



DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY



Whole of Government & Assessing the Defense Industrial Base

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Chief, Strategic Material Sourcing
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November 15, 2017



Whole of Government (WOG)

- Secretary of Defense Memorandum (February 17, 2017) “Establishment of Cross-Functional Teams to Address Improved Mission Effectiveness and Efficiencies in the DoD”
- OMB M-17-22 (April 12, 2017), “Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce”
- Presidential Executive Order 13788 (April 18, 2017), “Buy American and Hire American”



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D. C. 20503

THE DIRECTOR

April 12, 2017

M-17-22

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Mick Mulvaney
Director

SUBJECT: Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce

I. Purpose and Scope

Despite growing citizen dissatisfaction with the cost and performance of the Federal government, Washington often crafts costly solutions in search of a problem. Too often the focus has been on creating new programs instead of eliminating or reforming programs which are no longer operating effectively. The result has been too many overlapping and outdated programs, rules, and processes, and too many Federal employees stuck in a system that is not working for the American people. Through the actions described below, President Trump aims to make government lean, accountable, and more efficient.

To begin addressing this challenge, on January 23, 2017, the President issued a Memorandum (Hiring Freeze PM) imposing a Federal “[Hiring Freeze](#).” This ensured immediate action was taken to halt the growth of the Federal workforce until a “long-term plan to reduce the size of the Federal Government’s workforce” is put in place. On March 16, 2017, the President submitted his [Budget Blueprint](#) to Congress proposing to eliminate funding for programs that are unnecessary, outdated, or not working. Additionally, on March 13, 2017, the President issued an [Executive Order \(Reorganization EO\)](#) directing the Office of Management and Budget (OMB) to submit a comprehensive plan to reorganize Executive Branch departments and agencies.

This memorandum provides agencies guidance on fulfilling the requirements of the Hiring Freeze PM and the Reorganization EO while aligning those initiatives with the Federal budget and performance planning processes. It requires all agencies to:

- Begin taking immediate actions to achieve near-term workforce reductions and cost savings, including planning for funding levels in the President’s Fiscal Year (FY) 2018 Budget Blueprint;
- Develop a plan to maximize employee performance by June 30, 2017; and
- Submit an Agency Reform Plan to OMB in September 2017 as part of the agency’s FY 2019 Budget submission to OMB that includes long-term workforce reductions. An initial, high-level draft of the Agency Reform Plan is due to OMB by June 30, 2017.

Encouraged government agencies to develop crosscutting reform proposals involving multiple agencies and to purchase domestic goods.



WOG C&T* Spend

Agency / Department	FY16 \$M	FY17 \$M
DLA - C&T	\$ 1,385	\$ 1,602
Other DoD	\$ 469	\$ 491
Homeland Security	\$ 85	\$ 110
State	\$ 29	\$ 43
Veterans Affairs	\$ 23	\$ 24
Justice (w/o FPI)	\$ 14	\$ 22
Interior	\$ 6	\$ 10
Health & Human Serv	\$ 1.6	\$ 3.7
Agriculture	\$ 3.3	\$ 2.5
U.S. Postal Service	???	???

*Federal Supply Code (FSC) 83 & 84

83 - Textiles, Leather, Furs, Apparel and Shoes, Tents, Flags

84 - Clothing, Individual Equipment, and Insignia

Data Source: USASpending.gov which pulls from Federal Procurement Data System



Benefits of DLA Managing WOG's Requirements

- Efficiency & Experience
- Strategic relationships with industry
- Enhance quality of items
- Boost buying power, ability to plan & surge
- One government face to industry
- Review items for possible standardization
- Potential cost savings to customer



Current Status

- Business Case Analysis
 - submitted to AT&L for approval
- Timeline / Next steps
- DLA outreach
 - June 8: BG Hamilton and Troop Support team met with DHS
 - November 7: C&T met with Forest Service



DELIVER THE RIGHT SOLUTION ON TIME, EVERY TIME

Executive Order 13806



Assessing and Strengthening the United States Manufacturing and Defense Industrial Base and Supply Chain Resiliency



Desired Outcomes

- A robust, secure, resilient, & innovative industrial base that meets national security requirements
- Agency, Congressional, and industry buy-in on final report's findings & recommendations
- Identified industrial base risk and understanding of DIB ability to go to war
- Actionable policy, regulatory, legislative, and investment recommendations



DIB Report Focus

- Identify
 - Materials & goods essential to national security
 - Manufacturing capabilities needed to produce
 - Deficiencies in the supply chain
- Assess
 - Supply chain risks
 - Resiliency and capacity of the industrial base
- Recommend
 - Policy, legislations, and regulations



Working Groups

- 3 Types
 - Defense industry sectors
 - Crosscutting
 - Areas of Interest
- All groups working to identify common issues
- Goals
 - Identify known industrial gaps & determine how to mitigate the risks
 - Assess defense industrial base ability to go to war
 - Identify sector-specific policy, regulation, and legislative changes



Specific to C&T

- **Soldier Systems – Shane Esola, DCMA**
 - Includes the food, clothing, shelters, airdrop systems, and other service-member support items for the military
- **CBRN – Eric Hoover, Army RDECOM**
 - Chemical, Biological, Radiological and Nuclear defense
 - Detection, protection, contamination avoidance, mitigation



Next Steps

- Initial macro information submitted to working group leaders
- Continue to identify known IB risks
- Conduct “deep dive” on select items
- Industry engagement and questionnaire
- Evaluate risk management actions
- Report due in 2018



For more information

- Study is a joint effort
- Office of primary responsibility:

Deputy Assistant Secretary of Defense
(DASD) for Manufacturing and Industrial
Based Policy (MIBP)

- Action Officer:

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