

Commissioner's Base Visit Book



**DFAS COLUMBUS,
INDIANAPOLIS, DENVER
Air Reserve Personnel Center**

2 – 4 Aug 2005

Commissioner Samuel K Skinner

**DFAS Columbus, OH, DFAS Indianapolis, IN, DFAS (Buckley Annex) Denver, CO
and
Air Reserve Personnel Center, Buckley Annex**

2 -4 August 2005

Marilyn Wasleski – Lead Analyst

TIME	EVENT	LOCATION	POC	ACTION
02 – August (Tuesday)				
730	Leave hotel for trip to DFAS Columbus	Columbus DFAS	Marilyn Wasleski (410) 693-1852	
0800 – 900 900 – 1000 1000 - 1100	DFAS Columbus Mission brief Community Input Facility tour.	Columbus, DFAS 3990 E. Broad St. Columbus, OH	Nancy Zmyslinski, Site Director (614)-693-6700	Senator DeWine, Governor Taft and Congressman Hobson will be in attendance. Other local mayors and community officials will also be there. Community Brief will be presented by Team DSCC lead by Steve Tugend.
1100	Media Availability, if scheduled			
1115	Leave site for trip to Wright Patterson, AFIT (The drive is about 1 ½ hours.)	Wright Patterson Air Force Base	Syd Carroll (757) 870-7337	Drive to Wright Patterson to meet Syd Carroll for mission brief and tour of Air Force Institute of Technology
1300 - 1700	AFIT – working lunch, mission brief, site tour, community brief and media availability.		See AFIT itinerary provided by Syd Carroll for detailed specifics of visit. (attached)	
1700	Leave for Indianapolis, IN			Via rental car – Two hour drive to Indianapolis

August (Wed)				
0800 – 900 900 – 1000 1000 - 1100	DFAS Indianapolis Mission brief Community input Facility tour	Indianapolis DFAS 8800 East 56 th St. Indianapolis, IN	Steve Bonta, Site Director (317) 510-2133	Mayor Peterson, Lt. Governor and other local and community officials will be present.
1100	Media Availability, if scheduled			
1130	Leave for airport for flight to Denver	Newton/Wasleski Flight to Denver United 1:50 p.m. Skinner flight to Chicago – United 2:04 p.m.		
4 – August (Thursday)				
0700 –0800	DFAS Denver - mission brief	Denver DFAS	Richard Anderfuren, DFAS Site Director (303) 676-7461	
0800 – 0900	ARPC – mission brief	Buckley Annex Building 444 6760 East Irvington Place Denver, CO	Col Ann Shippy, ARPC, (303) 676-6310	
0900 – 1030	Facility tour			
1030 – 1100	Community			
1100 - 1115	Media Availability, if scheduled			
1115	Leave for Airport			

Hearing

Hearing

VISIT ITINERARY – August 2, 2005

**General Lloyd W. Newton, USAF (Ret)
and
The Honorable Samuel K. Skinner**

**AIR FORCE INSTITUTE OF TECHNOLOGY
WRIGHT PATTERSON AIR FORCE BASE
DAYTON, OHIO**

DATE & TIME	EVENT	LOCATION	POC	ACTION
<u>August 02</u> 1245	Commissioners Arrive at Wright Patterson Air Force Base	Transported to Base by Marilyn Wasleski from Columbus, OH	Marilyn Wasleski and Syd Carroll	Transport Commissioners to Wright Patterson AFB
1245 - 1300	Travel from gate to commander's office	Wright Patterson AFB	Syd Carroll	
1300 - 1600	Commissioner's brief and tour of AFIT	Wright Patterson AFB	BG Mathews , AFIT Commandant Ms Susy Adams, AFIT Chief of Protocol	Mission Brief and AFIT Tour
1600 - 1615	Media	TBD	Mike McKito, PAO Syd Carroll	Respond to Media Questions
1615 - -1700	Meeting With Community Representatives	Air Force Museum	Marilyn Wasleski and Syd Carroll	Listen to Community Concerns
1700	Commissioners depart by POV	Air Force Museum	Marilyn Wasleski	Transport Commissioners to Indianapolis, IN

TABLE OF CONTENTS

	TAB*
Base Summary Sheet	M
OSD Response to July 1, 2005 Commission Letter to OSD	
Economic Impact on Communities under Current DoD Recommendation	
DFAS Analytical Process	N
DFAS Site Location Summary Sheets	O
DFAS Stakeholders' Report (2004)	
DFAS Director's Briefing to Chairman	P
DFAS Transformation Strategy (March 2003)	Q
Air Reserve Personnel Center (Buckley Annex)	U

*using recycled tabs

DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

BASE SUMMARY SHEET

Defense Finance and Accounting Service (DFAS) – Columbus, Indianapolis, and Denver

INSTALLATION MISSION

- DFAS provides professional, responsive finance and accounting services to DoD and other federal agencies. It delivers mission essential payroll, contract and vendor pay, and accounting services to support America's national security. DFAS is a Working Capital Fund agency, which means rather than receiving direct appropriations, DFAS earns operating revenue for products and services provided to its customers.

DOD RECOMMENDATION

- Close DFAS sites at Rock Island, IL; Pensacola Saufley Field, FL; Norfolk Naval Station, VA; Lawton, OK; Pensacola Naval Air Station, FL, Omaha, NE; Dayton, OH; St. Louis, MO; San Antonio, TX; San Diego, CA; Pacific Ford Island, HI; Patuxent River, MD; Limestone, ME; Charleston, SC; Orlando, FL; Rome, NY; Lexington, KY; Kansas City, MO; Seaside, CA; San Bernardino, CA; and Oakland, CA. Relocate and consolidate business, corporate and administrative functions to the Defense Supply Center-Columbus, OH, the Buckley Air Force Base Annex, Denver, CO, or the MG Emmett J. Bean Federal Center, Indianapolis, IN.
- Realign DFAS Arlington, VA by relocating and consolidating business, corporate, and administrative functions to the Defense Supply Center-Columbus, OH, the Buckley Air Force Base Annex, Denver, CO, or the MG Emmett J. Bean Federal Center, Indianapolis, IN. Retain a minimum essential DFAS liaison staff to support the Under Secretary of Defense (Comptroller)/Chief Financial Officer, Military Service Chief Financial Officers, and Congressional requirements.
- Realign DFAS Cleveland, OH, by relocating and consolidating business, corporate, and administrative functions to the Defense Supply Center-Columbus, OH, the Buckley Air Force Base Annex, Denver, CO, or the MG Emmett J. Bean Federal Center, Indianapolis, IN. Retain an enclave for the Military Retired and Annuitant Pay Services contract function and government oversight.
- Realign DFAS Columbus, OH, by relocating up to 55 percent of the Accounting Operation functions and associated corporate and administrative functions to DFAS Denver, CO, or DFAS Indianapolis, IN, and up to 30 percent of the Commercial Pay function and associated corporate and administrative functions to DFAS Indianapolis, IN, for strategic redundancy.
- Realign DFAS Denver, CO, by relocating up to 25 percent of the Accounting Operation functions and associated corporate and administrative functions to DFAS Columbus, OH, or DFAS Indianapolis, IN, and up to 35 percent of the Military Pay function and associated corporate and administrative functions to DFAS Indianapolis, IN, for strategic redundancy.
- Realign DFAS Indianapolis, IN, by relocating up to 10 percent of the Accounting Operation functions and associated corporate and administrative functions to DFAS Columbus, OH or DFAS Denver, CO, and up to 20 percent of the Commercial Pay function and associated corporate and administrative functions to DFAS Columbus, OH, for strategic redundancy.

DOD JUSTIFICATION

- This action accomplishes a major facilities reduction and business line mission realignment, transforming the current DFAS organization into an optimum facilities configuration, which includes strategic redundancy to minimize risks associated with man-made or natural disasters/challenges. All three of the gaining sites meet DoD Antiterrorism/Force Protection (AT/FP) Standards. The current number of business line operating locations (26) inhibits the ability of DFAS to reduce unnecessary redundancy and leverage benefits from economies of scale and synergistic efficiencies. Overall excess facility capacity includes approximately 43 percent or 1,776,000 Gross Square Feet (GSF) in administrative space and 69 percent or 526,000 GSF in warehouse space with many locations lacking adequate threat protection as defined in DoD AT/FP Standards. Finally, the three locations have potential to evolve into separate Business Line Centers of Excellence and further enhance “unit cost” reductions beyond the BRAC facilities/personnel savings aspect.

The three gaining locations were identified through a process that used Capacity Analysis, Military Value, Optimization Modeling, and knowledge of the DFAS organization, and business line mission functions. The Military Value analysis, of 26 business operating locations, ranked the Buckley AFBase Annex, CO, the Defense Supply Center-Columbus, OH, and the MG Emmett J. Bean Federal Center, Indianapolis, IN, as 3, 7, and 9 respectively. The Optimization analysis not only included the factors of available capacity and expansion capability, but also included business line process and business operational considerations in identifying the three-location combination as providing the optimal facilities approach to hosting DFAS business line missions/functions.

Subject matter knowledge of DFAS’s three business line missions and its operational components, along with business process review considerations and scenario basing strategy, was used to focus reduction of the 26 locations and identification of the three gaining locations. The scenario basing strategy included reducing the number of locations to the maximum extent possible, while balancing the requirements for an environment meeting DoD Antiterrorist and Force Protection standards, strategic business line redundancy, area workforce availability, and to include an anchor entity for each business line and thus retain necessary organizational integrity to support DoD customer needs while the DFAS organization relocation is executed.

COST CONSIDERATIONS DEVELOPED BY DOD FOR THE DOD RECOMMENDATION

- | | |
|---|-------------|
| • One-Time Costs: | \$282.1 M |
| • Net Savings (Cost) during Implementation: | \$158.1 M |
| • Annual Recurring Savings: | \$120.5 M |
| • Expected Payback: | 0 years |
| • Net Present Value over 20 Years: | \$1,313.8 M |

**TOTAL MANPOWER IMPLICATIONS OF THE DOD RECOMMENDATION
(EXCLUDES CONTRACTORS)**

The total number of jobs affected by this action is **6239** civilian and **205** military. Due to force future force reduction projections and BRAC savings gained from combining locations it is anticipated that there will be a reduction of **1931** positions. This leaves a net of **4513** positions that will be moving to one of the three designated DFAS locations.

The table below shows the approximate number of positions currently at each of the three gaining sites and the number of positions to be gained under the DoD recommendation.

	CURRENT		DOD PROPOSAL NET GAIN		DOD PROPOSAL FINAL	
	MIL	CIV	MIL	CIV	MIL	CIV
DFAS Denver, CO	41	1,314	13	73	54	1,387
DFAS Columbus, OH	0	1,999	66	1,224	66	3,223
DFAS Indianapolis, IN	57	2,288	92	2,848	149	5,136

The following provides the manpower implications should it be decided to close one of the three gaining sites.

MANPOWER IMPLICATIONS FOR DFAS Columbus - Closure

	Out	
	<u>Military</u>	<u>Civilian</u>
Reductions	0	1,999

MANPOWER IMPLICATIONS FOR DFAS Indianapolis - Closure

	Out	
	<u>Military</u>	<u>Civilian</u>
Reductions	57	2,288

MANPOWER IMPLICATIONS FOR DFAS Denver - Closure

	Out	
	<u>Military</u>	<u>Civilian</u>
Reductions	41	1,314

Columbus, OH

- Potential Employment Loss: 3,637 jobs
- (1,999 direct and 1,638 indirect)
- MSA Job Base: 1,122,033 jobs
- Percentage for this action - 0.32 %
- Percentage for actions in MSA TBD

Indianapolis, IN

- Potential Employment Loss: 4,024 jobs
- (2,345 direct and 1,679 indirect)
- MSA Job Base: 1,037,290 jobs
- Percentage for this action - 0.39 %
- Percentage for actions in MSA TBD

Denver, CO

- Potential Employment Loss: 2,538 jobs
- (1,355 direct and 1,183 indirect)
- MSA Job Base: 1,545,580 jobs
- Percentage for this action - 0.16 %
- Percentage for actions in MSA TBD

ENVIRONMENTAL CONSIDERATIONS

- No major issues. An air conformity analysis may be needed at Buckley AF Base Annex. This recommendation will require spending approximately \$0.01M for environmental compliance activities.

REPRESENTATION

Columbus, OH

Governor: Bob Taft (R)
Senators: George V. Voinovich (R)
Mike De Wine (R)
Representative: Patrick J. Tiberi (R-12th)
Deborah Pryce (R-15th)
David Hobson (R-7th)

Indianapolis, IN

Governor: Mitchell Daniels (R)
Senators: Richard G. Lugar (R)
Evan Bayh (D)
Representative: Julia M Carson (D-7th)

Denver, CO

Governor: Bill Owens (R)
Senators: Wayne Allard (R)
Ken Salazar (D)
Representative: Diana L. DeGette (D-1st)
Mark Udall (D-2nd)
Thomas G. Tancredo (R-6th)
Bob Beauprez (R-7th)

MILITARY ISSUES

- None

COMMUNITY CONCERNS/ISSUES

- The community expressed their desire to retain the sites as gaining sites and stated that the area can accommodate the influx of jobs.

ITEMS OF SPECIAL EMPHASIS

- None at this time.

Marilyn Wasleski, Interagency Team, 7/22/05

10. Defense Finance Accounting Service (DFAS)

Commission issue: Why were keeping DFAS Buckley Annex, CO, DFAS Columbus, OH, and DFAS Indianapolis, IN, open and closing the remaining DFAS sites the only scenario considered? Why did DoD not consider other options, which could have avoided military construction costs and possibly produced a more cost effective option?

Response:

KEY POINTS:

- Optimization Model was used to develop Best Value solution.
- No Military Construction involved.

DISCUSSION:

The Headquarters and Support Activities (H&SA) JCSG followed an iterative process that reviewed all DFAS locations as potential gaining locations. The process considered options and concluded the three-location combination, DFAS-Denver, DFAS-Columbus and DFAS-Indianapolis, represented the best value solution for DFAS by maximizing military value. The Optimization Model was used to develop the best value solution for DFAS, from both facilities and business operations perspectives. Within the optimization model the following constraints were applied against the 26 DFAS locations: (i) Maximize military value, (ii) Minimize number of locations, (iii) Minimum of two locations – to support strategic redundancy, (iv) Minimize military construction, and (v) Retain anchor locations for business operations integrity. The model resulted in the best value solution, and the economics (cost/savings) of the solution were then developed using the Cost of Base Realignment Actions (COBRA) model.

The DFAS recommendation does not include costs for new construction. It does include costs associated with the possible reactivation of part of building #11, at Defense Supply Center-Columbus (DSC-C), OH. Because of the lack of detailed costing information associated with a reactivation, renovation equal to 29% of construction costs was used. The cost in COBRA is thus a conservative estimate, as the DSC-C reported that building #11 is in good condition and should only require a lesser expense for reactivation.

DCN: 11651 *Economic Impact on Communities*
Under Current DOD Recommendation

Economic Impact on Communities: Assuming no economic recovery, this recommendation would result in the maximum potential job reductions (direct and indirect) over the 2006-2011 period, as follows:

Region of Influence	Direct Job Reductions	Indirect Job Reductions	Total Job Reductions	% of Economic Area Employment
Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Division	408	308	716	Less Than 0.1
Charleston-North Charleston, SC Metropolitan Statistical Area	368	607	975	0.3
Cleveland-Elyria-Mentor, OH Metropolitan Statistical Area	1,028	847	1,875	0.1
Dayton, OH Metropolitan Statistical Area	230	195	425	Less Than 0.1
Kansas City, MO-KS Metropolitan Statistical Area	613	549	1,162	Less Than 0.1
Lawton, OK Metropolitan Statistical Area	233	207	440	0.7
Lexington-Fayette, KY Metropolitan Statistical Area	45	27	72	Less Than 0.1
Aroostook County, ME	241	150	391	1.0
Virginia Beach-Norfolk-Newport News, VA-NC Metropolitan Statistical Area	314	435	749	Less Than 0.1
Oakland-Fremont-Hayward, CA Metropolitan Division	50	41	91	Less Than 0.1
Omaha-Council Bluffs, NE-IA Metropolitan Statistical Area	235	259	494	Less Than 0.1
Orlando, FL Metropolitan Statistical Area	209	205	414	Less Than 0.1
Honolulu, HI Metropolitan Statistical Area	206	199	405	Less Than 0.1
Lexington Park, MD Metropolitan Statistical Area	53	70	123	0.2

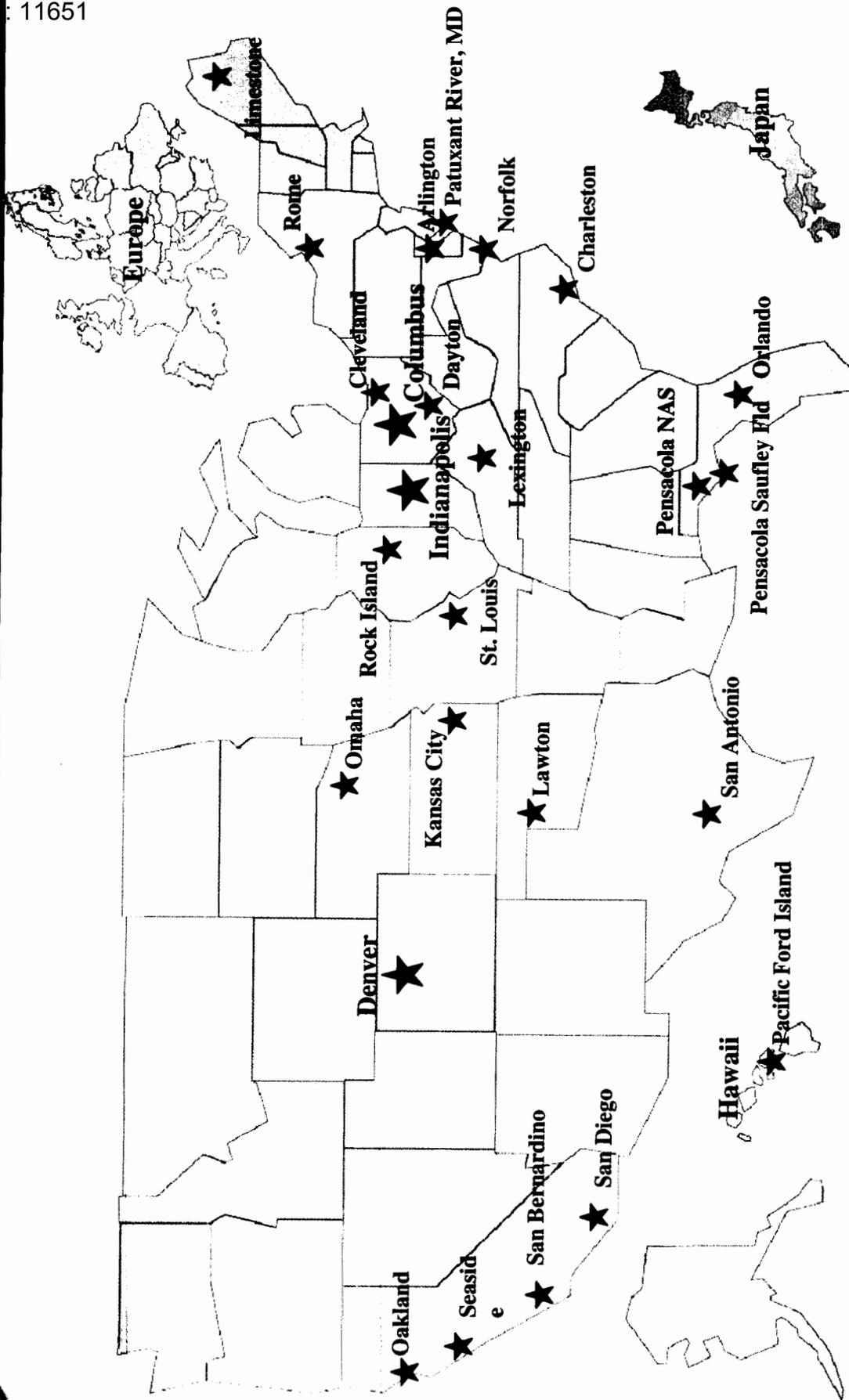
Region of Influence	Direct Job Reductions	Indirect Job Reductions	Total Job Reductions	% of Economic Area Employment
Pensacola-Ferry Pass-Brent, FL Metropolitan Statistical Area	637	1,100	1,737	0.8
Davenport-Moline-Rock Island, IA Metropolitan Statistical Area	235	206	441	0.2
Utica-Rome, NY Metropolitan Statistical Area	291	275	566	0.4
San Antonio, TX Metropolitan Statistical Area	335	367	702	Less Than 0.1
Riverside-San Bernardino-Ontario, CA Metropolitan Statistical Area	120	122	242	Less Than 0.1
San Diego-Carlsbad-San Marcos, CA Metropolitan Statistical Area	240	257	497	Less Than 0.1
Salinas, CA Metropolitan Statistical Area	61	62	123	Less Than 0.1
St Louis, MO-IL Metropolitan Statistical Area	293	318	611	Less Than 0.1

The aggregate economic impact of all recommended actions on these economic regions of influence was considered and is at Appendix B of Volume I.

Community Infrastructure Assessment: A review of community attributes indicates no issues regarding the ability of the infrastructure of the communities to support missions, forces, and personnel. There are no known community infrastructure impediments to implementation of all recommendations affecting the installations in this recommendation.

Environmental Impact: This recommendation has no impact on air quality; cultural, archeological, or tribal resources; dredging; land use constraints or sensitive resource areas; marine mammals, resources, or sanctuaries; noises; threatened and endangered species or critical habitat; waste management; or wetlands. An air conformity analysis may be needed at Buckley AF Base Annex. This recommendation will require spending approximately \$0.01M for environmental compliance activities. This cost was included in the payback calculation. This recommendation does not otherwise impact the costs of environmental restoration, waste management, and environmental compliance activities. The aggregate environmental impact of all recommended BRAC actions affecting the bases in this recommendation has been reviewed. There are no known environmental impediments to implementation of this recommendation.

DFAS -- 26 Locations to 3 Locations



Green – Retained Sites
 Red – Closed Sites

22 May 2005

DFAS RECOMMENDATION
Analytical Process

Analytical Process: Although the analytical process did have components which could be separated into distinct reporting elements, there were elements of the analytical process such as the business process review which commenced during initial research and risk analysis and continued throughout the process evolving into input considerations for the scenario analysis and recommendation development. Included in the analytical process are the initial research and risk analysis; Capacity Analysis and early components of a Business Process Review, Military Value Model development and continued business process review, Scenario Analysis which included business process and facilities analysis, and resulted in the Candidate Recommendation development.

a. Initial Research/Risk Analysis:

- Identified 24 DFAS Central and Field Operating Sites.
- Identified five Central Sites (Denver, CO; Kansas City, MO; Cleveland, OH; Indianapolis, IN; and Columbus, OH) and one Headquarters Site (Arlington, VA).
- Identified Three Business Lines: Accounting Services, Military and Civilian Pay Services and Commercial Pay Services.
- Identified that each of the three business lines had a number of subordinate product lines.
- Identified that DFAS business line operations may be located where AT/FP standards are met, access to Defense Information System Network Point of Presence (DISN POP) is available, and an adequate workforce pool exists.
- Identified a minimum of two locations for each business line to ensure strategic redundancy, which will mitigate risk of man-made or natural disasters/challenges.
- Identified need to consider locations with sizeable business line representation to potentially function as anchor business line location.

b. Capacity Analysis/Business Process Review:

- Response to Capacity Data Call identified 30 DFAS locations.
- Of the 30 locations four locations were found to be performing functions that were not business line operations. The four locations are: Cleveland Bratenahl, OH; Mechanicsburg, PA; Red River, TX; and Southbridge, MA.

- A total of 26 DFAS locations accomplishing DFAS business/product line operations were included in Capacity Analysis.
- 26 Locations -- Admin (Personnel) Space FY03:
 - Reported Capacity: 3,245,808 Usable Square Feet (USF)
 - Calculated Requirement: 2,530,240 USF
 - Excess Capacity: 715,568 USF for 22%
- 26 Locations -- Warehouse/Storage Space FY03:
 - Reported Capacity: 498,300 GSF/ 208,501 USF
 - Requirement: To be determined during scenario development

c. Military Value/Continued Business Process Review:

- Initial Military Value Model included all 30 locations identified as a result of Capacity Analysis Data Call.
- During this timeframe (Military Value Model Phase) and as part of the continuing business process review it was recognized that four locations were not accomplishing DFAS business/product line operations.
- The four locations that were not performing business line operations were removed from further study, and the capacity analysis updated by removing the following four locations are Cleveland Bratenahl, OH; Mechanicsburg, PA; Red River, TX; and Southbridge, MA.

d. Military Value Analysis Results: The average military value for the 26 locations is .5941. The following table provides an array of the military value scores for the 26 DFAS facilities/locations.

1. Rock Island, IL	(.8455)	14. San Diego, CA	(.5692)
2. Pensacola Saufley Field, FL	(.8050)	15. Pacific Ford Island, HI	(.5690)
3. Denver, CO	(.8030)	16. Patuxent River, MD	(.5648)
4. Norfolk NAS, VA	(.7871)	17. Limestone, ME	(.5484)
5. Lawton, OK	(.7869)	18. Charleston, SC	(.5457)
6. Pensacola NAS, FL	(.7196)	19. Rome, NY	(.5415)
7. Columbus, OH	(.6882)	20. Orlando, FL	(.5397)
8. Omaha, NE	(.6732)	21. Lexington, KY	(.5322)
9. Indianapolis, IN	(.6510)	22. Kansas City, MO	(.4507)
10 Dayton, OH	(.6250)	23. Seaside, CA	(.4326)
11. St Louis, MO	(.6117)	24. San Bernardino, CA	(.4285)
12. Cleveland, OH	(.5869)	25. Arlington, VA	(.3128)
13 San Antonio, TX	(.5861)	26. Oakland, CA	(.2427)

e. Scenario Analysis (Business Process and Facilities Analysis) and Results:

- Scenario Basing Strategy:

- Reduce number of DFAS Central and Field Operating Locations, by merging and combining business line operations to the maximum extent possible, while balancing requirements for an environment:
 - meeting DoD Antiterrorist and Force Protection standards,
 - strategic business line redundancy,
 - area workforce availability,
 - an anchor entity for each business line to retain necessary organizational integrity to support DoD customer needs,
 - and, available facility space or buildable acres.
- **Qualitative Selection Elements:** As a result of focused BP/facilities (Mil Value) analysis of the 26 locations, three locations (Denver, CO; Indianapolis, IN; and Columbus, OH) were identified as retained to host the realigned/collocated business line, corporate and administrative functions. Identification of gaining business operation locations resulted from using the below overarching business rules and facilities requirement criteria:
 - Must be a DoD installation or Leased space that meets DoD AT/FP standards.
 - Must have a minimum of two locations for each of the three business lines to create strategic redundancy and environment to minimize man-made or natural disasters/challenges: Accounting Services; Military & Civilian Pay Services; and Commercial Pay Services
 - Must maintain, for each business line, a business line anchor location to manage turbulence, facilitate business process efficiency and ensure proper accomplishment of each business line's critical missions.
 - Include consideration of business process co-location issues:
 - o Co-locate Accounting Business Line – Disbursing product line, at one of Military & Civilian Pay location (major or largest size), for mission accomplishment.
 - o Co-locate Accounting Business Line – Disbursing product line, along with Commercial Pay Business Line, for mission accomplishment.
 - Within the NCR – retain either a HQ element or a HQ liaison element.
- **Gaining Locations Identification Process:** Using the scenario basing strategy and the qualitative selection elements provided above, the basing Gaining locations identification process review facilities environment and expansion capability at the five Central locations (Cleveland, Columbus, Denver, Indianapolis, Kansas City) using the Scenario Basing Strategy and the Qualitative Selection Elements listed above; and then expand research as necessary to other locations. The gaining locations identification process included use of optimization modeling provided by the Center for Naval Analysis. Specifically data for the 5 Central sites/locations were analyzed with a focus on: DoD ATRFP standards, business line functions performed for strategic redundancy/anchor considerations, size of current workforce,

size of area work force for future recruitment, and availability of additional administrative space and/or buildable acres.

f. Scenario Result Military Values: The average military value for the 3 locations is .7171. The following table provides an array of the military value scores for the three gaining DFAS facilities/locations.

1. Denver, CO	(.8030)
2. Columbus, OH	(.6882)
3. Indianapolis, IN	(.6510)

Personnel Position Changes:

a. Force Structure Changes: This is the programmed position (Officer, Enlisted and/or Civilian) changes identified to take place at an installation/organization location in each year due to workload, re-organization, funding or other program driven changes.

b. Scenario position changes: These are personnel positions (Officer, Enlisted and/or Civilian) being added or eliminated at the installation/organization location in each year as a result of the BRAC action. Eliminations are often called BRAC personnel savings.

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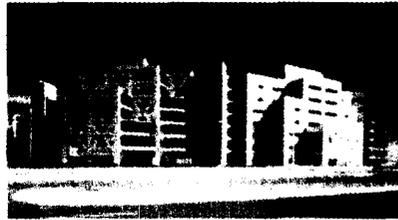
DFAS Kansas City

DFAS Columbus

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Defense Finance and Accounting Service (DFAS) Columbus was established in 1988 as the Defense Logistics Agency (DLA) Finance Center, to consolidate payment processing then taking place at 20 sites throughout

DLA. In January 1991, it became part of the new Defense Finance and Accounting Service, which was formed to standardize, consolidate and approve payments, accounting and financial functions throughout the Department of Defense (DoD).



Nancy Zmyslinski is the central site director of DFAS Columbus, and is dual-hatted as the director of Accounting Services for Defense Agencies.

Mailing address:

Director, Accounting Services, Defense Agencies
DFAS Columbus
P.O. Box 182317
Columbus, OH 43218-2317

The DFAS Columbus central site is the home of the Commercial Pay Services Business Line (CPBL) and Accounting Services, Defense Agencies. Taken together, the CPBL and elements of Corporate Resources and Travel Pay are responsible for:

- Contractor and vendor payments of more than \$228 billion annually
- Accounting services, such as the Chief Financial Officer statement, as well as DFAS and Treasury reports, for Defense Agencies
- Local and remote personnel and resource management
- Processing some 251,000 travel payments, totaling more than \$179 million, for permanent change of station (PCS) and temporary duty (TDY) assignments.

The Director of **Commercial Pay Services** is Jerry S. Hinton. His deputy director is Martha J. Stearns.

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- Agency (DCAA)
- Defense Contract Management Agency (DCMA)
- Defense Human Resource Activity (DHRA)
- Defense Technical Information Center (DTIC)
- Document Automation & Production Services (DAPS)
- Counterintelligence Field Activity (CIFA)
- Defense Advanced Research Projects Agency (DARPA)
- Defense Information Systems Agency (DISA)
- Defense Intelligence Agency (DIA)
- Defense Legal Services Agency (DLSA)
- Defense Prisoner of War/Missing Personnel Office (DPMO)
- Defense Security Cooperation Agency HQ (DSCA)
- DoD Education Activity (DoDEA)
- DoD Inspector General (DoDIG)
- Joint Staff Comptroller (JSC)
- Missile Defense Agency (MDA)
- National Security Agency (NSA)
- Office of Economic Adjustment (OEA)
- TRICARE Management Activity
- Washington Headquarters Services (WHS)
- Pentagon Force Protection Agency
- United States Army Commands and Financial Management Offices
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DFAS Indianapolis

Points of Contact

The Defense Finance and Accounting Service - Indianapolis (formerly the U.S. Army Finance and Accounting Center) was activated Jan. 20, 1991.

Center Director [Steve Bonta](#), is responsible for oversight of a network of eight operating locations. These eight locations are:



- [Europe - Contact.](#)
- [Lawton, OK - Contact.](#)
- [Lexington, KY - Contact.](#)
- [Orlando, FL - Contact](#)
- [Rock Island, IL - Contact.](#)
- [Rome, NY - Contact.](#)
- [Seaside, CA - Contact.](#)
- [St. Louis, MO - Contact.](#)

DFAS Indianapolis disburses more than \$39 billion annually. It provides services to a population which exceeds 1.9 million people and includes active army and reserve component soldiers and families as well as former soldiers and spouses.

Mailing address:

DFAS-IN
8899 East 56th Street
Indianapolis IN 46249

Please direct questions/comments to [DFAS Indianapolis](#)

Last updated: March 01, 2005 at 16:15

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Defense Finance and Accounting Service

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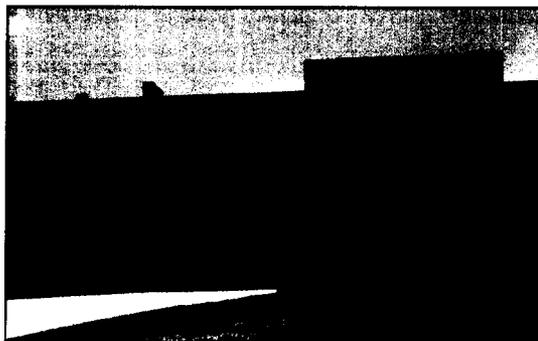
[St. Louis](#)

DFAS Kansas City

DFAS Denver - Buckley Annex

[Points of Contact](#) [Library/Archives](#)

Located on the former Lowry Air Force Base, the DFAS Denver was activated on Jan. 18, 1991. The director is responsible for oversight of a network of five field sites:



- [Dayton OH](#)
- [Limestone ME](#)
- [Omaha NE](#)
- [San Antonio TX](#)
- [San Bernardino CA](#)

Services provided to these customers include:

- maintaining the largest pay system in the world, which pays over 2.2 million military members ([Military Pay](#)).
- paying about 295,000 Department of Defense civilians ([Civilian Pay](#)).
- centrally managing accounting and reporting for the collection of individual out-of-service debt and contractor debt for the Department of Defense ([Out-of-Service Debt](#)).
- providing financial services for the Department of Defense's Security Assistance program. Security Assistance pertains to the sale, grant, lease or loan of U.S. defense articles, military training and other defense-related services to friendly foreign governments and international organizations.
- performing centralized financial accounting and reporting for the Air Force and other select Department of Defense agencies.

Mailing address:

DFAS Denver
Building 444
6760 East Irvington Place
Denver CO 80279

PDFs on this page require
[viewer software](#)

Facts and Assumptions

- **FACILITIES ACREAGE, BUILDING OCCUPANCY AND SQUARE FOOTAGE**
 - Acreage: approximately 38 acres
 - Building was constructed in 1976
 - Total inside walls measurement 599,430 sq ft (includes entire building) (Source: Geo-base Office, Buckley AFB)
 - DFAS 78% (467,555 sq ft)
 - ARPC 21% (125,880 sq ft)
 - All other listed on next slide occupy one percent (5,994 sq ft)



Buckley Annex Co

Facts and Assumptions

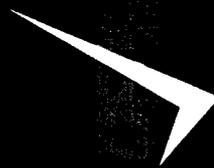
■ **TEN OTHER AGENCIES ON SITE**

1. DSCA – Defense Security Cooperative Agency
2. DISA – Defense Information System Agency
3. U.S. Public Health Service – Federal Occupational Health –
The Health and Wellness Center
4. Space Age Credit Union
5. DFEB – Denver Federal Executive Board
6. State of Colorado – Business Enterprise
7. DoD Inspector General
8. GAO – Government Accountability Office
9. AAFES – Cafeteria
10. AFAFO – Air Force Accounting Finance Office



Your Financial Partner @ work

View This Report and Detailed Financial Statements Online:
www.dod.mil/dfas



IT'S ABOUT THE CUSTOMER

stakeholders' report
fiscal year two thousand and four

Report to DFAS Stakeholders for Fiscal Year 2004

It's about the customer.

In FY 2004, the Defense Finance and Accounting Service sharpened its focus on the needs of its customers, the men and women who defend America. They are the reason DFAS exists, and the DFAS team proudly serves them.

DFAS customers serve around the world, often in harm's way, performing missions that are critical to national security. Every day these customers rely on DFAS to deliver pay and entitlements to satisfy their basic needs and the needs of their families. They depend on DFAS to pay contractors and vendors accurately and on time so that the support and materiel necessary to perform their missions will be readily available. DFAS customers require useful, accessible business intelligence that allows leaders to make better-informed decisions regarding the resources entrusted to them to defend America and to fight the global war against terror.

DFAS customers are world-class. They deserve a world-class finance and accounting partner. After all, for DFAS, it's about the customer.

Contents

A Message to DFAS Stakeholders	5
What DFAS Accomplished	7
DFAS Mission	9
DFAS Strategy	11
DFAS Balanced Scorecard, Awards, and Recognition	13
DFAS Operations Overview	15
Military and Civilian Pay Services	17
Commercial Pay Services	19
Accounting Services	21
Support Functions	23
DFAS: Here to Serve You	25

A Message to DFAS Stakeholders

To our stakeholders:

I am proud to present this report on the performance of the Defense Finance and Accounting Service (DFAS) in Fiscal Year (FY) 2004. The members of DFAS take pride in being part of the Department of Defense team. We are dedicated to continuously improving the products and services we provide to the men and women who defend America. In FY 2004, the DFAS team continued its march toward becoming a world-class finance and accounting organization, capable of delivering the best value to its clients.

It's about the customer

We affect the morale and readiness of America's Military Services. Delivering accurate and timely pay and entitlements allows the troops to focus on their mission and not on their money. Failing to fulfill this promise violates the trust they have in us, distracts our service members from their mission, and hurts our military's ability to recruit and retain soldiers, sailors, airmen and Marines.

We enable the flow of material that promotes our nation's defense by ensuring timely and accurate payment for goods and services provided by defense industry contractors and vendors.

We also understand that our customers must get the most out of every dollar entrusted to them by the American taxpayers. By accelerating accounting reports and improving their overall quality, DFAS increases the speed and precision with which our clients can use their resources to execute their missions.

FY 2004 Accomplishments

In FY 2004, the DFAS team sharpened its focus on the needs of our customers. World events increased operations tempo for our clients and stretched their resources as they fought a global war on terror. This environment makes professional, responsive finance and accounting service more critical than ever.

World events, including the war on terrorism, have increased demands on DFAS. DFAS team members played important roles in supporting the mobilization and demobilization of more than 195,000 military members. Many DFAS members deployed to provide support to commanders in theater. Meanwhile, other DFAS personnel contributed finance and accounting expertise to help rebuild the Iraqi nation by establishing control, disbursing and pay processes.

DFAS's workload in FY 2004 continued to grow as the team processed more than 104 million pay transactions for about 5.9 million military members, civilian employees, and military retirees and annuitants. The team also made 6.9 million travel payments, paid 12.6 million commercial invoices, processed 127.3 million general ledger postings, disbursed \$455 billion, and accounted for 282 active Defense appropriations. The DFAS team also helped make money for the department by managing military and health benefit funds worth approximately \$234 billion.

The quality of DFAS products and services also improved this past year. We reduced the time to deliver quarterly accounting reports from 45 to 21 days and the amount of time for annual reports from 80 to 45 days. The team lowered the amount of overaged Unmatched Disbursements from \$134 million in FY 2003 to \$23 million in FY 2004, decreased the amount of interest paid per million disbursed from \$160 in FY 2003 to \$138 in FY 2004, and expanded the myPay customer base to 2.9 million people.

Our efforts in FY 2004 increased the overall satisfaction of our customers for the second consecutive year. Satisfaction improved by an average of 4.3 percentage points across

the measures of recovery, choice, access, knowledge, timeliness, tangibles, reliability, quality and courtesy.

Building a team for success

To meet the demands of our customers, DFAS must satisfy the needs of our team members by building an organization and an environment that attracts, develops and retains world-class talent.

In FY 2004, we expanded developmental assignments to provide growth and learning opportunities to more than 4.7 percent of employees to broaden and strengthen their skills. We used intern programs like the Entry Level Professional Accountant and Entry Level Financial Analyst programs to bring more than 178 new professionals to the DFAS team. We also invested nearly \$1,384 per employee, or 2.7 percent of our total payroll, in training and career development, nearly double the average corporate training investment within the United States.

In return for this investment, DFAS team members reported an increase in employee satisfaction for the fourth consecutive year. Since 2000, employee satisfaction has improved by 13 percentage points. The overall results of DFAS Organizational Assessment Survey also showed continued improvement in 2004, raising the average score across the 17 measures by an average of 13 percentage points since 2000.

The continuing challenge

The DFAS team is proud of these results but recognizes it has much work to do to meet the continuing challenge of an ever-changing environment, shrinking resources and increasing demands for quality and service.

The DFAS team has the tools to succeed. Our transformation effort is an integrated, leadership-driven program that evaluates each function within DFAS to determine the best option for transforming that function to ensure it is delivering the right products and services to DFAS customers through the most efficient means possible. Lean6 combines Lean Thinking with the methods of Six Sigma to identify and seize opportunities to eliminate waste, reduce errors and increase productivity. Portfolio Management disciplines our investment decision-making process to prioritize and fund projects and initiatives that best support the DFAS strategy. Finally, we rigorously manage these efforts through the agency's Balanced Scorecard to ensure our efforts are delivering the results our customers expect and the strategic progress we demand of ourselves.

The members of the DFAS team are dedicated to supporting the men and women who defend America with integrity, innovation and service. We are committed to achieving our vision of truly becoming a world-class finance and accounting organization because our customers deserve nothing less.



Zack E. Gaddy
Director



What DFAS Accomplished

In fiscal year 2004, the DFAS team

- Processed 104 million pay transactions to military members, federal civilian employees, retirees and annuitants
- Made 6.9 million travel payments
- Paid 12.6 million commercial invoices
- Processed 127.3 million general ledger postings
- Managed \$234 billion in military retirement and health benefit funds
- Disbursed \$455 billion to pay recipients
- Managed \$13.5 billion in foreign military sales (reimbursed by foreign governments)
- Accounted for 282 active DoD appropriations

DFAS provides professional, responsive finance and accounting services to DoD and other federal agencies. It delivers mission essential payroll, contract and vendor pay, and accounting services to support America's national security.

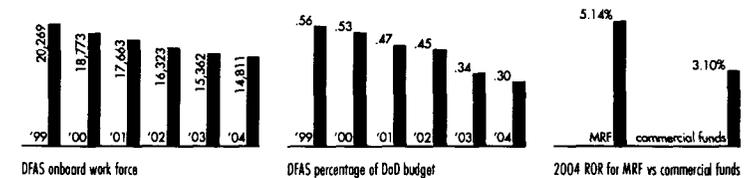
DFAS is a Defense Working Capital Fund agency. Rather than receiving direct appropriations, DFAS earns operating revenue for products and services provided to its customers.

DFAS continually seeks ways to improve its effectiveness and efficiency, to raise the quality of its products and services, and to increase the value returned to its customers and the American taxpayer. Greater efficiency leads to reduced costs that DFAS subsequently returns to its customers in the form of lower bills. By reducing its cost of operations, DFAS enables its defense customers to apply more of their resources to training, equipping and supporting the men and women who defend America.

Since its inception in 1991, DFAS has worked to reduce its infrastructure. Finance and accounting systems exceeded 300 in number have been reduced by more than 75 percent. In conjunction with the Business Management Modernization Program and the Domains, DFAS is continuing this effort.

Today, DFAS accomplishes its mission with 27 percent fewer employees than in 1999. DFAS has also reduced the number of military personnel assigned to DFAS from 1,545 in FY 1999 to 738 at the end of FY 2004, reducing the percentage of DFAS employees who are military members to just 4.78 and freeing others to perform more operational duties for their respective service. DFAS delivers its services for 0.30 percent of the overall DoD Budget.

For more about DFAS and to review DFAS's audited financial statements, visit <http://www.dod.mil/dfas>.



DFAS Mission

DFAS's mission is about the customer. It is about delivering pay and entitlements to meet the needs of the men and women who defend America and their families. It is about paying for the materiel and services that support national security. It is about providing meaningful business intelligence that allows defense leaders to get more from their resources.

More than just the world's largest finance and accounting operation, DFAS performs the nation's most important finance and accounting mission for the nation's most important customers.

Responsive, professional finance and accounting services go beyond just meeting customers' needs today. It involves anticipating how those needs will evolve by developing and nurturing close business relationships between executives in DFAS and executives at each client. It requires integrity, service and innovation to ensure that each client is well served.

DFAS team members are proud to serve the men and women who defend America. Team members know that every DFAS customer is a friend or a family member who has answered their nation's call to serve. This same sense of service drives DFAS team members to deliver their very best.

Mission: Provide responsive, professional finance and accounting services for the people who defend America

- Vision:** Best value to our customers
- A world-class provider of finance and accounting services
 - A trusted, innovative financial partner
 - One organization, one identity
 - An employer of choice, providing a progressive and professional work environment

Values: Integrity – Service – Innovation

DFAS Strategy

DFAS is on a mission to provide responsive, professional finance and accounting services for the people who defend America. Today, more than ever, the world challenges us. We operate in a more dynamic environment, with a continually changing security and economic landscape. The environment is also more competitive with private-industry becoming increasingly capable of providing similar services on the same scale at a competitive price. DFAS's vision is to be the best value to its customer, which requires becoming a world-class finance and accounting organization and to maintain our competitive edge. To continue achieving success, DFAS must take a strategic approach to managing its transformation. DFAS must meet these challenges by being a strategy-based, customer-focused and metrics-driven organization.

DFAS's strategy places its customers' needs in the forefront and is fully informed by the voice of our customers. This strategy focuses less on outputs of processes and more on results.

This strategy understands that to succeed in the future, DFAS must:

- Deliver error-free pay services on time. Pay affects people's lives and satisfies their basic needs. A failure in our ability to fully satisfy this basic capability risks adversely affecting the morale and readiness of our military forces at a time when the world demands more from them.
- Provide business intelligence that enhances leaders' ability to make resource decisions. We must provide knowledge that arrives in time to make a difference and in a format and level of detail that can be used easily and effectively.
- Lead a partnership with our customers to anticipate their needs and deploy integrated solutions that enhance financial management capabilities across the Defense enterprise.
- Attract, develop and retain a world-class work force with the skills, agility and motivation necessary to achieve the DFAS mission. DFAS employees will ultimately determine the agency's success and our ability to serve the men and women who defend America.

DFAS has committed to achieving five fundamental strategic targets in the next several years:

- Pay service members what they are entitled to on the scheduled pay date
- Expand electronic commerce for Commercial Pay
- Provide auditable financial statements
- Develop a corporate capability to deliver client unique business intelligence
- Recruit, train and retain a work force needed to develop and implement the DFAS Strategy

Achieving these targets will enhance DFAS's value to its customers and further support DoD's Transformation and the President's Management Agenda.

"Our strategy must place our customers' needs in the forefront and must be fully informed by the voice of our customers. This strategy will focus less on the outputs of processes and more on the results that matter to our customers."

– Zack E. Gaddy
Director

DFAS Balanced Scorecard, Awards, and Recognition

Customer Perspectives	Goal	Report Cycle	Corporate	Act	Comm Pay	ME & Civ Pay
<p>Customer Perspectives Ability to Deliver Services (on line each week Issues (in thousands) - 1000000) Customer Satisfaction (Survey by Customer) Military and Civilian Pay - Survey by Customers and Key Contact Center Customer Satisfaction</p>	<p>5% 3/3 indicators 50%</p>	<p>annual month month</p>	<p>●</p>	<p>●</p>	<p>○</p>	<p>○</p>
<p>Financial Perspective Total Cost of Ownership (from Target Unit Costs) (on line each week Issues (in thousands) - 1000000) Accuracy - Direct Materials for Accounting Systems (on line each week Issues (in thousands) - 1000000) Military and Civilian Pay - Survey by Customers and Key Contact Center Customer Satisfaction</p>	<p><=5% 3/3 indicators <=10% <=10% 19/19</p>	<p>month month month month month</p>	<p>○</p>	<p>○</p>	<p>○</p>	<p>○</p>
<p>Internal Business Process Perspective Commencement of Scheduled Business Case Analysis (on line each week Issues (in thousands) - 1000000) Accuracy - Survey by Customers and Key Contact Center Customer Satisfaction</p>	<p>6 BCAs 3/3 indicators 17/year</p>	<p>month month month</p>	<p>○</p>	<p>○</p>	<p>○</p>	<p>○</p>
<p>Growth and Learning Perspective Employees in Developmental Assignments (on line each week Issues (in thousands) - 1000000) Employee Satisfaction (on line each week Issues (in thousands) - 1000000) Climate for Action</p>	<p>3% 90% 49.7% 53.3%</p>	<p>month month month annual</p>	<p>○</p>	<p>○</p>	<p>○</p>	<p>○</p>

DFAS Balanced Scorecard results for FY 2004

Significant Awards and Recognition

The following are selected examples of awards earned by DFAS for innovation and excellence as a federal leader in finance and accounting.

myPay – Innovative online self-service system

- Named top federal innovator by MIT/Accenture
- Named among top technology innovations by Government Executive Magazine
- Winner Department of Defense Value Engineering Achievement Award

Defense Civilian Pay System – Quality software development and systems management

- Earned Level-4 Capability Maturity Model Certification from the Software Engineering Institute

ePortal – Collaborative knowledge management

- Named as one of the top 10 government intranets by NielsenNorman Group

Commercial Pay Services – expanding the use of e-commerce

- Winner Department of Defense Value Engineering Achievement Award

Defense Cash Accountability System – special achievement

- Winner Department of Defense Value Engineering Achievement Award

"DFAS employees have built a tremendous record of excellence of service, and making DFAS more effective and more efficient. I know we will continue to deliver results for our customers as we tackle this next chapter in DFAS's transformation."

- Zack E. Gaddy
 Director

DFAS Operations Overview

DFAS exists to deliver world-class finance and accounting products and services to the men and women who defend America. DFAS employs approximately 14,800 people throughout the United States and in the European and Pacific theaters of operations to serve this purpose.

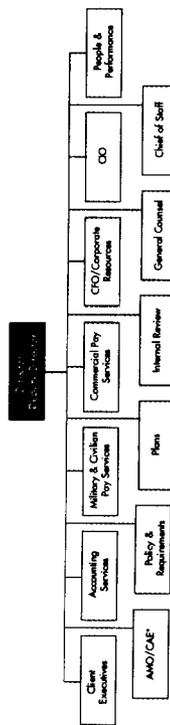
DFAS has built its organization to anticipate and meet its customers' needs by assigning each major customer a dedicated client executive to foster effective communication and build partnerships that enhance customers' mission capabilities. These client executives ensure the DFAS operational team understands the unique and diverse requirements of each customer.

DFAS's three operational business lines deliver the specific products and services that satisfy these needs:

- Military and Civilian Pay Services provides all aspects of pay to individuals—pay, travel reimbursements and garnishments.
- Commercial Pay Services provides payment services to all contractors doing business with DoD.
- Accounting Services provides departmental and field-level accounting and disbursing services.

DFAS operations also include managing DoD's Financial Management Regulation; advocating policy, overseeing the acquisition and management of finance and pay systems that support DoD's Business Management Modernization Program; and developing a corps of finance and accounting professionals to meet DoD's business needs.

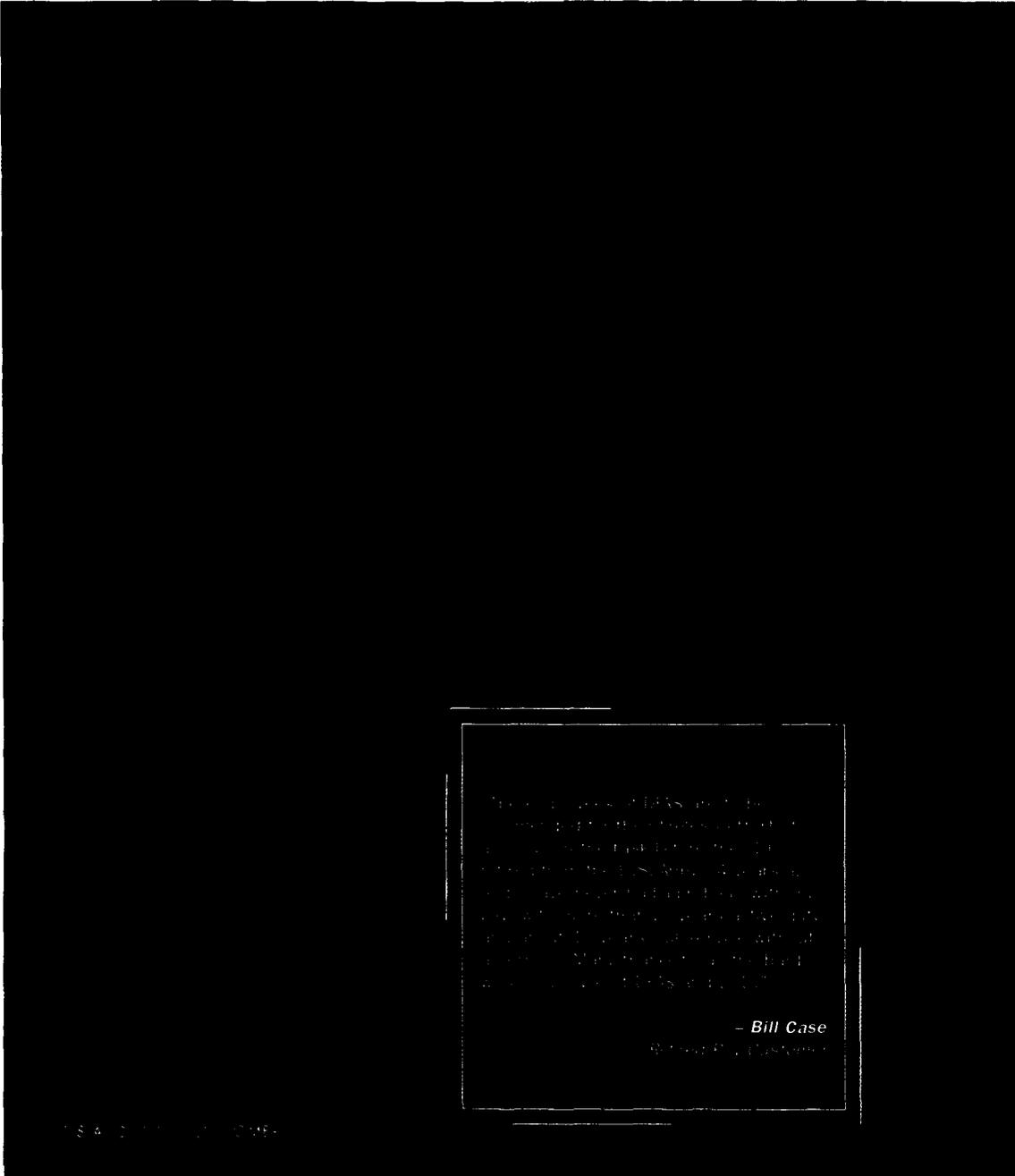
To support these functions, DFAS recently reorganized its management structure and streamlined decision making within the agency, making DFAS more responsive to its customers and providing more effective leadership and management within the agency.



DFAS organization structure as of October 3, 2004
* Acquisition Management Organization / Component Acquisition Executive

"The DFAS team is proud to support the men and women who defend America. We are dedicated to continually improving the products and services we deliver because we believe that in order for our customers to succeed in their missions, we must excel in ours."

- Brig. Gen. Jan D. "Denny" Eakle,
USAF
Deputy Director



The Department of Defense (DoD) is committed to providing timely and accurate pay services to its military and civilian personnel. This commitment is reflected in the Department's ongoing efforts to modernize its pay systems and improve the customer experience. The Department's pay systems are a critical component of its operations, and the Department is committed to ensuring that these systems are reliable and secure.

- Bill Case
 Deputy Chief of Staff for Operations and Plans

Military and Civilian Pay Services

Customers depend on DFAS every day to deliver timely, accurate pay services in peacetime and during times of war.

DFAS pays 5.9 million people, including:

- Members of the Army, Navy, Air Force, and Marine Corps
- Civilian employees of DoD and various federal agencies
- Military retirees and annuitants

The Military and Civilian Pay Services Business Line provides all forms of payments to individuals, almost entirely through electronic funds transfer.

In FY 2004, DFAS continued to enhance myPay, a Web-based system that allows customers to manage their pay account information securely and easily from around the world, night or day at <https://mypay.dfas.mil>. Today, more than 2.9 million people choose to use myPay regularly. DFAS also expanded its support to hundreds of thousands of military members overseas by launching the Community Bank Online Banking Service that provides the same type of online services people in the states enjoy.

The Military and Civilian Pay Services team also performs critical support functions that include:

- Staffing call centers and help desks to solve individual customer problems
- Defining and testing changes to automated pay systems
- Processing garnishment, debt and waiver applications
- Working with federal, state and local taxing authorities
- Overseeing the Defense travel card and Defense overseas military banking programs

DFAS took significant steps to enhance the quality of products and services it delivers its pay customers. In March, DFAS established its Customer Operations Product Line to integrate the agency's customer service. In June, DFAS opened its Reserve Pay Center of Excellence to better meet the unique needs of the Reserve Component members of America's military.

This year DFAS also supported the mobilization and demobilization of more than 195,000 men and women for the war on terrorism. DFAS team members worked closely with the Armed Services to develop and implement a comprehensive plan to eliminate problems faced by mobilized Reserve Component members. The plan addresses issues created by aging systems, ineffective processes and insufficient training. It includes development of training programs for mobilization support personnel as well as in-theater finance professionals. The plan also calls for the creation of a Forward Compatible Pay System to replace the Defense Joint Military Pay Systems. FCP will support both the active and Reserve Components of the Army, Air Force and Navy as an interim solution until the Defense Integrated Military Human Resource System is implemented and brings personnel and pay systems together. DFAS will begin rolling out FCP in late summer of 2005.

DFAS team members also deploy alongside finance units to provide in-theater support. Support to mobilized service members includes payroll disbursements, training, check cashing, currency conversion and contracting.

"The mutual benefits derived from our partnership (with DFAS) include enhanced communications, process improvements, and elimination of duplicate efforts in both organizations. The results achieved thus far have been outstanding, having met all our joint partnership goals for three years in a row."

- Christopher Kubabik
*Chief Financial Officer
 Lockheed Martin*

Commercial Pay Services

DFAS also supports our nation's security by ensuring that U.S. defense industry contractors and vendors are paid accurately and on a timely basis for the materiel and support they provide.

DFAS's Commercial Pay Services Business Line pays all defense industry partners, ranging from small business vendors to large-scale weapon systems developers.

Commercial Pay Services disbursed approximately \$228 billion in FY 2004 through two product lines-Contract Pay and Vendor Pay-down from \$284 billion last year. The DFAS team processed more than 12.6 million invoices and paid 93 percent of them via electronic funds transfer.

Increasing the effectiveness and efficiency of Commercial Pay Services allows DoD to get more out of its money by realizing greater discounts for early payment, reducing interest paid for late payments and decreasing the number of incorrect payments. The key to achieving these benefits is expanding electronic commerce and the automation of tasks associated with contract and vendor pay operations.

DFAS is forging stronger collaborative relationships with its partners in the defense industry and its customers throughout DoD. Sustained customer outreach and education initiatives, to include quarterly Open Houses, "Roadshows" and Defense Industry Leader Working Group sessions where partnerships with customers have continued to strengthen, will remain the foundation of our campaign to totally implement e-Commerce for the mutual benefit of all stakeholders. Such outreach efforts not only educate and train contractors and their clients; they also increase the use of current e-commerce tools and reduce the number of problem invoices.

The Commercial Pay Services Customer Service Office answered 95 percent of total calls offered within 16 seconds, a stellar achievement when compared to the private sector's 80/20 measure. The Interactive Customer Evaluation (ICE) survey was implemented to further measure the quality of service provided to customers. The overall satisfaction rating received for the Call Center was 47 percent, better than the private sector's 43 percent "world-class" mark. Our Customer Service Office was also recognized for its outstanding accomplishments by winning a Department of Defense Value Engineering Award for streamlining processes and reducing costs. Such achievements greatly contributed to the improved quality and efficiency of service provided by the Commercial Pay Services Business Line.

DFAS further reduced the amount of interest paid per million dollars disbursed, decreasing the amount down to \$138 per million in FY 2004. This amount equals 80 percent of the July 2003 baseline of \$172 per million. Paying less interest returns a greater value to the American taxpayer.

By emphasizing training and increasing customer awareness and use of electronic tools like Wide Area WorkFlow, Commercial Pay services will continue to make progress in streamlining processes, reducing costs and improving service. As electronic commerce and electronic funds transfer become the universally accepted way of conducting commercial pay business, DFAS customers throughout DoD will see benefits that include fewer over-aged invoices, more timely payments and a lower cost per invoice.

"The Army is served well by DFAS and by our Chief Executive. If we need things to happen for the mission, we get it."

- Ernest J. Gregory

*Principal Deputy to the
Assistant Secretary of the Army (Retired)*

Accounting Services

The DFAS Accounting Services Business Line delivers timely, meaningful financial information to meet the management needs of Defense Department leaders. Customers at the field and departmental levels depend on DFAS for accounting support for all types of funds—appropriated funds, working capital funds and trust funds. Accounting professionals maintain accounting systems and develop procedures to implement federal accounting requirements mandated by Congress, the Office of Management and Budget, Department of the Treasury and DoD.

DFAS accounting professionals produce monthly accounting reports in 13 days and quarterly reports in 21 days instead of last year's 45 days. More current accounting reports provide decision makers the confidence to more accurately and more quickly execute the budgets entrusted to them to fulfill their missions.

Accounting Services completed more than 127 million accounting transactions during FY 2004. DFAS accounting professionals managed \$195 billion in the Military Retirement Fund earning a 5.19 percent market value return and \$39 billion in the Medicare-Eligible Retiree Health Care Fund earning 2.43 percent return. The return on the Military Retirement Fund exceeded the market value average return on competitive commercial funds by over 2 percent. The team also accounted for \$13.5 billion in foreign military sales and \$4.6 billion in grants and loans through foreign military finance.

DFAS surpassed its goals for negative unliquidated obligations, aged intransit transactions and unmatched disbursements. Negative unliquidated obligations finished at \$95 million, \$76 million better than the \$171 million goal for FY 2004. Aged intransit transactions ended the year at \$502 million, and Unmatched Disbursements came in at \$735 million, \$194M under its \$929 million goal.

DFAS is enhancing delivery of accounting support for customers. By expanding the use of mission support accountants with its clients, DFAS is improving responsiveness by embedding the professional accountants with the client units they support. In August, DFAS announced that the Security Assistance Accounting function would be retained by the Government's Most Efficient Organization as a result of an A-76 cost comparison. DFAS currently performs the Security Assistance Accounting work with 250 employees as compared to 460 in March 2000.

In FY 2004, DFAS achieved its fifth consecutive unqualified opinion on its audited financial statements while helping Defense Commissary Agency and the Defense Contract Audit Agency to earn their third consecutive clean opinions and the Military Retirement Fund to earn its eleventh. DFAS continues to work with its accounting clients to make progress toward producing auditable financial statements for all of DoD by FY 2007.

Support Functions:

Behind the clerks, technicians, and accountants who serve the many customers of DFAS, a cadre of educated and highly-skilled professionals works to ensure they have the personnel, technology, training, policy and other business resources necessary to make their mission a success. DFAS has made great strides in ensuring its support functions are more efficient, which in turn makes the overall organization more effective. DFAS has also reduced its footprint by 13 percent since FY 2001, and reduced facility related costs by 7 percent or \$6.0 million. In FY 2004, DFAS simplified its structure to create more agile and effective management and decision making. In addition to the three major business lines, all other functions were aligned based on their major responsibilities:

- Chief Information Officer. Operating technology services were consolidated under the CIO.
- Chief Financial Officer/Director of Corporate Resources. Financial Management and Comptroller, and Support Services functions remain aligned to the CFO/Director of Corporate Resources.
- Policy and Requirements. DFAS consolidated all of its policy functions and created a corporate requirements function into a single directorate.
- Plans. Corporate Planning functions of Competitive Sourcing, Base Closure and Realignment, Strategic Planning, Transformation, Benchmarking and Activity Based Costing studies, and Balanced Scorecard management are consolidated with Business Integration and Lean6 functions under the newly created Plans and Requirements Directorate.
- People and Performance. Human capital, performance management and quality initiatives became a separate corporate directorate to emphasize the agency's commitment to its people and its pursuit of perfection.
- Acquisition Management Office/Component Acquisition Executive. DFAS established an Acquisition Management Organization to comply with recommendations from the December 2003 Under Secretary of Defense (Acquisition Technology and Logistics) review. This new directorate oversees acquiring all new major systems as required by the Department of Defense 5000 series regulations. It encompasses Systems Integration, Contract Services, and takes on oversight of Forward Compatible Pay, Defense Modernization Office, and Military Pay Systems Transition Program Office.
- Chief of Staff. DFAS also consolidated its Corporate Communications, Legislative Affairs and Freedom of Information Act functions under its Chief of Staff.

Each year the Office of Personnel Management surveys DFAS to measure its organizational health and progress. Survey data are arranged in 17 categories and consolidated into two key indices—the Climate for Action (how an organization's culture embraces change and innovation) and the Employee Satisfaction Index (an overall indicator of how satisfied employees are). Climate for Action improved by 12 percentage points while Employee Satisfaction improved by 13 percentage points since 2000.

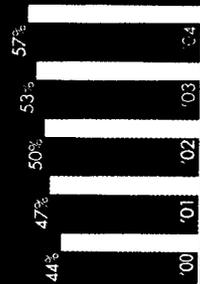
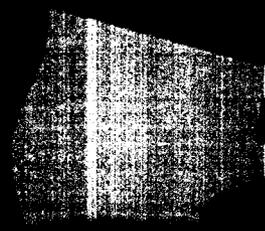
DFAS also enhanced its security and contingency readiness posture in 2004 by ensuring systems and operations had solid continuity of operation plans and exercising those plans at various DFAS sites around the country.

These support functions provide much of the business management activities necessary to support this Defense Working Capital Fund agency with revenue in excess of \$1.5 billion. Future success at DFAS will involve continued commitment to smart business tools and processes like the Balanced Scorecard, Lean6, Portfolio Management and Business Case Analyses.

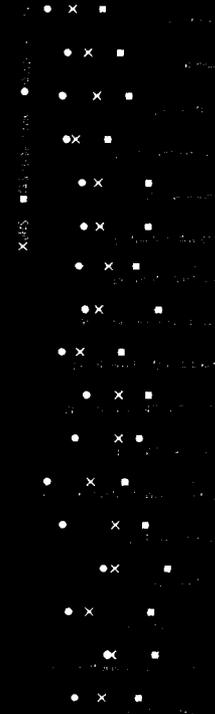
REPORT TO DFAS STAKEHOLDERS FOR FISCAL YEAR 2004

"DFAS can be proud of the improvements we've made since 2000. Across DFAS, employee satisfaction improved by 13 percentage points. According to OPM's Performance America Benchmarks, DFAS is near the top in commitment to its work force, innovation, training and career development, leadership and quality, and customer orientation when compared to other organizations."

- Zack E. Gaddy
Director



employee satisfaction index



2004 Performance Assessment vs. Performance America Benchmarks

DFAS: Here to Serve You

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Zack E. Gaddy
703 607.2616 (DSN 327)

Deputy Director

Brig. Gen. Jan D. "Denny" Eakle, USAF
703 607.2616 (DSN 327)

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202 296.6505

myPay – <https://mypay.dfas.mil>

DFAS – <http://www.dod.mil/dfas>

Customer Service Directory – <http://www.dod.mil/dfas/about/contacts>

This report is produced by DFAS Corporate Communications.

Additional information and audited financial statements are available on the Web at <http://www.dod.mil/dfas>.

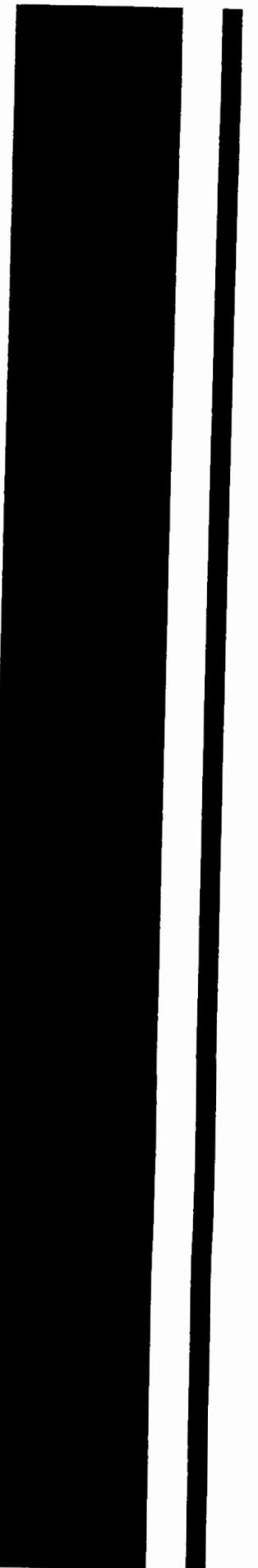


DFAS BRAC Commission Update

Zack E. Gaddy

Director, Defense Finance and Accounting Service

MAY 27, 2005



Agenda



- DFAS at a Glance
- DFAS Customer Service Matrix and Organization
- DFAS History of Change
- The Road Ahead – Transformation
- BRAC 2005 Impact
- Summary



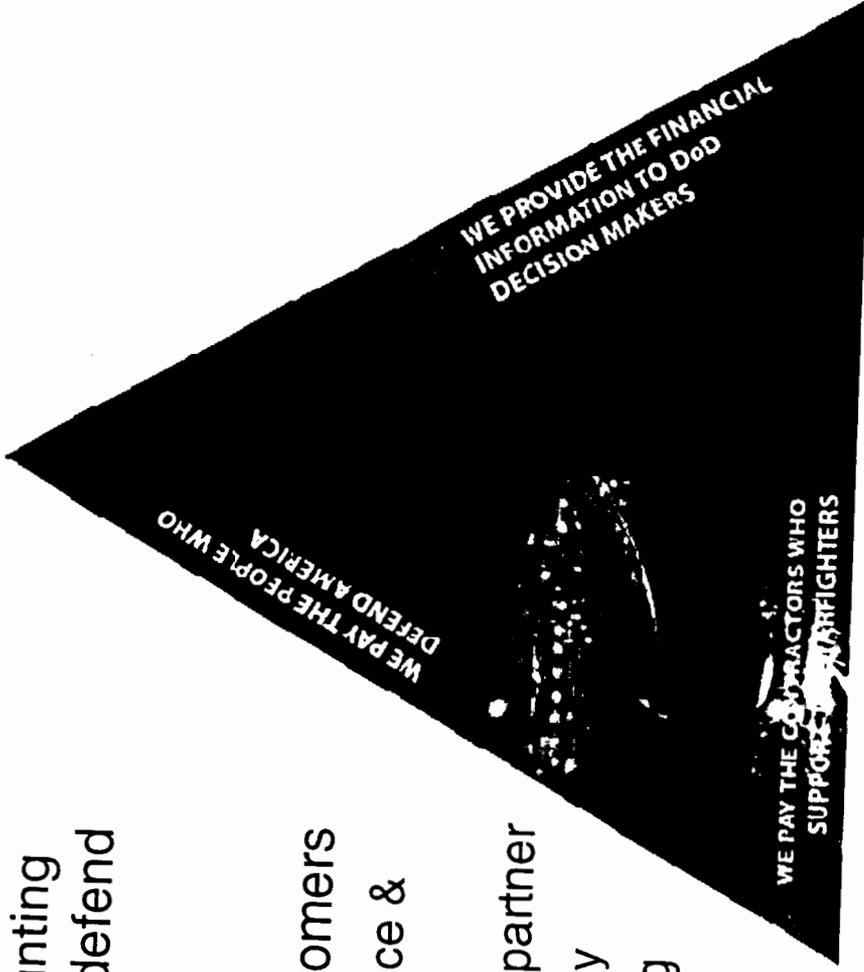


DFAS at a glance -- Director's Priorities

- Take care of our customers
- Improve our operations to become world-class
- Deliver the best value that excites our customers & motivates our employees

DFAS at a glance -- Our mission, vision & values

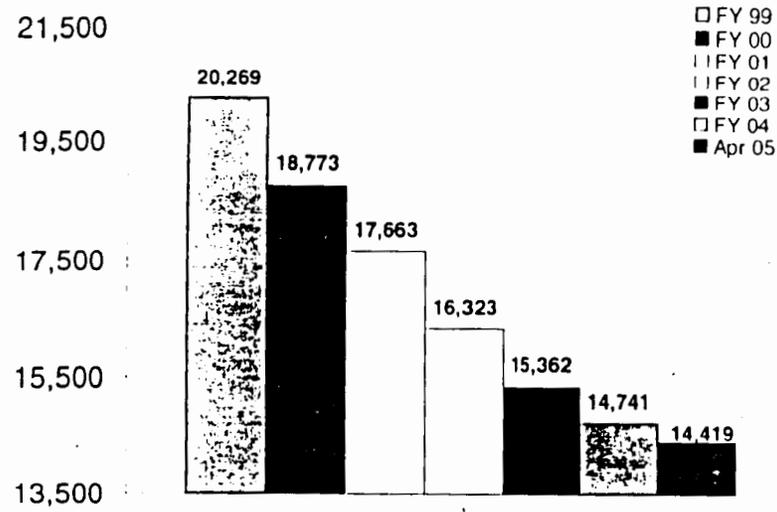
- **Mission:** Provide responsive, professional finance & accounting services for the people who defend America
- **Vision:** Best value to our customers
 - World-class provider of finance & accounting services
 - Trusted, innovative financial partner
 - One organization, one identity
 - Employer of choice, providing a progressive & professional work environment
- **Values:** Integrity, Service, Innovation



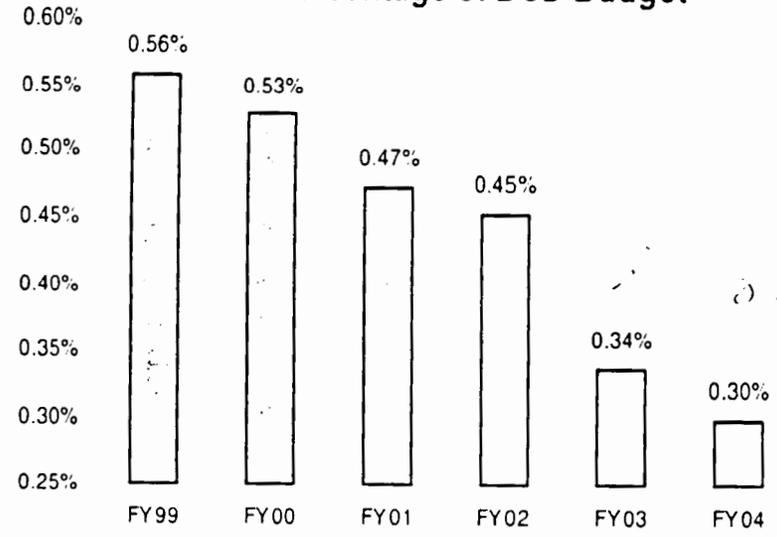
DFAS at a glance -- The state of DFAS today



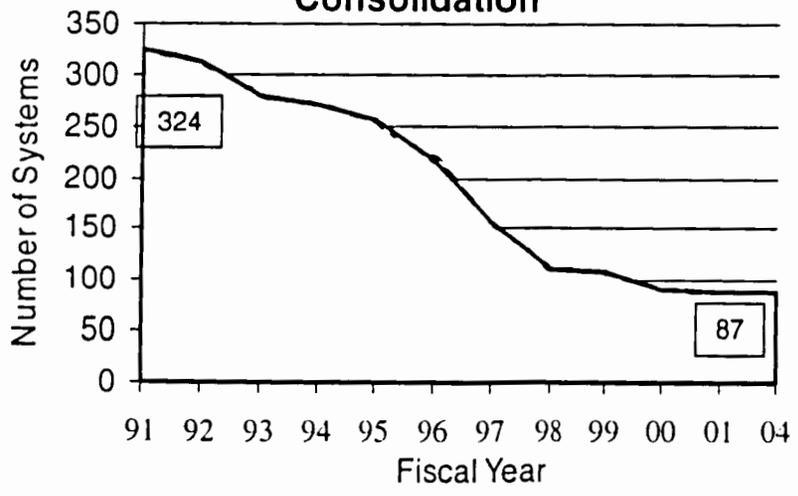
Total Work Force



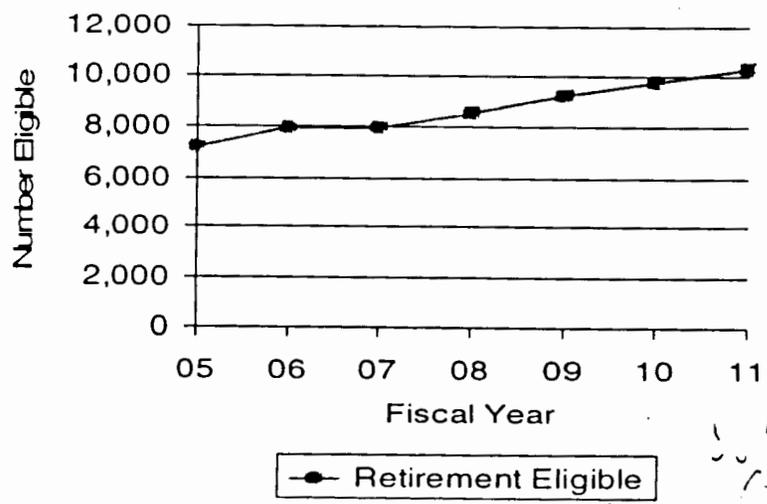
DFAS Percentage of DoD Budget



Financial Management System Consolidation



Demographics



Handwritten notes:
 11.
 primary
 6/20/05

DFAS at a glance -- Magnitude of annual operations

DCN: 11651



- Process 104M pay transactions to 5.9M military, civilians, retirees and annuitants
- Make 6.9M travel payments
- Pay 12.6M commercial invoices
- Process 127.3M general ledger postings
- Manage military and health benefits funds (\$234B)
- Make an average of \$455B in disbursements to pay recipients
- Manage \$13.5B in foreign military sales (reimbursed by foreign governments)
- Account for 282 active DoD appropriations

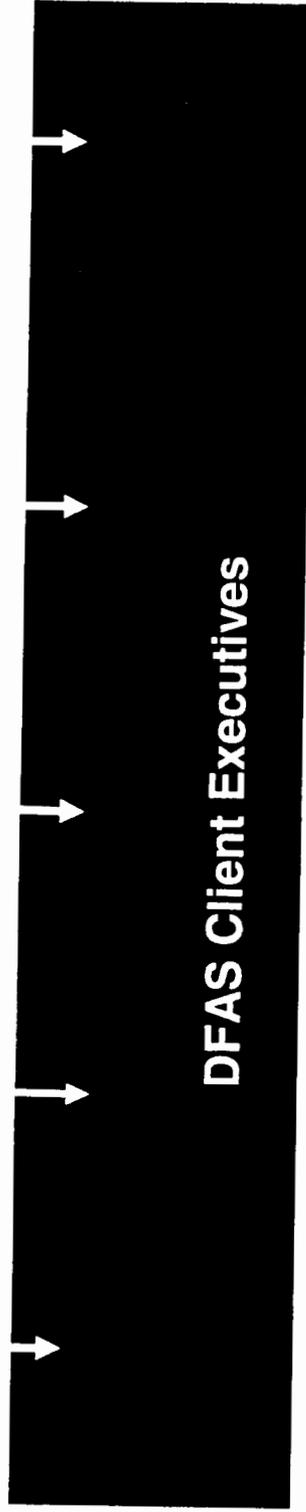
It's about the customer!

Customer Service Matrix

DCN 11651



Clients
Army Navy Air Force Marine Corps Defense Agencies



**Military & Civilian
Pay Services**

**Commercial Pay
Services**

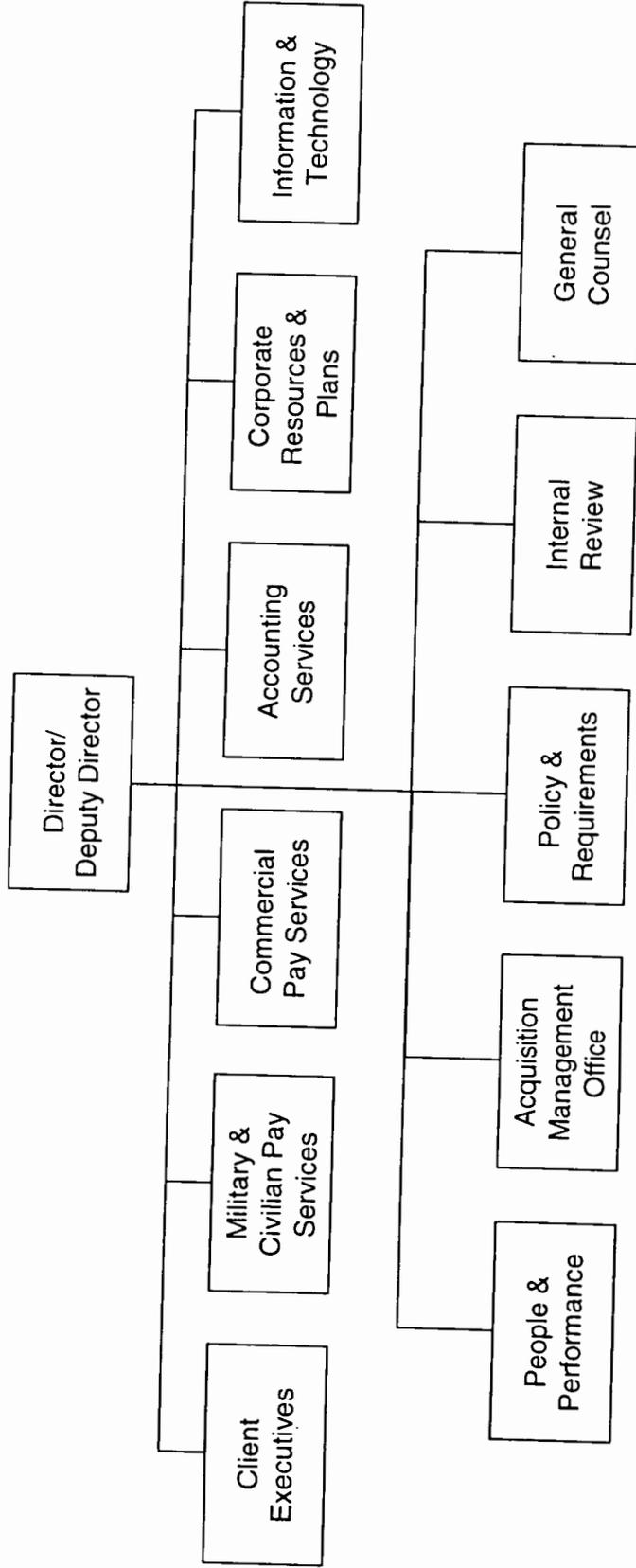
**Accounting
Services**

Support Services

DFAS Business Line Executives

DFAS Organization

DCN 11651



As of Feb. 28, 2005

DFAS: A History of Change



- Established January 16, 1991 to standardize finance and accounting processes and systems, reduce cost of DoD finance and accounting operations, and improve financial management
- Since 1991:
 - Consolidated more than 338 finance & accounting sites into 30 locations
 - Streamlined workforce from more than 27,000 to less than 15,000
 - Reorganized into major business units to align to customer needs and missions
 - Reduced number of systems from 324 to 87
 - Reduced operating costs from \$2.2B to \$1.8B (constant '05 dollars)

DFAS Transformation



- DFAS transformation strategy designed to realize vision – “Best-value for our customers and world-class performance”
 - Competitive in the marketplace
 - “Brand name” is accepted as industry leader
 - Organization becomes a benchmark for others
- Business case analysis and enabling tools ensure fact-based decisions determine the best transformation alternative
- All transformation alternatives garner significant savings
- Transformation is a team effort and involves everyone in DFAS

Transformation Successes

- A-76 Competitions
 - 7 major competitions with an average 37% FTE reduction
- Business Case Analyses (BCAs)
 - 9 BCA studies completed, analyzing critical DFAS segments
- High Performing Organizations (HPOs)
 - 2 HPO plans complete and beginning implementation
 - 6 HPO development plans currently ongoing
- Benchmarking
 - Contract with Deloitte & American Productivity and Quality Center (APQC)
 - Benchmark on key quality, service, and cost dimensions--execute business initiatives to close performance gaps

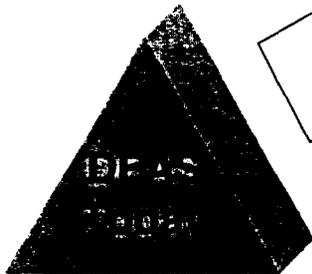
Transformation Roadmap



- Transformation Initiatives**
- Strategic Targets
 - BCAs/HPOs
 - BL Initiatives
 - Competitive Sourcing
 - NSPS

Transformation

- Transformation Enablers**
- Benchmarking
 - Gap Analysis
 - Voice of Customer
 - BRAC
 - Lean 6
 - Balanced Scorecard



BRAC 2005 Impact on DFAS

- DFAS BRAC involvement through Headquarters and Support Activities (HSA) JCSG:
 - Functional Subgroup - Financial Management Team
 - Major Admin HQ/NCR Subgroup - DC Area HQ & Support Activities Team
 - DFAS supplied data in response to JCSG data calls
 - DFAS did not make BRAC site recommendations
- BRAC provides an opportunity to transform DFAS
 - DFAS has realigned workload in the past. Results were limited, without BRAC-like authority
 - BRAC provides opportunity to implement site consolidations, streamline DFAS operations, and support goal to provide best value to customers

BRAC facilitates DFAS transformation



DFAS Opportunity Leveraging BRAC

DC#: 11651



DFAS Today

Arlington
Charleston
Cleveland
Cleveland Bratenahl
Columbus
Dayton
Denver
Europe
Indianapolis
Japan
Kansas City
Lawton
Lexington
Limestone
Norfolk

Oakland
Omaha
Orlando
Pacific
Patuxent River
Pensacola NAS
Pensacola Saufley
Red River Army Depot
Rock Island
Rome
San Antonio
San Bernardino
San Diego
Seaside
St Louis

BRAC



DFAS 2011

Arlington Liaison
Cleveland Enclave /
Cleveland Bratenahl
Columbus
Denver
Europe
Indianapolis
Japan
Red River Army Depot

DFAS Transformation Footprint



Today's Footprint

- 30 locations *
- 14,290 FTEs
- 87 systems
- \$1,776M cost/execution authority
- 70% technicians / 30% professional
- Aging workforce
- General Schedule Pay System

FY 2011 Footprint

- 8 locations *
- 10,932 FTEs
- < 50 systems
- \$1,337M cost/execution authority
- 70% professional / 30% technicians
- Right employees with right skills
- Optimum number and mix of civilians/contractors
- Pay for performance under NSPS

* Includes Europe & Japan

Summary



- Transformation has been a key part of Agency strategy since DFAS was established in 1991
- DFAS transformation is based on BCA and accepted process improvement methodology (Lean 6)
- BRAC is an integral part of transformation strategy
- DFAS transformation will continue during and beyond BRAC 2005

DFAS

Your Financial Partner @ Work





DFAS TRANSFORMATION STRATEGY

March 2003

Version 1.1

TABLE OF CONTENTS

1. INTRODUCTION2

2. TRANSFORMATION PLAN METHODOLOGIES2

3. TRANSFORMATION GOALS.....3

4. ASSUMPTIONS4

5. TRANSFORMATION STRATEGY OVERVIEW4

6. THE BUSINESS CASE ANALYSIS (BCA) PROCESS.....5

6. a. Step 1 - Appoint the BCA Team.....6

6. b. Step 2 - Define the Scope of the Study.....6

6. c. Step 3 - Define the Current Organization.....6

6. d. Step 4 - Conduct Market Research7

6. e. Step 5 - Define and Analyze Options7

6. f. Step 6 - Provide Recommendation.....7

Decision -7

7. TRANSFORMATION IMPLEMENTATION.....7

8. CONCLUSION7

1. Introduction

Transformation is a principle theme of the September 30, 2001, Quadrennial Defense Review (QDR) Report and is at the heart of the new strategic approach embraced by the Department of Defense. The QDR notes that among the areas needing transformation: "DoD's financial systems are decades old and not well interconnected, and accounting and auditing processes would struggle to meet the standards of generally accepted accounting principles." As a follow-up to the QDR, the FY 2003-2007 Defense Planning Guidance (DPG) continues developing the theme of transformation. In particular, the DPG tasked the Defense Agencies to prepare Transformation Roadmaps by June 2002 for review by the Secretary of Defense. In response, DFAS established a Transformation Working Group to develop an initial strategy for DFAS transformation. The strategy provides a foundation upon which to build a financial services operation that addresses existing financial management deficiencies by enhancing and streamlining government processes, consolidating operations, and leveraging to the greatest extent possible private sector expertise and innovation. The roadmap was a first step in defining the challenges and the general approach DFAS will pursue in the transformation process, it was not meant to describe the DFAS vision for transformation in full or to detail an implementation approach and transformation schedule. Before proceeding to the next phase of transformation planning and broader involvement by DFAS personnel in transformation activities, an understanding of our strategic approach to transformation is essential. This Transformation Strategy (or roadmap) describes our approach.

2. Transformation Plan Methodologies

The DFAS Transformation Strategy is based on the *DFAS Segments* option – defined as transformation on a Product Line basis – and would result in the best value to DoD. Pursuing the DFAS Product Line approach, DFAS' initial analysis identified four Transformation methodologies as most likely to yield the best value to DoD for the various DFAS Product Lines. These include:

- Competitive Procurement (FAR Part 15). DFAS' analysis assumes that competition drives innovation and, in turn, best value. The Competitive Procurement process of the Federal Acquisition Regulation (FAR Part 15) could be used as a means to engage in public-private competitions in order to determine the best provider of a function or service. This approach mirrors the recommendation recently outlined in the Commercial Activities Panel Report, "*Improving the Sourcing Decisions of the Government*." OMB is in the process of revising Circular No. A-76 to incorporate FAR Part 15 guidance and create a single step cost comparison process. If this method is used DFAS will stress the concept of a "soft landing" for its employees.
- Public-Private Venture (PPV). In general, a PPV is a contractual arrangement formed between public and private sector partners, and can include a variety of activities involving the private sector in the development, financing, ownership, and operation of a public facility or service. Typically, each partner shares in income resulting from the partnership in direct proportion to the partner's investment. The underlying logic for

establishing partnerships is that both public and private sector partners have unique characteristics that provide them with advantages in specific aspects of service or product delivery.

- Most Efficient Organization (MEO) Plus. “MEO Plus” refers to a streamlined Government organization developed via appropriate tools/models. MEO Plus will reorganize the function to be the most efficient and effective in providing the required services without entering into a competition with a private sector entity.
- Circular No. A-76 Cost Comparison. This long-standing approved method of conducting public-private competitions (last updated by OMB in 1996) is an extremely difficult, although effective, process that has resulted in substantial savings to DoD. Currently OMB is revising this process based on the recommendations of the Commercial Activities Panel report in an attempt to streamline it, incorporate FAR Part 15 guidance, and make the process more fair to both the government and industry.

3. Transformation Goals

DFAS is a Working Capital Fund activity. It is not funded by direct appropriations; rather it operates on revenue received by charging customers for services provided. In effect, the Military Services and Defense Agencies have contracted out their finance and accounting work to DFAS and DoD intends to continue along this path. DFAS has been in a state of transformation since it was established in 1991. In keeping with our goal of being a “best value” service provider, DFAS has continuously worked to reduce operating costs and increase efficiencies and to seek better ways to do business. We are responsible for providing “best value” for the hard earned taxpayer dollars committed to this work.

In carrying out this responsibility, any DFAS transformation activity must be in sync with the Strategic Mission of DFAS to “*Provide responsive, professional finance and accounting services for the people who defend America*” and its Strategic Vision to provide “*Best Value to its Customers*” by becoming:

- A world-class provider of finance and accounting services,
- A trusted, innovative financial partner,
- One organization, one identity, and
- An employer of choice, providing a progressive and professional work environment

The DFAS Transformation Strategy is intended to document and institutionalize this “best value” commitment and the strategic approach for continuous evolution to achieve “best value”. This strategy will provide the foundation on which DFAS will assist DoD in taking financial operations to the next level.

Our approach to transformation is active not passive, but our activism must be tempered by the reality established by the legislative and policy environment by which we are governed. We

must continue to identify the means to achieve improved efficiencies and reduced costs of operation. Where legislation and/or policy preclude pursuing improvements, we must inform appropriate authorities and work for relief. While progress has been made, a significant amount of work needs to be completed before DFAS Transformation becomes reality. For instance, in pursuing some of the methodologies discussed in the Transformation Plan, enabling legislation is required. In moving forward with the transformation framework outlined in this plan, DFAS will work with the DoD leadership and the DoD Office of General Counsel to develop a legislative proposal to obtain the required relief. While the challenges to rapidly implement an organizational transformation of this scope and complexity are significant, continuing to transform DFAS is in the best interests of the Department, the warfighter, and the American taxpayer.

4. Assumptions

The DFAS Transformation Strategy is based on a number of key assumptions as follows:

- The critical evaluation criterion in DFAS' analysis was the potential for "best value" to DoD,
- While the current A-76 process is an inefficient method for achieving organization wide transformation, it is the primary methodology currently available,
- DFAS delivers services to DoD that can be provided by the private sector,
- While the private sector can provide the services currently delivered by DFAS, because of the purely commercial nature of these functions, the conversion process will require significant process customization (e.g., unmodified Commercial off the Shelf [COTS] software probably will not initially work for DFAS),
- Establishing commercial analogues is critical to efficiently outsourcing government functions, and
- DoD financial management systems and processes are not standardized. The transformation strategy must be flexible enough to mitigate these barriers and adapt to the framework being developed in the "To-Be" DoD Enterprise Financial Management Architecture.

5. Transformation Strategy Overview

The DFAS Transformation Strategy is effectively a four-part process: Part One identifies a candidate function for transformation. Part Two performs a Business Case Analysis (BCA) of the identified function and provides a recommended transformation option. This BCA is key to a successful transformation initiative and is a management decision process. Part Three presents the completed BCA to the DFAS Leadership Council (DLC) for a decision on the recommended transformation option. Part Four implements the DLC decision whether it is one of the options identified in the transformation plan some other yet to be defined direction. In the end, each DFAS Product Line will be analyzed to determine the best transformation approach. The BCA is not designed to restrict the potential solution sets, but rather should examine all possible options. While early analysis by the DFAS Transformation Working Group eliminated some options as

unworkable, many additional approaches and organizational forms/processes were not discussed that should be examined for possible implementation.

Figure 1 below provides an overview of this Transformation Strategy.

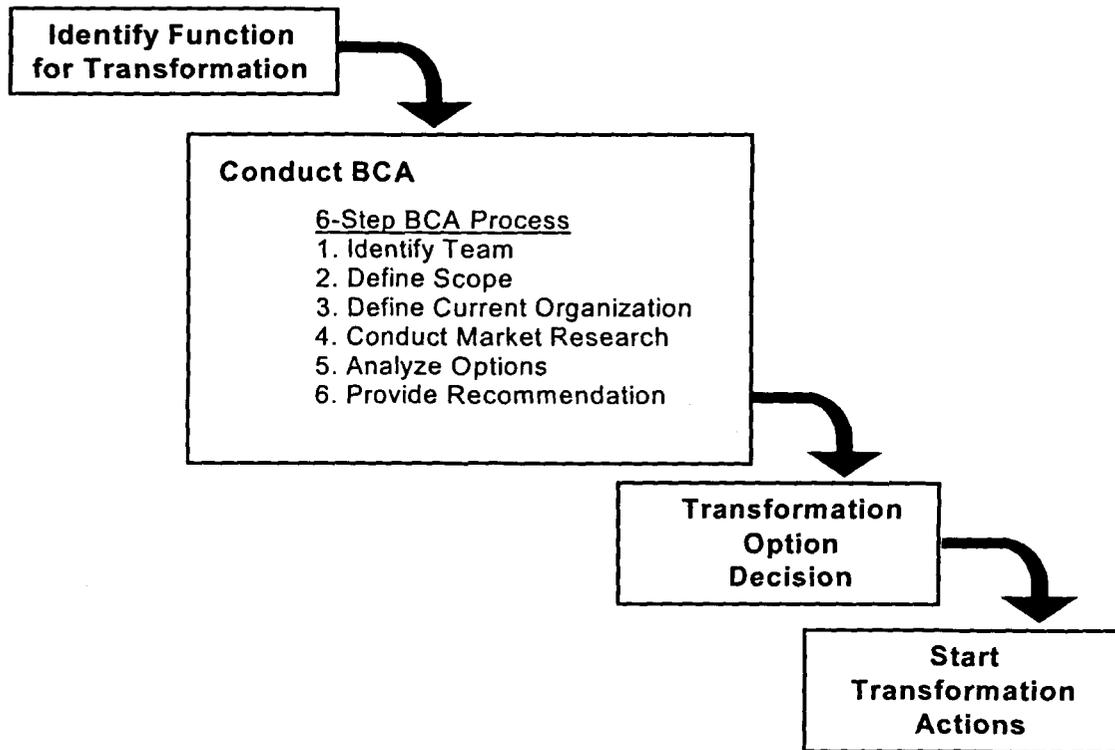


Figure 1. Transformation Strategy

6. The Business Case Analysis (BCA) Process

The BCA is the key to the transformation strategy and forms the basis for management decisions. The Business Line Executive (BLE) is primarily responsible for conducting this analysis. The purpose of the BCA is to determine the best transformation methodology for the function being considered for transformation. The objectives of the BCA are to:

- Define the mission, scope, and boundaries of the function under study;
- Clearly define the organization, manpower, cost, and resources of the current function;
- Present a comparison with other commercial alternatives; and
- Present options for consideration with an analysis of the benefits and drawbacks.

The BCA process consists of the six steps shown in Figure 1 and is programmed to take about 90 days to complete as shown in the Figure 2.

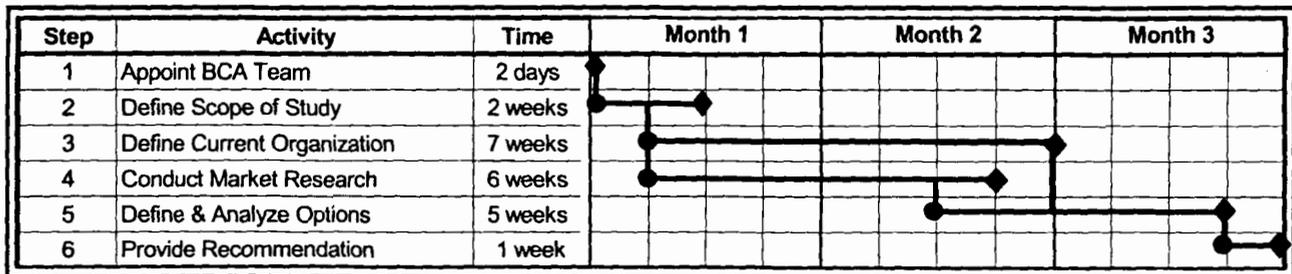


Figure 2. BCA Timeline

The following sections summarize the key steps of the BCA process. DFAS is developing a BCA Guide that provides the detailed process information needed to complete a BCA. This guide will be posted on the DFAS ePortal on the Competitive Sourcing page when completed.

6. a. Step 1 - Appoint the BCA Team

Successful completion of the BCA will depend on the quality, experience and dedication of the team identified to conduct the analysis. Because this analysis will have far reaching effects on DFAS mission, personnel, and costs, the BCA analysis team is chaired by the BLE, Product Line Executive (PLE), or a direct reporting representative to the BLE. The BCA Team members should include functional expertise and be supported by legal, personnel, procurement, financial analysts, and systems experts. In some analyses, key customer representatives may need to participate.

6. b. Step 2 - Define the Scope of the Study

This is the most important step of the analysis in that it will define the boundaries of the function under study, its relationship to the DFAS mission and customers, and the impact of inherently governmental or core functions. The definition of the business unit defines the boundaries of the work that will be included in the study. The business unit must sound with clearly severable work, but the definition should not try to state the desired organizational end result.

6. c. Step 3 - Define the Current Organization

This step will be the most time consuming and detailed part of the analysis. It defines the foundation for evaluation of transformation options and the final recommendation. The current organization must be clearly defined to include resources (manpower, facilities, budget), relationships (internal DFAS, external support, and customers), and key functions (processes, deliverables, and general workload).

6. d. Step 4 - Conduct Market Research

This step requires significant involvement of the Acquisition Services representative in coordination with the Competitive Sourcing representative. The desired outcome of this section is a clear view of commercial availability of similar services, general commercial standards for the services, and identifies any other potential options for conversion to contract (i.e. Preferential Preferred Programs such as NISH, NIB, etc.).

6. e. Step 5 - Define and Analyze Options

This step examines the available options and analyzes each option. Sufficient information must be gathered for each option to allow management to make a well-informed decision that is in the best interest of DFAS and the DoD. All alternative courses of action should be included in the BCA. Each option should be presented separately and include a basic description, the end result, a benefit analysis, a cost analysis, personnel impact analysis, and an overall risk assessment of the tangible and intangible risks of implementing the option. A basic acquisition approach should also be addressed for each alternative.

6. f. Step 6 - Provide Recommendation

This step prioritizes the options examined in Step 5 and generates a recommendation identifying the course of action that has the greatest benefit and lowest risk while focussing on the DFAS mission. A synopsis of the benefit and risk analysis is provided that supports the recommendation. The final BCA report is provided to the DFAS Leadership Council (DLC).

Decision

The DFAS Leadership Council evaluates the recommendation provided in the BCA and makes a final determination of the course of action that will be implemented and the projected timeline.

7. Transformation Implementation

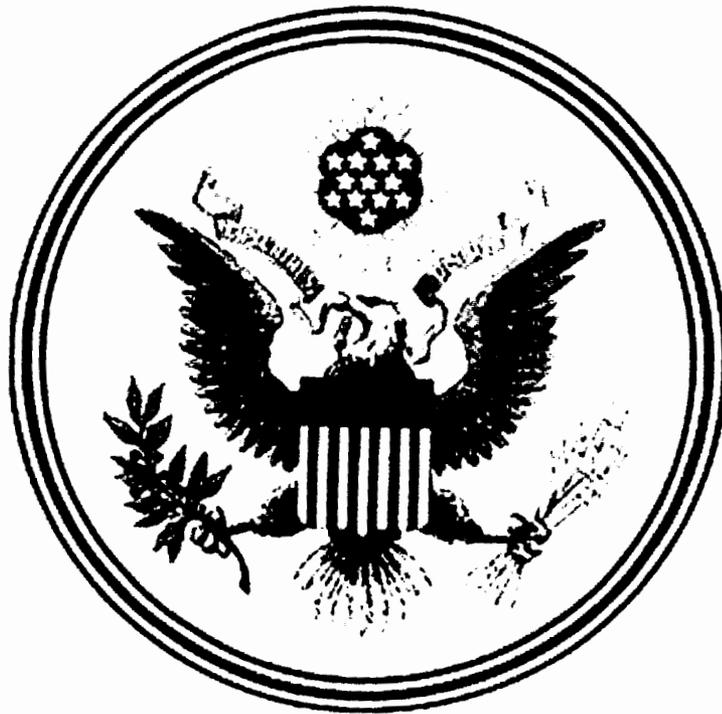
Once the DFAS Leadership Council or Director has decided on a course of action, the transformation process can begin. Actual implementation time will be dictated by a number of factors including the transformation option choice made, interaction with other DFAS transformation efforts or other DoD transformation initiatives such as BRAC and the development of the DoD Enterprise Financial Management Architecture.

8. Conclusion

A completed, comprehensive Business Case Analysis and a DFAS Leadership Council decision will provide a solid foundation for follow-on transformation actions associated with pursuing the recommended course of action for the DFAS function under study. Through this Transformation Strategy, DFAS will determine the appropriate course of action to transform functions. With the assistance of the Business Case Analysis Guide, the Competitive Sourcing Guide, our Competitive Sourcing Lessons Learned, and potential legislative and policy relief to broaden

available options, DFAS can be a model for transformation and continue its tradition of “best value” service to clients and customers.

*Staff
Base Visit Book*



**Air Reserve Personnel Center
Denver-Aurora, Colorado
Recommendations**

Senior Analyst Colleen Turner
21 June 2005

DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

BASE SUMMARY SHEET

Air Reserve Personnel Center, Denver-Aurora, Colorado

INSTALLATION MISSION

The Air Reserve Personnel Center serves over 950,000 Reservists, Guardsmen, retirees, and their family members. The Center's mission is to ensure the nation always has a warrior bank of mission-ready Air Guardsmen and Reservists for mobilization and USAF augmentation by providing personnel management and services for its customers. The Center also maintains the master personnel records of Air National Guard and Air Force Reserve members not on extended active duty. In fulfilling its mission, ARPC is in constant contact with the Air Staff, the director of the Air National Guard, the chief of Air Force Reserve, major commands, field operating agencies and individual reservists. During contingency operations or war, the Center receives direction and guidance through the Air Force Crisis Action Team. The Center orders individual Air Force Reserve personnel and members of the Retired Reserve and Regular Air Force to extended active duty, as required during national emergencies and as provided by law. Their vision statement is: "A dedicated team recognized as the nation's premier personnel organization exceeding out customers' expectations through state of the art technology and world class service."

DOD RECOMMENDATION

Consolidate/Co-locate Active and Reserve Personnel & Recruiting Centers for Army and Air Force: Realign Army Human Resources Command leased facilities in Alexandria, VA, Indianapolis, IN, and St. Louis, MO. Relocate and consolidate all functions at Fort Knox, KY. Realign the Air Reserve Personnel Center (Buckley Annex), CO, by relocating the Air Reserve Personnel Center processing functions to Randolph Air Force Base, TX, and consolidating them with the Air Force Personnel Center at Randolph Air Force Base, TX, and by relocating the Individual Mobilization Augmentee operational management functions to Robins Air Force Base, GA, and consolidating them with the Air Force Reserve Command at Robins Air Force Base, GA. Realign Robins Air Force Base, GA, by relocating Air Force Reserve Recruiting Service to Randolph Air Force Base, TX.

Air Reserve Personnel Center

Action Name	Base Name	ActionType
Realign ARPC from Denver	Randolph AFB, TX	Realignment
Realign IMAs from Denver	Warner-Robbins AFB, GA	Realignment

DOD JUSTIFICATION

The collocation of military personnel and recruiting functions for Army and Air Force creates Service Human Resources Centers for Excellence and improves personnel lifecycle management. This recommendation enables Business Process Reengineering transformation to support several significant Department of Defense initiatives such as increasing Active and Reserve Component Total Force integration and effectiveness and supporting the Department's goals for the Continuum of Service concept which permits a range of participation to assist in force management and relieve stress on military skills that have been in high demand during recent operations and also supporting the ongoing development and implementation of the Defense Integrated Military Human Resource System (DIMHRS). For the Army, this recommendation eliminates over 1,100,000 square feet of leased space with annual lease savings of over \$31.0M and a one-time cost avoidance of over \$30.0M. In addition, it eliminates over 248,000 gross square feet of current excess capacity and moves a large support organization of over 2,000 personnel out of the National Capital Region. For the Air Force, this recommendation eliminates over 100,000 gross square feet of current excess capacity. The Air Force reserve Individual Mobilization Augmentee (IMA) operational command and management functions will be relocated and consolidated with the Air Force Reserve Command at Robins Air Force Base, GA for improved command management of Reserve forces assigned to the Command. The HSA JCSG agrees with the Air Force that the operational alignment of personnel would benefit the Department and this action creates a similar organizational construct with the Marine Corps. The Air Force Recruiting Service is currently located at Randolph Air Force Base; this scenario will collocate Active and Reserve Component headquarters functions in a single location and assist with overall Total Air Force Recruiting management. Randolph Air Force Base is also the current location of the Air Education and Training Command further improving opportunities to coordinate personnel life-cycle planning. The overarching strategy for these consolidated human resources and recruiting centers extends to other organizations within the Army and Navy. The relocation of Army Accessions Command and Cadet Command from Fort Monroe, VA, and their co-location with the US Army Recruiting Command Headquarters at Fort Knox, KY, is captured in the installation closure recommendation for Fort Monroe. The relocation of the Navy Reserve Personnel Center, the Enlisted Placement and Management Center and the Navy Recruiting Command Headquarters from Naval Support Activity, New Orleans, LA, and their consolidation with the Navy Personnel Command and Navy Recruiting Command Headquarters at Naval Support Activity Millington, TN, is captured in the installation closure recommendation for Naval Support Activity New Orleans.

COST CONSIDERATIONS DEVELOPED BY DOD*

• One-Time Costs:	\$ (119.3) million
• Net Savings (Cost) during Implementation:	\$ 463.0 million
• Annual Recurring Savings:	\$ 152.8 million
• Return on Investment Year:	0
• Net Present Value over 20 Years:	\$1,913.4 million

* An internal COBRA run distinguishing the costs/savings of the Army and the Air Force actions revealed these figures are overwhelmingly related to the Army portion of this recommendation while the Air Force's ARPC portion accounts for less than 1 percent of the total savings.

MANPOWER IMPLICATIONS OF THIS RECOMMENDATION (EXCLUDES CONTRACTORS)

	<u>Military</u>	<u>Civilian</u>	<u>Students</u>
Reductions	-	-	-
Realignments	(122)	(284)	NA
Total	(122)	(284)	NA

MANPOWER IMPLICATIONS OF ALL RECOMMENDATIONS AFFECTING THIS INSTALLATION (INCLUDES ON-BASE CONTRACTORS AND STUDENTS)

Colorado	Action	Out Mil	Out Civ	In Mil	In Civ	Net Gain/Loss Mil	Net Gain/Loss Civ	Net Mission Contractor	Total Direct
ARPC in '05 BRAC Report	Realign	(159)	(1,447)	57	1,500	(102)	53	(59)	(108)
ARPC Actual #s	Realign	(119)	(252)	0	0	(119)	(252)	(59)	(430)

ENVIRONMENTAL CONSIDERATIONS

At Randolph Air Force Base, TX, there are historical properties that may be impacted as well as the Military Munitions Response Program that may represent a safety hazard for future site development. Additionally, threatened and endangered species or critical habitat may be impacted and will require a Biological Opinion to ensure the recommendation conforms. This recommendation has no impact on air quality; cultural, archeological, or tribal resources; dredging; land use constraints or sensitive resource areas; marine mammals, resources, or sanctuaries; noise; threatened and endangered species or critical habitat; waste management; water resources; or wetlands. This recommendation will require spending approximately \$0.5M for waste management and environmental compliance activities. This cost was included in the payback calculation. This recommendation does not otherwise impact the costs of environmental restoration, waste management, or environmental compliance activities. The aggregate environmental impact of all recommended BRAC actions affecting the bases in this recommendation has been reviewed. There are no known environmental impediments to implementation of this recommendation.

REPRESENTATION

Mayor of Denver: John W. Hickenlooper
 Colorado Governor: Bill Owens
 Colorado Senators: Wayne Allard (R); Ken Salazar (D)
 1stnd District Representative: Diana DeGette (D)

ECONOMIC IMPACT*

- Potential Employment Loss: 828 jobs (465 direct and 363 indirect)
- MSA Job Base: 1,545,580 jobs
- Percentage: 0.0 percent
- Cumulative Economic Impact (Year-Year): NA

Payback: The total estimated one-time cost to the Department of Defense to implement this recommendation is \$119.3M. The net of all costs and savings to the Department of Defense during the implementation period is a savings of \$463.0M. Annual recurring savings to the Department after implementation are \$152.8M with an immediate payback expected. The net present value of the costs and savings to the Department over 20 years is a savings of \$1,913.4M.

Economic Impact on Communities: Assuming no economic recovery, this recommendation could result in maximum potential job reductions (direct and indirect) over the 2006-2011 period as follows*

Region of Influence	Total Job Reductions	Direct Job Reductions	Indirect Job Reductions	% of Economic Area Employment
Denver-Aurora, CO Metropolitan Statistical Area	828	465	363	Less Than 0.1
Indianapolis, IN Metropolitan Statistical Area	227	137	90	Less Than 0.1
St. Louis, MO-IL Metropolitan Statistical Area	4,171	2,093	2,078	0.3
Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Division	3,735	2,177	1,558	0.1

*The aggregate economic impact of all recommended actions on these economic regions of influence was considered and is at Appendix B of Volume I of the 2005 BRAC Report

Community Infrastructure Assessment: A review of community attributes indicates some minor issues regarding the ability of the infrastructure of the community to support missions,

forces and personnel at Fort Knox, KY. These issues include no nationally accredited child-care centers reported for the local community, the current quantity of rental and sale units available (adequate military housing exists on Fort Knox), and the population to physician ratio of 1 to 8 versus the national ratio of 1 to 4. These issues are mitigated, in part, by the recommendation itself under the expectation that an influx of personnel will result in a growth in community services such as child care centers and the building of housing to support increasing market demand. In addition, the proximity of Fort Knox to the City of Louisville (29 miles) where some personnel may choose to reside mitigates this issue. Overall, we find that the community infrastructure at Fort Knox can support this recommendation. At Randolph Air Force Base, TX, a review of community attributes indicates the Uniform Crime Reports Index is approximately 64 percent higher than the national average. This is significantly higher for those relocating from the Air Reserve Personnel Center in Denver, CO, but is not significantly higher for those relocating from Robins Air Force Base, GA. There are no other issues regarding the ability of the infrastructure of the community to support missions, forces and personnel. Overall, we find that the community infrastructure can support this recommendation, and it should proceed notwithstanding the crime index at Randolph Air Force Base. There are no known community infrastructure impediments to implementation of all recommendations affecting the installations in this recommendation.

MILITARY ISSUES

These two realignments are combined in a way that makes it difficult to understand the value of each independently. Separate COBRA runs need to be made on each aspect of the recommendations. Also, because ARPC shares the facility of Buckley Annex with a major DFAS unit, what happens to one group can impact the other and needs to be assessed. The Appendix B numbers were combined with DFAS and need to be reassessed. A primary issue is potential degradation of service to clients and mission.

COMMUNITY CONCERNS/ISSUES

Loss of employment in the area and impact of inaccurate numbers.

ITEMS OF SPECIAL EMPHASIS NA

Colleen Turner/JCS Team/July 19th, 2005

BASE VISIT REPORT

**Air Reserve Personnel Center
Denver-Aurora, Colorado, CO**

Monday July 25, 2005

LEAD COMMISSIONER: None

ACCOMPANYING COMMISSIONER: None

COMMISSION STAFF: Ms. Colleen Turner, Senior Analyst, Joint Cross-Services Team

LIST OF ATTENDEES:

David Aldrich	Dir Personnel Services	HQ ARPC/PS	303 676-6286	David.aldrich@arpc.denver.af.mil
Linda Berkey	Dir of Staff	HQ ARPC/DS	303 676-6314	Linda.berkey@arpc.denver.af.mil
Jacqueline Bing	Dir of Personnel Program Mgt	HQ ARPC/DPP	303 676-6426	Jackie.bing@arpc.denver.af.mil
Col Doug Carroll	Dir of Plans	HQ ARPC/XP	303 676-6280	douglascarroll@arpc.denver.af.mil
CMSgt Art Engelbrecht	Supt Reserve AF Select. Board Sect	HQ ARPC/DPB	303 676-6401	Arthur.engelbrecht@arpc.denver.af.mil
Ellen Fiebig	Dir, Ind Res. Programs	HQ ARPC/DPR	303 676-6470	Ellen.fiebig@arpc.denver.af.mil
Dave Gallop	Dir of Fin. Management	HQ ARPC/FM	303 676-6538	Dave.gallup@arpc.denver.af.mil
Gloria Goodgain	Deputy Dir of Personnel Prog Manmgt	HQ ARPC/DPP	303 676-6426	Gloria.goodgain@arpc.denver.af.mil
Daryl Gruneisen	Dep Director of Plans	HQ ARPC/XP	303 676-6280	Daryl.gruneisen@arpc.denver.af.mil
Steve Hannan	Dir of Info & Comm	HQ ARPC/SC	303 676-7726	Steve.hannan@arpc.denver.af.mil
Col Charles Hasskamp	Staff Judge Advocate	HQ ARPC/JA	303 676-6494	Charles.hasskamp@arpc.denver.af.mil
Doug "Bear" Jessup	Chief, Manpwr/Org	HQ ARPC/XPM	303 676-6292	Doug.jessup@arpc.denver.af.mil
Reniese Johnson	Deputy Dir Ind Res Programs	HQ ARPC/DPR	303 676-6470	Reniese.johnson@arpc.denver.af.mil

Maj Douglas Ottinger	Dep Dir Personnel Services	HQ ARPC/PSD	303 676-6286	Douglas.ottinger@arpc.denver.af.mil
Capt Paul Pappas	Executive Officer	HQ ARPC/LLE	303 676-6310	Paul.pappas@arpc.denver.af.mil
Lt Col Darrell Riggs	Dir of Mission Support	HQ ARPC/MS	303 676-6324	Darrell.riggs@arpc.denver.af.mil
John Russell	Ops Manager Logistics/Contracts	HQ ARPC/MSLG	303 676-6317	John.russell.ctr@arpc.denver.af.mil
Col Ann Shippy	Commander	HQARPC/CC	303 676-6310	Ann.shippy@arpc.denver.af.mil
Lt Col Seferino Silva	Dir Health Services	HQ ARPC/SG	303 676-6150	Seferino.silva@arpc.denver.af.mil
MSgt Lew Sutton	Supt Health Services	HQ ARPC/SG	303 676-6150	Lewis.sutton@arpc.denver.af.mil
Kim Wheeler	Chief, Public Affairs	HQ ARPC/PA	303 676-6515	Kim.wheeler@arpc.denver.af.mil
Debra Young	Director, Qual Records Management	HQ ARPC/DPQ	303 676-6512	Debi.young@arpc.denver.af.mil

BASE'S PRESENT MISSION:

The Air Reserve Personnel Center serves over 950,000 Reservists, Guardsmen, retirees, and their family members. The Center's mission is to ensure the nation always has a warrior bank of mission-ready Air Guardsmen and Reservists for mobilization and USAF augmentation by providing personnel management and services for its customers. The Center also maintains the master personnel records of Air National Guard and Air Force Reserve members not on extended active duty. In fulfilling its mission, ARPC is in constant contact with the Air Staff, the director of the Air National Guard, the Chief of Air Force Reserve, major commands, field operating agencies and individual reservists. During contingency operations or war, the Center receives direction and guidance through the Air Force Crisis Action Team. The Center orders individual Air Force Reserve personnel and members of the Retired Reserve and Regular Air Force to extended active duty, as required during national emergencies and as provided by law. Their vision statement is: "A dedicated team recognized as the nation's premier personnel organization exceeding our customers' expectations through state of the art technology and world class service."

SECRETARY OF DEFENSE RECOMMENDATION:

Consolidate/Co-locate Active and Reserve Personnel & Recruiting Centers for Army and Air Force: Realign Army Human Resources Command leased facilities in Alexandria, VA, Indianapolis, IN, and St. Louis, MO. Relocate and consolidate all functions at Fort Knox, KY. *Realign the Air Reserve Personnel Center (Buckley Annex), CO, by relocating the Air Reserve Personnel Center processing functions to Randolph Air Force Base, TX, and consolidating them with the Air Force Personnel Center at Randolph Air Force Base, TX, and by relocating*

the Individual Mobilization Augmentee operational management functions to Robins Air Force Base, GA, and consolidating them with the Air Force Reserve Command at Robins Air Force Base, GA. Realign Robins Air Force Base, GA, by relocating Air Force Reserve Recruiting Service to Randolph Air Force Base, TX.

Air Reserve Personnel Center

Action Name	Base Name	ActionType
Realign ARPC from Denver	Randolph AFB, TX	Realignment
Realign IMAs from Denver	Warner-Robbins AFB, GA	Realignment

SECRETARY OF DEFENSE JUSTIFICATION:

The collocation of military personnel and recruiting functions for Army and Air Force creates Service Human Resources Centers for Excellence and improves personnel lifecycle management. This recommendation enables Business Process Reengineering transformation to support several significant Department of Defense initiatives such as increasing Active and Reserve Component Total Force integration and effectiveness and supporting the Department's goals for the Continuum of Service concept which permits a range of participation to assist in force management and relieve stress on military skills that have been in high demand during recent operations and also supporting the ongoing development and implementation of the Defense Integrated Military Human Resource System (DIMHRS). For the Army, this recommendation eliminates over 1,100,000 square feet of leased space with annual lease savings of over \$31.0M and a one-time cost avoidance of over \$30.0M. In addition, it eliminates over 248,000 gross square feet of current excess capacity and moves a large support organization of over 2,000 personnel out of the National Capital Region. ***For the Air Force, this recommendation eliminates over 100,000 gross square feet of current excess capacity. The Air Force reserve Individual Mobilization Augmentee (IMA) operational command and management functions will be relocated and consolidated with the Air Force Reserve Command at Robins Air Force Base, GA for improved command management of Reserve forces assigned to the Command. The HSA JCSG agrees with the Air Force that the operational alignment of personnel would benefit the Department and this action creates a similar organizational construct with the Marine Corps. The Air Force Recruiting Service is currently located at Randolph Air Force Base; this scenario will collocate Active and Reserve Component headquarters functions in a single location and assist with overall Total Air Force Recruiting management. Randolph Air Force Base is also the current location of the Air Education and Training Command further improving opportunities to coordinate personnel life-cycle planning.*** The overarching strategy for these consolidated human resources and recruiting centers extends to other organizations within the Army and Navy. The relocation of Army Accessions Command and Cadet Command from Fort Monroe, VA, and their co-location with the US Army Recruiting Command Headquarters at Fort Knox, KY, is captured in the installation closure recommendation for Fort Monroe. The relocation of the Navy Reserve Personnel Center, the Enlisted Placement and Management Center and the Navy Recruiting Command Headquarters from Naval Support Activity, New Orleans, LA, and their consolidation with the Navy Personnel Command and Navy Recruiting Command Headquarters at Naval Support Activity Millington, TN, is captured in the installation closure recommendation for Naval Support Activity New Orleans.

MAIN FACILITIES REVIEWED: Tour of ARPC offices/shared space of Buckley Annex

KEY ISSUES IDENTIFIED: The Air Force portion of this recommendation encompasses three separate moves raising concerns primarily about costs, personnel support, and impact upon mission effectiveness:

1. Realign the Air Reserve Personnel Center (Buckley Annex), CO, by relocating the Air Reserve Personnel Center processing functions to Randolph Air Force Base, TX, and consolidating them with the Air Force Personnel Center at Randolph Air Force Base, TX
2. Relocating the Individual Mobilization Augmentee (IMA) operational management functions to Robins Air Force Base, GA, and consolidating them with the Air Force Reserve Command at Robins Air Force Base, GA
3. Realign Robins Air Force Base, GA, by relocating Air Force Reserve Recruiting Service to Randolph Air Force Base, TX

INSTALLATION CONCERNS RAISED:

ARPC IMAs to Warner Robins AFB, GA

The process of relocating the ARPC IMAs (approximately 30 personnel) to Robins AFB, GA (#2 above) was already in process prior to the 2005 BRAC. No further action can be taken on this item until the BRAC process is finished, as it was included as a BRAC recommendation. There is widespread agreement for this portion of the recommendation. The minor costs related to this aspect of the recommendation are outweighed by the potential benefits.

AF Reserve Command Recruiting Service to Randolph AFB, TX

A base visit conducted by a BRAC Air Force team member revealed moving the AF Reserve Command Recruiting Service to Randolph AFB as problematic for the following reasons:

- AFRCRS is currently based with HQ AFRC at Robins AFB and fully integrated with HQ AFRC in all daily activities
- Unlike the other military services, AFRCRS does not work for the respective active duty recruiting service but works directly for HQ AFRC
- “AFRCRS is Best in DOD in accessions per production recruiter and tops in FY05 production vs. goal, while being among lowest in overhead and cost per accession”
- “Mission effectiveness and customer support could suffer greatly by relocating AFRCRS away from its parent MAJCOM”
- Concerns that move may impair currently successful recruiting efforts: Don’t “fix” what isn’t broken

Air Reserve Personnel Center (Denver, CO) to Randolph AFB, TX

The major portion of the Air Force aspect of this recommendation involves moving the Air Reserve Personnel Center out of Colorado where it has been for over 40 years to Texas in order to be physically located with the active duty Air Force Personnel Center (AFPC). A number of issues have surfaced regarding the efficacy of this potential move:

- Virtual realignment and transformation have already been successfully occurring over an extended period
- While on-going alignment of personnel process was expected, the physical relocation of personnel to Randolph AFB, TX was not an anticipated recommendation. Prior coordination and feedback had not occurred and costs rather than savings are incurred.
- The DoD Joint Cross-Service Headquarters & Support Activities author of this recommendation expressed overwhelming awareness and support from the ARPC leadership for this recommendation. While there is complete agreement regarding realignment and transformation of Reserve Component processes to whatever degree is possible, there is unequivocal disagreement regarding the proposed physical relocation. The extreme disparity in these viewpoints may warrant a question to the BRAC Clearinghouse as to how this occurred. Regardless of the outcome of that question, a number of issues were raised by the installation staff to include:
 - The BRAC reporting process
 - Differences between the active duty and reserve components
 - The potential impact of moving the operation to Texas
 - Buckley Annex facility issues and DFAS
 - Mission and transformation issues
 - Potential alternatives to the BRAC recommendation

The BRAC Reporting Process

- DoD numbers used in the 2005 BRAC report used to describe actions at ARPC were incorrect DoD (see following table)
- Repeated attempts by ARPC to clarify official numbers proved ineffective
- Inaccurate data was repeatedly reported by media and community remained unaware of actual impact

Colorado ARPC	Action	Out Mil	Out Civ	In Mil	In Civ	Net Gain/Loss Mil	Net Gain/Loss Civ	Net Mission Contractor	Total Direct
ARPC #s in '05 BRAC Report	Realign	(159)	(1,447)	57	1,500	(102)	53	(59)	(108)
ARPC #s from ARPC	Realign	(119)	(252)	0	0	(119)	(252)	(59)	(430)

Distinctions between service to active duty and reserve component

- Vast majority of processes owned by AFPC and ARPC are “alike” in name only
- Different laws and rule sets apply to AFPC and ARPC, driven by customer base served
- Complexities and nuances of ARPC- owned personnel service processes not fully understood by AFPC

Impact of move to Randolph AFB, TX

- A COBRA run separating out the Air Force from Army moves indicates an overall 20 year loss of \$6 million (see attachment)
- Over \$10 million MILCON required at Randolph AFB for renovation and new buildings negates savings
- Extensive hiring and training is needed to replace personnel because less than once percent of current civilians indicate a willingness to move to Texas
- Potential for significant interim reduction in customer service due to loss of expertise unique to reserve personnel and other functions such as: Loss of years of experience executing mobilizations, push/pull exercises, musters, and potential inability to effectively and quickly respond to another 9/11 type national emergency
- Requires deconfliction with all historical properties
- Safety hazard considerations must be given to the Military Munitions Response Program
- Threatened and endangered species and critical habitat considerations must be given
- Requires expenditure of \$500K for waste management and environmental compliance activities

Buckley Annex Facility Issues and DFAS

- ARPC facility built in 1976 on a 38 acres site called Buckley Annex
- ARPC occupies approximately one-fourth of a facility primarily used by DFAS
- BRAC 2005 reported ARPC numbers for entire Buckley Annex facility that is shared with DFAS
- If Denver DFAS realigned elsewhere would leave ARPC in approximately one-fourth of an empty building until and unless otherwise used

- Ten other agencies use about one percent of the facility:
 1. DSCA – Defense Security Cooperative Agency
 2. DISA – Defense Information System Agency
 3. U.S. Public Health Service – Federal Occupational Health – The Health and Wellness Center
 4. Space Age Credit Union
 5. DFEB – Denver Federal Executive Board
 6. State of Colorado – Business Enterprise
 7. DoD Inspector General
 8. GAO – Government Accountability Office
 9. AAFES – Cafeteria
 10. AFAFO – Air Force Accounting Finance Office

Transformation Mission Issues

Current technological approach extensively developed at ARPC enables virtual delivery of massive amount of personnel service processes to worldwide customers

Virtual realignment of processes currently underway:

- Personnel Service Delivery Transformation (PSDT)
- Shared Service Organization (SSO) efforts
- Defense Integrated Military Human Resource System (DIMHRS)

ARPC has long-term record of actively pursuing and leading way in process transformation:

- First centralized Military Personnel Flight since 1960s
- First to establish a single toll-free number system in 1970s
- Pioneered Call Center in 1980s
- Electronic, paperless scoring of promotion and selection boards
- Electronic file storage maturing; significantly reducing paper
- Web-based 24/7/365 customer inquiry up and running
- Leading edge Contact Center answers on first contact (17K calls/month)
- PSDT efforts reflect the application of this technology
- Results: To date, reduced 24 authorizations valued at \$962K

Potential alternatives to proposed physical relocation of ARPC

The Air Force portion of this recommendation costs rather than saves millions of dollars and those it impacts are overwhelmingly not in support of it. Furthermore, the unwillingness of personnel to move out of state incurs hiring and re-training costs and a potential degradation of services for a significant period of time. The majority of services are conducted virtually. The actual benefits to mission enhancement by physical proximity to active duty processes are

theoretical and philosophical rather related to objectively proven. Consequently, the following alternatives were offered for consideration:

1. If Denver DFAS stays at the Buckley Annex facility, keep ARPC where it is
2. If Denver DFAS moves out of the Buckley Annex facility, move ARPC to nearby Buckley AFB for the following reasons:
 - It is only 8 miles away and thus most personnel would be willing to remain
 - There is room to accommodate ARPC
 - It would provide on-going exposure to and synergy with active duty personnel and processes

Conclusion

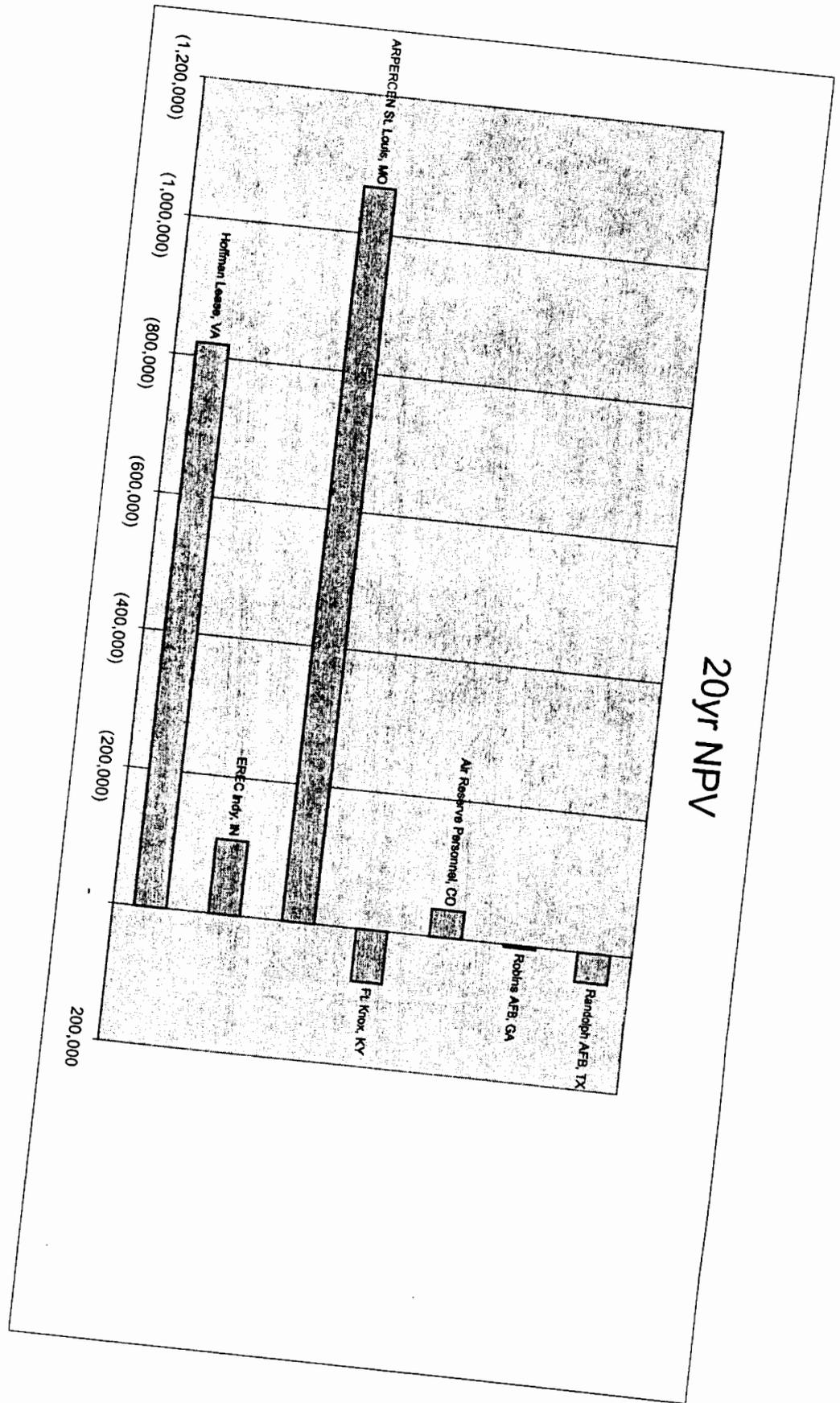
The current operating costs for ARPC are relatively low and the average experience level of civilians is high (17 years). The alternatives proposed by ARPC avoid the costs of the recommendation including a potential civilian buy-out, military PCSs, physical movement of equipment, and MILCON at Randolph. The morale at ARPC has been objectively assessed as high and only one grievance has been filed in the last three years. The BRAC recommendation has impacted the ARPC personnel as a major "hit" negatively impacting morale. The lack of prior coordination regarding the recommendation has given personnel concern about how they will be treated in the future. Regardless, on-going efforts are being made to avoid a subsequent negative impact upon customer service. Therefore, the proposal of continuing virtual realignment of ARPC processes while staying physically located in the Denver area enhances savings while maintaining mission effectiveness. This alternative needs to be seriously considered and evaluated en lieu of the BRAC recommendation. In the words of the ARPC Commander: "I have worked in personnel here in Denver, at Randolph Air Force Base, and in Washington D.C. If I thought for a minute we could improve services for our reservists by moving to Randolph Air Force Base, I'd be the first one to say 'Let's pack up and go!'"

COMMUNITY CONCERNS RAISED: Community not yet involved primarily because inaccurate BRAC numbers reported do not raise cause for concern

REQUESTS FOR STAFF AS A RESULT OF VISIT: Commissioner visit requested and strongly recommended to further assess issues and situation.

State	Installation	Recommendation Page, Name, and Section	Action	Out Mil	Civ	In Mil	Civ	Net Gain/(Loss) Mil	Civ	Net Mission Contractor	Total Direct
Colorado											
Air Reserve Personnel Center											
	H&SA - 33	Consolidate/Co-locate Active and Reserve Personnel & Recruiting Centers for Army and Air Force	Vol 1: Part 2 - Headquarters and Support Activities Section								
	H&SA - 37	Defense Finance and Accounting Service	Realign	(122)	(284)	0	0	(122)	(284)	(59)	(465)
	H&SA - 37	Defense Finance and Accounting Service	Realign	(37)	(1,163)	43	968	6	(195)	0	(189)
			Gainer	0	0	14	532	14	532	0	546
			Base Total	(159)	(1,447)	57	1,500	(102)	53	(59)	(108)
Buckley Air Force Base											
	USAF - 22	New Orleans Air Reserve Station, LA	Vol 1: Part 2 - Air Force Section								
	USAF - 40	Springfield-Beckley Municipal Airport Air Guard Station, OH,	Vol 1: Part 2 - Air Force Section								
			Gainer	0	0	4	33	4	33	0	37
			Gainer	0	0	9	48	9	48	0	57
			Base Total	0	0	13	81	13	81	0	94

This list does not include locations where there were no changes in military or civilian jobs.
 Military figures include student load changes.



Run ID 143
 Rec Page H&SA - 43

	2006	2007	2008	2009	2010	2011 Total	Beyond		2006	1085
ARPC	99	1199	-596	-610	-621	5,978	5,448	-4,532	2007	1764
Randolph	945	38	0	184	11,184	2,237	14,588	2,967	2008	53
Robins	41	527	649	643	639	746	2522	82	2009	217
	1085	1764	53	217	11202	8961	22558	-1483	2010	11202

2011	8961
Total	22558
Beyond	-1483

0.028

1	1,070.12
2	1,692.42
3	49.46
4	197.01
5	9,892.97
6	7,698.29
7	(1,239.33)
8	(1,205.57)
9	(1,172.73)
10	(1,140.79)
11	(1,109.72)
12	(1,079.49)
13	(1,050.09)
14	(1,021.49)
15	(993.67)
16	(966.60)
17	(940.27)
18	(914.66)
19	(889.75)
20	(865.52)

20 yr NPV 6,010.58



Air Reserve Personnel Center

Sea

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- [HQ ARPC Parking Map](#)
- [Directions to Buckley AFB](#)
- [Directions to DIA](#)

External Links

- [Buckley AFB](#)
- [MapQuest Directions](#)
- [DIA](#)

Directions to Buckley AFB

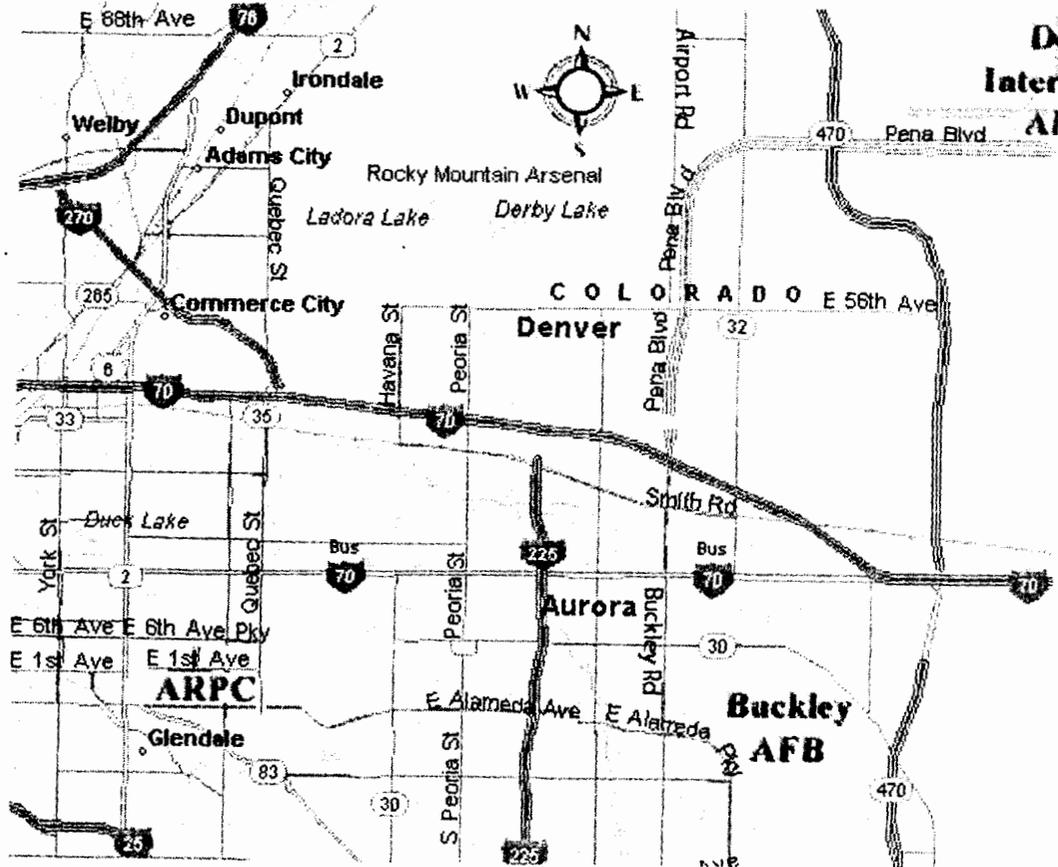
ARPC to Buckley

1. Exit ARPC parking lot (Irvington Pl/Lowry Blvd) turning South/right on Quebec St
2. Take Quebec St to Alameda Ave (first light), turning East/left
3. Take Alameda Ave to Buckley Rd, turning North/left
4. Take Buckley Rd to 6th Ave, turning East/right
5. Take 6th Ave to Buckley AFB Main Gate (right lane exit)

Buckley to ARPC

1. Exit Buckley AFB Main Gate turr West/left on 6th Ave
2. Take 6th Ave to Airport/Buckley South/Left
3. Take Airport/Buckley Rd to Alan turning West/right
4. Take Alameda Ave to Quebec St North/right
5. Take Quebec St to Irvington Pl/L Blvd, turning West/left into ARPC parking lot

Note: Mountains are to the West.



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MapQuest Directions

DIA

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Information & Upcoming Events

Contact Information

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	DSN	Commercial
Voice	926-6314	(303) 676-6314
Fax	926-8188	(303) 676-8188

HQ ARPC Event Support: arpc.eventsupport@arpc.denver.af.mil

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BIOGRAPHY

UNITED STATES AIR FORCE

**Headquarters Air Reserve Personnel Center
Office of Public Affairs
Denver, CO 80280-1010**

COLONEL ANN C. SHIPPY

Colonel Ann C. Shippy is the commander, commander, Headquarters Air Reserve Personnel Center, Denver, Colo. As commander, she is responsible for the Center's primary mission of mobilization. ARPC provides personnel and administrative support to more than 1.2 million Air Force Reserve and Air National Guard forces to ensure they are prepared, available resources in the event of a national emergency. Under her command, the Center provides support to reservists throughout their military careers, from initial entry to retirement, including assignments, promotions and separations.



The colonel was commissioned in 1979 via the Reserve Officer Training Corps program at the Pennsylvania State University, Colonel Shippy has served as a career Personnel Officer in both active and Reserve status. After serving eight years on active duty, she separated from active duty in 1988. In the Air Force Reserve, she served as an individual mobilization augmentee at Air Force Space Command and joined the Active Guard Reserve program in 1997.

EDUCATION:

1979 Bachelor in Psychology, Penn State University, University Park, Pa.
1982 Squadron Officer School, Maxwell Air Force Base, Ala.
1986 Air Command and Staff College, seminar
2000 Master's in Business Administration, Regis University, Denver, Colo.
2002 Air War College, correspondence

ASSIGNMENTS:

1. September 1979 – May 1981, chief, Customer Assistance and Quality Force Sections, 321st Combat Support Group, Grand Forks Air Force Base, N.D.
2. May 1981 - May 1982, chief, Quality Force Section, 52nd Combat Support Group, U.S. Air Forces Europe, Spangdahlem Air Base, Germany
3. May 1982 – October 1982, student, Squadron Officer School, Maxwell Air Force Base, Ala.
4. October 1982 – July 1984, chief, Personnel Utilization Section, 52nd Combat Support Group, U.S. Air Forces Europe, Spangdahlem Air Base, Germany

5. July 1984 – June 1985, Education-With-Industry (Personnel Management), Air Force Institute of Technology, Host Company - ITT, New York, N.Y.
6. June 1985 - June 1987, chief, AFIT Leadership and Developmental Programs Branch, Headquarters Air Force Personnel Center, Randolph Air Force Base, Texas
7. June 1987 – May 1988, chief, Communications-Electronics Assignments Section, Headquarters Air Force Personnel Center, Randolph Air Force Base, Texas
8. April 1989 – April 1991, U.S. Air Force Admissions Liaison Officer (ALO), U.S. Air Forces Europe, Spangdahlem and Bitburg Air Bases, Germany
9. April 1991 – July 1997, individual mobilization augmentee, Directorate of Assignments and Personnel Programs, Headquarters Air Force Space Command, Peterson Air Force Base, Colo.
10. August 1997 – May 1999, deputy director, Customer Assistance, Headquarters Air Reserve Personnel Center, Denver, Colo.
11. June 1999 – May 2001, chief, Reserve General Officer Matters, Office of Air Force Reserve, Pentagon, Washington, D.C.
12. May 2001 - November 2001, chief, Senior Officer Management Division, Office of Air Force Reserve, Washington, D.C.
13. November 2001 - April 2004, chief, Active Guard Reserve (AGR) Management Office, Office of Air Force Reserve, Pentagon, Washington, D.C.
14. April 2004 - July 2005, vice commander, Headquarters Air Reserve Personnel Center, Denver, Colo.
15. July 2005 - present, commander, Headquarters Air Reserve Personnel Center, Denver, Colo.

MAJOR AWARDS AND DECORATIONS:

Legion of Merit
 Meritorious Service Medal with three oak leaf clusters
 Air Force Commendation Medal with two oak leaf clusters
 Air Force Achievement Medal
 Air Force Organizational Excellence Award with two oak leaf clusters

EFFECTIVE DATES OF PROMOTION:

Second Lieutenant	May 26, 1979
First Lieutenant	May 26, 1981
Captain	Dec. 11, 1985
Major	Oct. 1, 1991
Lieutenant Colonel	Sept. 1, 1997
Colonel	Jan. 30, 2003

(Current as of July 2005)



FACT SHEET

May 2005

UNITED STATES AIR FORCE

Air Reserve Personnel Center
Office of Public Affairs
 6760 E. Irvington Place #1010
 Denver CO 80280-1010

Air Reserve Personnel Center

The Air Reserve Personnel Center, with headquarters located in Denver, Colo., is a major command direct reporting unit of the Air Force Reserve Command with technical and policy guidance provided by the Chief of Air Force Reserve.

History

The Center was established Nov. 1, 1953, as Detachment 1, Headquarters Continental Air Command, to centralize the custody and maintenance of master personnel records of Air Force Reserve members not on extended active duty. The detachment officially began operations on March 1, 1954, and soon had responsibilities for a wide variety of personnel actions, including administrative capability for mobilization of the Air Force Reserve.

On Jan. 1, 1957, the organization became Headquarters Air Reserve Records Center, acquiring the status of a numbered Air Force within Continental Air Command. Because of increasing involvement in all areas of personnel management, the Center was renamed the Air Reserve Personnel Center Sept. 1, 1965. Responsibility for maintaining personnel records of Air National Guard officers was added in July 1971, and airmen in March 1978.

ARPC was designated a separate operating agency on Aug. 1, 1968, with no significant change in mission. In 1978, its status changed to that of a direct reporting unit and organizational element of the Air Force Reserve. Separate operating agency status was re-established May 1, 1983. The Center was designated as a field operating agency Feb. 5, 1991. With the establishment of the Air Force Reserve Command

APPROXIMATE PERSONNEL ASSIGNED:

Military 131/Civilian 276/Contractors 70

VISION:

"A dedicated team recognized as the nation's premier personnel organization exceeding out customers' expectations through state of the art technology and world class service."

on Feb. 17, 1997, ARPC was assigned to AFRC as a major command direct reporting unit.

Mission

The Center's mission is to ensure the nation always has a warrior bank of mission-ready Air Guardsmen and Reservists for mobilization and USAF augmentation by providing personnel management and services for its customers. The Center also maintains the master personnel records of Air National Guard and Air Force Reserve members not on extended active duty.

In fulfilling its mission, ARPC is in constant contact with the Air Staff, the director of the Air National Guard, the chief of Air Force Reserve, major commands, field operating agencies and individual reservists. During contingency operations or war, the Center receives direction and guidance through the Air Force Crisis Action Team. The Center orders individual Air Force Reserve personnel and members of the Retired Reserve and Regular Air Force to extended active duty, as required during national emergencies and as provided by law.

Operations

The Center's mission of personnel management and services is reflected in its organization and function. Most activities parallel those of the active Air Force, modified as necessary to accommodate the special requirements of the reservist.

Personnel Actions

ARPC's support of Air National Guard and Air Force Reserve members throughout their military careers is essential to the maintenance of a warrior-bank of mission-ready Air Guardsmen and Reservists.

To ensure that the Air National Guard and Air Force Reserve are ready to meet their Total Force role, the Center's military and civilian employees accomplish a vast number of personnel actions.

These actions include officer and airman career management, master and field personnel records maintenance, appointment, classification, point credit accounting, promotion, career development, discharge and retirement. ARPC also maintains medical records of non-unit Reservists for certification of fitness.

The Center also administers and manages Air Force Reserve pay and non-pay programs for members who participate and train on an individual basis rather than as part of a unit. They may receive pay for their duty or may be in a program where they only receive retirement points.

ARPC is the central manager for professional individual mobilization augmentees (IMAs) who support staff judge advocate, health services and chaplain programs.

Additionally, the Center is responsible for overseeing the Reserve Personnel Appropriation travel and training dollars for IMAs.

ARPC is one of only three locations where Air Force officers are considered for promotion by central selection boards. These boards consider Air National Guard and Air Force Reserve officers for promotion and determine qualifications of airmen and officers to retain their Reserve status. The Center also convenes boards to select Air Force Reserve officers to attend professional military education schools.

Mobilization

Since its inception, ARPC has been required to activate personnel of the Air Reserve components during five national emergencies — the Berlin Crisis in 1961, the Cuban Missile Crisis in 1962, the USS Pueblo Incident in 1968, Southeast Asia in 1968, Desert Shield/Storm in 1990 and Operation Noble Eagle, Enduring Freedom in 2001 and Iraqi Freedom in 2003.

Continuing mobilization tests verify the efficiency and effectiveness of mobilization procedures to ensure that the Center can respond rapidly during any future national emergency.

In a crisis, the Center's participation begins with notification from Air Force headquarters to activate the Personnel Readiness Center. The center works closely with similar centers in the Pentagon and other commands to fill Air Force personnel requirements from reserve and retired resources.

Depending on the nature of the crisis, ARPC performs a variety of personnel actions. In a call-up or partial mobilization, selected Guardsmen and Reservists are called to active duty, but remain assigned to the Guard and Reserve.

In a full mobilization, Guardsmen and Reservists are placed on extended active duty. In these cases ARPC transfers the members' master personnel records to the Air Force Personnel Center (AFPC). For individual mobilization augmentees (IMAs), ARPC forwards the members' master records to AFPC, ships their field records to the unit of assignment and publishes their activation orders.

When active-duty vacancies exist after mobilization, other qualified reserve personnel resources are used. These members are in the Individual Ready Reserve, Standby Reserve or Retired Regular and Reserve categories. ARPC ensures all requirements are filled, selects substitutions, notifies all members selected, and publishes orders. Their master and field records are then transferred to AFPC and the unit of assignment.

During demobilization, ARPC is responsible for the orderly return of personnel to their reserve or retired status.



FACT SHEET

February 2003

UNITED STATES AIR FORCE

**Air Reserve Personnel Center
Office of Public Affairs**
6760 E. Irvington Place #1010
Denver CO 80280-1010

The IMA Program - Past and Present

The Air Reserve Personnel Center provides day-to-day administrative and personnel support for approximately 12,000 Air Force Reserve Individual Mobilization Augmentees (IMAs). IMAs make up one of the most flexible and cost effective elements of the Total Force. By definition, IMAs are members of the Selected Reserve – an element of the USAFR's Ready Reserve. IMAs are usually assigned to active Air Force units in order to support contingency operations or pre/post mobilization requirements.

Like unit Reservists, IMAs are the first-line backup for the Air Force in the event of war, national emergency or natural disaster. However, IMAs are unique in that they operate somewhat unilaterally – conducting their service lives outside the traditional organizational structure of Unit reservists and, in conjunction with the needs of their active duty units, often taking the initiative to arrange their own participation and training.

You will find highly trained, professional IMAs working along side their active duty counterparts in nearly all career fields: They serve in weapons systems acquisition, test operations and engineering, aircraft maintenance, civil engineering, fire protection, intelligence, security police, public affairs, medicine, legal, and the chaplaincy. The list of career fields and specialties in which IMAs serve is as varied as the weapons systems and support functions required to carry out the Air Force mission. The IMA mission in peacetime is readiness, and as such, IMAs are an integral part of the Total Force.

A Proud Past

The present Air Force IMA program traces its origin to the late 1940s and grew out of the Army Air

Forces' (AAF) first attempts to train individual reservists in the period between World War II and the Korean War. The AAF leaders were concerned about staying militarily prepared and maintaining a large pool of trained personnel which could be called upon in the event of war or national emergency. In July of 1946, the AAF plan for training both organized reserve units and individual reservists was approved. This plan functioned as the starting point for the Air Reserve Forces from 1946 until October 1948. While a specific IMA program was not identified in this plan, it did call for "individual proficiency training," the means of which was to be determined by the commander of the Air Defense Command (ADC).

The ADC implemented the first IMA training effort in April of 1947 when the ADC commander instructed numbered air force commanders and headquarters staff to assign reservists to key ADC positions. The goal: to have these individuals available and fully familiar with their immediate assignments in case of general mobilization. In December of 1947, the first official definition of an IMA was published in an ADC regulation which was titled "Military Mobilization Assignments for Air Force Reserve Personnel."

Several years later, the Air Force chief of staff directed all major command missions to incorporate specific reserve training responsibilities and the Air Staff published a directive on the assignment, administration and training of individual reservists at active duty bases where no reserve units were located. This directive allowed commanders to determine the number of reservists they could accommodate based on their abilities to train them without regard to specific mobilization requirements.

In 1948, the newly independent Air Force undertook a revision of the AAF Plan for the Air Reserve. This revision resulted in the major commands becoming more directly involved in managing IMA assignments. Also, this revision called for "Regular Air Force" funds, facilities, supplies, and equipment to be used to train all reserves with reserve pay, travel, and clothing allowances remaining chargeable to the Air Force Reserve.

The Korean War – which resulted in the mobilization of more than 141,000 reservists in 1950 – revealed some weaknesses in firm mobilization planning which resulted in inefficient use of the Air Force Reserve. This caused the Air Force to reevaluate all its reserve programs. As a result, the large pool concept of maintaining a reserve force was replaced with a "match-merge" policy of projecting wartime requirements and structuring a reserve force, including IMAs to meet those requirements. While the management of IMA resources has undergone many changes over the years, this match-merge policy of justifying and maintaining IMA resources remains at the heart of the program.

The IMA Program – Today

Today, the Air Force Reserve IMA program is one of the most flexible and responsive within the Department of Defense. Most IMAs have served on active duty with the Air Force prior to their assignments within the Air Force Reserve. Many have valuable scientific and professional expertise or technical skills gained from

previous Air Force assignments or civilian careers. Through the IMA program, the Air Force is able to take advantage of such resources in a very cost effective manner.

IMAs not only fill positions within the Air Force, but also work alongside active duty and reserve professionals from other services in joint and unified assignments. They also serve in Air Force assigned positions of the Federal Emergency Management Agency and Selective Service System.

The responsibility of administering the IMA program is shared between the active and reserve structure. The offices of the deputy chief of staff for personnel, Headquarters USAF, and the Air Force Reserve (USAF/RE), both at the Pentagon, cooperate to provide overall organizational support and personnel policy guidances. Air Force major commands (MAJCOMs) identify and justify their IMA requirements and supervise, train and use assigned IMAs.

The Air Reserve Personnel Center in Denver provides the day-to-day management and administrative personnel support for all IMAs and also centrally manages career programs for legal, chaplain and medical IMAs attached to active duty organizations throughout the Air Force. ARPC is also responsible for budgeting and allocating the funding required for IMA training.

As Air Force Reservists and contributing members of active duty Air Force, as well as other defense related organizations, IMAs share a proud citizen airman heritage and represent an integral and important part of the Total Force.



Public Affairs

[ARPC Fact Sheet](#)
[ARPC History](#)
[Air Reserve Personnel Update](#)
[Biographies](#)
[Guard & Reserve Personnel Fact Sheets](#)
[PA Opportunities](#)
[The IMA Program - Past and Present](#)
[The Publicist - IMA PA newsletter](#)
[Recognition Programs](#)
[My Boss Is A Patriot](#)
[Hometown News Releases](#)

External Links

[Air Force News](#)
[Air Force Reserve News](#)
[Citizen Airman Magazine](#)

History of the Air Reserve Personnel Center



The Air Reserve Personnel Center (ARPC) opened for business at 3800 York Street in Denver, Colorado, in 1954, and remained at that location until moving to Lowry Air Force Base in September 1976. For over forty years, ARPC has provided personnel

and administrative services for the Air National Guard and the Air Force Reserve. The Air Force relied on those services to activate reservists during a national emergency or in time of war. Most significantly, the Personnel Center supported the five major mobilizations of reservists since the 1960s, beginning with the Berlin Crisis of 1961-1962 and continuing through the Persian Gulf War of 1990-1991.



When World War II ended in 1945, President Harry S. Truman exempted America's returning military members from any reserve obligation. President Truman took this action even though legislation mandated reserve service following active duty. Instead, service by reservists became a voluntary activity. After the postwar demobilization, readiness in the Air Force Reserve began to decline. By 1948, Air Force officials concluded that many reservists were poorly prepared for their wartime role. For instance, the Department of Defense had not required reservists to attend training drills or classes.

In December 1948, the Air Force acted to improve the Reserve by forming Continental Air Command to direct the Reserve from its headquarters at Mitchell Air Force Base, New York. While the outbreak of war in Korea in June 1950, delayed further reforms, the Korean mobilization revealed weaknesses in the Air Force Reserve. Some problems occurred because the Air Force did not maintain reservists' records properly,



primarily as a result of storing records at eight locations. In addition, those records sometimes lacked current information on the members.

In July 1952, Congress enacted the Armed Forces Reserve Act to improve the readiness capability of both the unit and the individual reservists. When the Korean War ended, the Air Force directed more attention to the Reserve.



In November 1953, Continental Air Command established the Air Reserve Records Center in Denver. The Records Center opened on March 1, 1954, to maintain in one location the master personnel files of 250,000 Air Force reservists not on active duty. In this way, the Air Force ensured the availability of accurate records in a mobilization. By 1958, the number of these records for reservists had increased

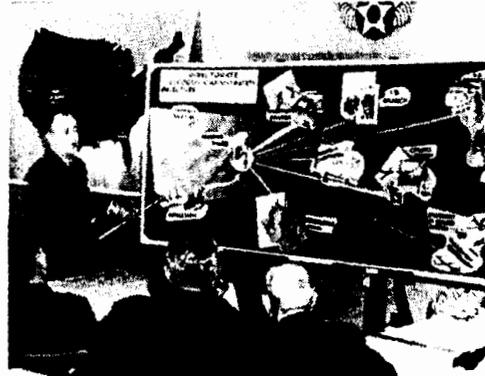
to more than 500,000.

In October 1959, the Air Reserve Records Center installed the RCA 501 computer. Automation helped to make the Records Center more than a repository for documents by increasing its management duties for reservists.

Those duties included career guidance, classification, assignment, promotion, separation, discharge, and retirement actions. Another innovation occurred in 1962, when the Records Center introduced a national five-digit grid address system that made it easier to process address changes for reservists and arrange their assignments. Later, this address system became the basis for the Post Office Department's zip code system.



A change in name to the Air Reserve Personnel Center in September 1965, reflected the broader mission that encompassed all areas of personnel management. The Personnel Center's mission expanded in the 1970s, when the Air Force made ARPC responsible for all Air National Guard personnel records. This action happened first for officers in July 1971, and then for enlisted members in March 1978.



As part of a reorganization, the Air Force deactivated Continental Air Command in August 1968, and substituted two Separate Operating Agencies. Headquarters Air Force Reserve at Robins Air Force Base,



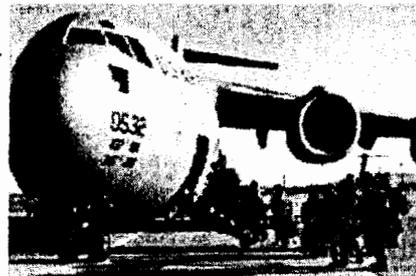
Georgia, received the organizational and command duties for reserve units. At the same time, ARPC became the personnel center for the Reserve. These Separate Operating Agencies reported to the Chief of Air Force Reserve, a general officer on the Air Staff. In addition, the two agencies had the

functions and responsibilities of major Air Force commands.

Since the late 1960s, the Air Force has relied more on the Guard and the Reserve to augment the active duty forces in an emergency. For their part, the reserve units needed to closely resemble their active duty counterparts in terms of equipment, readiness, and organization. Accordingly, in 1970 the Department of Defense introduced the concept that became the Total Force policy.

ARPC responded to the Total Force concept in several ways. The Personnel Center assumed a greater role in managing individual reservists through the Directorate of Individual Reserve Programs, formed in July 1970. Next, ARPC adopted the central manager approach, whereby directorates managed the individual reservists serving in the professional career fields. This happened first for the legal and chaplain personnel in August 1972, and then for the medical personnel in July 1973. Moreover, ARPC participated in Air Force mobilization exercises.

In the records area, ARPC experimented with microfilming personnel records. Center employees began converting the master personnel records to microfilm in 1974 and completed the project three years later. In addition to savings in space and money, microfilming offered greater availability and access to records, thereby making records management more efficient. In March 1983, ARPC completed microfilming all of the paper records.



More recently, Center officials have looked to the Automated Records Management System as the next step in records management. ARPC personnel commenced converting the microfiche and paper records to optical disk on May 18, 1995. They completed the initial scanning on October 28, 1996, and anticipate finishing the quality control check of the scanned

documents in 1998.

In 1983, the Air Force designated ARPC as the alternate computer and communications site for the Air Force Military Personnel Center at Randolph Air Force Base, Texas. If the Randolph organization's computer system became inoperable, ARPC had the capability to continue personnel actions for the Air Force. Accordingly, ARPC's new Honeywell DPS 8/70 computer became operational in November 1984.

In the early 1980s, ARPC made a commitment to the Air Force's quality program with a civilian recognition program that paralleled the military's for honoring people quarterly and annually. Next, the Personnel Center expanded its formal training programs and assisted people with on-the-job and other training. Then in 1988, ARPC introduced the Excellence in Management Program to familiarize new supervisors with the management and leadership tools for enhancing job satisfaction, productivity, and customer service. Two years later, the Personnel Center began a similar program for middle managers, the Management Symposium Program. In 1989, ARPC adopted the Total Quality Management approach to customer service.

Besides improving management and personnel policies, ARPC moved forward with mobilization planning. POWDER RIVER '85, in October 1984, marked ARPC's first involvement with a full-scale Joint Chiefs of Staff exercise. Between 1985 and 1989, the Personnel Center played a leading role in implementing PUSH/PULL mobilization for the Air Force. In 1986, ARPC became the Air Force Field Operations Center for annual screenings of the Individual Ready Reserve.

These efforts paid off in 1990, when ARPC helped to mobilize reservists for the fifth time in the Center's history. After Iraq invaded Kuwait on August 2 and threatened Saudi Arabia, President George W. Bush ordered American troops to the Middle East. By the end of February 1991, ARPC had involuntarily ordered to active duty 2,663 Individual Mobilization Augmentees, 1,122 members of the Individual Ready Reserve, and 293 retirees.

In February 1991, ARPC became a Field Operating Agency that received technical direction and guidance from the Chief of Air Force Reserve. A Field Operating Agency carried out field activities under the operational control of a Headquarters United States Air Force functional manager. While the agencies had the same administrative and organizational responsibilities as the major Air Force commands, their missions remained separate from those of the major commands.

Another change in Air Force structure altered ARPC's status in 1997. This action resulted from the redesignation of Headquarters Air Force Reserve as Air Force Reserve Command on February 17. As a result, ARPC became a MAJCOM Direct Reporting Unit to the Air Force's new major command on September 15. Now ARPC received direction and guidance from the

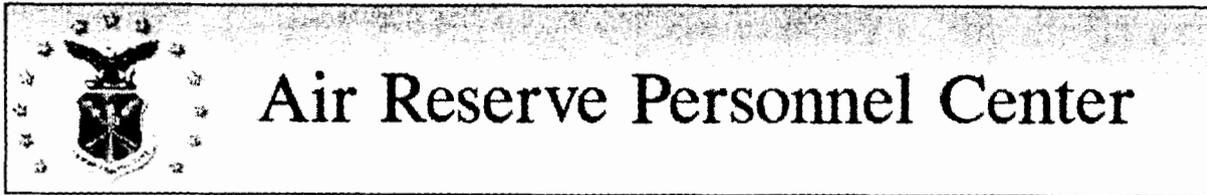
Commander of Air Force Reserve Command.

In the years since ARPC opened for business in 1954, the Personnel Center has performed its mission with distinction. While the workload expanded without increases in employees, the quality of the work has remained high. In 1971 and again in 1984, ARPC received the Air Force Outstanding Unit Award. This tradition continued with Air Force Organizational Excellence Awards in 1979, 1989, 1992, 1996 and 1998.

In 1991, ARPC's Excellence in Management Program gained commendation with the Commander in Chief's Special Recognition for Installation Excellence. Four years later, ARPC received the Vice President of the United States' Hammer Award for superior customer service. Air Force-wide recognition continued in 1997. First, ARPC received the Air Force Association Verne Orr Award for its use of human resources in accomplishing the Center's mission. Next, the Air Force Chief of Staff presented a team of ARPC employees with the Team Excellence Award at the Air Force Quality and Management Symposium. It was only through the hard work and dedicated service of ARPC's men and women that the Personnel Center compiled this noteworthy record.



In 1997, the Air Force celebrated its 50th anniversary. The American people expressed pride in the achievements of their nation's Air Force and its continuing role in promoting peace and security throughout the world. As members of the Total Force, the men and women of ARPC can face the challenges that lie ahead with the confidence and knowledge of both the Personnel Center's and the Air Force's heritage and tradition of excellence.



Print

3 - 2 - 1 - contact: Advances improve service

By Rachel Bubb
Headquarters ARPC/PA

ARPC's new self-serve Web based section of the Contact Center is taking yet another step forward. The new contact center is exclusive to ARPC and its customers, and now it shows. The Web site that allows customers to take issues into their own hands now has its own logo.

The significant change made was the incorporation of the new Virtual Personnel Center Guard Reserve logo into the header of this secure https area. This step forward is similar to Air Force Personnel Center's branding of the Virtual MPF. Through this area on our Web site customers are able to look up questions, receive answers, request personnel products, and submit issues all online at the Tier 0 or 100 percent self-service level. ARPC is going to be marketing the term and logo VPC-GR on the current public Web, said Thomas Laursen, ARPC's Web Administrator.

The logo itself is more than just colored graphics on a Web site. It is the marketing of a completely new feature of ARPC customer service.

It helps focus not only the ARPC Web site in general, but specifically on online customer support. The planned redesign of the entire ARPC Web site includes the new logo and puts emphasis on the online interactivity. ARPC wants its customers to associate the logo with quality service and create a sense of confidence when it comes to dealing with ARPC.

ARPC Requirements and Data Services Division is responsible for the Remedy software-based solution development you see online. ARPC Public Affairs and Information Technology Plans and Policies Division (are) working together and have handled the incorporation of this Web based Remedy software application into the look and feel of our existing public Web site and into the new redesign, said Mr. Laursen. This new design will ensure that customers will have the best experience possible on the ARPC web site.

ARPC is following AFPC's lead in creating a new and improved Web site to help generate an increased level of customer service and to enhance the Contact Center's ability to handle a variety of customer questions, comments and problems.

This is yet another step in trying to achieve the Web site's goal of bringing frontline personnel services into the Contact Center.

http://arpc.afrc.af.mil/pa/press/010705_vpcgrlogo.asp

DCN: 1165

1 Miles

Buckley AFB, CO

Installation Boundary

Image © Space Imaging LLC





Buckley AFB

Denver
Lakewood
Aurora

Westminster
Thornton
Arvada

Boulder

Longmont

Fort Collins

Greeley

Colorado Springs

Hugo

470

285

275

76

70

SELECTED RESERVE
AFRC UNITS

AA-AZ, A1-A9
BA-BZ, B1-B9
(Unit PAS Code)

AFRC Non-Prior
Service Trainees
(Reserve Unit PAS Codes)

(F) On Initial Active Duty
Training (IADT)
CC-IADT-84 DAYS
CD-IADT-85 DAYS +

(F) High School Senior
awaiting IADT
CE-84 days
CF-85 days +

(F) High School Graduate
awaiting IADT
CG-84 DAYS
CH-85 DAYS +

(A) Air Reserve Squadrons (ARS)

(B) MA 9003 ARS (963IFGR6)
MD 9003 ARS (963IFG89)
Selected Service System (SSS)

(B) MB Job Proficiency, Flying
MC Job Proficiency, Non-Flying
--MAJCOM IMAs
--9005 ARS JAG (A)

(B) High School Senior
awaiting IADT
--9018 ARS Chaplains (HC)
(963IFW3M)
--9005 ARS JAG (A)

(B) ME AF Elements
--MAJCOM IMAs
MR Air Force National Security
Emergency Preparedness
(AFNSERP)

UNITED STATES AIR FORCE RESERVE (USAFR)
READY RESERVE

INDIVIDUAL

READY RESERVE (IRR)

PARTICIPATING IRR (POINTS ONLY)

(E) MT (963IF1ZM) Ready Reinforcement
Personnel Section (RRPS)
with or without an MSO
--3 year max-waivable when member
loses position (no fault of their own)
--No Selected Reserve Position Available

(B) MX--(963IF1ZQ) 9001 ARS
Air Force Admissions Liaison Officer
Reserve Officer Training Corps
(AFALOY/ROTC)
--(963IF1ZS) 9002 ARS Chaplains (HC)
--(963IF1ZT) 9004 ARS Civil Air Patrol
Reserve Assistance Program (CAPRAP)
--(963IF1Z2) 9021 ARS Medical (SG)
--(963IF1VH) 9025 ARS JAG (A)

SPECIAL PROFESSIONAL
EDUCATION AND STIPEND
PROGRAMS

(J) MZ (963IF1Z3) 9035 ARS (A)
legal interns (60-89 days active
duty) pay only, no points, while
in law school

(K) TA 9016 ARS (SG)
--(S83IFB2B) Officers only, Health
Professions Scholarship Program (HPSP)
--(S83IFHW0) HPSP stipend program
(45 days ADT, pay only, no points)

(J) TB (963IF1Z1) 9017 ARS (HC)
Chaplain candidates, officers
only, 100 days ADT during program

(J) TC (963IFCCH) 9027 ARS (SG) Full
Stipend, officers only, no training
authorized, not promotion eligible

(J) TD (963IFCCK) 9027 ARS (SG) Half
Stipend, officers only, no training
authorized, not promotion eligible

(J) TE (963IFCCQ) 9027 ARS (SG)
Stipend, enlisted only, \$100 per
month, no training authorized

() = DoD Training and Retirement
Category Code

(E) RD (S73IFZ6M) Non-obligated
Non-participating Ready Personnel
section (NNRPS)
2 year max-3 year if Sep. Pay Recipients
Must be assigned for IRR screening

(E) RZ (S73IFZNS) unassigned for
research prior to assignment to
proper reserve section

Reserve Section	Inactive Duty Training (IDT) Maximum	Annual Training (AT) Requirements Per FY	Minimum Retention/R/Requirement
MA	36 Paid	12-14 Days	35
MA, ME, MR	48 Paid	12-14 Days	35
MC	24 Paid	12-14 Days	35
MD	24 Non-Paid	12-14 Days	35
MT and MX	No	Requirement	35 Non-Paid *
NC and ND	No	requirement	35 Non-Paid

* Required to earn a minimum of 16 points through IDT, AT/ADT/ADSW/MFA or combination

DISTRIBUTION: X
HQ ARFC VA 36-3001
20040224
OPR: HQ ARFC/XPX

STANDBY RESERVE

RETIRED RESERVE

REFERENCES

ACTIVE

Officer Promotion eligible, no PRF or OPR required

Nonaffiliated Reserve Section (NARS)

(D) **NA (S73IFLX2)** Non-obligated Normally 2 year retention training not authorized
 --hardship (personal/community)
 --twice deferred officers not in sanctuary
 --pending discharge for cause

(D) **NB (S73IFLX3)** obligated training not authorized
 --same as NA and:
 --key employees
 --dual status (Res. Off/Reg Enl)
 --non-military delays/religious obligations

(D) **NC (963IFIZN)** Reserve sanctuary not retained in position

(C) **ND (963IF1ZP)**
 --Key employee with or without MSO (by application)

INACTIVE

(N) **RB (S73IFLX6)** Inactive status list reserve section (ISLRS)
 Non-obligated. Training not authorized. Not eligible/ did not apply for retirement. Normally 3 year retention
 --exceeded 2 year retention NARS (NA)/NNRPS
 --key employee
 --involuntary release from EAD
 --dual status (Res Off./Reg. Enl.)
 --Sep pay recipients
 --unsatisfactory participants

ZA (S73IFLX9) Reserve awaiting pay at age 60 (File AR/BR)

ZB (S73IFLYB) Reserve drawing pay at age 60 (File RA/RB)

ZC (S73IFLYC) Reserve recalled to active duty (File BA/BR)

ZD (S73IFPPF) Regular enlisted with less than 30 years service (File RA)
 Title 10 U.S.C., Section 688
 Mobilization Resource

ZE (S73IF1QO) Regular and reserve disability (File RA/RB)

ZF (S73IF1SQ) Reserve officer with 20 years active duty (File RB)
 Title 10 U.S.C., Section 688
 Mobilization Resource

ZG (S73IF24X) Discharged. (Reserve retirement eligible or deceased with survivor benefit plan) (File AR/BR)

ZI (Last active duty PAS) Regular officer and enlisted with 30 years service (File RA/RB) Title 10 U.S.C., Section 688 Mobilization Resource

ZJ (S73IF5RT) Reserve enlisted with 20 years active duty (File RA)
 Title 10 U.S.C., Section 688
 Mobilization Resource

ZK (NO PAS) Former ZG members. 20 sat. service years. Drawing retired pay (File RA/RB)

ZG and ZK have no military status

Inactive Standby and Retired Reservists are not eligible for promotion

- DoDI 1100.19, Wartime Manpower Planning Policies and Procedures
- DoDD 1215.6, Uniform Reserve Training and Retirement Categories
- AFI 36-2115, Assignments Within the Reserve Components
- AFM 36-8001, Reserve Personnel Participation and Training Procedures
- AFI 36-2608, Military Personnel Records System
- AFI 36-3209, Separation and Retirement Procedures for Air National Guard and Air Force Reserve Members
- AFI 36-2612, USAFR Reenlistment and Retention Program

