



The Office of Personnel
Management's (OPM)
Review of the
Department of Defense
Implementation Plan in
Response to the National
Defense Authorization
Act for FY2017
Section 951

July 2017

Introduction

On July 5, 2017, the Department of Defense (DoD), in accordance with the FY17 National Defense Authorization Act (NDAA), Section 951, released a draft implementation plan for the potential transfer of responsibility for conducting background investigations (BIs) on personnel that are adjudicated by the DoD Consolidated Adjudications Facility (CAF). This plan assumes the integration of personnel and funding from the Office of Personnel Management (OPM) and National Background Investigations Bureau (NBIB) to the Defense Security Service (DSS) after October 1, 2017.

To appropriately review and respond to the proposed implementation plan, OPM used internal data, to include the NBIB's business process review (BPR), its expertise and experience executing the BI program for the federal government, and external best practices to evaluate DoD's assumptions, analyze the DoD cost analysis, and examine stated benefits and potential risks.

OPM continues to support efforts to improve, modernize and streamline the background investigation process, and finds that the DoD implementation plan incorporates several important process improvement opportunities that could help address and reduce the backlog in both the near term and long term. However, similar improvements are either underway or planned to be implemented by OPM, in the context of the governance structure already created by recent Presidents. For example, DoD's plan to establish a "Blue Sky" team is a concept consistent with OPM's ongoing close partnerships with the broader Security, Suitability, and Credentialing Line of Business (SSCLOB) community to identify and implement BI program improvements, and recent BPR efforts, recommendations, and action plans. For the remaining improvement opportunities, OPM continues to welcome a collaborative effort with DoD to further implement initiatives to improve processes and reduce the backlog, as many if not all of these improvements are efforts that OPM plans to execute in close partnership with DoD and NBIB's 100-plus other federal agency BI customers and stakeholders without moving this function to DoD. OPM, with support from its interagency partners, has made and will continue to make improvements to the background investigation process. Considering the additional disruption, costs, and duplication of effort associated with executing a transfer of certain investigative responsibilities to DoD, we are very confident more can be accomplished by OPM in reducing the backlog for the whole of government in the three years it will take to fully execute this plan.

While the plan incorporates important process improvement opportunities and innovations, a comprehensive review of the plan by OPM revealed several questionable assumptions, multiple unaddressed risks, incomplete cost-benefit analysis, and unclear benefits. Based on these issues, detailed in depth below, OPM does not concur with the DoD plan and recommends that the identified issues be clarified or resolved before considering this plan.

Issues and risks

As this plan is intended for congressional authorizers and appropriators, it is important that it realistically represent the challenges that lie ahead so the decision makers have all the information they need. To this end, this plan needs a detailed focus on the backlog with realistic funding requirements; more clarity on the level of risk that DoD is intending to manage in the interest of reducing DoD investment and the implications to reciprocity, and how DoD intends to square its view with operative guidance from the Director of National Intelligence and the Director of OPM; and more detail on how DoD will avoid “collateral damage” and bring to bear an enterprise-wide benefit to the whole of government as the leading Executive Branch Security, Suitability, and Credentialing (SSC) program stakeholder. As a matter of good government, the tradeoffs introduced by this plan should be made as clear to the decision makers as possible. In addition, this plan must introduce a viable risk management recommendation to address the high cost and management risks involved in any plan for DoD to take over a portion of the program.

1. Assumptions and fundamental issues

Several assumptions used to build the DoD cost analysis and overall plan are unrealistic or incomplete. OPM recommends that the following assumptions be further evaluated by DoD and resolved in an updated implementation plan:

- **DoD assumes an insufficient budget allocation for the use of legacy NBIB IT systems.** DoD’s plan assumes the use and financial support of all of OPM’s current BI IT systems during the transition until the National Background Investigation System (NBIS) is deployed. Assumptions in the DoD plan underestimate actual oversight and maintenance costs of legacy IT.
 - The plan does not accurately calculate NBIB’s cost for common and direct services, as the \$73.9M¹ figure outlined in the plan only accounts for the cost associated with NBIB common service and select direct services. The plan does not account for the \$112M that NBIB funds for direct services to pay the OPM CIO to maintain and execute required modifications to the legacy BI systems.
 - DoD allocated \$3.41M² across 2017 and 2018 for legacy system support, which is unrealistic, given the current annual spend of \$112M paid for by NBIB in FY17 to maintain and upgrade the legacy BI systems.
 - DoD assumes that NBIS will reach full operational capability in 2019, but does not build a contingency plan to address costs or operational impacts associated with a delay in the NBIS development.

¹ Page 30; Line 68-70 – In FY16, NBIB paid \$73,894,597.00 for OPM common and direct service support, equating to approximately 342.9 personnel

² Page 18; Appendix B: Section 951 Estimate Startup Costs

- Additionally, DoD fails to address how it will support the development of NBIS, and the cost associated with building requirements equivalent to support that NBIB has and will continue to provide.
- **DoD assumes a transfer of 75% of NBIB’s workforce to DoD will suffice for both DoD and OPM.**³ The DoD plan appears to be based on a flawed premise that distributing a share of investigative workload to a new investigative service provider can be accomplished simply by distributing a corresponding share of personnel to that provider. The plan does not recognize that to function as separate investigative service providers, OPM and DoD will each need basic operational resources that cannot be scaled directly to investigative workload. For this reason, the overall program footprint and resulting costs will increase as a result of the significant duplication of effort this plan creates. NBIB would need to retain significant resources and services that DoD would need to replicate on its own, such as: leased property for facilities, a record center and mailing operation, an extensive field structure for coverage (with field office supervisors), headquarters support staff (legal, legislative, case review, human resources, IT, contracting, budget, FOIA / Privacy, administrative staff), vehicle fleets, mobile device inventory, case submission and tracking systems, travel management systems, etc.
 - DoD estimates a projected workforce of 8,593⁴ personnel is needed to successfully address the DoD BI annual volume. This is roughly NBIB’s workforce today, not including the targeted additional personnel needed to reach an inventory level that could be considered “healthy” and sustainable. If a split occurs, the overall workforce of both NBIB and DoD will be significantly more than under a consolidated, single investigative service provider. OPM would estimate that the combined NBIB and DoD investigative workforce would equate to 10,764 personnel, reflecting an increase of 2,171 personnel that would be needed to separate the investigative program. Using an average salary and benefits of \$110K annually, this increase equates to an added government cost of \$239M annually.
 - The plan assumes that OPM can support a transfer of 146 NBIB personnel providing HQ support⁵. This would not be feasible for OPM, as support and scope in these functions will still be needed for OPM to serve the rest of government, especially as OPM staff will still form a number of centralized functions for the enterprise, such as designing and periodically renewing the forms used by agencies to initiate investigations by Federal investigative service providers, piloting the use of social media in national security investigations for the Director of National Intelligence, more generally

3 Page 12; Line 328-330 - Continue transfer of remaining NBIB personnel to DSS to a level consistent with 75% of the NBIB workforce, or a smaller figure commensurate with efficiencies that were developed through initiatives ongoing in all three phases of the plan

4 Page 23; Line 104-105 - Overall, DSS estimates a projected workforce of 8,593 personnel to successfully address the DoD BI annual volume.

5 Page 22; Line 57-59 - DSS estimates 146 of the 689 would transfer, given NBIB’s reliance on OPM direct and common services.

- supporting the reform and alignment work of the Performance Accountability Council, and resolving information requests relating to investigative materials, such as requests for investigative materials that require OPM to assert privileges or objections. For example, DoD is requesting a transfer of 33 of the 44 personnel within NBIB's Integrity Assurance, Compliance, and Inspections office⁶. A transfer of this scale would leave the office understaffed and unable to conduct appropriate oversight of federal and contract staff within the program. The same logic is applied to Contracting and Business Solutions and the Office of Finance and Performance, as OPM will need more than 25% of its current workforce to continue to manage BI contracts and NBIB's revolving fund.
- DoD plans for a very robust HQ support staff that would undoubtedly result in duplication and added cost across the U.S. Government. Using the average annual rates provided in the document in correspondence with DoD's calculated HQ support⁷ and proposed HQ construct⁸, DoD's HQ support will cost between \$79M and \$96M. While additional quantitative analysis and more detailed evaluation of specific positions would be required, significant duplication across DoD and OPM would undoubtedly occur. Applying a conservative 50% duplication rate to DoD's proposed HQ personnel total of 563 FTEs would result in nearly \$40M in government-wide duplication and inefficiency.
 - The plan does not identify how the transfer of resources will be accomplished or under what statutory authority a transfer would be made (e.g. competitive service to excepted service). OPM recommends that the plan identify what criteria (such as length of service, performance, objective or subjective factors, etc.) would be used to determine which resources would be transferred during each of the three phases in locations where multiple resources exist. It is critical the plan account for the transfer of personnel to minimize disruption, ensure transparency and minimize stress to the workforce. For example, the plan should fully lay out the method by which one resource may be transferred and another, in the same location, may not.
 - Based alone on the staffing additions proposed in Phases 1-3 and the annual rates shown in Appendix B of the plan, the projected cost for DoD's HQ and Field/Quality staff (both federal and contractors) is \$918M annually. This does not include additional expenses that the plan does not account for, such as IT system costs (mentioned above), DoD "common services" fees, record repository fees and search/lead fees from other agencies or service providers.
- **DoD's phased approach in transitioning NBIB personnel over 3 years to DoD will negatively impact OPM's ability to grow capacity.** NBIB's current initiative to increase investigator capacity both with new Federal employees and

6 Page 31; Table A: DSS Calculated HQ Support

7 Page 31; Table A: DSS Calculated HQ Support

8 Page 32; Table B: DSS Proposed HQ Construct

new contractor personnel would be severely disrupted by a transition of the investigative program, therefore negatively affecting ongoing efforts by OPM to work down the current inventory that resulted from the full implementation of the 2012 Federal Investigative Standards and the dissolution of one of the largest fieldwork contractors. It will also affect DoD's intent to do the same.

- The plan does not account for the expenses OPM will incur to continuously hire and train new personnel who may transfer to DoD at a later date.
- The plan does not account for the impact such uncertainty may have on candidates' willingness to accept offers from either OPM or DoD.
- The plan assumes that NBIB's current levels of personnel and resources are optimal for current operations and to address the annual BI inventory but does not account for the potential need to recruit, train and fund additional personnel to address the backlog in the near term.
- **DoD's plan does not account for an increase in appropriated funding to all agencies that would be needed to address a net increase in costs for background investigations, services, and products.** NBIB's funding model is based on a revolving fund and the funding for these shared services are built into the cost of NBIB's investigative products. OPM anticipates impacts to the cost of investigative products during and after the transition with an incremental reduction in funding beginning in Phase I. Many of these services (e.g., National Agency Checks, central verification system, etc.) are used by DoD today and would continue to be used by DoD; pending completion of Phase III. Costs that are part of the products today would need to be readdressed using a different model, as revolving fund receipts from DoD will decrease as DoD transitions responsibility for investigative products. As a result, agencies would likely need to acquire or reallocate appropriated funds to enable them to reimburse OPM for the resulting increase in unit costs for background investigations, services and products. Relatedly, the plan does not account for the costs to DoD that would continue to be contributed to OPM through the revolving fund model for ongoing overhead costs that are shared by federal agency users for things like maintaining the investigative forms and promulgating policy, functions that OPM will still be obligated to discharge. To this point, OPM estimated that prices to the remaining non-DoD customer could potentially significantly increase.
- **DoD's plan contains unstated assumptions regarding applicable legal authorities.** The DoD plan does not address the complex legal landscape underpinning security, suitability, and credentialing efforts and incorrectly assumes that no action would need to be taken to align any new authority for DoD to perform investigations and make policy with existing statutes and Executive Orders.
 - When Congress previously transferred certain portions of DoD's investigative functions to OPM in 2003, there was no conflict with other related statutes, such as 5 U.S.C. 3301 and 50 U.S.C. 3161, which recognized the President's authority to designate authorized investigative agencies, which he exercised through executive orders permitting either OPM or DoD to conduct the investigations at issue by agreement of the parties. However, subsequently, Congress and the President have made additional, significant changes to the

legal environment. As a result of these changes, a transfer of OPM's investigative responsibilities to another entity by administrative action would require new action undoing authorities developed through much of the intervening period, including a presidential executive order repealing or significantly amending several recent executive orders. Even then, the President would have to establish a means of adhering to 50 U.S.C. 3341's requirement that there be a single investigative service provider to the extent practicable.

- Alternatively, if Congress seeks to directly reassign OPM's investigative responsibilities to another entity, it would have to simultaneously amend 50 U.S.C. 3341's language requiring a single investigative service provider to the extent practicable, and requiring a separate entity to designate other service providers in the event of impracticability. Congress would also have to amend the language in 5 U.S.C. 3301, 5 U.S.C. 11001, 50 U.S.C. 3161, and 50 U.S.C. 3341 recognizing the President's authority to select investigative service providers, which he has exercised through executive orders making OPM the Government's primary, and for some case types, sole investigative service provider.
- Regardless of whether an executive order or a statute is used to transfer part of OPM's authority to conduct background investigations to DoD, separate legislation would be needed to affect an actual transfer of personnel from OPM to DoD. In the absence of legislation, DoD would have to build the function through competitive civil service hiring amid a possible background of Reductions In Force. This would likely be costly, time consuming, and disruptive.
- The plan suggests that DoD would be able to join or take over OPM investigative services fieldwork and support contracts. The legal underpinnings of the plan's assumptions about DoD's contracting role must be specified.
- In addition, the plan suggests that DoD will begin to assume a significant role in enterprise reform and innovation, but does not mention how DoD will fulfill that role within the current governance structure, as set forth by the President through executive order. This policy function is currently assigned to ODNI and OPM through their roles as the Security and Suitability and Credentialing Executive Agents. Unless and until that governance structure is amended, those Executive Agents are responsible to approve and promulgate policy changes. The report leaves a misleading impression that DoD would not be bound by constraints imposed by the President, through existing executive orders and resulting work products like the Federal Investigative Standards (FIS). Moreover, given that the current legal framework requires that streamlining and transformation must be accomplished through the auspices of the Performance Accountability Council (PAC) and Executive Agents, process reform can be accomplished regardless of where the mission is housed, and DoD does not explain why its ideas in this area may not be developed in this fashion.

- Finally, the report conflicts with the Administration’s goal to improve the efficiency of the Executive Branch by merging redundant functions split across agencies where it supports efficiency, effectiveness and accountability.⁹
- **DoD expects innovative technology and process solutions to have immediate impact in some areas.** Most expected innovations in BI processing are unlikely to have impact in the near term. The DoD plan relies heavily on “innovations” that increase the effectiveness and efficiency of the BI process over the long term as well as “for immediate results in some BI categories.” This includes establishing a formal innovation mechanism, sponsoring innovation initiatives, reducing resource demands through innovative process reengineering, and developing an innovation culture. However, given the scope of the potential BI responsibility transfer, it is much more likely that DoD’s time and resources will be primarily consumed by building the basic, day-to-day capabilities required to conduct BIs at scale for the entire DoD population, leaving little time or capacity for the consideration and pursuit of reform.

2. Unaddressed risks

The DoD plan articulates many potential benefits of its implementation; however, it leaves several critical risks unaddressed and without mitigation plans.

- **Significant risk of delay and cost increases given reliance on legacy IT system use and NBIS deployment.** The DoD plan assumes that it will be able to access and use NBIB legacy systems while building out NBIS. However, accommodating inter-agency access to NBIB legacy systems - especially at the scale of DoD’ intended use - could have significant impacts and require interface development, changes to access controls and permissions, and other modifications that could cost significant time and money that is not being considered in this report. In addition, as is often the case with large IT system developments, such as NBIS, deployment are unlikely to proceed as planned, introducing additional delays and costs that are unaccounted for in DoD’s plan.
- **Ambitious 3-year implementation plan introduces potential risk.** While the DoD plan does lay out multiple phases to achieve its goals, the rapid 3-year timeline introduces potential risks in light of DoD not having an existing infrastructure. DoD will be building a brand-new capability to process BIs for 75% of the current workload, requiring investment and attention to facilities, personnel, training, IT systems, processes, organizational structure, governance, funding and budget model, and much more.¹⁰ While these challenges are not insurmountable, it is unlikely that, within 3 years DoD will be able to assume responsibility for all security, suitability/fitness, and credentialing investigations

⁹ Executive Order 13781 of March 13, 2017, Comprehensive Plan for Reorganizing the Executive Branch, 82 Fed. Reg. 13959, sec. 2.

¹⁰ Based on an NBIB impact assessment of one-time costs, start-up costs will likely be upwards of \$567.9M.

across all tiers for all DoD affiliated individuals even if that plan comported with existing authorities.

- **Potential for siloed operations increases risk across multiple dimensions.** Under the DoD plan, BI processing will likely become less efficient and involve more risks for multiple reasons, such as:
 - **Partially shared BI responsibilities could create confusion.** DoD’s plan aims to transfer investigative capacity for T1 and T3R BIs within 12 months, T2 and T3 BIs within 24 months, and T4, T5, and T5R BIs within 36 months. Based on NBIB’s experience in implementing change and new investigative products, each of these transition periods is likely to cause significant confusion to customers who are unsure where responsibility lies for BI processing and whom to contact for questions and issue resolution.
 - **Siloed information could impact reciprocity and increase cyber risk.** If DoD develops and uses different methods and techniques without government-wide buy-in and risk acceptance, non-DoD agencies and departments are unlikely to accept investigations and adjudications across government, negatively impacting reciprocity. In addition, creating an additional BI processing organization with different data repositories conflicts with the goal to minimize instances of sensitive PII sitting in such repositories and thus only increases the cyber risk associated with the PII contained within each application. That feature, in turn, further amplifies the need for enhanced cyber protections, and thus would produce additional cost for which DoD has not accounted.
 - **Innovations developed in silos may not transfer or scale.** For example, DoD posits that its “Blue Sky” team would help incorporate innovative technologies into the BI process, but OPM may not benefit from these innovations, especially if they are developed in ways that are unique or customized to DoD operations. This siloed approach could prevent one or both organizations from benefiting from needed innovations and improvement, introducing waste and unnecessary risk into the future BI process for customers. A better approach would be to coordinate efforts in innovation across the enterprise by leveraging the policy expertise of the Executive Agents with support from the PAC, as the current governance structure, honed after years of deliberation across administrations of both parties, actually contemplated. This would best support process reform across the government, rather than focus on unique one-offs, and promote reciprocity.
- **Greater risk of further increasing the investigative backlog.** The assumption is that DoD will be able to turn work on/off in order to meet timeliness goals and a low inventory.
 - As a result, OPM will be faced with an unstable intake of investigations over the next three years, while the workforce is reduced over the three-year phased transition, significantly impacting workload projections and contractor costs. This is inconsistent with the statements made in other areas of the report, which indicate this change will result in “minimal disruption”.

- The unstable and unpredictable intake of investigations jeopardizes OPM's ability to persuade contract vendors to recruit and retain contract resources, as the uncertainty will discourage contract vendors from making the investment to continue to recruit and onboard investigators.
- **Deviation from Policy.** Bifurcation of the Federal BI program is not consistent with the Administration's policy on improving efficiency, effectiveness, and accountability of federal agencies, crafted across two prior administrations and left intact by the President. This transfer would thus create redundancy within the Federal government in conflict with Executive Order 13781, *Comprehensive Plan for Reorganizing the Executive Branch*. It also would contradict the decision of the Executive branch to consolidate investigative functions under OPM in Executive order 13467, as amended, which followed an inclusive and comprehensive interagency policy review effort under E.O. 13741.

3. Incomplete cost-benefit analysis

Analysis of the cost-benefit should incorporate the total cost to the U.S. Government as a whole, including both DoD and the rest of Government, with respect to the retained workload within NBIB. This analysis would provide a perspective on the total enterprise cost to provide BI processing across the U.S. Government under the DoD plan, and enable a comparison to the current state. Given the in-depth analysis of the current state conducted as part of the recent BPR effort undertaken by NBIB, we are confident that the relatively high costs of implementing DoD's plan would outweigh the quantifiable benefits to the government.

Enterprise Cost Efficiency Lost. Transferring 75% of the BI workload to DoD and developing a separate, duplicate headquarters and support service organization that mirrors NBIB will necessarily increase the overall cost to the whole of government, as noted above. Typical shared services organizations can reduce general and administrative costs by up to 20-30% through a variety of levers across functional domains that rely on the scale of a single, central governing organization. Examples of typical shared service levers include:

- Sourcing and procurement (e.g., field equipment, contractor resources)
- Organizational rationalization (e.g., resource pooling in field operations)
- Process standardization
- Standardization of IT systems across functions (e.g., finance, HR)
- Facilities and office space
- Demand management and reduction
- Continuous improvement and innovation efforts

The potential efficiency gains across these levers will not be achieved with separate organizations – DoD and NBIB – conducting BIs. A retained workload of 25% will result

in lower overall productivity because fewer investigators will have to cover the same widespread geographic area. For example, a typical NBIB investigator spends 15.4% of their time traveling to conduct interviews and gather information.¹¹ Under DoD's plan, that geographic spread is unlikely to diminish, as the remaining 25% of the BI workload will still require interviews to be conducted across a large geographic area. Indeed, this change is likely to adversely affect investigative productivity, because investigators will still have to cover the same geographic area but with fewer cases, thus decreasing the overall efficiency of the BI process.

Another example of potential inefficiency arising from the DoD plan is the high probability of overlap and duplication or even conflict in process improvement efforts. Both DoD's plan and NBIB's recent BPR have recommended pursuing continuous evaluation (CE) and automated record check (ARC) capabilities more rigorously. Initiatives have begun exploring these methods and identifying ways to integrate them into existing operations. With separate DoD and NBIB BI processing organizations, it is more likely that these efforts will be duplicative, and that knowledge and potential insights will not be shared, or at least not shared systematically, as in the PAC setting, resulting in less efficient and effective conduct of BIs overall.

Additionally, DoD's plan does not take into consideration the potential impacts to OPM's other stakeholder agencies and customers. It is important to implement transformational changes across all investigative service providers in a cohesive manner to continue progress made in instituting reciprocity throughout the investigative enterprise, and thus promote efficiency and cost savings for the U.S. Government and American taxpayers. These stakeholder agencies have previously expressed concern with splitting the investigative program, identifying issues such as:

- Damages the consistency and reciprocity that has been achieved
- Drives up costs through duplication of functions and unnecessary overhead expenses coupled with declining budgets, forcing agencies to delay reinvestigations and be selective in ordering initial investigations, which in turn impacts agencies' ability to meet their individual missions and comply with congressional and presidential directives
- Increases demand for limited resources, which will likely exacerbate the current backlog issues, further degrade overall timeliness, and drive up costs, as contractor resources will make themselves available to the entity willing to pay the most for these resources
- Results in loss of resources, as many mature and experienced personnel may choose to leave instead of participate in another significant transition
- Triggers cascading adverse impacts in terms of timeliness, customer service, billing, quality, reciprocity and costs

¹¹ Recent analysis revealed that 15.4% of an Agent's average day (or 320.3 hours per year on average) is spent on Travel out of 2,080 hours per year. This is considered part of the 1,356 hours agents spend working on cases. (Note: NBIB's 2014 Time Study Analysis found the average to be 21.3%; however, at that time agents were not able to detail out the travel on their time reports. This data point is now collected.)

- Degrades the investigative process itself in scope and content, as agencies are cautious of DoD's expressed desire to rely more on automated record checks as the basis for investigations
- Damages reform progress made and impedes new standards¹² implemented that represent the needs of the entire Federal community

4. Unclear benefits

DoD has identified a long list of benefits in transitioning investigative capacity from OPM to DoD, however, the stated benefits require deeper analysis and scrutiny, for the following reasons:

- **None of the stated benefits are quantified.** For example, the plan states that DoD will be able to “control costs,” yet does not articulate what cost reduction targets will be set. DoD does not appear to produce a financial plan that addresses critical elements, nor does it appear that DoD has assessed the potential negative, macro-level financial impacts to the whole of government. The plan also suggests better control over “timeliness” and the elimination of “inventories.” While these are laudable goals, the lack of quantification of these objectives suggests little to no analysis of specific timeline, backlog targets or milestones based on productivity measures. The lack of detail and ambiguity in planning for benefit capture is a concern that must be addressed.
- **Several benefits are overly optimistic.** For example, DoD hopes to streamline integration with DoD's Insider Threat programs and other enterprise capabilities. However, given how ambitious the 3-year timeline is, and the need to build BI processing capability from scratch, it is likely that DoD's focus will be primarily on sustaining existing operational performance rather than expanding to incorporate Insider Threat and other programs.
- **The majority of the stated benefits could be accomplished regardless of the location of the mission.** With very few exceptions, the benefits asserted in the plan could be achieved with the investigative function remaining within OPM as part of OPM's efforts to implement the BPR recommendations and to further the broader administration initiatives through the PAC. In fact, most of these benefits (e.g., greater efficiency, improved timeliness, incorporating CE) would likely be achieved faster in OPM given its current operational capabilities, its scale as the provider of BI processing across most of the U.S. Government, and its desire to move forward quickly on the BPR recommendations.
- **While DoD claims greater efficiency, it will actually be replicating NBIB's cost structure for only 75% of the workload.** DoD expects to transfer 4,890 Federal and contract investigators from NBIB, which is 75% of the current NBIB

¹² Replacing local agency checks with available public record information is not only potentially detrimental to national security, but it is clearly not consistent with the Federal Investigative Standards. Current legislation was created (i.e. 5 U.S.C. 9101) in order to obtain this record information because of the critical value it has towards protecting national security and satisfactorily adjudicating background investigations.

workforce of 6,520, and equates with DoD's calculation that DoD's workload represents 75% of NBIB's overall workload. However, in addition to this transfer of 4,890 investigators, DoD plans to then hire an additional 1,664 investigators, for a total investigative workforce of 6,554 to conduct 75% of the BI workload, while NBIB is currently conducting 100% of the workload with fewer resources (6,520). The DoD plan claims that these additional investigators are needed to stabilize the inventory, establish a margin, and address other concerns. Still, the efficiency benefit of the plan manifestly remains unclear, especially given that DoD will need to build an entire BI processing organization from scratch and given that the plan appears to assume that NBIB will process all cases currently in inventory and continue to focus efforts on the most time-intensive, complex cases for the foreseeable future. From a governmental perspective, the time, energy, and resources needed to effectuate the changes discussed in DoD's plan would be far better spent by enhancing OPM's ability to bring new hires into its well-established organization and encourage its contractors to bring on new capacity, as well. If this plan were to be adopted, OPM will, instead, be forced to divert precious time, energy, and money to implementing the steps necessary to deaccession people and other resources.

5. Areas in need of clarification

OPM has identified areas of DoD's plan that are unclear and require further clarification.

- **Does the use of “enterprise” in this report refer to DoD or all of government?** Within the conclusion of the report, the reference to the “Federal Government”¹³ implies that the DoD's actions will be government-wide. This further supports the need to include additional language addressing the significant roles of the President, the PAC, and Executive Agents under the current governance structure established by executive order.
- **What is meant by “flexible contract options”¹⁴ and how does this differ from current contract options in use today?** DoD participated in the structured engagement process of developing NBIB's contract requirements with other federal agencies, which ultimately became NBIB's flexible contract options, OPM would like to better understand what options were not presented during that process which DoD has identified for use in the future. The language of the plan implies there are additional options not currently being used. The plan also needs to address the concern of competing with other U.S. Government agencies for limited contractor resources.
- **What is meant by “Explore new task order against existing contracts”¹⁵** The plan suggests DoD intends to create new task orders on NBIB's existing contracts to address DoD's inventory. Has DoD concluded that NBIB's contracts

13 Page 16; Line 466 - The Department and Federal Government have an opportunity ...

14 Page 8; Line 218 - DSS develops flexible contract options

15 Page 14; Line 419 - Explore new task order against existing contracts to address DoD inventory, if feasible

would permit another agency to create new task orders on the existing contract vehicles?