N:11605

DEFENSE FINANCE AND ACCOUNTING SERVICE

1931 JEFFERSON DAVIS HIGHWAY
ARLINGTON, VA 22240-5291

OCT 2 2 2003

MEMORANDUM FOR SITE DIRECTORS
CORPORATE RESOURCES FIELD OPERATIONS SITE MANAGERS
ADMINISTRATIVE SERVICES MANAGERS

SUBJECT: SPIRIT Site Assessment Reports

Attached is the Safety, Protection, Infrastructure, and Recovery Integration Team (SPIRIT) assessment summary report for your site. The report, developed by the SPIRIT contractor, Tactical Training Specialists (TTS), contains the results for each of the program areas assessed during the visit.

The opportunities for improvement, for each program area, contained in the report are being incorporated into a matrix for tracking and management. Mr. Art Kitt, Director, Contingency Planning, will be managing the corrective actions to ensure appropriate actions and resolutions are being undertaken. He and his staff will be working with the SPIRIT Program Managers, Administrative Services Managers, and Corporate Resources Field Operations Site Managers to track and report the correction actions.

The SPIRIT program is ongoing and these assessment reports will serve as the baseline for future site assessments to be conducted periodically by a government SPIRIT team. Thank you for your continued support of this initiative as we examine and improve the safety and security of our employees and physical assets.

If you have any questions regarding the report or this memorandum, please contact Art Kitt at (317) 510-2300 or email at arthur.kitt@dfas.mil.

Edward Kufeldt
Director, Corporate Planning

Audrey Eckhart
Director, Administrative Services

Attachment:
As stated

AFGE LOCAL 201
PO BOX 1304
ROME NY 13442-1304

DCN:11605

Your Financial Partner @ Work

DFAS BRAC Update

Brig Gen Jan D. Eakle
Deputy Director, Defense Finance and Accounting Service
June 14, 2005

BRAC 2005 Impact on DFAS

DCN: 4605

- 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

[redacted]

DFAS Transformation Footprint

DCN: 605

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

DCN:11605

Real Estate Fact Sheet

DFAS Denver

Host/Tenant Relationship:		Active Military Site
Annual Cost:	$5.7M	$13.95 sq ft
Space:	407.9K	278 sq ft/person
Number of DFAS Occupants: (Civilian, Military, and Contractors)		1.4K
Vacant Workstations:		463
Space Available for Build-Out:		None

Background:

- DFAS Denver is located on an Active Military Site, Buckley Annex, formerly Lowry Air Force Base. The property is considered federally retained property, property held by the military service after BRAC. The Annex falls under the command and control of Buckley Air Force Base, Denver Colorado. The Gilchrist Building was built in 1976. The Air Force Finance and Accounting Center, now DFAS, has been the anchor tenant in the building for over twenty-five years.

- DFAS Denver occupies space in three administrative buildings and one warehouse. The off-site warehouse is located two miles from the Buckley Annex. Buckley Air Force Base administers the ten-year leaseback for this building. There are seven years remaining on the leaseback.

- DFAS occupies space through an inter-service support agreement (ISA) with Buckley Air Force Base. The agreement is renewed as needed and reimbursement is based upon actual costs. Both the ISA and leaseback can be terminated with 180 days notice.

- Overall, the space occupied by DFAS Denver is in moderate condition with recurring maintenance and tenant improvements. Most furnishings date to the early 1990s.

Business Statistics:

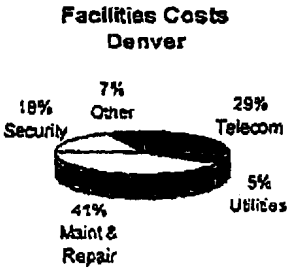
- The Acting Central Site Director for Denver is Mr. Marshal Gimpel, Acting Client Executive, Air Force Accounting.

- DFAS Denver is assigned a total of 371K gross square feet of space on the Annex as well as 36K square feet of offsite storage in support of site operations.

As of September 2004

- As of August 2004, approximately 1.4K Civilian, Military, and Contractors are located at DFAS Denver[1]. The following DFAS business lines are located at Denver:
  - Accounting Services
  - Commercial Pay Services
  - Military and Civilian Pay Services
  - Technology Services Organization
  - Corporate Elements
  - Corporate Resources

- Facilities related costs totaling $5.7M are projected for FY 04. Included in the costs are utilities, telecommunications, security, facilities maintenance and repair plus other incidental costs. DFAS Denver reimburses Buckley Air Force Base for base operations support costs.



- The average cost per square foot at DFAS Denver is $13.95 annually. The average space per person is 278 square feet.[2]

- Amenities found in the Gilchrist Building include a cafeteria, training facilities, gym/work out facilities with showers, video teleconferencing rooms, a sundry store, a credit union and auditorium. Break areas, on each floor, contain vending machines and microwaves for employees.

- There is limited excess space throughout the DFAS assigned space that could be made available through more compression of the work areas. DFAS Denver has aggressively returned excess space to the Air Force.

- There are 463 vacant workstations distributed throughout the DFAS space. Workstations are installed and fully wired, ready for immediate occupancy.

[1] Source: Civilian Flash Report and Military Personnel Strength Report – Aug 2004, Contractors as of Mar 2004.
[2] Based on the total square feet of space divided by the number of personnel at the site.

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Real Estate Fact Sheet

DFAS Columbus

Host/Tenant	Active Military Site	
Annual	$6.6M	$9.62 sq ft
Space:	685.9K	295 sq ft/person
Number of DFAS (Civilian, Military, and Contractors)		2.3K
Vacant		519
Space Available for Build-		None

Background:

- DFAS Columbus is located on an active Army installation. The Army issued a permit to Defense Logistics Agency (DLA) for the Defense Supply Center Columbus (DSCC). DFAS is a tenant at DSCC.

- DFAS occupies space in Buildings 21, 10, and 11 through a permit with the DLA and DSCC. This is an indefinite agreement, no termination date.
  - Building 21, the primary building, is seven stories plus a basement. This new construction, funded from the military construction (MILCON) appropriation for $81.3M, was completed in 1999.
  - Buildings 10 and 11 are old, single story, sectioned warehouse-style buildings used as administrative space and for storage. DFAS occupies two of the thirteen sections in each building.

- Overall, Building 21 is in good condition.

Business Statistics:

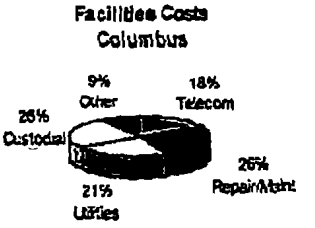
- The Central Site Director for Columbus is Ms. Nancy Zmyslinski, Client Executive for Defense Agency Accounting.

- DFAS is assigned a total of 685.9K square feet of space. Forty-three thousand square feet of space was returned to DSCC this fiscal year.

As of September 2004

- As of August 2004, approximately 2,319 Civilian, Military, and Contractors are located at DFAS Columbus[1]. The following DFAS business lines are located at Columbus:
  - Accounting Services
  - Commercial Pay Services
  - Military and Civilian Pay Services
  - Technology Services Organization
  - Corporate Elements
  - Corporate Resources

- Facilities related costs totaling $6.6M are projected for FY 04. Included in the costs are utilities, telecommunications, custodial contract, recurring maintenance and repair, plus other incidental costs.



- The average cost per square foot of space is $9.62 annually. The average space per person is 295 square feet[2].

- Amenities found in Building 21 include a refurbished cafeteria, training facilities, common use video teleconference centers, break rooms throughout the building, a sundry store, credit union, commercial travel office, and a conference center.

- There is available capacity at this location.
  - While the site appears to be fully utilized, there are approximately 519 vacant workstations distributed throughout with the majority held in Commercial Pay in anticipation of planned growth. Workstations are installed and fully wired; ready for immediate occupancy. Some compression of work units may be required.
  - Excess space, returned earlier this year, eliminated the unassigned space. There is space available outside the DFAS footprint in Buildings 10 and 11 though the space needs rehabilitation. Rehabilitation of Buildings 10 and 11 could be costly as some areas require sprinkler systems.

- Recently identified design flaws in the second floor overhang are being investigated by USACE. This flaw has also been identified in Building 20 which houses DSCC and is identical to the DFAS facility.
- The cafeteria kitchen renovation was completed on October 2004.
- Air curtains are being designed to deflect some of the airflow from the dock doorways.
- Anti-fragmentation film is currently being applied to the exterior windows as part of the anti-terrorism program.

Prepared by Jan Nordsiek, Corporate Resources, Support Services, 317-510-2336

[1] Source: Civilian Flash Report and Military Personnel Strength Report - Aug 2004, Contractors as of Mar 2004.
[2] Based on the total square feet of space divided by the number of personnel at the site.

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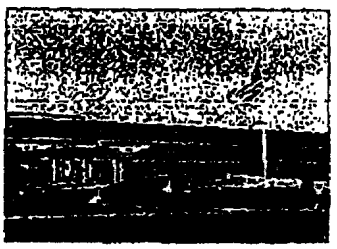
Real Estate Fact Sheet

DFAS Indianapolis



Host/Tenant Relationship:		GSA Federally Owned
Annual Cost:	$10.6M	$9.54 sq ft
Space:	1,108K	383 sq ft/person
Number of DFAS Occupants: (Civilian, Military, and Contractors)		2.9K
Vacant Workstations:		74
Space Available for Build-Out:		None

Background:

- DFAS Indianapolis is located in a federally owned, General Services Administration (GSA) building. The Major General Emmett J. Bean Center was built in 1953. The building was a cornerstone for the former Fort Benjamin Harrison. During the 1996 Base Closure and Realignment (BRAC), the building was withheld from the BRAC actions. The Army deeded the building to GSA effective 1999.

  The Bean Center building underwent a $123M renovation completed in 2003. The Army Finance Center, now DFAS, has been the anchor tenant in the building for over fifty years.
- DFAS leases space from GSA through an Occupancy Agreement (OA). The agreement is renewed every five years and terms of the agreement are based on the local market conditions. The current OA expires in May 2008.
- As the building was renovated with Department of Defense (DoD) funds, a special agreement between DoD and GSA requires a seven dollar per square foot reduction in the shell rate until the $123M investment is repaid, approximately twenty years. The seven dollar per square foot rebate applies to all DoD entities in the building.
  DFAS Indianapolis also maintains off-site warehouse space through a commercial lease administered by the U.S. Army Corps of Engineers.
- Both the OA and the lease for the off-site storage can be terminated with four months written notice.

As of January 2005

- The average cost per square foot at Indianapolis is $9.54 annually. The average space per person is 383 square feet.[3]

- Amenities found in the Bean Center include a full service cafeteria, training facilities, common use video teleconference center, one sundry store, a credit union and a large auditorium.

- There is excess space throughout the DFAS assigned space that could be made available through more compression of the work areas. Using a basic formula of 160 square feet per person against the total office space, an additional 1,000 personnel might be fit into the current footprint. Additional 98K square feet of space is available outside the footprint.

- There are also 74 vacant workstations distributed throughout the DFAS space. Workstations are installed and fully wired, ready for immediate occupancy.

Prepared by: Jan Nordsiek, Corporate Resources, Support Services, 317-510-2336

[3] Based on the total square feet of space divided by the number of personnel at the site.

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Military Essential Value - Rome

Sites	DoD Site	Terrorist Threat Assessment	Hiring Lag Time	Local Population Work Pool (1)	One of A Kind Process	Disn Point of Presence (1)	Facility Assessment	Disn Point of Presence (2)	Local Population Work Pool (3)	DISN Point of Presence (3)	Operating Cost Per Sq Foot	Locality Pay	TOTAL
	15%	5%	7%	3%	5%	5%	14%	3%	7%	5%	20%	11%	
ROME (Previous)	.00	.05	.059667	.002447	.00	.05	.00	.03	.003426	.05	.191831	.11	.547371
(Revised) Rome Number	.15	.05	.067729	.015596	.03	.05	.14	.03	.015596	.05	.191831	.11	.900752
	Co-located on DoD Retained Property NEADS/AF LAB		Used Indy Numbers because serviced by Indy. Rome grew by 25% so needed to normalize the numbers.	Utica/Rome/ Syracuse MSA	Classified Travel Vouchers and Iraq work.				Utica/Rome/ Syracuse MSA				

Cleveland Defense Industry Alliance

DCN:11605

Military Value:
Original MV Computation Error Correction

	JCSG MV/Rank	Corrected MV/Rank
Cleveland	.587/12	.633/12
Columbus	.668/7	.725/7
Denver	.803/3	.856/1
Indianapolis	.651/9	.688/9
Kansas City	.451/22	.493/23

Error was due to improper scaling in the Workforce Pool metric

Flaws in Military Value Assessment

- Flawed assumptions
  - Force protection
  - Workforce availability
- Flawed Data
  - Facility condition should be ranked "green"
  - Land availability
- Correct score should be at least .843 - above the three receiving sites

Cleveland Defense Industry Alliance

Return on Investment:
Mission Activity Summary Chart

	Excess Capacity - JCSG Report USF	Additional Excess Capacity - JCSG Report USF	Total USF Available	Total GSF Available (1)	Net Headcount Growth (2006 -2011)	Total GSF Needed (2)	GSF Shortage
Denver	13,631	-	13,631	17,039	357	71,400	(54,361)
Indianapolis	248,965	176,740	425,705	532,131	3,470	694,000	(161,869)
Columbus	186,062	-	186,062	232,578	1,337	267,400	(34,823)
	448,658	176,740	625,398	781,748	5,164	1,032,800	(251,053)

USF - Usable Square Footage

GSF - Gross Square Footage

(1) calculated by multiplying USF and a factor of 1.25. Factor methodology noted in the Final Capacity Analysis Report page 33.

(2) calculated by multiplying Net Headcount Growth and 200 GSF per person.

DCN 1605

Defense Finance and Accounting Service (DFAS)

American Federation of Government Employees Council 171

Ms. Kelley Dull - KS

Mr. Mark Durinski - Limestone

Mr. Ed Abounader - Rome, NY

AFGE Council 171

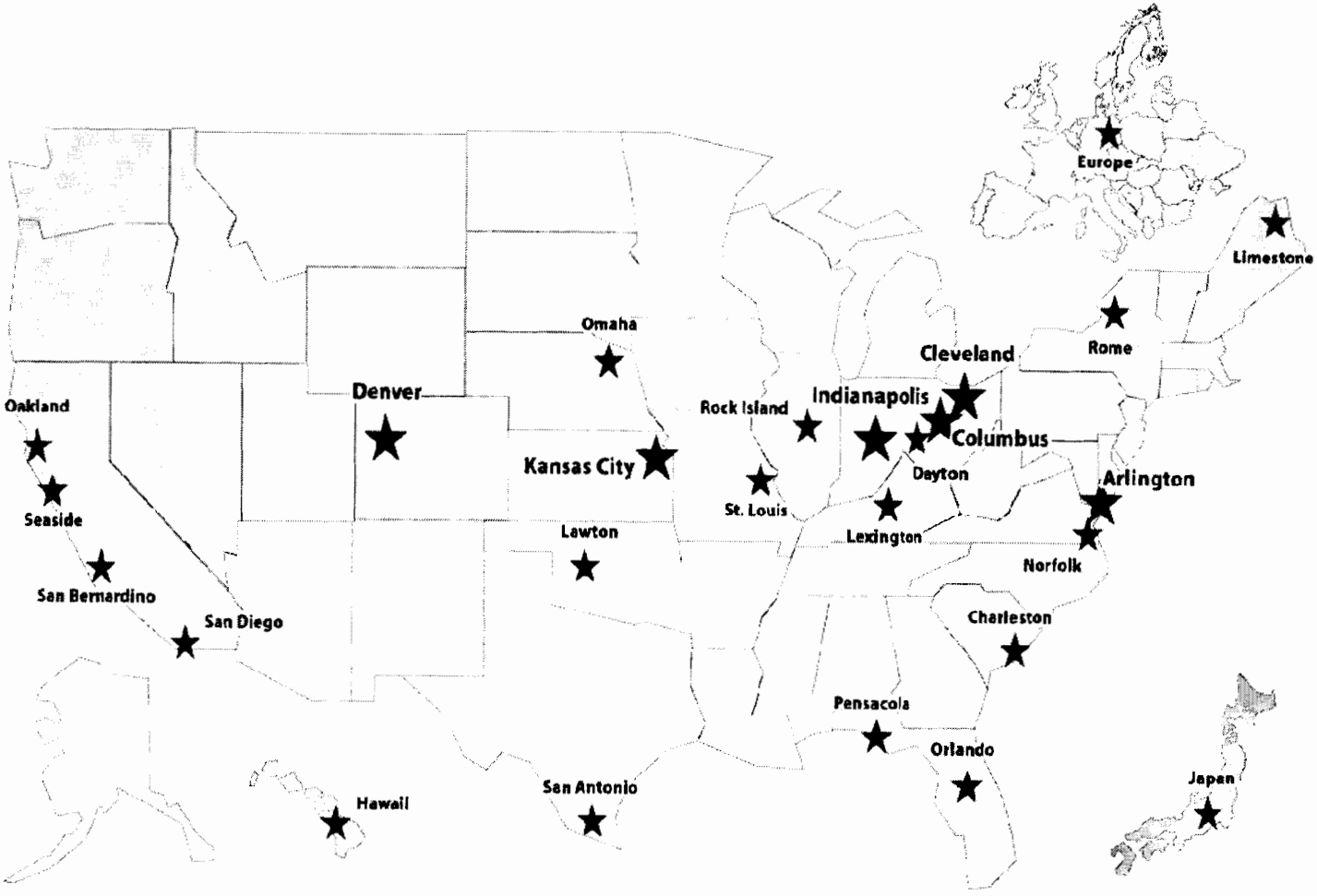
DCN 11605

- AFGE Council 171 represents over 14,000 bargaining unit employees nationwide.

- We service all military and civilian workers for the Department of Defense worldwide.

- DFAS sites include Arlington, Norfolk, Limestone, Rome, Lawton, Rock Island, St. Louis, San Antonio, Kansas City, Cleveland, Columbus, Indianapolis, Denver, San Bernadino, San Diego, Seaside, Hawaii, Orlando, Pensacola, Charleston, Dayton, Lexington, Omaha, Oakland,

DFAS - Who We Are



DCN 1605

DFAS Cost Analysis

- COBRA Report I and II
  COBRA model incomplete/incorrect- did not run all options.
  Inaccuracies resulted in sites with less military value being considered over sites with higher military value.

- DFAS sites were stood up at an investment cost of $173 Million renovating the aging buildings to meet standards.

- DoD projected $8-9 billion in savings over 20 years.

DFAS Contributing Factors

DCN 11605

- OAS surveys were not considered.
- Customer Satisfaction surveys were not considered.
- SPIRIT (Safety, Protection, Infrastructure, Recovery, Integration Team Report was not considered.
- Appearance of conflict of interest – gaining centers provided data for closing sites. Closing sites did not provide data.
- Application/data was not consistently applied.
- DFAS used BRAC to leverage realignment per Deputy Director DFAS briefing dated 6/14/2005.
- Many of the DFAS sites were located on prior BRAC closure facilities to help mitigate a previous round of BRAC.

DFAS Contributing Factors

DCN 11605

- Gaining centers do not meet force protection standards.
- Gaining sites do not meet military value criteria regarding availability and condition of land and facilities and associated airspace.
- Economic impact to communities was a criteria that carried no weight.
- DFAS investment in workforce was not considered. As an example over 80% of workforce in Limestone have some college or more, mostly funded by DFAS training funds. Loss of experience and expertise in specific military functions and systems would add additional costs.

AFGE Points and Concerns

DCN 11605

- Unique functions and systems, examples i.e., Kansas City – Marine Corps Total Force System (MCTFS), Cleveland-Reserve Component, Limestone – European Based workload, St. Louis and Rock Island-Standard Operation and Maintenance Army Research & Development Systems (SOMARDS), Logistics Modernization Program (LMP) Commodity Command Standard System (CCSS), Standard Industrial Fund System (SIFS).
- Locality Pay significantly higher at the gaining centers.
- Sq. ft. cost significantly higher at the gaining centers and they also have limited space availability to expand.
- Workforce metric failed to capture available financial workforce pool.

AFGE Concerns and Issues

DCN 11605

- Hiring factor – all done in Indy – people serviced by Indy should be rated the same as Indy.
- Senior DFAS management stated in a town hall meeting BRAC closures planned for completion within 2 yrs.
- In addition to BRAC, DFAS plans to implement National Security Personnel System (NSPS), Business Process Improvement (BPI), High Performance Organization (HPO), etc.
- Based on DFAS Senior management briefings, they plan to privatize approximately 3000 positions by 2011.
- Additionally, in the same briefing, DFAS states that BRAC provides opportunity to implement site consolidations utilizing BRAC funds for consolidation vice true savings to the taxpayer.

AFGE Concerns and Issues

DCN: 11605

- DFAS BRAC report states 55% of functions will be moved from Columbus, OH to Denver, Co. 30% of functions will be moved from Columbus, OH to Indianapolis, IN. Total 85%
- DFAS BRAC report states 60% if functions will be moved from Denver, CO to Columbus, OH or Indianapolis, IN.
- DFAS BRAC report states 30% functions will be moved from Indianapolis, IN to Columbus, OH or Denver, CO. "Who's on first?"
- Viable Alternative is to align by service with centers and supporting field sites to maintain integrity, customer service, continuity of operations potential (COOP) and systems/service commonalities.
- Columbus and Indy are on same power grid leaving them at risk for natural and man made disasters.

AFGE Concerns and Issues

DCN 11605

- Several sites have Most Efficient Organizations (MEO's).
- $173 Million to stand up DFAS in the 90's, $159 Million to close under current BRAC, $122 Million to stand up 3 mega centers equals $455 Million to standup, shut down and realign DFAS as stated.
- Savings in the first year $239,000. Savings through 2011 are projected at only $49 Million.
- DFAS performs several unique functions that use distinct systems to perform tasks (reserve component only in Cleveland, Marine Corps in Kansas City, European workload in Limestone and Rome, Army Materiel Command in St. Louis/Rock Island, confiscated Iraqi funds in Rome, Depot maintenance in Rock Island), and picking up these completely unique functions and moving them will not result in any efficiencies, only inefficiencies that come from training a new workforce.

AFGE Concerns and Issues

- Many of the figures used in the BRAC Closure recommendation are suspect. As an example the reported cost of leased space in Kansas City was estimated at approximately $16.00 per sq. ft. when in reality, the cost is approximately $9.00 per sq. ft. less joint use space.
- Estimates to move personnel out of Kansas City exceed $17 Million.
- The recommendation states that there is no possibility of expanding the current site locations. This is an untrue statement, as an example, the Bannister complex in K.C. has space availability of over 600,000 sq. ft. which will be available in the near future.
- Additionally the DFAS site in Indianapolis does not currently have enough space to accommodate the large number of employees recommended to move/be hired. DFAS will have to lease additional commercial space (161,869 GSF shortage).

AFGE Concerns and Issues

DCN 11605

- The COBRA Report inaccurately states that 3 sites would reduce the vulnerability of a terrorist attack when in reality it increases the potential for such an attack to occur. Does not make sense to "put all the eggs in one basket."
- Council 171 understands that realignment of sites may be required; however a realignment of this magnitude will decrease customer service, morale and productivity of employees. May also result in mission failure and degradation of service to the war fighters.
- Bottom Line – Service to our military men and women is out top priority. Those are "our" men and women. Our job is to ensure that our customers get paid (as well as the vendors that service them). Value to the taxpayer as well as the military remains a critical component of our work.

AFGE Concerns and Issues

DCN: 1605

- Due to the possibility of closure, many of the experienced personnel will not relocate as in the past. Traditionally, 12-15% of the employees will move while an informal surveys show that number to be much less.
- If all our expertise is lost, who will train those who are left?
- There is no question that the closures and proposed realignments effected by BRAC will reduce military capacity, harm national security, and have a negative impact on the Defense Department's (DoD) ability to accommodate the needs of combat troops.
- The timing of this BRAC is especially inappropriate because of current military engagements. DoD cannot say with any certainty when any portion of the 153,000 troops currently deployed in Iraq will be sent home. This fact alone raises questions about DoD's ability to forecast future needs and obligations.

AFGE Concerns and Issues

DCN 1605

- Stability of Service - Quote from the Chairman of the Joint Chiefs of Staff, "The QDR highlighted once again that our major strength is our men and women and that our highest priority must be their welfare and that of their families. We have as fine a force as we have ever fielded and it must be preserved for our nation's future. Only the highest quality, dedicated, and well trained personnel with first-class leaders will be able to succeed in the complex and fast-paced environment of future military operations. Recruiting and retaining the best people the United States has to offer, committing to their continual professional development, providing them with challenging and fulfilling careers, and ensuring their quality of life must remain our top priorities. Pay and benefits are only part of the answer. We must provide a reasonable degree of stability for our soldiers, sailors, airmen, and Marines after having committed them to operations, deployments, or hardship assignments."

AFGE Concerns and Issues

DCN 11605

- In Iraq, U.S. combat forces are still engaged actively in both offensive and defensive operations that make use of weapon systems and artillery manufactured, maintained, and repaired at U.S. military installations. In spite of assurances from DoD from as far back as spring 2003 that the Iraq war was over and hostilities were at an end, the Iraqi insurgency remains active and has kept combat forces on a war footing. Disruption of these processes may create great turmoil in the near future, a time when we can least afford it because of the current war efforts.

- DoD and Secretary Rumsfeld have not demonstrated that closing productive and efficient military facilities will enhance either the nation's security overall, or the safety or effectiveness of equipment provided to the combat troops currently in theater.

AFGE Points and Concerns

DCN 1605

- In conclusion: Council 171 understands that realignment of some sites may be necessary; however a realignment of this magnitude will decrease customer service, morale and productivity of employees and incur greater cost to the taxpayer. Based on the analysis of the current available data, the cost savings reported by DFAS/16 will not be achieved. It is our belief that the DFAS data is flawed and fraught with risk of mission disruption and quite possibly, mission failure.

DCN:11605

DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION
2521 CLARK STREET, SUITE 600
ARLINGTON, VIRGINIA 22202
(703) 699-2950

MEMORANDUM OF MEETING

DATE: July 8, 2005

TIME: 10:00 a.m.

MEETING WITH: Local Union (AFGE) Presidents DFAS Locations

SUBJECT: To discuss DFAS BRAC recommendation

PARTICIPANTS:

Kelly Dull, AFGE Local President, Kansas City, MO
Mark Durinski, Local President, Limestone, ME
Ed Abounader, Local President, Rome, NY

***Commission Staff*:**

Marilyn Wasleski, BRAC Analyst (Prepared memo)
Duke Tran, BRAC Economist
Karl Gingrich, COBRA Analyst

MEETING SUMMARY:

The three union presidents noted above were designated to represent the concerns at each of the DFAS sites. (Power point presentation and additional information provided are attached or under separate cover.) The following points were made during the meeting:

- Not all options were run. Sites with lower military value fared better than those with a higher military value.
- DoD in the last 10 years spent $173 million renovating many of the buildings that DFAS selected as sites when the agency was established. The MILCON was based on a 20 year pay back. As a result of the BRAC recommendation, many of these buildings will be abandoned prior to their expected payback. DoD expected $8-9 billion in savings over 20 years.
- Feel not accurate to give a site a "0" if it was not on a military facility. Some of the sites are still on military owned property and they still got a "0" in this rating factor.

- In terms of days it takes to hire. It was not understood by the group why there was so much variance in the numbers as all of the hiring is done through the Indianapolis office. They could not explain why Kansas City had the largest time to hire at 133 days.
- The group felt that sites that were not in large metropolitan areas were also penalized. If a site was not located in an MSA, the site got a score of "0". This was true at two sites—Limestone and Patuxunt River. The group felt that this was not an indicator of how well they site could hire additional personnel. They said the model is not reflective of all of the counties people come from.
- They group felt that the score on one of a kind processes was also not accurately reflected as sites with one of a kind processes did not credit under this rating factor.
- The group stated that consolidation of this magnitude will harm service to the servicemember. This is because it is anticipated that most of the people will not transfer to the gaining sites and many of the sites do perform unique services that are not learned overnight by someone new. This will cause major service disruption issues. They felt it could take up to a year to learn and fully understand some of the unique processes.
- It is anticipated that interest on vendor payments will go up during the transition. This is what happened historically when the agency was formed, plus has happened when work has been transferred among the sites.
- The group suggested that in addition to the three mega centers that there be designated a certain number of satellite centers under those sites. This will to ensure continuity of the work and reduce service disruption issues. It would also reduce the number of people who would need to transfer and the number of new people needed to hire and thus train and reduce interest payment increases. It would also allow people more options who wish to transfer.
- The Kansas City AFGE President stated that she was told that the price per sq ft the offices in Kansas City are $8.61 sq.ft. not the $16.21 sq. ft reported. She said she will try and get something in writing to confirm this point.
- The President of the local at Indianapolis has pointed out of number of problems with the consolidation also. He has said that the site does not meet DoD force protection standards. There would not be enough parking for all of the personnel expected to go to the site. There is also currently not enough available space in the building. The thought was that shift work may be required. All DFAS personnel are now required to obtain security clearances. The Indianapolis site was the first one required to have all of their staff obtain security clearances. As a result some of the staff are not passing the security clearance process and have to be let go.
- Hiring in larger metropolitan areas may pose hiring problem in that most of the DFAS jobs for accounting technicians are at the lower end of the wage scale. If the going rate for these types of jobs is greater in that area, it will be hard for DFAS to attract the large numbers of personnel they may need to hire. The question is will DFAS be able to get the best people.
- Hiring and obtaining security clearances for so many people at the gaining sites is also a concern brought forth by the group. This could be a very timely process.
- Economic impact on communities was a criteria that was not considered.
- DFAS senior management briefings have said that they plan to privatize approximately 3000 positions by 2011. If true, why ask people to move, only to have their job privatized?

7/8/05 DCN-11605 Location DFAS

Union - KC
- Linda
Pepe - Ron

Cobra run - not complete.

Fed info - not accurate to site.
Only used to calculate mil val -
was not accurate to their site

Fed - all on Mil val - not accurate
with County where on a
DOD County or not. -
some on DOD sites - so should get credit

All hiring ~~comes from~~ goes thru
Rindy - so should all be about
the same -

KC ~~person~~
Could not explain why 132 days

Population pool - talent to one city
does not make sense -
- The model not reflective of all
the counties where people come
from

Population wk pool - not reflective
of where pool people from

DCN:11605

(2)

(DT) — Labor Force + economic data
of the MSA data got 'o'

One of a kind — Process — all sites have different processes
St Louis / Rock Island run. Somards

MCTIFS at KS -

Takes another to learn all the new systems — —

Consolidation of this magnitude, will have service — loss of unique nature of services

MCTIFS — 3 elements may - 1 hold
- Berwyn
1 Broo

Vendor payments — when consolidate
Interest payments — will go up during the transition

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* Power Grid Questions to Cobra (Gary Hess) (3)

— Feel Have 3 mega centers —
+ have some field sites under
term for Sock yr —
satellite offices

Could pick up when needed — minimize
transition needs —
help stop vendor payment outbound
payments — gets up

K.S. own gender
like Houston

Indy + Columbus a since power grid

Sites attached to megacenters —
give people more options & transfer
+ minimize — training —

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(4)

GSA #s — feel wrong —
KS GSA — $8.61 / sq ft

— GSA —

— Indy — Fire Protection Issue

Hensor Debt Mgt moved to Denver —
have to do overtime at Denver to do w/ people clm 1/16

— 90-120 Sent Clerm Base —
— hy GS-5 ~ 6 — Acct & Tech
Similar one in PS can make more money

Any Comm find some people in Indy

— Rotating at Indy —
— Shift work.

They have hard time drive people at their wage grade
~~ll~~ they can make more ~~people on~~ in Private Sector

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(5)

- Will you get the best people - while losing good people

- Security Clearance Issues
  - losing people currently employed.

- DFAS raised security clearance of Techs

- Rome - 12 out of 380 have P-Sec

- Temporary people

All new people at Lindsey Tech at Limestone are Techs + Temps -