability and capabilities of the All-Volunteer Force – providing the critical equipment maintenance, base support, logistics and engineering expertise, family programs, and medical care that ensure our Soldiers, Sailors, Airmen, and Marines are ready to deploy, world-wide, and answer the call of our operational Commanders. DoD’s civilian workforce is in the business of protecting the American way of life, not regulating or governing it. While it may be appropriate for other Federal agencies to reduce their civilian workforce, for the DoD, right-sizing will necessitate targeted growth to both restore readiness and increase the lethality, capability, and capacity of our military force.

DoD’s ability to replace the loss of skills and experience with new talent depends on the capability to efficiently (Time to Hire (TTH)) and effectively (Quality of Hire) recruit, hire, and retain high performing employees. DoD’s goal is not merely to hire individuals as quickly as possible, but to recruit and hire a diverse group of top-quality candidates with the skills for DoD’s mission needs today and in the future. To date, the current Federal hiring process can result in the loss of prime talent to competing agencies due to prolonged hiring times, thus lending to less qualified talent pools. In addition, the longer it takes to fill vacancies, the longer managers must operate with inadequate resources, which could strain existing resources or result in failure to accomplish the mission. The Hiring Improvement Initiatives (HII) Working Group (WG), working in conjunction with the TTH WG, continues to monitor/report Component-level hiring initiatives designed to decrease TTH and measure/track quality of hires. Components report accomplishment of milestones associated with their HII Action Plans on a quarterly basis. In support of the initiative to improve quality, the Deputy Assistant Secretary of Defense for Civilian Personnel Policy (DASD(CPP)) issued guidance on March 22, 2019, implementing the Office of Personnel Management’s Chief Human Capital Officer’s (CHCO) Management Hiring Process Satisfaction Survey (MHPSS) as the initial step towards establishing quality measures. Further, the HII/TTH WG is focusing on establishment of consistent TTH reference points, to ensure that TTH metrics at the DoD level include the same hiring events across the Enterprise.

DoD will continue to monitor Component-level HII Action Plans targeted to improve both time and quality of civilian hiring to identify best practices, constraints, and challenges, and make recommendations for changes to enhance the DoD’s ability to acquire talent. This strategy directly supports the DoD Agency Strategic Plan (ASP) Priority Goal 1.5.2 (Improve Recruitment and Retention of the Civilian Workforce).

The DoD TTH average decreased during the third quarter by 9 days (from 100 to 91 days). This positive trend is attributed to ongoing collaboration on hiring improvement across the Enterprise as well as increased use of available direct hire authorities and Priority Placement Program streamlining initiatives that were implemented during the second quarter.

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### *Ensure the U.S. Technological Advantage*

The Under Secretary of Defense for Research and Engineering (USD(R&E)), the Department's Chief Technology Officer, is committed to fostering technological dominance across the Department of Defense and ensuring the advantage of the American warfighter.

The organization has been guided by the National Defense Strategy and its three lines of efforts: to build a more lethal force, strengthen alliances and attract new partners, and reform the way we do business. The OUSD(R&E) has been structured to support these initiatives, with Technical and Assistant Directors leading the Department-wide strategy for development and implementation of key modernization priority areas in: Artificial Intelligence and Machine Learning; Autonomy; Biotechnology; Cyber; Directed Energy; Fully Networked Command, Control and Communications (FNC3); Hypersonics; Microelectronics; Quantum Science; Space; and 5G.

Broadly, the Technical Director (TD) and Assistant Directors (ADs) are responsible for:

- Establishing a DoD-wide, mission-focused roadmap to chart the path to deliver the technical capabilities needed by our warfighters;
- Assessing the range of activities in their technical area, including what is occurring in DoD, other executive branch agencies, the commercial world, academia, and other countries;
- Leading independent technical analyses; and
- Conducting engagement and outreach across the community.

These leads are, by definition, meant to work quickly, set the technical direction for the Department in their area of expertise, and ensure the transition of technologies into operational use.

In its first year, the OUSD(R&E) has made great strides in advancing the U.S. technological advantage. Activities to energize modernization efforts have been made in earnest, and the Road to Dominance is emerging as an actionable path forward to gain and maintain superiority in those key areas by working across the Department to buy down technology-associated risks through sound technological risk assignments.

The OUSD(R&E) will ensure the Department achieves dominance and builds a more lethal force by addressing the following:

- Future capability requirements coordinated with Joint Staff and Combatant Commands;
- Current and projected threats, gaps, and vulnerabilities in U.S. capabilities;
- Opportunities to leverage adversary vulnerabilities in these priority areas;
- Operational capabilities to be delivered by 2028 in each priority area;
- Defined metrics to measure progress and success;
- Associated risks and potential trades required to achieve objectives;
- Key portfolio interdependencies and enablers critical to achieving objectives
- Partnership and support required from the U.S. industrial base;
- Service/ Combatant Command/ DoD Component perspectives as appropriate.

Achieving success on this initiative will assure strategic advantage in this era of renewed great power competition.

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STRATEGIC GOAL 1								
Rebuild Military Readiness as We Build a More Lethal Joint Force								
Strategic Objective (SO) 1.1: Restore Military Readiness to Build a More Lethal Force								
SO Leaders: USD(P&R)								
DoD Priority Goal 1.1.1: Improve the Department's ability to measure, assess, and understand readiness					Priority Goal Leader: USD(P&R)			
Performance Measures		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
<b>PM 1.1.1.1:</b> Refine and Improve Readiness Recovery Framework Program Metrics/Goals Build-Up (Overall # of Force Elements (FEs) with a minimum of 3 metrics / FE).	Target	35 FEs/ 71 metrics	N/A	36 / 71	N/A	96 / 330 FE	106 / 365 FE	18 FEs
	Actual	35 / 71		35 / 71				
<b>PM 1.1.1.2:</b> Refine Air Force Readiness Recovery Framework Program Metrics/Goals.	Target	14 / 35	N/A	14 / 35	N/A	36 / 100	41 / 125	6 FEs
	Actual	14 / 35		14 / 35				
<b>PM 1.1.1.3:</b> Refine Army Readiness Recovery Framework Program Metrics/Goals.	Target	9 / 9	N/A	9 / 9	N/A	20 / 75	20 / 75	4 FEs
	Actual	9 / 9		9 / 9				
<b>PM 1.1.1.4:</b> Refine Marine Corps Readiness Recovery Framework Program Metrics/Goals.	Target	6 / 11	N/A	6 / 11	N/A	15 / 60	20 / 70	2 FEs
	Actual	6 / 11		6 / 11				
<b>PM 1.1.1.5:</b> Refine Navy Readiness Recovery Framework Program Metrics/Goals.	Target	6 / 7	N/A	6 / 7	N/A	15 / 80	15 / 80	5 FEs
	Actual	6 / 7		6 / 7				
<b>PM 1.1.1.6:</b> Refine USSOCOM Readiness Recovery Framework Program Metrics/Goals.	Target	0 / 9	N/A	1 / 9	N/A	10 / 15	10 / 15	1 FE
	Actual	0 / 9		0 / 9				

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<b>PG 1.1.2: By the end of FY19, reform Automated Defense Readiness Reporting to increase the functionality, integrity and utility</b>				<b>PG Leader: USD(P&amp;R)</b>				
<b>Performance Measures</b>		<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>2020</b>	<b>2021</b>	<b>Prior Year Results</b>
<b>PM 1.1.2.1: Identify DRRS-S input tool requirements and design to meet FY19 NDAA legislation</b>	Target	X						NEW
	Actual	No	X					
<b>PM 1.1.2.2: Publish a DRRS consolidation plan</b>	Target		X					NEW
	Actual		X					
<b>PM 1.1.2.3: Begin Service data migration into DRRS-S</b>	Target		X					NEW
	Actual		X					
<b>PM 1.1.2.4: Initiate testing of DRRSS Service-specific functionality</b>	Target				X			NEW
	Actual							
<b>PM 1.1.2.5: Publish a Directive-Type Memorandum on strategic readiness</b>	Target		X					NEW
	Actual		No					
<b>PG 1.1.3: Improve Linkage Between Resources and Readiness</b>				<b>PG Leader: USD(P&amp;R)</b>				
* Performance Goal 1.1.3 was discontinued per Interagency Export Control Reform Committee (ECRC)								
<b>PG 1.1.4: Improve Credentialing Opportunities</b>				<b>PG Leader: USD(P&amp;R)</b>				
<b>Performance Measures</b>		<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>2020</b>	<b>2021</b>	<b>Prior Year Results</b>
<b>PM 1.1.4.1: Integrate DoD Credentialing Policy into Career Investment Portfolio and revise DoDI by the end of FY2020</b>	Target					X		NEW
	Actual							
<b>PM 1.1.4.2: Launch Service Members Outcomes Portal in collaboration with the Office of Personnel Management</b>	Target	X						
	Actual			X				



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Performance Measures		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
<b>PM 1.1.4.3:</b> Populate Service members Outcomes portal with DoD-sponsored programs	Target			X				NEW
	Actual			X				
<b>PM 1.1.4.4:</b> Integrate the Department of Labor and Veterans Administration-sponsored programs into the Service Members Outcomes Portal	Target				X			NEW
	Actual							
<b>PM 1.1.4.5:</b> Begin the preparation to integrate non-Federal partnership programs into the Service Member Outcomes Portal to include industry, labor unions, NGOs and VSOs/MSOs	Target				X			NEW
	Actual							NEW
<b>PG 1.1.5:</b> Improve understanding of root causes of Class A mishaps and implications to readiness recovery.				<b>PG Leader:</b> USD(P&R)				
Performance Measures		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
<b>PM 1.1.5.1:</b> Establish four Defense Safety Oversight Council Task Forces: Leading Indicators, Mishap Classification, SOH Data Reform, and Lessons Learned Management	Target	X						NEW
	Actual	X						
<b>PM 1.1.5.2:</b> Provide initial recommendations for Mishap Leading Indicators and Mishap Classifications	Target		X					NEW
	Actual		X					
<b>PM 1.1.5.3:</b> Provide recommendations from the Lessons Learned Management Task Force on sharing and communicating Lessons Learned across the DoD	Target			X				
	Actual			X				

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Performance Measures		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
<b>PM 1.1.5.4:</b> Submit final mishap data standards and values for submission to the Business Enterprise Architecture, implementing leading indicators, mishap classification recommendations, and lessons learned management approach	Target				X			NEW
	Actual							
<b>PG 1.1.6:</b> Increase Advanced Strategic Thinking Capability within the Officer Corp				<b>PG Leader:</b> USD(P&R)				
Performance Measures		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
<b>PM 1.1.6.1:</b> Create and publish policy via a Directive-Type Memorandum establishing the Strategic Thinking Program	Target	X						
	Actual	X						
<b>PM 1.1.6.2:</b> Finalize student roster for first cohort	Target		X					
	Actual		X					
<b>PM 1.1.6.3:</b> Develop and approve curriculum for the program	Target			X				
	Actual			X				
<b>PM 1.1.6.4:</b> Implement the first inaugural Strategic Thinkers Program class at a local university	Target				X			
	Actual							

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SO 1.2: Modernize Key Capabilities								
SO Leader: OUSD(A&S)								
PG 1.2.1: Significantly improve the F-35 Program execution				PG Leader: OUSD(A&S)				
Performance Measures		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
<b>PM 1.2.1.1:</b> Update and issue the F-35 Lifecycle Sustainment Plan and report progress on achieving Sustainment Affordability Targets in accordance with the Oct 2018 Acquisition	Target				X			NEW
	Actual							
<b>PM 1.2.1.2:</b> Demonstrate readiness for F-35 Full Rate Production decision	Target				X			NEW
	Actual							
<b>PM 1.2.1.3:</b> Complete F-35 Initial Operational Test & Evaluation	Target				X			
	Actual							
<b>PM 1.2.1.4:</b> Expand Global Sustainment Capabilities: Stand-up Australia Maintenance, Repair, Overhaul and Upgrade (MRO&U) capability (FY19 Q2) Stand-up Japan MRO&U capability (FY19 Q4) Stand-up Fleet Readiness Center (FRC) East (FY19 Q4)	Target		X		X			
	Actual		X					

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<b>PG 1.2.2: Driving Nuclear Enterprise reforms to keep modernization of the nuclear deterrent on track</b>			<b>PG Leader: OUSD(A&amp;S)</b>					
<b>Performance Measures</b>		<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>2020</b>	<b>2021</b>	<b>Prior Year Results</b>
<b>PM 1.2.2.1:</b> Support STRATCOM in executing new Nuclear Command, Control and Communications (NC3) governance construct to improve NC3 modernization. Establish NC3 Enterprise Capability Portfolio Management office and achieve initial operating capability	Target			X				NEW
	Actual			X				
<b>PM 1.2.2.2:</b> Complete 2018 Nuclear Posture Review tasks	Target			X				NEW
	Actual			X				
<b>PM 1.2.2.3:</b> Identify opportunities to reduce risk and increase schedule margin in nuclear modernization programs	Target		X					NEW
	Actual		X					
<b>PM 1.2.2.4:</b> Support Air Force in staffing Ground-Based Strategic Deterrent (GBSD) requirements for JROC approval	Target			X				NEW
	Actual			X				
<b>PM 1.2.2.5:</b> Support Air Force B61-12 Life Extension Program tail kit and National Nuclear Security Administration warhead integration leading to tailkit production contract award	Target				X			NEW
	Actual							
<b>PM 1.2.2.6:</b> Support Air Force in upcoming Long Range Stand Off (LRSO) weapon design reviews	Target				X			NEW
	Actual							

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PG 1.2.3: Resilient and agile logistics			PG Leader: OUSD(A&S)					
Performance Measures		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
<b>PM 1.2.3.1:</b> Implement actions required to demonstrate progress on asset visibility by issuing an Asset Visibility Strategy	Target	X						NEW
	Actual	X						
<b>PM 1.2.3.2:</b> Implement actions required to demonstrate progress on materiel distribution by issuing a Materiel Distribution Improvement Plan	Target	X						NEW
	Actual	X						
<b>PM 1.2.3.3:</b> Develop and implement metrics that measure the accuracy of maintenance planning (schedule, bill of materials, replacement factors), while simultaneously measuring disruption costs created by lack of parts	Target					X		NEW
	Actual							
* Due to a contract extension for the Update Maintenance Work Packages and Bills of Material proof of concept, we expect the recommendations and the implementation plan in FY20.								

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<b>SO 1.3: Enhance information technology and cybersecurity defense capabilities</b>								
<b>SO Leaders: Principal Deputy, Department of Defense Chief Information Officer (DoD CIO)</b>								
<b>PG 1.3.1: Implement First Four Cyber Priorities</b>				<b>PG Leader: DoD CIO</b>				
<b>Performance Measure</b>		<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>2020</b>	<b>2021</b>	<b>Prior Year</b>
<b>PM 1.3.1.1: C2C: Achieve 100% endpoint visibility for NIPR information networks</b>	Target	Measured Annually			70%	72%	85%	NEW
	Actual							
<b>PM 1.3.1.2: ICAM: Deploy initial ICAM shared services</b>	Target			70%		30%		NEW
	Actual			FOUO				
<b>PM 1.3.1.3: DevSecOps: Develop a Secure Application Development capability for the DoD and demonstrate with two early adopters</b>	Target	Measured Annually			100%			NEW
	Actual							
<b>PM 1.3.1.4: Implement Cyber Excepted Service (CES) and Improve Workforce</b>	Target	22%	28%	36%	45%	67%	79%	FOUO
	Actual	FOUO	FOUO	FOUO				
<b>PG 1.3.2: Implement Joint Regional Security Stack (JRSS) capabilities. The JRSS capabilities include modernizing the Department's information transport capabilities through installation of high throughput Multiprotocol Label Switching (MPLS) routers and fiber optic links; enhanced network security stacks; management of the enhanced network stacks; and a comprehensive analytics capability that synchronizes defensive cyber operations across the DoD Information Network (DoDIN). The JRSS effort is driving dramatic changes to IT networking and security across the DoDIN. It collapses disparate security solutions and complex duplicative networking connections into a dynamic, flexible, and upgradeable future DoD IT environment</b>					<b>PG Leader: DoD CIO</b>			
<b>Performance Measure</b>		<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>2020</b>	<b>2021</b>	<b>Prior Year Results</b>
<b>PM 1.3.2.1: Cumulative percentage of NIPRNet/SIPRNet JRSS installed with operational traffic</b>	Target	60% / 0%	60% / 16%	60% / 16%	75% / 30%	85% / 45%	100% / 60%	FY18: 65% / 0%
	Actual	65% / 0%	65% / 0%	65% / 0%				

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Performance Measure		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
PM 1.3.2.2: Cumulative percentage of locations whose network communications are behind JRSS on NIPRNet and SIPRNet	Target	39% / 0%	41% / 5%	43% / 15%	45% / 25%	52% / 40%	60% / 60%	FY18: 40% / 0%
	Actual	40% / 0%	41% / 0%	47% / 0%				
Note: First number reflects NIPR JRSS/Second Number reflects SIPR JRSS								
PG 1.3.3: Implement Cyber-Supply Chain Risk Management Activities				PG Leader: DoD CIO				
Performance Measure		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
PM 1.3.3.1: Improve Supplier Threat Assessment collection and analyses	Target		25%	25%	33%	50%	60%	NEW
	Actual		FOUO	FOUO				
PM 1.3.3.2: Implement methods to mitigate risk: Blacklisting/Enhanced Procedures Improved hardware/ software assurance testing	Target		25%	25%	33%	50%	60%	NEW
	Actual		FOUO	FOUO				
PM 1.3.3.3: Enhancing processes for approved products/ vendors' lists	Target		25%	25%	33%	50%	60%	NEW
	Actual		FOUO	FOUO				
PG 1.3.4: Accelerate the Delivery & Adoption of Artificial Intelligence Throughout DoD to Achieve Mission Impact at Scale				PG Leader: Director, Joint Artificial Intelligence Center				
Performance Measure		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
PM 1.3.4.1: Joint Artificial Intelligence Center (JAIC) Full Operational Capability	Target	25%	40%	60%	80%	100%	100%	NEW
	Actual	25%	40%	60%				
PM 1.3.4.2: Predictive Maintenance National Mission Initiative (PMx NMI)	Target	0%	10%	20%	33%	66%	100%	NEW
	Actual	5%	10%	20%				

## Appendix A: Third Quarter, FY 2019 Performance Results Summary

Performance Measure		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
PM 1.3.4.3: Humanitarian Assistance / Disaster Relief National Mission Initiative (HA/DR NMI)	Target	0%	10%	20%	33%	66%	100%	NEW
	Actual	5%	10%	18%				
PM 1.3.4.4: Cyber Sensing National Mission Initiative (Cyber NMI)	Target	0%	5%	10%	15%	55%	100%	NEW
	Actual	2%	5%	10%				
PM 1.3.4.5: Joint Common Foundation (JCF)	Target	0%	10%	20%	33%	66%	100%	NEW
	Actual	0%	10%	20%				
PG 1.3.5: Award of Joint Enterprise Defense Infrastructure (JEDI) Cloud Contract				PG Leader: Program Manager, DoD Cloud Computing Program Office				
Performance Measure		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
PM 1.3.5.1: JEDI Cloud Contract Award	Target	Measured Annually			100%	100%	100%	NEW
	Actual							
PG 1.3.6: Roll Out of Account Tracking and Automation Tool (AT-AT) Provisioning Tool				PG Leader: Program Manager, DoD Cloud Computing Program Office				
Performance Measure		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
PM 1.3.6.1: Roll Out of AT-AT	Target			75%	75%	100%	100%	NEW
	Actual			75%				
PG 1.3.7: Joint Enterprise Defense Infrastructure (JEDI) Environments Open for Business				PG Leader: Program Manager, DoD Cloud Computing Program Office				
Performance Measure		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
PM 1.3.7.1: JEDI Cloud Open for Business	Target					100%		NEW
	Actual							



## Appendix A: Third Quarter, FY 2019 Performance Results Summary

PG 1.3.8: Modernize Tactical Radio Communications (Waveforms, Radios, Crypto)				PG Leader: Department of Defense Chief Information Officer (DoD CIO)				
Performance Measure		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
<b>PM 1.3.8.1:</b> COMSEC Modernization Ratio (CMR) * <b>Tact Radio</b> ** <b>L-16 Terminals</b>	Target	Measured Annually			* 20% ** 30%	* 40% ** 60%	* 60% ** 90%	FY18: 5%
	Actual							
<b>PM 1.3.8.2:</b> Accelerate Mobile User Objective System (MUOS) Terminal Procurement	Target	15%	20%	25%	30%	50%	70%	NEW
	Actual	3%	9.2%	9.2%				
PG 1.3.9: Assured Electromagnetic Spectrum (EMS) Access, Use, & Maneuver				PG Leader: DoD CIO C4IIC (SP&IE)				
Performance Measure		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
<b>PM 1.3.9.1:</b> Joint electromagnetic spectrum information analysis and fusion (JEMSIAF)	Target	0%	33%	75%	100%	X	X	NEW
	Actual	30%	50%	100%				
<b>PM 1.3.9.2:</b> Joint spectrum Data Repository (JSDR)	Target	0	33%	67%	100%	X	X	NEW
	Actual	30%	50%	67%				
<b>PM 1.3.9.3:</b> Electromagnetic Battle Management (EMBM)	Target	0%	33%	75%	100%	X	X	NEW
	Actual	30%	50%	80%				
<b>PM 1.3.9.4:</b> Spectrum Efficient National Surveillance Radar (SENSR) Feasibility Study Phase 2 Pipeline Plan to Technical Panel	Target	5%	50%	100%	N/A			NEW
	Actual	10%	50%	90%				
<b>PM 1.3.9.5:</b> 3450-3550 MHz Feasibility Study Pipeline Plan to Technical Panel	Target	25%	50%	75%	100%	N/A	N/A	NEW
	Actual	50%	85%	85%				

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Performance Measure		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
PM 1.3.9.6: SENSR and Non-SENSR Feasibility Studies	Target	35% (SENSR) 0% (non)	50% (SENSR) 5% (non)	55% (SENSR) 15% (non)	65% (SENSR) 35% (non)	80% (SENSR) 65% (non)	100% (both)	NEW
	Actual	35% / 0%	50% / 0%	50% / 0%				
PM 1.3.9.7: Completion of AWS-3 transition activities	Target	30%	35%	50%	50%	70%	75%	NEW
	Actual	30%	35%	50%				
PM 1.3.9.8: 1675-1680 MHz Feasibility Study	Target	5%	10%	35%	50%	100%		NEW
	Actual	5%	20%	35%				
PG 1.3.10: Modernize and Protect PNT Delivery				PG Leader: DoD CIO, C3				
Performance Measure		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
PM 1.3.10.1: PNT Oversight Annual Report to Congress	Target	Draft Text	Finalize Budget	Staff/Deliver Report	N/A	Staff/Deliver Report	Staff/Deliver Report	NEW
	Actual	Met	Met	Met				
PM 1.3.10.2: MGUE platform integration and installation)	Target	N/A	N/A	PNT EMB Review	PNT Council Review	3 Lead Platforms Complete	TBD	NEW
	Actual			Met				
PM 1.3.10.3: Defense Regional Clock (DRC) Installation	Target			80%		92%	100%	NEW
	Actual			83%				

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PG 1.3.11: Improve Senior Leadership Communications Resiliency				PG Leader: DoD CIO, C3				
Performance Measure		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
PM 1.3.11.1: Assess 5 critical senior leadership communications nodes yearly	Target	Measured Annually			5	5	5	NEW
	Actual							
PM 1.3.11.2: Develop 5 Plan Of Action and Milestones (POAMs) to resolve each location's findings	Target	Measured Annually			5	5	5	NEW
	Actual							
PM 1.3.11.3: Annual report that captures DTRA assessments	Target	Measured Annually			1	1	1	NEW
	Actual							

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<b>SO 1.4: Ensure the best intelligence, counterintelligence, and security support to DoD Operations</b>	
<b>SO Leader: OUSD(I)</b>	
<b>PG 1.4.1:</b> Provide Advantages in Competitive and Contested environments	<b>PG Leader:</b> Director for Defense Intelligence (Intelligence Strategy, Programs & Resources)
See Classified Appendix	
<b>PG 1.4.2:</b> Leverage Commercial Technologies and Innovation Solutions	<b>PG Leader:</b> Director for Defense Intelligence (Warfighter Support)
See Classified Appendix	
<b>PG 1.4.3:</b> Elevate Defense Security	<b>PG Leader:</b> Director for Defense Intelligence (Intelligence and Security)
See Classified Appendix	
<b>PG 1.4.4:</b> Deepen Alliances and Foreign Partnerships	<b>PG Leader:</b> Director for Defense Intelligence (Warfighter Support)
See Classified Appendix	
<b>PG 1.4.5:</b> Increase Enterprise Integration	<b>PG Leader:</b> Director for Defense Intelligence (Intelligence Strategy, Programs & Resources)
See Classified Appendix	

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SO 1.5: Implement initiatives to recruit and retain the best Total Force to bolster capabilities and readiness.								
SO Leader: USD(P&R)								
PG 1.5.1: Ensure the Total Force mix of military, federal civilian, and contracted support provides the best talent and capabilities at the right cost for each set of requirements				PG Leader: Director, Total Force Manpower & Resources Services (TFM&RS), OASD(M&RA), OUSD(P&R)				
Performance Measures		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
PM 1.5.1.1: Secretaries of the MilDeps and the DoD Chief Management Officer submit annual reports, in accordance with 10 USC 129(c), to Congress, beginning February 1, 2019 delineating workforce rationalization efforts	Target		X					
	Actual		X			X	X	
PG 1.5.2: Improve recruitment and retention of the civilian workforce				PG Leader: OUSD, P&R (DASD(CPP))				
Performance Measures		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
PM 1.5.2.1: Civilian Time to Hire: Number of days for all civilian hiring actions (Internal and External)	Target	85 days	85 days	85 days	85 days			
	Actual	100	100	91		85 days	85 days	100 days
PM 1.5.2.2: By June 30, 2019, establish quality measures for manager/customer satisfaction with hiring process	Target	Develop quality survey	Notify Components of requirement	Implement survey; establish 6-month baseline	Continue baseline			
	Actual			Met				
PM 1.5.2.3: By October 1, 2019, implement customer satisfaction tracking program	Target							
	Actual					X		
PM 1.5.2.4: By October 1, 2019, conduct quarterly performance reviews of Components' hiring efficiency (time to hire) and effectiveness (manager satisfaction/ applicant quality).	Target							
	Actual					X		

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<b>PG 1.5.3: Enhance recruitment and sustainment of the All-Volunteer Force (AVF)</b>				<b>PG Leader: Chief of Staff, OUSD(P&amp;R)</b>				
<b>Performance Measures</b>		<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>2020</b>	<b>2021</b>	<b>Prior Year Results</b>
<b>PM 1.5.3.1:</b> *By the end of FY21, increase percent of youth who say they have considered military service by two points to 60%.	Target	Measured Annually			58.5%	59%	60%	
	Actual							
<b>PM 1.5.3.2:</b> *By the end of FY21, increase enlisted annual accession percentages from non-top 10 states by one-half point to 72.4%.	Target	Measured Annually			72%	72.2%	72.4%	
	Actual							
<b>PM 1.5.3.3:</b> *By the end of FY21, increase influencers who have seen a JAMRS ad by five points to 10%.	Target	Measured Annually			6%	8%	10%	
	Actual							
* Results are contingent on receiving projected funding for JAMRS marketing efforts.								
<b>PG 1.5.4: Ensure implementation of organizational initiatives to promote diversity and inclusion</b>				<b>PG Leader: OUSD(PR)</b>				
<b>Performance Measure</b>		<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>2020</b>	<b>2021</b>	<b>Prior Year Results</b>
<b>PM 1.5.4.1:</b> Assessment of Military Services implementation of DoDI 1020.03 Report.	Target	Measured Annually			X			NEW
	Actual							

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<b>SO 1.6: Ensure the U.S. technological advantage</b>								
<b>SO Leader: OUSD (R&amp;E)</b>								
<b>PG 1.6.1: Focus the Department’s technology development in key modernization areas</b>				<b>PG Leader: OUSD(R&amp;E)</b>				
<b>Performance Measures</b>		<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>2020</b>	<b>2021</b>	<b>Prior Year Results</b>
<b>PM 1.6.1.1:</b> Recruit technology leads in the OUSD(R&E) for the key priority areas, and establish a cross-cutting forum with key stakeholders to address the strategies	Target		X					
	Actual		X					
<b>PM 1.6.1.2:</b> Develop the Road to Dominance strategies for the key priority areas	Target		X					
	Actual		X					
<b>PM 1.6.1.3:</b> Leverage strategic partnerships to ensure the Department’s investments are appropriately focused on the modernization priorities and address issues during the FY 2021 Program and Budget Review, as needed, to address remaining	Target				X			
	Actual							
<b>PM 1.6.1.4:</b> Mature R&E Organization; finalize transitions from heritage AT&L manpower and processes	Target					X		
	Actual							

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SO 1.7: Evolve Innovative Operational Concepts								
SO Leader: OUSD (A&S)								
PG 1.7.1: Continue to be responsive to the Combatant Commanders in response to validated urgent operational needs				PG Leader: OUSD(A&S)				
Performance Measures		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
<b>PM 1.7.1.1:</b> Develop and deploy integrated Counter – Unmanned Aircraft System (C-UAS) command and control systems to the U.S. Central Command (USCENTCOM) area of responsibility (AOR) which link multiple sensors, provide target quality data, and clear fires to enable kinetic kills	Target		X					
	Actual		X					
<b>PM 1.7.1.2:</b> Deploy capabilities to the USCENTCOM AOR that can counter and defeat our adversary’s use of Group 3 unmanned aerial systems	Target			X				
	Actual			X				
<b>PM 1.7.1.3:</b> Deploy material solutions which mitigate the effect of observed electromagnetic interference in the USCENTCOM AOR	Target			X				
	Actual			X				



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### Strategy Goal 2 Overview - Strength our Alliances & Attract New Partners

#### *Reforming the Security Cooperation Enterprise*

The Department made significant progress in implementing the reforms to Security Cooperation (SC) as enacted by the [NDAA for FY 2017](#). These include adjusting planning and execution timelines to meet enhanced congressional notification requirements; creating a more transparent and consolidated budget request; and implementing a new assessment, monitoring, and evaluation framework to more rigorously evaluate the effectiveness of DoD efforts to achieve strategic ends through the use of SC tools.

#### Foreign Military Sales

The [Secretary of State](#) is responsible for management and supervision of all aspects of U.S. security cooperation programs – including the Foreign Military Sales ([FMS](#)) program. The Department of State determines whether and when there will be a U.S. program with, or sale to, a particular country as well as the size and scope of any programs or sales. The Defense Security Cooperation Agency ([DSCA](#)) administers and supervises the execution of the FMS program on behalf of the Department of Defense.

In carrying out this role, DSCA has continued focusing on improving overall FMS case development performance through the implementation of incremental process and policy improvements. “Case development” refers to the process for responding to the submission of a Letter of Request for information from an eligible foreign partner; see Security Assistance Management Manual ([SAMM](#)), [Chapter 5](#) for additional information about FMS case development. One key performance target established in the SAMM is for DSCA to offer 85% of its Letter of Offer and Acceptance documents within their relevant case development performance standards, which are based on case complexity. As of the end of FY 2019, DSCA increased performance of this metric to 79%, from 70% in FY 2018, a 14% increase in performance. Additionally, based on analysis and review of the FMS Administrative Trust Fund, including evaluation and analysis of anticipated future disbursements and collections, DSCA was able to reduce the FMS administrative surcharge rate charged on FMS sales from 3.5% to 3.2%. Additionally, DSCA has lowering seven FMS transportation rates through detailed reviews. This reduction in overhead fees saved foreign partners participating in the FMS program approximately \$180 million.

#### *Expand regional consultative mechanisms and collaborative planning*

DoD's Defense Exportability Features (DEF) initiatives support DoD's larger goals of strengthening alliances and attracting new partners. Specifically, OUSD(A&S) has expanded collaboration with international partners by enabling foreign sales in order to enhance coalition interoperability, decreasing costs to DoD and international partners through production economies of scale, and improving international competitiveness of U.S. defense systems. Included in these initiatives is a critical task under the President's CAT Policy Implementation Plan "Build Exportability." These exportability initiatives encourage DoD program management to design and develop technology protection features and incorporate them into U.S. defense systems early in the acquisition life cycle, in order to facilitate earlier foreign sales and reduce costs to DoD and international partners.

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STRATEGIC GOAL 2								
Strengthen Our Alliances & Attract New Partners								
Strategic Objective (SO) 2.1: Reform the Security Cooperation Enterprise								
SO Leader: OUSD(P)								
PG 2.1.1: Develop a certified DoD Security Cooperation workforce with the training, experience and resources necessary to meet mission requirements					PG Leader: DSCA			
Performance Measure		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
PM 2.1.1.1: Identify the size and composition of the workforce	Target		100%	100%	100%	100%	100%	30% complete
	Actual		96%	94%				
PM 2.1.1.2: Establish regulations and guidance to create a trained, certified, and resourced workforce	Target	25%	25%	25%	50%	75%	100%	NEW
	Actual	25%	25%	30%				
PM 2.1.1.3: Personnel with required SC skills and experience are assigned to DoD SC workforce positions	Target	5%	10%	15%	20%	50%	75%	
	Actual	10%	15%	17%				
* Updated PG 2.1.1 performance measures. As time progresses, DSCA made advanced progress in some areas and less progress in others								
PG 2.1.2: Develop coordinated policy that aligns Security Cooperation across the enterprise to better support global strategic priorities.					PG Leader: DSCA			
Performance Measure		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
PM 2.1.2.1: Synchronize U.S. planning and resourcing efforts to develop full-spectrum capabilities for partner nations	Target	25%	40%	60%	80%	100%	N/A	NEW
	Actual		40%	60%				
PM 2.1.2.2: Synchronize both Title 10 and Title 22 planning and execution	Target		100%	50%	75%	100%	100%	NEW
	Actual		100%	50%				

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PG 2.1.3: Responsive and innovative processes and authorities for effective execution developed				PG Leader: DSCA				
Performance Measure		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
PM 2.1.3.1: Establish non-standard and non-program of record policies and practices	Target		25%	50%	100%			
	Actual		25%	50%				
PG 2.1.4: Provide full-spectrum capabilities for partner nations				PG Leader: DSCA				
Performance Measure		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
PM 2.1.4.1: Pilot new processes and engagement mechanisms to better support Combatant Command Security Cooperation planning	Target		50%		100%			
	Actual		50%					
Strategic Objective (SO) 2.2: Expand regional consultative mechanisms and collaborative planning.								
SO Leader: OUSD(A&S)								
PG 2.2.1: Expand OUSD(A&S)' collaboration with international partners				PG Leader: OUSD(A&S)				
Performance Measure		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
PM 2.2.1.1: Deliver recommendations to the Secretary of Defense on ways to improve DoD support for non-standard/non-programs of record arms transfers to allies/partners and build exportability into DoD acquisition programs early in the acquisition process positions	Target	X						
	Actual	X						
PM 2.2.1.2: Complete negotiation of multilateral framework for Research, Development, Technology and Engineering (RDT&E) with Australia, Japan and Korea in the Asia-Pacific to allow for armaments cooperation on future technologies and create a positive operational impact	Target							
	Actual							
* Due to the current geopolitical environment between Korea and Japan, Korea advised that they are unable to participate due to Japan's involvement. The effort will proceed with Australia, Japan, and the United States. OUSD A&S engagement with Japan MOD in July 2019 prompted their agreement to sign a Terms of Reference (TOR) to form a multilateral RDT&E framework in the Indo-Pacific. OUSD A&S awaits DoD OGC approval of the current version of the TOR before								

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moving to signature. Signing the TOR will be the first step of many to follow that will enable key partners in the Indo-Pacific to strengthen relationships through armaments								
<b>PM 2.2.1.3:</b> Complete and promulgate strategic guidance for international armaments cooperation in European and Indo-Pacific regions to guide future cooperation with allies and partners	Target				X			
	Actual							

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### Strategy Goal 3 Overview - Reform the Department's Business Practices for Greater Performance and Affordability

#### *Reforming the Department's Business Operations*

The Department of Defense (DoD) has undertaken numerous efficiency efforts since 2010, both in response to congressional direction and as Departmental initiatives to achieve savings and redirect limited resources to higher priority missions. Governmental reform is a top priority for this Administration, and reform is one of the three priorities of the Secretary of Defense.

While the Department continues to execute already planned efficiencies, the FY 2019 - FY 2023 Defense Program Review outlines an aggressive reform agenda that so far has realized an estimated \$6B in savings into the budget for FY 2019 with an additional \$40B across the remaining Fiscal Years Defense Program (FYDP) (FY2019 - FY2023), in line with DoD's Priority Goal for reform savings.

To execute its reform strategy, the Department established the Reform Management Group (RMG) to look at reforming business operations and reducing costs and delivering of enterprise services across the Department. The focus areas are: Financial Management, Contract Management, Information Technology (IT) for Business Systems, IT (Infrastructure), Human Resources, Community Services, and Health Care. The RMG is the senior leadership governance board established as a decision-making body to provide oversight and direction on reform team initiatives to drive change across the business enterprise of the Department.

By establishing alignment with the MilDepts in each line of effort, the OCMO established a foundation for reform, identified reforms that provide the most return on investment and continued the Department's transition to a culture of continuous improvement. After a year of success executing reform through the RMG, the Department is prioritizing reform initiatives that focus on: increases to lethality and readiness, short-term benefits, financial savings, and shared metrics between the CMO and sustaining organization, cultivating an environment for lasting change.

Results from the Secretary of Defense's third line of effort, "Reform the Department's Business Practices for Greater Performance and Affordability" includes:

Healthcare management: the goals of this effort are to develop and maintain a medically ready force; resize the DoD-owned system to focus on warfighting needs; and provide quality healthcare for non-mission beneficiaries through the most cost-effective means. Successes to date for FY 2019 include:

- Transitioned eight MTFS to the authority, direction and control of the DHA on 1 October 2018. Finalized plans for the transition of MTFs to the DHA based on lessons learned from the initial transfer of eight MTFs. Plan include enterprise consolidation of purchased services, access to specialty care, revenue cycle management, medical logistics, laboratory, pharmacy, and facilities. The Department completed a review of the medical requirements process and now is reviewing the total medical force structure requirements. Key to plan implementation will be meeting the personnel requirements of the DHA that will enable the implementation of eleven standardized services across the Department's medical enterprise.

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Information Technology: The DoD-wide information technology (IT) reform is focused on implementing more effective solutions, realizing cost savings, and gaining efficiencies throughout the Department. The consolidation and optimization of DoD networks through the Fourth Estate Network and Service Optimization reform, closure of redundant data centers via the Fourth Estate Cloud and Data Center Optimization reform, and the establishment of enterprise-wide collaboration capabilities by the Enterprise Collaboration and IT tools reform, will enable the Department to innovate for competitive advantage, optimize for efficiency and improved capability, and evolve cyber security for an agile and resilient defense posture.

As of Q3, FY 2019 reform activities related to Information Technology (IT) have realized a total of \$134 million in net savings between FY 2019 – FY 2024. In FY 2019, the IT reform activities achieved the following:

- Fourth Estate Network and Service Optimization: DoD completed assessments and migration plans for 14 Fourth Estate networks to facilitate the migration to a single service provider. DoD issued a Global Service Desk Request for Quote (RFQ) to enable the consolidation of 17 Fourth Estate help desks to a single enterprise solution. The Department also initiated the development of a business case to identify the network provider solution that offers the greatest benefit to the Department.
- Fourth Estate Cloud and Data Center Optimization: Completed assessments of ~800 Fourth Estate applications/systems to identify migration and data center closure candidates. Developed migration plans to understand resource requirements and enable tracking of Fourth Estate consolidation progress. Successfully migrated 266 systems to enterprise-level hosting environments and closed 17 Fourth Estate data centers.
- Enterprise Collaboration and IT Tools: Developed an acquisition strategy to support the issuance of the Defense Enterprise Office Solution (DEOS) RFQ. The DEOS contract will create an enterprise collaboration capability for the Department to enable the migration of 3.1M NIPR users and 600K SIPR users to an enterprise collaboration solution.

Business Systems: Business systems reform is focused on improving enterprise business operations, fostering a business systems environment with built-in security and cyber protections, promoting the use of commercial-off-the-shelf and configured technologies to reduce DoD's costs and delivering strategic value to the Warfighter. The Department continues to progress business system modernization efforts to support increased efficiency and effectiveness of business capabilities. The efficiencies include changes to the defense travel system, defense civilian human resources management system, category management for training and education and task management system. The Department is currently reviewing all business operational portfolios to identify additional improvements and shared service opportunities.

Financial Management: Financial management (FM) reform is focused on initiatives that will reduce operational costs within the DoD FM line of business by simplifying and standardizing our business processes and systems, while improving auditability and security. Examples of financial management reform successes this year include:

- Retired 11 systems within DFAS, reducing system costs by \$2.5M; with nine additional system retirements planned through FY21.
- Developed standard roles and responsibilities between the Services and DFAS that streamline disbursing processes, and retire the Defense Joint Military Pay system. Savings to be realized and codified upon the Services' implementation of their Integrated Personnel and Pay System (IPPS) solutions.

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- Financial Data Standards have been reviewed and in order to most efficiently implement standards, DoD is looking at reducing the number of financial systems and business feeder systems and improving governance.
- Established a Robotic Process Automation (RPA) platform that allows organizations to easily deploy, secure, and manage robots at scale. The use of this platform improves the management, sharing and oversight of deployed automations. In addition to establishing an RPA platform, the team developed 15 process automations for OUSD (Comptroller) and 4th Estate Agencies on the Defense Agency Initiative (DAI) accounting system, resulting in 11K labor hours being redirected to higher value work annually. The future scaling of DAI process automations to additional 4th Estate Agencies is estimated to increase the annual labor hours redirect to higher value tasks to 105K annually.

Logistics & Supply Chain: Logistics reform is focused on business process improvements that will improve readiness, enhance sustainment, and maximize buying power. Intent is to garner fiscal efficiencies that can be reinvested in sustainment to compound the readiness gains and produce more lethality.

In collaboration with the senior logistics commanders and staffs, the Logistics Reform Team developed a portfolio of 24 initiatives around four key themes: standardizing processes and reducing duplication, establishing single process owners and governance structures, leveraging data and data interoperability, and adopting well-aligned and authoritative performance measures. The team then prioritized each initiative by assessing it against projected impact on readiness, projected return on investment, and ease of implementation in order to deliver reform improvements quickly.

Against this prioritized list, the logistics reform team developed a number of proofs of concept, most of which are scheduled to be completed by the end of calendar year 2019. These proofs of concept will validate or reject the initial estimated cost/readiness improvements and determine whether the initiatives should be implemented across the enterprise.

Results at the end of third quarter FY19:

Three initiatives are implemented; twelve initiatives are now being implemented; five initiatives are still in the proof of concept stage with implementation decisions pending; four initiatives completed with decisions not to implement.

Examples of logistics reform successes this year include:

- The Logistics Reform Team developed and defined standard, enterprise-wide metrics for use by all the Services. Metrics for materiel availability, cost per day of availability, and other diagnostic/prognostic and performance/productivity measures will enable better resource decision making and achieve targeted materiel availability at the lowest cost
- The Secretary of Defense approved three initiatives for implementation:
  - Alternatives to Forecasting Methods provides strategies for setting stock levels that will improve cost and supply availability performance for items with inherently unforecastable demand patterns compared against conventional forecasting methodologies.
  - Enterprise Buying (formerly Strategic Sourcing of Sustainment for Commodity Procurement) will rely on a single organization as the primary buyer to achieve savings through economies of scale.

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- Non-tactical Warehouse Integration study showed that vast improvements in space utilization are possible. The Warehouse Utilization effort will implement the findings from the NWI study across the Department.
- Defense Logistics Agency anticipates \$84M cost avoidance to the Department in FY19 from efficiencies implemented through consolidation of Industrial Supply, Storage and Distribution functions.
- Defense Logistics Agency realized \$25M in savings in FY19 through the Whole of Government initiative, which expanded support to Veteran's Affairs, General Services Administration (GSA), and the US Coast Guard, increasing DLA's buying power.

Contract Management: Contract management is focused on deploying enterprise-wide approaches to improve the Department's processes in purchasing common goods and services. The three main lines of effort are Contract Efficiency Assessments, Category Management, and Service Requirement Review Boards.

Contract Efficiency Assessments (CEA): CEAs help DoD organizations determine what a requirement should cost (as currently defined) or could cost (when optimally defined) by breaking down the requirement into each of its cost drivers and using market intelligence to compare these elements to industry standards. FY19

Performance Goals include:

1. Implementation of a "should/could" cost methodology to select and conduct CEAs;
2. Adjust requirements/contracts to better leverage common global cost standards; and
3. Conduct CEAs for five (5) diverse contracts.

The Department completed five efficiency assessments for two Army requirements, one Navy requirements, one Defense Logistics Agency requirement, and one Missile Defense Agency requirement, identifying potential savings in each, for a combined potential annual savings of up to \$60 million.

Category Management: Category Management refers to the business practice of buying common goods and services as an enterprise to eliminate redundancies, increase efficiency, and deliver more value and savings from the Government's acquisition programs. Category Management develops and uses business intelligence for data-driven decisions to improve cost, capability and compliance of the acquisition of common goods and services. Category Management drives efficiencies and savings through rate, process and demand improvements. Enterprise Data Management assures the availability of common, usable, defense-wide data sets that enables enterprise-wide business management. The Department's cost data, coupled with commercial reference data, supports Category Management to better leverage DoD's buying power, inform make/buy and other management decisions. The Department will evaluate \$180B in spend over 33 months through a series of "sprints."

In FY19, the Department implemented the first sprint to evaluate spend in various categories and identify cost savings opportunities. Sprint 1, a pilot, included 26 projects from a cross-section of DoD agencies and military departments to include Defense Logistics Agency, DISA, Army, and Air Force. Sprint 2 included 20 projects similar organizations but also included Defense Health Agency, US Transportation Command, and Special Operations Command. Sprint 3 began May 28, 2019 and consists of 37 projects and in addition to the similar previous organizations included projects for the Navy, Marine Corps, and DoD Small Business. To date, Sprint 1 identified \$2.793M in planned savings opportunities. Savings from Sprint 2 are currently being evaluated by organizations to determine expected savings and Sprint 3 will conclude at the end of August 2019.



## Appendix A: Third Quarter, FY 2019 Performance Results Summary

Service Requirement Review Boards (SRRBs): The SRRB is a formal board that reviews an organization's requirements for services. In FY19, the Senior Review Panel (SRP) continued to review all Fourth Estate organizations to validate previous year SRRB reductions and review future SRRB goals; review organizations' services requirements review processes; and solicit input on requirements development, validation, and oversight impediments and roadblocks. Additionally, the SRP reviewed Military Departments (MILDEPs) for the first time in FY19. MILDEPs did not have a target reduction allocation for FY19 but provided a presentation to the SRP identifying services requirements review processes in use, outcomes of review processes, impediments to effective reviews, and best practices in use. For FY19, SRRBs resulted in approximately \$441M in savings for 4th Estate organizations and an additional \$251M in Working Capital Funded organizations and Combatant Commands savings which were reinvested into higher priority requirements.

Human Resources Management (HRM): HRM Reform aims to simplify, streamline, and standardize civilian personnel policies and processes to effectively recruit, appoint, compensate, incentivize, reward, retain, and manage a qualified and agile civilian workforce, allowing for a strategic, enterprise-wide approach to support Department of Defense missions. Two focus areas in FY19 were Civilian Hiring Improvement and HR Regulatory Reform.

To achieve a faster process and better outcomes in civilian hiring, the HRM Reform Team focused on improving Time to Hire (TTH), implementing quality / satisfaction measures, and standardizing processes. In FY19, Components implemented and tracked the TTH Action Plans they established in FY18, and DoD began conducting quarterly reviews of actions and results. In order to measure quality/satisfaction, DoD activated the Hiring Manager Survey tool in the OPM USASTAFFING system, beginning October 1, 2018. FY19 pilot results will establish baselines and enable identification of annual goals for manager/customer satisfaction. In addition, a Business Process Review (BPR) project kicked off in the spring of 2019, to establish a standard DoD-wide business process and corresponding metrics for civilian hiring. A series of Working Groups took place from March through June 2019, with representatives from the MilDeps and 4<sup>th</sup> Estate Components, which identified the steps and definitions for DoD civilian hiring in order to standardize the process and begin developing consistent performance measures.

In March 2019, an initial framework for HR Regulatory Reform was approved, with a goal of streamlining, standardizing, and modernizing the 66 different civilian personnel systems, 60+ classification and compensation systems, and dozens of hiring authorities and other HR flexibilities (over 45 added since 2010). Two DoD legislative proposals were approved by OMB and OPM, and submitted to Congress in April 2019 to be considered for the FY20 NDAA. The Department has begun developing an agile roadmap for implementation.

Community Services: the goals of this reform effort are Multi-phased approach starting with Consolidation of the Defense Resale System (commissary and exchange systems) into a single enterprise-wide organization to improve efficiency, cost effectiveness (impacts APF and NAF funding), and preserve the non-pay benefit.. In July 2018, a task force was assembled to conduct a business case analysis (BCA) on the efficacy of this approach. On March 1, 2019, the Acting Chief Management Officer (CMO) reviewed the final BCA and accepted the recommendations provided. On this same date, the Acting CMO issued a memo that directed the Community Services Reform Team continue operational integration planning to the fullest extent possible consistent with law and policy. These planning efforts continue. Consolidation of the above store level defense resale activities will eliminate duplicate functional business activities and inefficiencies which will preserve and

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strengthen the benefit to service members.

**DoD Priority Goal - Reduce Regulatory Burden:** President Trump has made it a goal of this Administration to reform regulatory requirements that negatively impact our economy. In Office of Management and Budget (OMB) Memorandum M-17-23, “Guidance on Regulatory Reform Accountability under Executive Order 13777, titled ‘Enforcing the Regulatory Reform Agenda’” dated April 28, 2017, OMB established performance indicators for agency use in reporting regulatory reform efforts. OMB also required agencies to establish performance goals and to set a target for the level of performance to be achieved associated with each indicator. DoD established goals to review all 716 DoD codified regulations in order to evaluate regulations for consolidation and to eliminate unnecessary, outdated, or ineffective regulations by 25 percent to reduce burden and costs to the public; identify priority regulations that align with the Secretary of Defense’s priorities; and improve the business process of issuing regulations.

To review all 716 codified regulations, DoD established a Regulatory Reform Task Force in accordance with the requirements in Executive Order (EO) 13777, “Enforcing the Regulatory Reform Agenda.” The task force, consisting of DoD component representatives, conducted a comprehensive review of the DoD codified regulations and made recommendations to the Secretary of Defense regarding their repeal, replacement, modification, or retention consistent with applicable law. DoD modified its performance targets to be achieved as many of the Department’s regulations for repeal fall into the category of administrative cleanup or consolidation and do not count as deregulatory actions as defined by EO 13777, “Reducing Regulations and Controlling Regulatory Costs.” Additionally, many of the Department’s regulations are fully or partially exempt or not subject to the requirements of EO 13777.

As of December 31, 2018, the DoD Task Force completed review of all 716 regulations and recommended 249 for repeal, 49 for replacement, 81 for modification, and 337 for retention. Of the reviewed regulations, the Task Force has recommended 35% for repeal, 10% above the Department’s targeted goal of 25%. DoD is now in the implementation phase. In this phase, DoD has a goal of promulgating 50 regulations a year to implement Task Force recommendations. As of July 8, 2019, 88 repeals, 4 revisions, and 4 modifications have been finalized with an actual annualized cost savings/avoidance of \$5.19M and potential annualized cost savings/avoidance of \$26.74M. Additionally, to implement Task Force recommendations, DoD is updating its regulatory policies and processes, providing training to components on the regulatory process, providing components with information on the legislative proposal process, and brought an economist on-board to assist the components with cost benefit analysis. Implementation of the Task Force recommendations and sustainment of the regulatory reform efforts will continue for several years.

### *Deliver performance-driven shared services and an exceptional customer experience*

In accordance Washington Headquarters Services (WHS) oversee Defense Agency and Field Activity regarding management of Business Mission Area objectives, requirements, priorities and Information Technology investments. Review business processes, establishing firm shared services strategy, increase effectiveness, efficiency, and reliability.

The Time to Hire (TTH) performance measure is a crucial component of the hiring process and enables us to manage and improve the hiring process by revealing exactly how efficient our Human Resources (HR) team is in filling positions, as needed. The measure provides insights into every step in the hiring process and identifies process areas causing delays for root cause analysis and mitigation.

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To ensure total control and accountability of our hiring process, WHS transitioned to a single-source delivery model to perform and manage all aspects of our customer's hiring and recruitment needs from developing the hiring strategy to the candidate entrance-on-duty. Additionally, WHS transitioned all HR functions from DLA to include merit promotion recruitment, Delegated Examining recruitment, processing of all personnel actions, retirements, benefits (health, life, etc.), overseas allowances, Permanent Change Station, and management of electronic Official Personnel Files. WHS also implemented for the TTH process, Technical Subject Matter Expert panels, Priority Placement Program Pilot, Single Source HR Service Delivery, Deployment of the USA Staffing Upgrade, and Customer Account Managers. The implementation of these initiatives removes the administrative burden from the hiring process and provides an end-to-end solution that increases our capabilities to efficiently and effectively recruit and hire qualified individuals.

With Secretary Mattis's announced departure of December 20, 2018, OPM imposed an Executive Core Qualifications (ECQ) submission moratorium on actions within our serviced population. That moratorium lasted until May 8 when OPM announced a change to their internal guidance and lifted the moratorium. However, minus an individual waiver, we were unable to submit ECQs to OPM between December 20, 2018 and May 8, 2019, severely hampering our ability to fill key SES positions. We removed this "frozen" period from our Q3 data. In addition, on March 14, 2019, Mr. James N. Stewart, the Assistant Secretary of Defense for Manpower and Reserve Affairs, Performing the Duties of the Under Secretary of Defense for Personnel & Readiness, signed a memo entitled "Pilot Program for Initial Appointments to the Senior Executive Service Positions in the Department of Defense" which allows DoD to appoint new SES members without submitting ECQs to OPM. We used this authority to appoint one new SES member within our serviced population in Q3.

WHS continues to use the TTH metrics and data multiple ways in the business process. Data is used for the metrics, daily workload management and to share timely status of each hiring action with the customer by pulling a report that is refreshed every two hours. There is always a challenge with the integrity of the data and the ability to retrieve it without any manual corrections by the HR Team. WHS has raised the data issues with OPM, DMDC, and DCPAS, and we hope that the new DCHRMS will help resolve these issues in the future.

### *Enterprise Data*

In accordance with the FY 2017 NDAA, the CMO established the Department's first Chief Data Officer (CDO) to lead the extraction and analysis of data to support business reform. The CDO manages data and metrics throughout the Department, and is establishing data as a stand-alone shared service, allowing data to be the foundation for business decisions. Data is a strategic, mission-essential asset, rather than an Information Technology (IT) consideration. Department leaders require data-driven insights that provide a "fair and accurate", Department-wide representation of DoD operations and management. Readily available, good quality data – complete, correct and current – enables the DoD to manage mission performance and accountability, as well as to prioritize and ensure the best use of resources.

The Department established the DoD Management and Analytics Committee (DMASC) to serve as the principal governance body for initiatives related to DoD Common Enterprise Data management and analytics. Also, the Department established a governance body of organizational data officers, analytics officers, and data scientists to support the DMASC.

The CDO worked hand-in-hand with Comptroller and the MilDep CDOs to establish Policy and to deploy an initial repository for Common Enterprise Data related to Business Operations and Management. This effort will

## Appendix A: Third Quarter, FY 2019 Performance Results Summary

allow all Department leaders to increase analytic and predictive capabilities to better inform future investment and management decisions.

Related, the CDO developed and implemented Enterprise Cost Management pilot programs for 4 Lines of Business (Real Property, IT, Medical, and Financial Management) to extract Common Enterprise Data from relevant systems, and analyzes that data to generate operational insights that answer critical business questions from Defense executives and leaders. These pilots will evolve into a data management and analytics shared services for the purposes of supporting enhanced oversight and management.

Additionally, in order to achieve the goal of data-driven environment, the DoD is attracting commercial sector data scientist and data professionals to government service and establishing a Data Science developmental program for career government employees. The CDO made progress in attracting 10 senior commercial sector data scientists and 10 junior data scientists (one senior and one junior data scientist for each Line of Business), along with three data scientists from leading universities into the Department by leveraging the Public-Private Talent Exchange program by October 31, 2019. Challenges exist in recruiting policies and hiring processes limiting the Department's ability to recruit talent quickly.

### DoD Priority Goal - Auditing the Department of Defense

The financial statement annual audit regimen is foundational to reforming the Department's business practices and consistent with the National Defense Strategy. Data from the audits is driving the Department's strategy, goals, and priorities and enabling leaders to focus on areas that yield the most value to the warfighter. The audits are already proving invaluable and have the potential to support long-term, sustainable reform that could lead to efficiencies, better buying power, and increased public confidence in DoD's stewardship of funds.

#### A Catalyst for Change

The annual audit regimen is the cornerstone for future business reform. It forces better business discipline as auditors question the Department's ability to capture, record, and report financial activity and longstanding business practices. It is about more than compliance and financial management. The audit is helping galvanize change that advances cybersecurity, property management, inventory control, and readiness. Most importantly, it results in better data that supports management, decision-making, and the warfighter. The sustained nature of these audits makes sustainable solutions—and sustainable change—more likely.

The FY 2019 audits are well underway, and auditors have completed many site visits around the world. Final audit reports will be delivered in November. Auditors for nine reporting entities have already indicated their intent to disclaim, and disclaimers of opinion are again expected for many of the reporting entities. Although most financial statement audits stop as soon as the auditors determine an organization will not get an opinion, the Department arranged for its auditors to keep working in order to find as many problems as possible. This ensures the Department continues to get valuable, independent feedback and maximizes the value of having auditors on board. Progress to address auditor findings is being made every day, and with continued hard work, the Department will achieve its business reform goals.

## STRATEGIC GOAL 3

### Reform the Department’s Business Practices for Greater Performance and Affordability

**SO 3.1: Improve and strengthen business operations through a move to DoD-enterprise or shared services; reduce administrative and regulatory burden**

**SO Leaders: CMO**

**PG 3.1.1: Create a long-lasting culture of innovation, empowerment and improvement to reduce the cost of doing business throughout the Department**

**PG Leader: CMO**

Performance Measure		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
<b>PM 3.1.1.1:</b> Achieve DoD-wide reform savings to meet OMB annual reform savings targets with validation from Comptroller. Savings targets for FY 2019 – FY 2023 meet or exceed \$46.6B. The \$4.7B 2017/2018	Target				FY 2019 \$6B	FY 2020 \$7B	FY 2021 \$9B	FY2017/2018: \$4.7B
	Actual							
<b>PM 3.1.1.2:</b> The execution of all RMG Reform initiatives are ensured through the use of charters, Balanced Score Cards (BSCs)/Key Performance Indicators (KPIs), project plans utilized	Target		60%	100%	100%	100%	100%	
	Actual		60%	100%				
<b>PM 3.1.1.3:</b> Establish new annual functional and financial RMG Reform targets through FYDP (FY21-FY25) by Q3 annually	Target		X	X	X	X	X	
	Actual		X	X				

<b>PG 3.1.2: Lead the integration and optimization of enterprise business operations throughout the Department</b>				<b>PG Leader: CMO- Transformation / AOM</b>				
<b>Performance Measure</b>		<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>2020</b>	<b>2021</b>	<b>Prior Year Results</b>
<b>PM 3.1.2.1:</b> Implement the Reform Management framework as governing process for all RMG reform by Q3 FY2019. Manage and track quarterly reform progress in accordance with established CMO Reform Engagement events attended by senior DoD leadership including the OCMO and USD(C), with the outcomes presented to the RMG for final ratification.	Target			X	100%	100%	100%	
	Actual			X				
<b>PM 3.1.2.2:</b> RMG-supporting reform team members and applicable stakeholders are trained to create and utilize Balanced Score Cards (BSCs), Key Performance Indicators (KPIs), project charters, project plans, and business process improvement.	Target			80%	90%	100%	100%	
	Actual			80%				
<b>PM 3.1.2.3:</b> Ensure all CMO related requirements and milestones to stand up and codify SDA and other Space organizations are in compliance with law and guidance	Target				\$6B for FY19	TBD	TBD	
	Actual							
<b>PM 3.1.2.4:</b> Finalize the inaugural DoD Chartering Directives on 3 key OSD PSAs reflecting recent reorganizations	Target							
	Actual							
<b>PM 3.1.2.5:</b> Initiate and finalize the DoD issuance on DoD MHA policy	Target							
	Actual							
<b>PM 3.1.2.6:</b> Obtain DSD approval of a re-set baseline for DoD EA designations	Target							
	Actual							
<b>PM 3.1.2.7:</b> Finalize DoDD 5105.79, “DoD Senior Governance Councils”	Target							
	Actual							

PG 3.1.3: Deliver performance-driven shared services and an exceptional customer experience				PG Leader: CMO				
Performance Measure		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
<b>PM 3.1.3.1:</b> Pentagon Counter-Small UAS Program: Install, test, and operationalize emerging electronic and kinetic capabilities to maximize defenses against small Unmanned Aircraft System (sUAS) threats on the Pentagon Reservation (PFPA). Provide a minimum of one incremental capability above Initial Operational Capability (IOC)	Target					X		
	Actual							
* Due to unforeseen structural framing at the sensor locations to reinforce the building roof, target for PM 3.1.3.1 moved to FY 2020.								
<b>PM 3.1.3.2:</b> Pentagon Physical Security Information Management: Complete selection of the next generation of PFPA's Physical Security Information Management (PSIM) software. This software will be used to merge critical physical security platforms and provide unified situational awareness across the Pentagon Reservation and select Pentagon facilities	Target			X				
	Actual			X				
<b>PM 3.1.3.3:</b> OSD Insider Threat Program: Implement and integrate User Activity Monitoring (UAM) on all classified networks into the OSD Insider Threat Program. This requirement is the national minimum standard per Presidential mandate and enforced by the National Insider Threat Task Force (NITTF)	Target				X			
	Actual							
<b>PM 3.1.3.4:</b> Safeguarding of Classified Information: Conduct security inspections for unauthorized wireless devices in classified processing spaces in the Pentagon	Target				2600 inspections	2600 inspections		NEW
	Actual							

Performance Measure		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
<b>PM 3.1.3.5:</b> Streamline Recruitment: Initiate use of Salesforce Cloud as two-way communication portal between PFPA recruiters and Pentagon Police applicants, and thereby reduce the recruitment timeline and improve the PFPA's police applicant evaluation process	Target				X			
	Actual							
<b>PM 3.1.3.6:</b> Pentagon Mail Screening Program: Transition the Pentagon Mail Screening Program to a purpose-built facility at the Mark Center, allowing for the effective implementation of new technological solutions for mail screening, HAZMAT response and CBRN surveillance to meet emerging CBRN threats to the Pentagon	Target				X			
	Actual							
<b>PM 3.1.3.7:</b> WHS – Reduce the cost of WHS operations across all shared services 1% to 5% per year	Target				1-5%	1-5%	1-5%	12.5%
	Actual							
<b>PM 3.1.3.8:</b> WHS – Achieve a 99.9% financial obligation rate by FY-end (DoD Goal: 80% by July-end)	Target				99.90%	99.90%	99.90%	99.99%
	Actual							
<b>PM 3.1.3.9:</b> WHS – Acquisition competition rate (DoD Goal: 57%)	Target				58%	58%	58%	58%
	Actual							
<b>PM 3.1.3.10:</b> WHS – Average days to close Senior Executive Service (SES) hiring actions - excluding hiring freeze [Average days from JOA close to Executive Core Qualifications (ECQ) submitted to OPM] (OPM Goal: 90 business days) <i>* ECQ moratorium (12/20/2018 to 5/8/2019) in place for the quarter resulting in no hiring packages submitted to OPM</i>	Target	80 days	80 days	80 days	80 days	75 days	75 days	85 days
	Actual	89 days	*N/A	*44 days				
<b>PM 3.1.3.11:</b> WHS – Average days to close General Service (GS)-15 and below or equivalent hiring actions - excluding hiring freeze (OPM Goal: 80 days)	Target	70 days	70 days	70 days	70 days	65 days	65 days	72 days
	Actual	80 days	80 days	72 days				



<b>PG 3.1.4: Improve efficiency and effectiveness of and reduce duplication across the Defense Agencies and DOD Field Activities (DAFA)</b>				<b>PG Leader: CMO - FEMO</b>				
<b>Performance Measure</b>		<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>2020</b>	<b>2021</b>	<b>Prior Year Results</b>
<b>PM 3.1.4.1: Issue DAFA Reviews guidance</b>	Target				Sep 1, 2019			NEW
	Actual							
<b>PM 3.1.4.2: Conduct initial DAFA Reviews by Jan 2020 IAW FY19 NDAA</b>	Target					Jan 1, 2020 complete		NEW
	Actual							
<b>PM 3.1.4.3: Submit DAFA Reviews Report to Congress</b>	Target					April 1, 2020		NEW
	Actual							
<i>*Updated PG title and measures due to the Fourth Estate Management Office (FEMO) was stood up after the publication of the FY20 Annual Performance Plan.</i>								
<b>PG 3.1.5: Develop &amp; implement metrics that measure the accuracy of maintenance planning (schedule, bill of materials, replacement factors), while simultaneously measuring disruption costs created by lack of parts.</b>				<b>PG Leaders: CMO and Logistics and Supply Chain Reform Leader</b>				
<b>Performance Measures</b>		<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>2020</b>	<b>2021</b>	<b>Prior Year Results</b>
<b>PM 3.1.5.1: By end of 3Q FY 2019, identify draft recommendations for selected weapon systems to improve materiel availability and reduce costs, as well as methods to improve maintenance work package/BOM accuracy</b>	Target					X		NEW
	Actual							
<i>*Due to contract extension for the Update Maintenance Work Packages and Bills of Material proof of concept, expect to accomplish this activity by 1Q FY20 instead of 3Q FY19.</i>								
<b>PM 3.1.5.2: By end of 4Q FY 2019, complete an implementation plan to institutionalize required improvements in maintenance work packages/BOM development and application</b>	Target					X		NEW
	Actual							
<i>*Due to the delay in predecessor task (PM 3.1.5.1), expect to accomplish this activity by 2Q FY20 instead of 4Q FY19.</i>								

<b>DoD Priority Goal 3.1.6: Reduce Regulatory Burden by eliminating unnecessary Federal Rules (E.O. 13771)</b>				<b>Priority Goal Leader: CMO</b>				
<b>Performance Measure</b>		<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>2020</b>	<b>2021</b>	<b>Prior Year Results</b>
<b>PM 3.1.6.1:</b> Implement 50 or more regulatory actions that address recommendations by the Regulatory Reform Task Force	Target	12.5	12.5	12.5	12.5			
	Actual	5	24	14				
<b>PM 3.1.6.2:</b> Offset EO 13771 significant regulatory actions issued after January 20, 2017	Target	1%	1%	1%	1%			
	Actual	2%	0%	2%				
<b>PM 3.1.6.3:</b> Increase number EO 13771 deregulatory actions issued after January 20, 2017 * Overall goal of 6% achieved	Target	2%	2%	2%	2%			
	Actual	5%	0%	1%				
<b>PM 3.1.6.4:</b> Issue updated regulatory guidance that streamlines process and promotes accountability	Target	Draft guidance	Coordinate guidance	Adjudicate comments	Obtain PSA Approval			
	Actual	Close to completion	Coordination Not Started	Coordination Not Started				
<b>PG 3.1.7:</b> Increase shared service delivery of medical benefits between DoD and Department of Veterans Affairs				<b>PG Leader:</b> Under Secretary of Defense for Personnel and Readiness, OASD (Health Affairs)				
<b>Performance Measure</b>		<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>2020</b>	<b>2021</b>	<b>Prior Year Results</b>
<b>PM 3.1.7.1:</b> Common purchased care (Integrated Purchased Care Network): Determine feasibility of combining elements of TRICARE and VA purchase care to increase purchasing power and decrease costs as part of VA's Domestic Policy Council TRICARE Integration initiative. NLT the end of 3rd quarter FY19, Health Affairs in conjunction with VA will present Analysis of Alternatives regarding the way forward on integration options	Target			X				
	Actual			X				

<p><b>PG 3.1.8:</b> The IT Reform is delivering an effective, efficient, and secure IT environment through innovation and best practices to increase the lethality and enhance partnerships of U.S. forces globally. In order to achieve a modernized and effective force, DoD-wide IT Reform activities are focused on network and services optimization; cloud and data center optimization; enterprise collaboration capabilities and negotiating better purchasing power with software contracts.</p>				<p><b>PG Leader:</b> IT Reform Leader (DCIO-IE)</p>				
Performance Measure		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
<p><b>PM 3.1.8.1:</b> IT – Network &amp; Service Optimization – Complete Fourth Estate DoDNET 1 Assessment; Migration Plans and Phase I migration.</p>	Target							NEW
	Actual							
<p><b>PM 3.1.8.2:</b> IT – Network &amp; Service Optimization – Prepare DoDNET 2 Business Case Analysis.</p>	Target				X			NEW
	Actual							
<p><b>PM: 3.1.8.3:</b> IT – Network &amp; Service Optimization. Transition Fourth Estate to a common service support environment Q2 FY21.</p>	Target							NEW
	Actual							
<p><b>PM 3.1.8.4:</b> Cloud &amp; Data Center Optimization – Migrate Fourth Estate workloads to Enterprise/Cloud.</p>	Target	3	261	313	419	146	71	NEW
	Actual	3	261	266				
<p><b>PM 3.1.8.5:</b> Enterprise Collaboration – Migrate NIPR users.</p>	Target					20K	1.2M	
	Actual							
<p><b>PM 3.1.8.6:</b> License Consolidation – Core Enterprise Technology Agreements - Award BPAs, Enterprise License Agreements (ELAs) and or Joint Enterprise License Agreement (JELAs) to DoD top seven vendors.</p>	Target	1	1	2	1	1	1	NEW
	Actual	1	1	2				
<p><b>PM 3.1.8.7:</b> Establish IT Purchasing Request (ITPR) process to control &amp; manage Fourth Estate IT expenditures to ensure alignment with IT reform directed efficiencies.</p>	Target			100%				NEW
	Actual			100%				

**Strategic Objective (SO) 3.2: Expand our data analytics capability and cultivate data-driven solutions**

**SO Leaders: CMO**

**PG 3.2.1:** Expand the Department’s data analytics capability and cultivate data-driven solutions

**PG Leaders:** CMO, Data Insights Directorate

Performance Measure		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
<b>PM 3.2.1.1:</b> Establish Policy on Defense Business System Data related to Business Operations and Management per the FY2018 National Defense Authorization Act, Section 911, Subtitle B – Data Management and Analytics by December 2018	Target	X						
	Actual	X						
<b>PM 3.2.1.2:</b> Complete 4 new pilot programs to extract Common Enterprise Data from relevant systems; Update 4 existing pilot programs by migrating them into the Defense Repository of Common Enterprise Data (DRCED) and automating the data feeds	Target					X		
	Actual							
<b>PM 3.2.1.1:</b> Attract 10 senior commercial sector data scientists and 10 junior data scientists (1 senior and 1 junior data scientist for each Line of Business), along with 3 data scientists from leading universities into the Department by leveraging the Public-Private Talent Exchange program by October 31 2019	Target				X		X	
	Actual							
<b>PM 3.2.1.4:</b> Establish a data science developmental program for career government employees by October 31 2019	Target				X		X	
	Actual							
<b>PM 3.2.1.5:</b> Establish the DMASC by December 2018	Targ	X						
	Actua	X						
<b>PM 3.2.1.6:</b> Establish a governance body to support the DMASC on oversight of enterprise data management processes within Defense Agencies and DoD Field Activities by February 2019	Target		X					
	Actual		X					

**Strategic Objective (SO) 3.3:** Improve the quality of budgetary and financial information that is most valuable in managing the DoD

**SO Leaders: USD(C)/CFO**

**DoD Priority Goal 3.3.1:** Complete yearly audits, gain actionable feedback, and remediate findings toward achieving a clean audit opinion for the DoD

**Priority Goal Leader: USD(C)/CFO**

Performance Measure		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
<b>PM 3.3.1.1:</b> Percentage of notice of findings and recommendations conditions closed in support of a clean audit opinion for the Department	Target				10%	20%	30%	FY18: 6%
	Actual							
<b>PM 3.3.1.2:</b> Percentage of components completed and established Go-Forward Asset Valuation	Target				60%	80%	100%	NEW
	Actual							
<b>PM 3.3.1.3:</b> Percentage of universes of transactions (UOT) provided the auditors using the Defense Repository of Common Enterprise Data (DRCED) tool for the Fourth Estate	Target				99%	100%	100%	FY18: 98%
	Actual							
<b>PM 3.3.1.4:</b> Percentage of reconciliations completed at the transaction level between general ledger and feeder systems for the Fourth Estate	Target				50%	80%	100%	FY18: 40%
	Actual							
<b>PM 3.3.1.5:</b> Percentage of service provider audit reports with an unmodified (clean) opinion	Target				75%	75%	75%	FY18: 70%
	Actual							
<b>PM 3.3.1.6:</b> NFRs entered into tracking tool by IPAs	Target		X			Q1	Q1	
	Actual		X					
<b>PM 3.3.1.7:</b> Percentage reduction of unsupported Journal Vouchers (over FY 2017) recorded in the Defense Departmental Reporting System	Target				62%	90%	95%	
	Actual							
<b>PM 3.3.1.8:</b> Provide report to Congress on Audit results status to include Audit findings and remediation statistics (Recurring in Q1 and Q3) of each fiscal year	Target	X		X				
	Actual	X		X				

<b>PG 3.3.2:</b> Establish a DoD enterprise cost management information framework that will allow the Department to find more cost effective ways of managing the various lines of business				<b>PG Leader:</b> OCMO (Primary) and USD(C)/CFO (Secondary)				
Performance Measure		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
<b>PM 3.3.2.1:</b> Define LOB cost frameworks	Target	FM		Acquisition, Supply Chain/Maintenance, & Human Resources	HR	Readiness	X	2016 – 2018 Real Property, Medical, Information Technology, Supply Chain/Logistics
	Actual	X		X				
<b>PM 3.3.2.2:</b> Sustain LOB cost frameworks	Target	FY18 Data Collection	X	X	X	FY19 Data Collection	FY20 Data Collection	2016 – 2018 FY15, FY16 & FY17 Data Collection
	Actual	X	X	X				
<b>PG 3.3.3:</b> Sustain a professional Certified Financial Management workforce				<b>PG Leaders:</b> USD(C)/CFO				
Performance Measure		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
<b>PM 3.3.3.1:</b> % of Financial Management workforce members certified	Target	Measured Annually			68%	70%	70%	FY18: 70%
	Actual							

**Strategic Objective (SO) 3.4: Streamline rapid, iterative approaches from development to fielding**

**SO Leaders: USD (A&S)**

**PG 3.4.1: Implement Acquisition Reform by simplifying, delivering faster and becoming more data driven**

**PG Leader: USD (A&S)**

Performance Measure		Q1 2019	Q2 2019	Q3 2019	Q4 2019	2020	2021	Prior Year Results
<p><b>PM 3.4.1.1:</b> Execute 16 Agile pilot programs to garner best practices and lessons learned to align and ensure weapons systems and business systems are developed more effectively and efficiently</p> <p>Establish a Community of Practice around secure software platforms FY19 Qtr1</p> <p>Develop contracting language to ensure security is a pillar of software within the National Security System FY19 Qtr1</p> <p>Build Defense Acquisition University curriculum to train program developers and program managers FY19 Qtr2</p>	Target	X	X					
	Actual	X	X					
<p><b>PM 3.4.1.2:</b> Issue a final Middle Tier of Acquisition Policy</p>	Target			X				
	Actual			X				
*Currently in coordination.								
<p><b>PM 3.4.1.3:</b> Complete Prototype of Digitizing Acquisition Policy Documentation</p>	Target				X			
	Actual							

**Strategic Objective (SO) 3.5: Harness and protect the National Security Base**

**SO Leaders: USD (A&S)**

**PG 3.5.1: Continuing efforts to assess and strengthen the National Defense Industrial Base and Supply Chain**

**PG Leader: OUSD (A&S)**

<b>Performance Measure</b>		<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>2020</b>	<b>2021</b>	<b>Prior Year Results</b>
<b>PM 3.5.1.1: Receive Defense Production Act Title III Presidential Determination for Energetics, Critical Materials and Fuel Cells</b>	Target	X						
	Actual	X						
<b>PM 3.5.1.2: Fully support the Indian Rapid Reaction Cell (IRRC) to expand the partnership with the Ministry of Defense India, Indian Defense Industrial base organizations and firms</b>	Target		X					
	Actual		X					