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WASHINGTON, D.C. 20350-1000

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MEMORANDUM FOR DIRECTOR, BASE REALIGNMENT AND CLOSURE

SUBJECT: DON comments on the Supply and Storage Joint Cross-Service Group (JCSG) Military Value Report

We have conducted a detailed review of the draft Supply and Storage Joint Cross-Service Group Military Value Report, and provide the following recommendations to make the written report a more complete product.

Major Concerns:

1. We need to develop a process for establishing consistency of terminology and Military Value attributes/metrics/weights/scores assignment across like areas of other JCSGs (for example the munitions sub-function of the Industrial JCSG). Of particular concern is the fact that the evaluation of the munitions distribution function by the Industrial JCSG uses very different weighting, scoring, and metrics than the scoring plan developed for the rest of the distribution function by the Supply & Storage JCSG. This will become particularly important during the scenario phase as inter-JCSG negotiations become necessary and during review by higher level and external organizations.
2. A comprehensive definition or list defining the Supply and Storage JCSG universe of activities is required. There is no consistent understanding across services as to what a supply and storage activity is for the purposes of BRAC.
3. Separate military value scoring plans should be developed for supply, storage and distribution functions. When the same scoring plan is used for all three functions, activities that do not perform one or more of the functions will be unintentionally penalized. Additionally, when only similarly aligned activities are compared, the weights for the scoring plans will be skewed, with the particular function under assessment and criterion 4, cost and manpower implications, being weighted in a proportion far in excess of what we believe to be the JCSG's intention. We understand this has been born out by recently conducted sensitivity analysis.
4. The Supply and Storage JCSG should conduct sensitivity analyses using notional data to determine the viability of the weights, scoring and formulas in the Military Value Report. It is unclear whether their scoring plan properly values those attributes they consider important. Sensitivity analyses should point out where skewed and unintended results might occur.

Specific Recommendations

1. End item management is heavily weighted in the complexity factor, with a four to one ratio when compared to consumable management. Recommend this portion of the complexity factor be reviewed to ensure it does what is intended, since most inventory control point management is of repair parts and consumables.

2. In order to determine where their commodities fall in the complexity factor matrix, activities will need detailed guidance to ensure that each activity sorts its commodities in the same way. Additionally, appropriate definitions and clarifications should be sent out with the next data call. Experience with the capacity data call shows that in-depth definition guidance is critically important in obtaining consistent responses from the field. In the report there are references to information that is not routinely accessed by field level activities.

3. The breakdown in criterion 4 by supply, storage and distribution is not matched in the questions or in the weighting plan section.

4. Reassess military value as it applies to capacity, condition and location. Under the proposed scoring plan, efficiency and effectiveness accounts for 30% of the military value of a supply and storage activity. Capacity is addressed, but perhaps not sufficiently to capture distinct differences in kinds of capacity. Location is only considered as it applies to distribution nodes, with no consideration being given to an activity's proximity to its customers, which we believe could be important.

My staff and I stand ready to further clarify these issues and assist in implementation of the recommendations as necessary.



Anne Rathmell Davis
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