

DEFENSE BUSINESS BOARD



QUARTERLY MEETING

5 August 2020

Meeting Agenda

PUBLIC SESSION

1:00 – 1:05 PM	Public Session Welcome – Jennifer Hill, Executive Director/Designated Federal Officer (DFO)
1:05 – 1:10 PM	Mr. Michael Bayer, Chairman, Defense Business Board
1:10 – 1:15 PM	Hon. David Norquist, Deputy Secretary of Defense
1:15 – 2:00 PM	Hon. Ellen Lord, Under Secretary of Defense for Acquisition and Sustainment
2:00 – 2:45 PM	Mr. Michael Duffey, Associate Director of National Security Programs, Office of Management and Budget
2:45 – 3:30 PM	Mr. John Sherman, Principal Deputy, Office of the Chief Information Officer
3:30 – 3:45 PM	Break
3:45 – 3:55 PM	Mentor Protégé Program (MPP) Assessment Study Update –VADM Dave Venlet for Mr. Scott Dorn, Chair MPP Assessment Task Group
3:55 – 4:05 PM	Audit/Performance Data Analytics Engagement – Dr. Christopher Gopal
4:05 – 4:15 PM	Defense Logistics Agency and Defense Information Systems Agency Charter Review – VADM Dave Venlet
4:15 – 4:25 PM	Public Comments (if any)
4:25 – 4:55 PM	Chairman's Remarks / Upcoming Work
4:55 – 5:00 PM	Wrap Up / Adjourn – Jennifer Hill, DFO



DEFENSE BUSINESS BOARD



Public Session Welcome

Jennifer Hill

DBB Executive Director &
Designated Federal Officer

DEFENSE BUSINESS BOARD



Michael Bayer
DBB Board Chair

DEFENSE BUSINESS BOARD



Hon. David Norquist
Deputy Secretary of Defense

DEFENSE BUSINESS BOARD



Hon. Ellen Lord
Under Secretary of Defense
for
Acquisition and Sustainment

DEFENSE BUSINESS BOARD



Mr. Michael Duffey

**Associate Director of National Security Programs
Office of Management and Budget**

DEFENSE BUSINESS BOARD



Mr. John Sherman
Principal Deputy
Office of the Chief Information Officer
of the DoD

Defense Business Board



UNCLASSIFIED

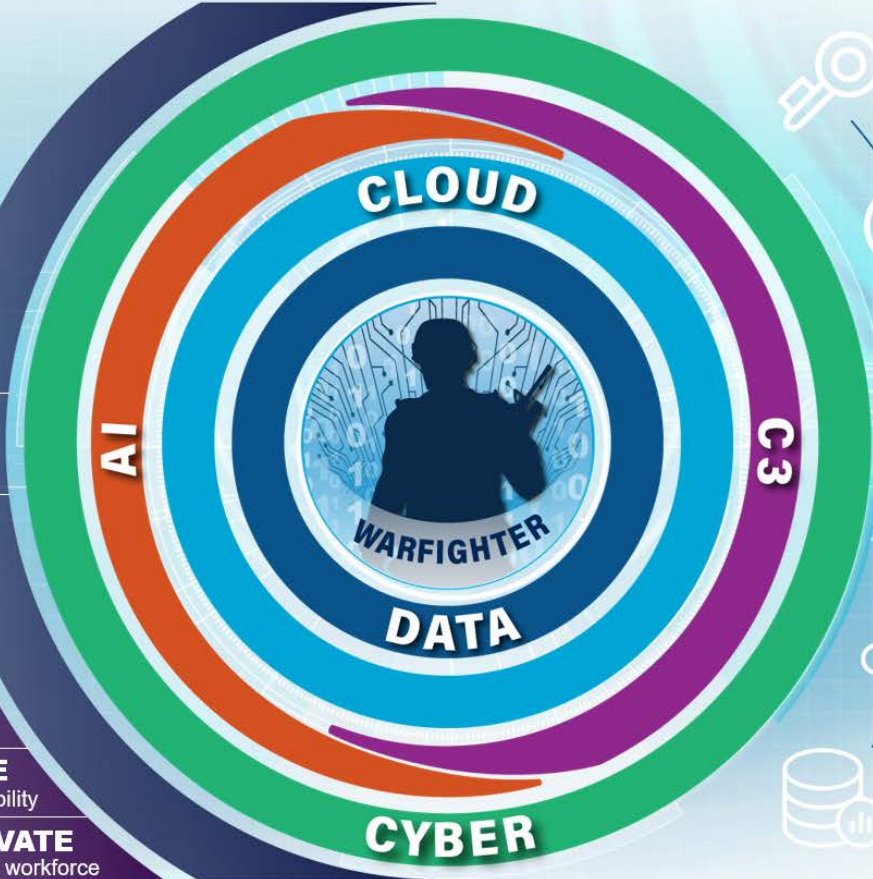
DIGITAL MODERNIZATION

LETHALITY
PARTNERSHIPS
REFORM

INNOVATE
for competitive advantage

OPTIMIZE
for efficiency and improved capability

CULTIVATE
for a ready workforce



CYBER
Dominance and security-first mindset will drive everything we design, build, and operate.

C3
Command, Control and Communications Modernization
Modernization is critical to Department and Warfighter mission assurance.

AI
Artificial Intelligence
A force multiplier and agent of transformation across all DoD functions – we will harness it smartly and at pace.

CLOUD
The foundation for all Key Focus Areas to unlock the full potential of technology advances for the Department and Warfighter.

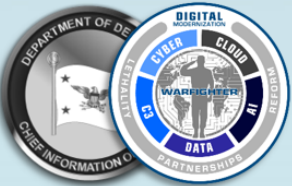
DATA
Strategically using data provides the Warfighter with information advantage.

UNCLASSIFIED

Defense Business Board

UNCLASSIFIED

Supporting Lethality and Partnerships



NDS LOE	DM Component	Select Examples
Lethality	Cloud	<u>Leveraging new technologies</u> for software development; compute; and COVID response
	C3	<u>Driving new approaches</u> on 5G; JADC2; network capacity; undersea cables
	Data	<u>Making data available for operational needs</u> —including JADC2; foundation for AI
	Cybersecurity	<u>Strengthening cybersecurity against sophisticated adversaries</u> with endpoint monitoring; ICAM; expanded email encryption
	AI	<u>Focusing on warfighting priorities</u> (Joint Operations, Warfighter health, Joint Logistics)
Partnerships/ Alliances	AI	<u>Enabling Coalition partners w/ Joint Warfighting Operations Cognitive Assistant</u> ; Leading development of ethical uses of AI
	Cybersecurity	<u>Assisting industry partners</u> via DIB Cybersecurity Program
	C3	<u>Enhancing alliance collaboration</u> through NATO SATCOM MOU

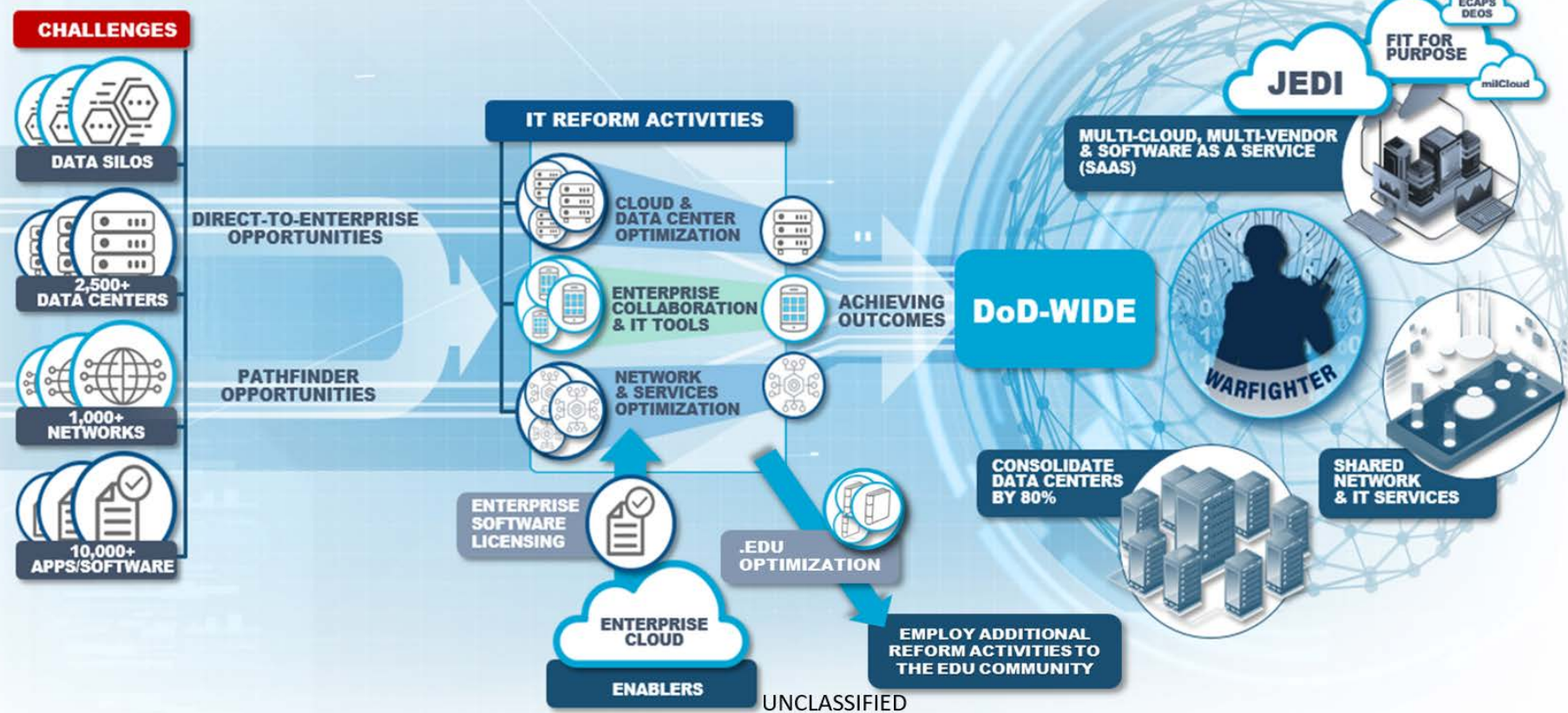
UNCLASSIFIED

Defense Business Board

UNCLASSIFIED



Reform: Another Key Pillar of NDS



UNCLASSIFIED

Defense Business Board

UNCLASSIFIED



Agility in Action: Response to COVID-19



COLLABORATION

- Over 3.3M CVR accounts created



USER EQUIPMENT

- Delivered 8K+ classified devices



NETWORK CAPACITY

- Increased capacity to support over 921K users (921% increase)



FUNDING

- \$300M being distributed out of the CARES Act



CYBERSECURITY

- Use cyber.mil as the one stop shop for tools and guidance

UNCLASSIFIED

Defense Business Board

UNCLASSIFIED

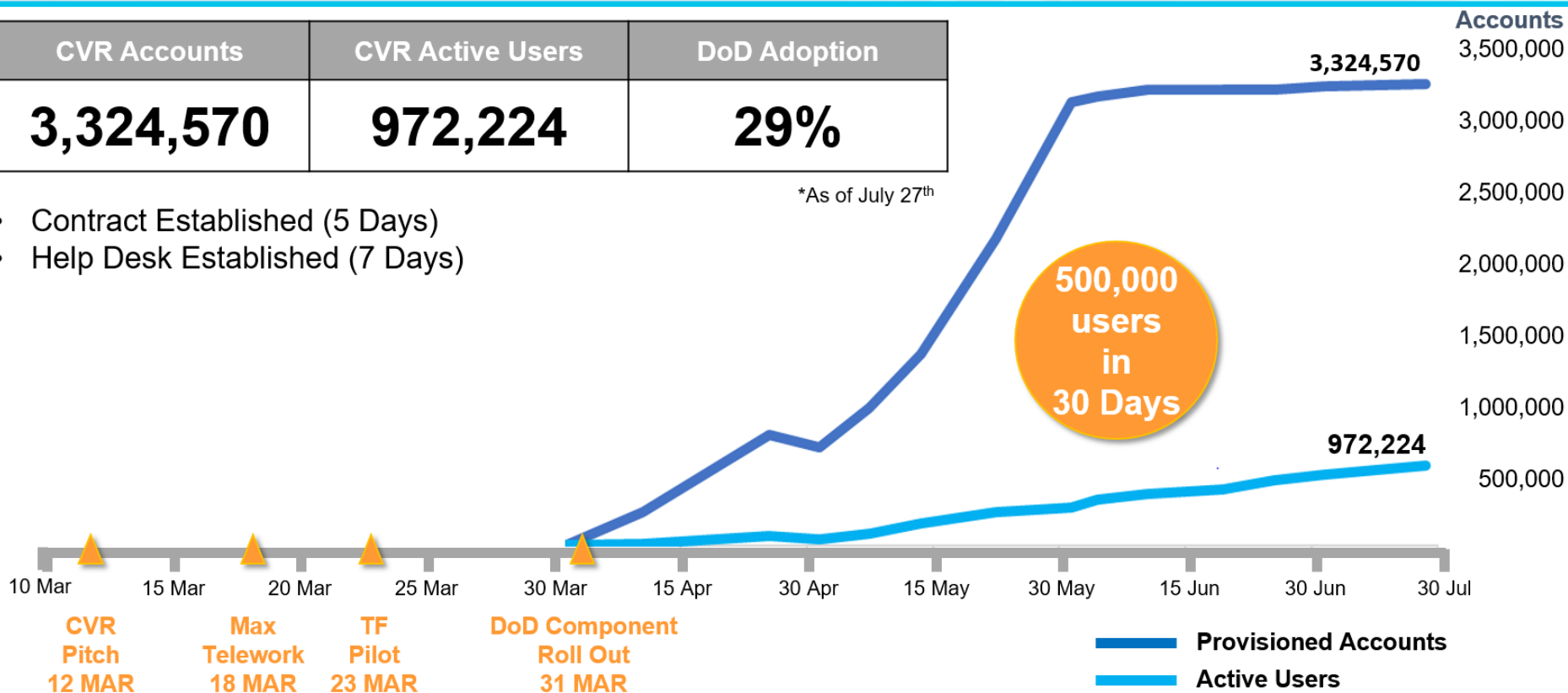


Enabling Pivot to Telework at Scale

CVR Accounts	CVR Active Users	DoD Adoption
3,324,570	972,224	29%

*As of July 27th

- Contract Established (5 Days)
- Help Desk Established (7 Days)



UNCLASSIFIED



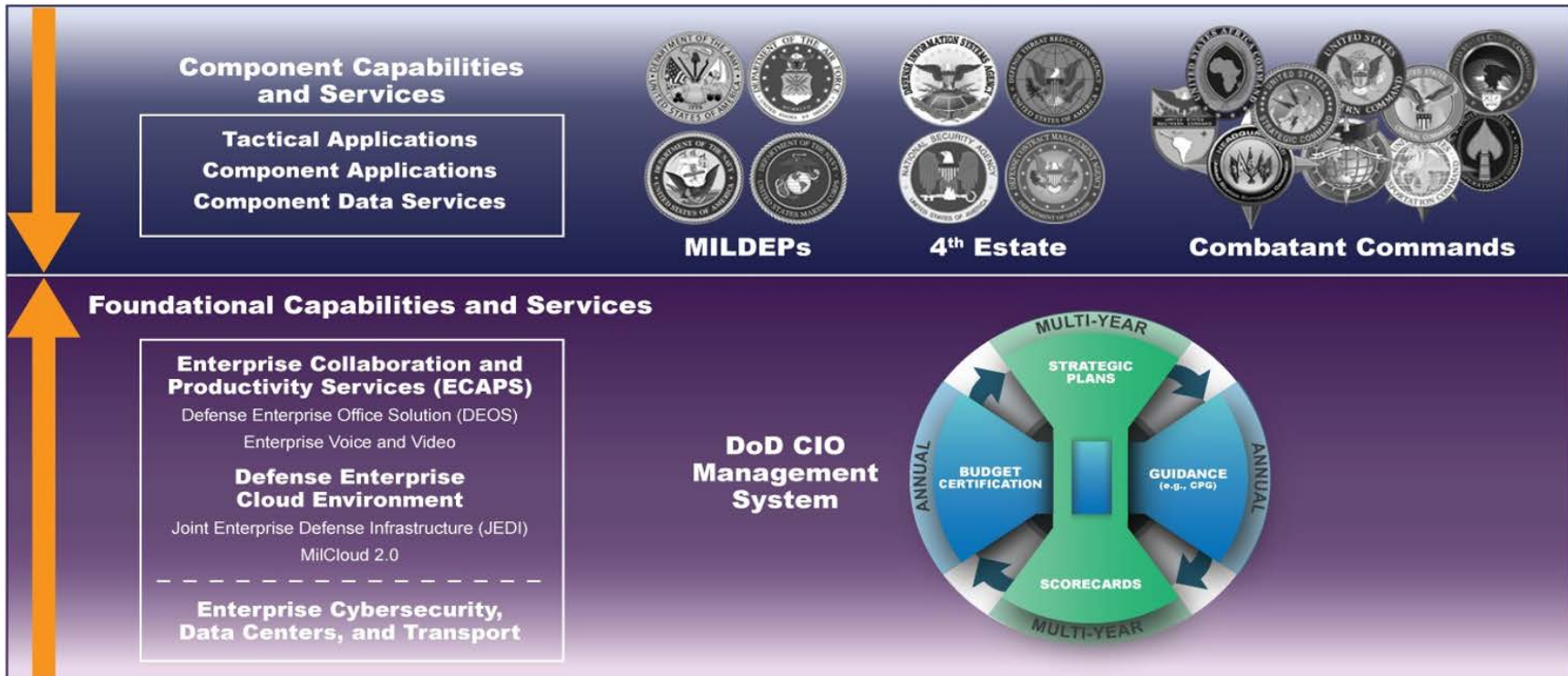
Defense Business Board

UNCLASSIFIED



DoD CIO Management System

Overlapping and duplicative IT infrastructure, services and ops



Supported by numerous forums and sub-committees

UNCLASSIFIED

Defense Business Board

Backup



Defense Business Board

UNCLASSIFIED

THE CYBER LANDSCAPE



1 NETWORK AND INFO SHARING

END POINT MANAGEMENT

- Perimeter defense
- Comply to connect
- Continuous monitoring

IDENTITY, CREDENTIAL, AND ACCESS MANAGEMENT

DOD ENTERPRISE DEVSECOPS

2 CYBER WORKFORCE

10 HUMAN FACTORS

CYBERSECURITY CULTURE

INSIDER THREAT

3 CROSS DOMAIN

UNCLASS

SECRET

TOP SECRET

MISSION PARTNER NETWORKS

4 ENCRYPTION

ARTIFICIAL INTELLIGENCE

CLOUD

ENABLERS

9 IT PRODUCT/SUPPLY CHAIN RISK MANAGEMENT

U.S. | PARTNERS

8 CRITICAL INFRASTRUCTURE

5 POSITION, NAVIGATION, AND TIMING

WARFIGHTER

6 WEAPON SYSTEMS

7 COMMAND, CONTROL, AND COMMUNICATIONS

UNCLASSIFIED



DEFENSE BUSINESS BOARD



Break

DEFENSE BUSINESS BOARD



Mentor Protégé Program (MPP) Assessment Study

**VADM Dave Venlet, USN, Ret. for
Mr. Scott Dorn**
Chair, MPP Assessment Task Group

DoD Mentor Protégé Program

- DoD's Mentor-Protégé Program (MPP) established in Nov 1990
- Law responded to concerns, raised by DoD prime contractors, that many Small Disadvantaged Businesses (SDB) did not possess the technical capabilities to perform DoD subcontract requirements, making it difficult for these prime contractors to achieve their SDB subcontracting goals
- DoD MPP designed to assist SDBs in obtaining and performing DOD subcontracts and serving as suppliers on DOD contracts.
- Mentors may:
 1. Make advance or progress payments to their protégés that DOD reimburses;
 2. Award subcontracts to their protégés on a noncompetitive basis when they would not otherwise be able to do so;
 3. Lend money to or make investments in protégé firms; or
 4. Provide or arrange for other assistance.

DBB Assessment of the DoD Mentor-Protégé Program

- Required by Section 872(d) of FY20 National Defense Authorization Act (NDAA)
- Secretary of Defense directed DBB to submit assessment to Congressional Defense Committees NLT March 31, 2022
- Assessment should evaluate the effectiveness of the Mentor-Protégé Program (MPP) established under § 831 of the FY91 NDAA (Public Law 101–510; 10 U.S.C. 2302 note)
- Report should include recommendations for improving the program in terms of:
 - Performance metrics, forms of assistance, and overall program effectiveness
- Assessment Task Group led by Mr. Scott Dorn with VADM Dave Venlet, USN (Ret), and LtCol Chris Burnham, USMCR (Ret)



DoD Mentor Protégé Program Facts

- DoD MPP is agency-specific. It does not require Small Business Administration (SBA) approval nor is it covered by Small Business Act
- DoD MPP is the only mentor-protégé program mandated by law and receiving appropriated funding: \$30M in FY21
- As of FY19, DoD had 62 active MPP firms with participation from USAF, USA, USN, DCMA, DIA, MDA, NSA, and SOCOM
- Current Status:
 - Congress reauthorized the DoD MPP in the FY20 NDAA
 - Direct reimbursement of costs/credit towards goals approved through FY26

MPP Assessment Timeline

2020	
Aug	DBB TG meet with CMO and USD(A&S)
Aug	SD/DSD signature on support Memo/Terms of Reference
Sep	Conduct interviews with non-DoD MPP Offices (i.e. SBA, NASA, etc.)
Oct-Nov	Conduct targeted interviews for single Service or DoD Agency
Nov-Dec	Conduct interviews with commercial companies on their programs analogous to DoD MPP
2021	
Jan-Feb	Conduct DoD MPP office interviews
Mar-Apr	Conduct Mentor interviews
May-Jun	Conduct Protégé interviews
Jul	Conduct any remaining/missing interviews
Aug	TG Initial Synthesis Meeting
Aug	TG formulates draft recommendations, completes briefing slides, and finalizes paper
Sep	Initial Red Team reviews TG's work
Sep	TG revises findings and recommendations based on Red Team review
Oct	Final Red Team review
Oct	Finalize Study Findings and Recommendations
Nov	Present study at DBB meeting
Nov	Incorporate DBB's input and relevant public comments into final report
Dec	Conduct outbriefs to DoD Executive Leaders
Dec	Out brief CMO and USD(A&S)
2022	
Feb	Provide Final Report to SD and DSD
Mar	MPP Assessment Report provided to Congressional Defense Committees

Mentor and Protégé Participants (1 of 3)

Size	Agency	Mentor	Protégé
L	Air Force	IBM	Redhorse
L	Air Force	IBM	Cathexis (formerly CPS Professional Services)
L	Air Force	IBM	Steel Point Solutions
L	Air Force	Lockheed Martin	Marvin Engineering
L	Air Force	Northrop Grumman Aerospace Systems	Technical Directions, Inc. (TDI)
L	Air Force	Northrop Grumman Aerospace Systems	Custom Microwave, Inc. (CMI)
L	Air Force	Northrop Grumman Aerospace Systems	XACTIV, Inc.
L	Air Force	Northrop Grumman Aerospace Systems	Cyber Security Education Workshops
L	Air Force	Northrop Grumman Mission Systems	S&K Electronics
L	Air Force	Raytheon IIS	Infinity Technology Services, LLC
S	Air Force	Edpative Computing	Tyrula, LLC
S	Air Force	Harris Corporation	Barnett Engineering
S	Air Force	Montana State University	Conductive Composites
S	Air Force	Montana State University	RevMedX
S	Air Force	Tec-Masters	Linc Research, Inc.
L	Army	BAE	Indatatech
L	Army	(L3 National Security Solutions) now CACI	Athena Technology Group, Inc.
L	Army	(Lockheed Martin Information Solutions) now Leidos	TIME Systems
L	Army	Raytheon	IERUS
L	Army	Raytheon Integrated Defense Systems	Aero Electronics, Inc

Mentor and Protégé Participants (2 of 3)

Size	Agency	Mentor	Protégé
L	Army	SAIC	IP Network Solutions
L	Army	SAIC	IronArch
S	Army	Advanced Systems Design (ASD)	Starks Industries
S	Army	AGEISS	EGC
S	Army	ASM	SRL
S	Army	Jacobs Engineering	Trinity
S	Army	Systems Studies and Simulation (S3)	R2C Support Services
S	Army	Tec-Masters	GeneCapture
L	DIA	General Dynamics Information Technology	Bluehawk
L	DIA	Mantech International Corporation	Assured Consulting Solutions (ACS)
S	DIA	Allegheny Science & Technology	Targeted Approach, LLC
S	DIA	Cyberspace Solutions	Preting LLC
S	DIA	Global Resource Solutions (GRS)	Advanced Decision Vectors, LLC (ADV)
S	DIA	Global Resource Solutions (GRS)	Reveal Global Consulting (REVEAL)
S	DIA	Global Resource Solutions (GRS)	NetSecurity Corporation
S	DIA	Invictus International Consulting, LLC	Blue Sky Innovative Solutions, LLC
S	DIA	Parsons Government Services, Inc.	Willbrook Solutions, Inc.

Mentor and Protégé Participants (3 of 3)

Size	Agency	Mentor	Protégé
L	MDA	Lockheed	Archarithms
L	MDA	Raytheon Missile Systems	Kord
S	MDA	All Points	Mission Multiplier Consulting
S	MDA	Parsons Government Services, Inc.	BWM Outcomes, LLC (BWM)
S	MDA	Parsons Government Solutions	Mobius Consulting, LLC
S	MDA	Parsons Government Solutions	MB Solutions
S	MDA	Parsons Government Solutions	Trident Technologies
S	MDA	Parsons Government Solutions	Basic Engineering Concepts & Technologies, Inc. (BecTech)
S	MDA	Tec-Masters	ITSC Secure Solutions, LLC (formerly BMK Solution)
S	MDA	Tec-Masters	People Technology Processes
S	MDA	Tec-Masters	Code Plus
S	MDA	Tec-Masters	Beshenich Muir & Associates (BMA)
L	Navy	CACI	CDIT, LLC
L	Navy	Raytheon MS	Phoenix Products, Inc.
L	Navy	Raytheon Space and Airborne Systems (SAS)	EI Manufacturing Inc. (EI)
S	Navy	Corps Solutions, LLC	Green Cell Consulting, LLC
L	NGA	BAH	Masego
L	NGA	IBM	Rigil
L	NGA	Mantech International Corporation	Skyris

Questions?

DEFENSE BUSINESS BOARD



Audit/Performance Data Use in Private Industry

Dr. Christopher Gopal

Chair, Audit/Performance Data Use Task Group

The Team

Task Group members

- Chris Gopal, PhD (TG Chair)
- Steve Blank
- John O'Connor

Staff Support

- Col Chuck Brewer, USMC (Military Assistant)
- Web Bridges, Deputy Director, DBB Staff

Context: DoD 2018 and 2019 Audits

- The Department's first-ever self-audit, completed in November 2018, provided a wealth of insights and data that can contribute to DoD's NDS efforts.
- The audit results are an historic accomplishment and demonstrate DoD's commitment to accountability and reform.
- The audit generated significant financial and operations data that could be analyzed effectively and provide insights for high-impact outcomes
- In an August 2, 2019 memo, the DSD called for a comprehensive, zero-based, program, and budget review for 2021 to 2025. The 2018 audit data provides a unique opportunity to do this more efficiently and effectively.



DoD Objectives and Vision for the Audit

From the Secretary of Defense ¹

... We are devoted to modernizing and reforming our business practices to ensure effective stewardship of taxpayer resources.

...In this era of mounting fiscal challenges and competing demands, we have a responsibility to gain full value from every taxpayer dollar spent on defense.

... We are actively seeking ways to identify and execute any opportunity that improves our support to the warfighter and enhances the efficient use of our resources.

...These efficiency enhancements will free up time, money, and manpower that can be reallocated to our highest priorities in support of the National Defense Strategy.

¹ Quotes from SecDef Pg 7 FY 19 Fiscal Report https://comptroller.defense.gov/Portals/45/Documents/afr/fy2019/DoD_FY19_Agency_Financial_Report.pdf

DoD Objectives and Vision for the Audit

From the Deputy Secretary of Defense ²

This audit should be:

...an integral tool in enabling the identification and correction of problems

...comprehensive, annual and cover more than financial management

...able address accountability and oversight

...capable of finding problems and fix them – analytics

From the President ³

...stretch and maximize every dollar spent

2. <https://www.defense.gov/Explore/News/Article/Article/2022270>

3. <https://www.defense.gov/Explore/Features/Story/Article/1690550/the-largest-audit-in-history-really/>



DBB Task Group Mandate

The DSD has asked the DBB to establish a task group to examine how audit and performance related data is used by private industry to assist Department executives in maximizing decision making to ensure business operations are efficient and effective.

Specifically the task group(s) will focus on the following:

- Examine how audit and performance are currently used in ADVANA and other DoD systems
- Identify the leading private industry and DoD best practices
- Provide a gap analysis
- Develop recommendations
- Share/explain world class private sector examples



Objectives and Mandate of the Project

This, however, is a wide-ranging and large scope

Hence, we will narrow this scope to the degree where we can deliver both a high quality, high impact study and recommendations within the prescribed timeline

We could then complete the Mandate in phases.

Our First activities will, therefore, be:

...validate the objectives and mandate from the DSD

...define the scope of the project

...outline future phases

....Schedule interviews with Key Leaders in DoD and private sector

DoD Audit Scope: Large and Complex

People

3 million service members in 160 countries

Validate the accuracy of personnel records (e.g., promotions & separations)

Equipment

\$2.7 trillion in assets & \$2.6 trillion in liabilities

\$292 billion inventory

Over 4500 defense sites

573,000 bldgs/structures

16,000 aircraft

Count, location and condition of military equipment, property, inventory and supplies

Process

\$716 Billion Budget

Vulnerabilities in financial business systems

Sampling, then checking for data to asset accuracy

Context: 2018 DoD Audit Findings

Overall Risk / Severity of findings



2377 NFRs (notice of findings & recommendations); closed **23% (550)**

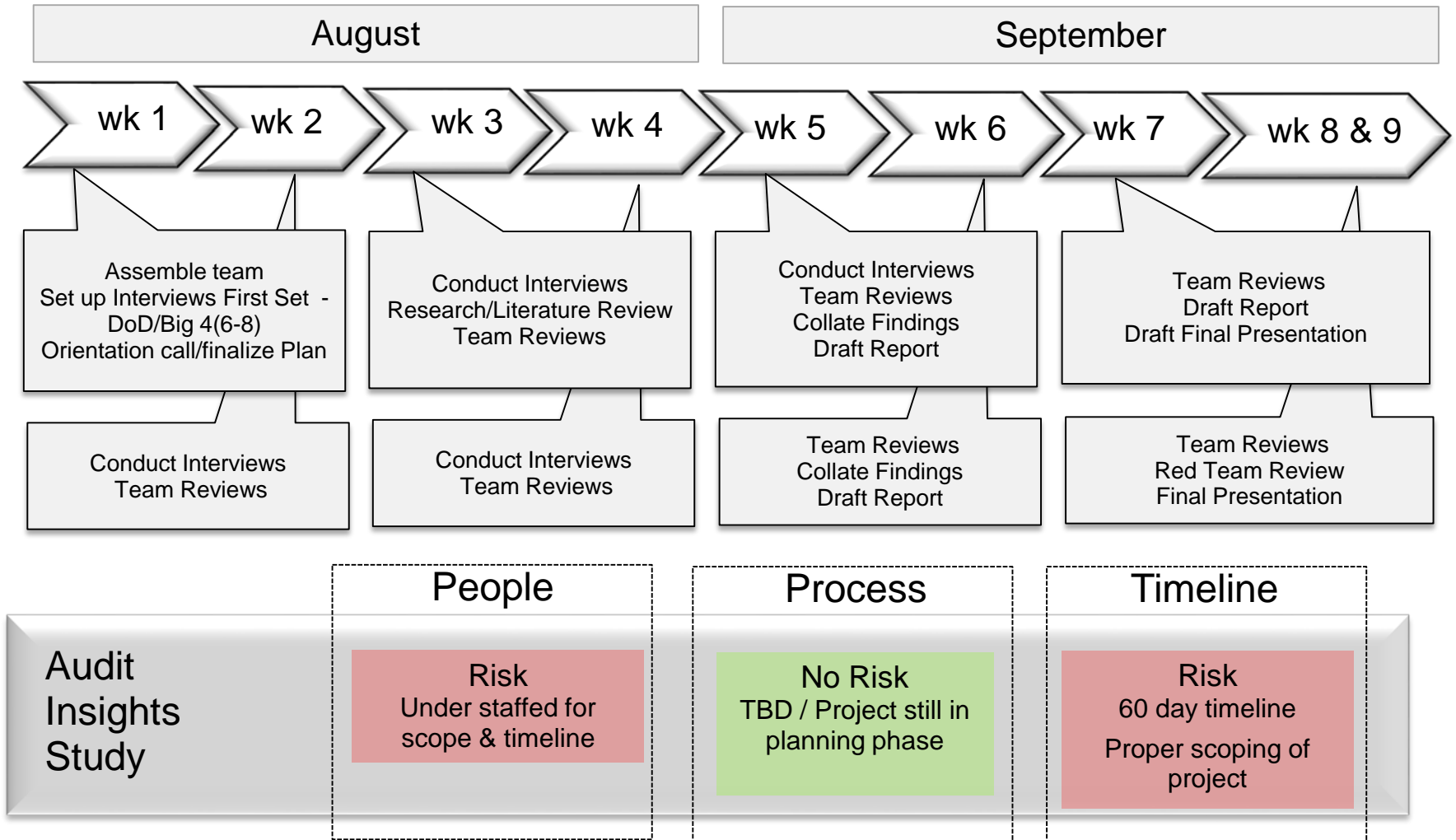
- 6 – unmodified audit opinions
- 2 – modified
- Balance (majority) – disclaimer

Takeaways:

- Too many systems
- Lack of standardization
- Poor quality data
- Lack of documentation (eg., audit evidence)
- Inconsistent or ineffective control access



Timeline & Risks



Timeline

Activity\Week ending	7/21-31	8/3	8/10	8/17	8/24	8/31	9/7	9/14	9/21	9/28	10/5
Assemble Team	X										
Orientation call/finalize Plan	X										
Set up Interviews First Set - DoD/Big 4(6-8)	X	X									
Conduct First Set of Interviews		X	X	X	X						
Set up Second Set of Interviews (3 companies x 2) - Cases				X	X						
Set up Third Set of Interviews with TLs (6-8)	X	X	X	X	X	X					
Literature Search			X	X	X	X	X				
Conduct Second Set of Interviews				X	X	X	X	X			
Conduct Third Set of Interviews				X	X	X	X	X			
Collate Findings							X	X	X		
Final Report and Presentation									X	X	X
Findings Reviews						X			X	X	
Team Reviews, Status		X	X	X	X	X	X	X	X	X	X

Our Needs from the DBB

- Recommendations and introductions to:
 - Excellent companies who are known for managing and analyzing audit data to derive insights and drive outcomes:
 - Product-Based Companies
 - Financial Services Companies
 - Services Companies
 - Major Audit firms to interview
 - Thought Leaders in Analytics
- Suggestions for Sources of information and leading practices
- Review and Suggestions for report and recommendations



Questions?



DEFENSE BUSINESS BOARD



**Defense Logistics Agency
& Defense Information Systems Agency
Charter Review**

VADM Dave Venlet, USN, Ret.
Chair, DLA & DISA Review Task Group Chair

The Team

Task Group members

- Dave Venlet (TG Chair)
- Paul Madera
- Kiron Skinner

Staff Support

- CAPT Jeff Plaisance, USN (Military Assistant)
- Web Bridges, DBB Staff





DLA and DISA Study Context



- National Defense Strategy
 - Calls for Enterprise-wide business reform as third line of effort
 - Department of Defense Reform Focus in 2020
 - SecDef January 6, 2020
 - Defense-Wide Organizations Transition to Chief Management Officer Governance
 - DepSecDef January 24, 2020
 - Department committed to greater performance and affordability in Fourth Estate
- DoD currently operates 28 separate support entities
 - Categorized as Defense Agencies and Field Activities (DAFA)
 - DAFA constitute a major part of the Fourth Estate
 - Resourced predominantly through Defense-wide accounts
- Defense Logistics Agency (DLA) \$42.7B budget and 26,000 people
- Defense Information Systems Agency (DISA) \$12.2B budget and 9,000 people
- Initial step DepSecDef directs DBB examine DLA and DISA
 - Examine chartering documents
 - Assist DoD with private industry perspective of responsibilities and authorities
- Final Recommendations due November 13, 2020



Questions?



DEFENSE BUSINESS BOARD



Public Comments

DEFENSE BUSINESS BOARD



Michael Bayer
DBB, Board Chair

Chairman's Remarks

- **CMO Assessment reception**
- **Upcoming Work**
- **Focusing A Transition 2021**

DFO Remarks

Ladies and gentlemen, public comments may be submitted to the Defense Business Board organizational mailbox via email at:

osd.pentagon.odam.mbx.defense-business-board@mail.mil

I officially conclude today's Defense Business Board meeting.

We thank you for attending.

Meeting Adjourned

DEFENSE BUSINESS BOARD

