

DEFENSE BUSINESS BOARD

Meeting Minutes
December 6, 2017
8:00 AM to 3:00 PM
The Pentagon, Washington, D.C.

The Defense Business Board (DBB) is a federal advisory committee within the Department of Defense (DoD) operating pursuant to the Federal Advisory Committee Act of 1972, the Government in the Sunshine Act of 1976, and other appropriate federal regulations. The DBB meets quarterly and held its first session for fiscal year 2018 on December 6, 2017. The agenda included a scheduled public session from 11:00 AM to 12:00 PM in room 3E863 in the Pentagon, Washington, D.C.

DBB Members (voting) (13 present)

Cynthia Trudell (Vice Chair)
Denis Bovin
Jerry Hultin
Shelly Lazarus
Lon Levin
John O'Connor
Phillip Odeen
William Phillips
Arnold Punaro
Mark Ronald
William Swanson
Dov Zakheim
Jack Zoeller

DBB Consultants (non-voting)

(None present)

DBB Ex-Officios (non-voting)

(None present)

DBB Staff (non-voting)

Ms. Roma K. Laster, Executive Director and Designated Federal Officer
COL John Shank, Acting Deputy Director and USA Military Representative
Col Chuck Risio, USMC Military Representative
Lt Col Jason Knight, ANG Military Representative
LCDR Colin Roberts, USN Military Representative

Public Session Attendees

Mr. John Anderson, American Federation of Government Employees (AFGE)
Lt Col William "Billy" Clayton III, USAF, Associate Director, Military Manpower Requirements; Total Force Manpower & Resources Directorate, OASD M&RA, USD(P&R)
Mr. James Garrett, Financial Management Branch, Department of the Navy
Mr. Thomas J. Hessel, Deputy Director, Total Force Manpower & Resources Directorate, OASD M&RA, USD(P&R)
Mr. Richard A. Robbins, Director, Total Force Manpower & Resources, OASD M&RA, USD(P&R)
Mr. Tim Wojtecki, Institute for Defense Analysis

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PREPARATORY WORK SESSIONS

The Board received an update from Mr. David Tillotson III, Assistant Deputy Chief Management Officer, ODCMO on reorganization efforts within the Department.

The Honorable John H. Gibson II, Deputy Chief Management Officer, provided an overview on the reform efforts within the Department.

Mr. Elbridge Colby, Deputy Assistant Secretary of Defense for Strategy and Force Development, USD (Policy) provided an overview of the national defense strategy.

The Board received informational briefings both before and after the public session from recently appointed Reform Leaders in the following areas:

Community Services Management	Real Property Management
Financial Management	Supply Chain and Logistics
Health Care Management	Testing
Information Technology and Business Systems	

PUBLIC MEETING SESSION

At 11:00 AM, Roma Laster opened the public session and welcomed the members of the public. Cynthia Trudell, DBB Vice-Chair, greeted and thanked everyone for attending. She then introduced the Honorable Dov Zakheim, Task Group Chair for *Fully Burdened and Life Cycle Costs of the Workforce*. Mr. Zakheim briefed the task group's findings on how the DoD assesses and uses fully burdened and lifecycle costs for DoD employees. The task group looked at two main areas. First, the task group tried to determine how the Department assesses fully burdened and lifecycle costs for military and civilian employees. Second, the task group looked at how the Department leverages labor cost data to drive labor decisions inside the Department. The task group's evaluation of all relevant data pertaining to labor costing and labor/force mix decision making concluded that the current methods and processes are an impediment to achieving the Department's goal of building a leaner and more lethal force.

The task group presented the following recommendations on how to improve the Department's labor costing process and organizational labor decisions to achieve labor efficiencies (i.e., optimize the workforce).

Task Group Recommendations

1. Appoint an Executive Agent (EA) with the appropriate level of authorities and budget control to oversee the fully burdened and lifecycle cost process for the entire Department.
2. Consolidate all labor costing policy, directives, and instructions into a single labor policy applicable to the entire Department.
3. Establish a standardized labor costing taxonomy and methodology to determine the fully burdened and lifecycle costs for employees.
4. Eliminate barriers that impede sound labor decisions.
5. Hold management at all levels accountable for:

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- consistently using fully burdened and lifecycle costs as a key element when making personnel organizational changes or establishing new manning requirements,
 - making labor and force-mix decisions with labor cost-savings and labor optimization as a priority metric, and
 - rewarding organizations that find labor cost efficiencies with minimal risk to mission accomplishment.
6. Improve the hiring process for civilian employees.

During the time open for public comments, Mr. John Anderson of the American Federation of Government Employees, and Mr. Richard Robbins, Director, Total Force Manpower and Resources, OASD M&RA, USD(P&R) addressed the Board. Their comments and any others received by the Board will be included in the study's written narrative and posted to the DBB's website.

A motion was made to accept the study recommendations, was seconded, voted on, and unanimously approved.

A copy of the task group's presentation and the Board's recommendations may be found at: <http://dbb.defense.gov/Meetings/Meeting-December-2017/>.

The public meeting session concluded at 11:55 AM.

ADJOURNMENT

Vice-Chair Trudell adjourned the DBB at 3:10 PM following additional briefings from the Department reform leaders.

By signature, certified to be accurate and complete.



Cynthia Trudell
Vice-Chair, Defense Business Board
3 January 2018