



DEPUTY SECRETARY OF DEFENSE
1010 DEFENSE PENTAGON
WASHINGTON, DC 20301-1010

OCT 7 2014

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DEPUTY CHIEF MANAGEMENT OFFICER
CHIEFS OF THE MILITARY SERVICES
CHIEF OF THE NATIONAL GUARD BUREAU
DIRECTOR, COST ASSESSMENT AND PROGRAM EVALUATION
DIRECTOR, OPERATIONAL TEST AND EVALUATION
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
ASSISTANT SECRETARIES OF DEFENSE
DEPARTMENT OF DEFENSE CHIEF INFORMATION OFFICER
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Review of the Total Costs of the Pentagon Reservation Operations

The Pentagon Reservation houses multiple diverse missions in support of the Secretary and Deputy Secretary of Defense, the Office of the Secretary of Defense, the Chairman of the Joint Chiefs of Staff and the Joint Staff, and the Military Departments, along with other tenants of our Department of Defense (DoD) Headquarters. Within the Pentagon Reservation, there are a wide number of service-providing elements, operating in some cases in manners that may be duplicative or redundant and costly. The Department's responsibility is to structure its operations in such a way as to ensure that missions are accomplished in a manner that provides for the best and most rational application of declining support resources. This review will identify where these activities are occurring and will utilize fact-based, data-driven, alternatives for integrating such services with an aim to driving cost savings while maintaining appropriate standards of services. This review will be difficult, and will challenge many of our institutional interests, but it is essential that it be undertaken with the most focused aim of achieving significant savings that can off-set reductions in the most critical of our mission areas – preserving our war-fighter capability.

I am directing that the Acting Deputy Chief Management Officer (ADCMO) and the Acting DoD Chief Information Officer (CIO) lead this review, in conjunction with the Office of the Chairman of the Joint Chiefs, in two primary segments. Specifically, Information Technology (IT) is a large and costly aspect of our operations at the DoD Headquarters. I direct the Acting CIO to lead an across-the-board review of how IT services are delivered at the Pentagon Reservation and to examine and propose opportunities to unify, reduce, and improve the way that these capabilities and services are delivered here.



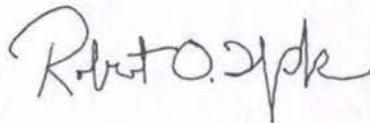
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As to all other common services and support operations at the Pentagon Reservation, I direct that the ADCMO lead this review with the objective to unify, improve, and reduce the costs of total operations to operate our DoD Headquarters.

The officials charged with this responsibility, and their representatives, will collaborate with all Pentagon Reservation tenant activities and service providers in the course of this review to identify opportunities to achieve the integration, interoperability, and over-all cost reductions in the delivery of support functions and services in the performance of our Headquarters missions at the Pentagon Reservation. All components are required to support this effort and to include data and functional expertise that may be important to the review and recommendations.

The ADCMO and the Acting CIO will provide me with regular updates on the status of this review. I would like to have the final report on this review not later than March 1, 2015, and intend to drive resulting program changes and cost reductions into the next Program Budget review to ensure that such changes and cost savings are re-invested into our warfighting capability. Please ensure your full and complete support for this effort.

A handwritten signature in black ink, appearing to read "Robert O. Hyde". The signature is written in a cursive, slightly slanted style.