



UNDER SECRETARY OF THE ARMY
WASHINGTON

SEP 2 2010

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Guidance on Implementing Army Efficiency Initiatives

1. References.

- a. Secretary of Defense Memorandum, Subject: Department of Defense (DoD) Efficiency Initiatives dated: August 16, 2010.
- b. Secretary of the Army Memorandum, Subject: Oversight of Army Efficiencies Efforts, dated: 26 August 2010.

2. The Secretary of Defense issued two recent memoranda providing guidance to meet Department of Defense Efficiency Initiatives. In these memoranda, the Secretary of Defense directed a series of initiatives designed to reduce duplication, overhead, excess, and instill a culture of savings and restraint. Some of these initiatives require immediate action.

3. The Secretary of the Army directed me to lead the Army's efforts to meet the Secretary of Defense's objectives. As the Army's lead, I want to ensure we work in a coordinated and collaborative manner to identify and record viable efficiencies, effectively, while reinvesting those savings against the Army's most urgent future needs.

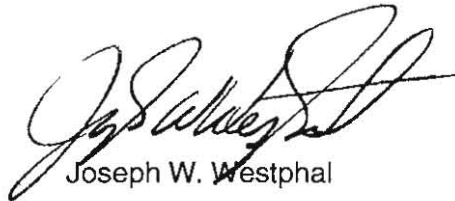
4. We have two short term milestones: Senior Leader preparation for the 22 September 2010 Large Group and the 29 October 2010 HQDA Resource Management Decision submission to OUSD CAPE. To integrate the various OSD, Joint Staff and HQDA efficiency efforts, I directed the Assistant Secretary of the Army (Financial Management and Comptroller) (ASA(FM&C)) to develop and publish a framework that provides efficiency task leads and consolidates responses. Once completed, ASA (FM&C) will provide, through me, the Army's identified and integrated efficiencies for the Secretary of the Army's approval and adjustment to our FY12-16 POM and beyond.

5. The enclosed guidance provides specific efforts, efficiency/savings goals, milestones and responsibilities to ensure we synchronize and integrate our adjustments for our FY12-16 POM. Commands will submit information on efficiencies to the ASA(FM&C) as specified.

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Each addressee will also notify ASA(FM&C) of their ongoing efficiency review efforts to ensure we meet specific DoD efficiency targets. Looking beyond the short term, we must diligently continue our longer term efforts, such as Capability Portfolio Reviews (CPRs), Business Transformation Initiatives, Generating Force Study and Contracting Reform Support for OSD (AT&L) that provides the in-depth analysis and details we need beyond the current POM. Additional guidance on longer term efforts will be forthcoming to ensure we synchronize and integrate analysis throughout the FY 13-17 POM process, to include review by the Army Management Enterprise and the Army Enterprise Board.

6. Addressees will submit an impact statement of no more than two pages detailing the operational impact of implementing the attached guidance.
7. Provide your organization's GO/SES and COL/GS15 POCs to the POCs listed below no later than September 8, 2010.
8. Points of contact for this action are COL Jeff Powell, 703-614-1550 (jeff.powell@conus.army.mil), Dru Wyckoff, 703-614-5009, (dru.wyckoff@us.army.mil); and COL Jude Fernan at 703-697-3902 (jude.fernan@conus.army.mil).
9. I look forward to working with you all in what I know will be a successful and productive Army team effort to meet the Secretary of Defense and Secretary of the Army's efficiency objectives.



Joseph W. Westphal

Enclosure

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ENCLOSURE: Key Army Efficiency Tasks and Goals

The following constitutes initial implementing guidance for the individual tasks necessary for achieving targeted savings. The baseline for all efficiency calculations is FY12-16 POM/BES lock.

Task #1: Secretariat, Army Staff (ARSTAF), Army Commands (ACOMs), Army Service Component Commands (ASCCs), and Direct Reporting Units (DRUs) will provide a prioritized list of contractors who augment the staffs within your organization (For these purposes, contracts augmenting staff includes, but is not limited to, work that is inherently governmental, closely associated with inherently governmental, or involves unauthorized personal services).

Guidance: The ASA (FM&C) will provide your organization a list of contractors, using the Panel for Documenting Contractors (PDC) as the source and a template for submitting required data.

a. Review the list to accurately reflect all contractors within your organization and annotate PDC with contract numbers.

b. In addition, identify each contractor by position that currently augments your staffs. For the purposes of this data call, the following definition will be used for staff augmentation in addition to compliance with the PDC data requirements.

Any contracted personnel who appear to be Government employees; i.e., personnel who are subject to the direct supervision of a Government official and function as a staff/action officer.

c. Prioritize the contractors from 1 to N, with 1 being the most important. Also insure you identify contractors you recommended for divestiture. If a requirement performed by a contractor is enduring or savings can be achieved, they may be identified for consideration for insourcing consistent with law.

Lead: ASA(FM&C), **Support:** ASA(M&RA) and ASA(AL&T)

Suspense: 04 October 2010

Task #2: ASA FM&C) will develop a 10% reduction in contracts executed in object class 25.1 and 25.2 for consideration for approval by the Secretary of the Army. Calculated reduction will exclude Intel programs, FFRDC and any identified reductions from other efficiency to include task 1 above.

Guidance: These reductions will be used to meet or exceed Secretary of Defense efficiency goals.

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ENCLOSURE: Key Army Efficiency Tasks and Goals

Lead: ASA (FM&C); support from ASA-ALT, ASAM&RA, G-3, G-8.

Suspense: 04 October 2010

Task #3: ASA (M&RA) develop a draft policy for Secretary of the Army signature that addresses Secretary of Defense guidance concerning civilian personnel authorizations in Reference 1a.

Guidance: The policy will address procedures for approving necessary increases to the acquisition workforce to comply with Secretary of Defense guidance and other Mission Critical Occupations as required by statute.

Lead: ASA (M&RA) **Support:** ASA(ALT), ASA(FM&C), G8(PAE) and G-3

Suspense: 04 October 2010

Task #4: The Office of Business Transformation (OBT) will identify candidates for business process efficiencies with a goal of \$25M in FY12, \$50M in FY13, \$100M in FY14, \$200M in FY15 and \$300M in FY16.

Guidance: OBT will coordinate with ASA(FM&C) and G3/5/7 on the non-materiel CPRs to avoid duplication of savings.

Lead: OBT **Support:** G-3/5/7, and HQDA Principal Officials as appropriate

Suspense: 13 September 2010

Task #5: ASA (ALT) will identify acquisition communities' efficiency initiatives with a goal of identifying total efficiencies of \$25M in FY12, \$50M in FY13, \$100M in FY14, \$500M in FY15 and \$1.0B in FY16.

Guidance: ASA (ALT) will coordinate with ASA(FM&C) and G3/5/7 on the non-materiel CPRs to avoid duplication of savings.

Lead: ASA (ALT) **Support:** G-3/5/7

Suspense: 13 September 2010

Task #6: ASA(I&E) with support from ACSIM will identify efficiencies in installation management with a goal of \$160M in FY14, \$390M in FY15 and \$620M in FY16.

Guidance: ASA(I&E) **Support:** ACSIM will use the Installation CPR as the forum for developing and coordinating savings.

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ENCLOSURE: Key Army Efficiency Tasks and Goals

Lead: ASA(I&E) **Support:** ACSIM and G-3/5/7
Suspense: 04 October 2010

Task #7: The CIO/G6 will identify efficiency in information technology management of with a goal of \$50M in FY12, \$75M in FY13, \$190M in FY14, \$220M in FY15 and \$270M in FY16

Guidance: CIO/G6 must include enterprise E-mail and data center consolidations within the savings goals listed above. Estimated efficiencies must list specific programs and locations. CIO/G6 will leverage the Installation/IT CPR and coordinate with non-materiel CPRs to avoid duplication of savings.

Lead: CIO/G6 **Support:** G-3/5/7
Suspense: 13 September 2010

Task #8: G-3/5/7 will review training requirements with a goal of identifying efficiency savings with a goal of \$440M in FY14, \$1.9B in FY15 and \$1.9B in FY16. Continue to work within the Training CPR to refine the identified efficiencies.

Guidance: G-3/5/7 will coordinate with the non-materiel CPRs to avoid duplication of savings.

Lead: G-3/5/7
Suspense: 04 October 2010

Task #9: G-3/5/7 in conjunction with ASA (M&RA) and Administrative Assistant, as part of the Workforce CPR, will review HQs organizational structure with a goal of identifying manpower efficiencies within Army headquarters with a goal of \$200M in FY14, \$650M in FY15 and \$870M in FY16. Continue to work within the Workforce CPR to refine the identified efficiencies.

Guidance: G-3/5/7 and ASA (M&RA) will coordinate with non-materiel CPRs to avoid duplication of savings.

Lead: G-3/5/7 **Support:** ASA (M&RA)
Suspense: CPR completion

Task #10: G-3/5/7 will assess the impacts of the Secretary of Defense directed HQ reductions and realignments to identify Army efficiencies in subordinate or functionally aligned Army Service Component Headquarters with an efficiency goal of \$60M in FY15 and \$80M in FY16.

SUBJECT: Guidance on Implementing Army Efficiency Initiatives

ENCLOSURE: Key Army Efficiency Tasks and Goals

Guidance: G-3/5/7 will assess how current organizational missions and priorities relate to organizational structure, manpower, personnel, requirements and management. Once this assessment is complete, the G-3/5/7 will develop courses of action and associated efficiencies savings.

Lead: G-3/5/7 **Support:** ASCCs

Suspense: CPR completion

Task #11: OAA, supported by OBT, freeze and revalidate all oversight reports currently required by the Department of the Army.

Guidance: OAA will work with OBT to identify Department of the Army oversight reports and develop a consolidated list. Conduct a comprehensive review and provide a recommendation on which reports to retain.

Lead: OAA/OBT

Suspense: 12 October 2010

Task #12: Secretariat, ARSTAF, ACOMs, ASCCs, and DRUs will track and publish the actual cost of preparing all Army oversight reports and advisory studies on the front of each document it issues.

Lead: G-8

Suspense: Immediately

Task #13: OAA review all outside boards and commissions for the purpose of eliminating those no longer needed and focusing the efforts on those that continue to be relevant with a goal of reducing overall funding by 25% in FY11.

Guidance: OAA provide a report of all outside boards and commissions with a recommendation of those that should be retained as relevant.

Lead: OAA

Suspense: 1 October 2010

Task #14: G2 comply with the Secretary of Defense Guidance for Intelligence Senior Executive positions in accordance with reference 1a. Report on impacts of compliance to the ASA(M&RA) and ASA(FM&C).

Lead: G2

Suspense: 04 October 2010