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October 31, 2016

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
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GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
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ASSISTANT SECRETARIES OF DEFENSE
ASSISTANT TO THE SECRETARY OF DEFENSE FOR PUBLIC
AFFAIRS
DIRECTOR, NET ASSESSMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES
DIRECTOR OF ADMINISTRATION

SUBJECT: Fiscal Year 2016 Department of Defense Organizational Assessment Report

The attached assessment has been prepared pursuant to sections 4311-4315 of Title 5, United States Code and Office of Personnel Management, implementing regulations and guidance. This guidance requires that performance evaluations for DoD Senior Executive Service (SES) members and Senior Level Scientific and Technical (SL / ST) professionals be based on both individual and organizational performance. This memorandum and the attached Organizational Assessment comply by providing an assessment of organizational performance through Third Quarter, FY 2016.

DoD's FY 2016 performance goals, as reflected in the President's Budget, are the basis for DoD-wide organizational performance. DoD Component performance results also inform individual SES and SL / ST performance evaluations. Rating officials and members of Performance Review Boards (PRBs) should use the attached organizational assessment results, along with other relevant performance reports, to assess SES and SL / ST performance. PRBs should make pay-for-performance decisions and award determinations based upon results achieved that demonstrate success and improvement in both DoD-wide and Component-specific performance.

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David Tillotson III

Attached:
As stated

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2016

Department of Defense Organizational Assessment



October 2016



The estimated cost of this report or study for the Department of Defense is approximately \$28,000 in Fiscal Year 2016. This includes \$1,000 in expenses and \$27,000 in DoD labor.

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Overview

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

Performance results through the third quarter of Fiscal Year (FY) 2016, published in this report, will be used for senior executive performance review boards along with other DoD-wide and component-specific strategic goals and performance results published in documents such as, but not limited to:

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

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

Summary of Results

The FY 2016 OA evaluates strategic objective progress based on 64 performance measures included in Appendix A of the DoD ASP, Fiscal Years 2015-2018, version 2.0 (draft). Figure 1 shows strategic alignment and third quarter, FY 2016 summary results. Detailed results are in Appendix A.

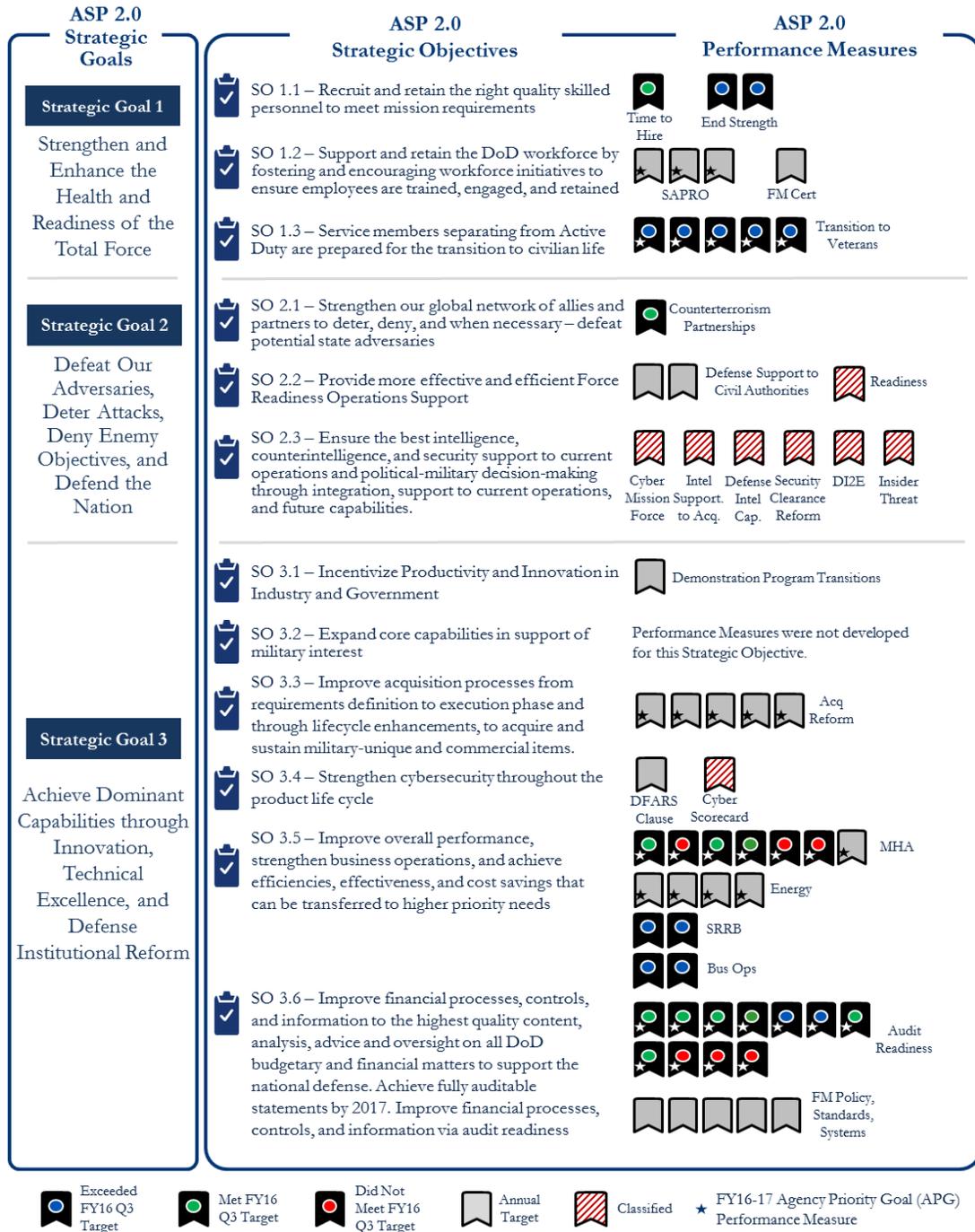
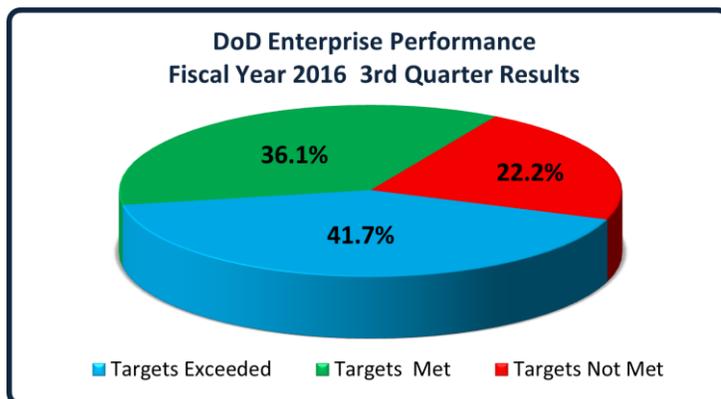


Figure 1 - Summary of Third Quarter, FY 2016 Results and Alignment of Department FY 2015-2018 Agency Strategic Plan, Version 2.0

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

The Department has been successful in meeting or exceeding many of the priority measures for third quarter, FY 2016, including those related to strengthening business operations, achieving efficiencies, effectiveness and cost savings, audit readiness, and ensuring our Veterans are ready for their transition to civilian life.

At the end of the third quarter in FY 2016, 78 percent of the 36 performance measures assessed were on track to meet their annual goals, while 22 percent did not meet their quarterly targets and could be considered “at risk” of not achieving their annual targets. The remaining performance measures will be reported after the close of FY 2016 via the DoD Annual Performance Report (APR) per OMB Circular A-11 requirements.



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

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

The Department utilized several classified performance measures in the FY 2016 performance cycle. While the details of these measures are not included in this unclassified report, their status (met, not met, exceeds) has been included in the overall assessment.

In addition, because several DoD performance measures have annual targets prior to 3rd quarter, the status of these measures was also used in the overall performance assessment as of the 3rd quarter of FY 2016.

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.

Several performance measures are under development and will be available during FY 2017. These measures are indicated in *Appendix A, Third Quarter, FY 2016 Performance Results Summary*.



Figure 2 - Alignment of Organizational Goals to Executive Performance Evaluations

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

Processing Wounded Warriors through the Integrated Disability Evaluation System (IDES)

Our Nation continues its commitment to support and care for those who keep our country free and strong. Providing top-quality physical and psychological care to wounded warriors and assisting with their transition to veteran status is a Department priority. In FY 2016, the Department continued its collaboration with the U.S. Department of Veterans Affairs (VA) to accelerate the transition of Wounded, Ill, and Injured Service members into Veteran status by reducing disability evaluation processing time.

The Integrated Disability Evaluation System (IDES) is the mechanism the Department uses to determine if Service members coping with wounds, injuries, or illnesses that may prevent them from performing their duties, are able to continue serving. IDES is a joint process established by the VA and DoD that eliminates duplicative Departmental disability examinations and ratings to provide more consistent disability determinations between Departments; provides Service members more consistent access to accurate and timely information about the disability process, and; reduces the time Service members wait after discharge from military service to receive VA disability benefits and compensation.



Photo 1: Left to right: Army veteran Delvin Matson, Army veteran Jhoonar Barrera, Marine Corps veteran Jorge Salazar, Army veteran Alexander Shaw and Marine Corps veteran Jeremy Lake grab for the ball as soldiers defeat Marines to win gold in wheelchair basketball during the 2016 Department of Defense Warrior Games at the U.S. Military Academy in West Point, N.Y., June 21, 2016. DoD photo by Roger Wollenberg

The Department continues working with the Military Departments and the VA to improve the efficiency of the IDES. This collaboration has had a distinct effect on IDES performance, most notably in reducing the time for Service members to complete the process.

The Department exceeded its DoD IDES Core performance measure target in support of the Agency Priority Goal for the first (82%), second (86%), and third (84%) quarters of FY 2016.

The performance measure combines the outcomes of timeliness for completing Department Core IDES processes, Service member satisfaction with DoD management of their cases, the accuracy and consistency of Military Department disability determinations, and compliance with administrative processing requirements.

Achieving Audit-Ready Financial Statements

The National Defense Authorization Act for FY 2010, as amended, mandated the Department have full financial statements validated as ready for audit by September 30, 2017; accordingly, the Department has made this requirement a DoD Agency Priority Goal. Current audits cover 84 percent of the Department's total budgetary resources.

We are continuing with the Schedule of Budgetary Activity audits and expanding the scope to include the remaining statements by FY 2018, while sustaining a stronger, more disciplined environment, until full audit readiness is achieved. Fiscal Year 2016 marks a shift in the focus from audits of the Schedule of Budgetary Activity to audits of all four principal financial statements, increasing the magnitude and complexity level of preparing for audit. Strategically, we have a keen focus on addressing critical capability areas, which include establishing a universe of transactions; reconciling our funds balance with the Department of the Treasury (Treasury); properly supporting our journal voucher adjustments; and establishing an auditable existence and completeness baseline for our property assets.

We continue to make progress and monitor remediation activities in these critical capability areas. Progress includes issuing policies to generally enforce standards and requirements; building data repositories and processes to collect and reconcile financial data; reconciling and researching differences with Treasury; performing physical inventories for our property assets; and working with system program managers and information technology communities to identify the necessary system controls and integrated processes.

The sheer size of the Department and volume of financial transactions processed daily, directly impacts the challenges we are still facing. Challenges remaining include non-standard business processes, methodologies, and data; disparate information technology systems; front-end system edit checks and controls; and the need to protect sensitive activities. The Department will continue focusing on establishing and implementing sound processes and policies in these critical capability areas, while working in parallel to resolving known deficiencies.

Energy

The Department is reducing its demand of facility energy by investing in efficiency and conservation projects on its installations. DoD continues to reduce energy costs and maximize payback in order to have the best return on investment. The majority of DoD investments are in the Military Departments' operations and maintenance accounts, to be used for sustainment and recapitalization projects. Such projects typically involve retrofits to incorporate improved lighting, high-efficiency heating, ventilation, and air conditioning systems, double-pane windows, energy management control systems, and new roofs.

In addition to using appropriated funding to improve efficiency, both in the Components' own budget and the Defense-wide Energy Conservation Investment Program (ECIP), DoD Components are leveraging private capital through the use of performance-based contracts to improve the energy efficiency of existing buildings. In 2011, the President issued a memorandum calling on the Federal

Government to initiate \$2 billion worth of performance-based contracts. In May 2014, the President extended the goal to \$4 billion by December 2016. DoD is responsible for \$2.2 billion of the Federal Government goal. As of August 15, 2016, the Department has awarded projects worth over \$1.5 billion.

The Department continues to invest in energy and water conservation, renewable and distributed energy, as well as energy resilience projects using both appropriations and third-party financing. For example, the ECIP is a \$150 million annual military construction (MILCON) appropriation program centrally managed by the Office of the Secretary of Defense (OSD) to fund projects that save energy or reduce defense energy costs. It evaluates potential projects using a variety of criteria, including cost effectiveness, savings to investment ratio, and simple financial payback. Total DoD energy-related Congressional appropriations, amounting to just under \$800 million funded 1,283 projects in FY 2014. The majority, 82 percent, were energy conservation projects. The rest of the projects are renewable energy and water conservation (12 and 6 percent, respectively).

Improving facility energy performance at the DoD installations will lower energy costs, improve energy resilience, improve mission effectiveness and reduce reliance on fossil fuels. Efficiencies will



Photo 2: The USS America arrives at Joint Base Pearl Harbor-Hickam, Hawaii, June 30, 2016, for Rim of the Pacific 2016. Twenty-six nations, more than 40 ships and submarines, more than 200 aircraft and 25,000 personnel participated in the exercise, which ran through Aug. 4. Navy photo by Petty Officer 1st Class John Herman

be achieved by reducing the demand for traditional energy. Executive Order 13693 mandates a 2.5 percent annual reduction in facilities energy intensity as measured in British Thermal Units per gross square foot, from a FY 2015 baseline. Reporting progress towards the Executive Order 13693 energy intensity goal will begin with the FY 2016 results (January of 2017). The DoD has pursued a facility energy investment strategy designed to reduce the energy costs and improve the energy resilience of our bases.

Despite falling short of the FY 2015 intensity reduction goal of 30 percent, the Department reduced its energy intensity by 19.9 percent from the FY 2003 baseline and improved by 2.3 percent points over FY 2014. The FY 2016 results will be compared to the FY 2015 baseline for FY 2016-2025 timeframe, wherein the annual goal is to reduce intensity by 25 percent by FY 2025 or an average of 2.5 percent points per year. While the Department continues to invest in cost-effective energy efficiency and conservation measures to improve goal progress, there will be challenges in future reductions. Facility energy is reported on an annual basis.

Reform the DoD Acquisition Process

In the Better Buying Power (BBP) initiative announced in September 2010, and re-emphasized in the November 2012 memorandum introducing BBP 2.0, the Under Secretary of Defense for Acquisition, Technology and Logistics (USD(AT&L)) directed acquisition professionals in DoD to deliver better value to the taxpayer and warfighter by improving the way DoD does business. Next to supporting the Armed Forces at war, this was the President's and Secretary of Defense's highest priority for DoD's acquisition professionals. The USD(AT&L) pointed out his continuing responsibility to procure the critical goods and services U.S. Armed Forces need in the years ahead without having ever-increasing budgets to pay for them. DoD's BBP initiatives focus attention on achieving affordable programs, controlling costs throughout the product lifecycle, incentivizing productivity and innovation in industry and government, eliminating unproductive processes and bureaucracy, promoting effective competition, improving tradecraft in acquisition of services, and improving the professionalism of the total acquisition workforce. On April 9, 2015, USD(AT&L) announced in an implementation directive the next step in the BBP continuum – BBP 3.0 Achieving Dominant Capabilities through Technical Excellence and Innovation. BBP 3.0 places a stronger emphasis on innovation, technical excellence, and quality of products.



Photo 3: Four F-22 Raptors await refueling from a KC-135R Stratotanker aircraft during Rim of the Pacific 2016 over the Pacific Ocean, July 26, 2016. The Raptor pilots are assigned to the 199th and 19th Fighter squadrons. The Stratotanker crew is assigned to the 465th Air Refueling Squadron. Navy photo by Petty Officer 2nd Class Gregory A. Harden II

Better Buying Power initiatives have improved acquisition performance since they began in 2010. Since 2009, major programs with total funding reductions for development have risen from 27% in 2009 to 46% in 2015. Similarly for procurement, programs with funding reductions have risen from 39% to 77% of all programs.

Better Buying Power has almost halted incremental average cost growth on major programs. Average biennial cost growth has run below 1% since 2011 on both a dollar and program basis in development and production.

For the past two years, employment of BBP initiatives has resulted in all three Military Departments reporting a negative net overrun at current quantities relative to original unit costs. Due to improved defense acquisition performance, we have seen a statistically significant decline in the number of annual critical Nunn-McCurdy cost breaches from a high of seven in 2009 to only one to date for 2016.

Should-cost savings stemming from BBP total \$6.8B across all the Services in FY15. These are savings relative to budgeted amounts, thus representing true savings that can be reapplied to other DoD needs.

Major DoD Headquarters Activities

In August 2015, the Deputy Secretary of Defense (DepSecDef) directed a 25% reduction across all appropriations for Major DoD Headquarters Activities (MHA) in the Military Departments, OSD, the Joint Staff, the Defense Agencies and DoD Field Activities (DAFA), and the Combatant Commands (CCMDs) from FY2017-2020. The FY2016 NDAA directed a \$10 billion cost savings by FY2019 and 25% in headquarters reductions from FY2016 appropriations levels with credits by FY2020. In December 2015, the DepSecDef approved an additional reduction of \$1.39 billion through FY2021 via programmatic reductions incorporated in the FY2017 President's Budget. These December 2015 reductions included significant civilian headquarters manpower reductions to OSD and the DAFAs; headquarters funding reductions to the Military Departments and CCMDs; and military headquarters manpower reductions to OSD, the Joint Staff, CCMDs, and the DAFAs. Added to the \$5.3 billion (FY 2015-2019) reduction and the \$600 million FY 2016 mark from the Consolidated Appropriations Act of 2016, the Department will be eliminating approximately \$7.3 billion from MHA between FY2015-2021.



Photo 4: A soldier assists a child doing pullups at the 33rd annual National Night Out at Fort Meade, Md., Aug. 2, 2016. The annual community-building campaign promotes partnerships with first-responder agencies to make neighborhoods safer. Army Reserve photo by Spc. Stephanie Ramirez

To consistently track and monitor MHA going forward, the Department has adopted a new framework and definition of MHA, which was subsequently codified in the FY 2016 NDAA. The Department is now in the process of applying the new definition uniformly across the Department. When fully implemented, the new definition will be built into authoritative data systems, enabling the Department to track headquarters reduction consistently across organizations and over time. As of April 2016, the Department has completed the re-baselining process for OSD, the DAFAs, the Joint Staff, and the Combatant Commands. The re-baselining process for MHA funding continues.

Contract Management

The Department obligates more than \$250 billion annually to contract for goods and services, including acquisition of major weapons systems, support for military bases, implementing new information technology, and other mission areas. The Department's leadership has taken significant steps to plan and monitor progress regarding the management and oversight of contracting techniques and approaches. In FY 2016, the OSD staff and the DAFA institutionalized a requirements review process known as Service Requirements Review Boards (SRRB), complementing similar reviews already underway in the Military Departments. SRRBs focus on assessing, reviewing, and validating service contract requirements by senior leaders. The process requires organizations to review their service contract requirements and assess opportunities for efficiencies, to include elimination of non-value added services, identification and elimination of duplicative requirements, re-alignment of requirements to better align to mission, and identification of strategic sourcing opportunities. In addition, the OSD staff and DAFAs, via the SRRB process, were tasked with capturing savings of \$1.9 billion by 2021 to facilitate budget cuts over the Future Years Defense Program. In 2016, 20 senior review panels were conducted for 50 organizations, with savings of \$141 million identified for FY 2017 alone.



Photo 5: Seabee divers pull Navy Petty Officer 2nd Class Justin Lieder from the water during a diver drill at a ship maintenance facility in Pearl Harbor, Hawaii, May18, 2016. The divers are assigned to Underwater Construction Team 2, Construction Dive Detachment Alpha. Navy photo by Petty Officer 1st Class Charles E. White

Business Operations Improvements and Information Technology Optimization

The Department identified Information Technology net benefits resulting from current Fourth Estate investments to develop, modernize, or enhance business systems. These benefits will enable a reduction of business operations costs resulting from IT modernization investments in the Fourth Estate by \$310 million between FY2017-2021. While the net benefits analyses and findings do not currently capture any Defense Health savings, the Department continues to analyze this business area to determine if potential savings not already associated with another efficiency effort can be achieved in the future. Several concurrent initiatives are contributing to \$1.8 billion in savings in information technology between FY2017-2021. Changes in Defense travel are underway with a new travel platform being implemented, resulting in savings of \$520 million. Data center infrastructure

improvements, circuit optimization and enterprise licensing will achieve a total savings of \$715 million. Reviews of the military health systems identified over \$430 million in savings and national Capital Region IT-consolidation efforts are expected to achieve \$165 million.

Logistics

“Effectiveness first -- then efficiency” is engrained in the philosophy of Defense Logistics Agency (DLA) Energy. The DLA completed a 14-month Resource Management Decision study for OSD that helped address a decades-old real property/audit readiness problem and identified over \$200 million in annual sustainment savings for the Department. The DLA instituted right-sized planning at strategic storage locations in Hawaii, Japan, and Spain that cut future construction and repair costs by 15 percent, and extended DLA’s Sustainment, Restoration and Modernization (SRM) recurring maintenance program to the Air Force to increase operational availability and lower costs, in spite of having smaller annual SRM and MILCON budgets for the year. Energy also introduced a new term in the DoD lexicon: SRM repair “velocity,” creating new accountability metrics and synchronizing program oversight controls which decreased requirement approval times by 66 percent, and increased the number of tanks returning to service by 64 percent for the year, which ensures the reduction of repair backlogs in 2016 by 98 percent.



Photo 6: Marines provide security before moving a simulated casualty during a Tactical Recovery of Aircraft and Personnel exercise at an undisclosed location in Southwest Asia, May 23, 2016. The Marines are assigned to 2nd Battalion, 7th Marine Regiment, Special Purpose Marine Air Ground Task Force Crisis Response Central Command. Marine Corps photo by Cpl. Trever Statz

The DLA continued to set the standard for world-class support and productivity by delivering 98 million barrels of fuel, 35 million cubic feet of helium and over 58 million kilowatt hours of electricity to customers around the globe. The revolution continues in 2016 with a new imperative, “Global Commercial Supply Chain Velocity and Integration.” The realities of near-peer capabilities, aging and vulnerable infrastructure combine to make increased commercial integration a necessary step to support warfighter requirements in an era of declining logistics investment budgets. Future mandatory increases in redundancy and resiliency thus lie in the establishment of additional commercial capabilities, new safe-haven harbors, and cooperative storage contracts with partner-nations in Australia, Japan and Eastern Europe, and new R&D capabilities to decrease reliance on fixed infrastructure. Robust supply chains in CONUS will facilitate the elimination of intermediate storage, and the establishment of “on-call” reserves which will cut inventory holding and storage cost by \$200 million per year with no decrease in warfighter capability.

DLA Energy is partnered with various energy service companies (ESCO) to complete energy savings projects on behalf of Defense Department installations. The ESCO conducts a comprehensive energy audit and identifies improvements to save energy. In consultation with DLA Energy and the installation, the ESCO designs and constructs a project that meets the installation's needs and arranges the necessary funding. The ESCO guarantees that improvements will generate energy cost savings to pay for the project over the term of the contract (up to 25 years). For example, an investment of \$133.5 million across seven installations is anticipated to yield over \$316 million in cost savings. After the contract ends, all additional cost savings accrue to the installation.



Photo 7: Soldiers help a stranded resident from a light multi-terrain vehicle during severe flooding in Wharton, Texas, April 21, 2016. Texas Army National Guard photo by 1st Lt. Zachary West

Finally, 2016 marks the beginning of DLA's pursuit of next-generation alternative fuels: high-volume, cost-competitive, life-cycle carbon-negative aviation and maritime products. The DLA's partnership with the White House Advanced Market Commitments Working Group, emerging technologies in waste-to-energy capabilities and incentive investment incentives seek to spawn an indigenous U.S. industry in the next five years that better meets warfighter, environmental and cost needs for our nation.

As the DLA mission realigns with the realities facing its customers and the constraints caused by reducing budgets, each Distribution Center across the DLA network has actively right-sized its equipment fleets and improved its utilization rates. Through a detailed analysis of requirements and benchmarking against the leading companies in the commercial sector, DLA identified 461 pieces of equipment for disposal in FY15 alone. These efforts resulted in DLA's ability to turn in older assets, reducing the size of the fleet from an average age of 10 years to 8 years, creating a more modern and standard fleet, while saving American taxpayers \$2.9M.

The Department came to the realization that excessive speed to deliver all defense materiel did not significantly improve combat readiness, but cost taxpayers billions of dollars in wasted transportation assets. As a result, the Department asked DLA to look at its transportation program and develop a best-value solution that met warfighter and customer needs while reducing taxpayer burden.

These efforts have enabled DLA Distribution to increase ocean container utilization to over 85%, saving the taxpayers \$16.4M over the last 3 years. In addition to looking at ocean containers, DLA analyzed the cost of its scheduled truck network and found ways to increase its efficiency and effectiveness. By determining the cost break-even points for each route, DLA has been able to optimize delivery to each customer, expanding old routes and creating new routes. Providing regular

deliveries to warfighter concentrations to places like Ft Riley, KS, Baumholder, Germany, Travis AFB, CA, Naval Air Station (NAS) Oceana, VA, or Camp Pendleton, CA, allows DLA to drive transportation costs down. Over the past 3 years, DLA Distribution has provided \$27.4M in savings directly to its customers by utilizing its scheduled truck routes.

Appendix A: Third Quarter, FY 2016 Performance Results Summary

The following tables outline the Department's strategic goals, strategic objectives, and results for FY 2016 performance measures. *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.

STRATEGIC GOAL 1								
Strengthen and Enhance the Health and Readiness of the Total Force								
Strategic Objective (SO) 1.1: Recruit and retain the right quality skilled personnel to meet mission requirements								
Strategic Objective (SO) Leaders: USD(P&R), OSD								
Performance Goal (PG) 1.1.1: Beginning FY 2015, the Department will monitor the time to hire for all civilian hiring actions to determine its performance to an annual goal of 80 days while examining the drivers affecting the ability to meet the goal.				Performance Goal (PG) Leader: Chief of Staff, Office of the Under Secretary of Defense, Personnel & Readiness (OUSD, P&R), OSD				
Performance Measure		Q1 2016	Q2 2016	Q3 2016	Q4 2016	2017	2018	Prior Year Results
1.1.1.1 Beginning in FY 2016, the Department will improve and maintain its timeline for all internal and external (direct hire authority, expedited hire authority, and delegated examining) civilian hiring actions at 80 days or less.	Target	< 80	< 80	< 80	< 80	TBD	TBD	FY11:104 FY12: 83 FY13: 94 FY14: 89 FY15: 83
	Actual	86	88.7	85				
PG 1.1.2: Improve data management of variance in Active Component end strength to meet or exceed Congressional end strength by no more than 3%		PG Leader: Chief of Staff, OUSD(P&R), OSD						
Performance Measure		Q1 2016	Q2 2016	Q3 2016	Q4 2016	2017	2018	Prior Year Results
1.1.2.1 For each fiscal year, the DoD Active Component end strength will not vary by more than three percent from the SECDEF/ NDAA prescribed end strength for that fiscal year.	Target	+/- 3%	+/- 3%	+/- 3%	+/- 3%	+/- 3%	+/- 3%	FY11: -0.50% FY12: -1.60% FY13: -1.40% FY14: -0.83% FY15: 0.25%
	Actual	1.20% End of Month Nov 2015	-0.15% End of Month Feb 2016	-0.34% End of Month May 2016				
PG 1.1.3: Improve data management of variance in Reserve Component end strength to meet or exceed Congressional end strength by no more than 3%		PG Leader: Chief of Staff, OUSD(P&R), OSD						
Performance Measure		Q1 2016	Q2 2016	Q3 2016	Q4 2016	2017	2018	Prior Year Results
1.1.3.1 For each fiscal year, the DoD Reserve Component end strength will not vary by more than three percent from the SECDEF/ NDAA prescribed end strength for that fiscal year.	Target	+/- 3%	+/- 3%	+/- 3%	+/- 3%	+/- 3%	+/- 3%	FY11: 0.20% FY12: -0.80% FY13: -0.86% FY14: -1.10% FY15: -1.00%
	Actual	0.71% End of Month Nov 2015	0.57% End of Month Feb 2016	0.51% End of Month May 2016				

STRATEGIC GOAL 1

Strengthen and Enhance the Health and Readiness of the Total Force

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

SO Leader: USD(P&R), OSD

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

APG Leader:

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

Performance Measure		Q1 2016	Q2 2016	Q3 2016	Q4 2016	2017	2018	Prior Year Results
1.2.1.1: Increase the percentage of bystander interventions of sexual assault from 87 percent to 95 percent.	Target	Measured Annually			90%	95%	TBD	NEW
	Actual							
1.2.1.2: Increase from 25 percent to 35 percent the overall estimated (restricted and unrestricted) reporting rate of sexual assault allegations across the DoD over FY 2014 reporting rate.	Target	Measured Annually			30%	35%	TBD	NEW
	Actual							
1.2.1.3: Increase from 10 percent to 20 percent the portion of male Service members reporting allegations of sexual assault over the FY 2014 reports.	Target	Measured Annually			15%	20%	TBD	NEW
	Actual							
PG 1.2.2: The Department needs a well-trained financial workforce, which has knowledge, skills, and abilities necessary to provide decision support and analysis as well as provide critical enabling support to help the Department achieve auditable financial statements.		PG Leader: Director, Human Capital and Resource Management, Office of Under Secretary of Defense, Comptroller/Human Capital and Resource Management, OSD						
Performance Measure		Q1 2016	Q2 2016	Q3 2016	Q4 2016	2017	2018	Prior Year Results
1.2.2.1: The DoD will increase the percent of Financial Management members certified to 55% between FY2015 and FY2016 and by an additional 5% each, in fiscal years 2017 and 2018.	Target	Reported annually in Q4. Q3 results indicate Q4 targets have already been met.			55%	60%	65%	NEW
	Actual							

STRATEGIC GOAL 1

Strengthen and Enhance the Health and Readiness of the Total Force

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

SO Leader: USD(P&R), OSD

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

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

Performance Measure		Q1 2016	Q2 2016	Q3 2016	Q4 2016	2017	2018	Prior Year Results
1.3.1.1: 80 percent of Service members will meet the DoD Core IDES process time and satisfaction goal.	Target	80%	80%	80%	80%	80%	TBD	FY12: 24% FY13: 32% FY14: 79% FY15: 87%
	Actual	82%	86%	84%				
1.3.1.2: Verified percent of known eligible active duty Service members who separated and met Career Readiness Standards or received a warm handover to appropriate partner agencies prior to their separation from active duty.	Target	85%	85%	85%	85%	85%	TBD	FY14: 34% FY15: 88%
	Actual	97%	96.7%	96.8%				
1.3.1.3: Verified percent of known eligible reserve component Service members who separated and met Career Readiness Standards or received a warm handover to appropriate partner agencies prior to their separation from active duty.	Target	85%	85%	85%	85%	85%	TBD	FY15: 93%
	Actual	91.9%	91%	91.6%				
1.3.1.4: Verified percent of known eligible active duty Service members who have separated and attended (a) pre-separation counseling, (b) a Department of Labor employment workshop, and (c) Veterans Affairs Benefits briefings prior to their separation.	Target	85%	85%	85%	85%	85%	TBD	FY14: 63% FY15: 94%
	Actual	96.3%	96.5%	96.5%				
1.3.1.5: Verified percent of known eligible reserve component Service members who have separated and attended (a) pre-separation counseling, (b) a Department of Labor employment workshop, and (c) Veterans Affairs Benefits briefings prior to their separation.	Target	85%	85%	85%	85%	85%	TBD	FY15: 90%
	Actual	91.9%	92%	93.2%				

STRATEGIC GOAL 2

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

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

SO Leader: USD(P), OSD

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

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

Performance Measure		Q1 2016	Q2 2016	Q3 2016	Q4 2016	2017	2018	Prior Year Results
2.1.1.1: Concept paper production / Number of concept papers.	Target	Reported Annually in Q3		5		5	5	NEW
	Actual			5				

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

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

PG 2.2.1: Preparedness to provide Defense Support of Civil Authorities

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

Performance Measure		Q1 2016	Q2 2016	Q3 2016	Q4 2016	2017	2018	Prior Year Results
2.2.1.1: Number of operational/contingency plans approved to address DSCA and CBRN response / Number of formal plans	Target	Measured Annually			6	8	8	NEW
	Actual							
2.2.1.2: Sourcing level of CBRN Response Enterprise (CRE) / Percentage of units fully sourced	Target	Measured Annually			100%	100%	100%	NEW
	Actual							

STRATEGIC GOAL 2

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

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

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

PG 2.2.2: Increase Operational Readiness by FY2020. By CY 2018, develop classified enterprise-level metrics to assess and track the readiness of the Joint Force to accomplish the National Military Strategy. This would measure, at a minimum: the readiness of the Joint Force to fulfill the force demands of top-tier operational warplans; the percent of steady-state Combatant Command demand for forces fulfilled by the Joint Force; progress towards enterprise-level readiness recovery goals.

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

PG 2.2.2: Associated performance measures, indicators, and targets are classified and currently in development; to be published separately in Appendix B in FY17.

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

SO Leader: USD(I), OSD

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

PG Leader: Director for Defense Intelligence (Technical Collection and Special Programs) – DDI(TC&SP), OUSD(I), OSD

2.3.1.1: Performance Measures are classified and reported annually.

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

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

2.3.2.1: Performance Measures are classified and reported annually.

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

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

2.3.3.1: Performance Measures are classified and reported semi-annually (2nd & 4th quarter).

STRATEGIC GOAL 2

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

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

SO Leader: USD(I), OSD

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

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

2.3.4.1: Performance Measures are classified and reported annually.

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

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

2.3.5.1: Performance Measures are classified and reported quarterly.

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

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

2.3.6.1: Performance Measures are classified and reported semi-annually (2nd & 4th quarter).

STRATEGIC GOAL 3

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

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

SO Leader: USD(AT&L), OSD

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

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

Performance Measure		Q1 2016	Q2 2016	Q3 2016	Q4 2016	2017	2018	Prior Year Results
3.1.1.1: Percent of completing demonstration programs transitioning each year.	Target	Measured Annually			40%	40%	40%	FY11: 83% FY12: 83% FY13: 77% FY14: 82% FY15: 82%
	Actual							

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

SO Leader: USD(AT&L), OSD

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

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

SO Leader: USD(AT&L), OSD

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

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

Performance Measure		Q1 2016	Q2 2016	Q3 2016	Q4 2016	2017	2018	Prior Year Results
3.3.1.1: The median growth in cycle time for Major Defense Acquisition Programs (MDAP) will not increase by more than 15 percent from the Milestone B baseline.	Target	Measured Annually			</= 2%	</= 2%	TBD	FY11: 4.5% FY12: 6.6% FY13: 5.37% FY14: 0.0% FY15: 0.0%
	Actual							
3.3.1.2: Biennial rate of quantity adjusted unit procurement cost growth for MDAPs will not exceed 6 percent.	Target	Measured Annually			</= 3%	</= 3%	TBD	FY12: -0.3% FY13: -1.42% FY14: 0.21% FY15: -0.41%
	Actual							

STRATEGIC GOAL 3

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

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

SO Leader: USD(AT&L), OSD

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

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

Performance Measure		Q1 2016	Q2 2016	Q3 2016	Q4 2016	2017	2018	Prior Year Results
		Measured Annually					TBD	
3.3.1.3: Annual number of MDAP breaches--significant or critical cost overruns for reasons other than approved changes in quantity--will be zero.	Target	Measured Annually			0	0	TBD	FY13: 0 FY14: 1 FY15: 0
	Actual							
3.3.1.4: Percent of contract obligations that are competitively awarded will increase from 56.9 percent in FY 2013 to 57 percent in FY 2017.	Target	Measured Annually			57%	57%	TBD	FY13: 56.9% FY14: 58.7% FY15: 55.1%
	Actual							
3.3.1.5: Percent of acquisition positions filled with personnel meeting Levels II and III certification requirements.	Target	Measured Annually			>80.6 %	>80.6 %	TBD	FY13: 76.3% FY14: 80.6% FY15: 78.8%
	Actual							

SO 3.4: Strengthen cybersecurity throughout the product life cycle

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

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

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

Performance Measure		Q1 2016	Q2 2016	Q3 2016	Q4 2016	2017	2018	Prior Year Results
		Measured Annually					TBD	
3.4.1.1 The percent of contracts and contract modifications that contain DFARS Clause 252.204-7012	Target	Measured Annually			80%	85%	TBD	FY15: 75%
	Actual							

STRATEGIC GOAL 3

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

SO 3.4: Strengthen cybersecurity throughout the product life cycle

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

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

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

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

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

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

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

APG Leader: Director, Organizational Policy & Decision Support, ODCMO, OSD

Performance Measure		Q1 2016	Q2 2016	Q3 2016	Q4 2016	2017	2018	Prior Year Results
3.5.1.1: Baseline MHA using a revised policy framework - baseline OSD; the Office of the IG, DoD; and the Defense Agencies and DoD Field Activities by first quarter FY 2016	Target	Base-line						NEW
	Actual	X						
3.5.1.2: Baseline the MilDeps, the JS, and the CCMDs by third quarter FY 2016.	Target			Base-line				NEW
	Actual			Slip to Q4				
3.5.1.3: Program reductions in OSD; the Office of the Inspector General, DoD; and the Defense Agencies and DoD Field Activities for the FY 2017 President's Budget (PB) by second quarter FY 2016	Target		X					NEW
	Actual		X					
3.5.1.4: Program reductions to MHA across the Future Years Defense Program in the MilDeps, the JS, and the CCMD headquarters for the FY 2017 PB by second quarter FY 2016	Target		X					NEW
	Actual		X					

STRATEGIC GOAL 3

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

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

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

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

APG Leader: Director, OP&DS, ODCMO, OSD

Performance Measure		Q1 2016	Q2 2016	Q3 2016	Q4 2016	2017	2018	Prior Year Results
3.5.1.5: Revise the MHA policy: #1 Work Group effort complete no later than second quarter FY 2016 #2 Draft issuance for formal coordination no later than third quarter FY 2016 (June 2016) #3 Draft issuance for principal signature no later than fourth quarter FY 2016; #4 Final issuance no later than fourth quarter FY 2016 (September 2016)	Target	Base-line	#1	#2	#3 & #4			NEW
	Actual	X	Slip to Q3	Slip to Q4				
3.5.1.6: Office of the Director, Cost Assessment and Program Evaluation (ODCAPE) will create MHA flags at the category level to coincide with the revised policy framework categories (e.g., B1, B5i) and update the MHA data using the DoD component data collected and validated by ODCMO by second quarter FY 2016.	Target		X					NEW
	Actual		Slip to Q3	Slip to Q4				
3.5.1.7: ODCMO, in coordination with ODCAPE and OUSD(C), will review Program Objective Memorandum/ Budget Estimate Submission (4QFY16), and oversee MHA changes during the PBR (1QFY17).	Target				X	X		NEW
	Actual							

STRATEGIC GOAL 3

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

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

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

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

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

Performance Measure		Q1	Q2	Q3	Q4	2017	2018	Prior Year Results
		2016	2016	2016	2016			
3.5.2.1: Reduce Facility Energy Intensity	Target	Measured Annually			2.50%	5.00%	7.50%	FY15 Actual: Baseline
	Actual							
3.5.2.2: Institutionalize Operational Energy (OE) Considerations in Force Development: Energy Supportability Analysis (ESA)-informed Energy Key Performance Parameter (KPP) for JROC-interest item ACQ programs, using OE.	Target	Measured Annually			100%	100%	100%	NEW
	Actual							
3.5.2.3: Institutionalize Operational Energy Considerations in Force Development-OE constraints and limitations analyses in Title 10 war games.	Target	Measured Annually			90%	100%	100%	NEW
	Actual							
3.5.2.4: Institutionalize Operational Energy Considerations in Force Development: Energy Supportability Analysis (ESA)-used in all ACQ programs, using OE.	Target	Measured Annually			80%	90%	100%	NEW
	Actual							

STRATEGIC GOAL 3

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

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

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

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

PG Leader: Director, DBMAO, ODCMO, OSD

Performance Measure		Q1 2016	Q2 2016	Q3 2016	Q4 2016	2017	2018	Prior Year	Results
3.5.3.1: By FY 2016, Service Requirements Review Boards will be conducted for all components of the Office of the Secretary of Defense (OSD), Defense Agencies, and DoD Field Activities and results reviewed by a Senior Review Panel.	Target	One-time Target			X			NEW	
	Actual		X						
3.5.3.2: By 2017, Requirements Review Boards conducted for all components of the Office of the Secretary of Defense (OSD), Defense Agencies and DoD Field Activities will have identified and realized \$141.5 million in savings.	Target	One-time Target				X		NEW	
	Actual		X						
PG 3.5.4: By FY 2021, DoD will reduce budgeted Fourth Estate business operation costs through investments in business system information technology by a minimum of \$300 million.		PG Leader: Director, DBMAO, ODCMO, OSD							

Performance measures not developed for this PG for FY2016. FY17-21 performance measures and targets are under development.

STRATEGIC GOAL 3

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

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

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

PG 3.5.5: By FY2017, DCMO will complete a comprehensive review of current proposed modernizations of the business systems for OSD, the Defense Agencies, and DoD Field Activities.

PG Leader: Director, DBMAO, ODCMO, OSD

Performance Measure		Q1 2016	Q2 2016	Q3 2016	Q4 2016	2017	2018	Prior Year Results
3.5.5.1: By FY2017, ODCMO will complete a comprehensive review of current proposed modernizations of the business systems for OSD, the Defense Agencies, and DoD Field Activities.	Target	One-time Target			X			NEW
	Actual			X				
3.5.5.2: The DoD will measure the net benefits ratio associated with discretionary development & modernization IT investments.	Target	One-time Target			X			NEW
	Actual			X				

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

SO Leader: Deputy CFO, OSD

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

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

Performance Measure		Q1 2016	Q2 2016	Q3 2016	Q4 2016	2017	2018	Prior Year Results
3.6.1.1: Universe of Transactions, Reconciliations to General Ledger (GL) Systems, Schedule of Budgetary Activity	Target	Baseline	97%	97%	98%	100%	100%	NEW
	Actual		95%	97%				
3.6.1.2: Universe of Transactions, Reconciliations to General Ledger (GL) Systems, Statement of Budgetary Resources and Balance Sheet	Target	Baseline	49%	70%	70%	99%	100%	NEW
	Actual		35%	70%				

STRATEGIC GOAL 3

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

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

SO Leader: Deputy CFO, OSD

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

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

Performance Measure		Q1 2016	Q2 2016	Q3 2016	Q4 2016	2017	2018	Prior Year Results
3.6.1.3: Universe of Transactions, Reconciliations from feeder source systems to the GL, Schedule of Budgetary Activity	Target	Baseline	65%	75%	76%	100%	100%	NEW
	Actual		65%	72%				
3.6.1.4: Universe of Transactions, Reconciliations from feeder source systems to the GL, Statement of Budgetary Resources and Balance Sheet	Target	Baseline	39%	60%	62%	98%	100%	NEW
	Actual		31%	59%				
3.6.1.5: Journal Vouchers, unsupported	Target	Baseline	0.75%	0.5%	0.4%	0%	0%	NEW
	Actual		.003%	.18%				
3.6.1.6: Fund Balance with Treasury: DoD's timely clearing of all overaged unmatched disbursements and collection transactions	Target	Semi-Annual	0.8%	Semi-Annual	0.5%	0.1%	TBD	NEW
	Actual		0.53%					
3.6.1.7: Fund Balance with Treasury: DoD's timely clearing of overaged all in-transit disbursements and collection transactions	Target	Semi-Annual	1.0%	Semi-Annual	.75%	.25%	TBD	NEW
	Actual		0.98%					

STRATEGIC GOAL 3

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

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

SO Leader: Deputy CFO, OSD

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

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

Performance Measure		Q1 2016	Q2 2016	Q3 2016	Q4 2016	2017	2018	Prior Year Results
3.6.1.8: Mission Critical Assets Existence and Completeness Baseline, General Equipment	Target	Baseline	81.0%	85.4%	85.6%	100%	100%	NEW
	Actual	Baseline	81.0%	77.5%				
3.6.1.9: Mission Critical Assets Existence and Completeness Baseline, Real Property	Target	Baseline	70.4%	77%	69.6%	100%	100%	NEW
	Actual	Baseline	68.7%	53.7%				
3.6.1.10: Mission Critical Assets Existence and Completeness Baseline, Internal Use Software	Target	Baseline	48.4%	74.2%	100%	100%	100%	NEW
	Actual	Baseline	38.4%	40.3%				
3.6.1.11: Mission Critical Assets Existence and Completeness Baseline, Inventory, Operating Materials, and Supplies	Target	Baseline	76.4%	99%	100%	100%	100%	NEW
	Actual	Baseline	74.6%	88.2%				

STRATEGIC GOAL 3

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

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

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

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

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

Performance Measure		Q1 2016	Q2 2016	Q3 2016	Q4 2016	2017	2018	Prior Year Results
3.6.2.1: Intragovernmental Transactions (IGT) – Percent of General Terms and Conditions in G-Invoicing	Target	Measured Annually			75%	100%	100%	NEW
	Actual							
3.6.2.2: Standards – Percent of systems and data exchanges assessed by the Joint Interoperability Test Command (JITC) that are compliant with Standard Financial Information Structure (SFIS) and United States Standard General Ledger (USSGL)	Target	Measured Annually			40%	55%	70%	NEW
	Actual							
3.6.2.3: Standards – Percent of transactions with a valid standard line of accounting which are validated using the Standard Line of Accounting (SLOA) validation service.	Target	Measured Annually			80%	90%	95%	NEW
	Actual							
3.6.2.4: Simplify – Percent of key financial systems retired	Target	Measured Annually			10%	20%	30%	NEW
	Actual							
3.6.2.5: Standards – Percent of key data exchanges using the Standard Line of Accounting (SLOA) validation service	Target	Measured Annually			10%	30%	60%	NEW
	Actual							

Appendix B: Acronyms and Definitions

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

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

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

Acronym/Abbreviation	Definition
USD(C/CFO)	Under Secretary of Defense(Comptroller)/Chief Financial Officer
USD(I)	Under Secretary of Defense for Intelligence
USD(P)	Under Secretary of Defense for Policy
USD(P&R)	Under Secretary of Defense for Personnel and Readiness
UCX	Unemployment Compensation
VA	Veterans Affairs
VOW	Veterans Opportunity to Work Act
WII	Wounded, Ill and Injured





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